

ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

FINANCIAL REPORT

30 SEPTEMBER 2023

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

INTERIM FINANCIAL REPORT
30 SEPTEMBER 2023

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ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	As at End of Current Quarter 30 Sept 2023 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2022 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	2,206,483	1,866,845	18.2
Right-of-use assets	621,757	342,952	81.3
Investment properties	1,087,724	1,073,793	1.3
Intangible assets	21,427	23,254	-7.9
Investments in associates	631,129	631,616	-0.1
Other investments	531,244	396,084	34.1
Deferred tax assets	53,704	53,558	0.3
Inventories	35,892	35,889	0.0
Other receivables	40,925	33,768	21.2
Total non-current assets	<u>5,230,285</u>	<u>4,457,759</u>	17.3
Inventories	325,626	288,888	12.7
Biological assets	14,110	12,125	16.4
Trade and other receivables	457,414	431,896	5.9
Current tax assets	31,077	12,781	143.1
Other investments	2,947,551	2,069,327	42.4
Cash and cash equivalents	2,539,969	3,100,642	-18.1
Assets classified as held for sale	30,138	29,572	1.9
Total current assets	<u>6,345,885</u>	<u>5,945,231</u>	6.7
Total assets	<u><u>11,576,170</u></u>	<u><u>10,402,990</u></u>	11.3
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,666,867	1,274,822	30.8
Retained earnings	5,455,571	5,062,305	7.8
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>7,742,651</u>	<u>6,957,340</u>	11.3
Non-controlling interests	<u>511,495</u>	<u>1,050,197</u>	-51.3
Total Equity	<u><u>8,254,146</u></u>	<u><u>8,007,537</u></u>	3.1
Liabilities			
Borrowings	226,527	176,119	28.6
Lease liabilities	22,170	22,743	-2.5
Contract liabilities	63,722	48,202	32.2
Retirement benefits	26,610	23,790	11.9
Deferred tax liabilities	161,676	57,226	182.5
Total non-current liabilities	<u>500,705</u>	<u>328,080</u>	52.6
Borrowings	2,431,217	1,678,796	44.8
Lease liabilities	3,126	4,624	-32.4
Current tax liabilities	27,981	30,969	-9.6
Trade and other payables	356,967	334,138	6.8
Contract liabilities	2,028	18,846	-89.2
Total current liabilities	<u>2,821,319</u>	<u>2,067,373</u>	36.5
Total liabilities	<u>3,322,024</u>	<u>2,395,453</u>	38.7
Total equity and liabilities	<u><u>11,576,170</u></u>	<u><u>10,402,990</u></u>	11.3
Net assets per stock (sen)	1248.02	1121.44	11.3

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 30 SEPTEMBER 2023

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 Sept 2023 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2022 RM'000 (Unaudited)		Current Year To Date (Three quarters to 30 Sept 2023) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2022) RM'000 (Unaudited)	
Revenue	1,086,131	960,252	13.1	3,056,382	2,839,396	7.6
Results from operating activities	348,744	173,331	101.2	664,706	820,959	(19.0)
Finance costs	(10,062)	(5,181)	94.2	(30,444)	(11,741)	159.3
Share of profits after tax of equity accounted associates	12,507	23,389	(46.5)	42,017	62,883	(33.2)
Profit before taxation	351,189	191,539	83.4	676,279	872,101	(22.5)
Tax expense	(33,022)	(34,308)	(3.7)	(70,040)	(144,027)	(51.4)
Profit from continuing operations	318,167	157,231	102.4	606,239	728,074	(16.7)
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations :						
- (loss)/ gain during the period	(44,931)	62,525	(171.9)	236,192	116,841	102.1
- reclassification to profit or loss on disposal of a subsidiary	-	-	-	2,409	-	100.0
Fair value gain/ (loss) of equity instruments designated at fair value through other comprehensive income	216,201	(42,559)	608.0	179,610	(58,565)	406.7
Share of other comprehensive income/ (expense) of equity accounted associates	5	(12)	141.7	3,060	445	587.6
Other comprehensive income for the period, net of tax	171,275	19,954	758.4	421,271	58,721	617.4
Total comprehensive income for the period	489,442	177,185	176.2	1,027,510	786,795	30.6
Profit attributable to:						
Stockholders of the Company	297,416	102,348	190.6	516,853	506,999	1.9
Non-controlling interests	20,751	54,883	(62.2)	89,386	221,075	(59.6)
Profit for the period	318,167	157,231	102.4	606,239	728,074	(16.7)
Total comprehensive income attributable to:						
Stockholders of the Company	486,525	111,953	334.6	896,535	557,588	60.8
Non-controlling interests	2,917	65,232	(95.5)	130,975	229,207	(42.9)
Total comprehensive income for the period	489,442	177,185	176.2	1,027,510	786,795	30.6
<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)	47.94	16.50	190.5	83.31	81.73	1.9

