

**OLYMPIA INDUSTRIES BERHAD**

(Company No. 63026-U)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE QUARTER ENDED 31 DECEMBER 2014**

(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 months ended		6 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	39,266	41,801	77,504	83,159
Operating expenses	(31,303)	(34,221)	(62,819)	(66,687)
Other income	3,131	8,506	6,645	11,668
Other expenses	(5,772)	(8,822)	(15,249)	(19,041)
Operating profit/(loss)	5,322	7,264	6,081	9,099
Finance costs	(6,642)	(4,627)	(10,717)	(9,451)
Share of profit/(loss) of associates	-	-	-	-
Profit/(Loss) before tax	(1,320)	2,637	(4,636)	(352)
Income tax expense	(515)	(480)	(1,393)	(772)
<b>Profit/(Loss) for the period</b>	<b>(1,835)</b>	<b>2,157</b>	<b>(6,029)</b>	<b>(1,124)</b>
Other comprehensive income/(loss):				
Foreign currency translation	229	17	229	198
Total comprehensive income/(loss) for the period	(1,606)	2,174	(5,800)	(926)
Profit/(Loss) attributable to:				
<b>Owners of the Company</b>	<b>(2,192)</b>	<b>2,385</b>	<b>(6,376)</b>	<b>(1,051)</b>
Non-controlling interests	357	(228)	347	(73)
	(1,835)	2,157	(6,029)	(1,124)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(1,963)	2,402	(6,147)	(853)
Non-controlling interests	357	(228)	347	(73)
	(1,606)	2,174	(5,800)	(926)
<b>Earnings/(Loss) per share attributable to owners of the Company:</b>				
Basic (Sen)	(0.21)	0.23	(0.62)	(0.10)
Diluted (Sen)	(0.21)	0.23	(0.62)	(0.10)

The unaudited Condensed 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

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**  
(The figures have not been audited)

	<b>As at 31.12.2014 RM'000</b>	<b>As at 30.6.2014 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	16,933	18,272
Land held for property development	201,322	201,375
Investment properties	260,280	260,280
Investment in associates	-	-
	478,535	479,927
<b>Current assets</b>		
Property development costs	37,491	37,482
Inventories	11,054	10,940
Amount due from associates	243	231
Amount due from affiliated companies	874	397
Trade and other receivables	115,449	119,933
Investment in securities	13,738	11,249
Cash and bank balances	41,741	39,326
	220,590	219,558
<b>TOTAL ASSETS</b>	<b>699,125</b>	<b>699,485</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share Capital	1,023,432	1,023,432
Other Reserves	14,660	14,431
Merger deficit	(233,884)	(233,884)
Accumulated losses	(483,769)	(477,393)
	320,439	326,586
Non-controlling interests	37,967	37,620
<b>Total equity</b>	<b>358,406</b>	<b>364,206</b>
<b>Non-current liabilities</b>		
Loans and borrowings	107,589	109,451
Deferred tax liabilities	486	485
	108,075	109,936
<b>Current liabilities</b>		
Amount due to associates	6	-
Amount due to affiliated companies	6,311	5,033
Trade and other payables	94,711	93,972
Loans and borrowings	127,502	121,030
Tax payable	4,114	5,308
	232,644	225,343
Total liabilities	340,719	335,279
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>699,125</b>	<b>699,485</b>
Net assets per share attributable to owners of the parent (RM)	0.31	0.32

The unaudited Condensed 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 to the Interim Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 DECEMBER 2014**  
(The figures have not been audited)

	-----Attributable to owners of the parent -----						
	Share Capital RM'000	Other Reserves RM'000	Merger Deficit RM'000	Accumulated Losses RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
<b>Balance at 1 July 2014</b>	1,023,432	14,431	(233,884)	(477,393)	326,586	37,620	364,206
Total comprehensive income/(loss)	-	229	-	(6,376)	(6,147)	347	(5,800)
<b>Balance at 31 December 2014</b>	<u>1,023,432</u>	<u>14,660</u>	<u>(233,884)</u>	<u>(483,769)</u>	<u>320,439</u>	<u>37,967</u>	<u>358,406</u>
<b>Balance at 1 July 2013</b>	1,023,432	14,334	(233,884)	(474,334)	329,548	38,212	367,760
Total comprehensive income/(loss)	-	198	-	(1,051)	(853)	(73)	(926)
<b>Balance at 31 December 2013</b>	<u>1,023,432</u>	<u>14,532</u>	<u>(233,884)</u>	<u>(475,385)</u>	<u>328,695</u>	<u>38,139</u>	<u>366,834</u>

