

OLYMPIA INDUSTRIES BERHAD

(Reg. No. 198001009242 (63026-U))

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**FOR THE QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 Months Ended		3 Months	3 Months
	31.3.2021	31.3.2020	Ended	Ended
	RM'000	RM'000	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	17,530	27,689	17,530	27,689
Operating expenses	(14,743)	(24,649)	(14,743)	(24,649)
Other income	796	454	796	454
Other expenses	(3,438)	(3,441)	(3,438)	(3,441)
Operating profit	145	53	145	53
Finance costs	(1,837)	(2,172)	(1,837)	(2,172)
Loss before tax	(1,692)	(2,119)	(1,692)	(2,119)
Income tax expense	(48)	(372)	(48)	(372)
Loss for the period, representing total comprehensive loss for the period	(1,740)	(2,491)	(1,740)	(2,491)

Attributable to:				
- Owners of the Company :	(1,739)	(2,490)	(1,739)	(2,490)
- Non-controlling interests :	(1)	(1)	(1)	(1)
	<u>(1,740)</u>	<u>(2,491)</u>	<u>(1,740)</u>	<u>(2,491)</u>

Loss per share attributable to Owners of the Company :

Basic (Sen) :	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>
Diluted (Sen) :	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.2)</u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

(The figures have not been audited)

	As at 31.3.2021 RM'000 (Unaudited)	As at 31.12.2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Plant and equipment	2,979	3,145
Right-of-use assets	3,350	4,214
Land held for property development	219,925	218,813
Investment properties	280,000	295,700
	506,254	521,872
Current assets		
Inventories	13,639	13,693
Trade and other receivables	18,485	4,421
Amounts due from affiliated companies	84	75
Tax refundable	2,581	2,464
Investment securities	29,349	29,390
Cash and bank balances	32,147	30,005
	96,285	80,048
TOTAL ASSETS	602,539	601,920
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	312,472	314,211
	373,972	375,711
Non-controlling interests	765	766
Total equity	374,737	376,477
Non-current liabilities		
Borrowings	150,000	150,000
Other payable	1,301	1,301
Lease liabilities	2,239	2,724
Deferred tax liabilities	1,812	1,812
Derivative financial liability	1,082	1,623
	156,434	157,460
Current liabilities		
Trade and other payables	31,186	29,892
Amount due to affiliated companies	38,787	36,353
Borrowings	300	300
Lease liabilities	668	993
Tax payable	427	445
	71,368	67,983
Total liabilities	227,802	225,443
TOTAL EQUITY AND LIABILITIES	602,539	601,920
Net assets per share attributable to owners of the Company (RM)	0.37	0.37

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 MARCH 2021**

(The figures have not been audited)

	---Attributable to Owners of the Company ---			Total RM'000	Non- controlling interests RM'000	Equity RM'000
	Share capital RM'000	Non- distributable Merger deficit RM'000	Retained earnings RM'000			
	Balance at 1 January 2021	295,384	(233,884)			
Total comprehensive loss	-	-	(1,739)	(1,739)	(1)	(1,740)
Balance at 31 March 2021	295,384	(233,884)	312,472	373,972	765	374,737
Balance at 1 January 2020	295,384	(233,884)	342,653	426,915	771	427,582
Total comprehensive loss	-	-	(2,490)	(2,490)	(1)	(2,491)
Balance at 31 March 2020	295,384	(233,884)	340,163	424,425	770	425,091

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 2020 and the notes to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)

	3 Months Ended 31.3.2021 RM'000	3 Months Ended 31.3.2020 RM'000
Cash flows from operating activities		
Loss before tax	(1,692)	(2,119)
Adjustments for non-cash items:		
Depreciation of plant and equipment	213	308
Depreciation of right-of-use assets	233	195
Amortisation of transaction cost on borrowings	-	37
Gain on disposal of plant and equipment	-	(6)
Fair value loss on :-		
- investment securities	89	414
- derivative financial liability	(540)	1,282
Reversal of allowances for impairment of		
- investment securities	(4)	-
other receivables	(107)	-
Unrealised loss on foreign exchange	-	18
Dividend income	(185)	(253)
Interest income on fixed deposits	(78)	(80)
Finance costs	1,837	1,716
	<u>1,458</u>	<u>3,631</u>
Operating (loss)/profit before working capital changes	(234)	1,512
Changes in receivables	(13,957)	506
Changes in inventories	54	(22)
Changes in affiliated companies	16,555	770
Changes in land held for property development	(1,111)	-
Changes in payables	1,111	(8,728)
	<u>2,652</u>	<u>(7,474)</u>
Cash flows generated from/(used in) operations	2,418	(5,962)
Tax paid	(182)	(875)
Net cash generated from/(used in) operating activities	<u>2,236</u>	<u>(6,837)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)

