



ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	As at End of Current Quarter 31 Dec 2020 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2019 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,930,991	1,964,742	-1.7
Right-of-use assets	335,401	348,695	-3.8
Investment properties	1,109,922	1,108,333	0.1
Intangible assets	23,363	21,902	6.7
Investments in associates	600,695	608,330	-1.3
Other investments	619,789	678,300	-8.6
Inventories	35,936	35,935	0.0
Other receivables	30,771	32,610	-5.6
Deferred tax assets	59,164	35,226	68.0
Total non-current assets	<u>4,746,032</u>	<u>4,834,073</u>	-1.8
Inventories	220,360	318,668	-30.8
Biological assets	11,793	8,166	44.4
Trade and other receivables	384,239	396,412	-3.1
Current tax assets	24,173	22,243	8.7
Other investments	1,411,639	1,723,452	-18.1
Cash and cash equivalents	3,215,925	2,930,765	9.7
Total current assets	<u>5,268,129</u>	<u>5,399,706</u>	-2.4
Total assets	<u><u>10,014,161</u></u>	<u><u>10,233,779</u></u>	-2.1
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,223,893	1,299,649	-5.8
Retained earnings	4,709,653	4,746,447	-0.8
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,553,759</u>	<u>6,666,309</u>	-1.7
Non-controlling interests	<u>814,625</u>	<u>876,243</u>	-7.0
Total Equity	<u><u>7,368,384</u></u>	<u><u>7,542,552</u></u>	-2.3
Liabilities			
Deferred tax liabilities	33,255	35,000	-5.0
Borrowings	226,464	41,244	449.1
Lease liabilities	27,710	28,261	-1.9
Contract liabilities	76,990	113,482	-32.2
Retirement benefits	31,266	27,482	13.8
Total non-current liabilities	<u>395,685</u>	<u>245,469</u>	61.2
Trade and other payables	304,244	356,691	-14.7
Borrowings	1,827,999	2,009,341	-9.0
Lease liabilities	7,103	8,130	-12.6
Current tax liabilities	42,420	53,725	-21.0
Contract liabilities	31,104	17,871	74.0
Dividend payables	37,222	-	0.0
Total current liabilities	<u>2,250,092</u>	<u>2,445,758</u>	-8.0
Total liabilities	<u>2,645,777</u>	<u>2,691,227</u>	-1.7
Total equity and liabilities	<u><u>10,014,161</u></u>	<u><u>10,233,779</u></u>	-2.1
Net assets per stock (sen)	1056.39	1074.53	-1.7

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 YEAR ENDED 31 DECEMBER 2020

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Dec 2020 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2019 RM'000 (Unaudited)		Current Year To Date (Four quarters to 31 Dec 2020) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2019) RM'000 (Audited)	
Revenue	990,204	1,100,536	-10.0	3,364,478	5,162,134	-34.8
Results from operating activities	120,350	118,972	1.2	148,260	438,365	-66.2
Finance costs	(17,236)	(14,691)	-17.3	(29,910)	(29,363)	-1.9
Share of profits/ (loss) after tax of equity accounted associates	17,645	16,483	7.0	(7,629)	49,903	-115.3
Profit before taxation	120,759	120,764	0.0	110,721	458,905	-75.9
Income tax expenses	649	(28,981)	102.2	(34,299)	(105,577)	67.5
Profit from continuing operations	121,408	91,783	32.3	76,422	353,328	-78.4
Other comprehensive income/ (expense), net of tax						
Remeasurement of defined benefit liability	(207)	(1,431)	85.5	(207)	(258)	19.8
Foreign currency translation differences for foreign operations	80,578	38,493	109.3	30,687	24,518	25.2
Fair value gain/ (loss) of equity instruments designated at fair value through other comprehensive income	57,104	6,675	755.5	(113,124)	18,029	-727.5
Share of other comprehensive (expense)/ income of equity accounted associates	(314)	26	-1307.7	(2,005)	7,450	-126.9
Other comprehensive income/ (expense) for the period, net of tax	137,161	43,763	213.4	(84,649)	49,739	-270.2
Total comprehensive income/ (expense) for the period	258,569	135,546	90.8	(8,227)	403,067	-102.0
Profit attributable to:						
Stockholders of the Company	103,120	81,637	26.3	114,808	352,600	-67.4
Non-controlling interests	18,288	10,146	80.2	(38,386)	728	-5372.8
Profit for the period	121,408	91,783	32.3	76,422	353,328	-78.4
Total comprehensive income/ (expense) attributable to:						
Stockholders of the Company	215,979	118,793	81.8	51,489	383,666	-86.6
Non-controlling interests	42,590	16,753	154.2	(59,716)	19,401	-407.8
Total comprehensive income/ (expense) for the period	258,569	135,546	90.8	(8,227)	403,067	-102.0
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362		620,362	620,362	
Basic earnings per stock (sen) (based on the weighted average number of stocks)	16.62	13.16	26.3	18.51	56.84	-67.4

