

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2022

(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	22,732	20,747	86,396	59,628
Operating expenses	(21,551)	(19,087)	(83,973)	(56,690)
Other income	1,813	768	3,377	2,650
Other expenses	(5,518)	(1,879)	(11,019)	(8,781)
Operating (loss)/profit	(2,524)	549	(5,219)	(3,193)
Finance costs	(1,934)	(2,319)	(8,347)	(8,379)
Loss before tax	(4,458)	(1,770)	(13,566)	(11,572)
Income tax credit	993	361	699	387
Loss for the year, representing total comprehensive loss for the year	(3,465)	(1,409)	(12,867)	(11,185)

Attributable to:				
- Owners of the Company :	(3,794)	(1,411)	(13,213)	(11,182)
- Non-controlling interests :	329	2	346	(3)
	<u>(3,465)</u>	<u>(1,409)</u>	<u>(12,867)</u>	<u>(11,185)</u>

Loss per share attributable to Owners of the Company :

Basic (Sen) :	<u>(0.4)</u>	<u>(0.1)</u>	<u>(1.3)</u>	<u>(1.1)</u>
Diluted (Sen) :	<u>(0.4)</u>	<u>(0.1)</u>	<u>(1.3)</u>	<u>(1.1)</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 31 DECEMBER 2022

(The figures have not been audited)

	As at 31.12.2022 RM'000 (Unaudited)	As at 31.12.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Plant and equipment	2,295	2,618
Right-of-use assets	3,740	3,784
Land held for property development	220,907	218,813
Investment properties	277,000	280,000
	503,942	505,215
Current assets		
Inventories	14,116	13,652
Trade and other receivables	4,637	4,615
Amounts due from affiliated companies	330	145
Tax refundable	1,484	2,752
Investment securities	4,626	28,044
Cash and bank balances	26,118	30,426
	51,311	79,634
TOTAL ASSETS	555,253	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	289,816	303,029
	351,316	364,529
Non-controlling interests	1,109	763
Total equity	352,425	365,292
Non-current liabilities		
Borrowings	120,000	150,000
Other payables	-	100
Lease liabilities	2,659	2,439
Deferred tax liabilities	548	1,578
	123,207	154,117
Current liabilities		
Trade and other payables	28,909	24,880
Amount due to affiliated companies	44,513	39,359
Borrowings	5,000	-
Lease liabilities	731	845
Tax payable	468	356
	79,621	65,440
Total liabilities	202,828	219,557
TOTAL EQUITY AND LIABILITIES	555,253	584,849
Net assets per share attributable to owners of the Company (RM)	0.34	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 31 DECEMBER 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	-	-	(13,213)	(13,213)	346	(12,867)
Balance at 31 December 2022	<u>295,384</u>	<u>(233,884)</u>	<u>289,816</u>	<u>351,316</u>	<u>1,109</u>	<u>352,425</u>
Balance at 1 January 2021	295,384	(233,884)	314,211	375,711	766	376,477
Total comprehensive loss	-	-	(11,182)	(11,182)	(3)	(11,185)
Balance at 31 December 2021	<u>295,384</u>	<u>(233,884)</u>	<u>303,029</u>	<u>364,529</u>	<u>763</u>	<u>365,292</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 31 DECEMBER 2022

(The figures have not been audited)

	12 Months Ended 31.12.2022 RM'000	12 Months Ended 31.12.2021 RM'000
Cash flows from operating activities		
Loss before tax	(13,566)	(11,572)
Adjustments for non-cash items:		
Depreciation of plant and equipment	679	752
Depreciation of right-of-use assets	1,076	1,002
Amortisation of transaction cost on borrowings	563	125
Bad debts written off	377	14
Gain on disposal of plant and equipment	(2)	-
Fair value loss / (gain) on :-		
- investment securities	(186)	204
- derivative financial liability	-	(1,623)
- investment properties	3,000	-
Inventories written off	5	-
Allowance for impairment of :-		
- other receivables	1	-
Reversal of allowances for impairment of :-		
- investment securities	(3)	(4)
- other receivables	(428)	(108)
Unrealised loss on foreign exchange	66	11
Dividend income	(307)	(582)
Interest income on fixed deposits	(450)	(731)
Finance costs	8,347	8,379
	12,738	7,439
Operating loss before working capital changes	(828)	(4,133)
Changes in receivables	28	(102)
Changes in inventories	(468)	40
Changes in affiliated companies	4,971	2,934
Changes in land held for property development	(2,094)	-
Changes in payables	4,123	(6,654)
	6,560	(3,782)
Cash flows generated from/(used in) operations	5,732	(7,915)
Tax recovered	1,049	(29)
Net cash generated from/(used in) operating activities	6,781	(7,944)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2022

