

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 JUNE 2022**

(The figures have not been audited)

	CURRENT		PERIOD TO DATE	
	3 Months Ended		6 Months Ended	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
	(4,289)	(1,740)		
Revenue	20,499	15,748	41,768	33,278
Operating expenses	(20,324)	(16,582)	(42,405)	(32,643)
Other income	717	1,448	1,119	2,244
Other expenses	(1,617)	(2,187)	(3,429)	(4,307)
Operating loss	(725)	(1,573)	(2,947)	(1,428)
Finance costs	(2,282)	(2,111)	(4,155)	(3,948)
Loss before tax	(3,007)	(3,684)	(7,102)	(5,376)
Income tax expense	-	-	(194)	(48)
<b>Loss for the period, representing</b>				
<b>total comprehensive loss for the period</b>	<b>(3,007)</b>	<b>(3,684)</b>	<b>(7,296)</b>	<b>(5,424)</b>

Attributable to:				
- Owners of the Company :	(3,026)	(3,683)	(7,314)	(5,422)
- Non-controlling interests :	19	(1)	18	(2)
	<u>(3,007)</u>	<u>(3,684)</u>	<u>(7,296)</u>	<u>(5,424)</u>

**Loss per share attributable to Owners of the Company :**

Basic (Sen) :	<u>(0.3)</u>	<u>(0.4)</u>	<u>(0.7)</u>	<u>(0.5)</u>
Diluted (Sen) :	<u>(0.3)</u>	<u>(0.4)</u>	<u>(0.7)</u>	<u>(0.5)</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 2021 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 30 JUNE 2022**

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

	<b>As at 30.6.2022 RM'000 (Unaudited)</b>	<b>As at 31.12.2021 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	2,355	2,618
Right-of-use assets	3,257	3,784
Land held for property development	218,813	218,813
Investment properties	280,000	280,000
	504,425	505,215
<b>Current assets</b>		
Inventories	13,913	13,652
Trade and other receivables	3,829	4,615
Amounts due from affiliated companies	554	145
Tax refundable	1,543	2,752
Investment securities	28,007	28,044
Cash and bank balances	29,629	30,426
	77,475	79,634
<b>TOTAL ASSETS</b>	<b>581,900</b>	<b>584,849</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	295,384	295,384
Merger deficit	(233,884)	(233,884)
Retained earnings	295,715	303,029
	357,215	364,529
Non-controlling interests	781	763
<b>Total equity</b>	<b>357,996</b>	<b>365,292</b>
<b>Non-current liabilities</b>		
Borrowings	120,000	150,000
Other payables	100	100
Lease liabilities	2,067	2,439
Deferred tax liabilities	1,772	1,578
	123,939	154,117
<b>Current liabilities</b>		
Trade and other payables	26,381	24,880
Amount due to affiliated companies	42,596	39,359
Borrowings	30,000	-
Lease liabilities	656	845
Tax payable	332	356
	99,965	65,440
Total liabilities	223,904	219,557
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>581,900</b>	<b>584,849</b>
Net assets per share attributable to owners of the Company (RM)	0.35	0.36

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 JUNE 2022**  
**(The figures have not been audited)**

	---Attributable to Owners of the Company ---			Non-controlling interests RM'000	Equity RM'000	
	Share capital RM'000	Non-distributable Merger deficit RM'000	Retained earnings RM'000			Total RM'000
<b>Balance at 1 January 2022</b>	295,384	(233,884)	303,029	364,529	763	365,292
Total comprehensive loss	-	-	(7,314)	(7,314)	18	(7,296)
<b>Balance at 30 June 2022</b>	<u>295,384</u>	<u>(233,884)</u>	<u>295,715</u>	<u>357,215</u>	<u>781</u>	<u>357,996</u>
<b>Balance at 1 January 2021</b>	295,384	(233,884)	314,211	375,711	766	376,477
Total comprehensive loss	-	-	(5,422)	(5,422)	(2)	(5,424)
<b>Balance at 30 June 2021</b>	<u>295,384</u>	<u>(233,884)</u>	<u>308,789</u>	<u>370,289</u>	<u>764</u>	<u>371,053</u>