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 2020 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2019 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2020) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2019) RM'000 (Audited)
Included in the Total Comprehensive Expense/Income for the period are the followings :				
Interest income	(14,334)	(25,498)	(74,613)	(103,475)
Other income including investment income	(1,709)	(21,483)	(10,294)	(41,889)
Interest expense	17,236	14,691	29,910	29,363
Depreciation and amortisation	36,741	46,316	147,809	155,953
Bad debts written off	360	279	4	258
Write down of inventories	1,548	1,952	3,032	4,070
Write off of property, plant and equipment	351	184	414	798
Gain on disposal of investments	(98)	(701)	(1)	(712)
Gain on disposal of a subsidiary	(25,799)	-	(25,799)	-
Gain on disposal of property, plant and equipment	(1,829)	(412)	(2,940)	(4,640)
Provision of impairment loss on assets	70,259	58,525	70,258	58,525
Unrealised foreign exchange (gain)/ loss	(49,594)	(43,386)	65,294	(34,829)
Realised foreign exchange loss	5,398	7,497	1,514	12,830

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 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
Remeasurement of defined benefit liability	-	-	-	-	(118)	-	(118)	(140)	(258)
Foreign currency translation differences for foreign operations	-	16,049	-	-	-	-	16,049	8,469	24,518
Fair value of financial assets	-	-	7,685	-	-	-	7,685	10,344	18,029
Share of other comprehensive income of equity accounted associates	-	-	7,450	-	-	-	7,450	-	7,450
Total other comprehensive income/ (expense) for the year	-	16,049	15,135	-	(118)	-	31,066	18,673	49,739
Profit for the year	-	-	-	-	352,600	-	352,600	728	353,328
Total comprehensive income for the year	-	16,049	15,135	-	352,482	-	383,666	19,401	403,067
Dividends to stockholders	-	-	-	-	(285,366)	-	(285,366)	-	(285,366)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(10,703)	(10,703)
Liquidation of a subsidiary	-	-	-	-	-	-	-	(711)	(711)
Total transactions with owners	-	-	-	-	(285,366)	-	(285,366)	(11,414)	(296,780)
At 31 December 2019	620,462	858,453	400,948	(249)	4,746,447	40,248	6,666,309	876,243	7,542,552
<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
Remeasurement of defined benefit liability	-	-	-	-	(93)	-	(93)	(114)	(207)
Foreign currency translation differences for foreign operations	-	44,051	-	-	-	-	44,051	(13,364)	30,687
Fair value of financial assets	-	-	(105,272)	-	-	-	(105,272)	(7,852)	(113,124)
Share of other comprehensive expense of equity accounted associates	-	-	(2,005)	-	-	-	(2,005)	-	(2,005)
Total other comprehensive income/ (expense) for the year	-	44,051	(107,277)	-	(93)	-	(63,319)	(21,330)	(84,649)
Profit/ (Loss) for the year	-	-	-	-	114,808	-	114,808	(38,386)	76,422
Total comprehensive income/ (expense) for the year	-	44,051	(107,277)	-	114,715	-	51,489	(59,716)	(8,227)
Dividends to stockholders	-	-	-	-	(148,887)	-	(148,887)	-	(148,887)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(9,370)	(9,370)
Changes in ownership interests in a subsidiary	-	-	-	-	(2,622)	-	(2,622)	2,622	-
Disposal of a subsidiary	-	(12,530)	-	-	-	-	(12,530)	(1,034)	(13,564)
Share issued to non-controlling interests	-	-	-	-	-	-	-	5,880	5,880
Total transactions with owners	-	(12,530)	-	-	(151,509)	-	(164,039)	(1,902)	(165,941)
At 31 December 2020	620,462	889,974	293,671	(249)	4,709,653	40,248	6,553,759	814,625	7,368,384

