

# **ORIENTAL HOLDINGS BERHAD**

**(Registration No. 196301000446 (5286-U))**

**(Incorporated in Malaysia)**

**FINANCIAL REPORT**

**31 MARCH 2023**

**ORIENTAL HOLDINGS BERHAD**  
**(Registration No. 196301000446 (5286-U))**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**  
**31 MARCH 2023**

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# ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	As at End of Current Quarter 31 Mar 2023 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2022 RM'000 (Audited)	Changes %
<b>Assets</b>			
Property, plant and equipment	1,928,116	1,866,845	3.3
Right-of-use assets	350,378	342,952	2.2
Investment properties	1,069,218	1,073,793	-0.4
Intangible assets	21,879	23,254	-5.9
Investments in associates	653,965	631,616	3.5
Other investments	387,080	396,084	-2.3
Deferred tax assets	53,085	53,558	-0.9
Inventories	35,891	35,889	0.0
Other receivables	28,458	33,768	-15.7
<b>Total non-current assets</b>	<u>4,528,070</u>	<u>4,457,759</u>	1.6
Inventories	325,541	288,888	12.7
Biological assets	12,614	12,125	4.0
Trade and other receivables	473,308	431,896	9.6
Current tax assets	16,147	12,781	26.3
Other investments	1,830,185	2,069,327	-11.6
Cash and cash equivalents	3,341,773	3,100,642	7.8
Assets classified as held for sale	29,268	29,572	-1.0
<b>Total current assets</b>	<u>6,028,836</u>	<u>5,945,231</u>	1.4
<b>Total assets</b>	<u>10,556,906</u>	<u>10,402,990</u>	1.5
<b>Equity</b>			
Share capital	620,462	620,462	0.0
Reserves	1,337,834	1,274,822	4.9
Retained earnings	5,156,541	5,062,305	1.9
Treasury stocks	(249)	(249)	0.0
<b>Total equity attributable to stockholders of the Company</b>	<u>7,114,588</u>	<u>6,957,340</u>	2.3
<b>Non-controlling interests</b>	<u>1,107,190</u>	<u>1,050,197</u>	5.4
<b>Total Equity</b>	<u>8,221,778</u>	<u>8,007,537</u>	2.7
<b>Liabilities</b>			
Borrowings	218,644	176,119	24.1
Lease liabilities	22,290	22,743	-2.0
Contract liabilities	64,447	48,202	33.7
Retirement benefits	25,248	23,790	6.1
Deferred tax liabilities	56,707	57,226	-0.9
<b>Total non-current liabilities</b>	<u>387,336</u>	<u>328,080</u>	18.1
Borrowings	1,568,802	1,678,796	-6.6
Lease liabilities	3,740	4,624	-19.1
Current tax liabilities	30,547	30,969	-1.4
Trade and other payables	342,627	334,138	2.5
Contract liabilities	2,076	18,846	-89.0
<b>Total current liabilities</b>	<u>1,947,792</u>	<u>2,067,373</u>	-5.8
<b>Total liabilities</b>	<u>2,335,128</u>	<u>2,395,453</u>	-2.5
<b>Total equity and liabilities</b>	<u>10,556,906</u>	<u>10,402,990</u>	1.5
Net assets per stock (sen)	1146.79	1121.44	2.3

