

OLYMPIA INDUSTRIES BERHAD

(Company no. 63026-U)

Unaudited Condensed Consolidated Statement of Comprehensive Income
For the Third Quarter Ended 31 March 2014

	Current Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31 Mar 2014 Unaudited RM'000	31 Mar 2013 Unaudited RM'000	31 Mar 2014 Unaudited RM'000	31 Mar 2013 Unaudited RM'000
1 Continuing Operations				
Revenue	46,640	49,017	129,799	137,523
Operating expenses	(41,116)	(47,927)	(107,803)	(133,019)
Other income	16,838	7,178	28,506	14,459
Other expenses	(7,525)	(3,558)	(26,566)	(57,138)
Operating profit/(loss)	14,837	4,710	23,936	(38,175)
Finance costs	(4,342)	(7,687)	(13,793)	(16,057)
Profit/(loss) before tax	10,495	(2,977)	10,143	(54,232)
Income tax expense	(2,073)	(703)	(2,845)	(4,737)
Profit/(loss) net of tax	8,422	(3,680)	7,298	(58,969)
Other comprehensive income/(loss)				
Foreign currency translation	8	(25)	206	(25)
Total comprehensive income/ (loss) for the period	8,430	(3,705)	7,504	(58,994)
Profit/(loss) attributable to:				
Owners of the parent	8,609	(3,196)	7,558	(57,061)
Non-controlling interests	(187)	(484)	(260)	(1,908)
	8,422	(3,680)	7,298	(58,969)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	8,617	(3,221)	7,764	(57,086)
Non-controlling interests	(187)	(484)	(260)	(1,908)
	8,430	(3,705)	7,504	(58,994)
2 Earnings/(loss) per share attributable to owners of the parent (sen)				
Basic/diluted	0.8	(0.4)	0.7	(7.6)

The Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the Interim Financial Statements .

Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2014

	31 March 2014 Unaudited RM'000	30 June 2013 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	17,408	4,935
Land held for property development	201,444	217,739
Investment properties	259,850	255,350
Investment in associates	-	-
	478,702	478,024
Current Assets		
Property development costs	37,482	37,470
Inventories	10,886	10,852
Amount due from associates, net	230	227
Amount due from affiliated companies, net	-	788
Trade and other receivables	143,359	149,772
Investment in securities	12,161	17,658
Cash and bank balances	37,168	34,236
	241,286	251,003
TOTAL ASSETS	719,988	729,027
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	1,023,432	1,023,432
Other Reserves	(219,344)	(219,550)
Accumulated losses	(466,776)	(474,334)
	337,312	329,548
Non-controlling interests	37,952	38,212
TOTAL EQUITY	375,264	367,760
Non-Current Liabilities		
Loans and borrowings	164,134	177,994
Deferred tax liabilities	358	358
	164,492	178,352
Current Liabilities		
Trade and other payables	110,784	110,138
Amount due to affiliated companies, net	3,119	922
Loans and borrowings	62,122	63,672
Tax payable	4,207	8,183
	180,232	182,915
TOTAL LIABILITIES	344,724	361,267
TOTAL EQUITY AND LIABILITIES	719,988	729,027
Net assets per share attributable to owners of the parent (RM)	0.33	0.32

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the Interim Financial Statements .

Unaudited Condensed Consolidated Statement of Changes in Equity
For the Period Ended 31 March 2014

	Attributable to owners of the parent					Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	*Other Reserves RM'000	Merger Deficit RM'000	Accumulated Losses RM'000	Total RM'000		
Balance at 1 July 2013	1,023,432	14,334	(233,884)	(474,334)	329,548	38,212	367,760
Total comprehensive income/(loss)	-	206	-	7,558	7,764	(260)	7,504
Balance at 31 March 2014	1,023,432	14,540	(233,884)	(466,776)	337,312	37,952	375,264

*Other Reserves

	Asset Revaluation Reserve RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	**Capital Reserve RM'000	Total RM'000
	Balance at 1 July 2013	84	11,018	1,632	1,600
Total comprehensive income/(loss)	-	-	206	-	206
Balance at 31 March 2014	84	11,018	1,838	1,600	14,540

Unaudited Condensed Consolidated Statement of Changes in Equity
For the Corresponding Period Ended 31 March 2013