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Current Year To Date (Four quarters to 31 Dec 2020) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2019) RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	110,721	458,905
Adjustments for:		
Non-cash items	295,815	185,250
Non-operating items	(76,045)	(171,255)
Operating profit before working capital changes	330,491	472,900
Changes in working capital	34,291	18,690
Cash flow from operating activities	364,782	491,590
Dividend received, net	16,510	125,381
Tax paid	(72,096)	(106,269)
Interest paid	(30,097)	(32,683)
Payment of retirement benefits	(930)	(405)
<i>Net cash flows from operating activities</i>	278,169	477,614
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(153,407)	(236,898)
Purchase of investments	(155,265)	(852)
Proceeds from disposal of investments	72,494	26,272
Interest received	79,528	101,942
Net cash inflow on disposal of a subsidiary	23,414	-
Decrease/ (Increase) in short term investments, net	331,541	(923,641)
<i>Net cash flows from/ (used in) investing activities</i>	198,305	(1,033,177)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Four quarters to 31 Dec 2020) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2019) RM'000 (Audited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	(47,323)	142,404
Lease liabilities (net)	(8,951)	(16,682)
Dividends paid to stockholders	(111,665)	(285,366)
Fixed deposits pledged for banking facilities	(4,721)	(41,940)
Dividends paid to non-controlling interests	(9,370)	(10,703)
Proceeds from issue of shares to non-controlling interest	5,880	-
<i>Net cash flows used in financing activities</i>	(176,150)	(212,287)
Net increase/ (decrease) in cash and cash equivalents	300,324	(767,850)
Cash and cash equivalents at 1 January	2,222,934	2,959,210
Effects of exchange rates on cash and cash equivalents	(19,786)	31,574
Cash and cash equivalents at 31 December (Note 1)	<u>2,503,472</u>	<u>2,222,934</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	1,631,673	1,214,128
Fixed deposits	1,435,084	1,597,347
Bank overdrafts	-	(99)
Unit trust money market funds	149,168	119,290
	<u>3,215,925</u>	<u>2,930,666</u>
Less:		
Deposits pledged	(712,453)	(707,732)
	<u>2,503,472</u>	<u>2,222,934</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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

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

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

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform –Phase 2*

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 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 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

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

1. Basis of Preparation (Cont'd)

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*

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.

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

7. Dividends Paid

Since the end of the previous financial year, the Company paid:

- i) a single tier final dividend of 8 sen per ordinary stock and single tier final special dividend of 10 sen per ordinary stock (2018 : a single tier final dividend of 8 sen per ordinary stock and single tier final special dividend of 20 sen per ordinary stock) totalling RM111,665,129 in respect of the financial year ended 31 December 2019 on 7 August 2020.
- ii) a single tier interim dividend of 6 sen per ordinary stock (2019 : 12 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ending 31 December 2020 on 21 January 2021.

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

8. Segment Revenue and Results

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties & trading of building material products RM'000	Healthcare RM'000	Total of all segments RM'000	Reconciliation/ Elimination RM'000	Notes	Total per consolidated financial statements RM'000
31 December 2020											
Revenue from external customers	2,056,680	206,766	166,624	539,766	10,142	313,380	71,120	3,364,478	-		3,364,478
Inter-segment revenue	572	591	272	-	11,108	119	43	12,705	(12,705)		-
Total revenue	<u>2,057,252</u>	<u>207,357</u>	<u>166,896</u>	<u>539,766</u>	<u>21,250</u>	<u>313,499</u>	<u>71,163</u>	<u>3,377,183</u>	<u>(12,705)</u>		<u>3,364,478</u>
Results											
Segment profit/ (loss)	<u>150,343</u>	<u>12,820</u>	<u>(6,545)</u>	<u>35,566</u>	<u>1,139</u>	<u>(43,171)</u>	<u>(1,892)</u>	<u>148,260</u>	<u>(37,539)</u>	A	<u>110,721</u>
Assets											
Segment assets	<u>3,432,445</u>	<u>322,002</u>	<u>1,076,541</u>	<u>2,543,803</u>	<u>605,184</u>	<u>1,133,471</u>	<u>216,683</u>	<u>9,330,129</u>	<u>684,032</u>	B	<u>10,014,161</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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 profit or loss and other comprehensive income:

	31 December 2020
	RM'000
Share of results of associates	(7,629)
Finance costs	(29,910)
	<u>(37,539)</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 December 2020
	RM'000
Investment in associates	600,695
Current tax assets	24,173
Deferred tax assets	59,164
	<u>684,032</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 followings:-

