OLYMPIA INDUSTRIES BERHAD
(Reg. No. 198001009242 (63026-U))

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 Months Ended		12 Months Ended	12 Months Ended
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Revenue	15,571	33,992	74,300	125,205
Operating expenses	(14,214)	(31,880)	(69,260)	(107,304)
Other income	1,045	1,142	3,366	3,795
Other expenses	(2,664)	(19,513)	(30,028)	(29,858)
Operating loss	(262)	(16,259)	(21,622)	(8,162)
Finance costs	(2,117)	(2,847)	(8,902)	(10,406)
Loss before tax	(2,379)	(19,106)	(30,524)	(18,568)
Income tax credit/(expense)	228	(2,990)	2,077	(4,090)
Loss for the year, representing total comprehensive loss for the year	**(2,151)**	**(22,096)**	**(28,447)**	**(22,658)**
Attributable to:				
- Owners of the Company :	(2,150)	(22,090)	(28,442)	(22,762)
- Non-controlling interests :	(1)	(6)	(5)	104
	(2,151)	(22,096)	(28,447)	(22,658)
Loss per share attributable to Owners of the Company :				
Basic (Sen) :	(0.2)	(2.2)	(2.8)	(2.2)
Diluted (Sen) :	(0.2)	(2.2)	(2.8)	(2.2)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

OLYMPIA INDUSTRIES BERHAD
(Reg. No. 198001009242 (63026-U))

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
(The figures have not been audited)

	As at 31.12.2020 RM'000 (Unaudited)	As at 31.12.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Plant and equipment	3,145	3,908
Right-of-use assets	4,214	4,577
Land held for property development	218,813	218,813
Investment properties	295,700	316,300
	521,872	543,598
Current assets		
Inventories	13,693	16,693
Trade and other receivables	4,421	4,158
Amounts due from affiliated companies	75	1,247
Tax refundable	2,464	1,767
Investment securities	29,390	35,299
Cash and bank balances	30,005	33,846
	80,048	93,010
TOTAL ASSETS	**601,920**	**636,608**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	295,384	295,384
Merger deficit	(233,884)	(233,884)
Retained earnings	314,211	342,653
	375,711	404,153
Non-controlling interests	766	771
Total equity	**376,477**	**404,924**
Non-current liabilities		
Borrowings	150,000	150,048
Other payable	1,301	-
Lease liabilities	2,724	3,022
Deferred tax liabilities	1,812	4,114
Derivative financial liability	1,623	987
	157,460	158,171
Current liabilities		
Trade and other payables	29,892	37,038
Amount due to affiliated companies	36,353	34,315
Borrowings	300	-
Lease liabilities	993	1,433
Tax payable	445	727
	67,983	73,513
Total liabilities	225,443	231,684
TOTAL EQUITY AND LIABILITIES	**601,920**	**636,608**
Net assets per share attributable to owners of the Company (RM)	0.37	0.39

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes to the interim financial statements.

OLYMPIA INDUSTRIES BERHAD
(Reg. No. 198001009242 (63026-U))

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	---Attributable to Owners of the Company ---					
		Non-distributable				
	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Equity RM'000
Balance at 1 January 2020	295,384	(233,884)	342,653	404,153	771	404,924
Total comprehensive loss	-	-	(28,442)	(28,442)	(5)	(28,447)
Balance at 31 December 2020	295,384	(233,884)	314,211	375,711	766	376,477
Balance at 1 January 2019	295,384	(233,884)	365,415	426,915	667	427,582
Total comprehensive loss	-	-	(22,762)	(22,762)	104	(22,658)
Balance at 31 December 2019	295,384	(233,884)	342,653	404,153	771	404,924

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 2019 and the notes to the interim financial statements.

