

OLYMPIA INDUSTRIES BERHAD
(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

	CURRENT		YEAR / PERIOD TO DATE	
	3 Months Ended		3 Months	3 Months
	31.03.2016	31.3.2015	Ended	Ended
	RM'000	RM'000	RM'000	RM'000
Revenue	38,882	44,460	38,882	44,460
Operating expenses	(31,750)	(37,712)	(31,750)	(37,712)
Other income	4,446	2,600	4,446	2,600
Other expenses	<u>(6,688)</u>	<u>(7,404)</u>	<u>(6,688)</u>	<u>(7,404)</u>
Operating profit	4,890	1,944	4,890	1,944
Finance costs	(6,180)	(4,502)	(6,180)	(4,502)
Share of profit/(loss) of associates	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss before tax	(1,290)	(2,558)	(1,290)	(2,558)
Income tax expense	<u>(1,816)</u>	<u>(2,207)</u>	<u>(1,816)</u>	<u>(2,207)</u>
Loss for the period	(3,106)	(4,765)	(3,106)	(4,765)
Other comprehensive loss:				
Foreign currency translation	<u>(291)</u>	<u>174</u>	<u>(291)</u>	<u>174</u>
	<u>(291)</u>	<u>174</u>	<u>(291)</u>	<u>174</u>
Total comprehensive loss for the period	<u>(3,397)</u>	<u>(4,591)</u>	<u>(3,397)</u>	<u>(4,591)</u>
Profit/(Loss) attributable to:				
Owners of the Company	(3,324)	(4,641)	(3,324)	(4,641)
Non-controlling interests	<u>218</u>	<u>(124)</u>	<u>218</u>	<u>(124)</u>
	<u>(3,106)</u>	<u>(4,765)</u>	<u>(3,106)</u>	<u>(4,765)</u>
	-	-	-	-
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(3,615)	(4,467)	(3,615)	(4,467)
Non-controlling interests	<u>218</u>	<u>(124)</u>	<u>218</u>	<u>(124)</u>
	<u>(3,397)</u>	<u>(4,591)</u>	<u>(3,397)</u>	<u>(4,591)</u>
Loss per share attributable to owners of the Company:				
Basic (Sen)	<u>(0.3)</u>	<u>(0.5)</u>	<u>(0.3)</u>	<u>(0.5)</u>
Diluted (Sen)	<u>(0.3)</u>	<u>(0.5)</u>	<u>(0.3)</u>	<u>(0.5)</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2015 and the accompanying explanatory notes attached to the Interim Financial Statements.

(Company No. 63026-U)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 31 MARCH 2016**

(The figures have not been audited)

	As at 31.03.2016 RM'000 Unaudited	As at 31.12.2015 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	16,206	15,892
Land held for property development	201,248	201,230
Investment properties	300,280	300,280
Investment in associates	-	-
	517,734	517,402
Current assets		
Property development costs	40,644	40,467
Inventories	62,406	62,269
Amount due from associates	253	246
Amount due from affiliated companies	2,786	2,483
Trade and other receivables	66,036	63,455
Investment in securities	12,386	12,543
Tax refundable	475	224
Cash and bank balances	72,158	54,170
	257,144	235,857
TOTAL ASSETS	774,878	753,259
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	102,343	1,023,432
Other Reserves	197,342	15,789
Merger deficit	(233,884)	(233,884)
Retained earnings / (Accumulated losses)	311,907	(424,014)
	377,708	381,323
Non-controlling interests	5,210	4,992
Total equity	382,918	386,315
Non-current liabilities		
Loans and borrowings	55,045	54,589
Deferred tax liabilities	1,114	1,115
	56,159	55,704
Current liabilities		
Amount due to associates	6	6
Amount due to affiliated companies	18,209	17,368
Trade and other payables	103,726	86,776
Loans and borrowings	205,964	200,286
Tax payable	7,896	6,804
	335,801	311,240
Total liabilities	391,960	366,944
TOTAL EQUITY AND LIABILITIES	774,878	753,259
Net assets per share attributable to owners of the Company (RM)	0.37	0.37

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the period ended 31 December 2015 and the accompanying explanatory notes to the Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2016
(The figures have not been audited)

