



# ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	As at End of Current Quarter 31 Mar 2020 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2019 RM'000 (Audited)	Changes %
<b>Assets</b>			
Property, plant and equipment	1,867,770	1,964,742	-4.9
Right-of-use assets	332,436	348,695	0.0
Investment properties	1,080,230	1,108,333	-2.5
Intangible assets	21,862	21,902	-0.2
Investments in associates	583,125	608,330	-4.1
Other investments	462,890	678,300	-31.8
Inventories	35,935	35,935	0.0
Other receivables	30,864	32,610	-5.4
Deferred tax assets	36,554	35,226	3.8
<b>Total non-current assets</b>	<b>4,451,666</b>	<b>4,834,073</b>	<b>-7.9</b>
Inventories	282,362	318,668	-11.4
Biological assets	7,370	8,166	-9.7
Trade and other receivables	335,726	396,412	-15.3
Other investments	1,702,671	1,723,452	-1.2
Current tax assets	20,026	22,243	-10.0
Cash and cash equivalents	2,877,295	2,930,765	-1.8
<b>Total current assets</b>	<b>5,225,450</b>	<b>5,399,706</b>	<b>-3.2</b>
<b>Total assets</b>	<b>9,677,116</b>	<b>10,233,779</b>	<b>-5.4</b>
<b>Equity</b>			
Share capital	620,462	620,462	0.0
Reserves	985,329	1,299,649	-24.2
Retained earnings	4,662,054	4,746,447	-1.8
Treasury stocks	(249)	(249)	0.0
<b>Total equity attributable to stockholders of the Company</b>	<b>6,267,596</b>	<b>6,666,309</b>	<b>-6.0</b>
<b>Non-controlling interests</b>	<b>707,799</b>	<b>876,243</b>	<b>-19.2</b>
<b>Total Equity</b>	<b>6,975,395</b>	<b>7,542,552</b>	<b>-7.5</b>
<b>Liabilities</b>			
Deferred tax liabilities	33,382	35,000	-4.6
Borrowings	41,566	41,244	0.8
Lease liabilities	34,071	28,261	0.0
Contract liabilities	123,131	113,482	8.5
Retirement benefits	25,488	27,482	-7.3
<b>Total non-current liabilities</b>	<b>257,638</b>	<b>245,469</b>	<b>5.0</b>
Trade and other payables	282,970	356,691	-20.7
Borrowings	2,096,396	2,009,341	4.3
Lease liabilities	7,450	8,130	-0.1
Current tax liabilities	53,637	53,725	-0.2
Contract liabilities	3,630	17,871	-79.7
<b>Total current liabilities</b>	<b>2,444,083</b>	<b>2,445,758</b>	<b>-0.1</b>
<b>Total liabilities</b>	<b>2,701,721</b>	<b>2,691,227</b>	<b>0.4</b>
<b>Total equity and liabilities</b>	<b>9,677,116</b>	<b>10,233,779</b>	<b>-5.4</b>
Net assets per stock (sen)	1010.26	1074.53	-6.0

The selected explanatory notes form an integral part of, and, should be read in conjunction with, this interim financial report.



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### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2020