OLYMPIA INDUSTRIES BERHAD
(Reg. No. 198001009242 (63026-U))

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	12 Months Ended 31.12.2020 RM'000	12 Months Ended 31.12.2019 RM'000
Cash flows from operating activities		
Loss before tax	(30,524)	(18,568)
Adjustments for non-cash items:		
Depreciation of plant and equipment	1,147	1,511
Depreciation of right-of-use assets	1,050	985
Amortisation of transaction cost on borrowings	150	-
Bad debts written off	1	285
Plant and equipment written off	-	17
Investment securities written off	80	-
Gain on disposal of plant and equipment	(219)	(1)
Fair value loss on :-		
- investment securities	99	34
- derivative financial liability	635	877
- investment properties	20,600	13,980
Writedown of inventories	300	1,200
Allowance for impairment of :-		
- other receivables	1	21
Reversal of allowances for impairment of		
- amounts due from associates	-	(250)
- trade receivables	-	(107)
- investment securities	(80)	-
other receivables	(36)	(56)
Unrealised loss on foreign exchange	124	94
Dividend income	(807)	(1,012)
Interest income on fixed deposits	(666)	(897)
Finance costs	8,902	10,406
	31,281	27,087
Operating profit before working capital changes	757	8,519
Changes in receivables	(227)	15,737
Changes in inventories	2,699	(4,671)
Changes in affiliated companies	3,211	(598)
Changes in land held for property development	-	(57)
Changes in associates	-	242
Changes in payables	(6,467)	6,907
	(784)	17,560
Cash flows (used in)/generated from operations	(27)	26,079
Tax paid	(1,205)	(3,427)
Net cash (used in)/generated from operating activities	(1,232)	22,652

OLYMPIA INDUSTRIES BERHAD
(Reg. No. 198001009242 (63026-U))

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	12 Months Ended 31.12.2020 RM'000	12 Months Ended 31.12.2019 RM'000
Cash flows from investing activities		
Dividend received	807	1,012
Proceeds from disposal of :-		
- investment securities	16,164	-
- plant and equipment	219	2
Purchase of investment securities	(10,355)	(9,791)
Purchase of plant and equipment	(311)	(189)
Interest received	666	897
Net cash generated from/(used in) investing activities	7,190	(8,069)
Cash flows from financing activities		
Proceeds from drawdown of borrowings	300	3,000
Repayments of borrowings	-	(3,023)
Repayments of lease liabilities	-	(1,503)
Payment of transaction cost on borrowings	(1,200)	-
Net movement in securities placed with licensed bank	508	-
Withdrawal of fixed deposits with licensed banks	988	(13,223)
Interest paid	(8,902)	(10,188)
Net cash used in financing activities	(8,306)	(24,937)
Net decrease in cash and cash equivalents	(2,348)	(10,354)
Effect of exchange rate changes	4	(34)
Cash and cash equivalents at beginning of the year	14,901	25,289
Cash and cash equivalents at end of the year	12,557	14,901

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

	12 Months Ended 31.12.2020 RM'000	12 Months Ended 31.12.2019 RM'000
Deposits with financial institutions	18,152	18,945
Cash and bank balances	11,853	14,901
	30,005	33,846
Less: Deposits with licensed banks with maturity periods of more than 3 months	(13,560)	(14,549)
Less: Interest reserve deposits	(3,888)	(4,396)
	12,557	14,901

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the notes to the interim financial statements.

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN 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 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 2019.

As at 31 December 2020, the Group has net assets of RM376,477,000 and net current assets of RM12,065,000. However, the Group incurred a loss after tax of RM28,447,000 and negative net operating cash flows of RM1,232,000 for the financial year ended 31 December 2020. Included in the loss after tax of the Group is a fair value loss on investment properties of RM20,600,000. The operations, results and financial position of the Group are also expected to be adversely impacted by the effects of the Covid-19 pandemic, as disclosed in Note B3.