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



## ORIENTAL HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2023

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Mar 2023 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 2022 RM'000 (Unaudited)		Current Year To Date (One quarter to 31 Mar 2023) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2022) RM'000 (Unaudited)	
<b>Revenue</b>	964,409	939,961	2.6	964,409	939,961	2.6
<b>Results from operating activities</b>	144,366	425,959	(66.1)	144,366	425,959	(66.1)
Finance costs	(10,093)	(3,012)	235.1	(10,093)	(3,012)	235.1
Share of profits after tax of equity accounted associates	18,402	18,016	2.1	18,402	18,016	2.1
<b>Profit before taxation</b>	152,675	440,963	(65.4)	152,675	440,963	(65.4)
Tax expense	(21,206)	(94,225)	(77.5)	(21,206)	(94,225)	(77.5)
<b>Profit from continuing operations</b>	131,469	346,738	(62.1)	131,469	346,738	(62.1)
<b>Other comprehensive income, net of tax</b>						
Foreign currency translation differences for foreign operations :						
- gain during the period	84,499	47,610	77.5	84,499	47,610	77.5
-reclassification to profit or loss on liquidation of a subsidiary	2,409	-	100.0	2,409	-	100.0
Fair value gain of equity instruments designated at fair value through other comprehensive income	1,374	14,024	(90.2)	1,374	14,024	(90.2)
<b>Other comprehensive income for the period, net of tax</b>	88,282	61,634	43.2	88,282	61,634	43.2
<b>Total comprehensive income for the period</b>	219,751	408,372	(46.2)	219,751	408,372	(46.2)
<b>Profit attributable to:</b>						
Stockholders of the Company	94,236	267,843	(64.8)	94,236	267,843	(64.8)
Non-controlling interests	37,233	78,895	(52.8)	37,233	78,895	(52.8)
<b>Profit for the period</b>	131,469	346,738	(62.1)	131,469	346,738	(62.1)
<b>Total comprehensive income attributable to:</b>						
Stockholders of the Company	157,248	326,235	(51.8)	157,248	326,235	(51.8)
Non-controlling interests	62,503	82,137	(23.9)	62,503	82,137	(23.9)
<b>Total comprehensive income for the period</b>	219,751	408,372	(46.2)	219,751	408,372	(46.2)
<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)	15.19	43.18	(64.8)	15.19	43.18	(64.8)

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## **ORIENTAL HOLDINGS BERHAD**

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### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2023**

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Year</b>	<b>Year</b>	<b>To Date</b>	<b>To Date</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>(One quarter</b>	<b>(One quarter</b>
	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>to 31 Mar 2023)</b>	<b>to 31 Mar 2022)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>

Included in the Total Comprehensive Income for the period are the followings :

Interest income	(35,484)	(12,856)	(35,484)	(12,856)
Other income including investment income	(695)	(612)	(695)	(612)
Interest expense	10,093	3,012	10,093	3,012
Depreciation and amortisation	37,830	39,278	37,830	39,278
Bad debts written off	15	-	15	-
Write down of inventories	511	189	511	189
Property, plant and equipment write off	2,310	84	2,310	84
Loss on disposal of investments	181	120	181	120
Gain on liquidation of a subsidiary	(3,097)	-	(3,097)	-
Gain on disposal of property, plant and equipment	(2,710)	(211,162)	(2,710)	(211,162)
Provision/ (Reversal) of impairment loss on assets	1,248	(139)	1,248	(139)
Unrealised foreign exchange gain	(25,533)	(90,960)	(25,533)	(90,960)
Realised foreign exchange loss	534	445	534	445

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

	← Attributable to stockholders of the Company →							Non-controlling interests	Total equity
	← Non-distributable →			Distributable					
	Share capital	Translation reserve	Fair value reserve	Treasury stocks	Retained earnings	Capital reserve	Total		
<i>In thousands of RM</i>									
At 1 January 2022	620,462	915,086	320,462	(249)	4,881,515	40,248	6,777,524	980,160	7,757,684
Foreign currency translation differences for foreign operations	-	41,919	-	-	-	-	41,919	5,691	47,610
Fair value of financial assets	-	-	16,473	-	-	-	16,473	(2,449)	14,024
Total other comprehensive income for the period	-	41,919	16,473	-	-	-	58,392	3,242	61,634
Profit for the period	-	-	-	-	267,843	-	267,843	78,895	346,738
Total comprehensive income for the period	-	41,919	16,473	-	267,843	-	326,235	82,137	408,372
Dividends to stockholders	-	-	-	-	(124,072)	-	(124,072)	-	(124,072)
Total transactions with owners	-	-	-	-	(124,072)	-	(124,072)	-	(124,072)
At 31 March 2022	620,462	957,005	336,935	(249)	5,025,286	40,248	6,979,687	1,062,297	8,041,984
<i>In thousands of RM</i>									
At 1 January 2023	620,462	1,021,261	213,313	(249)	5,062,305	40,248	6,957,340	1,050,197	8,007,537
Foreign currency translation differences for foreign operations	-	59,945	-	-	-	-	59,945	24,554	84,499
Fair value of financial assets	-	-	658	-	-	-	658	716	1,374
Reclassification to profit or loss on liquidation of a subsidiary	-	2,409	-	-	-	-	2,409	-	2,409
Total other comprehensive income for the period	-	62,354	658	-	-	-	63,012	25,270	88,282
Profit for the period	-	-	-	-	94,236	-	94,236	37,233	131,469
Total comprehensive income for the period	-	62,354	658	-	94,236	-	157,248	62,503	219,751
Liquidation of a subsidiary	-	-	-	-	-	-	-	(5,510)	(5,510)
Total transactions with owners	-	-	-	-	-	-	-	(5,510)	(5,510)
At 31 March 2023	620,462	1,083,615	213,971	(249)	5,156,541	40,248	7,114,588	1,107,190	8,221,778

