



ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	As at End of Current Quarter 30 June 2021 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2020 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,939,317	1,931,858	0.4
Right-of-use assets	330,564	335,357	-1.4
Investment properties	1,106,784	1,109,922	-0.3
Intangible assets	22,852	22,539	1.4
Investments in associates	597,307	600,695	-0.6
Other investments	585,477	619,789	-5.5
Inventories	35,938	35,936	0.0
Other receivables	32,005	30,771	4.0
Deferred tax assets	59,906	59,189	1.2
Total non-current assets	<u>4,710,150</u>	<u>4,746,056</u>	-0.8
Inventories	250,354	220,360	13.6
Biological assets	11,803	11,793	0.1
Trade and other receivables	282,839	381,787	-25.9
Current tax assets	19,019	22,882	-16.9
Other investments	1,322,644	1,416,252	-6.6
Cash and cash equivalents	3,566,651	3,211,313	11.1
Total current assets	<u>5,453,310</u>	<u>5,264,387</u>	3.6
Total assets	<u>10,163,460</u>	<u>10,010,443</u>	1.5
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,258,276	1,224,321	2.8
Retained earnings	4,777,972	4,706,975	1.5
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,656,461</u>	<u>6,551,509</u>	1.6
Non-controlling interests	<u>899,873</u>	<u>814,476</u>	10.5
Total Equity	<u>7,556,334</u>	<u>7,365,985</u>	2.6
Liabilities			
Deferred tax liabilities	32,863	33,048	-0.6
Borrowings	229,984	226,257	1.6
Lease liabilities	26,406	27,861	-5.2
Contract liabilities	94,742	76,990	23.1
Retirement benefits	33,123	31,266	5.9
Total non-current liabilities	<u>417,118</u>	<u>395,422</u>	5.5
Trade and other payables	231,615	304,023	-23.8
Borrowings	1,814,263	1,828,206	-0.8
Lease liabilities	5,238	6,952	-24.7
Current tax liabilities	48,243	42,675	13.0
Contract liabilities	3,798	29,958	-87.3
Dividend payables	86,851	37,222	0.0
Total current liabilities	<u>2,190,008</u>	<u>2,249,036</u>	-2.6
Total liabilities	<u>2,607,126</u>	<u>2,644,458</u>	-1.4
Total equity and liabilities	<u>10,163,460</u>	<u>10,010,443</u>	1.5
Net assets per stock (sen)	1072.94	1056.03	1.6

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 30 JUNE 2021

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 June 2021 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2020 RM'000 (Unaudited)		Current Year To Date (Two quarters to 30 June 2021) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2020) RM'000 (Unaudited)	
Revenue	763,098	469,669	62.5	1,653,394	1,426,057	15.9
Results from operating activities	70,342	198,579	-64.6	278,202	65,297	326.1
Finance costs	(3,627)	(4,205)	13.7	(6,604)	(8,504)	22.3
Share of profits/ (loss) after tax of equity accounted associates	115	(10,183)	101.1	23,197	(40,753)	156.9
Profit before taxation	66,830	184,191	-63.7	294,795	16,040	1737.9
Income tax expenses	(12,872)	(11,260)	-14.3	(48,270)	(26,047)	-85.3
Profit/ (Loss) from continuing operations	53,958	172,931	-68.8	246,525	(10,007)	2563.5
Other comprehensive income/ (expense), net of tax						
Foreign currency translation differences for foreign operations : - (loss)/ gain during the year	(8,023)	186,557	-104.3	40,478	12,885	214.1
Fair value (loss)/ gain of equity instruments designated at fair value through other comprehensive income	(18,699)	58,401	-132.0	(8,204)	(152,146)	94.6
Share of other comprehensive income of equity accounted associates	3,024	94	3117.0	3,224	94	3329.8
Other comprehensive (expense)/ income for the period, net of tax	(23,698)	245,052	-109.7	35,498	(139,167)	125.5
Total comprehensive income/ (expense) for the period	30,260	417,983	-92.8	282,023	(149,174)	289.1
Profit/ (Loss) attributable to:						
Stockholders of the Company	34,928	78,472	-55.5	156,975	(3,299)	4858.3
Non-controlling interests	19,030	94,459	-79.9	89,550	(6,708)	1435.0
Profit/ (Loss) for the period	53,958	172,931	-68.8	246,525	(10,007)	2563.5
Total comprehensive income/ (expense) attributable to:						
Stockholders of the Company	13,424	273,093	-95.1	191,803	(122,998)	255.9
Non-controlling interests	16,836	144,890	-88.4	90,220	(26,176)	444.7
Total comprehensive income/ (expense) for the period	30,260	417,983	-92.8	282,023	(149,174)	289.1
<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)	5.63	12.65	-55.5	25.30	(0.53)	4873.6

