

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2023

(The figures have not been audited)

| | CURRENT | | PERIOD TO DATE | |
|--|----------------|----------------|----------------|----------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 21,008 | 20,499 | 45,051 | 41,768 |
| Operating expenses | (22,953) | (20,324) | (45,431) | (42,405) |
| Other income | 534 | 717 | 784 | 1,119 |
| Other expenses | (2,222) | (1,617) | (3,778) | (3,429) |
| Operating loss | (3,633) | (725) | (3,374) | (2,947) |
| Finance costs | (1,847) | (2,282) | (3,603) | (4,155) |
| Loss before tax | (5,480) | (3,007) | (6,977) | (7,102) |
| Income tax expense | - | - | - | (194) |
| Loss for the period, representing total comprehensive loss for the period | (5,480) | (3,007) | (6,977) | (7,296) |

| | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| Attributable to: | | | | |
| - Owners of the Company : | (5,479) | (3,026) | (6,975) | (7,314) |
| - Non-controlling interests : | (1) | 19 | (2) | 18 |
| | <u>(5,480)</u> | <u>(3,007)</u> | <u>(6,977)</u> | <u>(7,296)</u> |

Loss per share attributable to Owners of the Company :

| | | | | |
|-----------------|--------------|--------------|--------------|--------------|
| Basic (Sen) : | <u>(0.5)</u> | <u>(0.3)</u> | <u>(0.7)</u> | <u>(0.7)</u> |
| Diluted (Sen) : | <u>(0.5)</u> | <u>(0.3)</u> | <u>(0.7)</u> | <u>(0.7)</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 2022 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 2023

(The figures have not been audited)

| | As at 30.6.2023 RM'000 (Unaudited) | As at 31.12.2022 RM'000 (Audited) |
|---|---|--|
| ASSETS | | |
| Non-current assets | | |
| Plant and equipment | 2,345 | 2,295 |
| Right-of-use assets | 2,962 | 3,379 |
| Land held for property development | 222,026 | 220,907 |
| Investment properties | 277,000 | 277,000 |
| | 504,333 | 503,581 |
| Current assets | | |
| Inventories | 14,182 | 14,116 |
| Trade and other receivables | 4,431 | 4,638 |
| Amounts due from affiliated companies | 39 | 337 |
| Tax refundable | 596 | 1,484 |
| Investment securities | 4,660 | 4,626 |
| Cash and bank balances | 21,028 | 26,121 |
| | 44,936 | 51,322 |
| TOTAL ASSETS | 549,269 | 554,903 |
| 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 | 282,848 | 289,823 |
| | 344,348 | 351,323 |
| Non-controlling interests | 1,107 | 1,109 |
| Total equity | 345,455 | 352,432 |
| Non-current liabilities | | |
| Borrowings | 120,000 | 120,000 |
| Lease liabilities | 2,055 | 2,314 |
| Deferred tax liabilities | 538 | 538 |
| | 122,593 | 122,852 |
| Current liabilities | | |
| Trade and other payables | 28,007 | 28,890 |
| Amount due to affiliated companies | 47,103 | 44,513 |
| Borrowings | 5,000 | 5,000 |
| Lease liabilities | 643 | 748 |
| Tax payable | 468 | 468 |
| | 81,221 | 79,619 |
| Total liabilities | 203,814 | 202,471 |
| TOTAL EQUITY AND LIABILITIES | 549,269 | 554,903 |
| Net assets per share attributable to owners of the Company (RM) | 0.34 | 0.34 |

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2023
(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 2023 | 295,384 | (233,884) | 289,823 | 351,323 | 1,109 | 352,432 |
| Total comprehensive loss | - | - | (6,975) | (6,975) | (2) | (6,977) |
| Balance at 30 June 2023 | <u>295,384</u> | <u>(233,884)</u> | <u>282,848</u> | <u>344,348</u> | <u>1,107</u> | <u>345,455</u> |
| Balance at 1 January 2022 | 295,384 | (233,884) | 303,029 | 364,529 | 763 | 365,292 |
| Total comprehensive loss | - | - | (7,314) | (7,314) | 18 | (7,296) |
| Balance at 30 June 2022 | <u>295,384</u> | <u>(233,884)</u> | <u>295,715</u> | <u>357,215</u> | <u>781</u> | <u>357,996</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 2022 and the notes to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2023
(The figures have not been audited)