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023

	Current Year To Date (One quarter to 31 Mar 2023) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2022) RM'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	152,675	440,963
Adjustments for:		
Non-cash items	10,691	(48,765)
Non-operating items	(50,114)	(240,671)
Operating profit before working capital changes	113,252	151,527
Changes in working capital	(60,904)	(82,294)
Cash flows from operating activities	52,348	69,233
Dividend received, net	537	6,264
Tax paid	(26,158)	(7,888)
Payment of retirement benefits	(124)	(264)
<i>Net cash flows from operating activities</i>	26,603	67,345
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(55,138)	(36,563)
Proceeds from disposal of assets classified as held for sale	-	228,627
Purchase of investments	(67,514)	(43,289)
Proceeds from disposal of investments	16,209	7,176
Interest received	33,419	12,601
Net cash outflow on liquidation of a subsidiary	(15)	-
Decrease/ (Increase) in short term investments, net	303,628	(318,542)
<i>Net cash flows from/ (used in) investing activities</i>	230,589	(149,990)

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

	<b>Current Year To Date (One quarter to 31 Mar 2023) RM'000 (Unaudited)</b>	<b>Current Year To Date (One quarter to 31 Mar 2022) RM'000 (Unaudited)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings (net)	(101,217)	17,049
Lease liabilities (net)	(1,416)	998
Dividends paid to stockholders	-	(186,109)
Fixed deposits pledged for banking facilities	(29,284)	(6,598)
Interest paid	(13,943)	(4,182)
<i>Net cash flows used in financing activities</i>	(145,860)	(178,842)
Net increase/ (decrease) in cash and cash equivalents	111,332	(261,487)
Cash and cash equivalents at 1 January	2,514,868	2,780,112
Effects of exchange rates on cash and cash equivalents	100,514	28,573
Cash and cash equivalents at 31 March (Note 1)	<u>2,726,714</u>	<u>2,547,198</u>
<b>NOTE</b>	<b>RM'000</b>	<b>RM'000</b>
1 Cash and cash equivalents consist of: -		
Cash and bank balances	693,784	1,621,997
Fixed deposits	2,539,049	1,573,268
Unit trust money market funds	108,940	104,485
	<u>3,341,773</u>	<u>3,299,750</u>
Less:		
Deposits pledged	(615,059)	(752,552)
	<u>2,726,714</u>	<u>2,547,198</u>

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2023**

**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 2022. 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 2022.

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 2022.

The adoption of the following amendments and annual improvements to existing accounting standards that came into effect on or after 1 January 2023 which are applicable to the Group, did not have any significant financial impact on the condensed consolidated interim financial statements upon their initial application.

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- 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, Amendments to MFRSs and IC Interpretations issued but not yet effective:**

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

***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 on the financial statements of the Group upon their initial recognition.

