

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

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

(The figures have not been audited)

	CURRENT		PERIOD TO DATE	
	3 Months Ended		9 Months Ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	20,771	21,896	65,822	63,664
Operating expenses	(22,329)	(20,017)	(67,760)	(62,422)
Other income	368	445	1,152	1,564
Other expenses	(2,232)	(2,072)	(6,010)	(5,501)
Operating (loss)/profit	(3,422)	252	(6,796)	(2,695)
Finance costs	(1,958)	(2,258)	(5,561)	(6,413)
Loss before tax	(5,380)	(2,006)	(12,357)	(9,108)
Income tax expense	(38)	(100)	(38)	(294)
Loss for the period, representing				
total comprehensive loss for the period	(5,418)	(2,106)	(12,395)	(9,402)

Attributable to:				
- Owners of the Company :	(5,415)	(2,105)	(12,390)	(9,419)
- Non-controlling interests :	(3)	(1)	(5)	17
	<u>(5,418)</u>	<u>(2,106)</u>	<u>(12,395)</u>	<u>(9,402)</u>

Loss per share attributable to Owners of the Company :

Basic (Sen) :	<u>(0.5)</u>	<u>(0.2)</u>	<u>(1.2)</u>	<u>(0.9)</u>
Diluted (Sen) :	<u>(0.5)</u>	<u>(0.2)</u>	<u>(1.2)</u>	<u>(0.9)</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 SEPTEMBER 2023

(The figures have not been audited)

	As at 30.9.2023 RM'000 (Unaudited)	As at 31.12.2022 RM'000 (Audited)
ASSETS		
Non-current assets		
Plant and equipment	2,208	2,295
Right-of-use assets	2,818	3,379
Land held for property development	222,193	220,907
Investment properties	277,000	277,000
	504,219	503,581
Current assets		
Inventories	14,239	14,116
Trade and other receivables	4,996	4,638
Amounts due from affiliated companies	39	337
Tax recoverable	656	1,484
Investment securities	3,890	4,626
Cash and bank balances	17,173	26,121
	40,993	51,322
TOTAL ASSETS	545,212	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	277,433	289,823
	338,933	351,323
Non-controlling interests	1,104	1,109
Total equity	340,037	352,432
Non-current liabilities		
Borrowings	122,000	120,000
Lease liabilities	1,950	2,314
Deferred tax liabilities	538	538
	124,488	122,852
Current liabilities		
Trade and other payables	25,501	28,890
Amount due to affiliated companies	49,091	44,513
Borrowings	5,000	5,000
Lease liabilities	627	748
Tax payable	468	468
	80,687	79,619
Total liabilities	205,175	202,471
TOTAL EQUITY AND LIABILITIES	545,212	554,903
Net assets per share attributable to owners of the Company (RM)	0.33	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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 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 Jan 2023	295,384	(233,884)	289,823	351,323	1,109	352,432
Total comprehensive loss	-	-	(12,390)	(12,390)	(5)	(12,395)
Balance at 30 Sep 2023	<u>295,384</u>	<u>(233,884)</u>	<u>277,433</u>	<u>338,933</u>	<u>1,104</u>	<u>340,037</u>
Balance at 1 Jan 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 Sep 2022	<u>295,384</u>	<u>(233,884)</u>	<u>293,610</u>	<u>355,110</u>	<u>780</u>	<u>355,890</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.