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Mar 2020 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 2019 RM'000 (Unaudited)		Current Year To Date (One quarter to 31 Mar 2020) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2019) RM'000 (Unaudited)	
<b>Revenue</b>	956,388	1,389,732	-31.2	956,388	1,389,732	-31.2
<b>Results from operating activities</b>	(133,282)	150,960	-188.3	(133,282)	150,960	-188.3
Finance costs	(4,299)	(4,379)	1.8	(4,299)	(4,379)	1.8
Share of (loss)/ profits after tax of equity accounted associates	(30,570)	3,978	-868.5	(30,570)	3,978	-868.5
<b>(Loss)/ Profit before taxation</b>	(168,151)	150,559	-211.7	(168,151)	150,559	-211.7
Income tax expenses	(14,787)	(42,047)	64.8	(14,787)	(42,047)	64.8
<b>(Loss)/ Profit from continuing operations</b>	(182,938)	108,512	-268.6	(182,938)	108,512	-268.6
<b>Other comprehensive (expense)/income, net of tax</b>						
Foreign currency translation differences for foreign operations	(173,672)	(23,682)	-633.4	(173,672)	(23,682)	-633.4
Fair value (loss)/gain of equity instruments designated at fair value through other comprehensive income	(210,547)	13,111	-1705.9	(210,547)	13,111	-1705.9
<b>Other comprehensive expense for the period, net of tax</b>	(384,219)	(10,571)	-3534.7	(384,219)	(10,571)	-3534.7
<b>Total comprehensive (expense)/ income for the period</b>	(567,157)	97,941	-679.1	(567,157)	97,941	-679.1
<b>(Loss)/ Profit attributable to:</b>						
Stockholders of the Company	(81,771)	93,168	-187.8	(81,771)	93,168	-187.8
Non-controlling interests	(101,167)	15,344	-759.3	(101,167)	15,344	-759.3
<b>(Loss)/ Profit for the period</b>	(182,938)	108,512	-268.6	(182,938)	108,512	-268.6
<b>Total comprehensive (expense)/ income attributable to:</b>						
Stockholders of the Company	(396,091)	80,617	-591.3	(396,091)	80,617	-591.3
Non-controlling interests	(171,066)	17,324	-1087.5	(171,066)	17,324	-1087.5
<b>Total comprehensive (expense)/ income for the period</b>	(567,157)	97,941	-679.1	(567,157)	97,941	-679.1
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362		620,362	620,362	
Basic (loss)/ earnings per stock (sen) (based on the weighted average number of stocks)	(13.18)	15.02	-187.7	(13.18)	15.02	-187.7

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### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2020

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Mar 2020 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 2019 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 2020) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2019) RM'000 (Unaudited)
Included in the Total Comprehensive (Expense)/ Income for the period are the followings :				
Interest income	(24,589)	(25,485)	(24,589)	(25,485)
Other income including investment income	(1,241)	(1,646)	(1,241)	(1,646)
Interest expense	4,299	4,379	4,299	4,379
Depreciation and amortisation	36,403	35,833	36,403	35,833
Bad debts recovered	(522)	(1)	(522)	(1)
Write down of inventories	154	13	154	13
Write off of property, plant and equipment	2	19	2	19
Loss on disposal of investments	12	-	12	-
Gain on disposal of property, plant and equipment	(736)	(149)	(736)	(149)
Reversal of impairment loss on assets	(14)	(220)	(14)	(220)
Unrealised foreign exchange loss/(gain)	234,513	(23,920)	234,513	(23,920)
Realised foreign exchange (gain)/ loss	(14,728)	2,641	(14,728)	2,641

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## ORIENTAL HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

	Attributable to stockholders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Translation reserve	Fair value reserve	Treasury stocks	Retained earnings	Capital reserve			
<i>In thousands of RM</i>									
At 1 January 2019	620,462	842,404	385,813	(249)	4,679,331	40,248	6,568,009	868,256	7,436,265
Foreign currency translation differences for foreign operations	-	(21,903)	-	-	-	-	(21,903)	(1,779)	(23,682)
Fair value of financial assets	-	-	9,352	-	-	-	9,352	3,759	13,111
Total other comprehensive (expense)/income for the period	-	(21,903)	9,352	-	-	-	(12,551)	1,980	(10,571)
Profit for the period	-	-	-	-	93,168	-	93,168	15,344	108,512
Total comprehensive (expense)/income for the period	-	(21,903)	9,352	-	93,168	-	80,617	17,324	97,941
At 31 March 2019	620,462	820,501	395,165	(249)	4,772,499	40,248	6,648,626	885,580	7,534,206
<i>In thousands of RM</i>									
At 1 January 2020	620,462	858,453	400,948	(249)	4,746,447	40,248	6,666,309	876,243	7,542,552
Foreign currency translation differences for foreign operations	-	(118,586)	-	-	-	-	(118,586)	(55,086)	(173,672)
Fair value of financial assets	-	-	(195,734)	-	-	-	(195,734)	(14,813)	(210,547)
Total other comprehensive expense for the period	-	(118,586)	(195,734)	-	-	-	(314,320)	(69,899)	(384,219)
Loss for the period	-	-	-	-	(81,771)	-	(81,771)	(101,167)	(182,938)
Total comprehensive expenses for the period	-	(118,586)	(195,734)	-	(81,771)	-	(396,091)	(171,066)	(567,157)
Issuance of preference share by associate company	-	-	-	-	-	-	-	-	-
Changes in ownership interests in a subsidiary	-	-	-	-	(2,622)	-	(2,622)	2,622	-
Total distribution to owners	-	-	-	-	(2,622)	-	(2,622)	2,622	-
At 31 March 2020	620,462	739,867	205,214	(249)	4,662,054	40,248	6,267,596	707,799	6,975,395

