

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

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

(The figures have not been audited)

	CURRENT		PERIOD TO DATE	
	3 Months Ended		9 Months Ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
	(4,289)	(1,740)		
Revenue	21,896	5,603	63,664	38,881
Operating expenses	(20,017)	(6,593)	(62,422)	(39,236)
Other income	445	1,271	1,564	3,515
Other expenses	(2,072)	(2,595)	(5,501)	(6,902)
Operating profit/(loss)	252	(2,314)	(2,695)	(3,742)
Finance costs	(2,258)	(2,112)	(6,413)	(6,060)
Loss before tax	(2,006)	(4,426)	(9,108)	(9,802)
Income tax (expense)/credit	(100)	74	(294)	26
Loss for the period, representing				
total comprehensive loss for the period	(2,106)	(4,352)	(9,402)	(9,776)

Attributable to:				
- Owners of the Company :	(2,105)	(4,349)	(9,419)	(9,771)
- Non-controlling interests :	(1)	(3)	17	(5)
	<u>(2,106)</u>	<u>(4,352)</u>	<u>(9,402)</u>	<u>(9,776)</u>

Loss per share attributable to Owners of the Company :

Basic (Sen) :	<u>(0.2)</u>	<u>(0.4)</u>	<u>(0.9)</u>	<u>(1.0)</u>
Diluted (Sen) :	<u>(0.2)</u>	<u>(0.4)</u>	<u>(0.9)</u>	<u>(1.0)</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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

(The figures have not been audited)

	As at 30.9.2022 RM'000 (Unaudited)	As at 31.12.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Plant and equipment	2,251	2,618
Right-of-use assets	3,018	3,784
Land held for property development	219,674	218,813
Investment properties	280,000	280,000
	504,943	505,215
Current assets		
Inventories	14,091	13,652
Trade and other receivables	4,337	4,615
Amounts due from affiliated companies	179	145
Tax refundable	1,519	2,752
Investment securities	25,420	28,044
Cash and bank balances	30,674	30,426
	76,220	79,634
TOTAL ASSETS	581,163	584,849
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	293,610	303,029
	355,110	364,529
Non-controlling interests	780	763
Total equity	355,890	365,292
Non-current liabilities		
Borrowings	145,000	150,000
Other payables	-	100
Lease liabilities	1,598	2,439
Deferred tax liabilities	1,772	1,578
	148,370	154,117
Current liabilities		
Trade and other payables	27,577	24,880
Amount due to affiliated companies	43,281	39,359
Borrowings	5,000	-
Lease liabilities	713	845
Tax payable	332	356
	76,903	65,440
Total liabilities	225,273	219,557
TOTAL EQUITY AND LIABILITIES	581,163	584,849
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 SEPTEMBER 2022
(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 2022	295,384	(233,884)	303,029	364,529	763	365,292
Total comprehensive loss	-	-	(9,419)	(9,419)	17	(9,402)
Balance at 30 September 2022	<u>295,384</u>	<u>(233,884)</u>	<u>293,610</u>	<u>355,110</u>	<u>780</u>	<u>355,890</u>
Balance at 1 January 2021	295,384	(233,884)	314,211	375,711	766	376,477
Total comprehensive loss	-	-	(9,771)	(9,771)	(5)	(9,776)
Balance at 30 September 2021	<u>295,384</u>	<u>(233,884)</u>	<u>304,440</u>	<u>365,940</u>	<u>761</u>	<u>366,701</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 SEPTEMBER 2022
(The figures have not been audited)