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2023 (Cont'd)**

**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.

**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, there was no dividend paid during the current quarter.

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2023 (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 2023</b>											
Revenue from external customers	497,305	85,922	59,463	162,639	1,493	130,463	27,124	964,409	-		964,409
Inter-segment revenue	346	69	-	-	-	36	-	451	(451)		-
Total revenue	<u>497,651</u>	<u>85,991</u>	<u>59,463</u>	<u>162,639</u>	<u>1,493</u>	<u>130,499</u>	<u>27,124</u>	<u>964,860</u>	<u>(451)</u>		<u>964,409</u>
<b>Results</b>											
Segment profit	<u>39,104</u>	<u>10,088</u>	<u>12,451</u>	<u>76,733</u>	<u>(502)</u>	<u>3,934</u>	<u>2,558</u>	<u>144,366</u>	<u>8,309</u>	<b>A</b>	<u>152,675</u>
<b>Assets</b>											
Segment assets	<u>3,393,221</u>	<u>354,194</u>	<u>1,202,589</u>	<u>2,891,425</u>	<u>616,637</u>	<u>1,144,090</u>	<u>231,553</u>	<u>9,833,709</u>	<u>723,197</u>	<b>B</b>	<u>10,556,906</u>

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2023 (Cont'd)**

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

*Notes Nature of reconciliations 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 statement of profit or loss and other comprehensive income:

	31 March 2023
	RM'000
Share of results of associates	18,402
Finance costs	(10,093)
	8,309

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

	31 March 2023
	RM'000
Investment in associates	653,965
Current tax assets	16,147
Deferred tax assets	53,085
	723,197

**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:-

- (i) Armstrong Component Parts (Vietnam) Co., Ltd ("ACPV"), a wholly-owned subsidiary of Armstrong Auto Parts Sdn Berhad which in turn is 94.8% owned by the Company had on 6 February 2017 submitted the notice of voluntary dissolution and termination of activities to the Vietnamese tax authority. ACPV was involved in the manufacturing of automotive parts before cessation of its business operations in November 2014. The liquidation has been completed on 20 February 2023.

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 MARCH 2023 (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 964.4 million, an increase of 2.6% or RM 24.4 million as compared to RM 940.0 million in the corresponding period last year. The increase in revenue was mainly attributed to the higher contribution from automotive, plastic and investment properties and trading of building material products segments.

The Group recorded an operating profit of RM 144.4 million (2022 : RM 426.0 million), decreased by RM 281.6 million and profit before tax of RM 152.7 million compared to RM 441.0 million in the corresponding period last year mainly attributed to exception gain on disposal of one of the hotels in Melbourne, Australia of RM 210.0 million in Q1FY22 and lower unrealised foreign exchange gain on IDR against the SGD and Yen denominated borrowings from plantation segment.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue and operating profit from the automotive segment increased by 8.4% to RM 497.3 million and 65.7% to RM 39.1 million respectively.

For the retail operations in Singapore, revenue and operating profit increased by 6.1% and 72.3% respectively. Higher operating profit mainly due to increase in interest income despite lower number of cars sold by 31.6% in line with the cut in Certificate of Entitlement ("COE") quota and surging of COE prices.

For the retail operations in Malaysia, revenue increased by RM 19.0 million with slight increase in operating profit by RM 1.5 million mainly attributed to higher number of service intake by 14.1% and gross profit margin improved due to product mix despite lower number of cars sold by 11.3%.

The plantation segment generated a revenue of RM 162.6 million, a decrease of 32.3% compared to corresponding period last year of RM 240.1 million and recorded an operating profit of RM 76.7 million (2022 : RM 164.6 million). Lower revenue was attributed to the decrease in CPO and PK selling price by 17.6% and 52.7% respectively. While lower operating profit was attributable to the lower realised and unrealised foreign exchange gain of RM 32.1 million (2022 : RM 72.2 million) from the strengthening of the IDR against the SGD and Yen denominated borrowings.

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**31 MARCH 2023 (Cont'd)**

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

The plastic segment recorded an increase in revenue of 49.4% to RM 85.9 million (2022 : RM 57.5 million) and operating profit increased by 152.5% to RM 10.1 million (2022 : RM 4.0 million). The improvement in revenue and operating profit were mainly due to strong automotive sales driven by sales tax exemption which expired on 31 March 2023.

