



ONLY WORLD GROUP HOLDINGS BERHAD
Registration No: 201201041977 (1033338-K)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 Months Ended		6 Months Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<i>Note</i>	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	17,064	5,502	18,083	18,965
Cost of sales	(14,137)	(12,416)	(22,339)	(28,470)
Gross profit/(loss)	2,927	(6,914)	(4,256)	(9,505)
Other income	679	1,418	1,095	1,923
	<u>3,606</u>	<u>(5,496)</u>	<u>(3,161)</u>	<u>(7,582)</u>
Selling and distribution expenses	(76)	41	(129)	(131)
Administrative expenses	(2,398)	(2,166)	(4,029)	(5,395)
Other expenses	(389)	(556)	(741)	(1,051)
Profit/(Loss) from operations	743	(8,177)	(8,060)	(14,159)
Finance costs	(1,164)	(1,710)	(3,164)	(3,950)
Loss before taxation	(421)	(9,887)	(11,224)	(18,109)
Taxation	1	50	(6)	-
Loss after taxation	(420)	(9,837)	(11,230)	(18,109)
Other comprehensive income	-	-	-	-
Total comprehensive expenses for the financial period	(420)	(9,837)	(11,230)	(18,109)
Loss after taxation attributable to:-				
- Owners of the Company	(418)	(9,835)	(11,227)	(18,104)
- Non-Controlling interests	(2)	(2)	(3)	(5)
	<u>(420)</u>	<u>(9,837)</u>	<u>(11,230)</u>	<u>(18,109)</u>
Total comprehensive expenses attributable to:-				
- Owners of the Company	(418)	(9,835)	(11,227)	(18,104)
- Non-Controlling interests	(2)	(2)	(3)	(5)
	<u>(420)</u>	<u>(9,837)</u>	<u>(11,230)</u>	<u>(18,109)</u>
Loss per share (sen) attributable to Owners of the Company				
- Basic	(0.10)	(3.34)	(2.81)	(6.15)
- Diluted	(0.10)	(3.34)	(2.75)	(6.15)

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2021 and the Explanatory Notes for the quarter ended 31 December 2021)



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**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/12/2021 (Unaudited) RM'000	As at 30/6/2021 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	134,641	143,903
Right-of-use assets	175,443	177,768
Intangible assets	219	219
Deferred tax assets	12,897	12,897
	323,200	334,787
CURRENT ASSETS		
Inventories	2,486	1,886
Trade receivables	2,331	2,281
Other receivables, deposits and prepayments	8,216	8,368
Current tax assets	2,820	2,653
Fixed deposits with licensed banks	33,775	33,476
Cash and bank balances	3,959	8,350
	53,587	57,014
TOTAL ASSETS	376,787	391,801
EQUITY AND LIABILITIES		
EQUITY		
Share capital	201,080	201,080
Reserves	(9,359)	1,868
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	191,721	202,948
Non-controlling interests	1,323	1,326
TOTAL EQUITY	193,044	204,274
NON-CURRENT LIABILITIES		
Leases liabilities	66,477	66,477
Long-term borrowings	71,054	71,054
Deferred tax liabilities	677	829
Deferred income	882	861
	139,090	139,221
CURRENT LIABILITIES		
Trade payables	4,342	4,025
Other payables, deposits received and accruals	22,747	22,851
Leases liabilities	9,725	11,521
Short-term borrowings	3,617	3,622
Bank overdrafts	4,172	6,237
Current tax liabilities	50	50
	44,653	48,306
TOTAL LIABILITIES	183,743	187,527
TOTAL EQUITY AND LIABILITIES	376,787	391,801
Net assets per share attributable to Owners of the Company (RM)	0.48	0.58

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2021 and the Explanatory Notes for the quarter ended 31 December 2021)



ONLY WORLD GROUP HOLDINGS BERHAD

Registration No: 201201041977 (1033338-K)

INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Warrant Reserve	Non-Distributable Merger Deficit	Revaluation Reserve	Capital Reserve	Distributable Retained Profits	Attributable To Owners of The Group	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 Months Ended 31 December 2021									
At 1 July 2021	201,080	20,033	(56,777)	18,096	1,200	19,316	202,948	1,326	204,274
Loss after taxation for the financial period	-	-	-	-	-	(11,227)	(11,227)	(3)	(11,230)
At 31 December 2021 (Unaudited)	201,080	20,033	(56,777)	18,096	1,200	8,089	191,721	1,323	193,044
6 Months Ended 31 December 2020									
At 1 July 2020	197,809	-	(56,777)	18,096	1,200	60,485	220,813	1,342	222,155
Loss after taxation for the financial period	-	-	-	-	-	(18,104)	(18,104)	(5)	(18,109)
Contribution by and distribution to owners of the Company:									
- issue right shares issued	23,948	-	-	-	-	-	23,948	-	23,948
- issuance of warrants	(21,135)	21,135	-	-	-	-	-	-	-
- right issued shares issuance expenses	(92)	-	-	-	-	-	(92)	-	(92)
- issuance of warrants expenses	-	(551)	-	-	-	-	(551)	-	(551)
	2,721	20,584	-	-	-	-	23,305	-	23,305
At 31 December 2020 (Unaudited)	200,530	20,584	(56,777)	18,096	1,200	42,381	226,014	1,337	227,351

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2021 and the Explanatory Notes for the quarter ended 31 December 2021)



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**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months Ended	
	31/12/2021 RM'000	31/12/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(11,224)	(18,109)
Adjustments for:-		
Depreciation of property, plant and equipment	11,547	11,407
Depreciation of right-of-use assets	2,588	5,232
Interest expense on lease liabilities	1,064	2,835
Other interest expense	2,100	1,115
Interest income	(330)	(274)
Operating profit before working capital changes	5,745	2,206
(Increase)/Decrease in inventories	(600)	469
(Increase)/Decrease in trade and other receivables	(2,322)	884
(Decrease)/Increase in trade and other payables	(848)	3,097
Cash generated from operations	1,975	6,656
Tax paid	(71)	(163)
Interest paid	(3,164)	(3,950)
NET CASH (USED IN)/GENERATED FROM OPERATIONS	(1,260)	2,543
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	330	274
Placement of fixed deposits	(299)	(862)
Purchase of property, plant and equipment	-	(362)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	31	(950)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares from right issue	-	23,948
Net repayment of hire purchase obligations/lease liabilities	(1,096)	(2,004)
Repayment to holding company	-	(9,138)
Shares issuance expenses paid	-	(643)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(1,096)	12,163
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,325)	13,756
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	2,546	(1,900)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	221	11,856
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposit with licensed banks	33,775	32,841
Cash and bank balances	3,959	20,590
Bank overdrafts	(4,172)	(8,734)
	33,562	44,697
Less: Fixed deposits pledged with licensed banks	(33,341)	(32,841)
	221	11,856

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2021 and the Explanatory Notes for the quarter ended 31 December 2021)



ONLY WORLD GROUP HOLDINGS BERHAD

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to these audited financial statements.

The Group has adopted merger accounting method for the preparation of this interim financial statements.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 30 June 2021 except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations which are applicable to the financial statements and are relevant to the operations:

During the current financial quarter, the Group has adopted the following new accounting standards and interpretations (including the consequences amendments, if any):-

Amendments/Improvements to MFRSs

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRS Standards	

The adoption of above amendments and interpretation did not result in any significant change to the accounting policies and did not have a material impact on the interim financial report of the Group.

A2. Significant Accounting Policies (Cont'd)

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date	
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 10, and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020		1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2021.