(The figures have not been audited)

	12 Months Ended 31.12.2022 RM'000	12 Months Ended 31.12.2021 RM'000
Cash flows from investing activities		
Dividend received	307	582
Proceeds from disposal of :-		
- investment securities	25,091	11,635
- plant and equipment	2	-
- investment properties	-	15,700
Purchase of investment securities	(1,417)	(10,486)
Purchase of plant and equipment	(1,546)	(990)
Interest received	450	731
Net cash generated from investing activities	22,887	17,172
Cash flows from financing activities		
Repayments of borrowings	(25,000)	(300)
Net movement in securities placed with licensed bank	(640)	458
Withdrawal of fixed deposits with licensed banks	7,284	(256)
Interest paid	(8,910)	(8,505)
Net cash used in financing activities	(27,266)	(8,603)
Net increase in cash and cash equivalents	2,402	625
Effect of exchange rate changes	(66)	(3)
Cash and cash equivalents at beginning of the year	13,179	12,557
Cash and cash equivalents at end of the year	15,515	13,179

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

	12 Months Ended 31.12.2022 RM'000	12 Months Ended 31.12.2021 RM'000
Deposits with financial institutions	10,637	17,976
Cash and bank balances	15,481	12,450
	26,118	30,426
Less: Deposits with licensed banks with maturity periods of more than 3 months	(6,533)	(13,817)
Less: Interest reserve deposits	(4,070)	(3,430)
	15,515	13,179

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.

The interim financial statements have been prepared under historical cost convention on the assumption that the Group is a going concern. As at 31 December 2022, the Group has net assets of RM352,425,000. However, the Group incurred a loss after tax of RM12,867,000 for the financial year ended 31 December 2022. As of that date, the Group's current liabilities exceeded their current assets by RM28,310,000. This net current liability position was mainly due to partial repayments totalling RM25 million for a long term loan funded by internally held cash balances towards the end of the current financial year under review. The outstanding balance of the other term loan as at 31 December 2022 is RM5 million.

Apart from the above, a tranche of RM5 million (out of a total RM120 million) of another secured term loan of the Group is due to expire 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 2023. 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 2023 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.

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
Amendments to MFRS 101	Non-current Liabilities with Covenants

Effective date deferred indefinitely:

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

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

A3. Auditors' report on preceding annual financial statements

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

A6. Changes in estimates

There were no material changes to the estimates of amounts reported in prior quarter of the current financial period or changes to the estimates of amounts reported in prior financial years that have a material effect in the current quarter.

A7. Debts and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debts and equity securities for the current quarter.

A8. Dividend paid

No dividend has been paid and/or recommended for the current financial year to-date.

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A9. Revenue

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

Property Development		Gaming		Leasing		Investment Holding & Others		Total 12 months	
31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
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	-	-	73,393	45,903	-	-	-	-	73,393	45,903
Rental income from investment properties:										
- office building	-	-	-	-	13,003	13,612	-	-	13,003	13,612
- residential units	-	57	-	56	-	-	-	-	-	113
	-	57	73,393	45,959	13,003	13,612	-	-	86,396	59,628

Geographical markets:

Sabah	-	-	73,393	45,903	-	-	-	-	73,393	45,903
Kuala Lumpur	-	57	-	56	13,003	13,612	-	-	13,003	13,725
	-	57	73,393	45,959	13,003	13,612	-	-	86,396	59,628

Timing of revenue recognition:

Goods transferred at a point in time	-	-	73,393	45,903	-	-	-	-	73,393	45,903
Services transferred over time	-	57	-	56	13,003	13,612	-	-	13,003	13,725
	-	57	73,393	45,959	13,003	13,612	-	-	86,396	59,628