	Attributable to owners of the parent							Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-distributable reserves			Merger Deficit RM'000	Accumulated Losses RM'000	Total RM'000		
		*Other Reserves RM'000	Equity component of						
		ICULS RM'000	ICB RM'000						
Balance at 1 July 2012	754,485	9,245	280,824	7	(233,884)	(397,309)	413,368	40,428	453,796
Total comprehensive income/(loss)	-	(25)	-	-	-	(57,061)	(57,086)	(1,908)	(58,994)
Transaction with owners									
Cancellation of ICULS	-	-	(33,041)	-	-	(4,879)	(37,920)	-	(37,920)
ICULS held by a subsidiary now disposed to third party	-	-	32,796	-	-	-	32,796	-	32,796
Balance at 31 March 2013	754,485	9,220	280,579	7	(233,884)	(459,249)	351,158	38,520	389,678

*Other Reserves

	Asset Revaluation Reserve RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	**Capital Reserve RM'000	Total RM'000
	Balance at 1 July 2012	84	5,950	1,611	1,600
Total comprehensive income/(loss)	-	-	(25)	-	(25)
Balance at 31 March 2013	84	5,950	1,586	1,600	9,220

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

* Other reserves represent non-distributable reserves

OLYMPIA INDUSTRIES BERHAD

(Company no. 63026-U)

Unaudited Condensed Consolidated Statement of Cash Flows
For the Period Ended 31 March 2014

	9 Months Ended	
	31 Mar 2014 Unaudited RM'000	31 Mar 2013 Unaudited RM'000
Operating Activities		
Profit/(Loss) before tax	10,143	(54,232)
<u>Adjustments for :-</u>		
Interest income from:		
- fixed deposits	(1,438)	(1,529)
- unwinding of discount on long term receivables	(4,374)	(8,625)
Unrealised loss on foreign exchange	14	-
Reversal of impairment loss on receivables	(1,100)	-
Gain on disposal of land held for property development	(12)	-
Gain on disposal of property, plant & equipment	-	(1,147)
Dividend income	(320)	(328)
Net loss/(gain) on fair value changes on investment securities	(13)	3
Impairment loss on receivables	328	186
Depreciation on property, plant and equipment	804	866
Property, plant and equipment written off	2	-
Impairment loss on land held for property development	-	23,353
Impairment loss on investment in associates	-	232
Loss on disposal of investment securities	-	30,888
Gain on disposal of investment in a subsidiary	(10,807)	-
Amortisation of transaction costs on borrowings	3,549	2,507
Write back of payables	(106)	-
Finance costs	13,793	16,057
Other non-cash items	-	3
	320	62,466
Operating cash flows before changes in working capital	10,463	8,234
<u>Changes in working capital</u>		
Increase in property development costs	(126)	(317)
Increase in land held for property development	(12)	(158)
(Increase)/decrease in inventories	(34)	994
Net changes in affiliated companies balances	2,987	-
(Increase)/decrease in receivables	(6,896)	38,880
Net changes in associated companies balances	(3)	-
Increase/(decrease) in payables	6,996	(6,163)
Total changes in working capital	2,912	33,236
Cash flows from operating activities	13,375	41,470
Interest paid	(13,793)	(11,545)
Income taxes paid	(6,820)	(3,986)
Net cash flows (used in)/from operating activities	(7,238)	25,939
Investing Activities		
Purchase of property, plant and equipment	(13,260)	(636)
Purchase of investment properties	(4,500)	-
Proceeds from disposal of investment securities	44,038	8,242
Proceeds from disposal of land held for property development	-	8,850
Proceeds from disposal of property, plant & equipment	-	1,501
Purchase of investment securities	(38,528)	(3,700)
Proceeds from disposal of subsidiary company	15,696	-
Interest received	1,438	1,529
Dividend received	320	328
Net cash flows from investing activities	5,204	16,114
Financing Activities		
Proceeds from borrowings	12,647	24,083
Repayment of borrowings	(7,452)	-
Redemption of debt instruments	-	(55,183)
Net movement in trust monies for dealers' representatives	122	-
Net movement in fixed deposits with licensed banks	(930)	-
Repayment of hire purchase payables	(228)	(275)
Net cash flows from/(used in) financing activities	4,159	(31,375)
Net increase in Cash and Cash Equivalents	2,125	10,678
Cash and Cash Equivalents at beginning of period	32,403	33,497
Cash and Cash Equivalents at end of the period	34,528	44,175
Cash and cash equivalents at the end of the financial period comprise the following:		
	RM'000	RM'000
Deposits with financial institutions	24,221	35,341
Cash and bank balances	10,307	8,834
	34,528	44,175

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013 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 March 2014

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 MFRS 134 : Interim Financial Reporting and paragraph 9.22 of the Main Market 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 2013. 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 2013.