A4. Seasonal or Cyclical Factors

Our Group's operations are inherently seasonal in nature. The number of patrons usually increases during weekends and the holiday seasons.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no significant unusual items that effect the assets, liabilities, equity, net income or cash flow for the current financial quarter and financial year-to-date.

A6. Material Changes in Estimates

There were no changes in estimates that have any material effect for the current financial quarter and financial year-to-date results.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial year-to-date.

A8. Dividend Paid

There were no dividends paid or proposed during the current financial quarter and financial year-to-date.

A9. Segmental Information

Segmental information is presented in respect of the Group's business segment which form the primary basis of segmental reporting.

- (i) The segmental result for the six (6) months ended 31 December 2021 was as follows:

	Food Service Operations RM'000	Amusement and Recreation Operations RM'000	Other Services RM'000	Elimination RM'000	The Group RM'000
Segment revenue					
External revenue	8,307	7,783	1,993	-	18,083
Inter-segment revenue	1,139	32	126	(1,297)	-
Total revenue	<u>9,446</u>	<u>7,815</u>	<u>2,119</u>	<u>(1,297)</u>	<u>18,083</u>
Segment profit/(loss)	1,527	5,333	(1,115)	-	5,745
Depreciation of property, plant and equipment					(11,547)
Depreciation of right-of-use assets					(2,588)
Finance costs					(3,164)
Finance income					330
Loss before taxation					(11,224)
Taxation					(6)
Loss for the period					<u>(11,230)</u>

- (ii) The segmental result for the six (6) months ended 31 December 2020 was as follows:

	Food Service Operations RM'000	Amusement and Recreation Operations RM'000	Other Services RM'000	Elimination RM'000	Group RM'000
Segment revenue					
External revenue	11,460	5,606	1,899	-	18,965
Inter segment revenue	2,620	21	247	(2,888)	-
Total segment revenue	<u>14,080</u>	<u>5,627</u>	<u>2,146</u>	<u>(2,888)</u>	<u>18,965</u>
Segment profit/(loss)	5,046	823	(3,663)	-	2,206
Depreciation of property,					(11,407)
Depreciation of right-of-use					(5,232)
Finance costs					(3,950)
Finance income					274
Loss before taxation					(18,109)
Taxation					-
Loss for the period					<u>(18,109)</u>

A10. Capital Commitment

Capital commitment for property and equipment not provided for as at 31 December 2021 were as follows:-

	As at 31/12/2021 RM'000
Approved and not contracted for:- Refurbishment works and renovation of family attractions & food service outlets.	<u>2,431</u>

A11. Material Events During And Subsequent to the End of the Financial Period

On 1 October 2021, the Government announced that Selangor, Kuala Lumpur, Putrajaya, Melaka, and Kedah moved to National Recovery Plan ("NRP") Phase 3, as the overall R-naught infection value, number of daily infections, and ICU COVID-19 patient rates had dropped in those states. On 10 October 2021, interstate travel and domestic travel was allowed for all fully vaccinated Malaysians from 11 October 2021, as announced by the Government. Kuala Lumpur, Selangor, Putrajaya, and Melaka were subsequently moved to NRP Phase 4 on 18 October 2021. On 29 November 2021, both Malaysia and Singapore launched its air and land Vaccinated Travel Lane (VTL) between both countries simultaneously. On 8 February 2022, the National Recovery Committee agreed to recommend to the Government to fully reopen Malaysia's borders for all international visitors from 1 March 2022 without the need for mandatory COVID-19 quarantine.

A12. Changes in Composition of the Group

There were no changes in composition of the Group during the current financial year under review.

A13. Contingent Liabilities or Contingent Assets

The Company provides corporate guarantees amounting to RM64.2 million to licensed banks and financial institutions for credit facilities granted to certain subsidiaries. No provisions are recognized on the above liabilities as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

There were no contingent assets as at the date of this report.

