

ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

FINANCIAL REPORT

31 DECEMBER 2023

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

INTERIM FINANCIAL REPORT
31 DECEMBER 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 DECEMBER 2023

	As at End of Current Quarter 31 Dec 2023 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2022 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	2,132,226	1,866,845	14.2
Right-of-use assets	730,932	342,952	113.1
Investment properties	1,088,535	1,073,793	1.4
Intangible assets	22,078	23,254	-5.1
Investments in associates	639,877	631,616	1.3
Other investments	514,745	396,084	30.0
Deferred tax assets	97,408	53,558	81.9
Inventories	35,893	35,889	0.0
Other receivables	30,371	33,768	-10.1
Total non-current assets	<u>5,292,065</u>	<u>4,457,759</u>	18.7
Inventories	275,484	288,888	-4.6
Biological assets	11,944	12,125	-1.5
Trade and other receivables	576,887	431,896	33.6
Current tax assets	26,374	12,781	106.4
Other investments	2,730,792	2,069,327	32.0
Cash and cash equivalents	2,644,046	3,100,642	-14.7
Assets classified as held for sale	31,034	29,572	4.9
Deferred tax assets	46,590	-	100.0
Total current assets	<u>6,343,151</u>	<u>5,945,231</u>	6.7
Total assets	<u><u>11,635,216</u></u>	<u><u>10,402,990</u></u>	11.8
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,699,643	1,274,822	33.3
Retained earnings	5,270,429	5,062,305	4.1
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>7,590,285</u>	<u>6,957,340</u>	9.1
Non-controlling interests	<u>527,592</u>	<u>1,050,197</u>	-49.8
Total equity	<u><u>8,117,877</u></u>	<u><u>8,007,537</u></u>	1.4
Liabilities			
Borrowings	990,190	176,119	462.2
Lease liabilities	20,366	22,743	-10.5
Contract liabilities	39,570	48,202	-17.9
Retirement benefits	31,182	23,790	31.1
Deferred tax liabilities	156,148	57,226	172.9
Total non-current liabilities	<u>1,237,456</u>	<u>328,080</u>	277.2
Borrowings	1,745,719	1,678,796	4.0
Lease liabilities	4,002	4,624	-13.5
Current tax liabilities	107,631	30,969	247.5
Trade and other payables	409,422	334,138	22.5
Contract liabilities	13,109	18,846	-30.4
Total current liabilities	<u>2,279,883</u>	<u>2,067,373</u>	10.3
Total liabilities	<u><u>3,517,339</u></u>	<u><u>2,395,453</u></u>	46.8
Total equity and liabilities	<u><u>11,635,216</u></u>	<u><u>10,402,990</u></u>	11.8
Net assets per stock (sen)	1223.46	1121.44	9.1

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



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Dec 2023 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2022 RM'000 (Unaudited)		Current Year To Date (Four quarters to 31 Dec 2023) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2022) RM'000 (Audited)	
Revenue	1,299,019	987,656	31.5	4,355,401	3,827,052	13.8
Results from operating activities	7,224	(33,828)	121.4	671,930	787,131	(14.6)
Finance costs	(63,402)	(28,679)	121.1	(93,846)	(40,420)	132.2
Share of profits after tax of equity accounted associates	6,990	10,630	(34.2)	49,007	73,513	(33.3)
(Loss)/ Profit before taxation	(49,188)	(51,877)	(5.2)	627,091	820,224	(23.5)
Tax expense	6,229	(38,149)	116.3	(63,811)	(182,176)	(65.0)
(Loss)/ Profit from continuing operations	(42,959)	(90,026)	(52.3)	563,280	638,048	(11.7)
Other comprehensive income/ (expense), net of tax						
Remeasurement of defined benefit liability	(1,040)	1,272	(181.8)	(1,040)	1,272	(181.8)
Foreign currency translation differences for foreign operations :						
- gain/ (loss) during the period	49,331	(40,940)	220.5	285,523	75,901	276.2
- reclassification to profit or loss on liquidation of a subsidiary	-	-	-	2,409	-	100.0
Fair value (loss)/ gain of equity instruments designated at fair value through other comprehensive income	(17,559)	(63,181)	(72.2)	162,051	(121,746)	233.1
Share of other comprehensive income of equity accounted associates	31	5	520.0	3,091	450	586.9
Other comprehensive income/ (expense) for the period, net of tax	30,763	(102,844)	129.9	452,034	(44,123)	1,124.5
Total comprehensive (expense)/ income for the period	(12,196)	(192,870)	(93.7)	1,015,314	593,925	70.9
(Loss)/ Profit attributable to:						
Stockholders of the Company	(60,139)	(8,604)	599.0	456,714	498,395	(8.4)
Non-controlling interests	17,180	(81,422)	121.1	106,566	139,653	(23.7)
(Loss)/ Profit for the period	(42,959)	(90,026)	(52.3)	563,280	638,048	(11.7)
Total comprehensive (expense)/ income attributable to:						
Stockholders of the Company	(28,293)	(67,592)	(58.1)	868,242	489,996	77.2
Non-controlling interests	16,097	(125,278)	112.8	147,072	103,929	41.5
Total comprehensive (expense)/ income for the period	(12,196)	(192,870)	(93.7)	1,015,314	593,925	70.9
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362		620,362	620,362	
Basic (loss)/ earnings per stock (sen) (based on the weighted average number of stocks)	(9.69)	(1.39)	597.1	73.62	80.34	(8.4)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 2023 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2022 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2023) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2022) RM'000 (Audited)

