

OLYMPIA INDUSTRIES BERHAD
(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 Months Ended		9 Months	9 Months
	30.9.2019	30.9.2018	Ended	Ended
	RM'000	RM'000	30.9.2019	30.9.2018
			RM'000	RM'000
CONTINUING OPERATIONS :				
Revenue	30,007	29,275	91,214	91,161
Operating expenses	(25,706)	(23,666)	(77,184)	(80,634)
Other income	806	11,376	2,714	24,919
Other expenses	(2,952)	(2,216)	(8,648)	(10,643)
Operating profit / (loss)	2,155	14,769	8,096	24,803
Finance costs	(2,605)	(3,673)	(7,549)	(10,452)
Share of results of associates	-	-	-	-
Profit / (loss) before tax	(450)	11,096	547	14,351
Income tax (expense)/credit	591	(846)	(1,100)	(31)
Profit / (loss) after tax from continuing operations	141	10,250	(553)	14,320
DISCONTINUED OPERATIONS :				
Profit after tax from discontinued operations	-	(25)	-	76
Profit / (loss) after tax :	141	10,225	(553)	14,396
Profit / (loss) attributable to:				
- Owners of the Company :				
- continuing operations	31	10,268	(663)	14,341
- discontinued operations	-	-	-	76
	31	10,268	(663)	14,417
- Non-controlling interests :				
	110	(43)	110	(21)
	141	10,225	(553)	14,396
Other comprehensive income :				
- Foreign currency translation				
	-	322	-	299
	-	322	-	299
Other comprehensive profit / (loss) for the period	141	10,547	(553)	14,695
Total comprehensive income / (loss) attributable to:				
- Owners of the Company :				
- continuing operations	31	10,590	(663)	14,640
- discontinued operations	-	(25)	-	76
	31	10,565	(663)	14,716
- Non-controlling interests :				
	110	(18)	110	(21)
	141	10,547	(553)	14,695
Profit / (loss) per share attributable to Owners of the Company :				
Basic (Sen) :				
- continuing operations	-	1.0	(0.1)	1.4
- discontinued operations	-	-	-	-
	-	1.0	(0.1)	1.4
Diluted (Sen) :				
- continuing operations	-	1.0	(0.1)	1.4
- discontinued operations	-	-	-	-
	-	1.0	(0.1)	1.4

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

AS AT 30 SEPTEMBER 2019

(The figures have not been audited)

	As at 30.9.2019 RM'000 Unaudited	As at 31.12.2018 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	5,739	7,277
Land held for property development	202,081	202,025
Investment properties	330,280	330,280
	538,100	539,582
Current assets		
Inventories	18,742	13,222
Amount due from associates	-	11
Amount due from affiliated companies	1,323	1,231
Trade and other receivables	8,579	20,038
Investment in securities	32,968	25,508
Tax refundable	102	249
Cash and bank balances	33,287	31,011
	95,001	91,270
TOTAL ASSETS	633,101	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	341,962	342,625
	405,968	406,631
Non-controlling interests	4,330	4,220
Total equity	410,298	410,851
Non-current liabilities		
Loans and borrowings	151,243	151,400
Deferred tax liabilities	2,561	2,660
Derivative financial liability	1,136	110
	154,940	154,170
Current liabilities		
Amount due to associates	4	19
Amount due to affiliated companies	33,579	34,897
Trade and other payables	29,650	30,037
Loans and borrowings	2,261	878
Tax payable	2,369	-
	67,863	65,831
Total liabilities	222,803	220,001
TOTAL EQUITY AND LIABILITIES	633,101	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.