- (i) The company had on 10 February 2020 subscribed the Rights 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’s subsequent to the subscription, interest in AAP increased from 89.65% to 94.79% whereby 91.44% is held 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 DECEMBER 2020 (Cont'd)

10. Changes in Group's Composition (Cont'd)

- (ii) Oriental Industries (Wuxi) Co., Ltd. ("OIW"), a 72.25% owned subsidiary by the Company, 15.25% owned by wholly-owned subsidiary of Oriental International (Mauritius) Co., Ltd. ("OIM") and 12.50% owned subsidiary by Teck See Plastic Sdn. Bhd. which in turn is a 60% owned subsidiary of the Company, had on 16 September 2020 entered into an Equity Transfer Agreement to dispose off their respective investments in OIW to Jiangsu Xinghuida Technology Co., Ltd. for aggregate cash consideration of RMB 116,280,000. The total registered and issued capital of OIW is USD 12,000,000 and is dormant currently. The disposal has obtained the approval of authority on 12 October 2020 and completed on 11 December 2020.
- (iii) The Company through its direct 51% owned subsidiary, Melaka Straits Medical Centre Sdn. Bhd. had on 25 March 2021 incorporated a wholly owned subsidiary named Oriental Medical (Segamat) Sdn. Bhd.. The initial issued share capital is one ordinary share at an issue price of RM1.00 only. The intended principal activities of Oriental Medical (Segamat) Sdn. Bhd. are operating a medical centre and provision of related healthcare services.

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 3,364.5 million, a decline of 34.8% or RM 1,797.6 million as compared to RM 5,162.1 million in the corresponding period last year. The decline in revenue was mainly attributed to the lower contribution from the automotive segment by RM 1,563.9 million as lower number of cars sold from retail operations.

The Group recorded an operating profit of RM 148.3 million (2019: RM 438.4 million), declined by RM 290.1 million mainly due to lower contribution from all business segments.

The Group recorded year to date profit before tax of RM 110.7 million compared to the profit before tax of RM 458.9 million in the corresponding period last year was mainly impacted by lower contribution from automotive, plantation, hotels and resorts, investment holding and investment properties segments.

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SELECTED EXPLANATORY NOTES
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31 DECEMBER 2020 (Cont'd)

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

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue from the automotive segment decreased by 43.2% to RM 2,056.7 million while operating profit decreased by 51.2% to RM 150.3 million.

For the retail operations in Singapore, revenue and operating profit decreased by 51.0% and 48.4% respectively mainly due to the lower number of cars sold by 58.0% as there was no new car registration during Circuit Breaker ("CB") period from 7 April to 1 June 2020. Performance of Singapore retail operations has been slowly recovering following the newly launched Honda City in early September 2020, dampen by the reduction in supply of Certificate of Entitlement (COE) quota and surged in COE price.

For the retail operations in Malaysia, revenue decreased by 28.9% and operating profit decreased by 75.1% attributed to the 28.5% decline in the number of cars sold with the implementation of the Movement Control Order (MCO), on 18 March 2020 to 12 May 2020 with the suspension of operations for non-essential service providers and manufacturing activities. Honda car sales came to a halt in April and has been slowly recovering from May onwards. The launching of the new Honda City and CRV facelift in Quarter 4 coupled with vehicle sales tax exemption from mid-June 2020 to end of June 2021 has managed to boost car sales order towards year end.

The plantation segment generated a revenue of RM 539.8 million, an increase of 6.5% compared to corresponding period last year of RM 506.7 million and recorded an operating profit of RM 35.6 million (2019 : RM 66.0 million). Higher revenue was contributed by the overall increase in CPO and PK selling price by 21% and 18% respectively. Despite increase in revenue, the decline in operating profit was impacted by the unrealised foreign exchange loss of RM 60.2 million (2019 unrealised foreign exchange gain: RM 35.4 million) from the weakening of the IDR against the JPY denominated borrowings.

The plastic segment recorded a decrease in revenue of 26.4% and an operating profit of RM 12.8 million (2019 : RM 8.3 million) mainly attributed to the decline in orders from its automotive and electronics customers and further aggravated by the suspension of production activities following the lock down period of MCO with main customers resumed operation in early June 2020. Improvement in operating profit was attributable to lower operational expenses from cost control and Government stimulus package on full exemption of sales tax for local assembly vehicles from mid-June 2020 to end of June 2021.