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 2013 except for the following standards and interpretations that are applicable to the Group's operations with effective from 1 July 2013:

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
MFRS 3: Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 10: Consolidated Financial Statements
MFRS 11: Joint Arrangements
MFRS 12: Disclosures of Interests in Other Entities
MFRS 13: Fair Value Measurement
MFRS 119: Employee Benefits (revised)
MFRS 127: Separate Financial Statements
MFRS 128: Investments in Associates and Joint Ventures
Amendments to IC Interpretation 2: Members' shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 7: Financial Instruments: Disclosure-Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards-Government Standards-Government Loans
Amendments to MFRS 116: Property, Plant and (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)

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 2013 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 Dividend Paid

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

A8 Segmental Information

Results for 9 months ended 31 March 2014

	Financial Services	Property Development	Gaming	Investment Holding and others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External customers	7,383	-	106,294	16,122	-	129,799
Inter-segment	-	-	6,603	5,181	(11,784)	-
Total revenue	7,383	-	112,897	21,303	(11,784)	129,799
Results						
Segment results	(1,006)	(2,252)	5,765	21,097	332	23,936
Finance costs	-	(10,218)	(3)	(11,545)	7,973	(13,793)
Profit/(loss) before tax	(1,006)	(12,470)	5,762	9,552	8,305	10,143
Income tax expense	-	-	(1,411)	(1,434)	-	(2,845)
Profit/(loss) for the year	(1,006)	(12,470)	4,351	8,118	8,305	7,298

Comparative results for 9 months ended 31 March 2013

	Financial Services	Property Development	Gaming	Investment Holding and others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External customers	4,421	997	112,510	19,595	-	137,523
Inter-segment	-	-	6,976	4,681	(11,657)	-
Total revenue	4,421	997	119,486	24,276	(11,657)	137,523
Results						
Segment results	(6,186)	(26,316)	11,432	19,190	(36,295)	(38,175)
Finance costs	-	(10,570)	(7)	(12,931)	7,451	(16,057)
Profit/(loss) before tax	(6,186)	(36,886)	11,425	6,259	(28,844)	(54,232)
Income tax expense	(230)	(106)	(2,619)	(1,621)	(161)	(4,737)
Profit/(loss) for the year	(6,416)	(36,992)	8,806	4,638	(29,005)	(58,969)

A9 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 2013.

A10 Subsequent Events

There were no material events subsequent to the end of the quarter ended 31 March 2014.

A11 Changes in Composition of the Group

On 1 November 2013, the Company entered into a Sale and Purchase Agreement with Multi Eternity Sdn Bhd for the disposal of 100% equity interest in Harta Sekata Sdn Bhd consisting of 128,210 ordinary shares of RM1.00 each for a sale consideration of RM16,000,000. The sale was completed on 7 May 2014.

There were no changes in the composition of the Group during the quarter ended 31 March 2014.

A12 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 2013.

A13 Capital Commitments

There is no Capital Commitments contracted but not provided for in the interim financial statements as at 31 March 2014.

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's revenue declined by RM2.4 million to RM46.6 million from RM49.0 million in the previous year's corresponding quarter and this was mainly due to lower revenue from the gaming and investment holding divisions as compared to previous year. Gaming division remained the main contributor to the Group, which contributed RM39.5 million or 85% revenue to the Group for the quarter.

The Group reported a profit before tax of RM10.5 million as compared to a loss before tax of RM3.0 million in the previous year corresponding quarter, this was mainly due to as follows:

- a. gain on disposal of a wholly-owned sub-subsidiary, Miles And Miles Leisure Sdn Bhd amounting to RM5.5 million in current quarter;
- b. impairment loss on land held for property development amounting to RM2.5 million recognised in previous year corresponding quarter.

For 9 months ended 31 March 2014

The Group's revenue declined by RM7.7 million to RM129.8 million from RM137.5 million in the previous year is mainly due to lower revenue recorded by gaming division and investment holding division.

The Group recorded a profit before tax of RM10.1 million if compared with a loss before tax of RM54.2 million in previous year is mainly due to as follows:

- a. gain on disposal of a wholly-owned subsidiary, Harta Sekata Sdn Bhd amounting RM5.3 million;
- b. gain on disposal of a wholly-owned sub-subsidiary, Miles And Miles Leisure Sdn Bhd amounting to RM5.5 million;
- c. impairment loss of RM23.4 million on land held for property development in previous year; and
- d. loss of RM30.9 million due to scheduled mandatory disposal of investment securities by financial services division pursuant to the Modified Workout Proposal ("MWP") of a subsidiary, Jupiter Securities Sdn Bhd in previous year.

B2 Comparison with Preceding Quarter's Results

The Group's current quarter profit before tax was recorded at RM10.5 million as compared to an operating profit of RM2.6 million in the preceding quarter. It was due to gain on disposal of a wholly-owned sub-subsidiary, Miles And Miles Leisure Sdn Bhd ("MMLSB") amounting to RM5.5 million. MMLSB is a wholly-owned subsidiary of Olympia Ventures Sdn Bhd ("OVSB"), and OVSB is a wholly-owned subsidiary of the Company.