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2021

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 June 2021 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2020 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 2021) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2020) RM'000 (Unaudited)
Included in the Total Comprehensive Expense/Income for the period are the followings :				
Interest income	(11,946)	(19,346)	(25,332)	(43,935)
Other income including investment income	(3,670)	(1,657)	(4,641)	(2,898)
Interest expense	3,627	4,205	6,604	8,504
Depreciation and amortisation	37,005	37,612	75,298	74,015
Bad debts recovered	(100)	-	(162)	(522)
Write down of inventories	208	224	77	378
Write off of property, plant and equipment	27	42	76	44
Loss/ (Gain) on disposal of investments	9	(283)	410	(271)
Gain on disposal of property, plant and equipment	(759)	(98)	(2,123)	(834)
(Reversal)/ Provision of impairment loss on assets	(1)	(542)	299	(556)
Unrealised foreign exchange (gain)/ loss	(2,843)	(217,660)	(80,699)	16,853
Realised foreign exchange (gain)/ loss	(457)	9,775	(5,590)	(4,953)

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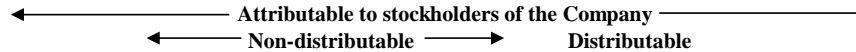


ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021



	Share capital	Translation reserve	Fair value reserve	Treasury stocks	Retained earnings	Capital reserve	Total	Non-controlling interests	Total equity
<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	-	20,692	-	-	-	-	20,692	(7,807)	12,885
Fair value of financial assets	-	-	(140,485)	-	-	-	(140,485)	(11,661)	(152,146)
Share of other comprehensive income of equity accounted associates	-	-	94	-	-	-	94	-	94
Total other comprehensive income/ (expense) for the year	-	20,692	(140,391)	-	-	-	(119,699)	(19,468)	(139,167)
Loss for the year	-	-	-	-	(3,299)	-	(3,299)	(6,708)	(10,007)
Total comprehensive income/ (expense) for the year	-	20,692	(140,391)	-	(3,299)	-	(122,998)	(26,176)	(149,174)
Dividends to stockholders	-	-	-	-	(111,665)	-	(111,665)	-	(111,665)
Changes in ownership interests in a subsidiary	-	-	-	-	(2,622)	-	(2,622)	2,622	-
Share issued to non-controlling interests	-	-	-	-	-	-	-	1,960	1,960
Total transactions with owners	-	-	-	-	(114,287)	-	(114,287)	4,582	(109,705)
At 30 June 2020	620,462	879,145	260,557	(249)	4,628,861	40,248	6,429,024	854,649	7,283,673
<i>In thousands of RM</i>									
At 1 January 2021	620,462	889,974	294,099	(249)	4,706,975	40,248	6,551,509	814,476	7,365,985
Foreign currency translation differences for foreign operations	-	42,957	-	-	-	-	42,957	(2,479)	40,478
Fair value of financial assets	-	-	(12,226)	-	873	-	(11,353)	3,149	(8,204)
Share of other comprehensive income of equity accounted associates	-	-	3,224	-	-	-	3,224	-	3,224
Total other comprehensive income/ (expense) for the year	-	42,957	(9,002)	-	873	-	34,828	670	35,498
Profit for the year	-	-	-	-	156,975	-	156,975	89,550	246,525
Total comprehensive income/ (expense) for the year	-	42,957	(9,002)	-	157,848	-	191,803	90,220	282,023
Dividends to stockholders	-	-	-	-	(86,851)	-	(86,851)	-	(86,851)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(4,823)	(4,823)
Total transactions with owners	-	-	-	-	(86,851)	-	(86,851)	(4,823)	(91,674)
At 30 June 2021	620,462	932,931	285,097	(249)	4,777,972	40,248	6,656,461	899,873	7,556,334

