

ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

FINANCIAL REPORT

30 JUNE 2023

ORIENTAL HOLDINGS BERHAD
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INTERIM FINANCIAL REPORT
30 JUNE 2023

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	As at End of Current Quarter 30 June 2023 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2022 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,999,920	1,866,845	7.1
Right-of-use assets	362,370	342,952	5.7
Investment properties	1,091,922	1,073,793	1.7
Intangible assets	21,713	23,254	-6.6
Investments in associates	673,163	631,616	6.6
Other investments	316,850	396,084	-20.0
Deferred tax assets	54,054	53,558	0.9
Inventories	35,892	35,889	0.0
Other receivables	31,910	33,768	-5.5
Total non-current assets	<u>4,587,794</u>	<u>4,457,759</u>	2.9
Inventories	333,029	288,888	15.3
Biological assets	13,215	12,125	9.0
Trade and other receivables	486,962	431,896	12.7
Current tax assets	26,749	12,781	109.3
Other investments	2,667,438	2,069,327	28.9
Cash and cash equivalents	2,778,363	3,100,642	-10.4
Assets classified as held for sale	30,591	29,572	3.4
Total current assets	<u>6,336,347</u>	<u>5,945,231</u>	6.6
Total assets	<u><u>10,924,141</u></u>	<u><u>10,402,990</u></u>	5.0
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,476,528	1,274,822	15.8
Retained earnings	5,270,609	5,062,305	4.1
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>7,367,350</u>	<u>6,957,340</u>	5.9
Non-controlling interests	<u>1,172,426</u>	<u>1,050,197</u>	11.6
Total Equity	<u><u>8,539,776</u></u>	<u><u>8,007,537</u></u>	6.6
Liabilities			
Borrowings	226,715	176,119	28.7
Lease liabilities	22,223	22,743	-2.3
Contract liabilities	65,350	48,202	35.6
Retirement benefits	26,809	23,790	12.7
Deferred tax liabilities	56,894	57,226	-0.6
Total non-current liabilities	<u>397,991</u>	<u>328,080</u>	21.3
Borrowings	1,606,842	1,678,796	-4.3
Lease liabilities	3,211	4,624	-30.6
Current tax liabilities	24,333	30,969	-21.4
Trade and other payables	350,008	334,138	4.7
Contract liabilities	1,980	18,846	-89.5
Total current liabilities	<u>1,986,374</u>	<u>2,067,373</u>	-3.9
Total liabilities	<u>2,384,365</u>	<u>2,395,453</u>	-0.5
Total equity and liabilities	<u><u>10,924,141</u></u>	<u><u>10,402,990</u></u>	5.0
Net assets per stock (sen)	1187.53	1121.44	5.9