| | 6 Months Ended 30.6.2023 RM'000 | 6 Months Ended 30.6.2022 RM'000 |
|---|--|--|
| Cash flows from operating activities | | |
| Loss before tax | (6,977) | (7,102) |
| Adjustments for non-cash items: | | |
| Depreciation of plant and equipment | 328 | 343 |
| Depreciation of right-of-use assets | 404 | 614 |
| Amortisation of transaction cost on borrowings | 162 | 132 |
| Bad debts written off | - | 223 |
| Plant and equipment written off | 1 | - |
| Fair value loss / (gain) on :- | | |
| - investment securities | 26 | 79 |
| - other receivables | - | (288) |
| Unrealised loss on foreign exchange | 22 | 28 |
| Dividend income | (27) | (136) |
| Interest income on fixed deposits | (170) | (131) |
| Finance costs | 3,603 | 4,155 |
| | <u>4,349</u> | <u>5,019</u> |
| Operating loss before working capital changes | (2,628) | (2,083) |
| Changes in receivables | 207 | 851 |
| Changes in inventories | (67) | (259) |
| Changes in affiliated companies | 2,883 | 2,830 |
| Changes in land held for property development | (1,119) | - |
| Changes in payables | (1,261) | 824 |
| | <u>643</u> | <u>4,246</u> |
| Cash flows (used in)/generated from operations | (1,985) | 2,163 |
| Tax recovered | 887 | 1,185 |
| Net cash (used in)/generated from operating activities | (1,098) | 3,348 |

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2023
(The figures have not been audited)

| | 6 Months Ended 30.6.2023 RM'000 | 6 Months Ended 30.6.2022 RM'000 |
|---|--|--|
| Cash flows from investing activities | | |
| Dividend received | 27 | 136 |
| Proceeds from disposal of :- | | |
| - investment securities | - | 4 |
| Purchase of investment securities | (5) | (12) |
| Purchase of plant and equipment | (366) | (82) |
| Interest received | 170 | 131 |
| Net cash (used in)/generated from investing activities | (174) | 177 |
| Cash flows from financing activities | | |
| Net movement in securities placed with licensed bank | 630 | (147) |
| Withdrawal of fixed deposits with licensed banks | (234) | (125) |
| Interest paid | (3,765) | (4,287) |
| Net cash used in financing activities | (3,369) | (4,559) |
| Net decrease in cash and cash equivalents | (4,641) | (1,034) |
| Effect of exchange rate changes | (55) | (34) |
| Cash and cash equivalents at beginning of the period | 15,517 | 13,179 |
| Cash and cash equivalents at end of the period | 10,821 | 12,111 |

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

| | 6 Months Ended 30.6.2023 RM'000 | 6 Months Ended 30.6.2022 RM'000 |
|---|--|--|
| Deposits with financial institutions | 10,265 | 17,536 |
| Cash and bank balances | 10,763 | 12,093 |
| | 21,028 | 29,629 |
| Less: Deposits with licensed banks with maturity periods of more than 3 months | (6,767) | (13,941) |
| Less: Interest reserve deposits | (3,440) | (3,577) |
| | 10,821 | 12,111 |

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2022.

The interim financial statements have been prepared under historical cost convention on the assumption that the Group is a going concern. As at 30 June 2023, the Group had net assets of RM345,455,000. However, the Group incurred a loss after tax of RM6,977,000 for the financial period ended 30 June 2023. As of that date, the Group's current liabilities exceeded their current assets by RM36,285,000. This net current liability position was mainly due to partial repayments totalling RM25.0 million for a long term loan ("Term loan 1") funded by internally held cash balances towards the end of the previous financial year. The outstanding balance of Term loan 1 as at 30 June 2023 was RM5.0 million (refer to Note B7).

Apart from the above, a tranche of RM5.0 million (out of a total RM120.0 million) of another secured term loan of the Group ("Term loan 2") is due to expire on 30 August 2023 (refer to Note B7). The balance portion of Term loan 2 amounting to RM115.0 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 1 January 2024. In the event that further indulgence is not granted, the ability of the Group to comply with these term loan covenants subsequent to 1 January 2024 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 Malaysia Digital ("MD") 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 MD-status for the investment property.

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A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

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 2022.