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## ORIENTAL HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2020

	Current Year To Date (One quarter to 31 Mar 2020) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2019) RM'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/ Profit before tax	(168,151)	150,559
Adjustments for:		
Non-cash items	259,304	8,821
Non-operating items	8,646	(26,877)
Operating profit before working capital changes	99,799	132,503
Changes in working capital	23,835	18,686
Cash flow from operating activities	123,634	151,189
Dividend received, net	1,097	5,483
Tax paid	(17,242)	(26,491)
Interest paid	(5,588)	(3,532)
Payment of retirement benefits	(29)	(26)
<i>Net cash flows from operating activities</i>	101,872	126,623
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(35,351)	(60,856)
Purchase of investments	(9,921)	-
Proceeds from disposal of investments	7,565	6,137
Interest received	22,454	21,912
Decrease in short term investments, net	21,940	36,861
<i>Net cash flows from investing activities</i>	6,687	4,054

**CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	<b>Current Year To Date (One quarter to 31 Mar 2020) RM'000 (Unaudited)</b>	<b>Preceding Year To Date (One quarter to 31 Mar 2019) RM'000 (Unaudited)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings (net)	(7,545)	12,269
Lease liabilities (net)	(2,727)	-
Fixed deposits pledged for banking facilities	58,747	(3,397)
<i>Net cash flows from financing activities</i>	48,475	8,872
Net increase in cash and cash equivalents	157,034	139,549
Cash and cash equivalents at 1 January	2,222,934	2,959,210
Effects of exchange rates on cash and cash equivalents	(152,303)	(19,491)
Cash and cash equivalents at 31 March (Note 1)	<u>2,227,665</u>	<u>3,079,268</u>

**NOTE**

	<b>RM'000</b>	<b>RM'000</b>
1 Cash and cash equivalents consist of: -		
Cash and bank balances	1,234,790	1,275,873
Fixed deposits	1,540,066	2,312,747
Bank overdrafts	(646)	-
Unit trust money market funds	102,439	159,837
	<u>2,876,649</u>	<u>3,748,457</u>
Less:		
Deposits pledged	(648,984)	(669,189)
	<u>2,227,665</u>	<u>3,079,268</u>

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2020**

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in compliance with MFRS 134, Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Revised Listing Requirements.

The interim financial report should be read in conjunction with the most recent annual audited financial statements of the Group for the year ended 31 December 2019. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the year ended 31 December 2019.

**MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective:**

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020***

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- MFRS 17, *Insurance Contracts*

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

***MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2020 (Cont'd)**

**1. Basis of Preparation (Cont'd)**

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact to the financial statements of the Group upon their initial recognition.

**2. Auditors' Qualification**

There's no qualification on the audit report of the preceding annual financial statements of Oriental Holdings Berhad.

**3. Seasonal Cyclical Factors**

Majority of the business operations of the Group are generally in tandem with the prevailing economic conditions where the Group operates with the exception of a few sectors. Commodity price is the most significant determinant of the level of profitability for the plantation sector although seasonal factor such as climatic condition also plays a part in determining the production level. The tourism sector will generally perform better during the major festive and holiday seasons.