Breakdown of - Other Reserves	Asset Revaluation Reserve RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	Capital Reserve RM'000	Total RM'000
	<b>Balance at 1 July 2014</b>	84	11,018	1,729	1,600
Total comprehensive income/(loss)	-	-	229	-	229
<b>Balance at 31 December 2014</b>	<u>84</u>	<u>11,018</u>	<u>1,958</u>	<u>1,600</u>	<u>14,660</u>
<b>Balance at 1 July 2013</b>	84	11,018	1,632	1,600	14,334
Total comprehensive income/(loss)	-	-	198	-	198
<b>Balance at 31 December 2013</b>	<u>84</u>	<u>11,018</u>	<u>1,830</u>	<u>1,600</u>	<u>14,532</u>

The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2014 and the Notes to the Interim Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 DECEMBER 2014**  
(The figures have not been audited)

	<b>6 Months Ended</b>	
	<b>31.12.2014</b>	<b>31.12.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(4,636)	(352)
Adjustments for non-cash items:		
Impairment loss on receivables	656	50
Reversal of impairment loss on receivables	(2,100)	(3)
Gain on disposal of land held for property development	-	(12)
Gain on disposal of investment in subsidiary	-	(5,300)
Net (gain)/loss on fair value changes of investment securities	(3)	(10)
Amortisation of transaction cost on borrowings	787	3,127
Depreciation of property, plant and equipment	1,950	530
Property, plant and equipment written off	305	2
Dividend income	(175)	(187)
Interest income from:		
- fixed deposits and others	(3,266)	(976)
- unwinding of discount on long term receivables	-	(2,916)
Finance costs	10,717	9,451
	<u>8,871</u>	<u>3,756</u>
<b>Operating profit before working capital changes</b>	4,235	3,404
Changes in working capital		
(Increase)/Decrease in land held for property development	53	(4)
(Increase)/Decrease in property development costs	(9)	(60)
(Increase)/Decrease in inventories	(113)	37
(Increase)/Decrease in receivables	8,139	(32,484)
Net changes in the balances with associated companies	(6)	(3)
Net changes in the balances with affiliated companies	800	1,662
Increase/(decrease) in payables	739	21,696
	<u>9,603</u>	<u>(9,156)</u>
<b>Cash generated from/(used in) operations</b>	13,838	(5,752)
Interest received	1,054	976
Interest paid	(10,717)	(9,451)
Tax paid	(2,586)	(4,410)
<b>Net cash generated from/(used in) operating activities</b>	<u>1,589</u>	<u>(18,637)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(916)	(569)
Proceeds from disposal of investment securities	11,019	27,718
Purchase of investment securities	(13,504)	(25,245)
Proceeds from disposal of subsidiary company	-	16,000
Dividend received	175	187
<b>Net cash generated from/(used in) investing activities</b>	<u>(3,226)</u>	<u>18,091</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 DECEMBER 2014**

**(The figures have not been audited)**

	<b>6 Months Ended</b>	
	<b>31.12.2014</b>	<b>31.12.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	13,188	8,230
Repayment of borrowings	(9,247)	(7,139)
Repayment of hire purchase payables	(117)	(153)
Net movement in trust monies for dealers' representatives	(95)	87
Net movement in securities placed with licensed bank	(284)	-
Net movement in fixed deposits with licensed banks	381	42
<b>Net cash generated from financing activities</b>	<b>3,826</b>	<b>1,067</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,189</b>	<b>521</b>
<b>Effect of exchange rate changes</b>	<b>229</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>28,962</b>	<b>32,403</b>
<b>Cash and cash equivalents at end of the period</b>	<b>31,380</b>	<b>32,924</b>

Cash and cash equivalents at the end of the period comprise the following:

	<b>6 Months Ended</b>	
	<b>31.12.2014</b>	<b>31.12.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits with financial institutions	22,884	21,547
Cash and bank balances	8,496	11,377
	<b>31,380</b>	<b>32,924</b>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2014 and the Notes to the Interim Financial Statements

**A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134**

**A1. Basis of preparation**

The interim financial statements have been prepared under historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the 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 Olympia Industries Berhad (“OIB” or “Company”) and its subsidiary companies (hereinafter referred to as the “Group”) since the financial 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 interim 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 subject to qualification.

**A4. Comments about seasonal or cyclical factors**

The Group's business operations are not significantly affected by any seasonal or 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 of the Group during the current quarter under review.

**A6. Changes in estimates**

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

**A7. Debts and equity securities**

There were no issuance, cancellation, repurchase, resale or repayment of debts and equity securities for the current quarter.