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 2023

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 June 2023 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2022 RM'000 (Unaudited)		Current Year To Date (Two quarters to 30 June 2023) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2022) RM'000 (Unaudited)	
Revenue	1,005,842	939,183	7.1	1,970,251	1,879,144	4.8
Results from operating activities	171,596	221,669	(22.6)	315,962	647,628	(51.2)
Finance costs	(10,289)	(3,548)	190.0	(20,382)	(6,560)	210.7
Share of profits after tax of equity accounted associates	11,108	21,478	(48.3)	29,510	39,494	(25.3)
Profit before taxation	172,415	239,599	(28.0)	325,090	680,562	(52.2)
Tax expense	(15,812)	(15,494)	2.1	(37,018)	(109,719)	(66.3)
Profit from continuing operations	156,603	224,105	(30.1)	288,072	570,843	(49.5)
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations :						
- gain during the period	196,624	6,706	2,832.1	281,123	54,316	417.6
-reclassification to profit or loss on disposal of a subsidiary	-	-	-	2,409	-	100.0
Fair value gain of equity instruments designated at fair value through other comprehensive income	(37,965)	(30,030)	26.4	(36,591)	(16,006)	128.6
Share of other comprehensive income of equity accounted associates	3,055	457	568.5	3,055	457	568.5
Other comprehensive income/ (expense) for the period, net of tax	161,714	(22,867)	807.2	249,996	38,767	544.9
Total comprehensive income for the period	318,317	201,238	58.2	538,068	609,610	(11.7)
Profit attributable to:						
Stockholders of the Company	125,201	136,808	(8.5)	219,437	404,651	(45.8)
Non-controlling interests	31,402	87,297	(64.0)	68,635	166,192	(58.7)
Profit for the period	156,603	224,105	(30.1)	288,072	570,843	(49.5)
Total comprehensive income attributable to:						
Stockholders of the Company	252,762	119,400	111.7	410,010	445,635	(8.0)
Non-controlling interests	65,555	81,838	(19.9)	128,058	163,975	(21.9)
Total comprehensive income for the period	318,317	201,238	58.2	538,068	609,610	(11.7)
<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)	20.18	22.05	(8.5)	35.37	65.23	(45.8)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 June 2023 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2022 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 2023) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2022) RM'000 (Unaudited)
Included in the Total Comprehensive Expense/Income for the period are the followings :				
Interest income	(43,049)	(13,393)	(78,533)	(26,249)
Other income including investment income	(42,603)	(13,118)	(43,298)	(13,730)
Interest expense	10,289	3,548	20,382	6,560
Depreciation and amortisation	39,176	39,578	77,006	78,856
Bad debts (recovered)/ written off	(1)	5	14	5
Write down of inventories	1,041	143	1,552	332
Property, plant and equipment write off	21	6	2,331	90
(Gain)/ Loss on disposal of investments	(658)	(110)	(477)	10
Gain on disposal of a subsidiary	-	-	(3,097)	-
Gain on disposal of property, plant and equipment	(290)	(1,721)	(3,000)	(212,883)
Provision/ (Reversal) of impairment loss on assets	17,932	107	19,180	(32)
Unrealised foreign exchange gain	(71,615)	(89,518)	(97,148)	(180,478)
Realised foreign exchange gain	(1,915)	(23,092)	(1,381)	(22,647)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	Current Year To Date (Two quarters to 30 June 2023) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2022) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	325,090	680,562
Adjustments for:		
Non-cash items	4,694	(115,365)
Non-operating items	(137,535)	(286,940)
Operating profit before working capital changes	192,249	278,257
Changes in working capital	(80,427)	(83,219)
Cash flows from operating activities	111,822	195,038
Dividend received, net	46,360	22,580
Tax paid	(60,300)	(125,582)
Payment of retirement benefits	(443)	(565)
<i>Net cash flows from operating activities</i>	97,439	91,471
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(120,156)	(65,419)
Proceeds from disposal of assets classified as held for sale	-	228,627
Purchase of investments	(271,659)	(43,289)
Proceeds from disposal of investments	149,631	20,769
Interest received	73,221	25,782
Net cash outflow on liquidation of a subsidiary	(15)	(105)
Increase in short term investments, net	(419,723)	(93,908)
<i>Net cash flows (used in)/ from investing activities</i>	(588,701)	72,457

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Two quarters to 30 June 2023) RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 2022) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	(85,596)	(168,882)
Lease liabilities (net)	(3,163)	(6,189)
Dividends paid to stockholders	-	(186,108)
Fixed deposits pledged for banking facilities	(65,953)	(20,115)
Dividends paid to non-controlling interests	(319)	(29,790)
Interest paid	(24,314)	(6,120)
<i>Net cash flows used in financing activities</i>	(179,345)	(417,204)
Net decrease in cash and cash equivalents	(670,607)	(253,276)
Cash and cash equivalents at 1 January	2,514,868	2,780,112
Effects of exchange rates on cash and cash equivalents	282,375	69,274
Cash and cash equivalents at 30 June (Note 1)	<u>2,126,636</u>	<u>2,596,110</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	539,150	1,750,498
Fixed deposits	1,851,582	1,496,195
Unit trust money market funds	387,631	115,486
	<u>2,778,363</u>	<u>3,362,179</u>
Less:		
Deposits pledged	(651,727)	(766,069)
	<u>2,126,636</u>	<u>2,596,110</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 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 and International Tax Reform – Pillar Two Model Rules*

