

OLYMPIA INDUSTRIES BERHAD

(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31 MARCH 2015

(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 months ended		9 months ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	44,460	46,640	121,965	129,799
Operating expenses	(37,712)	(41,116)	(100,531)	(107,803)
Other income	2,600	16,838	9,245	28,506
Other expenses	(7,404)	(7,525)	(22,653)	(26,566)
Operating profit/(loss)	1,944	14,837	8,026	23,936
Finance costs	(4,502)	(4,342)	(15,219)	(13,793)
Share of profit/(loss) of associates	-	-	-	-
Profit/(Loss) before tax	(2,558)	10,495	(7,193)	10,143
Income tax expense	(2,207)	(2,073)	(3,601)	(2,845)
Profit/(Loss) for the period	(4,765)	8,422	(10,794)	7,298
Other comprehensive income/(loss):				
Foreign currency translation	174	8	403	206
Total comprehensive income/(loss) for the period	(4,591)	8,430	(10,391)	7,504
Profit/(Loss) attributable to:				
Owners of the Company	(4,641)	8,609	(11,017)	7,558
Non-controlling interests	(124)	(187)	223	(260)
	(4,765)	8,422	(10,794)	7,298
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(4,467)	8,617	(10,614)	7,764
Non-controlling interests	(124)	(187)	223	(260)
	(4,591)	8,430	(10,391)	7,504
Earnings/(Loss) per share attributable to owners of the Company:				
Basic (Sen)	(0.45)	0.84	(1.10)	0.74
Diluted (Sen)	(0.45)	0.84	(1.10)	0.74

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
FOR THE QUARTER ENDED 31 MARCH 2015
(The figures have not been audited)

	As at 31.3.2015 RM'000	As at 30.6.2014 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	17,266	18,272
Land held for property development	201,362	201,375
Investment properties	260,280	260,280
Investment in associates	-	-
	478,908	479,927
Current assets		
Property development costs	37,956	37,482
Inventories	10,927	10,940
Amount due from associates	243	231
Amount due from affiliated companies	1,833	397
Trade and other receivables	120,670	119,933
Investment in securities	12,244	11,249
Cash and bank balances	42,351	39,326
	226,224	219,558
TOTAL ASSETS	705,132	699,485
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	1,023,432	1,023,432
Other Reserves	14,834	14,431
Merger deficit	(233,884)	(233,884)
Accumulated losses	(488,449)	(477,393)
	315,933	326,586
Non-controlling interests	37,563	37,620
Total equity	353,496	364,206
Non-current liabilities		
Loans and borrowings	107,908	109,451
Deferred tax liabilities	486	485
	108,394	109,936
Current liabilities		
Amount due to associates	6	-
Amount due to affiliated companies	8,769	5,033
Trade and other payables	97,897	93,972
Loans and borrowings	131,350	121,030
Tax payable	5,220	5,308
	243,242	225,343
Total liabilities	351,636	335,279
TOTAL EQUITY AND LIABILITIES	705,132	699,485
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

OLYMPIA INDUSTRIES BERHAD
(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2015
(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	Equity RM'000
Balance at 1 July 2014	1,023,432	14,431	(233,884)	(477,393)	326,586	37,620	364,206
Total comprehensive income/(loss)	-	403	-	(11,017)	(10,614)	223	(10,391)
	1,023,432	14,834	(233,884)	(488,410)	315,972	37,843	353,815
Transactions with owners							
Acquisition of non-controlling interest	-	-	-	-	-	(280)	(280)
Loss on acquisition of non-controlling interest	-	-	-	(39)	(39)	-	(39)
	-	-	-	(39)	(39)	(280)	(319)
Balance at 31 March 2015	1,023,432	14,834	(233,884)	(488,449)	315,933	37,563	353,496
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

OLYMPIA INDUSTRIES BERHAD

(Company No. 63026-U)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2015**

(The figures have not been audited)

Breakdown of - Other Reserves	Asset		Foreign		
	Revaluation Reserve	Share Premium	Currency Translation Reserve	Capital Reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 July 2014	84	11,018	1,729	1,600	14,431
Total comprehensive income/(loss)	-	-	403	-	403
Balance at 31 March 2015	84	11,018	2,132	1,600	14,834
Balance at 1 July 2013	84	11,018	1,632	1,600	14,334
Total comprehensive income/(loss)	-	-	206	-	206
Balance at 31 March 2014	84	11,018	1,838	1,600	14,540

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

OLYMPIA INDUSTRIES BERHAD

(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED 31 MARCH 2015

(The figures have not been audited)