A14. Related Party Disclosures

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
(i) Entities controlled by certain key management personnel:- Rental income	45	54	45	54
(ii) Directors:- Rental expense	<u>(270)</u>	<u>(270)</u>	<u>(270)</u>	<u>(270)</u>



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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

(i) Current Quarter vs Preceding Year Corresponding Quarter

	3 Months Ended		Changes	
	31/12/2021	31/12/2020	RM'000	%
Revenue	17,064	5,502	11,562	210%
EBITDA	7,688	159	7,529	4735%
Loss before taxation	(421)	(9,887)	9,466	96%

The Group recorded revenue, EBITDA and loss before taxation of RM17.1 million, RM7.7 million and RM0.4 million respectively for the current financial quarter ended 31 December 2021. The revenue increased by RM11.6 million or approximately 210% as compared to the revenue of RM5.5 million recorded for the corresponding 3-months financial quarter ended 31 December 2020.

The Food Service Operations segment recorded an increase in revenue of RM4.8 million to RM7.7 million in the current financial quarter when compared with the preceding year's corresponding quarter of RM2.9 million due to the reopening of the Group's food service outlets and higher business volume as a result of the lifting of interstate and domestic travel restrictions on 11 October 2021.

The Amusement and Recreation Operations segment recorded revenue of RM7.7 million for the current financial quarter, which is RM6.2 million higher when compared with the preceding year's corresponding quarter of RM1.5 million, as all of the Group's amusement and recreation parks are allowed to operate after the interstate travel and domestic travel restrictions lifted on 11 October 2021.

The Other Services segment recorded revenue of RM1.6 million for the current financial quarter, which is RM0.6 million higher when compared with the preceding year's corresponding quarter of RM1.0 million due to higher volume of business, as a result of the lifting of interstate travel and domestic travel restrictions on 11 October 2021.

The increase in revenue arising from the higher business volume had contributed to a higher EBITDA and lower loss before taxation for the current financial quarter of RM7.7 million and RM0.4 million respectively, as compared to the preceding year corresponding quarter.

B1. Performance Review (Cont'd)

(ii) Current Year-to-date vs Preceding Year Corresponding Year-to-date

	6 Months Ended		Changes	
	31/12/2021	31/12/2020	RM'000	%
Revenue	18,083	18,965	(882)	-5%
EBITDA	5,745	2,206	3,539	160%
Loss before taxation	(11,224)	(18,109)	6,885	38%

The Group achieved revenue, EBITDA and loss before taxation of RM18.1 million, RM5.7 million and RM11.0 million respectively for the 6-months financial period ended ("FPE") 31 December 2021. The revenue of RM18.1 million represented a decrease of RM0.9 million or approximately 5% as compared to the revenue of RM19.0 million recorded for the preceding year corresponding 6-months period for the FPE 31 December 2020. The "Food Service Operations" and "Amusement and Recreation Operations" were the key contributors to the Group's revenue. Out of the Group's revenue of RM18.1 million, approximately 46% was from the segment of "Food Service Operations", as whilst approximately 43% was from the segment of "Amusement and Recreation Operations", and the remaining 11% was contributed by Other Services.

The Food Service Operations segment recorded decrease in revenue of RM3.1 million to RM8.3 million in the current 6-months FPE 31 December 2021 when compared with the preceding year corresponding 6-months FPE 31 December 2020 of RM11.4 million, mainly due to the Group's closure of the outlets and lower business volume as a result of the total lockdown implemented by the Government to curb the spike of COVID-19 pandemic which was effective from 1 June 2021 until 10 October 2021.

The Amusement and Recreation Operations segment recorded increase in revenue of RM2.2 million from RM5.6 million in the preceding year corresponding 6-months FPE 31 December 2020 when compared with the current year 6-months FPE 31 December 2021 of RM7.8 million. It was due to the increase in the number of footfalls to the Group's amusement and recreation parks after the interstate travel and domestic travel restrictions lifted on 11 October 2021.