B3 Commentary on Prospects

Taking into consideration the uncertainty of global economy, the Group's result for the financial year ending 30 June 2014 is expected to be better than previous financial year. The gaming division and financial services division are expected to 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 Mar 2014 RM'000	Cumulative quarter 9 months ended 31 Mar 2014 RM'000
Current tax expense	2,073	2,845
Deferred tax expense	-	-
Total income tax expense	<u>2,073</u>	<u>2,845</u>

The Group's effective tax rate for the cumulative year-to-date was higher than the statutory tax rate principally due to losses in certain subsidiaries that are not available for set-off against taxable profits in other subsidiaries within the Group and the certain interest expense and other expenses which were not allowed for tax deduction.

B6 Profit/(loss) before tax

Included in the profit/(loss) before tax is arrived after charging/(crediting) the following items:

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,920)	(5,136)	(5,812)	(10,154)
Unrealised loss on foreign exchange	14	-	14	-
Interest expense	4,342	7,687	13,793	16,057
Dividend income	(133)	(102)	(320)	(328)
(Gain)/loss on fair value changes on investment securities	(3)	(4)	(13)	3
Depreciation on property, plant and equipment	274	248	804	866
Property, plant and equipment written off	-	-	2	-
Gain on disposal of property, plant & equipment	-	(1,147)	-	(1,147)
Impairment loss on receivables	278	-	328	186
Amortisation of transaction costs on borrowings	422	847	3,549	2,507
Impairment loss on investment in associates	-	-	-	232
Gain on disposal of investment in a subsidiary	(5,507)	-	(10,807)	-
Gain on disposal of land held for property development	-	-	(12)	-
Loss on disposal of investment securities	-	-	-	30,888
Reversal of impairment loss on receivables	(1,097)	(118)	(1,100)	-
Reversal of impairment loss on investment in associate	-	(1)	-	-
Write back of payables	(106)	-	(106)	-
Impairment loss on land held for property development	-	2,553	-	23,353

B7 Earnings/(loss) Per Share

Basic

Basic earnings /(loss) per share amount is calculated by dividing 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 3 months ended		Cumulative Quarter 9 months ended	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Earnings/(loss) net of tax attributable to owners of parent (RM'000)	8,609	(3,196)	7,558	(57,061)
Weighted average number of ordinary shares in issue ('000)	1,023,432	754,485	1,023,432	754,485
Basic earnings/(loss) per share (Sen)	0.8	(0.4)	0.7	(7.6)

B8 Corporate Proposals

On 10 January 2014, the Company entered into an agreement with City Properties Sdn Bhd ("CPSB") and Rodem Sdn Bhd ("Rodem") for an extension of time for the settlement of RM55.3 million out of the original settlement sum of RM125.0 million ("Settlement Sum") owing by CPSB to the Company and the RM55.3 million to be set-off against the sale of fifteen (15) units of condominium together with forty eight (48) car park bays which are part of the project known as 9 Madge ("Proposed Settlement"), which is owned and being developed by Rodem.

The shareholders of the Company have approved the Proposed Settlement at the Extraordinary General Meeting held on 8 April 2014.

Other than the above, there were no corporate proposals announced during the quarter under review.

B9 Off Balance Sheet Financial Instruments

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

B10 Material Litigation

The list of material litigation is attached as Annexure 1.

B11 Dividend Payable

No ordinary dividend has been declared for the financial period ended 31 March 2014 (31 March 2013: Nil).

B12 Interest-bearing Loans and Borrowings

As at 31 March 2014, the Group borrowings are as follows :

	Secured Short Term Borrowings	Secured Long Term Borrowings	Total
	RM'000	RM'000	RM'000
Term loans	62,000	163,787	225,787
Bank overdraft	-	-	-
Hire purchase payables	122	347	469
	62,122	164,134	226,256

B13 Breakdown of Realised and Unrealised Accumulated Losses

	Current Quarter Ended 31 Mar 2014 RM'000	Previous Financial Year Ended 30 June 2013 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(1,868,558)	(1,892,830)
- Unrealised	43,608	43,659
	(1,824,950)	(1,849,171)
Total share of retained earnings from associates:		
- Realised	287	287
	(1,824,663)	(1,848,884)
Add: Consolidation Adjustments	1,357,887	1,374,550
Accumulated losses as per financial statements	(466,776)	(474,334)

On behalf of the Board
OLYMPIA INDUSTRIES BERHAD

Lim Yoke Si
Company Secretary

Kuala Lumpur
21 May 2014