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

	9 Months Ended 30.9.2023 RM'000	9 Months Ended 30.9.2022 RM'000
Cash flows from operating activities		
Loss before tax	(12,357)	(9,108)
Adjustments for non-cash items:		
Depreciation of plant and equipment	493	513
Depreciation of right-of-use assets	561	767
Amortisation of transaction cost on borrowings	226	497
Bad debts written off	-	237
Plant and equipment written off	1	-
Gain on disposal of plant and equipment	-	(2)
Fair value loss / (gain) on :-		
- investment securities	122	(5)
Allowance for impairment of :-		
- other receivables	101	-
Reversal of allowances for impairment of :-		
- investment securities	(5)	-
- other receivables	-	(339)
Unrealised loss on foreign exchange	109	113
Dividend income	(50)	(238)
Interest income on fixed deposits	(323)	(256)
Finance costs	5,561	6,413
	<u>6,796</u>	<u>7,700</u>
Operating loss before working capital changes	(5,561)	(1,408)
Changes in receivables	(460)	380
Changes in inventories	(123)	(438)
Changes in affiliated companies	4,870	3,890
Changes in land held for property development	(1,286)	(861)
Changes in payables	(4,028)	1,667
	<u>(1,027)</u>	<u>4,638</u>
Cash flows (used in)/generated from operations	(6,588)	3,230
Tax recovered	790	1,108
Net cash (used in)/generated from operating activities	(5,798)	4,338

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

	9 Months Ended 30.9.2023 RM'000	9 Months Ended 30.9.2022 RM'000
Cash flows from investing activities		
Dividend received	50	238
Proceeds from disposal of :-		
- investment securities	2,685	4,103
- plant and equipment	-	2
Purchase of investment securities	(2,007)	(1,416)
Purchase of plant and equipment	(407)	(304)
Interest received	323	256
Net cash generated from investing activities	644	2,879
Cash flows from financing activities		
Proceeds from drawdown of borrowings	7,000	-
Repayments of borrowings	(5,000)	-
Net movement in securities placed with licensed bank	525	(304)
Withdrawal of fixed deposits with licensed banks	(294)	825
Interest paid	(5,735)	(6,910)
Net cash used in financing activities	(3,504)	(6,389)
Net (decrease)/increase in cash and cash equivalents	(8,658)	828
Effect of exchange rate changes	(59)	(58)
Cash and cash equivalents at beginning of the period	15,517	13,179
Cash and cash equivalents at end of the period	6,800	13,949

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

	9 Months Ended 30.9.2023 RM'000	9 Months Ended 30.9.2022 RM'000
Deposits with financial institutions	10,444	16,759
Cash and bank balances	6,728	13,915
	17,172	30,674
Less: Deposits with licensed banks with maturity periods of more than 3 months	(6,827)	(12,991)
Less: Interest reserve deposits	(3,545)	(3,734)
	6,800	13,949

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 September 2023, the Group had net assets of RM340,037,000. However, the Group incurred a loss after tax of RM12,395,000 for the financial period ended 30 September 2023. As of that date, the Group's current liabilities exceeded their current assets by RM39,694,000. 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 September 2023 was RM5.0 million (refer to Note B7).

Apart from the above, a tranche of RM5.0 million (out of the original RM120.0 million) of another secured term loan of the Group ("Term loan 2") was repaid in end-August 2023, while another tranche of RM5.0 million is due to expire on 30 August 2024 (refer to Note B7). The balance portion of Term loan 2 amounting to RM110.0 million which is included in non-current liabilities is due for partial repayments commencing from August 2025 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.

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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	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 112	International Tax Reform — Pillar Two Model Rules	Refer paragraph 98M of MFRS 112
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 9 months	
	30.9.23	30.9.22	30.9.23	30.9.22	30.9.23	30.9.22	30.9.23	30.9.22	30.9.23	30.9.22

Type of goods or service:

Sale of lottery tickets	-	-	56,235	53,631	-	-	-	-	56,235	53,631
Rental income from investment properties:										
- office building	-	-	-	-	9,587	10,033	-	-	9,587	10,033
	-	-	56,235	53,631	9,587	10,033	-	-	65,822	63,664

Geographical markets:

Sabah	-	-	56,235	53,631	-	-	-	-	56,235	53,631
Kuala Lumpur	-	-	-	-	9,587	10,033	-	-	9,587	10,033
	-	-	56,235	53,631	9,587	10,033	-	-	65,822	63,664

Timing of revenue recognition:

Goods transferred at a point in time	-	-	56,235	53,631	-	-	-	-	56,235	53,631
Services transferred over time	-	-	-	-	9,587	10,033	-	-	9,587	10,033
	-	-	56,235	53,631	9,587	10,033	-	-	65,822	63,664

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 9 months	
	30.9.23	30.9.22	30.9.23	30.9.22	30.9.23	30.9.22	30.9.23	30.9.22	30.9.23	30.9.22

Revenue:

External customers, representing total revenue from contracts with customers	-	-	56,235	53,631	9,587	10,033	-	-	65,822	63,664
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A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A10. Segmental information

Results for 9 months ended 30 September 2023 :

<i>RM'000</i>	Property Development	Gaming	Leasing	Investment Holding & Others	Consolidated
Revenue					
External customers :					
- at a point in time	-	56,235	-	-	56,235
- over time	-	-	9,587	-	9,587
Total revenue	-	56,235	9,587	-	65,822
Results					
Segment results	(4,840)	(2,636)	1,624	(944)	(6,796)
Finance costs	-	(82)	(5,084)	(395)	(5,561)
Loss before tax	(4,840)	(2,718)	(3,460)	(1,339)	(12,357)
Income tax expense	-	(38)	-	-	(38)
Loss for the period	(4,840)	(2,756)	(3,460)	(1,339)	(12,395)

Comparative results for 9 months ended 30 September 2022 :

<i>RM'000</i>	Property Development	Gaming	Leasing	Investment Holding & Others	Consolidated
Revenue					
External customers :					
- at a point in time	-	53,631	-	-	53,631
- over time	-	-	10,033	-	10,033
Total revenue	-	53,631	10,033	-	63,664
Results					
Segment results	(3,891)	190	2,032	(1,026)	(2,695)
Finance costs	-	(100)	(4,225)	(2,088)	(6,413)
(Loss)/profit before tax	(3,891)	90	(2,193)	(3,114)	(9,108)
Income tax expense	-	(294)	-	-	(294)
Loss for the period	(3,891)	(204)	(2,193)	(3,114)	(9,402)

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

A13. Subsequent events

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

A : EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A16. Capital commitments

	Group	
	30.9.2023	31.12.2022
	RM'000	RM'000
Capital expenditure approved and contracted for upgrading works	455	448

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

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.

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

	Individual Period (3rd Quarter)				Cumulative Period (9 mths period-to-date)			
	Current year 30.9.2023	Preceding year 30.9.2022	+ / -		Current year 30.9.2023	Preceding year 30.9.2022	+ / -	
<i>RM'000</i>								
Revenue	20,771	21,896	(1,125)	-5%	65,822	63,664	2,158	3%
Operating (loss)/profit {EBITDA}	(3,100)	574	(3,674)	-640%	(5,742)	(1,415)	(4,327)	-306%
Operating (loss)/profit before interest & tax {EBIT}	(3,422)	252	(3,674)	-1458%	(6,796)	(2,695)	(4,101)	-152%
Loss before tax	(5,380)	(2,006)	(3,374)	-168%	(12,357)	(9,108)	(3,249)	-36%
Loss after tax	(5,418)	(2,106)	(3,312)	-157%	(12,395)	(9,402)	(2,993)	-32%
Loss attributable to Owners of the Company	(5,415)	(2,105)	(3,310)	-157%	(12,390)	(9,419)	(2,971)	-32%

*Table 1: Financial review for current quarter & financial year-to-date***Current Quarter vs Previous Corresponding Quarter Last Year**

The Group reported a consolidated revenue of RM20.8 million for the current quarter under review as compared to RM21.9 million in the previous corresponding quarter of last year, a decline of 5.1% or RM1.1 million in the Group's revenue. The gaming division continued to be the main contributor to the Group, contributing 84.8% or RM17.6 million of the total revenue of the Group for the current quarter.

