

OLYMPIA INDUSTRIES BERHAD
(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2019
(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 Months Ended		6 Months	6 Months
	30.6.2019	30.6.2018	Ended	Ended
	RM'000	RM'000	30.6.2019	30.6.2018
			RM'000	RM'000
CONTINUING OPERATIONS :				
Revenue	28,577	28,047	61,207	61,886
Operating expenses	(24,792)	(27,087)	(51,478)	(56,968)
Other income	1,648	3,303	1,908	13,543
Other expenses	(2,903)	(2,545)	(5,696)	(8,427)
Operating profit / (loss)	2,530	1,718	5,941	10,034
Finance costs	(2,663)	(4,468)	(4,944)	(6,779)
Share of results of associates	-	-	-	-
Profit / (loss) before tax	(133)	(2,750)	997	3,255
Income tax (expense)/credit	(784)	1,143	(1,691)	815
Profit / (loss) after tax from continuing operations	(917)	(1,607)	(694)	4,070
DISCONTINUED OPERATIONS :				
Profit after tax from discontinued operations	-	37	-	251
Profit / (loss) after tax :	(917)	(1,570)	(694)	4,321
Profit / (loss) attributable to:				
- Owners of the Company :				
- continuing operations	(917)	(1,606)	(694)	4,073
- discontinued operations	-	107	-	347
	(917)	(1,499)	(694)	4,420
- Non-controlling interests :				
	-	(71)	-	(99)
	(917)	(1,570)	(694)	4,321
Other comprehensive income :				
- Foreign currency translation				
	-	(23)	-	(23)
	-	(23)	-	(23)
Other comprehensive profit / (loss) for the period	(917)	(1,593)	(694)	4,298
Total comprehensive income / (loss) attributable to:				
- Owners of the Company :				
- continuing operations	(917)	(1,629)	(694)	4,050
- discontinued operations	-	107	-	347
	(917)	(1,522)	(694)	4,397
- Non-controlling interests :				
	-	(71)	-	(99)
	(917)	(1,593)	(694)	4,298
Profit / (loss) per share attributable to Owners of the Company :				
Basic (Sen) :				
- continuing operations	(0.1)	(0.2)	(0.1)	0.4
- discontinued operations	-	-	-	-
	(0.1)	(0.2)	(0.1)	0.4
Diluted (Sen) :				
- continuing operations	(0.1)	(0.2)	(0.1)	0.4
- discontinued operations	-	-	-	-
	(0.1)	(0.2)	(0.1)	0.4

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 30 JUNE 2019

(The figures have not been audited)

	As at 30.6.2019 RM'000 Unaudited	As at 31.12.2018 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	6,136	7,277
Land held for property development	202,081	202,025
Investment properties	330,280	330,280
	538,497	539,582
Current assets		
Inventories	18,711	13,222
Amount due from associates	-	11
Amount due from affiliated companies	1,089	1,231
Trade and other receivables	8,963	20,038
Investment in securities	32,602	25,508
Tax refundable	102	249
Cash and bank balances	32,367	31,011
	93,834	91,270
TOTAL ASSETS	632,331	630,852
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share Capital	296,984	296,984
Other Reserves	906	906
Merger deficit	(233,884)	(233,884)
Retained earnings	341,931	342,625
	405,937	406,631
Non-controlling interests	4,220	4,220
Total equity	410,157	410,851
Non-current liabilities		
Loans and borrowings	151,272	151,400
Deferred tax liabilities	2,561	2,660
Derivative financial liability	951	110
	154,784	154,170
Current liabilities		
Amount due to associates	4	19
Amount due to affiliated companies	33,176	34,897
Trade and other payables	31,438	30,037
Loans and borrowings	2,403	878
Tax payable	369	-
	67,390	65,831
Total liabilities	222,174	220,001
TOTAL EQUITY AND LIABILITIES	632,331	630,852
Net assets per share attributable to owners of the Company (RM)	0.40	0.40

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes to the Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2019
(The figures have not been audited)

