

OLYMPIA INDUSTRIES BERHAD

(Company no. 63026-U)

**Unaudited Condensed Consolidated Statement of Comprehensive Income
For the First Quarter Ended 30 September 2014**

	Current Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30 Sep 2014 Unaudited RM'000	30 Sep 2013 Unaudited RM'000	30 Sep 2014 Unaudited RM'000	30 Sep 2013 Unaudited RM'000
1 Continuing Operations				
Revenue	38,239	41,358	38,239	41,358
Operating expenses	(31,517)	(32,466)	(31,517)	(32,466)
Other income	3,514	3,162	3,514	3,162
Other expenses	(9,477)	(10,219)	(9,477)	(10,219)
Operating profit/(loss)	759	1,835	759	1,835
Finance costs	(4,074)	(4,824)	(4,074)	(4,824)
(Loss)/profit before tax	(3,315)	(2,989)	(3,315)	(2,989)
Income tax expense	(878)	(292)	(878)	(292)
(Loss)/profit net of tax	(4,193)	(3,281)	(4,193)	(3,281)
Other comprehensive (loss)/income				
Foreign currency translation	-	181	-	181
Total comprehensive (loss)/income for the period	(4,193)	(3,100)	(4,193)	(3,100)
(Loss)/profit attributable to:				
Owners of the parent	(4,184)	(3,436)	(4,184)	(3,436)
Non-controlling interests	(9)	155	(9)	155
	(4,193)	(3,281)	(4,193)	(3,281)
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(4,184)	(3,255)	(4,184)	(3,255)
Non-controlling interests	(9)	155	(9)	155
	(4,193)	(3,100)	(4,193)	(3,100)
2 (Loss)/earnings per share attributable to owners of the parent (sen)				
Basic/diluted	(0.4)	(0.3)	(0.4)	(0.3)

The Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the Interim Financial Statements .

Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2014

	30 Sep 2014 Unaudited RM'000	30 June 2014 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	17,130	18,272
Land held for property development	201,399	201,375
Investment properties	260,280	260,280
Investment in associates	-	-
	478,809	479,927
Current Assets		
Property development costs	37,485	37,482
Inventories	10,963	10,940
Amount due from associates, net	237	231
Amount due from affiliated companies, net	-	397
Trade and other receivables	120,774	119,933
Investment in securities	13,254	11,249
Cash and bank balances	35,482	39,326
	218,195	219,558
TOTAL ASSETS	697,004	699,485
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	1,023,432	1,023,432
Other Reserves	(219,453)	(219,453)
Accumulated losses	(481,577)	(477,393)
	322,402	326,586
Non-controlling interests	37,611	37,620
TOTAL EQUITY	360,013	364,206
Non-Current Liabilities		
Loans and borrowings	106,696	109,451
Deferred tax liabilities	485	485
	107,181	109,936
Current Liabilities		
Trade and other payables	96,335	93,972
Amount due to affiliated companies, net	4,896	5,033
Loans and borrowings	123,901	121,030
Tax payable	4,678	5,308
	229,810	225,343
TOTAL LIABILITIES	336,991	335,279
TOTAL EQUITY AND LIABILITIES	697,004	699,485
Net assets per share attributable to owners of the parent (RM)	0.32	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 2014 and the accompanying explanatory notes attached to the Interim Financial Statements .

OLYMPIA INDUSTRIES BERHAD

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**Unaudited Condensed Consolidated Statement of Cash Flows
For the Period Ended 30 September 2014**