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

Interest income	(44,304)	(22,937)	(161,491)	(70,464)
Other income including investment income	(28,678)	(23,581)	(74,499)	(41,321)
Interest expense	63,402	28,679	93,846	40,420
Depreciation and amortisation	62,183	36,460	179,512	154,892
Bad debts written off	1,478	1,534	1,493	1,588
Write down of inventories	2,122	(1,069)	3,695	268
Property, plant and equipment write off	5,111	41	7,498	142
Gain on disposal of investments	-	(54)	(477)	(666)
Gain on disposal of a subsidiary and an associate	-	-	(119,495)	-
Gain from a bargain purchase on step acquisition of an associate	-	-	(102,372)	-
Gain on disposal of property, plant and equipment	(529)	(1,902)	(4,230)	(215,812)
Provision of impairment loss on assets	12,766	2,289	31,946	1,956
Unrealised foreign exchange loss/ (gain)	76,159	153,228	(3,620)	43,374
Realised foreign exchange (gain)/ loss	(2,999)	2,729	(7,537)	(129,408)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	← Attributable to stockholders of the Company →						Non-controlling interests	Total equity	
	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
Remeasurement of defined benefit liability	-	-	-	-	592	-	592	680	1,272
Foreign currency translation differences for foreign operations	-	106,175	-	-	-	-	106,175	(30,274)	75,901
Fair value of financial assets	-	-	(115,616)	-	-	-	(115,616)	(6,130)	(121,746)
Share of other comprehensive income of equity accounted associates	-	-	450	-	-	-	450	-	450
Total other comprehensive income/ (expense) for the year	-	106,175	(115,166)	-	592	-	(8,399)	(35,724)	(44,123)
Profit for the year	-	-	-	-	498,395	-	498,395	139,653	638,048
Total comprehensive income/ (expense) for the year	-	106,175	(115,166)	-	498,987	-	489,996	103,929	593,925
Dividends to stockholders	-	-	-	-	(310,180)	-	(310,180)	-	(310,180)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(33,792)	(33,792)
Liquidation of a subsidiary	-	-	-	-	-	-	-	(100)	(100)
Total transactions with owners	-	-	-	-	(310,180)	-	(310,180)	(33,892)	(344,072)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	8,017	-	(8,017)	-	-	-	-
At 31 December 2022	620,462	1,021,261	213,313	(249)	5,062,305	40,248	6,957,340	1,050,197	8,007,537
<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
Remeasurement of defined benefit liability	-	-	-	-	(930)	-	(930)	(110)	(1,040)
Foreign currency translation differences for foreign operations	-	244,738	-	-	-	-	244,738	40,785	285,523
Fair value of financial assets	-	-	162,220	-	-	-	162,220	(169)	162,051
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	-	-	3,091	-	-	-	3,091	-	3,091
Total other comprehensive income/ (expense) for the year	-	247,147	165,311	-	(930)	-	411,528	40,506	452,034
Profit for the year	-	-	-	-	456,714	-	456,714	106,566	563,280
Total comprehensive income for the year	-	247,147	165,311	-	455,784	-	868,242	147,072	1,015,314
Dividends to stockholders	-	-	-	-	(248,145)	-	(248,145)	-	(248,145)
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	-	-	-	-	(235,297)	-	(235,297)	(669,677)	(904,974)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	12,363	-	(12,363)	-	-	-	-
At 31 December 2023	620,462	1,268,408	390,987	(249)	5,270,429	40,248	7,590,285	527,592	8,117,877

