

OLYMPIA INDUSTRIES BERHAD
(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2017
(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 Months Ended		3 Months	3 Months
	31.3.2017	31.12.2016	Ended	Ended
	RM'000	RM'000	31.3.2017	31.12.2016
			RM'000	RM'000
Revenue	34,301	38,882	34,301	38,882
Operating expenses	(28,389)	(31,750)	(28,389)	(31,750)
Other income	2,075	4,446	2,075	4,446
Other expenses	<u>(4,983)</u>	<u>(6,688)</u>	<u>(4,983)</u>	<u>(6,688)</u>
Operating profit/(loss)	3,004	4,890	3,004	4,890
Finance costs	(3,122)	(6,180)	(3,122)	(6,180)
Profit / (Loss) before tax	<u>(118)</u>	<u>(1,290)</u>	<u>(118)</u>	<u>(1,290)</u>
Income tax expense	<u>(710)</u>	<u>(1,816)</u>	<u>(710)</u>	<u>(1,816)</u>
Profit / (Loss) for the period	(828)	(3,106)	(828)	(3,106)
Other comprehensive income / (loss) :				
Foreign currency translation	<u>227</u>	<u>(291)</u>	<u>227</u>	<u>(291)</u>
	<u>227</u>	<u>(291)</u>	<u>227</u>	<u>(291)</u>
Total comprehensive profit / (loss) for the period	<u>(601)</u>	<u>(3,397)</u>	<u>(601)</u>	<u>(3,397)</u>
Profit / (Loss) attributable to:				
Owners of the Company	(746)	(3,324)	(746)	(3,324)
Non-controlling interests	<u>(82)</u>	<u>218</u>	<u>(82)</u>	<u>218</u>
	<u>(828)</u>	<u>(3,106)</u>	<u>(828)</u>	<u>(3,106)</u>
Total comprehensive income / (loss) attributable to:				
Owners of the Company	(519)	(3,615)	(519)	(3,615)
Non-controlling interests	<u>(82)</u>	<u>218</u>	<u>(82)</u>	<u>218</u>
	<u>(601)</u>	<u>(3,397)</u>	<u>(601)</u>	<u>(3,397)</u>
Profit / (Loss) per share attributable to owners of the Company:				
Basic (Sen)	<u>(0.1)</u>	<u>(0.3)</u>	<u>(0.1)</u>	<u>(0.3)</u>
Diluted (Sen)	<u>(0.1)</u>	<u>(0.3)</u>	<u>(0.1)</u>	<u>(0.3)</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 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 2017

(The figures have not been audited)

	As at 31.3.2017 RM'000 <u>Unaudited</u>	As at 31.12.2016 RM'000 <u>Audited</u>
ASSETS		
Non-current assets		
Property, plant and equipment	13,179	14,174
Land held for property development	201,856	201,845
Investment properties	330,280	330,280
Investment in associates	-	-
Derivative financial instrument	359	320
	545,674	546,619
Current assets		
Property development costs	40,685	40,677
Inventories	61,642	61,589
Amount due from associates	-	-
Amount due from affiliated companies	3,604	3,262
Trade and other receivables	85,852	36,415
Investment in securities	17,584	14,581
Tax refundable	-	60
Cash and bank balances	52,697	65,733
	262,064	222,317
TOTAL ASSETS	807,738	768,936
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	102,343	102,343
Other Reserves	198,267	198,040
Merger deficit	(233,884)	(233,884)
Retained earnings / (Accumulated losses)	316,719	317,465
	383,445	383,964
Non-controlling interests	4,453	4,535
Total equity	387,898	388,499
Non-current liabilities		
Loans and borrowings	170,398	121,131
Deferred tax liabilities	2,640	2,639
	173,038	123,770
Current liabilities		
Amount due to associates	4	4
Amount due to affiliated companies	16,904	16,727
Trade and other payables	154,157	113,371
Loans and borrowings	292	49,834
Amount due to joint arrangement	73,080	73,080
Tax payable	2,365	3,651
	246,802	256,667
Total liabilities	419,840	380,437
TOTAL EQUITY AND LIABILITIES	807,738	768,936
Net assets per share attributable to owners of the Company (RM)	0.37	0.38