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 2022 except as follows :-

(i) Standards, Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2023

On 1 January 2023 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 2023 :

| Description | | Effective for annual periods beginning on or after |
|------------------------|--|---|
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendment to MFRS 17 | Initial Application of MFRS 17 and MFRS 9 - Comparative Information | 1 January 2023 |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108 | Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |

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

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

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

(ii) Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective:

| Description | Effective for annual periods beginning on or after |
|---|---|
| Amendments to MFRS 16 | 1 January 2024 |
| Lease Liability in a Sale and Leaseback | |
| Amendments to MFRS 101 | 1 January 2024 |
| Non-current Liabilities with Covenants | |
| Amendments to MFRS 107 and MFRS 7 | 1 January 2024 |
| Supplier Finance Arrangements | |
| Amendments to MFRS 10 and MFRS 128 | Deferred |
| 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 2022.

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 period to-date.

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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:

| <i>RM'000</i> | Property Development | | Gaming | | Leasing | | Investment Holding & Others | | Total 6 months | |
|---------------|----------------------|---------|---------|---------|---------|---------|-----------------------------|---------|----------------|---------|
| | 30.6.23 | 30.6.22 | 30.6.23 | 30.6.22 | 30.6.23 | 30.6.22 | 30.6.23 | 30.6.22 | 30.6.23 | 30.6.22 |

Type of goods or service:

| | | | | | | | | | | |
|---|---|---|--------|--------|-------|-------|---|---|--------|--------|
| Sale of lottery tickets | - | - | 38,624 | 35,174 | - | - | - | - | 38,624 | 35,174 |
| Rental income from investment properties: | | | | | | | | | | |
| - office building | - | - | - | - | 6,427 | 6,594 | - | - | 6,427 | 6,594 |
| | - | - | 38,624 | 35,174 | 6,427 | 6,594 | - | - | 45,051 | 41,768 |

Geographical markets:

| | | | | | | | | | | |
|--------------|---|---|--------|--------|-------|-------|---|---|--------|--------|
| Sabah | - | - | 38,624 | 35,174 | - | - | - | - | 38,624 | 35,174 |
| Kuala Lumpur | - | - | - | - | 6,427 | 6,594 | - | - | 6,427 | 6,594 |
| | - | - | 38,624 | 35,174 | 6,427 | 6,594 | - | - | 45,051 | 41,768 |

Timing of revenue recognition:

| | | | | | | | | | | |
|--------------------------------------|---|---|--------|--------|-------|-------|---|---|--------|--------|
| Goods transferred at a point in time | - | - | 38,624 | 35,174 | - | - | - | - | 38,624 | 35,174 |
| Services transferred over time | - | - | - | - | 6,427 | 6,594 | - | - | 6,427 | 6,594 |
| | - | - | 38,624 | 35,174 | 6,427 | 6,594 | - | - | 45,051 | 41,768 |

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

| <i>RM'000</i> | Property Development | | Gaming | | Leasing | | Investment Holding & Others | | Total 6 months | |
|---------------|----------------------|---------|---------|---------|---------|---------|-----------------------------|---------|----------------|---------|
| | 30.6.23 | 30.6.22 | 30.6.23 | 30.6.22 | 30.6.23 | 30.6.22 | 30.6.23 | 30.6.22 | 30.6.23 | 30.6.22 |

Revenue:

| | | | | | | | | | | |
|--|---|---|--------|--------|-------|-------|---|---|--------|--------|
| External customers, representing total revenue from contracts with customers | - | - | 38,624 | 35,174 | 6,427 | 6,594 | - | - | 45,051 | 41,768 |
|--|---|---|--------|--------|-------|-------|---|---|--------|--------|

OLYMPIA INDUSTRIES BERHAD

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A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A10. Segmental information

Results for 6 months ended 30 June 2023 :

| <i>RM'000</i> | Property Development | Gaming | Leasing | Investment Holding & Others | Consolidated |
|----------------------|-----------------------------|---------------|----------------|--|---------------------|
| Revenue | | | | | |
| External customers : | | | | | |
| - at a point in time | - | 38,624 | - | - | 38,624 |
| - over time | - | - | 6,427 | - | 6,427 |
| Total revenue | - | 38,624 | 6,427 | - | 45,051 |
| Results | | | | | |
| Segment results | (3,342) | (697) | 1,086 | (421) | (3,374) |
| Finance costs | - | (59) | (3,338) | (206) | (3,603) |
| Loss before tax | (3,342) | (756) | (2,252) | (627) | (6,977) |
| Income tax expense | - | - | - | - | - |
| Loss for the period | (3,342) | (756) | (2,252) | (627) | (6,977) |