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Current Year To Date (Four quarters to 31 Dec 2023) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2022) RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	627,091	820,224
Adjustments for:		
Non-cash items	216,267	181,120
Non-operating items	(418,185)	(360,936)
Operating profit before working capital changes	425,173	640,408
Changes in working capital	(68,943)	(118,687)
Cash flows from operating activities	356,230	521,721
Dividend received, net	81,534	106,818
Tax paid	(95,416)	(186,339)
Payment of retirement benefits	(1,734)	(1,146)
<i>Net cash flows from operating activities</i>	340,614	441,054
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(279,863)	(151,894)
Proceeds from disposal of assets classified as held for sale	-	228,627
Purchase of investments	(948,143)	(49,774)
Proceeds from disposal of investments	756,627	162,013
Interest received	151,710	62,196
Net cash outflow on acquisition of subsidiaries	(804,665)	-
Net cash outflow on liquidation of a subsidiary	(15)	(145)
Increase in short term investments, net	(410,439)	(557,626)
<i>Net cash flows used in investing activities</i>	(1,534,788)	(306,603)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Four quarters to 31 Dec 2023) RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2022) RM'000 (Audited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	796,023	(164,025)
Lease liabilities (net)	(6,567)	(6,989)
Dividends paid to stockholders	(248,145)	(372,217)
Fixed deposits pledged for banking facilities	(192,858)	160,180
Dividends paid to non-controlling interests	(4,387)	(33,792)
Interest paid	(93,254)	(39,956)
<i>Net cash flows from/ (used in) financing activities</i>	250,812	(456,799)
Net decrease in cash and cash equivalents	(943,362)	(322,348)
Cash and cash equivalents at 1 January	2,514,868	2,780,112
Effects of exchange rates on cash and cash equivalents	293,908	57,104
Cash and cash equivalents at 31 December (Note 1)	<u>1,865,414</u>	<u>2,514,868</u>

NOTE

	RM'000	RM'000
1 Cash and cash equivalents consist of: -		
Cash and bank balances	602,788	1,341,667
Fixed deposits	1,702,307	1,599,261
Unit trust money market funds	338,951	159,714
	<u>2,644,046</u>	<u>3,100,642</u>
Less:		
Deposits pledged	(778,632)	(585,774)
	<u>1,865,414</u>	<u>2,514,868</u>

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

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 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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*

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

1. Basis of Preparation (Cont'd)

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.

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
31 DECEMBER 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
31 December 2023											
Revenue from external customers	2,264,605	299,163	268,029	829,713	72,709	503,632	117,550	4,355,401	-		4,355,401
Inter-segment revenue	1,770	114	-	-	21,162	63	-	23,109	(23,109)		-
Total revenue	<u>2,266,375</u>	<u>299,277</u>	<u>268,029</u>	<u>829,713</u>	<u>93,871</u>	<u>503,695</u>	<u>117,550</u>	<u>4,378,510</u>	<u>(23,109)</u>		<u>4,355,401</u>
Results											
Segment profit	<u>183,563</u>	<u>32,719</u>	<u>44,990</u>	<u>123,491</u>	<u>277,016</u>	<u>(7,122)</u>	<u>17,273</u>	<u>671,930</u>	<u>(44,839)</u>	A	<u>627,091</u>
Assets											
Segment assets	<u>3,458,155</u>	<u>348,986</u>	<u>1,268,018</u>	<u>3,516,795</u>	<u>839,750</u>	<u>1,152,883</u>	<u>240,380</u>	<u>10,824,967</u>	<u>810,249</u>	B	<u>11,635,216</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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 December 2023
	RM'000
Share of results of associates	49,007
Finance costs	(93,846)
	(44,839)

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

	31 December 2023
	RM'000
Investment in associates	639,877
Current tax assets	26,374
Deferred tax assets	143,998
	810,249

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
31 DECEMBER 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 4,355.4 million, an increase of 13.8% as compared to RM 3,827.1 million in the corresponding period last year. The increase in revenue was mainly due to higher contribution from automotive segment attributed to higher number of cars sold especially from the retail operations in Malaysia.