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017
(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 2017	102,343	198,040	(233,884)	317,465	383,964	4,535	388,499
Total comprehensive income/(loss)	-	227	-	(746)	(519)	(82)	(601)
	102,343	198,267	(233,884)	316,719	383,445	4,453	387,898
Balance at 31 March 2017	102,343	198,267	(233,884)	316,719	383,445	4,453	387,898
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)	(427,338)	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)	311,728	377,708	5,210	382,918

OLYMPIA INDUSTRIES BERHAD
(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2017
(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	Hedging Reserve RM'000	Total RM'000
Balance at 1 January 2017	-	11,018	3,399	183,623	-	198,040
Total comprehensive income/(loss)	-	-	227	-	-	227
Balance at 31 March 2017	-	11,018	3,626	183,623	-	198,267
Balance at 1 January 2016	-	11,018	3,171	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	-	11,018	2,701	183,623	-	197,342

The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

(The figures have not been audited)

	3 Months Ended 31.3.2017 RM'000	3 Months Ended 31.3.2016 RM'000
Cash flows from operating activities		
(Loss) / Profit before tax	(119)	(1,290)
Adjustments for non-cash items:		
Impairment loss on receivables	-	4
Reversal of impairment loss on receivables	(13)	-
Net loss/(gain) on fair value changes of investment securities	-	(17)
Fair value (gain) / loss on derivative financial instrument	(39)	-
Amortisation of transaction cost on borrowings	183	369
Depreciation of property, plant and equipment	1,113	1,077
Property, plant and equipment written off	1	-
Unrealised loss on foreign exchange	(76)	38
Dividend income	(85)	(68)
Interest income from:		
- fixed deposits and others	(805)	(938)
Finance costs	3,122	6,179
	<u>3,401</u>	<u>6,644</u>
Operating profit before working capital changes	3,282	5,354
Changes in working capital		
(Increase)/Decrease in land held for property development	(11)	(18)
(Increase)/Decrease in property development costs	(8)	(177)
Decrease/(Increase) in inventories	(53)	(137)
(Increase)/Decrease in receivables	(49,423)	(2,586)
Net changes in the balances with associated companies	-	(6)
Net changes in the balances with affiliated companies	(165)	538
Increase/(decrease) in payables	40,846	17,139
	<u>(8,814)</u>	<u>14,753</u>
Cash generated from operations	(5,532)	20,107
Interest received	805	938
Interest paid	(3,122)	(6,179)
Tax paid	(1,935)	(977)
Net cash generated from operating activities	<u>(9,784)</u>	<u>13,889</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(103)	(1,429)
Proceeds from disposal of investment securities	24	569
Purchase of investment securities	(3,027)	(406)
Dividend received	85	68
Net cash (used in)/generated from investing activities	<u>(3,021)</u>	<u>(1,198)</u>

OLYMPIA INDUSTRIES BERHAD
(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2017
(The figures have not been audited)

	3 Months Ended 31.3.2017 RM'000	3 Months Ended 31.3.2016 RM'000
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from borrowings	-	6,000
Repayment of borrowings	(381)	(689)
Repayment of hire purchase payables	(77)	455
Net movement in trust monies for dealers' representatives	2	(5)
Net movement in securities placed with licensed bank	(116)	2,430
Net movement in fixed deposits with licensed banks	4,690	(1,364)
Net cash generated from/(used in) financing activities	<hr/> 4,118	<hr/> 6,827
Net increase/(decrease) in cash and cash equivalents	(8,687)	19,518
Effect of exchange rate changes	227	(469)
Cash and cash equivalents at beginning of period	45,553	37,363
Cash and cash equivalents at end of the period	<hr/> 37,093	<hr/> 56,412

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

	3 Months Ended 31.3.2017 RM'000	3 Months Ended 31.3.2016 RM'000
	<hr/>	<hr/>
Deposits with financial institutions	25,378	28,675
Cash and bank balances	11,715	27,737
	<hr/> 37,093	<hr/> 56,412

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the Notes to the Interim Financial Statements.