	-----Attributable to owners of the Company -----				Total RM'000	Non- Controlling Interests RM'000	Equity RM'000
	----Non-distributable ----		Retained Earnings / (Accumulated Losses) RM'000				
	Share Capital RM'000	Other Reserves RM'000					
Balance at 1 January 2016	1,023,432	15,789	(233,884)	(424,014)	381,323	4,992	386,315
Total comprehensive income/(loss)	-	(291)	-	(3,324)	(3,615)	218	(3,397)
	1,023,432	15,319	(233,884)	(427,159)	377,708	5,210	382,918
Transactions with owners							
Effects of par value reduction	(921,089)	182,023	-	739,066	-	-	-
	(921,089)	182,023	-	739,066	-	-	-
Balance at 31 March 2016	102,343	197,342	(233,884)	311,907	377,708	5,210	382,918
Balance at 1 July 2014	1,023,432	14,431	(233,884)	(437,044)	366,935	5,586	372,521
Total comprehensive income/(loss)	-	1,358	-	13,069	14,427	(314)	14,113
	1,023,432	15,789	(233,884)	(423,975)	381,362	5,272	386,634
Transactions with owners							
Acquisition of non-controlling interest	-	-	-	(39)	(39)	(280)	(319)
	-	-	-	(39)	(39)	(280)	(319)
Balance at 31 December 2015	1,023,432	15,789	(233,884)	(424,014)	381,323	4,992	386,315

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2016
(The figures have not been audited)

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
Balance at 1 January 2016	84	11,018	3,087	1,600	15,789
Total comprehensive income/(loss)	-	-	(291)	-	(291)
Transactions with owners					
Effects of par value reduction	-	-	-	182,023	182,023
	-	-	-	182,023	182,023
Balance at 31 March 2016	84	11,018	2,617	183,623	197,342
Balance at 1 July 2014	84	11,018	1,729	1,600	14,431
Total comprehensive income/(loss)	-	-	1,358	-	1,358
Balance at 31 December 2015	84	11,018	3,087	1,600	15,789

OLYMPIA INDUSTRIES BERHAD

(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

	3 Months Ended 31.3.2016 RM'000	3 Months Ended 31.3.2015 RM'000
Cash flows from operating activities		
Loss before tax	(1,290)	(2,557)
Adjustments for non-cash items:		
Impairment loss on receivables	4	6
Reversal of impairment loss on receivables	-	(36)
Net loss/(gain) on fair value changes of investment securities	(17)	(7)
Amortisation of transaction cost on borrowings	369	871
Depreciation of property, plant and equipment	1,077	986
Property, plant and equipment written off	-	1
Gain on disposal of property, plant and equipment	-	(6)
Unrealised loss on foreign exchange	38	-
Dividend income	(68)	(96)
Interest income from:		
- fixed deposits and others	(938)	(2,054)
Finance costs	6,179	4,502
	<u>6,644</u>	<u>4,167</u>
Operating profit before working capital changes	5,354	1,610
Changes in working capital		
(Increase)/Decrease in land held for property development	(18)	(40)
(Increase)/Decrease in property development costs	(177)	(465)
Decrease/(Increase) in inventories	(137)	128
(Increase)/Decrease in receivables	(2,586)	(4,086)
Net changes in the balances with associated companies	(6)	(1)
Net changes in the balances with affiliated companies	538	1,499
Increase/(decrease) in payables	17,139	3,186
	<u>14,753</u>	<u>221</u>
Cash generated from operations	20,107	1,831
Interest received	938	948
Interest paid	(6,179)	(4,502)
Tax paid	(977)	(1,102)
Net cash generated from operating activities	<u>13,889</u>	<u>(2,825)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,429)	(1,314)
Proceeds from disposal of property, plant and equipment	-	(11,019)
Proceeds from disposal of investment securities	569	12,520
Purchase of investment securities	(406)	-
Acquisition of non-controlling interest of a subsidiary	-	(319)
Dividend received	68	96
Net cash (used in)/generated from investing activities	<u>(1,198)</u>	<u>(36)</u>

OLYMPIA INDUSTRIES BERHAD
(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2016
(The figures have not been audited)

	3 Months Ended 31.3.2016 RM'000	3 Months Ended 31.3.2015 RM'000
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from borrowings	6,000	4,363
Repayment of borrowings	(689)	(1,033)
Repayment of hire purchase payables	455	(35)
Net movement in trust monies for dealers' representatives	(5)	(76)
Net movement in securities placed with licensed bank	2,430	(103)
Net movement in fixed deposits with licensed banks	(1,364)	(2,280)
Net cash generated from/(used in) financing activities	<hr/> 6,827 <hr/>	<hr/> 836 <hr/>
Net increase/(decrease) in cash and cash equivalents	19,518	(2,025)
Effect of exchange rate changes	(469)	2,592
Cash and cash equivalents at beginning of period	37,363	28,962
Cash and cash equivalents at end of the period	<hr/> 56,412 <hr/>	<hr/> 29,529 <hr/>