The Group has a secured term loan of RM120 million which is included in non-current liabilities and is due for partial repayments commencing from August 2023 and full repayment in August 2026. The Group has been granted temporary indulgence from the remediation of certain security maintenance margin and interest service coverage ratio requirements for the financial year ended 31 December 2020. The Group intends to request for additional indulgence on the compliance with these ratios. In the event that indulgence is not granted, the ability of the Group to comply with these term loan covenants subsequent to 31 December 2020 are dependent on amongst others, the improvement in the market conditions for the leasing of office space and the management’s efforts to improve the tenancy rates of the investment property to achieve profitable operations.

The Group has certain unencumbered assets including certain land held for development and inventories of the Group, which will be disposed of as part of the management’s plans to gradually reduce the level of the borrowings of the Group. However, due to the uncertain outlook for the property market, the Group may not be able to liquidate these assets to realise their full values within a short period should the need arise.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern.

Nevertheless, the financial statements of the Group have been prepared on a going concern basis. The ability of the Group to continue as a going concern is dependent on, amongst others, the ability of its subsidiaries to achieve profitable operations, which are dependent on the positive effects of the resumption of the gaming operations, improvement in the market conditions for the leasing of office space and the management’s efforts to improve the tenancy rates of the investment property.

After considering all pertinent information, including the forecasted cash flow requirements of the Group for the foreseeable future and the availability and value of assets of the Group which may be liquidated or used as additional collateral if required, the Directors have concluded the going concern assumption remains appropriate for the Group.

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 subsidiaries (hereinafter referred to as the “Group”) since the financial year ended 31 December 2019.

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 2019 except as follows :-

(i) Standards, Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2020

On 1 January 2020 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 2020 :

Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
Amendments to MFRS 2	Share-Based Payments
Amendments to MFRS 3	Business Combinations - Definition of a Business
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above standards and interpretations did not have any significant impact on the interim financial statements of the Group.

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 financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective:

Effective for annual periods beginning on or after 1 June 2020:

Amendment to MFRS 16	Covid-19-Related Rent Concessions

Effective for annual periods beginning on or after 1 January 2021:

Amendment to MFRS 1, MFRS 9 and MFRS 16	Annual Improvements to MFRS Standards 2018-2020
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

Effective date deferred indefinitely:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of the above standards, amended standards and interpretation will not have material impact on the financial statements of the Group and of the Company in the period of initial application.

A3. Auditors' report on preceding annual financial statements

The Company’s external auditors, Messrs. Ernst & Young PLT had expressed an unqualified opinion with a paragraph on material uncertainty related to going concern in respect of the financial statements of the Group and the Company for the financial year ended 31 December 2019.

The status of the steps taken or proposed to be taken to address the material uncertainty related to going concern are disclosed in Note B3.

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, except for the effects of the ongoing Covid-19 pandemic as further disclosed in Note B3.

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 year to-date.

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A9. Revenue

Set out below is the disaggregation of the Group's revenue from contract customers:

	Property Development		Gaming		Leasing		Investment Holding & Others		Total 12 months	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Type of goods or service:										
Sale of lottery tickets	-	-	55,052	105,522	-	-	-	-	55,052	105,522
Rental income from investment properties:										
- office building	-	-	-	-	15,898	17,270	-	-	15,898	17,270
- residential units	122	164	128	24	-	-	-	-	250	188
Sale of completed properties	3,100	2,225	-	-	-	-	-	-	3,100	2,225
	3,222	2,389	55,180	105,546	15,898	17,270	-	-	74,300	125,205
Geographical markets:										
Sabah	-	-	55,052	105,522	-	-	-	-	55,052	105,522
Kuala Lumpur	3,222	2,389	128	24	15,898	17,270	-	-	19,248	19,683
	3,222	2,389	55,180	105,546	15,898	17,270	-	-	74,300	125,205
Timing of revenue recognition:										
Goods transferred at a point in time	3,100	2,225	55,052	105,522	-	-	-	-	58,152	107,747
Services transferred over time	122	164	128	24	15,898	17,270	-	-	16,148	17,458
	3,222	2,389	55,180	105,546	15,898	17,270	-	-	74,300	125,205