	3 Months Ended	
	30 Sep 2014 Unaudited RM'000	30 Sep 2013 Unaudited RM'000
Operating Activities		
(Loss)/profit before tax	(3,315)	(2,989)
Adjustments for :-		
Interest income from:		
- fixed deposits & others	(1,579)	(468)
- unwinding of discount on long term receivables	-	(1,458)
Unrealised (gain)/ loss on foreign exchange	-	14
Reversal of impairment loss on receivables	(838)	-
Dividend income	(83)	(114)
Net loss/(gain) on fair value changes on investment securities	(17)	5
Impairment loss on receivables	1,015	28
Depreciation on property, plant and equipment	980	258
Property, plant and equipment written off	305	1
Amortisation of transaction costs on borrowings	551	2,697
Finance costs	4,074	4,824
	4,408	5,787
Operating cash flows before changes in working capital	1,093	2,798
Changes in working capital		
(Increase)/decrease in property development costs	(23)	(25)
(Increase)/decrease in land held for property development	(4)	-
(Increase)/decrease in inventories	(23)	28
Net changes in affiliated companies balances	261	1,354
Decrease/(increase) in receivables	90	(7,857)
Net changes in associated companies balances	(7)	-
Increase/(decrease) in payables	2,363	14,801
Total changes in working capital	2,657	8,301
Cash flows from operating activities	3,750	11,099
Interest paid	(4,074)	(4,824)
Income taxes paid	(1,508)	(3,574)
Net cash flows (used in)/from operating activities	(1,832)	2,701
Investing Activities		
Purchase of property, plant and equipment	(144)	(203)
Proceeds from disposal of investment securities	11,019	14,488
Purchase of investment securities	(13,006)	(14,179)
Interest received	473	468
Dividend received	83	114
Net cash flows (used in)/from investing activities	(1,575)	688
Financing Activities		
Repayment of borrowings	(4,516)	(5,668)
Net movement in trust monies for dealers' representatives	(173)	(17)
Net movement in securities placed with licensed bank	(180)	-
Net movement in fixed deposits with licensed banks	(224)	88
Repayment of hire purchase payables	(66)	(76)
Net cash flows (used in)/from financing activities	(5,159)	(5,673)
Net (decrease)/increase in Cash and Cash Equivalents	(8,566)	(2,284)
Cash and Cash Equivalents at beginning of period	28,962	32,403
Effect of changes in exchange rate	-	-
Cash and Cash Equivalents at end of the period	20,396	30,119
Cash and cash equivalents at the end of the financial period comprise the following:		
	RM'000	RM'000
Deposits with financial institutions	18,747	22,924
Cash and bank balances	1,649	7,195
	20,396	30,119

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the Interim Financial Statements .

Unaudited Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 September 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 2014	1,023,432	14,431	(233,884)	(477,393)	326,586	37,620	364,206
Total comprehensive (loss)/income	-	-	-	(4,184)	(4,184)	(9)	(4,193)
Balance at 30 September 2014	1,023,432	14,431	(233,884)	(481,577)	322,402	37,611	360,013

*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 2014	84	11,018	1,729	1,600
Total comprehensive (loss)/income	-	-	-	-	-
Balance at 30 September 2014	84	11,018	1,729	1,600	14,431

Unaudited Condensed Consolidated Statement of Changes in Equity
For the Corresponding Period Ended 30 September 2013

	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 (loss)/income	-	181	-	(3,436)	(3,255)	155	(3,100)
Balance at 30 September 2013	1,023,432	14,515	(233,884)	(477,770)	326,293	38,367	364,660

*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 (loss)/income	-	-	181	-	181
Balance at 30 September 2013	84	11,018	1,813	1,600	14,515

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

* Other reserves and merger deficit represent non-distributable reserves

OLYMPIA INDUSTRIES BERHAD

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Notes To The Unaudited Interim Financial Statements For The Year Ended 30 September 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 2014. 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 2014.

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 2014 except for the following standards and interpretations that are applicable to the Group's operations with effective from 1 July 2014:

Amendments to MFRS 10, MFRS 12, MFRS 127 : Investment Entities
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies
Amendments to MFRS 2 Share-based Payment
Amendments to MFRS 3 Business Combinations (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 8 Operating Segments (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 116 (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 124 Related Party Disclosures (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 138 Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 3 Business Combinations (Annual Improvements to MFRSs 2011-2013 Cycle)
Amendments to MFRS 13 Fair Value Measurement (Annual Improvements to MFRSs 2011-2013 Cycle)
Amendments to MFRS 140 Investment Properties (Annual Improvements to MFRSs 2011-2013 Cycle)
Amendments to MFRS 119 Defined Benefit Plans : Employee Contributions

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 2014 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 3 months ended 30 September 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	2,408	-	28,718	7,113	-	38,239
Inter-segment	-	-	1,798	2,773	(4,571)	-
Total revenue	2,408	-	30,516	9,886	(4,571)	38,239
Results						
Segment results	(293)	(173)	(388)	5,223	(3,610)	759
Finance costs	-	(3,459)	-	(3,459)	2,844	(4,074)
(Loss)/profit before tax	(293)	(3,632)	(388)	1,764	(766)	(3,315)
Income tax expense	-	1	-	(693)	(186)	(878)
(Loss)/profit for the period	(293)	(3,631)	(388)	1,071	(952)	(4,193)

Comparative results for 3 months ended 30 September 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	3,465	-	32,482	5,411	-	41,358
Inter-segment	-	-	2,024	1,558	(3,582)	-
Total revenue	3,465	-	34,506	6,969	(3,582)	41,358
Results						
Segment results	548	(953)	2,838	2,061	(2,659)	1,835
Finance costs	-	(3,847)	(1)	(3,633)	2,657	(4,824)
(Loss)/profit before tax	548	(4,800)	2,837	(1,572)	(2)	(2,989)
Income tax expense	-	-	-	(292)	-	(292)
(Loss)/profit for the period	548	(4,800)	2,837	(1,864)	(2)	(3,281)

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 2014.