The Group recorded an operating profit of RM 671.9 million (2022 : RM 787.1 million), decreased by RM 115.2 million and profit before tax of RM 627.1 million compared to RM 820.2 million in the corresponding period last year.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue and operating profit from the automotive segment increased by 19.7% to RM 2,264.6 million and 118.6% to RM 183.6 million respectively.

For the retail operations in Singapore, revenue and operating profit increased by 17.4% and 195.0% respectively. Higher operating profit was mainly due to increase in interest income despite lower number of cars sold by 13.9% 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 161.8 million while recorded higher operating profit by RM 8.3 million attributed to higher number of cars sold by 2.7% spurred by high demand for HR-V model as well as the newly launched model namely WR-V in 2023.

The plantation segment generated a revenue of RM 829.7 million, a decrease of 6.2% compared to corresponding period last year of RM 884.5 million and recorded an operating profit of RM 123.5 million (2022 : RM 343.4 million). Lower revenue was attributed to the decrease in CPO and PK selling price by 10.6% (2023 : RM 3,453/MT; 2022 : RM 3,864/MT) and 34.4% (2023 : RM 1,591/MT; 2022 : RM 2,424/MT) respectively. While lower operating profit was attributable to the lower realised and unrealised foreign exchange gain of RM 18.2 million (2022 : RM 88.4 million) on the IDR against the JPY denominated borrowings and lower gross profit margin by 4.0%.

The plastic segment recorded an increase in revenue of 13.0% to RM 299.2 million (2022 : RM 264.7 million) and operating profit increased by 56.5% to RM 32.7 million (2022 : RM 20.9 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 17.8% to RM 268.0 million (2022 : RM 227.5 million) while recorded a significant decline in operating profit to RM 45.0 million (2022 : RM 248.5 million). Higher revenue was mainly due to overall higher average occupancy rates and average room rates especially from Singapore, Thailand and Australia hotels with the recovery of business travel and leisure demand. Decrease in operating profit was mainly attributed to provision of impairment loss of property, plant and equipment and provision of restoration liability of RM 17.9 million and RM 14.2 million respectively in 2023 for Chateau Tongariro Hotel in New Zealand which has permanently closed from February 2023. Besides, in 2022 recorded a gain on disposal of Bayview On the Park in Melbourne, Australia of RM 212.0 million. Excluded the provision of impairment loss, restoration liability and gain on disposal, operating profit in 2023 increased by 111.2%.

Revenue from the investment holding segment increased by 82.2% to RM 72.7 million (2022 : RM 39.9 million) and recorded an operating profit of RM 277.0 million (2022 : RM 72.0 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. Excluded the gain from a bargain purchase and gain on disposal of associate in 2023, operating profit decreased by 19.2% as recorded realised and unrealised foreign exchange loss of RM 3.4 million (2022 : realised and unrealised foreign exchange gain of RM 41.2 million) on the USD against the SGD denominated borrowings.

The investment properties and trading of building material products segment recorded a 18.6% increase in revenue to RM 503.6 million (2022 : RM 424.7 million) in tandem with higher sales volume coupled with higher selling price. The property market sales have improved underpinned by better economic outlook with gradual easing of oversupply conditions and improvement of investor sentiments. Despite improvement in revenue, recorded an operating loss of RM 7.1 million (2022 : operating profit of RM 10.1 million) was mainly due to provision for impairment loss of investment properties in Australia of RM 17.4 million in 2023.

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

Healthcare segment's revenue increased by 24.5% to RM 117.5 million (2022 : RM 94.4 million) and operating profit increased to RM 17.3 million (2022 : RM 8.2 million) attributed to higher number of inpatient admissions by 19.3%.