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

	3 Months Ended 31.3.2016 RM'000	3 Months Ended 31.12.2015 RM'000
	<hr/>	<hr/>
Deposits with financial institutions	28,675	20,411
Cash and bank balances	27,737	9,118
	<hr/> 56,412 <hr/>	<hr/> 29,529 <hr/>
	-	-

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the period ended 31 December 2015 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 period ended 31 December 2015.

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 period ended 31 December 2015.

A2. Change in financial year end

As announced on 16 October 2015, the Company has changed its financial year end to 31 December 2015. The previous audited financial statements was made for a period of 18 months from 1 July 2014 to 31 December 2015 ("AFS"). The current financial year shall be for a period of 12 months from 1 January 2016 to 31 December 2016. The Companies Commission of Malaysia has approved the Company's application for the extension of time of up to 30 June 2016 to hold the AGM for Year 2015 and to present the AFS.

A3. 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 31 December 2015 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.

A4. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the period ended 31 December 2015 was not subject to qualification.

A5. Comments about seasonal or cyclical factors

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

A6. 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.

A7. 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.

A8. Debts and equity securities

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

A9. Dividend paid

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

A10. Segmental information

Results for 3 months ended 31 March 2016 :

	Financial Services RM'000	Property Development RM'000	Gaming RM'000	Investment Holding and Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External customers	1,919	-	29,588	7,375		38,882
Inter-segment	-	-	1,184	2,733	(3,917)	-
Total revenue	<u>1,919</u>	<u>-</u>	<u>30,772</u>	<u>10,108</u>	<u>(3,917)</u>	<u>38,882</u>
Results						
Segment results	1,189	(761)	2,612	4,893	(3,043)	4,890
Finance costs	(2)	(6,044)	(6)	(3,169)	3,041	(6,180)
Profit/(Loss) before tax	1,187	(6,805)	2,606	1,724	(2)	(1,290)
Income tax expense	(363)	-	(675)	(778)	-	(1,816)
Profit/(Loss) for the period	<u>824</u>	<u>(6,805)</u>	<u>1,931</u>	<u>946</u>	<u>(2)</u>	<u>(3,106)</u>

A10. Segmental information (continued)

Comparative results for 3 months ended 31 March 2015 :

	Financial Services RM'000	Property Development RM'000	Gaming RM'000	Investment Holding and Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External customers	-	2,160	34,515	7,785	-	44,460
Inter-segment	-	-	2,146	2,650	(4,796)	-
Total revenue	-	2,160	36,661	10,435	(4,796)	44,460
Results						
Segment results	(1,258)	(447)	1,369	6,123	(3,843)	1,944
Finance costs	(3,880)	-	-	(3,466)	2,844	(4,502)
Profit/(Loss) before tax	(5,138)	(447)	1,370	2,657	(999)	(2,558)
Income tax expense	10	-	(586)	(1,631)	-	(2,207)
Profit/(Loss) for the period	(5,128)	(447)	784	1,026	(999)	(4,765)

A11. Valuation of property, plant and equipment

There were no valuations carried out since the end of the previous financial period.

A12. Subsequent events

There were no material events subsequent to the end of the quarter ended 31 March 2016.

A13. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter ended 31 March 2016.

A14. 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 31 December 2015.

A15. Capital commitments

There were no capital commitments contracted but not provided for in the interim financial statements as at 31 March 2016.

B1. Performance review

Current Quarter vs Previous Corresponding Quarter Last Year

The Group reported a consolidated revenue of RM38.9 million for the current quarter under review as compared to RM44.5 million in the previous corresponding quarter of last year, down by 12.5% or a drop of RM5.6 million of the Group's revenue driven by lower revenue from the gaming division. However improvement in payout ratio mitigated the lower turnover of the gaming division. Despite the decline, gaming division remains the main contributor of the Group, which contributed 76.1% or RM29.6 million of total revenue to the Group for the quarter.

The Group reported a lower loss before tax of RM1.3 million for this quarter as compared to RM2.6 million in the previous corresponding quarter last year.