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

	Current Year To Date (Two quarters to 30 June 2021) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2020) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	294,795	16,040
Adjustments for:		
Non-cash items	(2,454)	93,461
Non-operating items	(48,432)	1,537
Operating profit before working capital changes	243,909	111,038
Changes in working capital	(17,300)	2,345
Cash flow from operating activities	226,609	113,383
Dividend received, net	34,286	6,409
Tax paid	(39,923)	(27,732)
Interest paid	(5,715)	(9,675)
Payment of retirement benefits	(352)	(178)
<i>Net cash flows from operating activities</i>	214,905	82,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(58,980)	(71,218)
Purchase of investments	(5,941)	(47,236)
Proceeds from disposal of investments	73,119	22,198
Interest received	26,403	46,913
Decrease in short term investments, net	58,396	254,906
<i>Net cash flows from investing activities</i>	92,997	205,563

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Two quarters to 30 June 2021) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2020) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	54,470	32,923
Lease liabilities (net)	(4,695)	(4,366)
Dividends paid to stockholders	(37,222)	-
Fixed deposits pledged for banking facilities	(11,154)	(27,609)
Dividends paid to non-controlling interests	(4,823)	-
Proceeds from issue of shares to non-controlling interest	-	1,960
<i>Net cash flows (used in)/ from financing activities</i>	(3,424)	2,908
Net increase in cash and cash equivalents	304,478	290,678
Cash and cash equivalents at 1 January	2,498,860	2,222,934
Effects of exchange rates on cash and cash equivalents	39,706	51,892
Cash and cash equivalents at 30 June (Note 1)	<u>2,843,044</u>	<u>2,565,504</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	1,667,847	1,470,045
Fixed deposits	1,667,307	1,630,767
Bank overdrafts	-	(497)
Unit trust money market funds	231,497	200,530
	<u>3,566,651</u>	<u>3,300,845</u>
Less:		
Deposits pledged	(723,607)	(735,341)
	<u>2,843,044</u>	<u>2,565,504</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2021

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 2020. 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 2020.

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 2020.

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 April 2021

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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)*

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2021 (Cont'd)

1. Basis of Preparation (Cont'd)

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 and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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.

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.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2021 (Cont'd)

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

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

- i) an interim single tier dividend of 6 sen per ordinary stock (2019 : 12 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ended 31 December 2020 on 21 January 2021; and
- ii) a second interim single tier dividend of 8 sen per ordinary stock and special interim single tier dividend of 6 sen per ordinary stock (2019 : a single tier final dividend of 8 sen per ordinary stock and single tier final special dividend of 10 sen per ordinary stock) totalling RM86,850,656 in respect of the financial year ended 31 December 2020 on 15 July 2021.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2021 (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
30 June 2021											
Revenue from external customers	858,629	88,420	97,868	398,358	3,213	156,500	50,406	1,653,394	-		1,653,394
Inter-segment revenue	524	246	166	-	11,481	70	28	12,515	(12,515)		-
Total revenue	<u>859,153</u>	<u>88,666</u>	<u>98,034</u>	<u>398,358</u>	<u>14,694</u>	<u>156,570</u>	<u>50,434</u>	<u>1,665,909</u>	<u>(12,515)</u>		<u>1,653,394</u>
Results											
Segment profit	<u>39,920</u>	<u>6,211</u>	<u>11,393</u>	<u>196,469</u>	<u>22,489</u>	<u>882</u>	<u>838</u>	<u>278,202</u>	<u>16,593</u>	A	<u>294,795</u>
Assets											
Segment assets	<u>3,360,140</u>	<u>314,624</u>	<u>1,086,907</u>	<u>2,720,596</u>	<u>678,965</u>	<u>1,113,046</u>	<u>212,950</u>	<u>9,487,228</u>	<u>676,232</u>	B	<u>10,163,460</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2021 (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:

	30 June 2021
	RM'000
Share of results of associates	23,197
Finance costs	<u>(6,604)</u>
	<u>16,593</u>

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

	30 June 2021
	RM'000
Investment in associates	597,307
Current tax assets	19,019
Deferred tax assets	<u>59,906</u>
	<u>676,232</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:-

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.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2021 (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 1,653.4 million, an increase of 15.9% or RM 227.3 million as compared to RM 1,426.1 million in the corresponding period last year. The increase in revenue was mainly attributed to the higher contribution from the plantation segment by RM 132.3 million with overall increase in sales volume and selling price.

The Group recorded an operating profit of RM 278.2 million (2020 : RM 65.3 million), increased by RM 212.9 million mainly due to higher contribution from plantation segment.

The Group recorded year to date profit before tax of RM 294.8 million compared to the profit before tax of RM 16.0 million in the corresponding period last year was mainly attributed to higher contribution from plantation segment as well as share of profits of equity accounted associates.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue from the automotive segment increased by 4.7% to RM 858.6 million while operating profit decreased by 22.5% to RM 39.9 million.

For the retail operations in Singapore, revenue and operating profit decreased by 18.1% and 39.9% respectively mainly due to the lower number of cars sold by 37.8% especially for Honda Jazz, HRV and Civic models impacted by the reduction in supply of Certificate of Entitlement (COE) quota.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2021 (Cont'd)

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

For the retail operations in Malaysia, revenue increased by 35.2% and operating profit increased by 101.0% attributed to the 46.0% hike in the number of cars sold following the vehicle sales tax exemption from mid-June 2020 to end of December 2021.

The plantation segment generated a revenue of RM 398.4 million, an increase of 49.8% compared to corresponding period last year of RM 266.0 million and recorded an operating profit of RM 196.5 million (2020 : RM 12.2 million). Higher revenue was contributed by the overall increase in CPO and PK sales volume by 11.5% and 27.8% respectively as well as CPO and PK selling price by 31.8% and 62.4% respectively. The segment's operating profit was also attributable to the favourable unrealised foreign exchange gain of RM 59.5 million (2020 unrealised foreign exchange loss : RM 23.6 million) from the strengthening of the IDR against the JPY denominated borrowings.

The plastic segment recorded an increase in revenue of 15.2% to RM 88.4 million and recorded an operating profit of RM 6.2 million (2020 operating loss : RM 3.0 million) mainly due to higher sales order from automotive customers boosted by Government stimulus package on full exemption of sales tax for local assembly vehicles from mid-June 2020 to end of December 2021. Besides, plastic segment has a shorter period of suspension of production activities in June 2021 compared to last year lockdown period from mid-March to May 2020.

Hotels and resorts segment recorded a 9.8% increase in revenue to RM 97.9 million and recorded an operating profit of RM 11.4 million (2020 : RM 1.0 million). Average room rates and occupancy rates have been gradually recovering especially for Australia and New Zealand hotels since the emergence of worldwide COVID-19 pandemic cases in mid-March 2020. The relaxation of broad-based travel restrictions and reopen of United Kingdom's borders to fully vaccinated travellers from United States and Europe in early August 2021 brings a promising outlook for the tourism sectors.

Revenue for the investment holding segment decreased by 34.5% to RM 3.2 million and recorded an operating profit of RM 22.5 million (2020 : RM 7.4 million) mainly attributable to lower interest income. Despite decline in revenue, improved operating profit was attributable to the unrealised foreign exchange gain of RM 22.6 million (2020 : RM 5.6 million) on the JPY denominated borrowings.