Hotels and resorts segment recorded a 46.7% decline in revenue to RM 166.6 million and recorded an operating loss of RM 6.5 million (2019 operating profit: RM 58.7 million). Overall average room rates and occupancy rates declined significantly impacting the performance of hotels especially Australia and United Kingdom hotels. The broad-based travel restrictions and travel risk aversion as a result of the global and domestic actions taken to contain the outbreak of COVID-19 have affected the tourism-related activities.

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

Revenue for the investment holding segment decreased by 77.6% to RM 10.1 million and recorded an operating profit of RM 1.1 million (2019 : RM 19.5 million) mainly attributable to lower dividend received from other investments and unrealised foreign exchange loss of RM 16.6 million (2019 : RM 6.3 million) mainly on JPY denominated borrowings.

The investment properties and trading of building material products segment recorded a 2.8% decrease in revenue to RM 313.4 million while recorded an operating loss of RM 43.2 million (2019 : RM 17.4 million). The higher operating loss was attributable to impairment loss of investment property in Australia of RM 43.8 million (2019 : RM 16.0 million).

Healthcare segment's revenue decreased by 3.1% to RM 71.1 million due to decline in number of patients by 18.6% impacted by pandemic while still operating at loss of RM 1.9 million (2019 : RM 5.0 million) as a result of high fixed operating cost.

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 fourth quarter of 2020 was RM 990.2 million, an increase of RM 42.0 million or 4.4% from RM 948.2 million in Q3FY20, mainly due to higher contribution from plantation segment with overall increase in sales commodities volume and selling price. The Group recorded an operating profit of RM 120.4 million (Q3FY20 operating loss : RM 37.4 million) mainly derived from unrealised foreign exchange gain in Q4FY20 of RM 49.7 million (Q3FY20 unrealised foreign exchange loss : RM 98.0 million) mainly from the strengthening of the IDR against the JPY denominated borrowings by the plantation segment.

The Group recorded a profit before tax for Q4FY20 of RM 120.8 million compared to a loss before tax of RM 26.1 million for Q3FY20 mainly attributable to increase in performance 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 2.6% to RM 610.3 million while operating profit increased to RM 54.0 million (Q3FY20 : RM 44.9 million). Although the sales volume had improved for the Malaysian and Brunei retail market in the 4th Quarter, the decrease in revenue was mainly due to the 36.5% drop in the number of cars sold from retail operations in Singapore. Despite decrease in revenue, the increase in operating profit was mainly attributable to the higher gross profit margin for new cars sold and unrealised foreign exchange gain of RM 8.9 million (Q3FY20 : RM 1.3 million) derived from foreign currency fluctuation from cash reserve in foreign currencies.

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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 from plantation segment increased by 86.0% to RM 178.0 million (Q3FY20 : RM 95.7 million) mainly due to higher CPO and PK sales volume by 85.2% and 56.0% respectively as well as increase in commodity selling prices compared to Q3FY20 (CPO increased by 21.6% and PK increased by 28.7%). The segment recorded an operating profit of RM 97.1 million compared to operating loss of RM 73.8 million for Q3FY20 partly attributable to the unrealised foreign exchange gain of RM 56.2 million (Q3FY20 unrealised foreign exchange loss : RM 92.7 million) from the strengthening of the IDR against the JPY denominated borrowings net off by impairment of bearer plants of RM 19.6 million.

Revenue for plastic segment decreased by 4.3% to RM 63.6 million (Q3FY20 : RM 66.5 million) while recorded an operating profit of RM 11.2 million (Q3FY20 : RM 4.6 million). Despite decrease in revenue, the improvement in plastic segment performance was attributable to the gain derived from disposal of an overseas subsidiary of RM 3.2 million.

Revenue for hotels and resorts segment remained constant at RM 38.7 million (Q3FY20 : RM 38.8 million) but recorded an operating loss of RM 5.7 million (Q3FY20 : RM 1.9 million) following an impairment of RM 4.9 million on its hotel building at the Bayview Geopraphe Resort, Australia.

Revenue for investment holding segment increased by 20.8% to RM 2.9 million (Q3FY20 : RM 2.4 million) while recorded an operating profit of RM 7.9 million (Q3FY20 operating loss : RM 14.1 million). The profit was attributable to the gain on disposal of an overseas subsidiary of RM 22.5 million offset by unrealised foreign exchange loss of RM 16.7 million (Q3FY20 : RM 5.5 million).