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sept 2023 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2022 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2023) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2022) RM'000 (Unaudited)
Included in the Total Comprehensive Expense/Income for the period are the followings :				
Interest income	(38,654)	(21,278)	(117,187)	(47,527)
Other income including investment income	(2,523)	(4,010)	(45,821)	(17,740)
Interest expense	10,062	5,181	30,444	11,741
Depreciation and amortisation	40,323	39,576	117,329	118,432
Bad debts written off	1	49	15	54
Write down of inventories	21	1,005	1,573	1,337
Property, plant and equipment write off	56	11	2,387	101
Gain on disposal of investments	-	(622)	(477)	(612)
Gain on disposal of a subsidiary and an associate	(116,398)	-	(119,495)	-
Gain from a bargain purchase on step acquisition of an associate	(102,372)	-	(102,372)	-
Gain on disposal of property, plant and equipment	(701)	(1,027)	(3,701)	(213,910)
Provision/ (Reversal) of impairment loss on assets	-	(301)	19,180	(333)
Unrealised foreign exchange loss/ (gain)	17,369	70,624	(79,779)	(109,854)
Realised foreign exchange gain	(3,157)	(109,490)	(4,538)	(132,137)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	← Attributable to stockholders of the Company →									
	Share capital	Translation reserve	Fair value reserve	Treasury stocks	← Non-distributable →		Capital reserve	Total	Non-controlling interests	Total equity
Retained earnings					Distributable					
<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	-	101,021	-	-	-	-	101,021	15,820	116,841	
Fair value of financial assets	-	-	(50,877)	-	-	-	(50,877)	(7,688)	(58,565)	
Share of other comprehensive income of equity accounted associates	-	-	445	-	-	-	445	-	445	
Total other comprehensive income/ (expense) for the period	-	101,021	(50,432)	-	-	-	50,589	8,132	58,721	
Profit for the period	-	-	-	-	506,999	-	506,999	221,075	728,074	
Total comprehensive income/ (expense) for the period	-	101,021	(50,432)	-	506,999	-	557,588	229,207	786,795	
Dividends to stockholders	-	-	-	-	(310,181)	-	(310,181)	-	(310,181)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(33,791)	(33,791)	
Liquidation of a subsidiary	-	-	-	-	-	-	-	(105)	(105)	
Total transactions with owners	-	-	-	-	(310,181)	-	(310,181)	(33,896)	(344,077)	
Transfer upon the disposal of equity investment designated at FVOCI	-	-	9,706	-	(9,706)	-	-	-	-	
At 30 September 2022	620,462	1,016,107	279,736	(249)	5,068,627	40,248	7,024,931	1,175,471	8,200,402	
<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	-	194,434	-	-	-	-	194,434	41,758	236,192	
Fair value of financial assets	-	-	179,779	-	-	-	179,779	(169)	179,610	
Reclassification to profit or loss on liquidation of a subsidiary	-	2,409	-	-	-	-	2,409	-	2,409	
Share of other comprehensive income of equity accounted associates	-	-	3,060	-	-	-	3,060	-	3,060	
Total other comprehensive income for the period	-	196,843	182,839	-	-	-	379,682	41,589	421,271	
Profit for the period	-	-	-	-	516,853	-	516,853	89,386	606,239	
Total comprehensive income for the period	-	196,843	182,839	-	516,853	-	896,535	130,975	1,027,510	
Dividends to stockholders	-	-	-	-	(124,072)	-	(124,072)	-	(124,072)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(4,387)	(4,387)	
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	12,848	-	12,848	(659,780)	(646,932)	
Liquidation of a subsidiary	-	-	-	-	-	-	-	(5,510)	(5,510)	
Total transactions with owners	-	-	-	-	(111,224)	-	(111,224)	(669,677)	(780,901)	
Transfer upon the disposal of equity investment designated at FVOCI	-	-	12,363	-	(12,363)	-	-	-	-	
At 30 September 2023	620,462	1,218,104	408,515	(249)	5,455,571	40,248	7,742,651	511,495	8,254,146	

