

**OLYMPIA INDUSTRIES BERHAD**

(Company no. 63026-U)

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
For the Second Quarter ended 31 December 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31 Dec 2011 RM'000	Comparative quarter ended 31 Dec 2010 RM'000	Current period to date 31 Dec 2011 RM'000	Comparative period to date 31 Dec 2010 RM'000
<b>1 Continuing Operations</b>				
Revenue	47,485	47,544	94,165	93,975
Operating expenses	(45,007)	(50,406)	(96,789)	(97,866)
Other income	10,085	4,892	16,085	8,102
Other expenses	(688)	(107)	(30,061)	(107)
<b>Operating profit/(loss)</b>	<b>11,875</b>	<b>1,923</b>	<b>(16,600)</b>	<b>4,104</b>
Finance costs	(3,545)	(3,896)	(7,211)	(7,578)
<b>Profit/(loss) before tax</b>	<b>8,330</b>	<b>(1,973)</b>	<b>(23,811)</b>	<b>(3,474)</b>
Income tax expense	(211)	(26)	386	(334)
<b>Profit/(loss) net of tax</b>	<b>8,119</b>	<b>(1,999)</b>	<b>(23,425)</b>	<b>(3,808)</b>
<b>Other Comprehensive Income</b>				
Foreign currency translation	(21)	145	(28)	179
<b>Total Comprehensive Income/(Expense) for the period</b>	<b>8,098</b>	<b>(1,854)</b>	<b>(23,453)</b>	<b>(3,629)</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the parent	8,052	(2,405)	(21,526)	(3,566)
Non-controlling interests	67	406	(1,899)	(242)
	8,119	(1,999)	(23,425)	(3,808)
<b>Total Comprehensive Income/(Expense) attributable to:</b>				
Owners of the parent	8,031	(2,260)	(21,554)	(3,387)
Non-controlling interests	67	406	(1,899)	(242)
	8,098	(1,854)	(23,453)	(3,629)
<b>2 Profit/(loss) per share attributable to owners of the parent (sen)</b>				
(i) Basic	1.0	(0.3)	(2.8)	(0.5)
(ii) Diluted	0.7	(0.1)	(1.7)	(0.1)

The Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the Interim Financial Statements .

**OLYMPIA INDUSTRIES BERHAD**  
(Company no. 63026-U)

**Unaudited Condensed Consolidated Statement of Financial Position**  
**As at 31 December 2011**

	As at 31 Dec 2011 RM'000 (Unaudited)	As at 30 June 2011 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	5,116	5,455
Land held for property development	164,556	164,556
Investment properties	243,450	243,450
Investment in associates	885	233
Long term receivables	141,643	136,853
Deferred tax assets	8,675	10,899
	<b>564,325</b>	<b>561,446</b>
<b>Current Assets</b>		
Property development costs	195,840	194,910
Inventories	8,092	9,380
Amount due from associates, net	252	215
Trade and other receivables	117,894	183,615
Investment securities	14,133	8,393
Trust monies	125,369	97,151
Cash and bank balances	32,467	38,780
	<b>494,047</b>	<b>532,444</b>
<b>Disposal group and non-current assets classified as held for sale</b>	-	<b>10,645</b>
<b>TOTAL ASSETS</b>	<b>1,058,372</b>	<b>1,104,535</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share Capital	771,485	770,704
"B" Class Redeemable Convertible Cumulative Preference Shares ("RCCPS-B")	22,989	22,989
Irredeemable Convertible Bonds ("ICB")	74,744	128,384
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	301,834	269,923
Other Reserves	(225,411)	(225,398)
Accumulated losses	(346,065)	(310,455)
	<b>599,576</b>	<b>656,147</b>
<b>Non-controlling interests</b>	<b>8,836</b>	<b>10,735</b>
<b>TOTAL EQUITY</b>	<b>608,412</b>	<b>666,882</b>
<b>Non-Current Liabilities</b>		
Loans and borrowings	115,957	117,999
Deferred tax liabilities	159	164
	<b>116,116</b>	<b>118,163</b>
<b>Current Liabilities</b>		
Amount due to affiliated companies, net	5,781	4,290
Trade and other payables	236,887	219,274
Loans and borrowings	81,398	81,325
Tax payable	9,778	13,587
	<b>333,844</b>	<b>318,476</b>
<b>Liabilities associated with disposal group classified as held for sale</b>	-	<b>1,014</b>
<b>TOTAL LIABILITIES</b>	<b>449,960</b>	<b>437,653</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,058,372</b>	<b>1,104,535</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	0.78	0.85

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the Interim Financial Statements .