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*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

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
30 JUNE 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, the Company paid a final single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 in respect of the financial year ended 31 December 2022 on 13 July 2023.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2023 (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 2023											
Revenue from external customers	1,007,481	151,379	121,789	349,870	40,921	244,840	53,971	1,970,251	-		1,970,251
Inter-segment revenue	501	83	-	-	16,893	45	-	17,522	(17,522)		-
Total revenue	<u>1,007,982</u>	<u>151,462</u>	<u>121,789</u>	<u>349,870</u>	<u>57,814</u>	<u>244,885</u>	<u>53,971</u>	<u>1,987,773</u>	<u>(17,522)</u>		<u>1,970,251</u>
Results											
Segment profit	<u>96,198</u>	<u>17,392</u>	<u>15,381</u>	<u>119,058</u>	<u>61,918</u>	<u>970</u>	<u>5,045</u>	<u>315,962</u>	<u>9,128</u>	A	<u>325,090</u>
Assets											
Segment assets	<u>3,415,542</u>	<u>354,729</u>	<u>1,240,502</u>	<u>3,004,357</u>	<u>781,406</u>	<u>1,147,217</u>	<u>226,422</u>	<u>10,170,175</u>	<u>753,966</u>	B	<u>10,924,141</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 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:

	30 June 2023
	RM'000
Share of results of associates	29,510
Finance costs	(20,382)
	<u>9,128</u>

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

	30 June 2023
	RM'000
Investment in associates	673,163
Current tax assets	26,749
Deferred tax assets	54,054
	<u>753,966</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:-

- (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
30 JUNE 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 1,970.3 million, an increase of 4.9% or RM 91.2 million as compared to RM 1,879.1 million in the corresponding period last year. The increase in revenue was mainly attributed to the higher revenue from automotive, plastic and investment holding segments.

The Group recorded an operating profit of RM 316.0 million (2022 : RM 647.6 million), decreased by RM 331.6 million and profit before tax of RM 325.1 million compared to RM 680.6 million in the corresponding period last year mainly attributed to exceptional gain on disposal of Bayview On the Park in Melbourne, Australia of RM 212.0 million in Q1FY22 and lower realised and unrealised foreign exchange gain on IDR against the SGD and Yen denominated borrowings from plantation segment by RM 88.9 million.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue and operating profit from the automotive segment increased by 10.2% to RM 1,007.5 million and 242.2% to RM 96.2 million respectively.

For the retail operations in Singapore, revenue and operating profit increased by 8.2% and 460.1% respectively. Higher operating profit was mainly due to increase in interest income despite lower number of cars sold by 29.6% driven by surge in Certificate of Entitlement ("COE") prices.

For the retail operations in Malaysia, revenue increased by RM 38.2 million while recorded lower operating profit by RM 0.1 million. Gross profit increased by RM 5.8M attributed to higher number of service intake by 11.3% and product mix despite lower number of cars sold by 10.4%. Operating profit has been impacted by the rising operational costs as operating under competitive environment.

The plantation segment generated a revenue of RM 349.9 million, a decrease of 24.4% compared to corresponding period last year of RM 462.7 million and recorded an operating profit of RM 119.1 million (2022 : RM 316.3 million). Lower revenue was attributed to the decrease in CPO and PK selling price by 20.0% (2023 : RM 3,613/MT; 2022 : RM 4,518/MT) and 49.7% (2023 : RM 1,667/MT; 2022 : RM 3,311/MT) respectively. While lower operating profit was attributable to the lower realised and unrealised foreign exchange gain of RM 78.4 million (2022 : RM 167.3 million) from the strengthening of the IDR against the SGD and Yen denominated borrowings.

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SELECTED EXPLANATORY NOTES
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30 JUNE 2023 (Cont'd)

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

The plastic segment recorded an increase in revenue of 29.4% to RM 151.4 million (2022 : RM 117.0 million) and operating profit increased by 117.5% to RM 17.4 million (2022 : RM 8.0 million). The improvement in revenue and operating profit were mainly due to strong automotive sales driven by demand continued to be strong spurred by newly launched models.