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 2021 and the notes to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2022**  
**(The figures have not been audited)**

	<b>6 Months Ended 30.6.2022 RM'000</b>	<b>6 Months Ended 30.6.2021 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(7,102)	(5,376)
Adjustments for non-cash items:		
Depreciation of plant and equipment	343	409
Depreciation of right-of-use assets	614	466
Amortisation of transaction cost on borrowings	132	-
Bad debts written off	223	-
Fair value loss / (gain) on :-		
- investment securities	79	112
- derivative financial liability	-	(1,083)
Reversal of allowances for impairment of :-		
- investment securities	-	(4)
- other receivables	(288)	(107)
Unrealised loss on foreign exchange	28	-
Dividend income	(136)	(307)
Interest income on fixed deposits	(131)	(157)
Finance costs	4,155	3,948
	5,019	3,277
<b>Operating loss before working capital changes</b>	(2,083)	(2,099)
Changes in receivables	851	552
Changes in inventories	(259)	107
Changes in affiliated companies	2,830	3,326
Changes in payables	824	(7,395)
	4,246	(3,410)
<b>Cash flows generated from/(used in) operations</b>	2,163	(5,509)
Tax recovered	1,185	121
<b>Net cash generated from/(used in) operating activities</b>	3,348	(5,388)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2022**  
**(The figures have not been audited)**

	<b>6 Months Ended 30.6.2022 RM'000</b>	<b>6 Months Ended 30.6.2021 RM'000</b>
<b>Cash flows from investing activities</b>		
Dividend received	136	307
Proceeds from disposal of :-		
- investment securities	4	5,206
- investment properties	-	15,700
Purchase of investment securities	(12)	(5,325)
Purchase of plant and equipment	(82)	(81)
Interest received	131	157
<b>Net cash generated from investing activities</b>	<b>177</b>	<b>15,964</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowings	-	(300)
Net movement in securities placed with licensed bank	(147)	400
Withdrawal of fixed deposits with licensed banks	(125)	(1,150)
Interest paid	(4,287)	(3,948)
<b>Net cash used in financing activities</b>	<b>(4,559)</b>	<b>(4,998)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,034)</b>	<b>5,578</b>
<b>Effect of exchange rate changes</b>	<b>(34)</b>	<b>(3)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>13,179</b>	<b>12,557</b>
<b>Cash and cash equivalents at end of the period</b>	<b>12,111</b>	<b>18,132</b>

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

	<b>6 Months Ended 30.6.2022 RM'000</b>	<b>6 Months Ended 30.6.2021 RM'000</b>
Deposits with financial institutions	17,536	18,913
Cash and bank balances	12,093	17,417
	<b>29,629</b>	<b>36,330</b>
Less: Deposits with licensed banks with maturity periods of more than 3 months	(13,941)	(14,710)
Less: Interest reserve deposits	(3,577)	(3,488)
	<b>12,111</b>	<b>18,132</b>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 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 2021.

As at 30 June 2022, the Group has net assets of RM357,996,000. The interim financial statements have been prepared under historical cost convention on the assumption that the Group is a going concern, and as of that date, the Group's current liabilities exceeded their current assets by RM22,490,000. This net current liability position was due to a RM30 million term loan expiring on 3 April 2023. As at 26 August 2022, this has been rectified with the lender having granted a further two years tenure extension until 3 April 2025 to the Group.

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 until 31 December 2022. In the event that further indulgence is not granted, the ability of the Group to comply with these term loan covenants subsequent to 31 December 2022 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 which includes obtaining MSC-status for 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 and of the Company to continue as a going concern.

Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis. The ability of the Group and of the Company to continue as going concerns 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 which includes obtaining MSC-status for the investment property.

After considering all pertinent information, including the forecasted cash flow requirements of the Group 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 and the Company.

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 2021.

**A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD  
134**

**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 2021 except as follows :-

**(i) Standards, Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2022**

On 1 January 2022 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 2022 :

**Effective for annual periods beginning on or after 1 January 2022:**

Amendments to MFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021
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

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

**(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 2023:**

MFRS 17	Insurance Contracts
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 — Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**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 2021.