	9 Months Ended	
	31.3.2015	31.3.2014
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	(7,193)	10,143
Adjustments for non-cash items:		
Impairment loss on receivables	662	328
Reversal of impairment loss on receivables	(2,136)	(1,100)
Write back of payables	-	(106)
Gain on disposal of land held for property development	-	(12)
Gain on disposal of investment in subsidiary	-	(10,807)
Net (gain)/loss on fair value changes of investment securities	(10)	(13)
Amortisation of transaction cost on borrowings	1,658	3,549
Depreciation of property, plant and equipment	2,936	804
Property, plant and equipment written off	306	2
Gain on disposal of property, plant and equipment	(6)	-
Unrealised loss on foreign exchange	-	14
Dividend income	(271)	(320)
Interest income from:		
- fixed deposits and others	(5,320)	(1,438)
- unwinding of discount on long term receivables	-	(4,374)
Finance costs	15,219	13,793
	<u>13,038</u>	<u>320</u>
Operating profit before working capital changes	5,845	10,463
Changes in working capital		
(Increase)/Decrease in land held for property development	13	(12)
(Increase)/Decrease in property development costs	(474)	(126)
(Increase)/Decrease in inventories	15	(34)
(Increase)/Decrease in receivables	4,053	(6,896)
Net changes in the balances with associated companies	(7)	(3)
Net changes in the balances with affiliated companies	2,299	2,987
Increase/(decrease) in payables	3,925	6,996
	<u>9,824</u>	<u>2,912</u>
Cash generated from/(used in) operations	15,669	13,375
Interest received	2,002	1,438
Interest paid	(15,219)	(13,793)
Tax paid	(3,688)	(6,820)
Net cash generated from/(used in) operating activities	(1,236)	(5,800)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,230)	(13,260)
Purchase of investment properties	-	(4,500)
Proceeds from disposal of investment securities	12,520	44,038
Purchase of investment securities	(13,504)	(38,528)
Proceeds from disposal of subsidiary company	-	15,696
Acquisition of non-controlling interest of a subsidiary	(319)	-
Dividend received	271	320
Net cash generated from/(used in) investing activities	(3,262)	3,766

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2015

(The figures have not been audited)

	9 Months Ended	
	31.3.2015	31.3.2014
	RM'000	RM'000
Cash flows from financing activities		
Proceeds from borrowings	17,551	12,647
Repayment of borrowings	(10,280)	(7,452)
Repayment of hire purchase payables	(152)	(228)
Net movement in trust monies for dealers' representatives	(171)	122
Net movement in securities placed with licensed bank	(387)	-
Net movement in fixed deposits with licensed banks	(1,899)	(930)
Net cash generated from/(used in) financing activities	4,662	4,159
Net increase in cash and cash equivalents	164	2,125
Effect of exchange rate changes	403	-
Cash and cash equivalents at beginning of period	28,962	32,403
Cash and cash equivalents at end of the period	29,529	34,528

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

	9 Months Ended	
	31.3.2015	31.3.2014
	RM'000	RM'000
Deposits with financial institutions	20,411	24,221
Cash and bank balances	9,118	10,307
	29,529	34,528

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

A subsidiary of the Company has undertaken a capital reduction exercise involving the reduction of the existing and paid-up share capital of the subsidiary of an amount of RM270,260,338, by offsetting the share capital with the accumulated loss of the subsidiary. The capital reduction exercise of the subsidiary was completed on 9 March 2015.

Other than as mentioned above, 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 9 months ended 31 March 2015

	Property Development RM'000	Financial Services RM'000	Gaming RM'000	Investment Holding and Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External customers	-	7,228	92,338	22,399	-	121,965
Inter-segment	-	-	5,765	8,178	(13,943)	-
Total revenue	-	7,228	98,103	30,577	(13,943)	121,965
Results						
Segment results	(2,820)	481	2,992	18,861	(11,488)	8,026
Finance costs	(10,798)	-	-	(12,952)	8,531	(15,219)
Profit/(Loss) before tax	(13,618)	481	2,992	5,909	(2,957)	(7,193)
Income tax expense	11	-	(586)	(3,026)	-	(3,601)
Profit/(Loss) for the period	(13,607)	481	2,406	2,883	(2,957)	(10,794)

A9. Segmental information (continued)

Comparative results for 9 months ended 31 March 2014

	Property Development RM'000	Financial Services RM'000	Gaming RM'000	Investment Holding and Others RM'000	Elimination RM'000	Consolidated 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	(2,252)	(1,006)	5,765	21,097	332	23,936
Finance costs	(10,218)	-	(3)	(11,545)	7,973	(13,793)
Profit/(Loss) before tax	(12,470)	(1,006)	5,762	9,552	8,305	10,143
Income tax expense	-	-	(1,411)	(1,434)	-	(2,845)
Profit/(Loss) for the period	(12,470)	(1,006)	4,351	8,118	8,305	7,298

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 March 2015.

A12. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter ended 31 March 2015.

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 March 2015.

B1. Performance review

Quarter 3 FY 2015 vs Quarter 3 FY 2014

The Group reported a consolidated revenue of RM44.5 million for the current quarter under review as compared to RM46.6 million in the previous year's corresponding quarter, down 4.5% or showing a drop of RM2.1 million of the Group's revenue. The gaming division remains to be the anchor contributor of the Group, which contributed 78% or RM34.5 million of total revenue to the Group for the quarter.