Hotels and resorts segment recorded an increase in revenue of 14.5% to RM 121.8 million (2022 : RM 106.4 million) while recorded a significant dropped in operating profit to RM 15.4 million (2022 : RM 223.7 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 was mainly attributed to exceptional gain on disposal of Bayview On the Park in Melbourne, Australia of RM 212.0 million in 2022. Excluded the exceptional gain in 2022, operating profit increased by 31.6%.

Revenue for the investment holding segment increased by 203.0% to RM 40.9 million (2022 : RM 13.5 million) and recorded an operating profit of RM 61.9 million (2022 : RM 65.5 million). Higher revenue was mainly due to higher dividend income received from other investments. Lower operating profit was attributable to the lower realised and unrealised foreign exchange gain of RM 12.3 million (2022 : RM 53.8 million) from the strengthening of the USD against the SGD denominated borrowings.

The investment properties and trading of building material products segment recorded a 10.8% increase in revenue to RM 244.8 million (2022 : RM 220.9 million) in line with higher selling price. Lower operating profit of RM 1.0 million (2022 : RM 3.5 million) as incurred additional quit rent expenses pertaining to land title application for Melaka reclaimed land.

Healthcare segment's revenue increased by 20.8% to RM 54.0 million (2022 : RM 44.7 million) and operating profit increased to RM 5.0 million (2022 : RM 2.4 million) due to higher number of patients by 7.5%.

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 2023 was RM 1,005.8 million, an increase of RM 41.4 million or 4.3% from RM 964.4 million in Q1FY23, mainly attributed to higher contribution from investment holding and plantation segments.

The Group recorded an operating profit of RM 171.6 million (Q1FY23 : RM 144.4 million), increased by RM 27.2 million and profit before tax of RM 172.4 million compared to RM 152.7 million for Q1FY23 mainly attributed from higher operating profit from investment holding and automotive segments. Improvement in performance resulted from higher dividend and interest income as well as higher number of cars sold from Singapore's automotive market.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2023 (Cont'd)

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 and operating profit from automotive segment increased by 2.6% to RM 510.2 million (Q1FY23 : RM 497.3 million) and increased by 46.0% to RM 57.1 million (Q1FY23 : RM 39.1 million) respectively. The increase in revenue was contributed by higher number of cars sold by 3.2% from Singapore market while operating profit increased by 77.0% to RM 49.9 million (Q1FY23 : RM 28.2 million) was mainly due to realised and unrealised foreign exchange gain on its foreign currencies cash and bank balances by RM 8.8 million.

The plantation segment generated a revenue of RM 187.2 million, an increase of 15.1% compared to immediate preceding quarter of RM 162.6 million and recorded an operating profit of RM 42.3 million (Q1FY23 : RM 76.7 million). Higher revenue was attributed to the increase in CPO and PK sales volume by 17.4% and 9.1% respectively due to higher FFB production. Lower operating profit was attributable to lower gross profit from increase in fertilizer cost as compared to Q1FY23.

Revenue from plastic segment decreased by 23.7% to RM 65.5 million (Q1FY23 : RM 85.9 million) and operating profit decreased by 27.7% to RM 7.3 million (Q1FY23 : RM 10.1 million). The drop in revenue and operating profit were mainly due to lower sales orders and shorter working days for the months of April and June 2023 while in Q1FY23 recorded higher sales 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 an increase in revenue of 4.7% to RM 62.3 million (Q1FY23 : RM 59.5 million) while recorded an operating profit of RM 2.9 million (Q1FY23 : RM 12.5 million). Higher revenue was mainly due to higher average room rate especially for United Kingdom hotel. Lower operating profit was mainly due to impairment loss of property, plant and equipment of RM 17.9 million recorded during the quarter for Chateau Tongariro Hotel in New Zealand as the hotel has permanently closed from February 2023.