	---Attributable to Owners of the Company ---						Non-Controlling Interests RM'000	Equity RM'000
	-----Non-distributable -----		Retained Earnings / (Accumulated Losses) RM'000	Reserves of disposal group classified as held for sale RM'000	Total RM'000			
	Share Capital RM'000	Other Reserves RM'000						
Balance at 1 January 2019	296,984	906	(233,884)	342,625	-	406,631	4,220	410,851
Total comprehensive income	-	-	-	(694)	-	(694)	-	(694)
Balance at 30 June 2019	296,984	906	(233,884)	341,931	-	405,937	4,220	410,157
Balance at 1 January 2018, as previously reported	296,984	906	(233,884)	330,755	2,217	396,978	5,045	402,023
Effects of MFRS 9 adoption				(103)		(103)		(103)
Balance at 1 January 2018, as restated	296,984	906	(233,884)	330,652	2,217	396,875	5,045	401,920
Total comprehensive loss	-	(23)	-	4,420	-	4,397	(99)	4,298
	296,984	883	(233,884)	335,072	2,217	401,272	4,946	406,218
Reserves of disposal group classified as held for sale	-	-	-	-	(2,217)	(2,217)	-	(2,217)
Balance at 30 June 2018	296,984	883	(233,884)	335,072	-	399,055	4,946	404,001

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2019
(The figures have not been audited)

Breakdown of - Other Reserves	Asset		Foreign			
	Revaluation	Share	Currency	Capital	Hedging	Total
	Reserve	Premium	Translation	Reserve	Reserve	Reserve
	RM'000	RM'000	Reserve	RM'000	RM'000	RM'000
			RM'000			
Balance at 1 January 2019	-	-	906	-	-	906
Total comprehensive income	-	-	-	-	-	-
Balance at 30 June 2019	-	-	906	-	-	906
Balance at 1 January 2018	-	-	906	-	-	906
Total comprehensive income	-	-	(23)	-	-	(23)
Balance at 30 June 2018	-	-	883	-	-	883

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 2018 and the Notes to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2019**
(The figures have not been audited)

	6 Months Ended 30.6.2019 RM'000	6 Months Ended 30.6.2018 RM'000
Cash flows from operating activities		
Profit / (loss) before tax :-		
- continuing operations	997	3,293
- discontinued operations	-	257
	<u>997</u>	<u>3,550</u>
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,208	2,133
Amortisation of transaction cost on borrowings	165	244
Written off :-		
- bad debts	279	-
- property, plant and equipment	15	9
(Gain) / loss on disposal of property, plant and equipment	(3)	1
Loss on fair value changes on :-		
- investment securities	154	129
- derivative financial instrument	841	-
Allowance for impairment of :-		
- trade and other receivables	-	7
Reversal of allowances for impairment of :-		
- trade and other receivables	(66)	(37)
Unrealised foreign exchange losses	36	15
Dividend income	(395)	(311)
Interest income on :-		
- fixed deposits	(234)	(1,529)
Finance costs	4,708	6,783
	<u>6,708</u>	<u>7,444</u>
Operating profit before working capital changes	7,705	10,994
Changes in working capital		
(Increase) / Decrease in receivables	10,862	20,292
Decrease / (Increase) in inventories	(5,490)	3,189
Net changes in the balances with affiliated companies	(1,580)	(1,843)
(Increase) / Decrease in land held for property development	(56)	(79)
Net changes in the balances with associated companies	(3)	(19)
Increase / (decrease) in payables	3,340	(16,311)
	<u>7,073</u>	<u>5,229</u>
Cash generated from operations	14,778	16,223
Tax paid / (refunded)	(1,275)	(88)
Interest paid	(4,944)	(7,933)
Interest received	234	1,529
Net cash generated from operating activities	<u>8,793</u>	<u>9,731</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2019
(The figures have not been audited)

	6 Months Ended 30.6.2019 RM'000	6 Months Ended 30.6.2018 RM'000
Cash flows from investing activities		
Dividend received	395	311
Proceeds from disposal of :-		
- investment securities	30,596	1,560
- property, plant and equipment	3	-
Purchase of investment securities	(37,844)	(1,949)
Purchase of property, plant and equipment	(82)	(535)
Net cash (used in) / generated from investing activities	(6,932)	(613)
Cash flows from financing activities		
Repayment of hire purchase payables	(533)	125
Placement of monies in trust fund	(670)	-
Net movement in securities placed with licensed bank	2,989	2,844
Upliftment/(placement) of fixed deposits with licensed banks	1,430	(3,610)
Placement of trust monies for dealers' representatives	-	(21)
Net cash generated from / (used in) financing activities	5,216	(662)
Net increase / (decrease) in cash and cash equivalents	7,077	8,456
Effect of exchange rate changes	-	(22)
Cash and cash equivalents at beginning of period	25,289	27,123
Cash and cash equivalents at end of the period	32,366	35,557

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

	6 Months Ended 30.6.2019 RM'000	6 Months Ended 30.6.2018 RM'000
Deposits with financial institutions	19,033	31,319
Cash and bank balances	13,333	4,238
	32,366	35,557

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2018.