Hotels and resorts segment recorded an increase in revenue of 27.7% to RM 59.5 million (2022 : RM 46.6 million) while recorded a significant dropped in operating profit to RM 12.5 million (2022 : RM 212.1 million). Higher revenue was mainly due to higher average occupancy rate and average room rate resulted from continuing recovery in tourism demand. Decrease in operating profit mainly attributed to exception gain on disposal of one of the hotels in Melbourne, Australia of RM 210.0 million in 2022.

Revenue for the investment holding segment decreased by 28.6% to RM 1.5 million (2022 : RM 2.1 million) and recorded an operating loss of RM 0.5 million (2022 : operating profit of RM 16.8 million). Operating loss was attributable to the realised and unrealised foreign exchange loss of RM 5.1 million (2022 : gain of RM 16.1 million) from the weakening of the USD against the SGD denominated borrowings.

The investment properties and trading of building material products segment recorded a 15.0% increase in revenue to RM 130.5 million (2022 : RM 113.5 million) in line with higher selling price. Operating profit recorded constantly of RM 3.9 million (2022 : RM 4.0 million) as the industry remain competitive for building material products.

Healthcare segment's revenue increased by 27.8% to RM 27.1 million (2022 : RM 21.2 million) and operating profit increased to RM 2.6 million (2022 : RM 0.9 million) due to higher number of patients by 12.9%.

**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 2023 was RM 964.4 million, a decrease of RM 23.3 million or 2.4% from RM 987.7 million in Q4FY22, mainly attributed to the lower contribution from plantation and investment holding segments.

The Group recorded an operating profit of RM 144.4 million (Q4FY22 : operating loss of RM 33.8 million), increased by RM 178.2 million and profit before tax of RM 152.7 million compared to the loss before tax of RM 51.9 million for Q4FY22 mainly attributed from unrealised foreign exchange gain on IDR against the SGD and Yen denominated borrowings from plantation segment.

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

*Segmental Analysis*

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

Revenue from automotive segment increased by 3.6% to RM 497.3 million (Q4FY22 : RM 479.9 million) while operating profit decreased to RM 39.1 million (Q4FY22 : RM 40.4 million). The increase in revenue was contributed by higher number of cars sold by 27.9% from Singapore market while operating profit decreased by 3.2% to RM 39.1 million was affected by higher cost of sales which impacted by the higher COE price.

The plantation segment generated a revenue of RM 162.6 million, a decrease of 28.0% compared to immediate preceding quarter of RM 225.9 million and recorded an operating profit of RM 76.7 million (Q4FY22 : operating loss of RM 79.4 million). Lower revenue was attributed to the decrease in CPO and PK sales volume by 40.3% and 36.9% respectively due to lower FFB production. Higher operating profit was attributable to the realised and unrealised foreign exchange gain of RM 32.1 million (Q4FY22 : loss of RM 112.5 million) from the strengthening of the IDR against the SGD and Yen denominated borrowings.

Revenue from plastic segment increased by 25.0% to RM 85.9 million (Q4FY22 : RM 68.7 million) and operating profit increased by 77.2% to RM 10.1 million (Q4FY22 : RM 5.7 million). The improvement in revenue and operating profit were mainly due to higher sales orders arising from pent up demand to clear backlog by 31 March 2023 to be eligible for sales tax exemption for locally assembled vehicles as well as new models launched.

Hotels and resorts segment recorded a decrease in revenue of 5.0% to RM 59.5 million (Q4FY22 : RM 62.6 million) while recorded an operating profit of RM 12.5 million (Q4FY22 : RM 11.3 million). Lower in revenue was mainly due to lower average occupancy rate and average room rate from New Zealand and United Kingdom hotels where Chateau Tongariro Hotel in New Zealand has permanently closed from February 2023.

Revenue for the investment holding segment decreased by 93.9% to RM 1.5 million (Q4FY22 : RM 24.5 million) and recorded lower operating loss of RM 0.5 million (Q4FY22 : RM 19.5 million). Lower revenue was mainly attributable to lower dividend income from other investments while lower operating loss was attributable to the lower realised and unrealised foreign exchange loss of RM 5.1 million (Q4FY22 : RM 32.6 million) from the weakening of the USD against the SGD denominated borrowings.