**4. Exceptional Items**

There were no material exceptional items for the period under review.

**5. Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial period.

**6. Debt and Equity Securities**

There were no issuance and repayment of debt and equity stocks, stock buy-backs, stock cancellations, stocks held as treasury stocks and resale of treasury stocks for the current financial period to date.

**7. Dividends Paid**

No dividend has been paid for the current period.



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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2020 (Cont'd)**

**8. Segment Revenue and Results**

	<b>Automotive and related products RM'000</b>	<b>Plastic products RM'000</b>	<b>Hotels and resorts RM'000</b>	<b>Plantation RM'000</b>	<b>Investment holding RM'000</b>	<b>Investment properties &amp; trading of building material products RM'000</b>	<b>Healthcare RM'000</b>	<b>Total of all segments RM'000</b>	<b>Reconciliation/ Elimination RM'000</b>	<b>Notes</b>	<b>Total per consolidated financial statements RM'000</b>
<b>31 March 2020</b>											
Revenue from external customers	604,496	45,168	63,755	132,482	2,546	81,506	26,435	956,388	-		956,388
Inter-segment revenue	128	65	166	-	-	34	-	393	(393)		-
Total revenue	<u>604,624</u>	<u>45,233</u>	<u>63,921</u>	<u>132,482</u>	<u>2,546</u>	<u>81,540</u>	<u>26,435</u>	<u>956,781</u>	<u>(393)</u>		<u>956,388</u>
<b>Results</b>											
Segment profit/ (loss)	<u>31,967</u>	<u>(4,137)</u>	<u>6,485</u>	<u>(185,353)</u>	<u>16,996</u>	<u>1,541</u>	<u>(781)</u>	<u>(133,282)</u>	<u>(34,869)</u>	<b>A</b>	<u>(168,151)</u>
<b>Assets</b>											
Segment assets	<u>3,481,276</u>	<u>375,166</u>	<u>1,023,272</u>	<u>2,284,516</u>	<u>546,656</u>	<u>1,111,039</u>	<u>215,486</u>	<u>9,037,411</u>	<u>639,705</u>	<b>B</b>	<u>9,677,116</u>

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2020 (Cont'd)**

**8. Segment Revenue and Results (Cont'd)**

*Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated interim financial report*

A The following items are added to/ (deducted from) segment profit to arrive at “Profit before tax” presented in the condensed consolidated statements of comprehensive income:

	31 March 2020
	RM'000
Share of results of associates	(30,570)
Finance costs	(4,299)
	<u>(34,869)</u>

B The following items are added to segment assets to arrive at total assets reported in the condensed consolidated statement of financial positions:

	31 March 2020
	RM'000
Investment in associates	583,125
Current tax assets	20,026
Deferred tax assets	36,554
	<u>639,705</u>

**9. Material Post Balance Sheet Events**

There were no material events subsequent to the end of the period under review which have not been reflected in this interim financial report.

**10. Changes in Group's Composition**

There were no changes in the composition of the Group during the current financial period to-date other than the following:-

Subsequent to the financial year end, the company had subscribed the Right Issue of 35,620,000 new ordinary shares in Armstrong Auto Parts Sdn Berhad (“AAP”) at an issue price of RM1.00 each (“Right Issue”) for a total cash consideration of RM 35,620,000. OHB holds 94.79% interest in AAP whereby 91.44% is directly and the remaining 3.35% is held indirectly through a wholly-owned subsidiary.

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2020 (Cont'd)**

**11. Changes in Contingent Liabilities and Assets and Changes in Material Litigations**

There were no contingent liabilities and assets at the end of the reporting period.

Neither the Company nor any of its subsidiaries is engaged in any material litigation, either as plaintiff or defendant and the Directors are not aware of any proceedings pending or threatened, against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company or any of its subsidiaries, financially or otherwise.