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

Property Development		Gaming		Leasing		Investment Holding & Others		Total 12 months	
31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Revenue:

External customer	-	57	73,393	45,959	13,003	13,612	-	-	86,396	59,628
Total revenue from from contracts with customers	-	57	73,393	45,959	13,003	13,612	-	-	86,396	59,628

OLYMPIA INDUSTRIES BERHAD

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

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134**A10. Segmental information**

Results for 12 months ended 31 December 2022 :

	Property Development RM'000	Gaming RM'000	Leasing RM'000	Investment Holding & Others RM'000	Consolidated RM'000
Revenue					
External customers :					
- at a point in time	-	73,393	-	-	73,393
- over time	-	-	13,003	-	13,003
Total revenue	-	73,393	13,003	-	86,396
Results					
Segment results	(5,319)	856	2,208	(2,964)	(5,219)
Finance costs	-	(150)	(5,860)	(2,337)	(8,347)
(Loss)/profit before tax	(5,319)	706	(3,652)	(5,301)	(13,566)
Income tax (expense)/credit	-	(324)	1,023	-	699
(Loss)/profit for the year	(5,319)	382	(2,629)	(5,301)	(12,867)

Comparative results for 12 months ended 31 December 2021 :

	Property Development RM'000	Gaming RM'000	Leasing RM'000	Investment Holding & Others RM'000	Consolidated RM'000
Revenue					
External customers :					
- at a point in time	-	45,903	-	-	45,903
- over time	57	56	13,612	-	13,725
Total revenue	57	45,959	13,612	-	59,628
Results					
Segment results	(3,909)	(2,209)	3,669	(744)	(3,193)
Finance costs	(13)	(154)	(5,438)	(2,774)	(8,379)
Loss before tax	(3,922)	(2,363)	(1,769)	(3,518)	(11,572)
Income tax credit/(expense)	22	278	87	-	387
Loss for the year	(3,900)	(2,085)	(1,682)	(3,518)	(11,185)

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

The fair value of this property was RM277.0 million as at 31 December 2022. The valuation was carried out by an independent firm of professional valuer, Knight Frank Malaysia Sdn Bhd using the investment method.

The resulting fair value loss of RM2.7 million net of deferred tax from the valuation has been charged out to the income statement during the current financial year to-date under review. Net assets per share of the Group has thus decreased by RM0.01 per share as a result.

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 31 December 2022, considering relevant information and market conditions prevailing as at 31 December 2022.

A13. Subsequent events

There were no material events subsequent to the end of the year to-date ended 31 December 2022.

A14. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter and year to-date ended 31 December 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	
	31.12.2022	31.12.2021
	RM'000	RM'000
Capital expenditure approved and contracted for:		
Upgrading works	448	486

Save as disclosed above, there were no capital commitments contracted but not provided for in the interim financial statements as at 31 December 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 year 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**

RM'000	Individual Period (1st Quarter)				Cumulative Year (12 mths year-to-date)			
	Current year 31.12.2022	Preceding year 31.12.2021	+ / -		Current year 31.12.2022	Preceding year 31.12.2021	+ / -	
Revenue	22,732	20,747	1,985	10%	86,396	59,628	26,768	45%
Operating (loss)/profit {EBITDA}	(2,049)	1,061	(3,110)	-293%	(3,464)	(1,439)	(2,025)	-141%
Operating (loss)/profit before interest & tax {EBIT}	(2,524)	549	(3,073)	-560%	(5,219)	(3,193)	(2,026)	-63%
Loss before tax	(4,458)	(1,770)	(2,688)	-152%	(13,566)	(11,572)	(1,994)	-17%
Loss after tax	(3,465)	(1,409)	(2,056)	-146%	(12,867)	(11,185)	(1,682)	-15%
Loss attributable to Owners of the Company	(3,794)	(1,411)	(2,383)	-169%	(13,213)	(11,182)	(2,031)	-18%

*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 RM22.7 million for the current quarter under review as compared to RM20.7 million in the previous corresponding quarter of last year, an increase of 9.6% or RM2.0 million in the Group's revenue. The gaming division continued to be the main contributor to the Group, contributing 86.9% or RM19.8 million of the total revenue of the Group for the current quarter.