Set out below is the reconciliation of the Group's revenue from contract customers with the amounts disclosed in the segment information:

	Property Development		Gaming		Leasing		Investment Holding & Others		Total 12 months	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:										
External customer	3,222	2,389	55,180	105,546	15,898	17,270	-	-	74,300	125,205
Inter-segment	-	-	2,202	4,221	5,743	5,743	3,500	3,500	11,445	13,464
	3,222	2,389	57,382	109,767	21,641	23,013	3,500	3,500	85,745	138,669
Adjustments and eliminations	-	-	(2,202)	(4,221)	(5,743)	(5,743)	(3,500)	(3,500)	(11,445)	(13,464)
Total revenue from from contracts with customers	3,222	2,389	55,180	105,546	15,898	17,270	-	-	74,300	125,205

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A10. Segmental information

Results for 12 months ended 31 December 2020 :

	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 - at a point in time	-	55,052	-	-	-	55,052
External customers - over time	3,222	128	15,898	-	-	19,248
Inter-segment	-	2,202	5,743	3,500	(11,445)	-
Total revenue	3,222	57,382	21,641	3,500	(11,445)	74,300
Results						
Segment results	(2,582)	(1,352)	(15,449)	(1,806)	(433)	(21,622)
Finance costs	(26)	(154)	(6,583)	(2,812)	673	(8,902)
Loss before tax	(2,608)	(1,506)	(22,032)	(4,618)	240	(30,524)
Income tax (expense)/credit	(20)	94	2,003	-	-	2,077
Loss for the year	(2,628)	(1,412)	(20,029)	(4,618)	240	(28,447)

Comparative results for 12 months ended 31 December 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 - at a point in time	2,225	105,522	-	-	-	107,747
External customers - over time	164	24	17,270	-	-	17,458
Inter-segment	-	4,221	5,743	3,500	(13,464)	-
Total revenue	2,389	109,767	23,013	3,500	(13,464)	125,205
Results						
Segment results	(4,334)	8,776	(5,165)	(9,589)	2,150	(8,162)
Finance costs	(270)	(7)	(7,136)	(3,263)	270	(10,406)
(Loss)/profit before tax	(4,604)	8,769	(12,301)	(12,852)	2,420	(18,568)
Income tax (expense)/credit	(19)	(2,184)	(1,908)	21	-	(4,090)
(Loss)/profit for the year	(4,623)	6,585	(14,209)	(12,831)	2,420	(22,658)

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A11. Valuation of investment properties

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

The resulting fair value loss of RM18.0 million net of deferred tax from the valuation has been charged out to the income statement during the current financial year to-date under review. Net assets per share of the Group has thus decreased by RM0.02 per share as a result. The valuation was carried out by an independent firm of professional valuer, Knight Frank Malaysia Sdn Bhd using Investment and Comparison methods.

During the current financial year, the Group's portfolio of completed residential property units which includes 4-storey town villas in Kenny Heights ("Villas") owned by certain subsidiaries of the Company was reflected at fair value in accordance with MFRS 140: Investment Properties.

The resulting fair value loss of RM0.6 million from the valuation has been charged out to the income statement during the current financial year to-date under review. However there was no material impact to the net assets per share of the Group. The valuation was carried out by an independent firm of professional valuer, Knight Frank Malaysia Sdn Bhd using Comparison method.

A12. Valuation of inventories

During the current financial year, the Group's portfolio of completed residential property units which includes a unit of 4-storey town villa in Kenny Heights owned by a certain subsidiary of the Company was reflected at the lower of cost or net realisable value in accordance with MFRS 102: Inventories.

The resulting inventory write-down of RM0.3 million from the valuation has been charged out to the income statement during the current financial year to-date under review. However there was no material impact to the net assets per share of the Group. The valuation was carried out by an independent firm of professional valuer, Knight Frank Malaysia Sdn Bhd using Comparison method.