The investment properties and trading of building material products segment recorded a 29.3% increase in revenue to RM 130.5 million (Q4FY22 : RM 100.9 million) in line with higher sales volume. Lower operating profit of RM 3.9 million (Q4FY22 : RM 4.4 million) was mainly due to lower gross profit margin derived from stiff price competition for building material products.

Healthcare segment's revenue increased by 7.5% to RM 27.1 million (Q4FY22 : RM 25.2 million) with slight decreased in operating profit of RM 2.6 million (Q4FY22 : RM 3.2 million) due to higher staff costs in line with higher headcount despite number of patients increased by 4.3%.

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**14. Current Year Prospects**

Global growth is projected to slow from 3.4% in 2022 to 2.8% in 2023, before settling at 3.0% in 2024.

The automotive segment will continue to contribute to the Group's performance under competitive market conditions with strong and aggressive promotional campaigns by the industry players. Malaysian Automotive Association (MAA) expects vehicle sales to drop 9.8% to 650,000 units in 2023 following the record-high total industry volume (TIV) of 720,658 units last year.

At the height of the chip shortage, global auto production slumped 26% during the first nine months of 2021. Chip supply began to improve in 2022 and looks set to continue through 2023. As automakers are increasingly requiring chips with higher computing power- especially as the industry transitions to electric and autonomous vehicles, we will continue to monitor the situation.

COE premiums are likely to remain high as supply remains limited and demand is still strong. Despite the slight dip in premiums for cars in the latest bidding exercise after breaking records for three consecutive cycles above SGD 100,000, the retail operations in Singapore will see a significant weaken demand in the segment car sales.

The plastic segment continues to face competitive environment from other industry players i.e., automotive sector although the sector is seeing positive signs of recovery. Management will continue to exercise cost rationalisation, productivity improvement and source for new business ventures to improve the performance.

The plantation segment's management will take necessary steps to ensure that all estates and mills remain efficient, cost effective and competitive. The forex exposure of the JPY and SGD denominated borrowings will be closely monitored and managed.

According to World Tourism Organisation, international tourism is well on its way to returning to pre-pandemic levels even in the face of diverse challenges including the economic situation and continued geopolitical uncertainty. Tourists are expected to increasingly seek value for money and travel closer to home in response to the challenging economic climate. The hotels and resorts segment will continue to uphold longstanding commitment to maintain and promote high standards of ethics and integrity across the segment.

The healthcare segment will continue to focus on strengthening brand awareness and positioning the hospital for sustainable growth. In the pipeline is the construction of a new hospital in Segamat, which is part of Group's expansionary plans in the north Johor region, slated to open in 2026.

The Board will continue to demonstrate resilience by placing emphasis on improving our efficiency and look forward to seek business opportunities to add synergy to existing business.

**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 23 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 22 RM'000 (Unaudited)	Current Year To date 31 Mar 23 RM'000 (Unaudited)	Preceding Year To date 31 Mar 22 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	2,358	3,540	2,358	3,540
- (Over)/ Under provision in respect of prior period	(278)	125	(278)	125
	2,080	3,665	2,080	3,665
Foreign taxation				
- Based on profit for the period	19,733	24,220	19,733	24,220
	21,813	27,885	21,813	27,885
Deferred taxation				
- Current period	773	67,212	773	67,212
- Under provision in respect of prior period	(1,380)	(872)	(1,380)	(872)
	(607)	66,340	(607)	66,340
	21,206	94,225	21,206	94,225

**17. Status of Corporate Proposals**

The corporate proposals that have been announced by the Company but not completed at the date of this announcement are as follows:

- a) the Stock Buy-Back which was approved by the stockholders at the Annual General Meeting on 15 June 2022 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; and

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**17. Status of Corporate Proposals (Cont'd)**