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

	Current Year To Date (Three quarters to 30 Sept 2023) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2022) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	676,279	872,101
Adjustments for:		
Non-cash items	56,313	(20,221)
Non-operating items	(386,047)	(333,380)
Operating profit before working capital changes	346,545	518,500
Changes in working capital	(44,541)	(138,965)
Cash flows from operating activities	302,004	379,535
Dividend received, net	52,134	83,415
Tax paid	(89,874)	(151,987)
Payment of retirement benefits	(537)	(757)
<i>Net cash flows from operating activities</i>	263,727	310,206
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(181,275)	(127,050)
Proceeds from disposal of assets classified as held for sale	-	228,627
Purchase of investments	(648,077)	(43,289)
Proceeds from disposal of investments	475,654	81,990
Interest received	106,857	44,230
Net cash outflow on acquisition of subsidiaries	(806,508)	-
Net cash outflow on liquidation of a subsidiary	(15)	(105)
Increase in short term investments, net	(647,284)	(51,821)
<i>Net cash flows (used in)/ from investing activities</i>	(1,700,648)	132,582

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Three quarters to 30 Sept 2023) RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2022) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	753,188	(157,828)
Lease liabilities (net)	(4,597)	(3,571)
Dividends paid to stockholders	(124,072)	(248,144)
Fixed deposits pledged for banking facilities	(121,642)	(46,192)
Dividends paid to non-controlling interests	(4,387)	(33,791)
Interest paid	(34,476)	(12,686)
<i>Net cash flows from/ (used in) financing activities</i>	464,014	(502,212)
Net decrease in cash and cash equivalents	(972,907)	(59,424)
Cash and cash equivalents at 1 January	2,560,136	2,780,112
Effects of exchange rates on cash and cash equivalents	245,324	151,286
Cash and cash equivalents at 30 September (Note 1)	<u>1,832,553</u>	<u>2,871,974</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	560,892	1,768,223
Fixed deposits	1,658,012	1,683,441
Unit trust money market funds	321,065	212,456
	<u>2,539,969</u>	<u>3,664,120</u>
Less:		
Deposits pledged	(707,416)	(792,146)
	<u>1,832,553</u>	<u>2,871,974</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 SEPTEMBER 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:

- i) 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; and
- ii) 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 on 16 November 2023.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 September 2023											
Revenue from external customers	1,558,913	224,517	190,042	583,870	42,843	370,454	85,743	3,056,382	-		3,056,382
Inter-segment revenue	798	88	-	-	21,162	49	-	22,097	(22,097)		-
Total revenue	<u>1,559,711</u>	<u>224,605</u>	<u>190,042</u>	<u>583,870</u>	<u>64,005</u>	<u>370,503</u>	<u>85,743</u>	<u>3,078,479</u>	<u>(22,097)</u>		<u>3,056,382</u>
Results											
Segment profit	<u>141,908</u>	<u>24,333</u>	<u>36,963</u>	<u>167,004</u>	<u>281,400</u>	<u>2,440</u>	<u>10,658</u>	<u>664,706</u>	<u>11,573</u>	A	<u>676,279</u>
Assets											
Segment assets	<u>3,484,292</u>	<u>352,803</u>	<u>1,225,221</u>	<u>3,588,099</u>	<u>827,643</u>	<u>1,145,673</u>	<u>236,529</u>	<u>10,860,260</u>	<u>715,910</u>	B	<u>11,576,170</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 September 2023
	RM'000
Share of results of associates	42,017
Finance costs	(30,444)
	11,573

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

	30 September 2023
	RM'000
Investment in associates	631,129
Current tax assets	31,077
Deferred tax assets	53,704
	715,910

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.
- (ii) The Company had on 22 September 2023 acquired from Boon Siew Sdn. Bhd. ("BSSB") the remaining 49.5% equity interest in Selasih Permata Sdn. Bhd. ("SPSB") and Oriental Boon Siew (Mauritius) Pte. Ltd. ("OBS(M)") for a cash consideration of RM 646,931,000 and RM 1 respectively. OHB's interest, subsequent to the acquisition in SPSB and OBS(M) increased from 50.5% to 100.0%.

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

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

- (iii) The Company had on 27 September 2023 acquired from BSSB, Boon Siew Development Sdn. Bhd. and Loh Boon Siew Holdings Sdn. Bhd. the remaining 60.5% equity interest in Southern Perak Plantations Sdn. Bhd. ("SPP") for a cash consideration of RM 155,327,000. OHB's Group effective interest, subsequent to the acquisition in SPP increased from 39.5% to 100.0%.
- (iv) The Company had on 22 November 2023 incorporated a subsidiary named Bayview International Hotels Pte. Ltd., as a wholly-owned subsidiary of Bayview International Sdn. Bhd. The initial issued share capital is one ordinary share at an issue price of SGD 1. The intended principal activity of Bayview International Hotels Pte. Ltd. is management consultancy services.

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

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

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

12. Review of Group's Performance

Overall Review

The Group recorded year to date revenue of RM 3,056.4 million, an increase of 7.6% as compared to RM 2,839.4 million in the corresponding period last year. The increase in revenue was mainly attributed to the higher revenue from automotive and investment properties and trading of building material products segments.

The Group recorded an operating profit of RM 664.7 million (2022 : RM 821.0 million), decreased by RM 156.3 million and profit before tax of RM 676.3 million compared to RM 872.1 million in the corresponding period last year mainly attributed to gain on disposal of Bayview On the Park in Melbourne, Australia of RM 212.0 million in Q1FY22.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue and operating profit from the automotive segment increased by 10.4% to RM 1,558.9 million and 225.8% to RM 141.9 million respectively.

For the retail operations in Singapore, revenue and operating profit increased by 3.4% and 445.4% respectively. Higher operating profit was mainly due to increase in interest income despite lower number of cars sold by 33.6% driven by surge in Certificate of Entitlement ("COE") prices.

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

For the retail operations in Malaysia, revenue increased by RM 79.5 million while recorded slightly higher operating profit by RM 1.8 million. Gross profit increased by RM 10.4 million attributed to higher number of service intake by 12.2% and product mix despite lower number of cars sold by 5.4%. Operating profit has been impacted by the rising operational costs as operating under competitive environment.

The plantation segment generated a revenue of RM 583.9 million, a decrease of 11.3% compared to corresponding period last year of RM 658.6 million and recorded an operating profit of RM 167.0 million (2022 : RM 422.9 million). Lower revenue was attributed to the decrease in CPO and PK selling price by 14.8% (2023 : RM 3,482/MT; 2022 : RM 4,087/MT) and 41.6% (2023 : RM 1,592/MT; 2022 : RM 2,728/MT) respectively. While lower operating profit was attributable to the lower realised and unrealised foreign exchange gain of RM 64.5 million (2022 : RM 200.9 million) on the IDR against the SGD denominated borrowings.