	9 Months Ended 30.9.2022 RM'000	9 Months Ended 30.9.2021 RM'000
Cash flows from operating activities		
Loss before tax	(9,108)	(9,802)
Adjustments for non-cash items:		
Depreciation of plant and equipment	513	582
Depreciation of right-of-use assets	767	659
Amortisation of transaction cost on borrowings	497	-
Bad debts written off	237	-
Gain on disposal of plant and equipment	(2)	-
Fair value loss / (gain) on :-		
- investment securities	(5)	307
- derivative financial liability	-	(1,623)
Reversal of allowances for impairment of :-		
- investment securities	-	(4)
- other receivables	(339)	(107)
Unrealised loss on foreign exchange	113	10
Dividend income	(238)	(445)
Interest income on fixed deposits	(256)	(277)
Finance costs	6,413	6,060
	<u>7,700</u>	<u>5,162</u>
Operating loss before working capital changes	(1,408)	(4,640)
Changes in receivables	380	(217)
Changes in inventories	(438)	58
Changes in affiliated companies	3,890	2,064
Changes in land held for property development	(861)	(841)
Changes in payables	1,667	(8,184)
	<u>4,638</u>	<u>(7,120)</u>
Cash flows generated from/(used in) operations	3,230	(11,760)
Tax recovered	1,108	63
Net cash generated from/(used in) operating activities	<u>4,338</u>	<u>(11,697)</u>

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

	9 Months Ended 30.9.2022 RM'000	9 Months Ended 30.9.2021 RM'000
Cash flows from investing activities		
Dividend received	238	445
Proceeds from disposal of :-		
- investment securities	4,103	8,625
- plant and equipment	2	-
- investment properties	-	15,700
Purchase of investment securities	(1,416)	(6,989)
Purchase of plant and equipment	(304)	(72)
Interest received	256	277
Net cash generated from investing activities	2,879	17,986
Cash flows from financing activities		
Repayments of borrowings	-	(300)
Net movement in securities placed with licensed bank	(304)	400
Withdrawal of fixed deposits with licensed banks	825	(212)
Interest paid	(6,910)	(6,060)
Net cash used in financing activities	(6,389)	(6,172)
Net increase in cash and cash equivalents	828	117
Effect of exchange rate changes	(58)	(3)
Cash and cash equivalents at beginning of the period	13,179	12,557
Cash and cash equivalents at end of the period	13,949	12,671

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

	9 Months Ended 30.9.2022 RM'000	9 Months Ended 30.9.2021 RM'000
Deposits with financial institutions	16,759	17,988
Cash and bank balances	13,915	11,944
	30,674	29,932
Less: Deposits with licensed banks with maturity periods of more than 3 months	(12,991)	(13,773)
Less: Interest reserve deposits	(3,734)	(3,488)
	13,949	12,671

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.

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 September 2022, the Group has net assets of RM355,890,000. 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 RM683,000. This net current liability position was due to a tranche of RM5 million (out of a total RM120 million) secured term loan of the Group expiring on 30 August 2023.

The balance portion of this secured term loan amounting to RM115 million which is included in non-current liabilities is due for partial repayments commencing from August 2024 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.

Subsequent to 30 September 2022, the Group has, using its internally generated funds, repaid RM25 million on its other secured term loan of RM30 million, thereby reducing the outstanding balance to RM5 million.

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.

A1. Basis of preparation (cont'd.)

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.

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

A2. Changes in accounting policies (cont'd.)

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 (cont'd.) :-

(ii) Standards issued but not yet effective (cont'd.)

Effective for annual periods beginning on or after 1 January 2024:

Amendment to MFRS 16	Lease Liability in a Sale and Leaseback
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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.

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 9 months	
30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021
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	-	-	53,631	28,729	-	-	-	-	53,631	28,729
Rental income from investment properties:										
- office building	-	-	-	-	10,033	10,039	-	-	10,033	10,039
- residential units	-	57	-	56	-	-	-	-	-	113
	-	57	53,631	28,785	10,033	10,039	-	-	63,664	38,881

Geographical markets:

Sabah	-	-	53,631	28,729	-	-	-	-	53,631	28,729
Kuala Lumpur	-	57	-	56	10,033	10,039	-	-	10,033	10,152
	-	57	53,631	28,785	10,033	10,039	-	-	63,664	38,881

Timing of revenue recognition:

Goods transferred at a point in time	-	-	53,631	28,729	-	-	-	-	53,631	28,729
Services transferred over time	-	57	-	56	10,033	10,039	-	-	10,033	10,152
	-	57	53,631	28,785	10,033	10,039	-	-	63,664	38,881