The Other Services segment recorded a revenue of RM2.0 million in the current 6-months FPE 31 December 2021 which is RM0.1 million higher compared to the preceding year corresponding 6-months FPE 31 December 2020 of RM1.9 million. It was mainly due to higher volume of business, as a result of the lifting of interstate travel and domestic travel restrictions on 11 October 2021.

Loss before taxation for the current 6-months FPE 31 December 2021 was RM11.2 million as compared to loss before taxation of RM18.1 million of the preceding year corresponding FPE 31 December 2020. The decrease in loss before taxation of RM6.9 million was mainly due to improvement in the revenue after the lifting of interstate travelling restrictions and the effects of strict costs control measurements imposed by the Group.

B2. Material Changes in Profit Before Taxation compared with the Immediate Preceding Quarter

	3 Months Ended		Changes	
	31/12/2021	30/9/2021	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	17,064	1,019	16,045	1575%
EBITDA/(LBITDA)	7,688	(1,943)	9,631	496%
Loss before taxation	(421)	(10,803)	10,382	96%

The Group recorded revenue, EBITDA and loss before taxation of RM17.1 million, RM7.7 million and RM0.4 million respectively for the current financial quarter ended 31 December 2021. The revenue increased by RM16.0 million or approximately 1575% as compared to the revenue of RM1.0 million recorded for the immediate preceding financial quarter ended 30 September 2021.

The increase in revenue was arising from the reopening of the Group's outlets and higher business volume which had contributed to a EBITDA and loss before taxation for the current financial quarter of RM7.7 million and RM0.4 million respectively as compared to a LBITDA and loss before taxation of RM1.9 million and RM10.8 million respectively for the immediate preceding quarter ended 30 September 2021.

B3. Coming Year Prospects

On 11 October 2021, Malaysia lifted interstate travel and domestic travel restrictions for residents fully vaccinated against COVID-19. Notwithstanding the Group's businesses are reopened, there are new operating procedures whereby restricted capacity would be implemented at our outlets. Demand-side is also expected to gradually recover, as customers confidence level needs to be rebuilt. Further, their travel behaviour will also be more deeply impacted the longer the pandemic goes on.

On 29 November 2021, the programme of Vaccinated Travel Lane (VTL) between Malaysia and Singapore was launched. The launching of the VTL-Land also coincided with VTL-Air which will enhance further bilateral and economic relations between both countries. Travellers who are fully vaccinated are allowed to travel via the VTL programme. Further on 8 February 2022, the National Recovery Committee agreed to recommend to the Government to fully reopen Malaysia's borders for all international visitors from 1 March 2022 without the need for mandatory COVID-19 quarantine. As such, Malaysia's tourism industry might expect an increase in demand in the first half of year 2022. Our Group remains positive and poised to leverage on opportunities arising from the launching of VTL and the reopening of borders and our Group will also continue to re-strategize our business plan to adapt to the changing environment.

B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate previously in any document.

B5. Notes to the Statement of Profit or Loss and Other Comprehensive Income

Loss before taxation is stated after charging/(crediting):-

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	5,781	5,624	11,547	11,407
Depreciation of right-of-use assets	1,321	2,679	2,588	5,232
Finance costs	1,164	1,710	3,164	3,950
Finance income	(157)	(143)	(330)	(274)

Save for the above, the other items as required under Paragraph 16, Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

B6. Taxation

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian - current	(1)	(50)	6	-
	<u>(1)</u>	<u>(50)</u>	<u>6</u>	<u>-</u>

The Group's effective tax rate for the current financial period was higher than the statutory tax rate mainly due to certain expenses which are non-tax deductible. Losses incurred by certain subsidiary companies were also not available to set off against taxable profits in other companies within the Group.