A13. Subsequent events

There were no material events subsequent to the end of the year to-date ended 31 December 2020 other than disclosed below:

Lotteries Corporation Sdn Bhd ("LCSB"), KL Landmark Sdn Bhd ("KLLSB") and Diriwan Corporation Sdn Bhd ("DCSB"), all wholly-owned subsidiaries of the Company [collectively the “Vendors”] had on 16 March 2021 entered into 4 separate Sale and Purchase Agreements (“Agreements”) with KH Estates Sdn Bhd (“KHE” or “Purchaser”) for the sale of 4 units of 4-storey town villas bearing postal addresses at Unit No.s A-1, B-1, C-8 and A-7 respectively of KH Villa, No. 9, Jalan Sri Hartamas 17, Taman Sri Hartamas, 50480 Kuala Lumpur measuring approximately 23,887 square feet in total, together with accessory parcels for a total cash consideration of RM15,700,000 and subject to the terms and conditions as stipulated in the Agreements (“Proposed Disposal”).

The Proposed Disposal is not subject to the approval of the shareholders of the Company. The Proposed Disposal will not have any effect on the issued and paid-up share capital and substantial shareholders’ shareholdings of the Company.

The Proposed Disposal will not have any material effect on the earnings per share, net assets per share and gearing of the Company based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2019.

There will be an estimated loss of RM21,880 arising from the Proposed Disposal. Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by the third quarter of 2021.

A14. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter and year to-date ended 31 December 2020.

A15. 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 2019.

A16. Capital commitments

There were no capital commitments contracted but not provided for in the interim financial statements as at 31 December 2020.

A17. Fair values of financial instruments

Financial instruments that are not carried at fair value

The following are classes of financial instruments at amortised cost whose carrying amounts are reasonable approximation of fair value:

Amounts due from/(to) affiliated companies
Trade and other receivables
Cash and bank balances
Loans and borrowings
Lease liabilities
Trade and other payables

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending and borrowings at the reporting date.

Financial instruments carried at fair value

Investment securities

The investment securities are classified as Level 1 within the fair value hierarchy. Fair value is determined directly by reference to their published market bid price at the reporting date.

Derivative

The derivative is classified as Level 2 within the fair value hierarchy. Fair value is determined by valuation techniques incorporating various inputs including the differential between the fixed and variable interest rates on the borrowing and the period to maturity of the derivative contract as at the reporting date.

There have been no transfers of financial instruments between the levels of fair value hierarchy during the year.

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

B1. Performance review

RM'000	Individual Period (4th Quarter)				Cumulative Period (12 months year-to-date)			
	Current year 31.12.2020	Preceding year 31.12.2019	+ / -		Current year 31.12.2020	Preceding year 31.12.2019	+ / -	
Revenue	15,571	33,992	(18,421)	-54%	74,300	125,205	(50,905)	-41%
(Loss)/profit before tax	(2,379)	(19,106)	16,727	88%	(30,524)	(18,568)	(11,956)	-64%
(Loss)/profit after tax	(2,151)	(22,096)	19,945	90%	(28,447)	(22,658)	(5,789)	-26%

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 RM15.6 million for the current quarter under review as compared to RM34.0 million in the previous corresponding quarter of last year, a decline of 54.2% or RM18.4 million in the Group's revenue. The gaming division was the main contributor to the Group, contributing 74.8% or RM11.6 million of the total revenue of the Group for the current quarter.

The Group reported a loss before tax of RM2.4 million for the current quarter compared to a RM19.1 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 losses incurred due to lower fair value losses on valuation of Villas in the current quarter compared to the corresponding quarter last year.
ii) Gaming division–incurred losses due to the temporary closure of gaming outlets during the second Conditional Movement Control Order (CMCO) from early October 2020 until mid-November 2020 imposed by the government of Malaysia. This is despite lower payout ratio of 63.1%, up from 69.3% in the corresponding quarter last year.
iii) Leasing division–lower loss due to RM10.0 million fair value loss on valuation of Menara Olympia in the corresponding quarter last year, and none during the current quarter.