Comparative results for 6 months ended 30 June 2022 :

| <i>RM'000</i> | Property Development | Gaming | Leasing | Investment Holding & Others | Consolidated |
|------------------------------|-----------------------------|---------------|----------------|--|---------------------|
| Revenue | | | | | |
| External customers : | | | | | |
| - at a point in time | - | 35,174 | - | - | 35,174 |
| - over time | - | - | 6,594 | - | 6,594 |
| Total revenue | - | 35,174 | 6,594 | - | 41,768 |
| Results | | | | | |
| Segment results | (3,467) | 1,659 | 1,225 | (2,364) | (2,947) |
| Finance costs | (2) | (69) | (2,709) | (1,375) | (4,155) |
| (Loss)/profit before tax | (3,469) | 1,590 | (1,484) | (3,739) | (7,102) |
| Income tax expense | - | (194) | - | - | (194) |
| (Loss)/profit for the period | (3,469) | 1,396 | (1,484) | (3,739) | (7,296) |

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 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 Board of Directors has assessed and concluded that there is no change in the fair value of this property as at 30 June 2023, considering relevant information and market conditions prevailing as at 30 June 2023.

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 2023, considering relevant information and market conditions prevailing as at 30 June 2023.

A13. Subsequent events

There were no material events subsequent to the end of the period to-date ended 30 June 2023.

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 2023.

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 2022.

A16. Capital commitments

| | Group | |
|--|-----------|------------|
| | 30.6.2023 | 31.12.2022 |
| | RM'000 | RM'000 |
| Capital expenditure approved and contracted for: | | |
| Upgrading works | 448 | 448 |

Save as disclosed above, there were no capital commitments contracted but not provided for in the interim financial statements as at 30 June 2023.

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

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.

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

B1. Performance review

| | Individual Period (2nd Quarter) | | | | Cumulative Period (6 mths period-to-date) | | | |
|---|---------------------------------|-----------------------------|---------|--------|---|-----------------------------|-------|------|
| | Current year 30.6.2023 | Preceding year 30.6.2022 | + / - | | Current year 30.6.2023 | Preceding year 30.6.2022 | + / - | |
| <i>RM'000</i> | | | | | | | | |
| Revenue | 21,008 | 20,499 | 509 | 2% | 45,051 | 41,768 | 3,283 | 8% |
| Operating loss {EBITDA} | (3,282) | (285) | (2,997) | -1052% | (2,642) | (1,989) | (653) | -33% |
| Operating loss before interest & tax {EBIT} | (3,633) | (725) | (2,908) | -401% | (3,374) | (2,947) | (427) | -14% |
| Loss before tax | (5,480) | (3,007) | (2,473) | -82% | (6,977) | (7,102) | 125 | 2% |
| Loss after tax | (5,480) | (3,007) | (2,473) | -82% | (6,977) | (7,296) | 319 | 4% |
| Loss attributable to Owners of the Company | (5,479) | (3,026) | (2,453) | -81% | (6,975) | (7,314) | 339 | 5% |

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 RM21.0 million for the current quarter under review as compared to RM20.5 million in the previous corresponding quarter of last year, an increase of 2.5% or RM0.5 million in the Group's revenue. The gaming division continued to be the main contributor to the Group, contributing 84.6% or RM17.8 million of the total revenue of the Group for the current quarter.

The Group reported a higher loss before tax of RM5.5 million for the current quarter compared to RM3.0 million loss before tax in the previous corresponding quarter last year.

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

- i) Property Development segment—higher losses incurred due to higher share of development costs in the current quarter compared to the corresponding quarter last year.
- ii) Gaming division—worsening losses in the current quarter due to higher payout ratio of 73.1% during the current quarter, up from 58.6% in the corresponding quarter last year.
- ii) Leasing division—lower profits due to lower average occupancy rates during the current quarter despite having higher average rental rates, compared to the corresponding quarter last year.

YTD (6 months) Q2 FY 2023 vs YTD (6 months) Q2 FY 2022

The Group reported a loss before tax of RM7.0 million during the 6 months period ended 30 June 2023 compared to a RM7.1 million loss before tax in the corresponding 6 months period last year.

The variance is a combination of the following:

- i) Gaming division—recorded higher sales per draw but lower profit during the current 6 months period contributed by higher payout ratio and lower number of draws at 81, compared to last year's corresponding 6 months period which saw 85 draws.
- ii) Leasing segment—higher loss in the current 6 months period, compared to the corresponding 6 months period last year due to lower occupancy rate.