**OLYMPIA INDUSTRIES BERHAD**

(Company no. 63026-U)

**Unaudited Condensed Consolidated Statement Of Changes In Equity  
For the Period Ended 31 December 2011**

	Attributable to owners of the parent							Non-Controlling Interests RM'000	Total Equity RM'000	
	Non-distributable reserves					Merger Deficit RM'000	Accumulated Losses RM'000			Total RM'000
	Share Capital RM'000	*Other Reserves RM'000	Equity Component of							
		ICULS RM'000	ICB RM'000	RCCPS-B RM'000						
<b>Balance at 1 July 2011</b>	770,704	8,486	269,923	128,384	22,989	(233,884)	(310,455)	656,147	10,735	666,882
<b>Total Comprehensive Expense</b>	-	(28)	-	-	-	-	(21,526)	(21,554)	(1,899)	(23,453)
<b>Changes in equity for the period</b>										
Conversion of ICULS	781	15	(814)	-	-	-	45	27	-	27
Cancellation of ICB	-	-	-	(53,640)	-	-	(14,129)	(67,769)	-	(67,769)
Reversal of elimination of ICULS to a subsidiary	-	-	32,725	-	-	-	-	32,725	-	32,725
	781	15	31,911	(53,640)	-	-	(14,084)	(35,017)	-	(35,017)
<b>Balance at 31 December 2011</b>	771,485	8,473	301,834	74,744	22,989	(233,884)	(346,065)	599,576	8,836	608,412

**\*Other Reserves**

Asset Revaluation Reserve RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	**Capital Reserve RM'000	Total RM'000
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<b>Balance at 1 July 2011</b>	84	5,344	1,458	1,600	8,486
<b>Total comprehensive Expense</b>	-	-	(28)	-	(28)
<b>Changes in equity for the period</b>					
Conversion of ICULS	-	15	-	-	15
<b>Balance at 31 December 2011</b>	84	5,359	1,430	1,600	8,473

**Unaudited Condensed Consolidated Statement Of Changes In Equity  
For the Corresponding Period Ended 31 December 2010**

	Attributable to owners of the parent							Non-Controlling Interests RM'000	Total Equity RM'000	
	Non-distributable reserves					Merger Deficit RM'000	Accumulated Losses RM'000			Total RM'000
	Share Capital RM'000	*Other Reserves RM'000	Equity Component of							
		ICULS RM'000	ICB RM'000	RCCPS-B RM'000						
<b>Balance at 1 July 2010</b>	757,532	9,935	283,011	143,519	22,989	(233,884)	(271,847)	711,255	8,570	719,825
Effects of adopting FRS 139	-	-	-	-	-	-	(29,638)	(29,638)	-	(29,638)
Restated balance	757,532	9,935	283,011	143,519	22,989	(233,884)	(301,485)	681,617	8,570	690,187
<b>Total Comprehensive Expense</b>	-	179	-	-	-	-	(3,566)	(3,387)	(242)	(3,629)
<b>Changes in equity for the period</b>										
Conversion of ICULS	648	12	(676)	-	-	-	57	41	-	41
<b>Balance at 31 December 2010</b>	758,180	10,126	282,335	143,519	22,989	(233,884)	(304,994)	678,271	8,328	686,599

**\*Other Reserves**

Asset Revaluation Reserve RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	**Capital Reserve RM'000	Total RM'000
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<b>Balance at 1 July 2010</b>	2,234	5,096	1,005	1,600	9,935
<b>Total Comprehensive Income</b>	-	-	179	-	179
<b>Changes in equity for the period</b>					
Conversion of ICULS	-	12	-	-	12
<b>Balance at 31 December 2010</b>	2,234	5,108	1,184	1,600	10,126

\*\* The capital reserve arose from the issuance of shares in a subsidiary at a premium to minority shareholders.