**A8. Dividend paid**

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

**A9. Segmental information**

Results for 6 months ended 31 December 2014

	<b>Property Development RM'000</b>	<b>Financial Services RM'000</b>	<b>Gaming RM'000</b>	<b>Investment Holding and Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External customers	-	5,068	57,823	14,613	-	77,504
Inter-segment	-	-	3,619	5,528	(9,147)	-
<b>Total revenue</b>	<b>-</b>	<b>5,068</b>	<b>61,442</b>	<b>20,141</b>	<b>(9,147)</b>	<b>77,504</b>
<b>Results</b>						
Segment results	(1,562)	928	1,623	12,737	(7,645)	6,081
Finance costs	(6,918)	-	(1)	(9,485)	5,687	(10,717)
<b>Profit/(Loss) before tax</b>	<b>(8,480)</b>	<b>928</b>	<b>1,622</b>	<b>3,252</b>	<b>(1,958)</b>	<b>(4,636)</b>
Income tax expense	1	-	-	(1,394)	-	(1,393)
<b>Profit/(Loss) for the period</b>	<b>(8,479)</b>	<b>928</b>	<b>1,622</b>	<b>1,858</b>	<b>(1,958)</b>	<b>(6,029)</b>

## A9. Segmental information (continued)

Comparative results for 6 months ended 31 December 2013

	<b>Property Development RM'000</b>	<b>Financial Services RM'000</b>	<b>Gaming RM'000</b>	<b>Investment Holding and Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External customers	-	5,365	66,817	10,977	-	83,159
Inter-segment	-	-	4,159	3,104	(7,263)	-
Total revenue	-	5,365	70,976	14,081	(7,263)	83,159
<b>Results</b>						
Segment results	(1,736)	(295)	4,020	9,298	(2,188)	9,099
Finance costs	(7,164)	-	(2)	(7,600)	5,315	(9,451)
Profit/(Loss) before tax	(8,900)	(295)	4,018	1,698	3,127	(352)
Income tax expense	-	-	-	(772)	-	(772)
Profit/(Loss) for the period	(8,900)	(295)	4,018	926	3,127	(1,124)

## A10. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward from the financial statements for the year ended 30 June 2014. There were no revaluation of property, plant and equipment during the quarter under review.

## A11. Subsequent events

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

## A12. Changes in composition of the Group

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

## 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 2014.

## A14. Capital commitments

There were no capital commitments contracted but not provided for in the interim financial statements as at 31 December 2014.



**B1. Performance review**

**Quarter 2 FY 2015 vs Quarter 2 FY 2014**

The Group reported a consolidated revenue of RM39.3 million for the current quarter under review as compared to RM41.8 million in the previous year's corresponding quarter, down 6 percent or showing a drop of RM2.5 million of the Group's revenue. This is mainly due to lower revenue deriving from gaming division despite improvement in the investment holding division and financial services division. The gaming division remains to be the anchor contributor of the Group, which contributed 74% or RM29.1 million of total revenue to the Group for the quarter.

The Group reported a loss before tax of RM1.3 million for this quarter as compared to a profit before tax of RM2.6 million in the previous year's corresponding quarter. Included in the profit before tax of RM2.6 million in previous year's corresponding quarter is a gain of RM5.3 million deriving from disposal of a wholly-owned subsidiary, Harta Sekata Sdn Bhd. The loss in this quarter is mainly incurred by the investment holding division.

**YTD Q2 FY 2015 vs YTD Q2 2014**

The Group reported a loss before tax of RM4.6 million for the current period under review as compared to a loss before tax of RM352,000 in the previous year's corresponding period. This is mainly due to:

- a) lower profit generated from the gaming division during the current period, and
- b) gain on disposal of a wholly-owned subsidiary company, Harta Sekata Sdn Bhd amounting to RM5.3 million in the corresponding period of previous year.

**B2. Comparison with preceding quarter's results**

**Quarter 2 FY 2015 vs Quarter 1 FY 2015**

The Group recorded a loss before tax of RM1.3 million for the current quarter as compared to loss before tax of RM3.3 million in the immediate preceding quarter. The improvement of results by RM2.0 million is mainly due to:

- a) higher profit from gaming division by RM2.4 million; and
- b) higher profit from financial services division by RM1.1 million.

The investment holding division recorded a loss before tax of RM4.0 million. In the immediate preceding quarter, this division recorded only a loss of RM2.8 million.

**B3. Commentary of prospects**

Taking into consideration the uncertainty of global economy, the outlook of the Group's results is expected to maintain and the gaming division and financial services division are expected to sustain the present level of performance for the financial year ending 30 June 2015.