The plastic segment recorded an increase in revenue of 14.6% to RM 224.5 million (2022 : RM 195.9 million) and operating profit increased by 59.9% to RM 24.3 million (2022 : RM 15.2 million). The improvement in revenue and operating profit were mainly due to higher sales orders from local automotive customers spurred by newly launched models.

Hotels and resorts segment recorded an increase in revenue of 15.2% to RM 190.0 million (2022 : RM 164.9 million) while recorded a significant decline in operating profit to RM 37.0 million (2022 : RM 237.2 million). Higher revenue was mainly due to overall higher average occupancy rates and average room rates especially for Singapore, Thailand and United Kingdom hotels as travel recovery gains momentum for both leisure and business travels. Decrease in operating profit was mainly attributed to gain on disposal of Bayview On the Park in Melbourne, Australia of RM 212.0 million in 2022. Excluded the gain on disposal in 2022, operating profit increased by 46.8%.

Revenue for the investment holding segment increased by 177.9% to RM 42.8 million (2022 : RM 15.4 million) and recorded an operating profit of RM 281.4 million (2022 : RM 91.5 million). Higher revenue was mainly due to higher dividend income received from other investments. Significant higher operating profit was attributed to gain from a bargain purchase on step acquisition in Southern Perak Plantations Sdn Bhd ("SPP") and gain on disposal of associate; SPP of RM 102.4 million and RM 116.4 million respectively after the completion of the recent Share Sale Agreement ("SSA") corporate proposal. Excluded the gain from a bargain purchase and gain on disposal of associate in 2023, operating profit decreased by 31.6% attributable to lower realised and unrealised foreign exchange gain of RM 17.0 million (2022 : RM 73.8 million) on the USD against the SGD denominated borrowings.

The investment properties and trading of building material products segment recorded a 14.5% increase in revenue to RM 370.5 million (2022 : RM 323.7 million) in line with higher selling price. However, lower operating profit of RM 2.4 million (2022 : RM 5.7 million) was mainly due to lower gross profit margin as the segment facing stiff price competition for building material products.

Healthcare segment's revenue increased by 23.7% to RM 85.7 million (2022 : RM 69.3 million) and operating profit increased to RM 10.7 million (2022 : RM 5.1 million) attributed to higher number of inpatient admissions by 20.9%.

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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 third quarter of 2023 was RM 1,086.1 million, an increase of RM 80.3 million or 8.0% from RM 1,005.8 million in Q2FY23, mainly attributed to higher contribution from automotive and plantation segments.

The Group recorded an operating profit of RM 348.7 million (Q2FY23 : RM 171.6 million), increased by RM 177.1 million and profit before tax of RM 351.2 million compared to RM 172.4 million for Q2FY23 mainly attributed from higher operating profit from investment holding segment. Significant improvement in performance was attributed to gain from a bargain purchase on step acquisition in SPP and gain on disposal of associate; SPP after the completion of the recent SSA corporate proposal.

Segmental Analysis

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

Revenue from automotive segment increased by 8.1% to RM 551.4 million (Q2FY23 : RM 510.2 million) and operating profit decreased by 20.0% to RM 45.7 million (Q2FY23 : RM 57.1 million). The increase in revenue was contributed by higher number of cars sold by 19.8% from retail operations in Malaysia. Decrease in operating profit mainly from Singapore operation with operating profit declined by 35.9% to RM 32.0 million (Q2FY23 : RM 49.9 million) due to lower dividend income from equity investment by RM 3.8 million and lower foreign exchange gain on its foreign currencies cash and bank balances by RM 3.3 million.