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**

| <i>RM'000</i> | Current quarter 30.6.2023 | Immediate preceding quarter 31.3.2023 | + / - | |
|---|--|--|--------------|--------|
| Revenue | 21,008 | 24,043 | (3,035) | -13% |
| Operating (loss)/profit | (3,282) | 640 | (3,922) | -613% |
| Operating (loss)/profit before | (3,633) | 259 | (3,892) | -1503% |
| Loss before tax | (5,480) | (1,497) | (3,983) | -266% |
| Loss after tax | (5,480) | (1,497) | (3,983) | -266% |
| Loss attributable to Owners of the Company | (5,479) | (1,496) | (3,983) | -266% |

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

The Group reported a higher loss before tax of RM5.5 million for the current quarter compared to RM1.5 million loss before tax in the immediate preceding quarter. This is due to a combination of the following items:

- i) Property Development segment—higher losses in the current quarter due to higher development expenditure charged out to Income Statement for the Laman Tuanku project, compared to the immediate preceding quarter.
- ii) Gaming division—worsening gross losses due to higher payout ratio at 73.1% (Q1 Mar23: 57.6%) and lower average sales per draw recorded. The number of draws was 40, compared to the 41 draws in the immediate preceding quarter.

B3. Commentary of prospects

Given the current negative sentiments and uncertainties surrounding the real estate market for the immediate term, the Group's property division's joint venture is unlikely to unveil new products until the economy and the external environment becomes more conducive. The leasing division is expected to remain steady and maintain its present level of performance for the rest of the current financial year. Gaming division is expected to continue its post-pandemic recovery trajectory via improvements in 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 the current 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 period to-date under review.

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

B5. Taxation

| | <i>RM'000</i> | Current quarter | Cumulative |
|--------------------------|---------------|-----------------------|---|
| | | 3 Months 30.6.2023 | period-to-date 6 Months 30.6.2023 |
| Current tax : Malaysian | | - | - |
| Deferred tax : Malaysian | | - | - |
| | | - | - |

The Group's effective tax rate is not equal to the statutory tax rate of 24% (2022: 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 2023, being 7 days from the date of issuance of these interim financial statements.

B7. Borrowings and debt securities

| | <i>RM'000</i> | As at 30.6.2023 | | | As at 31.12.2022 | | |
|-------------------|---------------|-----------------|-----------|---------|------------------|-----------|---------|
| | | Secured | Unsecured | Total | Secured | Unsecured | Total |
| Short term: | | | | | | | |
| Term loan 2 | | 5,000 | - | 5,000 | 5,000 | - | 5,000 |
| Lease liabilities | | 643 | - | 643 | 748 | - | 748 |
| | | 5,643 | - | 5,643 | 5,748 | - | 5,748 |
| Long term: | | | | | | | |
| Term loan 1 | | 5,000 | - | 5,000 | 5,000 | - | 5,000 |
| Term loan 2 | | 115,000 | - | 115,000 | 115,000 | - | 115,000 |
| Lease liabilities | | 2,055 | - | 2,055 | 2,314 | - | 2,314 |
| | | 122,055 | - | 122,055 | 122,314 | - | 122,314 |
| | | 127,698 | - | 127,698 | 128,062 | - | 128,062 |

All borrowings are denominated in Ringgit Malaysia.

Included in borrowings above is a secured term loan of RM120.0 million ("Term loan 2"). 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 BURS 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 2022.

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 | |
|---|---------------|-----------|------------------------|-----------|
| | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| <i>RM'000</i> | | | | |
| Interest income | 170 | 69 | 170 | 131 |
| Interest expense | (3,603) | (2,282) | (3,603) | (4,155) |
| Dividend income | 27 | 90 | 27 | 136 |
| Depreciation on property, plant and equipment | (328) | (172) | (328) | (343) |
| Property, plant and equipment written off | (1) | - | (1) | - |
| Unrealised loss on foreign exchange | (22) | (28) | (22) | (28) |
| Amortisation of transaction costs on borrowings | (162) | (66) | (162) | (132) |
| Loss on fair value changes of investment securities | (26) | (153) | (26) | (79) |
| Reversal of impairment loss on receivables | - | 286 | - | 288 |

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 | |
|---|---------------|-----------|------------------------|-----------|
| | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| Loss after tax attributable to owners of the Company (RM'000) | (5,479) | (3,026) | (6,975) | (7,314) |
| 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) | (0.5) | (0.3) | (0.7) | (0.7) |

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 2023