Revenue for the investment holding segment increased to RM 39.4 million (Q1FY23 : RM 1.5 million) and recorded operating profit of RM 62.4 million (Q1FY23 : operating loss of RM 0.5 million). Higher revenue was mainly attributable to higher dividend income from other investments and turnaround into operating profit was attributable to the realised and unrealised foreign exchange gain of RM 17.4 million (Q1FY23 : foreign exchange loss of RM 5.1 million) from the strengthening of the USD against the SGD denominated borrowings.

The investment properties and trading of building material products segment recorded a 12.3% decrease in revenue to RM 114.4 million (Q1FY23 : RM 130.5 million) in line with lower sales volume. Operating loss of RM 3.0 million (Q1FY23 : operating profit of RM 3.9 million) was mainly due to lower gross profit margin derived from stiff price competition for building material products and additional quit rent expenses incurred pertaining to land title application for Melaka reclaimed land and payment of land tax for Australian properties.

Healthcare segment's revenue decreased by 1.1% to RM 26.8 million (Q1FY23 : RM 27.1 million) due to number of patients decreased by 3.4% with operating profit recorded constantly of RM 2.5 million (Q1FY23 : RM 2.6 million).

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14. Current Year Prospects

Global growth is projected to slow from 3.5% in 2022 to 3.0% in both 2023 and 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. Malaysia Automotive Association (MAA) has revised the year 2023 Total Industry Volume (TIV) forecast to 725,000 units. This is a hefty 75,000 unit increase from the previous 2023 forecast of 650,000 units that was announced in January.

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 for Singapore market remains 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 2027.

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 30 June 23 RM'000 (Unaudited)	Preceding Year Quarter 30 June 22 RM'000 (Unaudited)	Current Year To date 30 June 23 RM'000 (Unaudited)	Preceding Year To date 30 June 22 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	2,327	5,873	4,685	9,413
- Under/ (Over) provision in respect of prior period	16	(24)	(262)	101
	2,343	5,849	4,423	9,514
Foreign taxation				
- Based on profit for the period	14,254	15,657	33,987	39,877
	16,597	21,506	38,410	49,391
Deferred taxation				
- Current period	(1,107)	(5,669)	(334)	61,543
- Under/ (Over) provision in respect of prior period	322	(343)	(1,058)	(1,215)
	(785)	(6,012)	(1,392)	60,328
	15,812	15,494	37,018	109,719

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 2023 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.

The Circular in relation to the above has been despatched to stockholders on 15 August 2023 and the EGM will be held on 30 August 2023 to obtain stockholders' approval for the Proposals.

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 4th 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	265		-	-	265
Borrowings – secured						
-Revolving credit	0.8 - 1.4	-	JPY 12.120 billion		395,293	395,293
	4.9 - 5.2	-	SGD 0.246 billion		851,448	851,448
-Term loans	4.3 - 5.9	323	SGD 0.002 billion		6,449	6,772
Borrowings – unsecured						
-Bankers acceptance	3.8 - 4.2	53,996		-	-	53,996
-Revolving credit	3.8 - 5.1	6,000	SGD 0.78 billion		268,903	274,903
	1.2	-	JPY 0.750 billion		24,165	24,165
		60,584			1,546,258	1,606,842
Long Term						
Hire purchase financing	5.3	700		-	-	700
Term loans – secured	4.3 - 5.9	2,668	SGD 0.065 billion		223,347	226,015
		3,368			223,347	226,715
Total Borrowings		63,952			1,769,605	1,833,557

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19. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 30 June 2023 is as follows:

	RM'000	%
Not past due	265,211	88.0
Past due less than 3 months	32,029	10.6
Past due 3-6 months	3,649	1.2
Past due 6-12 months	672	0.2
Past due more than 1 year	32	0.0
	<u>301,593</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

The Board of Directors proposed an interim single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 in respect of the financial year ending 31 December 2023. The entitlement date and payment date will be announced at a later date.

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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 23 RM'000 (Unaudited)	Preceding Year Quarter 30 June 22 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 23) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 22) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>125,201</u>	<u>136,808</u>	<u>219,437</u>	<u>404,651</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>20.18</u>	<u>22.05</u>	<u>35.37</u>	<u>65.23</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 25 AUGUST 2023