# OLYMPIA INDUSTRIES BERHAD

(Company no. 63026-U)

## Unaudited Condensed Consolidated Statement of Cash Flows For the Period Ended 31 December 2011

	<b>Current Period To Date 31 Dec 2011 RM'000</b>	<b>Comparative Period To Date 31 Dec 2010 RM'000</b>
<b>Operating Activities</b>		
Loss before tax	(23,811)	(3,474)
<u>Adjustments for :-</u>		
Interest income from:		
- fixed deposits	(1,870)	(848)
- unwinding of discount on long term receivables	(4,790)	(3,338)
Dividend income	(132)	(151)
Gain on disposal of property, plant and equipment	(6,308)	-
Net loss/(gain) on fair value changes on investment securities	10	(2,687)
(Reversal)/allowances for impairment on receivables	(1,220)	37
Reversal of impairment on investment in associates	(653)	-
Loss on disposal of investment in a subsidiary	647	-
Loss on disposal of investment securities	29,351	-
Depreciation on property, plant and equipment	746	1,090
Bad debts written-off	1,336	-
Finance costs	7,211	7,578
Other non-cash items	13	(2)
	24,341	1,679
Operating cash flows before changes in working capital	530	(1,795)
<u>Changes in working capital</u>		
Increase in property development costs	(930)	(1,093)
Decrease in land held for property development	-	1
Decrease in inventories	1,288	27
Decrease/(increase) in receivables	37,349	(20,235)
Increase in payables	18,992	10,579
Total changes in working capital	56,699	(10,721)
Cash flows from/(used in) operating activities	57,229	(12,516)
Interest received	1,870	848
Interest paid	25	(164)
Income taxes paid	(4,522)	(3,857)
Net cash flows from/(used in) operating activities	54,602	(15,689)
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(444)	(96)
Purchase of investment securities	(7,000)	-
Proceeds from disposal of property, plant and equipment	10,000	9
Proceeds from disposal of investment securities	7,588	2,052
Proceeds from disposal of investment in a subsidiary	4,500	-
Dividend income	132	151
Net cash flows from investing activities	14,776	2,116
<b>Financing Activities</b>		
Repayments of loans and borrowings	-	(6,255)
Redemption of debt instruments	(75,539)	-
Repayment of hire purchase payables	(153)	(157)
Net cash flows used in financing activities	(75,692)	(6,412)
Net decrease in Cash and Cash Equivalents	(6,314)	(19,985)
Cash and Cash Equivalents at beginning of period	38,780	50,359
Cash and Cash Equivalents at end of the period	32,466	30,374
Cash and cash equivalents at the end of the financial period comprise the following:		
	RM'000	RM'000
Deposits with financial institutions	22,409	21,763
Cash and bank balances	10,057	8,611
	32,466	30,374

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the Interim Financial Statements .

# OLYMPIA INDUSTRIES BERHAD

(Company no. 63026-U)

## Notes To The Unaudited Interim Financial Statements For The Period Ended 31 December 2011

### Part A - Explanatory Notes Pursuant to FRS 134

#### A1 Basis of Preparation

The Interim Financial Statements are unaudited and have been prepared in accordance with the requirement of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2011.

#### A2 Changes in Accounting Policies

The accounting policies and methods of computation for the Interim Financial Statements are consistent with those adopted for the annual audited financial statements ended 30 June 2011 except for the following new and revised FRSs, IC Interpretations and Amendments to FRSs which are applicable to the Group's operations with effective from 1 July 2011:

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-Time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 2	Share-based Payment - Group Cash Settled Share-based Payment Transactions
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

Adoption of the the above standards and interpretations are expected to have no significant impact on the financial statements of the Group.

#### A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2011 was not qualified.

#### A4 Comments about Seasonal or Cyclical Factors

The Group's business operations are not significantly affected by any seasonal and cyclical factors.

#### A5 Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period to date.

#### A6 Changes in Estimates

There were no material changes in estimates of amounts reported in prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

#### A7 Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current quarter except for the following:

<u>Financial Instruments</u>	Nominal Value Converted/ Cancelled	New Ordinary Shares Issued	Total outstanding Nominal Value at 31 Dec 2011
	RM'000	'000	RM'000
ICULS converted to new ordinary shares	876	743	391,723