#### B4. Profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee during the current quarter under review.

#### B5. Taxation

	<b>Current Quarter 3 Months 31.12.2014 RM'000</b>	<b>Cumulative Quarter 6 Months 31.12.2014 RM'000</b>
Income tax:		
Malaysian	(500)	(1,378)
Overseas	(15)	(15)
Deferred tax:		
Malaysian	-	-
Overseas	-	-
Total	<u>(515)</u>	<u>(1,393)</u>

The Group's effective tax rate is higher than the statutory tax rate due to losses in certain subsidiaries that are not available for set-off against taxable profits in other subsidiaries within the Group.

#### B6. Corporate proposals

On 10 January 2014, the Company entered into a Second Supplemental 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 owing by CPSB to the Company.

The remaining outstanding sum of RM55.3 million is proposed to be set-off against 15 units of condominium together with 48 car park bays which are part of the project owned and developed by Rodem known as 9 Madge at Jalan Madge, Taman U-Thant, Kuala Lumpur.

The aforesaid proposed settlement has been approved by shareholders of the Company at the Extraordinary General Meeting held on 8 April 2014.

As CPSB and Rodem were not able to meet the extended date to transfer the settlement properties by 31 December 2014, the Company had on 18 February 2015 entered into a Third Supplemental Agreement with CPSB and Rodem to vary certain terms of the Second Supplemental Agreement i.e to seek for an extension of time of up to 31 March 2015 for the physical completion of the project with an additional 1 month period up to 30 April 2015 as grace period for the parties to obtain certificate of completion and compliance and transfer the settlement properties to the Company.

Other than as mentioned above, there were no corporate proposals announced or not completed as at the date of this report.

**B7. Borrowings and debt securities**

Group borrowings	----- As at 31.12.2014 -----		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Term loans	127,395	-	127,395
Bank overdrafts	8	-	8
Hire purchase payables	99	-	99
	127,502	-	127,502
Long term			
Term loans	107,415	-	107,415
Hire purchase payables	174	-	174
	107,589	-	107,589
	235,091	-	235,091

All borrowings are denominated in Ringgit Malaysia.

**B8. Changes in material litigation**

The list of material litigation is announced to Bursa Malaysia together with this Interim Financial Report. Other than as disclosed in the attached list of material litigation, there are no material litigations that have material effect to the Group at the date of this report.

**B9. Off balance sheet financial instruments**

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

**B10. Dividend payable**

No dividend has been declared for the financial period ended 31 December 2014.

## B11. Notes to the condensed consolidated statement of comprehensive income

The following amount have been credited/(charged) in arriving at profit/(loss) before tax:

	Quarter ended		Financial period ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Interest income	1,687	3,424	3,266	3,892
Interest expense	(6,642)	(4,627)	(10,717)	(9,451)
Dividend income	92	73	175	187
Depreciation on property, plant and equipment	(970)	(272)	(1,950)	(530)
Property, plant and equipment written off	-	(1)	(305)	(2)
Gain on disposal of investment in subsidiary	-	5,300	-	5,300
Gain on disposal of land held for property development	-	12	-	12
Amortisation of transaction costs on borrowings	(236)	(430)	(787)	(3,127)
Gain/(Loss) on fair value changes of investment securities	(14)	15	3	10
Impairment loss on receivables	(641)	(22)	(656)	(50)
Reversal of impairment loss on receivables	1,387	3	2,100	3

## B12. Earnings/(Loss) per share

### a) Basic

The basic earnings/(loss) per share for the quarter and cumulative period to date is computed as follows:

	Quarter ended		Financial period ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit/(Loss) attributable to owners of the Company (RM'000)	(2,192)	2,385	(6,376)	(1,051)
Weighted average number of ordinary shares in issue ('000)	1,023,432	1,023,432	1,023,432	1,023,432
Earnings/(Loss) per share (Sen)	(0.21)	0.23	(0.62)	(0.10)

### b) Diluted

As there are no potential dilutive ordinary shares outstanding at reporting date, the diluted earnings per share is the same as the basic earnings per share.

### B13. Realised and unrealised profit/losses

The retained earnings/(accumulated losses) as at reporting date are analysed as follows :

	As at 31.12.2014 RM'000	As at 30.6.2014 RM'000
Holding company and its subsidiaries		
Realised	(1,890,297)	(1,883,640)
Unrealised	43,897	43,876
	<u>(1,846,400)</u>	<u>(1,839,764)</u>
Associated companies		
Realised	-	287
Unrealised	-	-
	<u>(1,846,400)</u>	<u>(1,839,477)</u>
Consolidation adjustments	1,362,631	1,362,084
	<u>(483,769)</u>	<u>(477,393)</u>

On behalf of the Board

**OLYMPIA INDUSTRIES BERHAD**

Lim Yoke Si

Company Secretary

Kuala Lumpur

27 February 2015