**12. Review of Group's Performance**

*Overall Review*

The Group recorded year to date revenue of RM 956.4 million, a decline of 31.2% or RM 433.3 million as compared to RM 1,389.7 million in the corresponding period last year. The decline in revenue was mainly attributed to the lower contribution from the automotive segment by RM 409.5 million because of the lower number of cars were sold by the retail operations in Malaysia compared to Q1FY19.

The Group recorded an operating loss of RM 133.3 million mainly due to the unrealised foreign exchange loss on its JPY denominated borrowings by the plantation segment.

The Group recorded a first quarter loss before tax of RM 160.2 million compared to the profit before tax of RM 150.6 million in the corresponding period last year because of the loss recorded by the Plantation Segment, the generally lower contributions from other business segments and share of losses of equity accounted associates.

*Segmental Analysis*

Performance for each operating segment is as follows:-

The revenue from the automotive segment decreased by 40.4% to RM 604.5 million (Q1FY19 : RM 1,014.0 million) and operating profit decreased by 64.2% to RM 32.0 million (Q1FY19 : RM 89.4 million).

For the retail operations in Singapore, revenue and operating profit decreased by 36.6% and 55.2% respectively mainly due to the lower number of cars sold which was in line with the reduction in COE quota and the dampened consumer sentiments caused by disruption to the business activities caused by the outbreak of COVID-19.

For the retail operations in Malaysia, revenue decreased by 47.6% attributed to the 51.0% drop in the number of new Honda cars sold caused by the delay in the launching of various new models pending their price approval by the authorities and the implementation of the Movement Control Order (MCO), on 18 March 2020, which dampened economic activity and consumer sentiment with the suspension of operations by non-essential service providers and manufacturing activities.

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**31 MARCH 2020 (Cont'd)**

**12. Review of Group's Performance (Cont'd)**

The Plantation segment generated a revenue of RM 132.5 million, an increase of 3.2% compared the corresponding Quarter in 2019 of RM 128.4 million but recorded an operating loss of RM 185.4 million (Q1FY19 operating profit: RM 46.1 million). The increase in revenue was mainly due to the 27.7% increase in CPO prices and 7.5% increase in PK prices compared to Q1FY19. The segment operating loss was attributable to the unrealised foreign exchange loss of RM 233.6 million (Q1FY19 unrealised foreign exchange gain: RM 26.2 million) on its JPY denominated borrowings.

The Plastic segment recorded a decrease in revenue of 29.5% to RM 45.2 million (Q1FY19 : RM 64.1 million) and an operating loss of RM 4.1 million (Q1FY19 operating profit : RM 1.8 million) mainly attributed to the decline in orders from its automotive and electronics customers and the suspension of production activities following the lock down of activities with the MCO.

Hotels and Resorts segment recorded a 19.7% decline in revenue to RM 63.8 million (Q1FY19: RM 79.5 million), and a 60.1% decrease in operating profit to RM 6.5 million (Q1FY19: RM 16.3 million). Overall average room rates and room occupancy rates declined significantly. The broad-based travel restrictions and travel risk aversion as a result of the necessary global and domestic actions taken to contain the outbreak have seriously affected the tourism-related activities.

Revenue for the Investment Holding segment decreased to RM 2.5 million (Q1FY19: RM 3.1 million) but operating profit increased by RM 16.8 million to RM 17.0 million (Q1FY19 : RM 0.2 million). Included in the quarter's performance was unrealised foreign exchange gain of RM 11.5 million derived from the strengthening of the USD against the SGD denominated borrowings.

The Investment Properties and Trading of Building Material Products segment recorded a 4.6% increase in revenue to RM 81.5 million (Q1FY19 : RM 77.9 million) while operating profit increased significantly by 350.0% or RM 2.1 million to RM 1.5 million (Q1FY19 operating loss : RM 0.6 million) mainly due to lower operating expenses but offset by RM 1.0 million in unrealised foreign exchange losses on its USD denominated advances.