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 2018.

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 2018 except as follows :-

(i) Standards, Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2019

On 1 January 2019 the Group and Company adopted the following new and amended MFRS and IC interpretations mandatory for annual financial periods beginning on or after 1 January 2019 :

MFRS 16 Leases

Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)

Prepayment Features with Negative Compensation (Amendments to MFRS 9)

Annual Improvements to MFRS Standards 2015-2017 Cycle :-

- (i) Previously Held Interest in a Joint Operation (Amendments to MFRS 3 Business Combinations)
- (ii) Previously Held Interest in a Joint Operation (Amendments to MFRS 11 Joint Arrangements)
- (iii) Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to MFRS 112 Income Taxes)
- (iv) Borrowing Costs Eligible for Capitalisation (Amendments to MFRS 123 Borrowing Costs)

Adoption of the the above standards and interpretations did not have any significant impact on the interim financial statements of the Group, except as discussed below :

MFRS 16 Leases

MFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit or loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like earning before interest, tax, depreciation and amortization (“EBITDA”) will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under MFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

During the previous financial year ended 31 December 2018, the Group and the Company performed a detailed impact assessment of the aspects of MFRS 16. The assessment was based on present day available information and was subject to changes arising from further reasonable and supportable information being made available to the Group and the Company on 1 January 2019 when the Group and the Company adopted MFRS 16.

Based on the analysis of the Group’s and of the Company’s leases as at 31 December 2018 on the basis of facts and circumstances that exist at that date, the Directors of the Company has determined that the initial application of MFRS 16 did not have any material impact on these interim financial statements.

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A2. Changes in accounting policies (cont'd)

(ii) Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intends to adopt these standards, if applicable, when they become effective :

Definition of a Business (Amendments to MFRS 3)
Definition of Material (Amendments to MFRS 101)
Definition of Material (Amendments to MFRS 108)

The Group is studying the impact of adopting these standards, if applicable, when they become effective.

Adoption of the the above standards and interpretations are not expected to have any 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 31 December 2018 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 to-date.

A9. Segmental information

Results for 6 months ended 30 June 2019 :

	Property Development RM'000	Gaming RM'000	Leasing RM'000	Investment Holding & Others RM'000	Adjustment / Elimination RM'000	Consolidated RM'000
Revenue						
External customers	-	52,196	9,011	-	-	61,207
Inter-segment	-	2,088	2,870	1,250	(6,208)	-
Total revenue	-	54,284	11,881	1,250	(6,208)	61,207
Results						
Segment results	(3,068)	6,688	2,385	1,168	(1,231)	5,941
Finance costs	(142)	(4)	(3,649)	(1,291)	142	(4,944)
Share of results of associates	-	-	-	-	-	-
Profit/(Loss) before tax	(3,210)	6,684	(1,264)	(123)	(1,089)	997
Income tax expense	-	(1,569)	(122)	-	-	(1,691)
Profit/(Loss) for the period	(3,210)	5,115	(1,386)	(123)	(1,089)	(694)

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A9. Segmental information (cont'd)

Comparative results for 6 months ended 30 June 2018 :

	Financial Services (discontinued) RM'000	Property Development RM'000	Gaming RM'000	Leasing RM'000	Investment Holding & Others RM'000	Adjustment / Elimination RM'000	Consolidated RM'000
Revenue							
External customers	4,461	3,400	48,430	10,056	872	-	67,219
Inter-segment	-	-	1,937	3,583	1,249	(6,769)	-
Total revenue	4,461	3,400	50,367	13,639	2,121	(6,769)	67,219
Results							
Segment results	(428)	(4,268)	2,084	3,352	16,831	(7,275)	10,296
Finance costs	18	-	(6)	(4,883)	(1,891)	(22)	(6,784)
Profit/(Loss) before tax	(410)	(4,268)	2,078	(1,531)	14,940	(7,297)	3,512
Income tax expense	-	1,580	(576)	(189)	(6)	-	809
Profit/(Loss) for the period	(410)	(2,688)	1,502	(1,720)	14,934	(7,297)	4,321

A10. Valuation of property, plant and equipment

During the previous financial year, Menara Olympia and its adjoining leased car park ("Properties") of Dairy Maid Resort & Recreation Sdn Bhd ("DMRR") was revalued to reflect the fair value of the Properties in accordance with Malaysian Financial Reporting Standards ("MFRS") 140: Investment Properties. DMRR is a wholly-owned subsidiary of the Company.