	3 Months Ended 31.3.2021 RM'000	3 Months Ended 31.3.2020 RM'000
Cash flows from investing activities		
Dividend received	185	253
Proceeds from disposal of :-		
- investment securities	2,973	8,273
- investment properties	1,570	-
Purchase of investment securities	(3,021)	(5,513)
Purchase of plant and equipment	(47)	(174)
Interest received	78	80
Net cash generated from investing activities	1,738	2,919
Cash flows from financing activities		
Payment of transaction cost on borrowings	-	37
Net movement in securities placed with licensed bank	400	-
Withdrawal of fixed deposits with licensed banks	(1,072)	(161)
Interest paid	(1,837)	(2,172)
Net cash used in financing activities	(2,509)	(2,296)
Net increase/(decrease) in cash and cash equivalents	1,465	(6,214)
Effect of exchange rate changes	4	10
Cash and cash equivalents at beginning of the period	12,557	14,901
Cash and cash equivalents at end of the period	14,026	8,697

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

	3 Months Ended 31.3.2021 RM'000	3 Months Ended 31.3.2020 RM'000
Deposits with financial institutions	18,824	19,768
Cash and bank balances	13,323	8,034
	32,147	27,802
Less: Deposits with licensed banks with maturity periods of more than 3 months	(14,633)	(14,709)
Less: Interest reserve deposits	(3,488)	(4,396)
	14,026	8,697

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2020.

As at 31 March 2021, the Group has net assets of RM374,737,000 and net current assets of RM24,917,000. However, the Group incurred a loss after tax of RM1,740,000 for the financial period to-date ended 31 March 2021. 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 2020.

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 2020 except as follows :-

(i) Standards, Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2021

On 1 January 2021 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 2021 :

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
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The adoption of the above standards and interpretations did not have any significant impact on the interim financial statements of the Group.

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 January 2022:

Amendments to MFRSs	Annual Improvements to MFRS Standards 2018-2020 Cycle
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

Effective for annual periods beginning on or after 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

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
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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 2020.

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 3 months	
31.3.2021	31.3.2020	31.3.2021	31.3.2020	31.3.2021	31.3.2020	31.3.2021	31.3.2020	31.3.2021	31.3.2020
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	-	-	14,049	23,529	-	-	-	-	14,049	23,529
Rental income from investment properties:										
- office building	-	-	-	-	3,421	4,127	-	-	3,421	4,127
- residential units	28	33	32	-	-	-	-	60	33	
	28	33	14,081	23,529	3,421	4,127	-	-	17,530	27,689

Geographical markets:

Sabah	-	-	14,049	23,529	-	-	-	-	14,049	23,529
Kuala Lumpur	28	33	32	-	3,421	4,127	-	-	3,481	4,160
	28	33	14,081	23,529	3,421	4,127	-	-	17,530	27,689

Timing of revenue recognition:

Goods transferred at a point in time	-	-	14,049	23,529	-	-	-	-	14,049	23,529
Services transferred over time	28	33	32	-	3,421	4,127	-	-	3,481	4,160
	28	33	14,081	23,529	3,421	4,127	-	-	17,530	27,689

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 3 months	
31.3.2021	31.3.2020	31.3.2021	31.3.2020	31.3.2021	31.3.2020	31.3.2021	31.3.2020	31.3.2021	31.3.2020
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Revenue:

External customer	28	33	14,081	23,529	3,421	4,127	-	-	17,530	27,689
Inter-segment	-	-	562	940	1,436	1,436	875	875	2,873	3,251
	28	33	14,643	24,469	4,857	5,563	875	875	20,403	30,940
Adjustments and eliminations	-	-	(562)	(940)	(1,436)	(1,436)	(875)	(875)	(2,873)	(3,251)
Total revenue from from contracts with customers	28	33	14,081	23,529	3,421	4,127	-	-	17,530	27,689

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A10. Segmental information

Results for 3 months ended 31 March 2021 :

	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	-	14,049	-	-	-	14,049
External customers - over time	28	32	3,421	-	-	3,481
Inter-segment	-	562	1,436	875	(2,873)	-
Total revenue	28	14,643	4,857	875	(2,873)	17,530
Results						
Segment results	(549)	13	1,314	(408)	(225)	145
Finance costs	-	(36)	(1,455)	(458)	112	(1,837)
Loss before tax	(549)	(23)	(141)	(866)	(113)	(1,692)
Income tax expense	-	(48)	-	-	-	(48)
Loss for the year	(549)	(71)	(141)	(866)	(113)	(1,740)

Comparative results for 3 months ended 31 March 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	-	23,529	-	-	-	23,529
External customers - over time	33	-	4,127	-	-	4,160
Inter-segment	-	940	1,436	875	(3,251)	-
Total revenue	33	24,469	5,563	875	(3,251)	27,689
Results						
Segment results	(649)	1,619	(61)	(856)	-	53
Finance costs	-	-	(1,709)	(463)	-	(2,172)
(Loss)/profit before tax	(649)	1,619	(1,770)	(1,319)	-	(2,119)
Income tax expense	-	(372)	-	-	-	(372)
(Loss)/profit for the year	(649)	1,247	(1,770)	(1,319)	-	(2,491)

A11. Valuation of investment properties

During the previous 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 Board of Directors have assessed and concluded that there is no change in the fair value of this property as at 31 March 2021, considering relevant information and market conditions prevailing as at 31 March 2021.

A12. Valuation of inventories

During the previous 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 Board of Directors have assessed and concluded that there is no change in the net realisable value of this property as at 31 March 2021, considering relevant information and market conditions prevailing as at 31 March 2021.

A13. Subsequent events

There were no material events subsequent to the end of the period to-date ended 31 March 2021.

A14. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter and period to-date ended 31 March 2021.

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 2020.

A16. Capital commitments

There were no capital commitments contracted but not provided for in the interim financial statements as at 31 March 2021.

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 period-to-date.

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

B1. Performance review

	Individual Period (1st Quarter)				Cumulative Period (3 months period-to-date)			
	Current year 31.3.2021	Preceding year 31.3.2020	+ / -		Current year 31.3.2021	Preceding year 31.3.2020	+ / -	
RM'000								
Revenue	17,530	27,689	(10,159)	-37%	17,530	27,689	(10,159)	-37%
(Loss)/profit before tax	(1,692)	(2,119)	427	20%	(1,692)	(2,119)	427	20%
(Loss)/profit after tax	(1,740)	(2,491)	751	30%	(1,740)	(2,491)	751	30%

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 RM17.5 million for the current quarter under review as compared to RM27.7 million in the previous corresponding quarter of last year, a decline of 36.7% or RM10.2 million in the Group's revenue. The gaming division was the main contributor to the Group, contributing 80.3% or RM14.1 million of the total revenue of the Group for the current quarter.

The Group reported a loss before tax of RM1.7 million for the current quarter compared to a RM2.1 million loss before tax in the previous corresponding quarter last year.

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

- Gaming division—lower loss due to shorter period of temporary closure of gaming outlets during the 2nd round of Movement Control Order (MCO 2.0) from mid-January 2021 until mid-February 2021 imposed by the government of Malaysia. This was on the back of a higher payout ratio of 60.9%, up from 60.2% in the corresponding quarter last year.