Healthcare segment improved on its performance and recorded a 15.8% increase in revenue of RM 26.4 million (Q1FY19:RM 22.8 million) and a lower operating loss of RM 0.8 million (Q1FY19: RM 2.1 million) on the back of more complex and emergency cases performed during MCO.

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**13. Material Change in Profit/ Loss Before Taxation (“PBT”/ “LBT”) reported as compared with the immediate preceding quarter**

*Overall Review*

The Group’s revenue for the first quarter of 2020 was RM 956.4 million, a decreased of RM 144.1 million or 13.1% from RM 1,100.5 million in Q4FY19, mainly due to lower contribution from automotive segment attributed to the lower number of cars sold especially for the retail operations in Malaysia. The volume of cars sold for the retail market in Singapore increased compared to Q4FY19. The Group recorded an operating loss of RM 133.3 million (Q4FY19 operating profit : RM 119.0 million) was mainly due to unrealised foreign exchange loss in Q1FY20 of RM 234.5 million (Q4FY19 unrealised foreign exchange gain : RM 43.4 million) mainly from the strengthening of the JPY for the JPY denominated borrowing by the Plantation Segment.

The Group recorded a loss before tax for Q1FY20 of RM 160.2 million compared to a profit before tax of RM 120.8 million for Q4FY19 mainly due to the unrealised foreign exchange losses from plantation segment.

*Segmental Analysis*

Performances of each operating segment as compared to the immediate preceding quarter are as follows:-

Revenue from automotive segment decreased by 10.2% to RM 604.5 million and operating profit declined to RM 32.0 million (Q4FY19: RM 48.7 million). The lower revenue and operating profit were mainly due to the lower number of cars sold compared to Q4FY19 especially from retail operations in Malaysia as a result of the delay in the launching of new models launching pending their price approvals from the authorities and the lockdown implemented by MCO period from 18<sup>th</sup> of March 2020. The Singapore retail market achieved a higher sales volume compared to Q4FY19.

Revenue from plantation segment decreased by 9.6% to RM 132.5 million (Q4FY19 : RM 146.6 million) and recorded an operating loss of RM 185.4 million in compared to an operating profit of RM 47.7 million for Q4FY19. The decline in revenue was mainly due to the lower CPO and PK sales volume by 15.1% and 15.8% respectively. The segment’s operating loss was attributable to the unrealised foreign exchange loss of RM 233.6 million (Q4FY19 unrealised foreign exchange gain : RM 39.0 million) with the strengthening of JPY on its JPY denominated borrowings following the sustained demand for safe haven assets and currencies and exchange rate volatility caused by pandemic.

Revenue for plastic segment decreased by 39.4% to RM 45.2 million (Q4FY19 : RM 74.5 million), and the segment recorded an operating loss of RM 4.1 million (Q4FY19 operating profit : RM 2.2 million). The segment has been operating under competitive environment with marginal profit and was impacted by the decrease in orders for its automotive and electronics products following the implementation of the MCO.

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**13. Material Change in Profit/ Loss Before Taxation (“PBT”/ “LBT”) reported as compared with the immediate preceding quarter (Cont'd)**

Revenue for hotels and resorts segment decreased by 24.0% to RM 63.8 million (Q4FY19 : RM 83.9 million) and operating profit decreased by 72.0% to RM 6.5 million; (Q4FY19 : RM 23.2 million) mainly attributed to the significant drop in hotels’ average occupancy rate and average room rate brought about by the broad-based travel restrictions and travel risk aversion locally and abroad to contain the spread of COVID-19.

Revenue for investment holding segment decreased by 90.2% to RM 2.5 million (Q4FY19 : RM 25.5 million), and operating profit improved by 45.3% to RM 17.0 million (Q4FY19 : RM 11.7 million). The lower revenue was due to the lower dividend income received from other investments by 94.7% (Q1FY20 : RM 1.1 million ; Q4FY19 : RM 20.8 million), while higher operating profit was mainly due to higher unrealised foreign exchange gain of RM 11.5 million (Q4FY19 unrealised foreign exchange loss : RM 2.8 million) on its SGD denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 15.9% to RM 81.5 million (Q4FY19 : RM 96.9 million), and recorded an operating profit of RM 1.5 million (Q4FY19 operating loss : RM 13.6 million) mainly due to better gross profit margins for Q1FY20 compared with Q4FY19 and the provision for impairment loss of an investment property located overseas of RM 16.0 million recorded in Q4FY19.