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

The valuation was carried out by an independent firm of professional valuer, Knight Frank Malaysia Sdn Bhd using Investment and Comparison methods.

A11. Subsequent events

There were no material events subsequent to the end of the period to-date ended 30 June 2019.

A12. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter and period to-date ended 30 June 2019.

A13. Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities and contingent assets since the last audited statement of financial position as at 31 December 2018.

A14. Capital commitments

There were no capital commitments contracted but not provided for in the interim financial statements as at 30 June 2019.

**B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

B1. Performance review

		Individual Period (2nd Quarter)				Cumulative Period (6 months year-to-date)			
		Curr. year 30.6.2019	Preceding year 30.6.2018	+ / -		Curr. year 30.6.2019	Preceding year 30.6.2018	+ / -	
RM'000									
Revenue	- continuing op.	28,577	28,047	530	2%	61,207	61,886	(679)	-1%
	- discontinued op.	-	1,836	(1,836)	-100%	-	5,333	(5,333)	-100%
		28,577	29,883	(1,306)	-4%	61,207	67,219	(6,012)	-9%
Profit / (loss) b4 tax	- continuing op.	(133)	(2,750)	2,617	95%	997	3,255	(2,258)	-69%
	- discontinued op.	-	37	(37)	-100%	-	257	(257)	-100%
		(133)	(2,713)	2,580	95%	997	3,512	(2,515)	-72%
Profit / (loss) after tax	- continuing op.	(917)	(1,607)	690	43%	(694)	4,070	(4,764)	-117%
	- discontinued op.	-	37	(37)	-100%	-	251	(251)	-100%
		(917)	(1,570)	653	42%	(694)	4,321	(5,015)	-116%

Table 1: Financial review for current quarter & financial year-to-date

Current Quarter vs Previous Corresponding Quarter Last Year

The Group reported a consolidated revenue of RM28.6 million for the current quarter under review as compared to RM28.0 million in the previous corresponding quarter of last year, an increase of 1.9% or RM0.5 million in the Group's revenue. Gaming division remains the main contributor of the Group, making up 85.2% or RM24.4 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 RM2.8 million loss before tax in the previous corresponding quarter last year.

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

- Gaming division – Higher profit due to lower payout ratio of 59.8%, down from 65.2% in the corresponding quarter last year and higher average sales value per draw during the current quarter.
- Leasing segment – Lower profits during the current period to-date mainly due to lower occupancy and average rental rates.

YTD (6 months) Q2 FY 2019 vs YTD (6 months) Q2 2019

The Group reported a profit before tax of RM1.0 million during the 6 months ended 30 June 2019 compared to a RM3.3 million profit before tax in the corresponding 6 months period last year.

The variance is mainly due to:

- Property development segment – Profit from sale of inventory unit in the previous year corresponding period, and none recorded in the current year to-date.
- Gaming division – Higher profits due to lower payout ratio at 57.7%, down from 65.3% in the corresponding 6 months period last year, coupled with higher average sales value per draw.

B2. Comparison with immediate preceding quarter's results

		Current quarter 30.6.2019	Immediate preceding quarter 31.3.2019	+ / -	
RM'000					
Revenue	- continuing op.	28,577	32,630	(4,053)	-12%
	- discontinued op.	-	-	-	0%
		28,577	32,630	(4,053)	-12%
Profit before tax	- continuing op.	(133)	1,130	(1,263)	-112%
	- discontinued op.	-	-	-	0%
		(133)	1,130	(1,263)	-112%
Profit after tax	- continuing op.	(917)	223	(1,140)	-511%
	- discontinued op.	-	-	-	0%
		(917)	223	(1,140)	-511%

Table 2: Financial review for current quarter compared with immediate preceding quarter

The Group reported a loss before tax of RM133.0 thousand for the current quarter compared to RM1.1 million profit before tax in the immediate preceding quarter. This is mainly due to :

- Gaming division – Lower profits due to higher payout ratio at 59.8%, up from 55.9% in the immediate preceding quarter.