## A8 Segmental Information

### Results for 6 months ended 31 December 2011:

	Financial Services	Property Development	Gaming	Investment Holding and others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External customers	4,555	4,353	73,128	12,129	-	94,165
Inter-segment	-	-	4,538	2,581	(7,119)	-
Total revenue	4,555	4,353	77,666	14,710	(7,119)	94,165
<b>Results</b>						
Segment results	(7,672)	5,244	4,163	12,258	(30,593)	(16,600)
Finance costs	(1,108)	(4,649)	(6)	(7,077)	5,629	(7,211)
Profit/(loss) before tax	(8,780)	595	4,157	5,181	(24,964)	(23,811)
Income tax expense	-	-	-	477	(91)	386
Profit/(loss) for the period	(8,780)	595	4,157	5,658	(25,055)	(23,425)

### Comparative results for 6 months ended 31 December 2010:

	Financial Services	Property Development	Gaming	Investment Holding and others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External customers	3,692	5,470	72,188	12,625	-	93,975
Inter-segment	-	-	5,925	2,456	(8,381)	-
Total revenue	3,692	5,470	78,113	15,081	(8,381)	93,975
<b>Results</b>						
Segment results	(497)	(2,983)	1,716	9,585	(3,717)	4,104
Finance costs	(689)	(7)	(8)	(7,371)	497	(7,578)
Profit/(loss) before tax	(1,186)	(2,990)	1,708	2,214	(3,220)	(3,474)
Income tax expense	-	(215)	-	(119)	-	(334)
Profit/(loss) for the period	(1,186)	(3,205)	1,708	2,095	(3,220)	(3,808)

## A9 Dividend Paid

No dividend has been paid and/or recommended for the current financial period to date.

## A10 Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 30 June 2011.

## A11 Subsequent Events

There were no material events subsequent to the end of the current financial period to date.

## A12 Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial period to date except for the following:

A wholly-owned subsidiary of the Company, City Land Sdn Bhd had on 26 August 2011 entered into a Sale and Purchase Agreement with Agate Merger Sdn Bhd ("Share Purchaser") for the disposal of the entire 96.08% equity interest in Harbour Club Berhad comprising 15,000 Class A ordinary shares of RM100 each and 1,394 Class B ordinary shares of RM100 each for a total cash consideration of RM4,500,000 only together with the assumption of liabilities by the Share Purchaser amounting to RM937,632. The transaction was completed on 28 December 2011.

## A13 Changes in Contingent Liabilities and Contingent Assets

There were no changes in other contingent liabilities and contingent assets since the last statement of financial position as at 30 June 2011.

## A14 Capital Commitments

There is no Capital Commitments contracted but not provided for in the interim financial statements as at 31 December 2011.

## **Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Bhd**

### **B1 Performance Review**

#### For the Current Quarter

The Group recorded a revenue of RM47.5 million, in line with previous year's corresponding quarter. Revenue contribution from gaming division accounted for 79% of the group's revenue for the current quarter.

The Group reported profit before tax of RM8.3 million as compared to loss before tax of RM2.0 million in the previous year's corresponding quarter. The increase in profit before tax of RM10.3 million was mainly due to gain on disposal of land from property division amounting to RM6.3 million. The Gaming division's profit before tax has increased by 43% to RM4.2 million from RM1.7 million due to lower prizes payout rate of 63% instead of 67% previously.

#### For 6 months ended 31 December 2011:

The Group reported loss before tax of RM23.8 million as compared to loss before tax of RM3.5 million in the previous year. The increase in loss before tax of RM20.3 million was mainly due to loss of RM29.4 million arising from the scheduled mandatory disposal of investment securities by financial services division pursuant to the Modified Workout Proposal of Jupiter Securities Sdn Bhd. However, gaming division has improved its performance by increasing profit of RM2.4 million to RM4.2 million from RM1.7 million previously. The gain on disposal of land from property division also contributed to profit before tax of RM6.3 million for the period ended 31 December 2011.

### **B2 Comparison with Preceding Quarter's Results**

The Group reported profit before tax of RM8.3 million as compared to loss before tax of RM32.1 million in the preceding quarter. This was mainly due to loss of RM29.4 million arising from the scheduled mandatory disposal of investment securities by financial services division in the preceding quarter. Group profit before tax have improved strongly by its gaming division for the current quarter.

### **B3 Commentary on Prospects**

Taking into consideration of uncertainty of global economy, the Group is expected to maintain its results for the financial year ended 30 June 2012. The gaming division is expected to continue improve its profits by maintaining its market share .