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 MFRS 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 financial year ended 31 December 2016.

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 31 December 2016.

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 31 December 2016.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2016 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 period 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 3 months ended 31 March 2017 :

	Financial Services RM'000	Property Development RM'000	Gaming RM'000	Leasing RM'000	Investment Holding and Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External customers	2,608	-	24,185	6,054	1,454	-	34,301
Inter-segment	-	-	967	1,711	1,059	(3,737)	-
Total revenue	2,608	-	25,152	7,765	2,513	(3,737)	34,301
Results							
Segment results	(319)	(1,500)	1,523	2,921	(301)	680	3,004
Finance costs	(3)	-	(5)	(2,399)	(715)	-	(3,122)
Profit/(Loss) before tax	(322)	(1,500)	1,518	522	(1,016)	680	(118)
Income tax expense	-	43	(397)	(347)	(9)	-	(710)
Profit/(Loss) for the period	(322)	(1,457)	1,121	175	(1,025)	680	(828)

Comparative results for 3 months ended 31 March 2016 :

	Financial Services RM'000	Property Development RM'000	Gaming RM'000	Leasing RM'000	Investment Holding and Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External customers	1,919	-	29,588	5,875	1,500	-	38,882
Inter-segment	-	-	1,184	1,668	1,065	(3,917)	-
Total revenue	1,919	-	30,772	7,543	2,565	(3,917)	38,882
Results							
Segment results	1,189	(761)	2,612	2,375	2,518	(3,043)	4,890
Finance costs	(2)	(6,044)	(6)	(184)	(2,987)	3,043	(6,180)
Profit/(Loss) before tax	1,187	(6,805)	2,606	2,191	(469)	-	(1,290)
Income tax expense	(363)	-	(675)	(744)	(34)	-	(1,816)
Profit/(Loss) for the period	824	(6,805)	1,931	1,447	(503)	-	(3,106)

A10. Valuation of property, plant and equipment

There is no change in the fair value of the Properties since the end of the previous financial year.

A11. Subsequent events

There were no material events subsequent to the end of the quarter ended 31 March 2017.

A12. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter ended 31 March 2017.

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 31 December 2016.

A14. Capital commitments

There were no capital commitments contracted but not provided for in the interim financial statements as at 31 March 2017.

B1. Performance review

Current Quarter vs Previous Corresponding Quarter Last Year

The Group reported a consolidated revenue of RM34.3 million for the current quarter under review as compared to RM38.9 million in the previous corresponding quarter of last year, a decline of 11.8% or RM4.6 million in the Group's revenue due to lower revenue from the gaming division. Gaming division remains the main contributor of the Group, making up 70.5% or RM24.2 million of total revenue to the Group for the current quarter.

The Group reported a loss before tax of RM0.1 million for the current quarter compared to a RM1.3 million loss before tax in the previous corresponding quarter last year.

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

- i) Property development segment – lower loss due to higher term loan interests in the corresponding quarter last year, due to loan settlement in the third quarter of 2016.
- ii) Gaming division – lower profits due to lower average sales value per draw and higher payout ratio at 62.5%, up from 60.6% in the corresponding quarter last year.

B2. Comparison with immediate preceding quarter's results

The Group recorded a loss before tax of RM0.1 million for the current quarter compared to a profit before tax of RM25.4 million in the immediate preceding quarter.

This is mainly due to Leasing segment which recorded a profit before tax of RM0.5 million as compared to RM28.3 million profit before tax in the immediate preceding quarter mainly due to fair value gain of RM28.5 million (net of deferred tax) arising from the revaluation of Menara Olympia in the immediate preceding quarter.