**B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

B3. Commentary of prospects

The Group's property division's joint venture are unlikely to unveil new products until the economy and the external environment becomes more conducive. The Group expects its gaming division's performance in Sabah to be challenging for the remainder of the current financial year in view of the presence of illegal gaming operations currently existing. Leasing division is expected to remain steady and maintain its 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 and period to-date under review.

B5. Taxation

	Current Quarter 3 Months 30.6.2019 RM'000	Cumulative Year to-date 6 Months 30.6.2019 RM'000
CONTINUING OPERATIONS :-		
Current tax : Malaysian	(784)	(1,691)
Total income tax attributable to continuing operations :	<u>(784)</u>	<u>(1,691)</u>
TOTAL :	<u>(784)</u>	<u>(1,691)</u>

The Group's effective tax rate is higher than the statutory tax rate of 24% (2018: 24%) due additional assessments on disallowed expenses on certain subsidiaries of the Group.

B6. Corporate proposals

- (a) On 20 March 2019, Olympia Ventures Sdn Bhd ("OVSB"), a wholly-owned subsidiary of the Company had entered into a Sale and Purchase Agreement with Wings Holdings Limited (formerly known as Global Mobility Investments Limited) ("Wings") for the disposal of the balance 30% of the issued and paid-up share capital consisting of 360,000 ordinary shares in Olympia Travels & Tours (Singapore) Pte Ltd ("OTTS") for a total cash consideration of Singapore Dollars (S\$) 360,000 (equivalent to RM1,086,041) ("Proposed Disposal").

The completion of the Proposed Disposal, shall take place only when the consideration has been fully paid by Wings to OVSB. The payment of the consideration shall be scheduled as follows:

- i. S\$90,000 to be paid on or before the 20 March 2019;
- ii. S\$90,000 to be paid on or before 15 June 2019; and
- iii. S\$180,000 to be paid on or before 15 September 2019.

Save as disclosed above, there were no other corporate proposals announced but not completed as at 19 August 2019, being 7 days from the date of issuance of these interim financial statements.

**B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

B7. Borrowings and debt securities

	----- As at 30.6.2019 -----		
	Secured RM'000	Unsecured RM'000	Total RM'000
Group borrowings			
Short term:			
Term loans	2,000	-	2,000
Hire purchase payables	403	-	403
	2,403	-	2,403
Long term:			
Term loans	150,869	-	150,869
Hire purchase payables	403	-	403
	151,272	-	151,272
	153,675	-	153,675

All borrowings are denominated in Ringgit Malaysia.

B8. Derivative Financial Instrument

The nature of all outstanding derivatives as at 30 June 2019 are disclosed as follows :-

Type of Derivative	Remaining tenure	As at 31.3.2019		Classification in Statement of Financial Position			
		Contract / notional value RM'000	Fair value deficit RM'000	Derivative financial assets		Derivative financial liabilities	
				Non-current RM'000	Current RM'000	Non-current RM'000	Current RM'000
Interest rate swap ("IRS")	2 years	120,000	(951)	-	-	(951)	-

The Group had in prior years entered into an 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 a long term loan included under Note B7.

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

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

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 year ended 31 December 2018.

**B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

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	
	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000
Interest income	205	795	234	1,529
Interest expense	(2,663)	(4,472)	(4,708)	(6,783)
Dividend income	308	-	395	311
Depreciation on property, plant and equipment	(420)	(1,830)	(1,208)	(2,133)
Property, plant and equipment written off	(15)	(8)	(15)	(9)
Gain on disposal of property, plant and equipment	3	(1)	3	(1)
Unrealised loss on foreign exchange	(36)	-	(36)	-
Amortisation of transaction costs on borrowings	(42)	(122)	(165)	(244)
Gain/(Loss) on fair value changes of investment securities	(154)	-	(154)	(129)
Impairment loss on receivables	-	(4)	-	(7)

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 year ended	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
Profit/(Loss) attributable to Owners of the Company (RM'000) :-				
- continuing operations	(917)	(1,606)	(694)	4,073
- discontinued operations	-	107	-	347
	(917)	(1,499)	(694)	4,420
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) :-				
- continuing operations	(0.1)	(0.2)	(0.1)	0.4
- discontinued operations	-	-	-	-
	(0.1)	(0.2)	(0.1)	0.4

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.

On behalf of the Board
OLYMPIA INDUSTRIES BERHAD

Lim Yoke Si
Company Secretary

Kuala Lumpur
26 August 2019