YTD (12 months) Q4 FY 2020 vs YTD (12 months) Q4 FY 2019

The Group reported a loss before tax of RM30.5 million during the 12 months period ended 31 December 2020 compared to a RM18.6 million loss before tax in the corresponding 12 months period last year.

The variance is mainly due to:

i) Gaming division–incurred losses during the current 12 months period due to temporary closure of gaming outlets throughout the initial MCO, CMCO and RMCO periods in April through June 2020, as well as the second round of CMCO in Sabah during October and November 2020. The division also recorded higher payout ratio of 62.1%, up from 61.3% in the corresponding 12 months period last year, as well as lower average sales value per draw during the same period.
ii) Leasing segment–incurred losses mainly due to RM20.0 million fair value losses on valuation of Menara Olympia in the current year to-date, compared to RM10.0 million in last year corresponding period. Occupancy and average rental rates also trended lower during the current 12 months period under review compared to the corresponding 12 months period last year as the division is impacted by both the initial round of the country-wide MCO/CMCO as well as the second round of CMCO in Peninsular Malaysia.

B2. Comparison with immediate preceding quarter's results

RM'000	Current quarter 31.12.2020	Immediate preceding quarter 30.9.2020	+ / -	
Revenue	15,571	26,576	(11,005)	-41%
Loss before tax	(2,379)	(1,993)	(386)	-19%
Loss after tax	(2,151)	(2,065)	(86)	-4%

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 RM2.4 million for the current quarter compared to RM2.0 million loss before tax in the immediate preceding quarter. This is mainly due to:

i) Gaming division–incurred losses in the current quarter due to temporary business closures during the multiple rounds of MCO/CMCO, despite lower expenses and a lower payout ratio at 63.1%, down from 66.7% in the immediate preceding quarter.

B3. Commentary of prospects

On 11 March 2020, the World Health Organisation (WHO) declared Covid-19 a worldwide pandemic. With widespread concerns about the ongoing Covid-19 pandemic, the government of Malaysia had declared a MCO from 18 March 2020. The MCO encompasses restriction of movement and assembly nationwide, and closure of all government and private premises except those involved in essential services. Subsequently, the Group resumed its operations in May 2020, with the exception of the gaming segment, in line with the announcement by the government that most businesses were allowed to resume operations, following the implementation of the conditional MCO (“CMCO”) phase, which remained in place up to 9 June 2020. Subsequently from 10 June 2020 onwards, the country entered into the recovery phase of the MCO ("RMCO") in which more sectors of the economy were allowed to recommence business operations.

Gaming operations resumed operations on 3 November 2020. The commencement of MCO 2.0 nation-wide on 13 January 2021, the revenues and results of the Group are expected to have limited impact in the next quarter and next financial year of temporary cessation of its gaming operations on 13 January 2021 and resumption of its operation on 12 February 2021.

Given the current negative sentiments and uncertainties surrounding the real estate market for the immediate term, the Group's property division's joint venture is unlikely to unveil new products until the economy and the external environment becomes more conducive. The leasing division is expected to remain steady and maintain its present level of performance for the next financial year.

Pursuant to Bursa Malaysia's Disclosure Guidance on Covid-19 Related Impacts and Investments (ICN 1/2020) issued on 10 June 2020, the Board and management have deemed the following additional disclosures to be specific and relevant to the sector and industry in which the Group operates:-

(1) Impact on the Group's business operations

Leasing division:

a) Rental rebates and deferments have been given to certain office and retail units tenants on a case-by-case basis to assist and retain tenants during this difficult time. Some tenants have voluntarily continued to remain closed and have initiated work-from-home arrangements. Overall, despite the office premises closure during the multiple rounds MCO and CMCO, the office leasing operations at Menara Olympia had remained largely unaffected, with only the Covid-19 standard operating procedures ("SOPs") becoming the "new normal" for both tenants and visitors alike.

b) There were no changes to the division's workforce structure. The division had applied to the Social Security Organisation ("PERKESO") for the wages compensation scheme for applicable staff. There is no effect on supply chain, distribution networks or logistics.

c) There were no variations to any material contracts.