OLYMPIA INDUSTRIES BERHAD
(Company No. 63026-U)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 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 / (loss)	-	-	-	(663)	-	(663)	110	(553)
Balance at 30 September 2019	296,984	906	(233,884)	341,962	-	405,968	4,330	410,298
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 income / (loss)	-	299	-	14,434	-	14,733	(38)	14,695
	296,984	1,205	(233,884)	345,086	2,217	411,608	5,007	416,615
Reserves of disposal group classified as held for sale	-	-	-	-	(2,217)	(2,217)	(1,266)	(3,483)
Balance at 30 September 2018	296,984	1,205	(233,884)	345,086	-	409,391	3,741	413,132

OLYMPIA INDUSTRIES BERHAD

(Company No. 63026-U)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

Breakdown of - Other Reserves	Asset		Foreign			
	Revaluation	Share	Currency	Capital	Hedging	Total
	Reserve	Premium	Translation	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 / (loss)	-	-	-	-	-	-
Balance at 30 September 2019	-	-	906	-	-	906
Balance at 1 January 2018	-	-	906	-	-	906
Total comprehensive income / (loss)	-	-	299	-	-	299
Balance at 30 September 2018	-	-	1,205	-	-	1,205

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 SEPTEMBER 2019**
(The figures have not been audited)

	9 Months Ended 30.9.2019 RM'000	9 Months Ended 30.9.2018 RM'000
Cash flows from operating activities		
Profit / (loss) before tax :-		
- continuing operations	547	15,300
- discontinued operations	-	101
	<u>547</u>	<u>15,401</u>
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,622	3,215
Amortisation of transaction cost on borrowings	165	367
Written off :-		
- bad debts	190	-
- property, plant and equipment	15	7
(Gain) / loss on disposal of property, plant and equipment	(3)	1
Loss on fair value changes on :-		
- investment securities	238	129
- derivative financial instrument	1,026	(14)
(Gain) / loss on disposal of :-		
- investment in subsidiaries	-	(23,016)
Allowance for impairment of :-		
- trade and other receivables	3	38
Reversal of allowances for impairment of :-		
- trade and other receivables	(66)	(785)
Unrealised foreign exchange losses	63	2
Dividend income	(606)	(562)
Interest income on :-		
- fixed deposits	(426)	(1,992)
Finance costs	7,314	10,440
	<u>9,535</u>	<u>(12,170)</u>
Operating profit before working capital changes	10,082	3,231
Changes in working capital		
(Increase) / Decrease in receivables	11,332	17,725
Decrease / (Increase) in inventories	(5,521)	3,214
Net changes in the balances with affiliated companies	(1,411)	675
(Increase) / Decrease in land held for property development	(56)	(120)
Net changes in the balances with associated companies	(3)	(21)
Increase / (decrease) in payables	2,615	(19,055)
	<u>6,956</u>	<u>2,418</u>
Cash generated from operations	17,038	5,649
Tax paid / (refunded)	1,315	(1,431)
Interest paid	(7,549)	(11,590)
Interest received	426	1,992
Net cash generated from operating activities	<u>11,230</u>	<u>(5,380)</u>

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

	9 Months Ended 30.9.2019 RM'000	9 Months Ended 30.9.2018 RM'000
Cash flows from investing activities		
Dividend received	606	562
Proceeds from disposal of :-		
- investment securities	40,411	38,869
- property, plant and equipment	3	-
- subsidiaries	-	34,661
Purchase of investment securities	(48,124)	(42,758)
Acquisition of investment in associates	-	(1,100)
Purchase of property, plant and equipment	(99)	(494)
Net cash (used in) / generated from investing activities	(7,203)	29,740
Cash flows from financing activities		
Proceeds from borrowings	3,000	-
Repayment of borrowings	(1,000)	-
Repayment of hire purchase payables	(704)	90
Placement of monies in trust fund	(664)	-
Net movement in securities placed with licensed bank	2,489	2,874
Upliftment/(placement) of fixed deposits with licensed banks	850	(6,200)
Placement of trust monies for dealers' representatives	-	(31)
Net cash generated from / (used in) financing activities	3,971	(3,267)
Net increase / (decrease) in cash and cash equivalents	7,998	21,093
Effect of exchange rate changes	-	169
Cash and cash equivalents at beginning of period	25,289	27,123
Cash and cash equivalents at end of the period	33,287	48,385

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

	9 Months Ended 30.9.2019 RM'000	9 Months Ended 30.9.2018 RM'000
Deposits with financial institutions	20,114	-
Cash and bank balances	13,173	48,385
	33,287	48,385