**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 period to-date.



**OLYMPIA INDUSTRIES BERHAD**

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

**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 6 months	
30.6.2022	30.6.2021	30.6.2022	30.6.2021	30.6.2022	30.6.2021	30.6.2022	30.6.2021	30.6.2022	30.6.2021
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	-	-	35,174	26,494	-	-	-	-	35,174	26,494
Rental income from investment properties:										
- office building	-	-	-	-	6,594	6,672	-	-	6,594	6,672
- residential units	-	56	-	56	-	-	-	-	-	112
	-	56	35,174	26,550	6,594	6,672	-	-	41,768	33,278

Geographical markets:

Sabah	-	-	35,174	26,494	-	-	-	-	35,174	26,494
Kuala Lumpur	-	56	-	56	6,594	6,672	-	-	6,594	6,784
	-	56	35,174	26,550	6,594	6,672	-	-	41,768	33,278

Timing of revenue recognition:

Goods transferred at a point in time	-	-	35,174	26,494	-	-	-	-	35,174	26,494
Services transferred over time	-	56	-	56	6,594	6,672	-	-	6,594	6,784
	-	56	35,174	26,550	6,594	6,672	-	-	41,768	33,278

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 6 months	
30.6.2022	30.6.2021	30.6.2022	30.6.2021	30.6.2022	30.6.2021	30.6.2022	30.6.2021	30.6.2022	30.6.2021
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Revenue:

External customer	-	56	35,174	26,550	6,594	6,672	-	-	41,768	33,278
Inter-segment	-	-	1,407	1,060	2,646	2,871	1,750	1,750	5,803	5,681
	-	56	36,581	27,610	9,240	9,543	1,750	1,750	47,571	38,959
Adjustments and eliminations	-	-	(1,407)	(1,060)	(2,646)	(2,871)	(1,750)	(1,750)	(5,803)	(5,681)
Total revenue from from contracts with customers	-	56	35,174	26,550	6,594	6,672	-	-	41,768	33,278

**OLYMPIA INDUSTRIES BERHAD**

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

**A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134**

**A10. Segmental information**

Results for 6 months ended 30 June 2022 :

	<b>Property Development RM'000</b>	<b>Gaming RM'000</b>	<b>Leasing RM'000</b>	<b>Investment Holding &amp; Others RM'000</b>	<b>Adjustment / Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External customers :						
- at a point in time	-	35,174	-	-	-	35,174
- over time	-	-	6,594	-	-	6,594
Inter-segment	-	1,407	2,646	1,750	(5,803)	-
<b>Total revenue</b>	<b>-</b>	<b>36,581</b>	<b>9,240</b>	<b>1,750</b>	<b>(5,803)</b>	<b>41,768</b>
<b>Results</b>						
Segment results	(3,482)	(92)	1,672	(707)	(338)	(2,947)
Finance costs	(3)	(69)	(3,149)	(1,402)	468	(4,155)
<b>Loss before tax</b>	<b>(3,485)</b>	<b>(161)</b>	<b>(1,477)</b>	<b>(2,109)</b>	<b>130</b>	<b>(7,102)</b>
Income tax expense	-	(194)	-	-	-	(194)
<b>Loss for the period</b>	<b>(3,485)</b>	<b>(355)</b>	<b>(1,477)</b>	<b>(2,109)</b>	<b>130</b>	<b>(7,296)</b>

Comparative results for 6 months ended 30 June 2021 :

	<b>Property Development RM'000</b>	<b>Gaming RM'000</b>	<b>Leasing RM'000</b>	<b>Investment Holding &amp; Others RM'000</b>	<b>Adjustment / Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External customers :						
- at a point in time	-	26,494	-	-	-	26,494
- over time	56	56	6,672	-	-	6,784
Inter-segment	-	1,060	2,871	1,750	(5,681)	-
<b>Total revenue</b>	<b>56</b>	<b>27,610</b>	<b>9,543</b>	<b>1,750</b>	<b>(5,681)</b>	<b>33,278</b>
<b>Results</b>						
Segment results	(1,222)	(1,066)	2,029	(1,691)	522	(1,428)
Finance costs	(22)	(70)	(2,886)	(1,164)	194	(3,948)
<b>Loss before tax</b>	<b>(1,244)</b>	<b>(1,136)</b>	<b>(857)</b>	<b>(2,855)</b>	<b>716</b>	<b>(5,376)</b>
Income tax expense	-	(48)	-	-	-	(48)
<b>Loss for the period</b>	<b>(1,244)</b>	<b>(1,184)</b>	<b>(857)</b>	<b>(2,855)</b>	<b>716</b>	<b>(5,424)</b>