Gaming division:

a) The results and financial position of the Group's gaming operations in Sabah for the following quarter and the next financial year ending 31 December 2021 are expected to be impacted by the second round of MCO, but the impact is expected to be less as compared to the initial MCO/CMCO in early 2020. In the initial MCO/CMCO, 57 lottery draws including 1 replacement draw was cancelled. By comparison, during MCO 2.0 from 13 January until 12 February 2021, 13 regular draws and 3 special draws were cancelled.

b) There were no changes to its workforce structure. The division had continued to apply to PERKESO for the various wage compensation schemes / wage subsidy programmes for applicable staff. Its network of agents have remained inactive during the periods in which the gaming outlets remain closed.

c) There were no variations to any material contracts.

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

B3. Commentary of prospects (cont'd.)

(2) Impact on the Group's cash flows, liquidity, financial position and financial performance

Leasing division:

a) The leasing division has sufficient working capital and will continue to be able to fulfil its financial obligations, meet its operating expenditure and sustain its business operations in the forseeable future. The Group has also sought and obtained interest moratorium and tenure extension from its principal lender during the affected period.

b) Key drivers to commercial property values typically reflect a medium to long term outlook. The impact of the pandemic to the real estate market itself is likely to be transitory. However, the division suffered a RM18.0 million fair value loss (net of deferred tax adjustments) during the current 12 months period. Apart from that, the leasing division is not expected to have any material impairment to its other assets, inventories or receivables as the Group believes that most of the effects of the pandemic on its property valuations will be temporary.

c) The majority of the existing tenants portfolio remained steady throughout the affected period. The tenants of Menara Olympia are from varied sectors and industries which had been progressively granted re-opening permissions with SOPs by the government throughout the various MCO phases. Having experienced it once, most tenants as well as management were better prepared with the arrival of MCO 2.0. There were no material changes to planned capital expenditure. The Group does not expect any material impact on the leasing division's financial performance.

Gaming division:

a) The gaming division has sufficient working capital to fulfil its financial obligations, to meet its operating expenditure, and to sustain its business operations. It will also be able to draw upon its cash reserves should the need arise. The division does not have any large external debt obligations.

b) The Group does not expect any material impairment to its assets, inventories or receivables for gaming division based on the information as at the date of this report.

(3) Impact on business and earnings prospects

The business and earnings prospects of the Group are expected to be impacted by the Covid-19 pandemic as elaborated in the preceding paragraphs.

(4) Strategy and steps taken to address the impact of Covid-19

To recap the Company's announcement made on 27 May 2020, the Group has taken, amongst others, the following mitigation steps which are currently still ongoing:

- Tenant rentention support via rental rebates and deferment for certain affected tenants;
- Freezing of planned capital expenditures;
- Cost-cutting measures on non-essential items;
- Sought interest moratorium and tenure extensions from its principal lenders, while being continuously watchful of its loan covenants compliance;
- Applied for the various wage subsidy programmes from PERKESO; to mitigate payroll costs; and
- Continuously evaluating various plans and options in order to pare down its borrowings.
- During the current financial year, the Group has obtained loan tenure extensions from its principal lenders.

The Group did not and does not intend to venture into any new investments nor business collaborations related to Covid-19.

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

B4. Profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee during the current quarter and year to-date under review.