Healthcare segment recorded a lower operating loss of RM 0.8 million (Q4FY19: RM 0.9 million) notwithstanding a decline of 7.0% in the total number of patients in the current quarter compared to Q4FY19.

**14. Current Year Prospects**

On 11 March 2020, the World Organisation declared the COVID-19 outbreak to be a pandemic.

The Group’s Performance will be impacted by the necessary global and domestic actions taken to contain the outbreak.

The implementation and subsequent extension of the Movement Control Order (MCO) have dampen economic activity following the suspension of operations by non-essential service providers and lower operating capacity of manufacturing firms.

The suspension of non-essential services due to recent COVID-19 outbreak have impacted the automotive retail and after sales services. In Malaysia, the government had imposed the Movement Control Order from 18 March 2020 to 12 May 2020. The Singapore government had also imposed similar lock down measures (Circuit Breaker) from 21 April 2020 to 1 June 2020. During this period, no vehicle sales were recorded.

As part of the short-term Economic Recovery Plan, the Malaysian Prime Minister announced on 6 June 2020 that locally assembled cars will be fully exempted from sales tax while for imported cars, the sales tax will be cut from 10% to 5% from 15 June 2020 to 31 December 2020.

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**14. Current Year Prospects (Cont'd)**

Beyond the MCO period, reduced social and recreational activities until the pandemic is fully controlled globally and domestically will continue to dampen consumption and investment activities.

Private consumption is expected to be affected by weak labour market conditions, mobility restrictions and subdued sentiments.

The automotive segment will continue to contribute to the Group's performance under very competitive market conditions with strong and aggressive promotional campaigns by car companies keen to grow their market shares.

The plastic segment continues to face competitive environment from other domestic industry players and will be impacted by disruptions in the global supply chain and limited growth in the local automotive industry. Management will continue to exercise cost rationalised, productivity improvement and source for new business ventures to improve the performance of the segment.

The plantation segment will take necessary steps to ensure that all estates and mills remain efficient, cost effective and competitive. The unrealised forex losses on the JPY borrowings by the plantation segment is caused by heightened risk aversion in financial markets that led to the sustained demand for safe haven assets and currencies (JPY), exchange rate volatility as well as capital flow reversals from emerging market economies (EMEs) during the recent lockdown due to COVID-19 outbreak. Low cost funding is critical for the success of the development of the plantations in Indonesia. The forex exposure of the JPY loans will be closely monitored and managed.

The hotels and resorts segment have been affected by the broad-based travel restrictions and travel risk aversion; the occupancy and room rates are expected to return to pre-COVID-19 level next year.

Healthcare segment will continue to focus on strengthening brand awareness and positioning the hospital for sustainable growth. Following the MCO that arose with the current COVID-19 pandemic, there was a sharp decline in patient admissions. Patient sentiments are expected to gradually improve following the easing of MCO restrictions.

The Board is mindful of the seismic shifts that the COVID-19 pandemic has brought about to the domestic and global economies. The Board will navigate the challenges ahead and formulate plans to strengthen further the Group's solid foundation for a sustainable growth.

**15. Variance of Actual Profit from Forecast Profit/Profit Guarantee**

Not Applicable.