## OLYMPIA INDUSTRIES BERHAD

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

### A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

#### 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 fair value of this property was RM280.0 million as at 31 December 2021. The valuation was carried out by an independent firm of professional valuer, Knight Frank Malaysia Sdn Bhd using the investment method.

The Board of Directors has assessed and concluded that there is no change in the fair value of this property as at 30 June 2022, considering relevant information and market conditions prevailing as at 30 June 2022.

#### 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 has assessed and concluded that there is no change in the net realisable value of this property as at 30 June 2022, considering relevant information and market conditions prevailing as at 30 June 2022.

#### A13. Subsequent events

There were no material events subsequent to the end of the period to-date ended 30 June 2022.

#### 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 30 June 2022.

#### 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 2021.

#### A16. Capital commitments

	Group	
	30.6.2022	30.6.2021
	RM'000	RM'000
Capital expenditure approved and contracted for:		
Upgrading works	450	736

Save as disclosed above, there were no capital commitments contracted but not provided for in the interim financial statements as at 30 June 2022.

**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.

There has been no transfer of financial instruments between the levels of fair value hierarchy during the period to-date.

**OLYMPIA INDUSTRIES BERHAD**

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

**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 (6 mths period-to-date)			
	Current year 30.6.2022	Preceding year 30.6.2021	+ / -		Current year 30.6.2022	Preceding year 30.6.2021	+ / -	
RM'000								
Revenue	20,499	15,748	4,751	30%	41,768	33,278	8,490	26%
Operating profit/(loss) {EBITDA}	233	(1,127)	1,360	121%	(1,989)	(982)	(1,007)	-103%
Operating loss before interest & tax {EBIT}	(725)	(1,573)	848	54%	(2,947)	(1,428)	(1,519)	-106%
Loss before tax	(3,007)	(3,684)	677	18%	(7,102)	(5,376)	(1,726)	-32%
Loss after tax	(3,007)	(3,684)	677	18%	(7,296)	(5,424)	(1,872)	-35%
Loss attributable to Owners of the Company	(3,026)	(3,683)	657	18%	(7,314)	(5,422)	(1,892)	-35%

*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 RM20.5 million for the current quarter under review as compared to RM15.7 million in the previous corresponding quarter of last year, an increase of 30.2% or RM4.8 million in the Group's revenue. The gaming division continued to be the main contributor to the Group, contributing 83.9% or RM17.2 million of the total revenue of the Group for the current quarter.

The Group reported a lower loss before tax of RM3.0 million for the current quarter compared to RM3.7 million loss before tax in the previous corresponding quarter last year.

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

- i) Gaming division—comparatively higher sales volume in the current quarter due to MCO 3.0 being in effect for the whole month of June 2021 during last year's corresponding quarter. This was also due to a lower payout ratio of 58.6%, up from 67.7% in the corresponding quarter last year.
- ii) Leasing division—higher loss due to lower occupancy and average rental rates at Menara Olympia during the current quarter, compared to the corresponding quarter last year.

**YTD (6 months) Q2 FY 2022 vs YTD (6 months) Q2 FY 2021**

The Group reported a loss before tax of RM7.1 million during the 6 months period ended 30 June 2022 compared to a RM5.4 million loss before tax in the corresponding 6 months period last year.

The variance is a combination of the following:

- i) Gaming division—higher sales and profit during the current 6 months period contributed by higher number of draws at 42, compared to last year's corresponding 6 months period which saw only 28 draws due to temporary closures of gaming outlets during MCO 3.0 for the entire month of June 2021. The division also recorded lower payout ratio of 62.6%, down from 64.1% during the same period last year, but witnessed comparatively lower average sales value per draw.
- ii) Leasing segment—lower profit in the current 6 months period mainly due to lower occupancy and rental rates during the current 6 months period under review compared to the corresponding 6 months period last year.