The Group reported a lower loss before tax of RM4.5 million for the current quarter compared to RM1.8 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 lower profits in the current quarter due to higher payout ratio of 60.8% during the current quarter, up from 57.4% in the corresponding quarter last year.
- ii) Leasing division—lower profits due to RM2.7 million fair value losses net of deferred taxes on valuation of Menara Olympia in the current quarter, and none in last year corresponding quarter.

YTD (12 months) Q4 FY 2022 vs YTD (12 months) Q4 FY 2021

The Group reported a loss before tax of RM13.6 million during the 12 months period ended 31 December 2022 compared to a RM11.6 million loss before tax in the corresponding 12 months period last year.

The variance is a combination of the following:

- i) Gaming division—higher sales and profit during the current 12 months period contributed by higher number of draws at 179, compared to last year's corresponding 12 months period which saw only 110 draws due to temporary closures of gaming outlets during MCO 3.0 for most of the 3rd quarter of 2021.
- ii) Leasing segment—lower losses in the current 12 months period, compared to the corresponding 12 months period last year. This was mainly due to fair value losses on valuation of Menara Olympia in the current 12 months period, and none in last year corresponding period.

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 31.12.2022	Immediate preceding quarter 30.9.2022	+ / -	
RM'000				
Revenue	22,732	21,896	836	4%
Operating (loss)/profit	(2,049)	574	(2,623)	-457%
Operating (loss)/profit before	(2,524)	252	(2,776)	-1102%
Loss before tax	(4,458)	(2,006)	(2,452)	-122%
Loss after tax	(3,465)	(2,106)	(1,359)	-65%
Loss attributable to Owners of the Company	(3,794)	(2,105)	(1,689)	-80%

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

The Group reported a lower loss before tax of RM4.5 million for the current quarter compared to RM2.0 million loss before tax in the immediate preceding quarter. This is due to a combination of the following items:

- i) Gaming division—higher gross profit due to higher sales recorded and higher number of draws at 48, compared to the 46 draws in the immediate preceding quarter.), despite higher payout ratio at 60.8% (Q3 Sep22: 59.7%).
- ii) Leasing segment—higher losses during the current quarter compared to the immediate preceding quarter mainly due to RM2.7 million fair value losses net of deferred taxes on valuation of Menara Olympia in the current quarter, and none 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 next 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 next financial year 2023, 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 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 31.12.2022 RM'000	Cumulative year-to-date 12 Months 31.12.2022 RM'000
Current tax : Malaysian	(231)	(331)
Deferred tax : Malaysian	1,224	1,030
TOTAL :	993	699

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 17 February 2023, being 7 days from the date of issuance of these interim financial statements.

B7. Borrowings and debt securities

	----- As at 31.12.2022 -----			----- 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	731	-	731	845	-	845
	5,731	-	5,731	845	-	845
Long term:						
Term loans	120,000	-	120,000	150,000	-	150,000
Lease liabilities	2,659	-	2,659	2,439	-	2,439
	122,659	-	122,659	152,439	-	152,439
	128,390	-	128,390	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 1 January 2024.

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 year ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	319	574	450	731
Interest expense	(4,192)	(4,431)	(8,347)	(8,379)
Dividend income	171	275	307	582
Depreciation on property, plant and equipment	(336)	(343)	(679)	(752)
Gain on disposal of property, plant and equipment	2	-	2	-
Unrealised loss on foreign exchange	(38)	(11)	(66)	(11)
Loss on fair value changes on investment properties	(3,000)	-	(3,000)	-
Amortisation of transaction costs on borrowings	(431)	(125)	(563)	(125)
Loss on fair value changes of investment securities	265	(92)	186	(204)
Fair value gain/(loss) on derivative	-	540	-	1,623
Reversal of impairment loss on receivables	140	1	428	108

B13. Loss per share

a) Basic

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

	Quarter ended		Financial year ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Loss after tax attributable to owners of the Company (RM'000)	(3,794)	(1,411)	(13,213)	(11,182)
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)	(0.4)	(0.1)	(1.3)	(1.1)

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
24 February 2023