B5. Taxation

	Current Quarter 3 Months 31.12.2020 RM'000	Cumulative Year to-date 12 Months 31.12.2020 RM'000
Current tax : Malaysian	(117)	(269)
Prior year tax : Malaysian	56	56
Deferred tax : Malaysian	289	2,290
TOTAL :	228	2,077

The Group's effective tax rate is higher than the statutory tax rate of 24% (2019: 24%) due to additional assessments on disallowed expenses on certain subsidiaries of the Group.

B6. Corporate proposals

Save as disclosed under Note A13 earlier, there were no outstanding corporate proposals announced but not completed as at 22 March 2021, being 7 days from the date of issuance of these interim financial statements.

B7. Borrowings and debt securities

	As at 31.12.2020		
Group borrowings	**Secured RM'000**	**Unsecured RM'000**	**Total RM'000**
Short term:			
Term loans	300	-	300
Lease liabilities	993	-	993
	1,293	-	1,293
Long term:			
Term loans	150,000	-	150,000
Lease liabilities	2,724	-	2,724
	152,724	-	152,724
	154,017	-	154,017

All borrowings are denominated in Ringgit Malaysia.

Included in term loans is a secured term loan of RM120 million. Based on the facility agreement, the aggregate borrowings from this financial institution (including the interest rate swap derivative) which are outstanding shall not exceed a certain percentage of the value of the investment property which is used as security for this facility. In the event of any shortfall, the Group is required to provide additional collateral acceptable to the financial institution within 30 days of such demand by the financial institution. No such demand has been made as at the current date and the management of the Group has obtained a temporary relaxation of the security margin requirement.

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 31 December 2020 are disclosed as follows :-

		As at 31.12.2020		Classification in Statement of Financial Position			
				Derivative financial assets		Derivative financial liabilities	
Type of Derivative	Remaining tenure	Contract / notional value RM'000	Fair value deficit RM'000	Non-current RM'000	Current RM'000	Non-current RM'000	Current RM'000
Interest rate swap ("IRS")	<1 year	120,000	(1,623)	-	-	(1,623)	-

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 short 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% per annum.

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 these interim financial statements. 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 2019.

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 year ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Interest income	263	471	666	897
Interest expense	(2,117)	(2,856)	(8,902)	(10,170)
Dividend income	147	406	807	1,012
Depreciation on property, plant and equipment	(244)	2	(1,147)	(1,620)
Property, plant and equipment written off	-	(2)	-	(17)
Gain on disposal of property, plant and equipment	-	-	219	3
Unrealised loss on foreign exchange	(30)	5	(124)	(58)
Loss on fair value changes on investment properties	(600)	(13,980)	(20,600)	(13,980)
Writedown of inventories	(300)	(1,200)	(300)	(1,200)
Amortisation of transaction costs on borrowings	(37)	-	(150)	(165)
Loss on fair value changes of investment securities	288	236	(99)	(1)
Fair value loss on derivative	540	149	(635)	(877)
Reversal of impairment loss on receivables	5	34	36	100

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

B13. Loss per share

a) Basic

The basic loss per share for the quarter and cumulative period to date is computed as follows:

	Quarter ended		Financial year ended	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Loss after tax attributable to owners of the Company (RM'000)	(2,150)	(22,090)	(28,442)	(22,762)
Weighted average number of ordinary shares in issue ('000)	1,023,432	1,023,432	1,023,432	1,023,432
Loss per share (Sen)	(0.2)	(2.2)	(2.8)	(2.2)

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. Limited review by external auditors

The Board had engaged the external auditors, Messrs. Ernst & Young PLT to review this interim quarterly results for the quarter and year-to-date ended 31 December 2020 in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

The review report was unqualified, with a paragraph on material uncertainty related to going concern of the Group.

The status of the steps taken or proposed to be taken to address the material uncertainty related to to going concern are disclosed in Note B3.

On behalf of the Board
OLYMPIA INDUSTRIES BERHAD

Lim Yoke Si
Company Secretary

Kuala Lumpur
29 March 2021