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**16. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 20 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 19 RM'000 (Unaudited)	Current Year To date 31 Mar 20 RM'000 (Unaudited)	Preceding Year To date 31 Mar 19 RM'000 (Unaudited)
<b>Current taxation</b>				
Malaysian taxation				
- Based on profit for the period	1,822	3,099	1,822	3,099
- Under provision in respect of prior period	58	10,915	58	10,915
	1,880	14,014	1,880	14,014
Foreign taxation				
- Based on profit for the period	16,225	24,154	16,225	24,154
	18,105	38,168	18,105	38,168
<b>Deferred taxation</b>				
- Current period	(25)	3,987	(25)	3,987
- Over provision in respect of prior period	(3,293)	(108)	(3,293)	(108)
	(3,318)	3,879	(3,318)	3,879
	<u>14,787</u>	<u>42,047</u>	<u>14,787</u>	<u>42,047</u>

**17. Status of Corporate Proposals**

There were no corporate proposals that have been announced by the Company but not completed at the date of this announcement except for the Stock Buy-Back which was approved by the stockholders at the Annual General Meeting on 12 June 2019 for the buy-back of up to 10% or up to 62,039,363 ordinary stocks. There were no stocks buy-back for the period to date.



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**18. Group Borrowings**

	Interest rate %	Borrowings denominated in		Source Currency	RM Equivalent RM'000	Total RM'000
		Ringgit	← Foreign Currencies →			
Short Term		RM'000			RM'000	RM'000
		I			II	I + II
<b>Borrowings – secured</b>						
-Revolving credit	4.8 - 5.1	4,000	-		-	4,000
	0.9 - 1.4	-	JPY 30.830 billion		1,227,743	1,227,743
	3.0 - 3.8	-	SGD 0.065 billion		194,798	194,798
					1,422,541	1,426,541
-Term loans – secured	2.6	-	SGD 0.001 billion		1,775	1,775
-Bank overdraft	8.7	646	-		-	646
<b>Borrowings – unsecured</b>						
-Bankers acceptance	3.8 - 4.1	10,040	-		-	10,040
-Revolving credit	1.0 - 1.4	-	JPY 16.515 billion		657,394	657,394
		<u>14,686</u>			<u>2,081,710</u>	<u>2,096,396</u>
<b>Long Term</b>						
Term loans – secured	2.6 - 4.3	913	SGD 0.013 billion		40,653	41,566
		<u>913</u>			<u>40,653</u>	<u>41,566</u>
<b>Total Borrowings</b>		<u><b>15,599</b></u>			<u><b>2,122,362</b></u>	<u><b>2,137,962</b></u>

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**19. Trade receivables**

The ageing analysis of trade receivables (included under trade and other receivables category) as at 31 March 2020 is as follows:

	<b>RM'000</b>	<b>%</b>
Not past due	159,744	77.3
Past due less than 3 months	39,454	19.1
Past due 3-6 months	4,234	2.1
Past due 6-12 months	2,078	1.0
Past due more than 1 year	1,100	0.5
	<hr/> <b>206,610</b>	<hr/> <b>100.0</b>

The Group did not impair the past due trade receivables but monitor these receivables closely. No bad and past due debts are anticipated that could materially affect the financial results and financial position of the Group as a whole.

**20. Changes in Material Litigations**

Not applicable.

**21. Dividend Proposed**

A final single tier dividend of 8 sen per ordinary stock and special final single tier dividend of 10 sen per ordinary stock totalling RM49,628,946 and RM62,036,183 respectively have been recommended by the Directors in respect of the year ended 31 December 2019, subject to approval of the stockholders at the forthcoming virtual Annual General Meeting.

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**22. Basic Earnings per Stock**

The basic earnings per stock are computed based on the net profit for the year divided by the weighted average number of stocks in issue.

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Mar 20 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 19 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 20) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 19) RM'000 (Unaudited)
Net (loss)/profit for the period attributable to Stockholders of the Company (RM'000)	<u>(81,771)</u>	<u>93,168</u>	<u>(81,771)</u>	<u>93,168</u>
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362	620,362	620,362
Basic (loss)/earnings per stock (sen)	<u>(13.18)</u>	<u>15.02</u>	<u>(13.18)</u>	<u>15.02</u>

By Order of the Board

**ONG TZE-EN**  
**Company Secretary**

**DATED THIS 29 JUNE 2020**