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

- i) Property development segment – higher loss due to increase in operating expenses.
- ii) Financial services division – higher profits due to RM2.5 million bad debts recovered in the current quarter.
- iii) Gaming division – higher profits due to improvement in payout ratio from 66.3% to 60.6%, despite a dip in average sales per draw.
- iv) Investment Holding segment – lower profit due to higher provisions for operating expenses.

B2. Comparison with immediate preceding quarter's results

The Group recorded a loss before tax of RM1.3 million for the current quarter as compared to loss before tax of RM6.3 million in the immediate preceding quarter.

This is mainly due to:

- i) Financial Services segment – the segment recorded a profit before tax of RM1.5 million in the current quarter as compared to RM0.3 million in the immediate preceding quarter mainly due to recovery of bad debts of RM2.5 million.
- ii) Gaming segment – the segment recorded higher profit before tax of RM3.2 million as compared to RM1.2 million in the immediate preceding quarter due to improved payout ratio.

B3. Commentary of prospects

With the current global economic and political uncertainties, the Group's results for the rest of the year are expected to be muted at best, in the face of higher interest rates and the weakening currency. However, despite the various uncertainties, Gaming division and Investment holding division are expected to sustain the present level of performance for the current financial year ending 31 December 2016.

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 31.03.2016 RM'000	Cumulative Quarter 3 Months 31.03.2016 RM'000
Income tax:		
Malaysian	(1,782)	(1,782)
Overseas	(34)	(34)
Deferred tax:		
Malaysian	-	-
Overseas	-	-
Total	<u>(1,816)</u>	<u>(1,816)</u>

The Group's effective tax rate is higher than the statutory tax rate of 24% (2015: 25%) 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 22 April 2016, a wholly-owned subsidiary, Olympia Properties Sdn Bhd had entered into a Sale and Purchase Agreement ("SPA") with Semanja Hartamas Sdn Bhd for the disposal of a piece of development land held under Geran No. 77974, Lot No. 67801, situated in Mukim Batu, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur measuring approximately 36,491 square metres or 9.01 acres for a total cash consideration of RM150,000,000.00 subject to the terms and conditions as stipulated in the SPA. The transaction is currently pending Consent to Release Property from the Lienholder Caveator and Chargee.

B7. Borrowings and debt securities

	----- As at 31.03.2016 -----		
Group borrowings	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Term loans	192,555	12,000	204,555
Bank overdrafts	-	-	-
Hire purchase payables	1,409	-	1,409
	193,964	12,000	205,964
Long term			
Term loans	54,777	-	54,777
Hire purchase payables	268	-	268
	55,045	-	55,045
	<u>249,009</u>	<u>12,000</u>	<u>261,009</u>

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 2016.

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	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Interest income	938	2,054	938	2,054
Interest expense	(6,179)	(4,502)	(6,179)	(4,502)
Dividend income	68	96	68	96
Depreciation on property, plant and equipment	(1,077)	(986)	(1,077)	(986)
Property, plant and equipment written off	-	(1)	-	(1)
Gain on disposal of property, plant and equipment	-	6	-	6
Unrealised loss on foreign exchange	-	-	-	-
Gain on disposal of investment in subsidiary	-	-	-	-
Fair value gain on investment properties	-	-	-	-
Amortisation of transaction costs on borrowings	(369)	(871)	(369)	(871)
Gain/(Loss) on fair value changes	-	-	-	-
of investment securities	17	7	17	7
Impairment loss on receivables	(4)	(6)	(4)	(6)
Reversal of impairment loss on receivables	-	36	-	36
Reversal of write back of payables	-	-	-	-

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	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Profit/(Loss) attributable to owners of the Company (RM'000)	(3,324)	(4,641)	(3,324)	(4,641)
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)	(0.3)	(0.5)	(0.3)	(0.5)

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 31.03.2016 RM'000	As at 31.12.2015 RM'000 Audited
Holding company and its subsidiaries		
Realised	(1,550,670)	(1,599,921)
Unrealised	(1,114)	83,266
	(1,551,784)	(1,516,655)
Associated companies		
Realised	-	-
Unrealised	-	-
	(1,551,784)	(1,516,655)
Effects of par value reduction	739,066	-
Consolidation adjustments	1,124,625	1,092,641
	311,907	(424,014)

On behalf of the Board

OLYMPIA INDUSTRIES BERHAD

Lim Yoke Si

Company Secretary

Kuala Lumpur

27 May 2016