The investment properties and trading of building material products segment recorded a 23.9% increase in revenue to RM 156.5 million while recorded an operating profit of RM 0.9 million (2020 : RM 0.2 million) in line with higher sales volume compared to corresponding period last year whereby sales orders were impacted during the lockdown period from mid-March to May 2020.

Healthcare segment's revenue increased by 16.8% to RM 50.4 million and recorded an operating profit of RM 0.8 million (2020 operating loss : RM 4.0 million) in line with the increase in number of patients by 14.7%.

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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 second quarter of 2021 was RM 763.1 million, a decline of RM 127.2 million or 14.3% from RM 890.3 million in Q1FY21, mainly due to lower contribution from automotive segment by RM 117.0 million attributed to the lower number of cars sold from retail operations.

The Group recorded an operating profit of RM 70.3 million (Q1FY21 : RM 207.9 million) mainly due to lower unrealised foreign exchange gain in Q2FY21 of RM 2.8 million (Q1FY21 : RM 77.9 million) mainly from the weakening of the IDR and USD against the JPY denominated borrowings by the plantation and investment holding segments.

The Group recorded a profit before tax for Q2FY21 of RM 66.8 million compared to a profit before tax of RM 228.0 million for Q1FY21 mainly attributable to the decline in performance from plantation and investment holding segments.

Segmental Analysis

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

Revenue from automotive segment decreased by 24.0% to RM 370.8 million while operating profit decreased to RM 10.8 million (Q1FY21 : RM 29.1 million). The decrease in revenue and operating profit were mainly due to the lower number of cars sold from retail operations in Malaysia and Singapore by 34.3% and 26.3% respectively. With the implementation of full lockdown effective June 2021, sales operations in Malaysia were halted while cars servicing operating at limited capacity hence impacting overall sales and service intakes.

Revenue from plantation segment increased by 14.9% to RM 213.0 million (Q1FY21 : RM 185.3 million) mainly due to higher CPO and PK sales volume by 2.5% and 17.1% respectively compared to Q1FY21. The segment recorded an operating profit of RM 57.4 million (Q1FY21 : RM 139.1 million) in line with higher sales coupled with favourable unrealised foreign exchange gain of RM 7.3 million (Q1FY21 : RM 52.1 million) from the weakening of the IDR against the JPY denominated borrowings.

Revenue for plastic segment decreased by 35.4% to RM 34.7 million (Q1FY21 : RM 53.7 million) while recorded an operating profit of RM 0.6 million (Q1FY21 : RM 5.7 million). Overall decline in both revenue and operating profit were attributable to suspension of production activities in June 2021 following the full lockdown hence impacting the performance of plastic segment.

Revenue for hotels and resorts segment increased by 12.6% to RM 51.8 million (Q1FY21 : RM 46.0 million) while recorded an operating profit of RM 6.7 million (Q1FY21 : RM 4.7 million) in line with higher occupancy rates from Australia and New Zealand hotels driven by strong sales and marketing activities targeting domestic market.

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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 investment holding segment increased by 6.3% to RM 1.7 million (Q1FY21 : RM 1.6 million) while recorded an operating loss of RM 4.0 million (Q1FY21 operating profit : RM 26.5 million). Despite increase in revenue, decline in operating profit was attributable to the unrealised foreign exchange loss of RM 1.1 million (Q1FY21 unrealised foreign exchange gain : RM 23.7 million) mainly on JPY denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 29.3% to RM 64.8 million (Q1FY21 : RM 91.7 million) while recorded an operating loss of RM 2.1 million (Q1FY21 operating profit : RM 3.0 million) as the segment operations were disrupted following the lockdown with reduced sales order and payment of land tax for Australia properties in Q2FY21.

Revenue for healthcare segment increased by 9.1% to RM 26.3 million (Q1FY21 : RM 24.1 million) and recorded an operating profit of RM 1.0 million (Q1FY21 operating loss : RM 0.2 million) mainly due to the increase of 4.9% in the total number of patients in the current quarter compared to Q1FY21.