A10 Subsequent Events

There were no material events subsequent to the end of the quarter ended 30 September 2014.

A11 Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter ended 30 September 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 2014.

A13 Capital Commitments

There is no capital commitments contracted but not provided for in the interim financial statements as at 30 September 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 decreased by RM3.2 million to RM38.2 million from RM41.4 million in the previous year's corresponding quarter and this was mainly due to lower revenue from the gaming division and financial services division despite improvement in the investment holdings division. The gaming division remained the main contributor to the Group, which contributed RM28.7 million or 75% revenue to the Group for the quarter.

The Group reported a loss before tax of RM3.3 million for this quarter as compared to a loss before tax of RM3.0 million in the previous year corresponding quarter, the increase of loss recorded by RM0.3 million was mainly due to :

- lower profit from gaming division by RM3.2 million; and
- lower losses amounting to RM2.4 million incurred by investment holdings division.

B2 Comparison with Preceding Quarter's Results

The Group's current quarter loss before tax was recorded at RM3.3 million as compared to loss before tax of RM9.6 million in the preceding quarter. The decrease of losses by RM6.3 million was mainly due to :

- lower losses from property development division by RM3.5 million; and
- lower losses from investment holdings division by RM3.6 million.

B3 Commentary on Prospects

Taking into consideration the uncertainty of global economy, the Group's result for the financial year ending 30 June 2015 is expected to be better than previous financial year. The gaming division and financial services division are expected to improve its respective 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 30 Sep 2014 RM'000	Cumulative quarter 3 months ended 30 Sep 2014 RM'000
Current tax expense	878	878
Deferred tax expense	-	-
Total income tax expense	<u>878</u>	<u>878</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 (Loss)/profit before tax

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

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30 Sep 2014 RM'000	30 Sep 2013 RM'000	30 Sep 2014 RM'000	30 Sep 2013 RM'000
Interest income	(1,579)	(1,926)	(1,579)	(1,926)
Unrealised loss on foreign exchange	-	14	-	14
Interest expense	4,074	4,824	4,074	4,824
Dividend income	(83)	(114)	(83)	(114)
(Gain)/loss on fair value changes on investment securities	(17)	5	(17)	5
Depreciation on property, plant and equipment	980	258	980	258
Property, plant and equipment written off	305	1	305	1
Impairment loss on receivables	1,015	28	1,015	28
Reversal of impairment loss on receivable	(838)	-	(838)	-
Amortisation of transaction costs on borrowings	551	2,697	551	2,697

B7 (Loss)/earnings Per Share**Basic**

Basic (loss)/earnings 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 3 months ended	
	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013
(Loss)/earnings net of tax attributable to owners of parent (RM'000)	(4,184)	(3,436)	(4,184)	(3,436)
Weighted average number of ordinary shares in issue ('000)	1,023,432	1,023,432	1,023,432	1,023,432
Basic (loss)/earnings per share (Sen)	(0.4)	(0.3)	(0.4)	(0.3)

B8 Corporate Proposals

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 30 September 2014 (30 September 2013: Nil).

B12 Interest-bearing Loans and Borrowings

As at 30 September 2014, the Group borrowings are as follows :

	Secured Short Term Borrowings	Secured Long Term Borrowings	Total
	RM'000	RM'000	RM'000
Term loans	123,331	106,512	229,843
Bank overdraft	429	-	429
Hire purchase payables	141	184	325
	<u>123,901</u>	<u>106,696</u>	<u>230,597</u>

B13 Breakdown of Realised and Unrealised Accumulated Losses

	Current Quarter Ended 30 Sep 2014 RM'000	Previous Financial Year Ended 30 June 2014 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(1,886,901)	(1,883,640)
- Unrealised	43,898	43,876
	<u>(1,843,003)</u>	<u>(1,839,764)</u>
Total share of retained earnings from associates:		
- Realised	287	287
	<u>(1,842,716)</u>	<u>(1,839,477)</u>
Add: Consolidation Adjustments	1,361,139	1,362,084
Accumulated losses as per financial statements	<u>(481,577)</u>	<u>(477,393)</u>

On behalf of the Board
OLYMPIA INDUSTRIES BERHAD

Lim Yoke Si
Company Secretary

Kuala Lumpur
25 November 2014