Revenue for investment properties and trading of building material products segment increased slightly by 1.0% to RM 94.0 million (Q3FY20 : RM 93.1 million) while recorded an operating loss of RM 45.6 million (Q3FY20 operating profit : RM 2.2 million) attributable to higher operating expenses from payment of land tax assessment for Australia properties and impairment loss of investment property in Australia of RM 43.8 million (2019 : RM 16.0 million).

Healthcare segment recorded an operating profit of RM 1.5 million (Q3FY20 : RM 0.6 million) mainly due to the higher number of patients.

14. Current Year Prospects

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

The Group’s performance was impacted by the 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.

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14. Current Year Prospects (Cont'd)

In Malaysia, the government had imposed the MCO from 18 March 2020 to 12 May 2020 and reinstatement of MCO 2.0 in mid-January to early March 2021. The Singapore government had also imposed similar lock down measures (Circuit Breaker) from 7 April 2020 to 1 June 2020.

Private consumption has been affected by weak labour market conditions, mobility restrictions and subdued sentiments.

As the pandemic continually evolving and new waves and variants emerging in different geographies, the availability of COVID-19 vaccines and subsequent rollout to public in early 2021 will ease lockdown restrictions and would be critical in boosting economic activities as well as slowly returning to the normalcies of pre-pandemic way of life.

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. With the reinstatement of MCO 2.0 in mid-January 2021, Quarter 1 sales from retail operations in Malaysia is not expected to be encouraging despite vehicle sales tax exemption period extended to June 2021. The effect will be minimal and dampened further by a shortage of semiconductor chips in the supply chain which will inevitably cause delays in production in the near future.

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 rationalisation, 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 forex exposure of the JPY loans will be closely monitored and managed. The segment's fourth oil mill in South Sumatra, Indonesia has commenced its milling operation in early November 2020, hence will contribute positively to the segment performance moving forward.

The hotels and resorts segment has been affected by the major lock downs happening across the world. Hotel in United Kingdom has been closed for business since April 2020 following the lock down and will resume business operation once lock down lifted as the mass vaccination programme getting under way across United Kingdom.

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 has been 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.

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

Not Applicable.

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 20 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 19 RM'000 (Unaudited)	Current Year To date 31 Dec 20 RM'000 (Unaudited)	Preceding Year To date 31 Dec 19 RM'000 (Audited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	6,879	6,963	10,163	15,678
- (Over)/Under provision in respect of prior period	(925)	(369)	(864)	10,332
	5,954	6,594	9,299	26,010
Foreign taxation				
- Based on profit for the period	15,213	24,415	49,960	79,226
	21,167	31,009	59,259	105,236
Deferred taxation				
- Current period	(21,353)	(3,606)	(21,204)	(1,128)
- (Over)/Under provision in respect of prior period	(463)	1,578	(3,756)	1,469
	(21,816)	(2,028)	(24,960)	341
	(649)	28,981	34,299	105,577

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 15 July 2020 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
Lease obligations	2.8	189		-	-	189
Borrowings – secured						
-Revolving credit	0.8 - 1.5	-	JPY 35.830 billion		1,398,174	1,398,174
-Term loans	1.8- 2.3	-	SGD 0.003 billion		9,002	9,002
Borrowings – unsecured						
-Bankers acceptance	2.5 - 2.6	22,132		-	-	22,132
-Revolving credit	1.0 - 2.7	4,000	JPY 10.115 billion		394,502	398,502
		26,321			1,801,678	1,827,999
Long Term						
Lease obligations	2.8	338		-	-	338
Term loans – secured	1.8 - 4.3	3,647	SGD 0.076 billion		222,479	226,126
		3,985			222,479	226,464
Total Borrowings		30,306			2,024,157	2,054,463

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19. Trade receivables

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

	RM'000	%
Not past due	224,062	85.1
Past due less than 3 months	34,573	13.1
Past due 3-6 months	2,156	0.8
Past due 6-12 months	1,255	0.5
Past due more than 1 year	1,265	0.5
	<u>263,311</u>	<u>100.0</u>

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

No dividend has been proposed for the current quarter.

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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 Dec 20 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 19 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 20) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 19) RM'000 (Audited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>103,120</u>	<u>81,637</u>	<u>114,808</u>	<u>352,600</u>
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362	620,362	620,362
Basic earnings per stock (sen)	<u>16.62</u>	<u>13.16</u>	<u>18.51</u>	<u>56.84</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 26 MARCH 2021