- b) On 13 October 2022, the Company entered into the following acquisitions with related parties for a total cash consideration of approximately RM1.2 billion:
- (i) conditional share sale agreement to acquire from Boon Siew Sdn Bhd (“BSSB”) 34,984,125 ordinary shares in the Company’s existing 50.50% owned subsidiary, Selasih Permata Sdn Bhd (“SPSB”), representing the balance 49.50% equity interest in SPSB, for a cash consideration of RM646,931,000 (“Proposed SPSB Acquisition”);
  - (ii) conditional share sale agreement to acquire from BSSB 3,960,000 ordinary shares in the Company’s existing 50.50% owned subsidiary, Oriental Boon Siew (Mauritius) Pte Ltd (“OBS(M)”), representing the balance 49.50% equity interest in OBS(M), for a cash consideration of RM1 (“Proposed OBS(M) Acquisition”);
  - (iii) conditional share sale agreement to acquire from BSSB, Boon Siew Development Sdn Bhd (“BSD”) and Loh Boon Siew Holdings Sdn Bhd (“LBS”) collectively 12,100,000 ordinary shares in the Company’s existing 39.50% owned associate company, Southern Perak Plantations Sdn Bhd (“SPP”), representing the balance 60.50% equity interest in SPP, for a cash consideration of RM155,327,000 (“Proposed SPP Acquisition”); and
  - (iv) conditional sale and purchase agreements with Boontong Estates Sdn Bhd (“BESB”) to acquire the following plantation estates, which are to be held through SPP (subject to the completion of the Proposed SPP Acquisition):-
    - a) oil palm plantation land held under 17 land titles measuring a total of 77.51 hectares (“Ha”) located along Jalan Ara Kuda, Mukim 19, District of Seberang Perai Tengah, Pulau Pinang, Malaysia (“Bukit Langkap Estate”) for a cash consideration of RM41,000,000 (“Proposed Bukit Langkap Estate Acquisition”);
    - b) oil palm plantation land held under 30 land titles measuring a total of 1,704.24 Ha located within Mukim and District of Bentong, Pahang, Malaysia (“Bentong Estate”) for a cash consideration of RM132,000,000 (“Proposed Bentong Estate Acquisition”); and
    - c) oil palm plantation land held under 25 land titles measuring a total of 1,668.60 Ha located within the district of Kuala Muda, Kedah Darul Aman (“Thye Group Estate”) for a cash consideration of RM224,100,000 (“Proposed Thye Group Estate Acquisition”).

(The Proposed SPSB Acquisition, Proposed OBS(M) Acquisition and Proposed SPP Acquisition are collectively referred to as the “Proposed Shares Acquisitions”. The Proposed Bukit Langkap Estate Acquisition, Proposed Bentong Estate Acquisition and Proposed Thye Group Estate Acquisition are collectively referred to as the “Proposed Land Acquisitions”, and the Proposed Shares Acquisitions and Proposed Land Acquisitions are collectively referred to as the “Proposals”).

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**17. Status of Corporate Proposals (Cont'd)**

Further to the announcement on 13 October 2022, the Company had, on 12 January 2023 entered into the following:

- (i) supplemental share sale agreement with BSSB in relation to the Proposed SPSB Acquisition;
- (ii) supplemental share sale agreement with BSSB in relation to the Proposed OBS(M) Acquisition;
- (iii) supplemental share sale agreement with BSSB, BSD and LBS in relation to the Proposed SPP Acquisition;
- (iv) supplemental sale and purchase agreement with BESB in relation to the Proposed Bukit Langkap Estate Acquisition;
- (v) supplemental sale and purchase agreement with BESB in relation to the Proposed Bentong Estate Acquisition; and
- (vi) supplemental sale and purchase agreement with BESB in relation to the Proposed Thye Group Estate Acquisition.

The supplemental agreements were executed to facilitate SPSB Real Property Gains Tax (“RPGT”) retention terms and the extension of cut-off dates of the agreements dated 13 October 2022.

Save for the above amendments, all other terms and conditions in the agreements dated 13 October 2022 remain valid, in full force and effect.

The Proposed Shares Acquisitions are subject to the following approvals being obtained from: -

- (i) the non-interested stockholders of the Company at an extraordinary general meeting (“EGM”) to be convened; and
- (ii) any other relevant authorities/parties, if required.