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.

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 lockdown measures (Circuit Breaker) from 7 April 2020 to 1 June 2020. As Malaysia and Singapore grapple with a surge in COVID-19 cases and highly infectious variants, MCO 3.0/ FMCO 3.0 were implemented nationwide effective 12 May 2021 and 1 June 2021 respectively while Singapore imposed lockdown from 16 May 2021 to 13 June 2021.

A four-phased exit strategy was introduced in Malaysia whereby progression to the next recovery phases will depend on three main threshold indicators being met: the number of new daily COVID-19 cases, the capacity of the healthcare system, including beds available in intensive care units, and the percentage of the population that has been fully vaccinated. Subsequently, a new phase transition indicator for states in Phase 1 introduced using the number of new hospital admissions for symptomatic cases instead, replacing the indicator of number of new daily COVID-19 cases.

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14. Current Year Prospects (Cont'd)

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 hopefully 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 and 3.0 in mid-January and May 2021 respectively, Quarter 3 sales from retail operations in Malaysia is not expected to be encouraging despite vehicle sales tax exemption period further extended to December 2021. Automotive industry has been shut down during lockdown 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 hotels and resorts segment has been affected by the major lockdowns happening across the world. Hotel in United Kingdom has been closed for business since April 2020 following the lockdown and has resumed business operation in May 2021 resulting from easing of lockdown restrictions and rapid mass vaccination programme 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.

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 30 June 21 RM'000 (Unaudited)	Preceding Year Quarter 30 June 20 RM'000 (Unaudited)	Current Year To date 30 June 21 RM'000 (Unaudited)	Preceding Year To date 30 June 20 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	2,465	550	4,351	2,372
- (Over)/ Under provision in respect of prior period	(20)	-	36	58
	2,445	550	4,387	2,430
Foreign taxation				
- Based on profit for the period	16,337	7,531	44,749	23,756
	18,782	8,081	49,136	26,186
Deferred taxation				
- Current period	(5,909)	3,179	(787)	3,154
- Over provision in respect of prior period	(1)	-	(79)	(3,293)
	(5,910)	3,179	(866)	(139)
	12,872	11,260	48,270	26,047

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		RM Equivalent RM'000 II	Total RM'000 I + II
		Ringgit RM'000 I	← Foreign Currencies →		
Short Term					
Lease obligations	2.8	96	-	-	96
Borrowings – secured					
-Revolving credit	0.8 - 1.4	-	JPY 39.230 billion	1,470,748	1,470,748
-Term loans	1.8- 4.3	270	SGD 0.001 billion	4,144	4,414
Borrowings – unsecured					
-Bankers acceptance	2.4 - 2.6	11,547	-	-	11,547
-Revolving credit	1.5 - 2.9	8,000	JPY 8.515 billion	319,458	327,458
		19,913		1,794,350	1,814,263
Long Term					
Lease obligations	2.8	338	-	-	338
Term loans – secured	1.8 - 4.3	3,585	SGD 0.076 billion	226,061	229,646
		3,923		226,061	229,984
Total Borrowings		23,836		2,020,411	2,044,247

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19. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 30 June 2021 is as follows:

	RM'000	%
Not past due	121,005	76.2
Past due less than 3 months	33,560	21.1
Past due 3-6 months	2,246	1.4
Past due 6-12 months	277	0.2
Past due more than 1 year	1,708	1.1
	<u>158,796</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 30 June 21 RM'000 (Unaudited)	Preceding Year Quarter 30 June 20 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 21) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 20) RM'000 (Unaudited)
Net profit/ (loss) for the period attributable to Stockholders of the Company (RM'000)	<u>34,928</u>	<u>78,472</u>	<u>156,975</u>	<u>(3,299)</u>
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362	620,362	620,362
Basic earnings/ (loss) per stock (sen)	<u>5.63</u>	<u>12.65</u>	<u>25.30</u>	<u>(0.53)</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 26 AUGUST 2021