B7. Status of Corporate Proposals Announced

On 22 June 2020, on behalf of the Board of Directors of Only World Group Holdings Berhad (“**OWG**” or “**Company**”), Public Investment Bank Berhad (“**PIVB**”) announced that the Company proposed to undertake a renounceable rights issue of up to 160,259,996 new ordinary shares in OWG (“**OWG Share(s)**”) (“**Rights Share(s)**”) together with up to 80,129,998 free detachable warrants in OWG (“**Warrant B**”) on the basis of 2 Rights Shares together with 1 Warrant B for every 5 existing OWG Shares held by the shareholders of the Company on an entitlement date to be determined and announced later (“**Proposed Rights Issue with Warrants**”).

On 10 August 2020, the listing application in relation to the Proposed Rights Issue with Warrants has been submitted to Bursa Securities and on 8 September 2020, Bursa Securities had given its approval. Subsequently, the Rights Issue with Warrants was approved by the shareholders at the Extraordinary General Meeting on 30 September 2020.

The Rights Issue with Warrants was completed following the listing of and quotation for 114,039,965 Rights Shares, 57,019,981 Warrants B and 17,189,050 additional Warrants A on the Main Market of Bursa Securities on 2 December 2020. The total proceeds raised from the Rights Issue with Warrants is RM23.9 million.

The status of the utilisation of proceeds derived from the corporate proposal by the company as at 31 December 2021 are as follows:-

	(a) Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Unutilised proceeds (RM'000)	Time frame for utilisation of proceeds from the date of listing of the Rights shares
Set-off arrangement	9,137	9,137	-	Immediate
Repayment of bank borrowing	-	-	-	Within 6 months
Working capital requirements (b)	14,168	14,168	-	Within 12 months
Estimated expense arising from the Rights Issue with Warrants (c)	643	643	-	Immediate
Total	<u>23,948</u>	<u>23,948</u>	<u>-</u>	

B7. Status of Corporate Proposals Announced (cont'd)

Notes:

(a) The proposed utilisation of the proceeds is based on the actual proceeds raised upon the completion of the Rights Issue with Warrants, which is a scenario in between the Minimum Scenario and Maximum Scenario as disclosed in the circular to shareholders dated 15 September 2020 (“Circular”) and abridged prospectus dated 3 November 2020 (“Abridged Prospectus”) in respect of the Rights Issue with Warrants. The actual proceeds raised of RM23.9 million represents additional proceeds raised of RM11.0 million as compared to the Minimum Scenario of RM12.9 million. For ease of reference, the proposed utilisation as disclosed in the Circular and Abridged Prospectus are as follows:

Proposed utilisation	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Estimated timeframe for utilisation of proceeds from the date of listing of the Right Shares
Set-off arrangement	9,137	9,137	Immediate
Repayment of bank borrowing	-	8,500	Within 6 months
Working capital requirements	3,075	15,318	Within 12 months
Estimated expense arising from the Rights Issue with Warrants	700	700	Immediate
Total	12,912	33,655	

(b) Based on the quarterly report of OWG for the financial period ended 31 December 2020 (“QR FPE 31 December 2020”), the Group had initially intended to utilise RM8.5 million to pare down its bank borrowings. However, in February 2021, the Group had been granted a moratorium from a financial institution for the repayment of its bank borrowings which is effective from 2021 until 2022. In view of the aforementioned moratorium, the amount allocated for the repayment of bank borrowings of RM8.5 million as disclosed in the QR FPE 31 December 2020 has now been re-allocated to meet the Group’s working capital requirements for its day-to-day operations.

(c) Slight deviation due to lower actual expenses incurred. The excess amount has been reallocated for the Group’s working capital requirements.

B8. Group Borrowings

	As at 31/12/2021 RM'000	As at 30/6/2021 RM'000
Long-term borrowings		
Secured:		
Term loans	71,054	71,054
	71,054	71,054
Short-term borrowings		
Secured:		
Term loans	3,617	3,622
	3,617	3,622
Total borrowings	74,671	74,676

B9. Changes in Material Litigation

There is no material litigation involving the Group subsequent to 30 June 2021 and up to the date of this interim Financial Report.