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 :

	<u>Effective date</u>
Definition of a Business (Amendments to MFRS 3)	1 January 2020
Definition of Material (Amendments to MFRS 101)	1 January 2020
Definition of Material (Amendments to MFRS 108)	1 January 2020
Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)	1 January 2020
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The Group is studying the impact of adopting these standards. However, 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 9 months ended 30 September 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	-	78,057	13,157	-	-	91,214
Inter-segment	-	3,122	4,306	1,875	(9,303)	-
Total revenue	-	81,179	17,463	1,875	(9,303)	91,214
Results						
Segment results	(2,301)	9,327	3,416	(1,766)	(575)	8,096
Finance costs	(253)	(5)	(5,443)	(2,101)	253	(7,549)
Share of results of associates	-	-	-	-	-	-
Profit/(Loss) before tax	(2,554)	9,322	(2,027)	(3,867)	(322)	547
Income tax expense	(64)	(1,019)	(17)	-	-	(1,100)
Profit/(Loss) for the period	(2,618)	8,303	(2,044)	(3,867)	(322)	(553)

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A9. Segmental information (cont'd)

Comparative results for 9 months ended 30 September 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	-	3,400	72,766	14,996	-	-	91,162
Inter-segment	-	-	2,911	5,373	1,874	(1,459)	8,699
Total revenue	-	3,400	75,677	20,369	1,874	(1,459)	99,861
Results							
Segment results	(20)	(4,775)	4,865	5,713	37,718	(18,589)	24,912
Finance costs	-	-	(9)	(7,411)	(3,032)	(8)	(10,460)
Profit/(Loss) before tax	(20)	(4,775)	4,856	(1,698)	34,686	(18,597)	14,452
Income tax expense	-	1,595	(1,226)	(365)	(4)	(56)	(56)
Profit/(Loss) for the period	(20)	(3,180)	3,630	(2,063)	34,682	(18,653)	14,396

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 September 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 September 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 September 2019.

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

B1. Performance review

		Individual Period (3rd Quarter)				Cumulative Period (9 months year-to-date)			
		Current year 30.9.2019	Preceding year 30.9.2018	+ / -		Current year 30.9.2019	Preceding year 30.9.2018	+ / -	
RM'000									
Revenue	- continuing op.	30,007	29,275	732	3%	91,214	91,161	53	0%
	- discontinued op.	-	-	-	0%	-	8,700	(8,700)	-100%
		30,007	29,275	732	3%	91,214	99,861	(8,647)	-9%
Profit / (loss) b4 tax	- continuing op.	(450)	11,096	(11,546)	-104%	547	14,351	(13,804)	-96%
	- discontinued op.	-	-	-	0%	-	101	(101)	-100%
		(450)	11,096	(11,546)	-104%	547	14,452	(13,905)	-96%
Profit / (loss) after tax	- continuing op.	141	10,250	(10,109)	-99%	(553)	14,320	(14,873)	-104%
	- discontinued op.	-	(25)	25	100%	-	76	(76)	-100%
		141	10,225	(10,084)	-99%	(553)	14,396	(14,949)	-104%

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 RM30.0 million for the current quarter under review as compared to RM29.3 million in the previous corresponding quarter of last year, an increase of 2.5% or RM0.7 million in the Group's revenue. Gaming division remains the main contributor of the Group, making up 86.2% or RM25.9 million of total revenue to the Group for the current quarter.

The Group reported a loss before tax of RM0.5 million for the current quarter compared to a RM11.1 million profit before tax in the previous corresponding quarter last year.

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

- Gaming division – No change in profit despite lower payout ratio of 60.1%, down from 60.7% in the corresponding quarter last year, offset by 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 (9 months) Q3 FY 2019 vs YTD (3 months) Q3 2019

The Group reported a profit before tax of RM0.5 million during the 9 months ended 30 September 2019 compared to a RM14.4 million profit before tax in the corresponding 9 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 and higher average sales value per draw in the corresponding 9 months period last year.
- Investment holding segment – Net gain on disposals of Olympia Travels & Tours (Singapore) Pte Ltd and Jupiter Securities Sdn Bhd of RM10.0 million and RM20.3 million respectively for the previous year corresponding period.