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 9 months	
30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021	30.9.2022	30.9.2021
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Revenue:

External customer	-	57	53,631	28,785	10,033	10,039	-	-	63,664	38,881
Inter-segment	-	-	2,145	1,149	3,968	3,968	2,625	2,625	8,738	7,742
	-	57	55,776	29,934	14,001	14,007	2,625	2,625	72,402	46,623
Adjustments and eliminations	-	-	(2,145)	(1,149)	(3,968)	(3,968)	(2,625)	(2,625)	(8,738)	(7,742)
Total revenue from contracts with customers	-	57	53,631	28,785	10,033	10,039	-	-	63,664	38,881

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A10. Segmental information

Results for 9 months ended 30 September 2022 :

	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	-	53,631	-	-	-	53,631
- over time	-	-	10,033	-	-	10,033
Inter-segment	-	2,145	3,968	2,625	(8,738)	-
Total revenue	-	55,776	14,001	2,625	(8,738)	63,664
Results						
Segment results	(3,900)	189	2,715	(1,306)	(393)	(2,695)
Finance costs	(5)	(100)	(4,901)	(2,123)	716	(6,413)
(Loss)/profit before tax	(3,905)	89	(2,186)	(3,429)	323	(9,108)
Income tax expense	-	(294)	-	-	-	(294)
Loss for the period	(3,905)	(205)	(2,186)	(3,429)	323	(9,402)

Comparative results for 9 months ended 30 September 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	-	28,729	-	-	-	28,729
- over time	57	56	10,039	-	-	10,152
Inter-segment	-	1,149	3,968	2,625	(7,742)	-
Total revenue	57	29,934	14,007	2,625	(7,742)	38,881
Results						
Segment results	(2,204)	(2,997)	2,849	(2,387)	997	(3,742)
Finance costs	(22)	(101)	(4,324)	(1,919)	306	(6,060)
Loss before tax	(2,226)	(3,098)	(1,475)	(4,306)	1,303	(9,802)
Income tax (expense)/credit	-	-	26	-	-	26
Loss for the period	(2,226)	(3,098)	(1,449)	(4,306)	1,303	(9,776)

OLYMPIA INDUSTRIES BERHAD

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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 September 2022, considering relevant information and market conditions prevailing as at 30 September 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 September 2022, considering relevant information and market conditions prevailing as at 30 September 2022.

A13. Subsequent events

There were no material events subsequent to the end of the period to-date ended 30 September 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 September 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	
	30.9.2022	30.9.2021
	RM'000	RM'000
Capital expenditure approved and contracted for:		
Upgrading works	450	636

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

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B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1. Performance review**

RM'000	Individual Period (1st Quarter)				Cumulative Period (9 mths period-to-date)			
	Current year 30.9.2022	Preceding year 30.9.2021	+ / -		Current year 30.9.2022	Preceding year 30.9.2021	+ / -	
Revenue	21,896	5,603	16,293	291%	63,664	38,881	24,783	64%
Operating profit/(loss) {EBITDA}	574	(1,947)	2,521	129%	(1,415)	(2,500)	1,085	43%
Operating profit/(loss) before interest & tax {EBIT}	252	(2,314)	2,566	111%	(2,695)	(3,742)	1,047	28%
Loss before tax	(2,006)	(4,426)	2,420	55%	(9,108)	(9,802)	694	7%
Loss after tax	(2,106)	(4,352)	2,246	52%	(9,402)	(9,776)	374	4%
Loss attributable to Owners of the Company	(2,105)	(4,349)	2,244	52%	(9,419)	(9,771)	352	4%

*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 RM21.9 million for the current quarter under review as compared to RM5.6 million in the previous corresponding quarter of last year, an increase of 290.8% or RM16.3 million in the Group's revenue. The gaming division continued to be the main contributor to the Group, contributing 84.3% or RM18.5 million of the total revenue of the Group for the current quarter.