The plantation segment generated a revenue of RM 234.0 million, an increase of 25.0% compared to immediate preceding quarter of RM 187.2 million and recorded an operating profit of RM 47.9 million (Q2FY23 : RM 42.3 million). Higher revenue was attributed to the increase in CPO and PK sales volume by 41.6% and 37.2% respectively. While higher operating profit was attributed to better gross profit margin from decrease in fertilizer application.

Revenue from plastic segment increased by 11.6% to RM 73.1 million (Q2FY23 : RM 65.5 million) and operating profit decreased by 5.5% to RM 6.9 million (Q2FY23 : RM 7.3 million). Despite higher revenue, operating profit decreased attributed to high overhead costs from materials, labours costs and maintenance costs.

Hotels and resorts segment recorded an increase in revenue of 9.6% to RM 68.3 million (Q2FY23 : RM 62.3 million) and recorded an operating profit of RM 21.6 million (Q2FY23 : RM 2.9 million). Higher revenue was mainly due to higher average occupancy rates and average room rates. Higher operating profit was mainly due to impairment loss of property, plant and equipment of RM 17.9 million recorded in Q2FY23 for Chateau Tongariro Hotel in New Zealand as the hotel has permanently closed from February 2023.

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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 the investment holding segment decreased to RM 1.9 million (Q2FY23 : RM 39.4 million) and recorded an operating profit of RM 219.5 million (Q2FY23 : RM 62.4 million). Lower revenue was mainly attributed to lower dividend income from other investments. Significant higher operating profit was attributed to gain from a bargain purchase on step acquisition in SPP and gain on disposal of associate; SPP of RM 102.4 million and RM 116.4 million respectively.

The investment properties and trading of building material products segment recorded a 9.8% increase in revenue to RM 125.6 million (Q2FY23 : RM 114.4 million) in line with higher sales volume as property industry outlook improved. Operating profit of RM 1.5 million (Q2FY23 : operating loss of RM 3.0 million) was mainly due to additional quit rent expenses incurred pertaining to land title application for Melaka reclaimed land and payment of land tax for Australian properties in Q2FY23.

Healthcare segment’s revenue increased by 18.7% to RM 31.8 million (Q2FY23 : RM 26.8 million) and operating profit increased to RM 5.6 million (Q2FY23 : RM 2.5 million) attributed to higher number of patients by 8.5% with improvement in gross profit margin from higher operation theatre cases.

14. Current Year Prospects

Global growth is projected to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, a 0.1% downgrade from the earlier prediction.

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. For 2024, it is anticipated the TIV to ease to a more normalised level, likely to be between 600,000 and 650,000 unit range on stiff competition.

The automotive industry is subject to rapid changes driven by technological advancements, regulatory shifts, market demands, interest rates and global events. Management will continue staying well-informed as the automotive industry navigates the uncertainties of the coming year.

COE premiums for Singapore market has been breaking records for sixth consecutive cycles hitting SGD 158,000 as demand continues to outstrip limited supply. Singapore Government has taken steps to increase the COE supply to tamp down record premiums for owning cars and commercial vehicles, an advantage to retail operations in Singapore.

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.

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14. Current Year Prospects (Cont'd)

International tourism continues to rally in 2023 as visitor arrivals recovered to near pre-pandemic levels even in the face of diverse challenges including the economic situation and continued geopolitical uncertainty. This momentum is forecast to continue into 2024. 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.

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 Sept 23 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 22 RM'000 (Unaudited)	Current Year To date 30 Sept 23 RM'000 (Unaudited)	Preceding Year To date 30 Sept 22 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	5,781	4,583	10,466	13,996
- Under provision in respect of prior period	468	232	206	333
	6,249	4,815	10,672	14,329
Foreign taxation				
- Based on profit for the period	26,926	29,083	60,913	68,960
	33,175	33,898	71,585	83,289
Deferred taxation				
- Current period	(153)	410	(487)	61,953
- Under/ (Over) provision in respect of prior period	-	-	(1,058)	(1,215)
	(153)	410	(1,545)	60,738
	<u>33,022</u>	<u>34,308</u>	<u>70,040</u>	<u>144,027</u>

17. Status of Corporate Proposals

The following corporate proposals had been announced by the Company but not completed as 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
- 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”);

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17. Status of Corporate Proposals (Cont'd)

- (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") ("SPP SSA"); 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").