B2. Comparison with immediate preceding quarter's results

		Current quarter 30.9.2019	Immediate preceding quarter 30.6.2019	+ / -	
RM'000					
Revenue	- continuing op.	30,007	61,207	(31,200)	-51%
	- discontinued op.	-	-	-	0%
		30,007	61,207	(31,200)	-51%
Profit / (loss) b4 tax	- continuing op.	(450)	997	(1,447)	-145%
	- discontinued op.	-	-	-	0%
		(450)	997	(1,447)	-145%
Profit / (loss) after tax	- continuing op.	141	(694)	835	120%
	- discontinued op.	-	-	-	0%
		141	(694)	835	120%

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

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

B2. Comparison with immediate preceding quarter's results (cont'd)

The Group reported a loss before tax of RM450,000 for the current quarter compared to RM1.0 million profit before tax in the immediate preceding quarter. This is mainly due to :

- i) Gaming division – Lower profits due to higher payout ratio at 60.1%, up from 57.7% in the immediate preceding quarter.

B3. Commentary of prospects

Given the current negative sentiments, 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 improving on new products and promotional activities. 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 30.9.2019 RM'000	Cumulative Year to-date 9 Months 30.9.2019 RM'000
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CONTINUING OPERATIONS :-

Current tax : Malaysian	671	(1,020)
Prior year tax : Malaysian	(80)	(80)
	<hr/>	
Total income tax attributable to continuing operations :	591	(1,100)

TOTAL :	591	(1,100)
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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

There were no outstanding corporate proposals announced but not completed as at 19 November 2019, being 7 days from the date of issuance of these interim financial statements.

B7. Borrowings and debt securities

	----- As at 30.9.2019 -----		
	Secured RM'000	Unsecured RM'000	Total RM'000
Group borrowings			
Short term:			
Term loans	2,000	-	2,000
Hire purchase payables	261	-	261
	2,261	-	2,261
Long term:			
Term loans	150,982	-	150,982
Hire purchase payables	261	-	261
	151,243	-	151,243
	153,504	-	153,504

All borrowings are denominated in Ringgit Malaysia.

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

B8. Derivative Financial Instrument

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

Type of Derivative	Remaining tenure	As at 30.9.2019		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	(1,136)	-	-	(1,136)	-

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 previous financial year ended 31 December 2018.

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	
	30.9.2019 RM'000	30.9.2018 RM'000	30.9.2019 RM'000	30.9.2018 RM'000
Interest income	192	(971)	426	558
Interest expense	(2,606)	(3,669)	(7,314)	(10,452)
Dividend income	211	251	606	562
Depreciation on property, plant and equipment	(414)	(1,010)	(1,622)	(3,143)
Property, plant and equipment written off	-	8	(15)	(1)
Gain on disposal of property, plant and equipment	-	1	3	-
Unrealised loss on foreign exchange	(27)	(2)	(63)	(2)
Gain on disposal of investment in subsidiaries	-	23,038	-	23,038
Amortisation of transaction costs on borrowings	-	(123)	(165)	(367)
Gain/(Loss) on fair value changes of investment securities	(84)	-	(238)	(129)
Impairment loss on receivables	(3)	7	(3)	-
Reversal of impairment loss on receivables	-	716	66	753

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

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	
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
Profit/(Loss) attributable to Owners of the Company (RM'000) :-				
- continuing operations	31	10,268	(663)	14,341
- discontinued operations	-	-	-	76
	<u>31</u>	<u>10,268</u>	<u>(663)</u>	<u>14,417</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,023,432</u>	<u>1,023,432</u>	<u>1,023,432</u>	<u>1,023,432</u>
Earnings/(Loss) per share (Sen) :-				
- continuing operations	-	1.0	(0.1)	1.4
- discontinued operations	-	-	-	-
	<u>-</u>	<u>1.0</u>	<u>(0.1)</u>	<u>1.4</u>

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 November 2019