B2. Comparison with immediate preceding quarter's results

	Current quarter 31.3.2021	Immediate preceding quarter 31.12.2020	+ / -	
RM'000				
Revenue	17,530	15,571	1,959	13%
Loss before tax	(1,692)	(2,379)	687	29%
Loss after tax	(1,740)	(2,151)	411	19%

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

The Group reported a loss before tax of RM1.7 million for the current quarter compared to RM2.4 million loss before tax in the immediate preceding quarter. This is mainly due to:

- Property Development segment—lower loss in the current quarter due to fair value adjustments on investment properties in the immediate preceding quarter.
- Gaming division—lower loss in the current quarter due to temporary business closures during MCO 2.0, due to lower expenses and a lower payout ratio at 60.9%, down from 63.1% in the immediate preceding quarter.

B3. Commentary of prospects

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 rest of the current financial year.

The Group is cautiously optimistic that for FY2021, the recovery of the Group operations will be stable and sustainable with the various strategies and mitigating measures being implemented to address the impact of the Covid-19 pandemic.

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.

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

B5. Taxation

Current Quarter 3 Months 31.3.2021 RM'000	Cumulative Year to-date 3 Months 31.3.2021 RM'000
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Current tax : Malaysian (48) (48)

TOTAL : (48) (48)

The Group's effective tax rate is higher than the statutory tax rate of 24% (2020: 24%) due to additional assessments on disallowed expenses on certain subsidiaries of the Group.

B6. Corporate proposals

On 16 March 2021, the Company's wholly-owned subsidiaries namely Lotteries Corporation Sdn Bhd, KL Landmark Sdn Bhd and Diriwan Corporation Sdn Bhd (collectively the "Vendors") had entered into the sale and purchase agreements with KH Estates Sdn Bhd ("Purchaser"), a wholly-owned subsidiary of DutaLand Berhad for the sale of four (4) units of 4-storey town villas bearing postal addresses at Units A-1, B-1, C-8 and A-7, KH Villa, No. 9, Jalan Sri Hartamas 17, Taman Sri Hartamas, 50480 Kuala Lumpur for a total cash consideration of RM15,700,000.

The Sale Consideration for the disposal was arrived at on a willing buyer willing seller basis and based on the valuation carried out by the independent valuer, Knight Frank Malaysia Sdn Bhd. There are no liabilities, including contingent liabilities to be assumed by the Purchaser and no guarantees given by the Vendors to the Purchaser arising from the disposal. There is an estimated loss of RM22,000 arising from the disposal. Barring any unforeseen circumstances, the disposal is expected to be completed by the third quarter of 2021.

Save as disclosed above, there were no outstanding corporate proposals announced but not completed as at 18 May 2021, being 7 days from the date of issuance of these interim financial statements.

B7. Borrowings and debt securities

	----- As at 31.3.2021 -----		
	Secured RM'000	Unsecured RM'000	Total RM'000
Group borrowings			
Short term:			
Term loans	300	-	300
Lease liabilities	668	-	668
	968	-	968
Long term:			
Term loans	150,000	-	150,000
Lease liabilities	2,239	-	2,239
	152,239	-	152,239
	153,207	-	153,207

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 March 2021 are disclosed as follows :-

Type of Derivative	Remaining tenure	As at 31.3.2021		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")	<1 year	120,000	(1,082)	-	-	(1,082)	-

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% 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 2020.

B12. Notes to the condensed consolidated statement of comprehensive income

The following amount have been credited/(charged) in arriving at profit/(loss) before tax:

	Quarter ended		Financial period ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Interest income	78	80	78	80
Interest expense	(1,837)	(1,716)	(1,837)	(1,716)
Dividend income	185	253	185	253
Depreciation on property, plant and equipment	(213)	(308)	(213)	(308)
Gain on disposal of property, plant and equipment	-	6	-	6
Unrealised loss on foreign exchange	-	(18)	-	(18)
Amortisation of transaction costs on borrowings	-	(37)	-	(37)
Loss on fair value changes of investment securities	(89)	(290)	(89)	(290)
Fair value loss on derivative	540	(1,282)	540	(1,282)
Reversal of impairment loss on receivables	107	-	107	-

**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 period ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Loss after tax attributable to owners of the Company (RM'000)	(1,739)	(2,490)	(1,739)	(2,490)
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)	(0.2)	(0.2)	(0.2)

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.

On behalf of the Board
OLYMPIA INDUSTRIES BERHAD

Lim Yoke Si
Company Secretary

Kuala Lumpur
25 May 2021