The Group reported a loss before tax of RM2.6 million for this quarter as compared to a profit before tax of RM10.5 million in the previous year's corresponding quarter.

The variance of loss in comparing both financial quarters is due mainly to:

- i) Investment Holding segment – due to the rising cost of borrowings
- ii) Property Development segment – higher cost accounted by the development of a project
- iii) Included in the previous year's corresponding quarter is a gain on disposal of a subsidiary company Miles & Miles Leisure Sdn Bhd amounted to RM5.5 million.

YTD Q3 FY 2015 vs YTD Q3 2014

The Group reported a loss before tax of RM7.2 million as compared to a profit before tax of RM10.1 million for the current period under review.

The variance of loss/profit before tax of the Group is mainly due to:

- i) Gain on disposal of a subsidiary company Harta Sekata Sdn Bhd in previous year's Quarter 2 amounted to RM5.3 million
- ii) Gain on disposal of a subsidiary company Miles & Miles Leisure Sdn Bhd in previous year's Quarter 3 amounted to RM5.5 million
- iii) Gaming segment - due to lower sales volume for each draw
- iv) Investment Holding segment – due to the rising cost of borrowings

B2. Comparison with preceding quarter's results

Quarter 3 FY 2015 vs Quarter 2 FY 2015

The Group recorded a loss before tax of RM2.6 million for the current quarter as compared to loss before tax of RM1.3 million in the immediate preceding quarter.

This is mainly due to:

- i) Financial Services segment – the segment recorded a loss before tax of RM78,000 in the current quarter as compared to a profit before tax of RM1.4 million in the immediate preceding quarter
- ii) Gaming segment – the segment recorded profit before tax of RM1.9 million as compared to profit before tax of RM2.7 million in the immediate preceding quarter

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

	Current Quarter 3 Months 31.3.2015 RM'000	Cumulative Quarter 9 Months 31.3.2015 RM'000
Income tax:		
Malaysian	(2,199)	(3,578)
Overseas	(8)	(23)
Deferred tax:		
Malaysian	-	-
Overseas	-	-
Total	<u>(2,207)</u>	<u>(3,601)</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.

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.

On 31 March 2015, the project architect has certified the completion of the construction of the project. Accordingly, Rodem has vide its letter dated 8 April 2015 confirmed that the relevant applications to obtain certificate of completion and compliance of the project have been made to the relevant authorities/parties.

In the event the certificate of completion and compliance of the project is not issued by 30 June 2015, the Company shall have the right to terminate the Third Supplemental Agreement.

The aforesaid proposed settlement has been approved by shareholders of the Company at the recent Extraordinary General Meeting held on 15 May 2015.

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

	----- As at 31.3.2015 -----		
	Secured	Unsecured	Total
Group borrowings	RM'000	RM'000	RM'000
Short term			
Term loans	131,275	-	131,275
Bank overdrafts	-	-	-
Hire purchase payables	75	-	75
	131,350	-	131,350
Long term			
Term loans	107,744	-	107,744
Hire purchase payables	164	-	164
	107,908	-	107,908
	239,258	-	239,258

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 March 2015.

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	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Interest income	2,054	1,920	5,320	5,812
Interest expense	(4,502)	(4,342)	(15,219)	(13,793)
Dividend income	96	133	271	320
Depreciation on property, plant and equipment	(986)	(274)	(2,936)	(804)
Property, plant and equipment written off	(1)	-	(306)	(2)
Gain on disposal of property, plant and equipment	6	-	6	-
Unrealised loss on foreign exchange	-	(14)	-	(14)
Gain on disposal of investment in subsidiary	-	5,507	-	10,807
Gain on disposal of land held for property development	-	-	-	12
Amortisation of transaction costs on borrowings	(871)	(422)	(1,658)	(3,549)
Gain/(Loss) on fair value changes				
of investment securities	7	3	10	13
Impairment loss on receivables	(6)	(278)	(662)	(328)
Reversal of impairment loss on receivables	36	1,097	2,136	1,100
Write back of payables	-	106	-	106

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	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
Profit/(Loss) attributable to owners of the Company (RM'000)	(4,641)	8,609	(11,017)	7,558
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)	(0.45)	0.84	(1.10)	0.74

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 31.3.2015 RM'000	As at 30.6.2014 RM'000
Holding company and its subsidiaries		
Realised	(1,622,002)	(1,883,640)
Unrealised	43,897	43,876
	<u>(1,578,105)</u>	<u>(1,839,764)</u>
Associated companies		
Realised	-	287
Unrealised	-	-
	<u>(1,578,105)</u>	<u>(1,839,477)</u>
Consolidation adjustments	1,089,656	1,362,084
	<u>(488,449)</u>	<u>(477,393)</u>

On behalf of the Board

OLYMPIA INDUSTRIES BERHAD

Lim Yoke Si

Company Secretary

Kuala Lumpur

27 May 2015