**OLYMPIA INDUSTRIES BERHAD**

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

**B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B2. Comparison with immediate preceding quarter's results**

	Current quarter 30.6.2022	Immediate preceding quarter 31.3.2022	+ / -	
RM'000				
Revenue	20,499	21,269	(770)	-4%
Operating (loss)/profit {EBITDA}	(285)	(1,704)	1,419	83%
Operating (loss)/profit before interest & tax {EBIT}	(725)	(2,222)	1,497	67%
Loss before tax	(3,007)	(4,095)	1,088	27%
Loss after tax	(3,007)	(4,289)	1,282	30%
Loss attributable to Owners of the Company	(3,026)	(4,288)	1,262	29%

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

The Group reported a lower loss before tax of RM3.0 million for the current quarter compared to RM4.1 million loss before tax in the immediate preceding quarter. This is mainly due to:

- i) Gaming division—higher gross profit due to lower payout ratio at 58.6% (Q1 Mar22: 66.4%) despite lower sales recorded due to lesser number of draws at 42, compared to the 43 draws in the immediate preceding quarter.
- ii) Leasing segment—marginally higher losses during the current quarter compared to the immediate preceding quarter mainly due to decline in occupancy and average rental rates.

**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 optimistic with the recommencement of gaming operations post-reopening of the Malaysian economy going forward. Based on the above, for the rest of FY2022, the recovery of the Group's operations will be maintained at current levels.

**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

**OLYMPIA INDUSTRIES BERHAD**

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

**B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B5. Taxation**

Current quarter 3 Months 30.6.2022 RM'000	Cumulative period-to-date 6 Months 30.6.2022 RM'000
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Current tax : Malaysian	-	-
Deferred tax : Malaysian	-	(194)
<b>TOTAL :</b>	<b>-</b>	<b>(194)</b>

The Group's effective tax rate is not equal to the statutory tax rate of 24% (2021: 24%) due to lack of chargeable income across most subsidiaries of the Group during the current quarter under review.

**B6. Corporate proposals**

There were no outstanding corporate proposals announced but not completed as at 23 August 2022, being 7 days from the date of issuance of these interim financial statements.

**B7. Borrowings and debt securities**

	As at 30.6.2022			As at 31.12.2021		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Group borrowings</b>						
Short term:						
Term loans	30,000	-	30,000	-	-	-
Lease liabilities	656	-	656	845	-	845
	30,656	-	30,656	845	-	845
Long term:						
Term loans	120,000	-	120,000	150,000	-	150,000
Lease liabilities	2,067	-	2,067	2,439	-	2,439
	122,067	-	122,067	152,439	-	152,439
	152,723	-	152,723	153,284	-	153,284

All borrowings are denominated in Ringgit Malaysia.

Included in term loans is a secured term loan of RM120.0 million. Based on the facility agreement, the aggregate borrowings from this financial institution 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. The Group has been granted temporary indulgence from the remediation of certain security maintenance margin and interest service coverage ratio requirements until 31 December 2022.

**B8. Derivative financial instrument**

The Group has no outstanding derivative financial instruments.

**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.

**OLYMPIA INDUSTRIES BERHAD**

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

**B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****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 2021.

**B12. Notes to the condensed consolidated statement of comprehensive income**

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

	Quarter ended		Financial period ended	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	131	78	131	78
Interest expense	(4,155)	(1,837)	(4,155)	(1,837)
Dividend income	136	185	136	185
Depreciation on property, plant and equipment	(343)	(213)	(343)	(213)
Unrealised loss on foreign exchange	(28)	-	(28)	-
Amortisation of transaction costs on borrowings	(132)	-	(132)	-
Loss on fair value changes of investment securities	(79)	(89)	(79)	(89)
Fair value gain/(loss) on derivative	-	540	-	540
Reversal of impairment loss on receivables	288	107	288	107

**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	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
Loss after tax attributable to owners of the Company (RM <sup>1</sup> )	(3,026)	(3,683)	(7,314)	(5,422)
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)	(0.3)	(0.4)	(0.7)	(0.5)

**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  
30 August 2022