B10. Dividends

No dividend was declared for the current financial quarter and financial year-to-date.

B11. Earnings Per Share ("EPS")

(i) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Loss attributable to Owners of the Company (RM'000)	(418)	(9,835)	(11,227)	(18,104)
Weighted average number of ordinary shares in issue ('000)	399,140	294,473	399,140	294,473
Basic loss per share (sen)	<u>(0.10)</u>	<u>(3.34)</u>	<u>(2.81)</u>	<u>(6.15)</u>

(ii) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Loss attributable to Owners of the Company (RM'000)	(418)	(9,835)	(11,227)	(18,104)
Weighted average number of ordinary shares in issue ('000)	399,140	294,473	399,140	294,473
Adjustment for potential conversion of warrants ('000)	9,141	-*	9,141	-*
	<u>408,281</u>	<u>294,473</u>	<u>408,281</u>	<u>294,473</u>
Diluted loss per share (sen)	<u>(0.10)</u>	<u>(3.34)</u>	<u>(2.75)</u>	<u>(6.15)</u>

* Potential ordinary shares arising from conversion of warrants are not included in the calculation of diluted earnings per share because they are anti-dilutive.

B12. Material uncertainty disclosed in the Independent Auditors' Report

The auditors' report on the Group's financial statements for the financial year ended 30 June 2021 contained the following disclosure on material uncertainty related to going concern:

"We draw attention to Note 4.2 in the financial statements, which indicates that the Group incurred a loss after taxation of RM42,036,951 during the financial year ended 30 June 2021 and, as of that date, the Group recorded net cash operating outflows of RM2,445,075. The Malaysian economy, in particular the tourism industry, faces uncertainty over the expected timing of recovery of the COVID-19 pandemic. The travel and border restrictions implemented by the Malaysian Government has led to a significant fall in demand for tourism industry which impacted the Group's financial performance and cash flows. As stated in Note 4.2, these events or conditions, together with other matters as set forth in Note 4.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The recent development and implementation of the national vaccination programme against the COVID-19 pandemic in Malaysia, easing of Movement Control Order ("MCO") by allowing fully vaccinated population to travel interstate and the re-opening of theme parks and family attractions provide a positive outlook for the tourism industry in Malaysia. Further details are disclosed in Note 4.2 to the financial statements.

Our opinion is not modified in respect of this matter."

The key audit matters reported in the Independent Auditor's Report are as follows:

(a) Impairment Assessment of Property and Equipment and Right-of-use Assets	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 30 June 2021, the Group has property and equipment and right-of-use assets amounting to RM143.9 million and RM177.8 million respectively which accounted for approximately 82.1% of the Group's total assets.</p> <p>All subsidiaries of the Group with material property and equipment and right-of-use assets balances have recorded losses. As such, this is an indication that these assets may be subject to impairment.</p> <p>Given the nature of these property and equipment and right-of-use assets, the assessment of impairment involves the application of significant judgement. Accordingly, we consider this to be a key audit matter.</p> <p>Please refer to the disclosures in the following Notes to the financial statements:-</p> <ul style="list-style-type: none"> · Note 5.1(b) - critical accounting estimates and judgements; · Notes 5.7 and 5.9 - accounting policies; · Note 7 - property and equipment; and · Note 9 - right-of-use assets. 	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Reviewed the management's estimate on the financial forecast, to derive at the value in use of these assets; • Amongst the procedures on reviewing the financial forecasts are as follows:- <p>(a) held discussions with the management to understand the basis of the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of these assets;</p> <p>(b) reviewed and challenged the key business drivers underpinning the forecasts prepared;</p> <p>(c) evaluated the appropriateness and reasonableness of the key assumptions by comparing trend analysis, historical results and our understanding of the business;</p> <p>(d) performed sensitivity analysis over the key assumptions to understand the impact of changes over the forecasts;</p> <p>(e) challenged the appropriateness of the discount rate used in deriving at the net present value;</p> <p>(f) assessed the arithmetical accuracy of the computations used in assessing the recoverable amount of the CGUs.</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the Group's disclosures.