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

- (i) the non-interested stockholders of the Company at an Extraordinary General Meeting ("EGM"); and
- (ii) any other relevant authorities/parties, if required.

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

- (i) the non-interested stockholders of the Company at an EGM;
- (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.

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

The first 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.

The Company had on 12 April 2023 subsequently 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;
- (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.

The Circular dated 15 August 2023 in relation to the Proposals had been despatched to stockholders on 15 August 2023 and the Proposals were approved by stockholders during the EGM held on 30 August 2023 in respect of the Proposals.

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17. Status of Corporate Proposals (Cont'd)

The Company had on 30 August 2023 entered into the following: -

- (i) third supplemental sale and purchase agreement with BESB in relation to the Proposed Bukit Langkap Estate Acquisition;
- (ii) third supplemental sale and purchase agreement with BESB in relation to the Proposed Bentong Estate Acquisition; and
- (iii) third supplemental sale and purchase agreement with BESB in relation to the Proposed Thye Group Estate Acquisition.

The third supplemental agreements were executed to facilitate the further extension of the cut-off date for the second supplemental agreements to 30 October 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 conditions precedent set out in the agreements in relation to the Proposed Land Acquisitions (which were signed on 13 October 2022), including, amongst others, that the Proposed SPP Acquisition being completed in accordance with the terms and conditions contained in the SPP SSA and the Company becoming the sole shareholder of the entire issue share capital of SPP.

The Proposed Shares Acquisitions were completed on 22 September 2023 following the settlement for the balance of purchase consideration for the Proposed SPSB Acquisition, Proposed OBS(M) Acquisition and Proposed SPP Acquisition, totalling approximately RM773.53 million. Accordingly, the Company became the sole shareholder of the entire issued share capital of SPSB, OBS(M) and SPP.

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, 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			
		Ringgit	← Foreign Currencies →		
		RM'000 I	Source Currency	RM Equivalent RM'000 II	Total RM'000 I + II
Short Term					
Hire purchase financing	2.8 - 4.0	339	-	-	339
Borrowings – secured					
-Revolving credit	0.8 - 1.4	-	JPY 14.365 billion	454,723	454,723
	5.0 - 5.2	-	SGD 0.248 billion	853,235	853,235
-Term loans	5.5 - 6.0	332	SGD 0.001 billion	3,530	3,862
Borrowings – unsecured					
-Bankers acceptance	3.8 - 4.6	46,909	-	-	46,909
-Revolving credit	4.0 - 5.3	782,000	SGD 0.780 billion	266,593	1,048,593
	1.2	-	JPY 0.750 billion	23,556	23,556
		<u>829,580</u>		<u>1,601,637</u>	<u>2,431,217</u>
Long Term					
Hire purchase financing	2.8 - 4.0	1,019	-	-	1,019
Term loans – secured	5.5 - 6.0	2,496	SGD 0.065 billion	223,012	225,508
		<u>3,515</u>		<u>223,012</u>	<u>226,527</u>
Total Borrowings		<u>833,095</u>		<u>1,824,649</u>	<u>2,657,744</u>

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19. Trade receivables

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

	RM'000	%
Not past due	269,956	88.8
Past due less than 3 months	31,239	10.3
Past due 3-6 months	2,066	0.7
Past due 6-12 months	531	0.2
Past due more than 1 year	132	0.0
	<u>303,924</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 Sept 23 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 22 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 23) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 22) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>297,416</u>	<u>102,348</u>	<u>516,853</u>	<u>506,999</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>47.94</u>	<u>16.50</u>	<u>83.31</u>	<u>81.73</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 29 NOVEMBER 2023