The Group reported a lower loss before tax of RM2.0 million for the current quarter compared to RM4.4 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 from June 2021 until mid-September 2021 last year, despite a higher payout ratio of 59.7% during the current quarter, up from 51.5% in the corresponding quarter last year.
- ii) Leasing division—marginal improvement to operating profit due to higher occupancy and average rental rates at Menara Olympia during the current quarter, compared to the corresponding quarter last year.

YTD (9 months) Q3 FY 2022 vs YTD (9 months) Q3 FY 2021

The Group reported a loss before tax of RM9.1 million during the 9 months period ended 30 September 2022 compared to a RM9.8 million loss before tax in the corresponding 9 months period last year.

The variance is a combination of the following:

- i) Gaming division—higher sales and profit during the current 9 months period contributed by higher number of draws at 42, compared to last year's corresponding 9 months period which saw only 28 draws due to temporary closures of gaming outlets during MCO 3.0 for most of the 3rd quarter of 2021. The division also recorded lower payout ratio of 61.6%, down from 63.1% during the same period last year.
- ii) Leasing segment—lower profit in the current 9 months period mainly due to lower occupancy and rental rates, compared to the corresponding 9 months period last year.

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 30.9.2022	Immediate preceding quarter 30.6.2022		
RM'000			+ / -	
Revenue	21,896	20,499	1,397	7%
Operating profit/(loss)	574	(285)	859	301%
Operating profit/(loss) before	252	(725)	977	135%
Loss before tax	(2,006)	(3,007)	1,001	33%
Loss after tax	(2,106)	(3,007)	901	30%
Loss attributable to Owners of the Company	(2,105)	(3,026)	921	30%

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

The Group reported a lower loss before tax of RM2.0 million for the current quarter compared to RM3.0 million loss before tax in the immediate preceding quarter. This is due to a combination of the following items:

- i) Property Development segment—lower loss in the current quarter due to comparatively lower operating expenditure against the immediate preceding quarter.
- ii) Gaming division—lower gross profit due to higher higher payout ratio at 59.7% (Q2 June22: 58.6%), despite higher sales recorded and higher number of draws at 46, compared to the 42 draws in the immediate preceding quarter.
- iii) Leasing segment—lower losses during the current quarter compared to the immediate preceding quarter mainly due to slight improvement in 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. Gaming division as projected has improved its sales performance and profitability.

The Group is optimistic of the resilience 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 re

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

B5. Taxation

	Current quarter 3 Months 30.9.2022 RM'000	Cumulative period-to-date 9 Months 30.9.2022 RM'000
Current tax : Malaysian	(100)	(100)
Deferred tax : Malaysian	-	(194)
TOTAL :	(100)	(294)

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 16 November 2022, being 7 days from the date of issuance of these interim financial statements.

B7. Borrowings and debt securities

	----- As at 30.9.2022 -----			----- As at 31.12.2021 -----		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Group borrowings						
Short term:						
Term loans	5,000	-	5,000	-	-	-
Lease liabilities	713	-	713	845	-	845
	5,713	-	5,713	845	-	845
Long term:						
Term loans	145,000	-	145,000	150,000	-	150,000
Lease liabilities	1,598	-	1,598	2,439	-	2,439
	146,598	-	146,598	152,439	-	152,439
	152,311	-	152,311	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.

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	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	125	120	256	277
Interest expense	(2,258)	(2,112)	(6,413)	(6,060)
Dividend income	102	138	238	445
Depreciation on property, plant and equipment	(170)	(173)	(513)	(582)
Gain on disposal of property, plant and equipment	2	-	2	-
Unrealised loss on foreign exchange	(85)	(10)	(113)	(10)
Amortisation of transaction costs on borrowings	(365)	-	(497)	-
Loss on fair value changes of investment securities	84	(195)	5	(307)
Fair value gain/(loss) on derivative	-	540	-	1,623
Reversal of impairment loss on receivables	51	-	339	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	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Loss after tax attributable to owners of the Company (RM ¹)	(2,105)	(4,349)	(9,419)	(9,771)
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)	(0.4)	(0.9)	(1.0)

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
23 November 2022