### **B4 Variance from Profit Forecast/Profit Guarantee**

Not applicable in this quarterly report.

### **B5 Income Tax Expense**

Tax charges/credits comprise:

	Current quarter 3 months ended 31 December 2011	Cumulative period-to-date 6 months ended 31 December 2011
	RM'000	RM'000
Current tax expense	357	707
Deferred tax expense	(146)	(1,093)
Total income tax expense	<u>211</u>	<u>(386)</u>

The Group's effective tax rates for the current quarter and cumulative period-to-date were lower than the statutory tax rate principally due to the certain other income are non taxable, offset against partially non tax deductible interest expense and other expenses.

### **B6 Corporate Proposals**

There were no corporate proposals announced during the quarter under review.

**B7 Profit/(loss) Per Share****(a) Basic**

Basic profit/(loss) per share amount is calculated by dividing profit/(loss) for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period.

	Current quarter ended 31 Dec 2011	Comparative quarter ended 31 Dec 2010	Cummulative period-to-date 31 Dec 2011	Cummulative period-to-date 31 Dec 2010
Profit/(loss) net of tax attributable to owners of parent (RM'000)	8,052	(2,405)	(21,526)	(3,566)
Weighted average number of ordinary shares in issue ('000)	771,131	758,180	771,131	758,180
Basic profit/(loss) per share (Sen)	1.0	(0.3)	(2.8)	(0.5)

**(b) Diluted**

Diluted profit/(loss) per share amounts are calculated by dividing profit/(loss) for the period, net of tax, attributable to owners of the parent (after adjusting for interest expense on ICULS and ICB) by weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Current quarter ended 31 Dec 2011	Comparative quarter ended 31 Dec 2010	Cummulative period-to-date 31 Dec 2011	Cummulative period-to-date 31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) net of tax attributable to owners of parent	8,052	(2,405)	(21,526)	(3,566)
After-tax effect of interest expense on ICULS	260	392	521	786
After-tax effect of interest expense on ICB	176	462	440	925
Adjusted profit/(loss) net of tax attributable to owners of parent including assumed conversion	8,488	(1,551)	(20,565)	(1,855)
	'000	'000	'000	'000
Weighted average number of ordinary shares	771,131	758,180	771,131	758,180
Effect of dilution:				
ICULS	331,969	345,273	331,969	345,921
ICB	89,203	171,283	89,203	171,283
Adjusted weighted average number of ordinary shares	1,192,303	1,274,736	1,192,303	1,275,384
Diluted profit/(loss) per share (Sen)	0.7	(0.1)	(1.7)	(0.1)

Warrant have been excluded in the calculation of diluted earnings per share as they are anti-dilutive

**B8 Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at the date of this report.

**B9 Material Litigation**

The list of material litigation is attached as Annexure 1.

**B10 Dividend Payable**

No dividend has been declared for the current financial period ended 31 December 2011 (31 December 2010: Nil).



**B11 Group Borrowings**

As at 31 December 2011, the Group borrowings are as follows :

	Secured Short Term Borrowings	Secured Long Term Borrowings	Total
	RM'000	RM'000	RM'000
Term loans/Restructured term loans	78,099	42,365	120,464
Debts instruments	2,977	73,018	75,995
Hire purchase payables	322	574	896
	<u>81,398</u>	<u>115,957</u>	<u>197,355</u>

**B12 Realised and Unrealised Accumulated Losses**

	As at 31 Dec 2011 RM'000	As at 30 June 2011 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(1,606,985)	(1,608,014)
- Unrealised	27,854	26,785
Total share of retained profits from associates:		
- Realised	287	287
	<u>(1,578,844)</u>	<u>(1,580,942)</u>
Add: Consolidation Adjustments	1,232,779	1,270,487
Accumulated losses as per financial statements	<u>(346,065)</u>	<u>(310,455)</u>

**B13 Status of the Proposed Disposal of Companies**

Other than the disposal of land of MA Realty Sdn Bhd in the previous financial year ended 30 June 2011, the Company did not enter into any agreement to dispose part or the entire equity interest in MA Realty Sdn Bhd, Naturelle Sdn Bhd and Harta Sekata Sdn Bhd during the quarter.

On behalf of the Board

**OLYMPIA INDUSTRIES BERHAD**

Lim Yoke Si  
Company Secretary

Kuala Lumpur  
28 February 2012