B3. Commentary of prospects

Amidst these uncertainties in the external environment, the Group's results for the rest of the current financial year will mostly remain subdued, in the face of higher interest rates and the weakening currency. The Group's property division with regards to its joint venture projects are unlikely to unveil new products until the economy and the external environment becomes more conducive.

However, despite the various uncertainties, Gaming division and Investment Holding division are expected to sustain the present level of performance for the rest of the current financial year.

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 31.3.2017 RM'000	Cumulative Quarter 3 Months 31.3.2017 RM'000
Income tax :		
Malaysian	(701)	(701)
Overseas	(9)	(9)
Deferred tax :		
Malaysian	-	-
Overseas	-	-
Total	<u>(710)</u>	<u>(710)</u>

The Group's effective tax rate is higher than the statutory tax rate of 24% (2016: 24%) due additional assessments on disallowed expenses on certain subsidiaries of the Group.

B6. Corporate proposals

On the Sale and Purchase Agreement entered into by a wholly-owned subsidiary, Olympia Properties Sdn Bhd on 22 April 2016 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, the sale has been completed on 25 April 2017.

B7. Borrowings and debt securities

----- As at 31.3.2017 -----			
Group borrowings	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term:			
Term loans	-	-	-
Hire purchase payables	292	-	292
	292	-	292
Long term:			
Term loans	169,309	-	169,309
Hire purchase payables	1,089	-	1,089
	170,398	-	170,398
	<u>170,690</u>	<u>-</u>	<u>170,690</u>

All borrowings are denominated in Ringgit Malaysia.

B8. Derivative Financial Instrument

During the previous financial year, the Group entered into an interest rate swap ("IRS") contract to manage its exposure to interest rate risks by converting its floating rate liabilities to fixed rate liabilities in order to limit the Group's exposure to unfavourable interest rate fluctuations on the underlying debt instrument, specifically the long term loan referred to in Note B7.

The IRS for the term loan was entered into for 5 years with a fixed swap rate of 3.75%.

The notional amount, fair values and maturity tenure of the outstanding IRS contract as at 31 March 2017 are disclosed as follows :-

Contract / notional amount RM'000	Classification in Statement of Financial Position			
	Assets		Liabilities	
	Non-current RM'000	Current RM'000	Non-current RM'000	Current RM'000
IRS contract : - between 4 years to 5 years	120,000	359	-	-

Since its inception, there is no change to the type of derivative financial contracts entered into, the cash requirements of the derivative, the risks associated with the derivative; and the risk management objectives and policies to mitigate these risks.

B9. 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.

B10. Off balance sheet financial instruments

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

B11. Dividend payable

No dividend has been declared for the financial period ended 31 March 2017.

B12. 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	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Interest income	805	938	805	938
Interest expense	(3,122)	(6,179)	(3,122)	(6,179)
Dividend income	85	68	85	68
Depreciation on property, plant and equipment	(1,113)	(1,077)	(1,113)	(1,077)
Property, plant and equipment written off	(1)	-	(1)	-
Amortisation of transaction costs on borrowings	(183)	(369)	(183)	(369)
Gain/(Loss) on fair value changes of investment securities	-	17	-	17
Impairment loss on receivables	-	(4)	-	(4)
Reversal of impairment loss on receivables	13	-	13	-

B13. 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	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Profit/(Loss) attributable to owners of the Company (RM'000)	(746)	(3,324)	(746)	(3,324)
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)	(0.1)	(0.3)	(0.1)	(0.3)

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.

B14. Realised and unrealised profit/losses

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

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000 Audited
	Holding company and its subsidiaries :	
Realised	(1,550,853)	(1,549,346)
Unrealised	(2,642)	(2,641)
	(1,553,495)	(1,551,987)
Associated companies :		
Realised	-	-
Unrealised	-	-
	(1,553,495)	(1,551,987)
Effects of par value reduction	739,066	739,066
Consolidation adjustments	1,131,148	1,130,386
	316,719	317,465

On behalf of the Board

OLYMPIA INDUSTRIES BERHAD

Lim Yoke Si

Company Secretary

Kuala Lumpur

23 May 2017