The Group reported a higher loss before tax of RM5.4 million for the current quarter compared to RM2.0 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 loss incurred due to higher share of development costs in the current quarter compared to the corresponding quarter last year.
- ii) Gaming division—higher loss in the current quarter due to higher payout ratio of 72.7% during the current quarter, up from 59.7% in the corresponding quarter last year.
- ii) Leasing division—lower profit due to lower average occupancy rates in the current quarter despite having higher average rental rates, compared to the corresponding quarter last year.

YTD (9 months) Q3 FY 2023 vs YTD (9 months) Q3 FY 2022

The Group reported a loss before tax of RM12.4 million during the 9 months period ended 30 September 2023 compared to a RM9.1 million loss before tax in the corresponding 9 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 9 months period contributed by higher payout ratio and lower number of draws at 123, compared to last year's corresponding 9 months period of 131 draws.
- ii) Leasing segment—lower profit in the current 9 months period, compared to the corresponding 9 months period last year due to lower occupancy rate.

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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 30.9.2023	Immediate preceding quarter 30.6.2023	+ / -	
Revenue	20,771	21,008	(237)	-1%
Operating loss {EBITDA}	(3,100)	(3,281)	181	6%
Operating loss before interest	(3,422)	(3,633)	211	6%
Loss before tax	(5,380)	(5,480)	100	2%
Loss after tax	(5,418)	(5,480)	62	1%
Loss attributable to Owners of the Company	(5,415)	(5,479)	64	1%

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

The Group reported a lower loss before tax of RM5.4 million for the current quarter compared to RM5.5 million loss before tax in the immediate preceding quarter. This is due to the following items:

- i) Property Development segment—lower losses in the current quarter due to lower development expenditure charged out to Income Statement, compared to the immediate preceding quarter.
- ii) Gaming division—higher gross losses due to lower average sales per draw. There were higher number of draws at 42, compared to 40 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.

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

	Current quarter 3 Months 30.9.2023	Cumulative period-to-date 9 Months 30.9.2023
<i>RM'000</i>		
Current tax : Malaysian	(35)	(35)
Prior year tax : Malaysian	(3)	(3)
	<u>(38)</u>	<u>(38)</u>

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 21 November 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 30.9.2023			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	627	-	627	748	-	748
	<u>5,627</u>	<u>-</u>	<u>5,627</u>	<u>5,748</u>	<u>-</u>	<u>5,748</u>
Long term:						
Term loan 1	5,000	-	5,000	5,000	-	5,000
Term loan 2	110,000	-	110,000	115,000	-	115,000
Term loan 3	7,000	-	7,000	-	-	-
Lease liabilities	1,950	-	1,950	2,314	-	2,314
	<u>123,950</u>	<u>-</u>	<u>123,950</u>	<u>122,314</u>	<u>-</u>	<u>122,314</u>
	<u>129,577</u>	<u>-</u>	<u>129,577</u>	<u>128,062</u>	<u>-</u>	<u>128,062</u>

All borrowings are denominated in Ringgit Malaysia.

Included in borrowings above is a secured term loan facility 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	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
<i>RM'000</i>				
Interest income	153	125	323	256
Interest expense	(1,958)	(2,258)	(5,561)	(6,413)
Dividend income	23	102	50	238
Depreciation on property, plant and equipment	(165)	(170)	(493)	(513)
Property, plant and equipment written off	-	-	(1)	-
Gain on disposal of property, plant and equipment	-	2	-	2
Unrealised loss on foreign exchange	(87)	(85)	(109)	(113)
Amortisation of transaction costs on borrowings	(64)	(365)	(226)	(497)
(Loss)/gain on fair value changes of investment securities	(96)	84	(122)	5
Impairment loss on receivables	(101)	-	(101)	-
Reversal of impairment loss on receivables	-	51	-	339

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	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Loss after tax attributable to owners of the Company (RM'000)	(5,415)	(2,105)	(12,390)	(9,419)
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)	(0.2)	(1.2)	(0.9)

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
28 November 2023