B12. Material uncertainty disclosed in the Independent Auditors' Report (cont'd)

The key audit matters reported in the Independent Auditor's Report are as follows: (cont'd)

(b) Recognition of Deferred Tax Assets	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 30 June 2021, the Group recognised deferred tax assets amounting to RM12.9 million in relation to unutilised investment tax allowances, unabsorbed capital allowances, unused tax losses and other deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences can be utilised.</p> <p>The assessment of future taxable profits is a complex process and requires significant management's judgement, in particular the expected future economic condition of the industry which impact the revenue growth rates and operating costs of the entities being assessed.</p> <p>In view of the significance of the amount and the significant judgement involved, we consider this to be a key audit matter.</p> <p>Please refer to the disclosures in the following Notes to the financial statements:-</p> <ul style="list-style-type: none"> · Note 5.1(f) - critical accounting estimates and judgements; · Note 5.16(b) - accounting policies; and · Note 11 - deferred tax assets. 	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Reviewed the management's estimate on the future taxable profits prepared based on the financial forecast to derive at the future taxable profits for the next 3 financial years; • We have reviewed the following to derive of the future taxable profits:- <ul style="list-style-type: none"> (a) capital allowances on qualifying assets; (b) non-deductible expenses and non-taxable income; and (c) corporate tax rate used. • Reviewed the adequacy of the Group's disclosures.

In response to the material uncertainty related to going concern, the Group has taken the following actions:

- (a) Certain subsidiaries of the Company have been granted loan moratorium by licensed banks to defer of their term loans' principal repayments. The details of the various deferments are disclosed in Note 43(c), (d), (e), (f) and (g) to the financial statements. These subsidiaries have not defaulted in the repayment of instalments.
- (b) During the financial year ended 30 June 2021, the Group has undertaken a fund raising exercise and raise proceeds of approximately RM23.9 million to be utilised for working capital purposes arising from the issuance of Rights Shares pursuant to the Rights Issue with Warrant exercise. The details of the fund raising exercise are disclosed in Notes 18(b) and 43(b) to the financial statements.
- (c) The Group has significantly reduced and deferred all capital expenditure during the financial year ended 30 June 2021. The Group intends to continue with this practise, at least, in the subsequent financial year.
- (d) The management has continued to exercise cost control measures in order to reduce operating expenses and to preserve cash balances.
- (e) The Group has obtained a letter of financial support from its holding company where the holding company has indicated its willingness to provide financial support to the Group through the exercise of Warrants B which will provide proceeds of RM10.77 million, as and when requested by the management. The financial support will not be withdrawn, at least 12 months from the date of this reporting.

The management has also considered the reported high vaccination rate in Malaysia which has led the Malaysia Government to ease the MCO by allowing fully vaccinated population to travel interstate and gradually reopen the Malaysian economy. On 1 October 2021, the Malaysian Government further announced that theme parks and family attractions can re-open. Hence, the Group has resumed most of its operations in October 2021.

B12. Material uncertainty disclosed in the Independent Auditors' Report (cont'd)

The Board of Directors is satisfied that the actions taken by management are appropriate to enable the Group to meet its obligations as and when they fall due in the foreseeable future. Accordingly, the Board of Directors is of the opinion that the going concern basis used in the preparation of the Group's financial statements are appropriate.

B13. Derivative financial instruments

The Group does not have any derivative financial instruments as at the end of the quarter.

B14. Gain/losses arising from fair value changes of financial liabilities

There were no material gains or losses arising from fair value changes of financial liabilities during the current financial quarter and the financial year to date under review.

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