Whilst the Proposed Land Acquisitions are subject to the following approvals being obtained from: -

- (i) the non-interested stockholders of the Company at an EGM to be convened;
- (ii) the Estate Land Board in relation to the transfer of the plantation properties under the Proposed Land Acquisitions by BESB; and
- (iii) any other relevant authorities/parties, if required.

Further to the announcement on 13 October 2022 and 12 January 2023, the Company had on 12 April 2023 entered into the following: -

- (i) second supplemental share sale agreement with BSSB in relation to the Proposed SPSB Acquisition;
- (ii) second supplemental share sale agreement with BSSB in relation to the Proposed OBS(M) Acquisition;
- (iii) second supplemental share sale agreement with BSSB, BSD and LBS in relation to the Proposed SPP Acquisition;
- (iv) second supplemental sale and purchase agreement with BESB in relation to the Proposed Bukit Langkap Estate Acquisition;

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**17. Status of Corporate Proposals (Cont'd)**

- (v) second supplemental sale and purchase agreement with BESB in relation to the Proposed Bentong Estate Acquisition; and
- (vi) second supplemental sale and purchase agreement with BESB in relation to the Proposed Thye Group Estate Acquisition.

The Second Supplemental agreements were executed to facilitate the further extension of the cut-off date for the Supplemental agreements to 31 August 2023, or such other date as provided in the relevant agreement or as may be mutually agreed between the parties. This is to cater for and accord sufficient time for the relevant parties to fulfil the condition precedents set out in the agreements (which were signed on 13 October 2022), including, amongst others, obtaining the approval of the stockholders of the Company for the Proposals at an EGM to be convened.

Save for the amendments made in relation to the SPSB RPGT Retention Amount as set out in the Second Announcement and the extension of the Cut-Off Date as set out in the Second Supplemental agreements, all other terms and conditions in the agreements dated 13 October 2022 remain valid, in full force and effect.

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposed Shares Acquisitions and the Proposed Land Acquisitions are envisaged to be completed by the 3<sup>rd</sup> quarter of 2023.

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**18. Group Borrowings**

	Interest rate %	Borrowings denominated in		Source Currency	RM Equivalent	Total
		Ringgit	Foreign Currencies			
Short Term		RM'000			RM'000	RM'000
		I			II	I + II
Hire purchase financing	5.3	430		-	-	430
Borrowings – secured						
-Revolving credit	0.8 - 1.4	-	JPY 11.420 billion		383,036	383,036
	5.1 - 5.2	-	SGD 0.222 billion		824,921	824,921
-Term loans	4.3 - 6.1	313	SGD 0.003 billion		10,515	10,828
Borrowings – unsecured						
-Bankers acceptance	3.7 - 4.3	57,261		-	-	57,261
-Revolving credit	3.8 - 5.0	7,000	SGD 0.10 billion		259,660	266,660
	1.2	-	JPY 0.750 billion		25,666	25,666
		65,004			1,503,798	1,568,802
<b>Long Term</b>						
Hire purchase financing	5.3	700		-	-	700
Term loans – secured	4.3 - 6.1	2,839	SGD 0.065 billion		215,105	217,944
		3,539			215,105	218,644
<b>Total Borrowings</b>		<b>68,543</b>			<b>1,718,903</b>	<b>1,787,446</b>

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**19. Trade receivables**

The ageing analysis of trade receivables (included under trade and other receivables category) as at 31 March 2023 is as follows:

	<b>RM'000</b>	<b>%</b>
Not past due	289,187	90.0
Past due less than 3 months	30,034	9.3
Past due 3-6 months	1,858	0.6
Past due 6-12 months	74	0.0
Past due more than 1 year	111	0.1
	<u>321,264</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**

A final single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 have been recommended by the Directors in respect of the year ended 31 December 2022 payable on 13 July 2023, subject to approval of the stockholders at the forthcoming 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 23 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 22 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 23) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 22) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>94,236</u>	<u>267,843</u>	<u>94,236</u>	<u>267,843</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>15.19</u>	<u>43.18</u>	<u>15.19</u>	<u>43.18</u>

By Order of the Board

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

**DATED THIS 30 MAY 2023**