13. Material Change in Profit/ Loss Before Taxation ("PBT"/ "LBT") reported as compared with the immediate preceding quarter

Overall Review

The Group's revenue for the fourth quarter of 2023 was RM 1,299.0 million, an increase of RM 212.9 million or 19.6% from RM 1,086.1 million in Q3FY23, mainly due to higher contribution from automotive segment attributed to higher number of cars sold especially from the retail operations in Singapore.

The Group recorded an operating profit of RM 7.2 million (Q3FY23 : RM 348.7 million), decreased by RM 341.5 million and loss before tax of RM 49.2 million compared to profit before tax of RM 351.2 million for Q3FY23 mainly attributed from lower operating profit from investment holding segment. Q3FY23 recorded a significant improvement in performance attributed to gain from a bargain purchase on step acquisition in SPP and gain on disposal of associate; SPP.

Segmental Analysis

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

Revenue from the automotive segment increased by 28.0% to RM 705.7 million (Q3FY23 : RM 551.4 million) and operating profit decreased by 8.8% to RM 41.7 million (Q3FY23 : RM 45.7 million). The increase in revenue was mainly attributed to higher number of cars sold by 85.2% from retail operations in Singapore. The decrease in operating profit was attributed to unrealised foreign exchange losses as a result of strengthening SGD against major currencies on its cash and bank balances.

The plantation segment generated a revenue of RM 245.8 million, an increase of 5.0% compared to immediate preceding quarter of RM 234.0 million and recorded an operating loss of RM 43.5 million (Q3FY23 : operating profit of RM 47.9 million). Higher revenue was attributed to the increase in CPO sales volume by 6.1% while operating loss was attributed to the higher realised and unrealised foreign exchange loss of RM 46.3 million (Q3FY23 : RM 13.9 million) on the IDR against the SGD denominated borrowings.

Revenue from the plastic segment increased marginally by 2.1% to RM 74.6 million (Q3FY23 : RM 73.1 million) and operating profit increased by 21.7% to RM 8.4 million (Q3FY23 : RM 6.9 million). Operating profit increased was in tandem with increase in sales and better cost management.

Hotels and resorts segment recorded an increase in revenue of 14.2% to RM 78.0 million (Q3FY23 : RM 68.3 million) and recorded an operating profit of RM 8.0 million (Q3FY23 : RM 21.6 million). Higher revenue was mainly due to higher average occupancy rates and average room rates from Australia hotels. Lower operating profit was mainly due to provision of restoration liability of RM 14.2 million recorded in Q4FY23 for Chateau Tongariro Hotel in New Zealand which 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 from the investment holding segment increased to RM 29.9 million (Q3FY23 : RM 1.9 million) and recorded an operating loss of RM 4.4 million (Q3FY23 : operating profit of RM 219.5 million). Higher revenue was mainly attributed to higher dividend income from other investments. Despite higher dividend income from other investments, operating loss was attributed to realised and unrealised foreign exchange loss of RM 20.4 million (Q3FY23 : realised and unrealised foreign exchange gain of RM 4.7 million) on the USD against the SGD denominated borrowings. Besides, Q3FY23 recorded a significant higher operating profit 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 6.1% increase in revenue to RM 133.2 million (Q3FY23 : RM 125.6 million) in tandem with higher sales volume. Operating loss of RM 9.6 million (Q3FY23 : operating profit of RM 1.5 million) was mainly due to provision for impairment loss of investment properties in Australia of RM 17.4 million in Q4FY23.

Healthcare segment’s revenue remained constant of RM 31.8 million (Q3FY23 : RM 31.8 million) and operating profit increased to RM 6.6 million (Q3FY23 : RM 5.6 million) attributed to improvement in gross profit margin from higher operation theatre cases despite lower number of patients by 5.7%.

14. Current Year Prospects

Global growth is projected at 3.1% in 2024 and 3.2% in 2025, with the 2024 forecast 0.2% higher than the earlier prediction on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China.

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. 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 that lie ahead in 2024.

Malaysia Automotive Association (MAA) has projected 2024 Total Industry Volume (TIV) at 740,000 units, a drop of 7.5% year-on-year, after registering an all-time high of 799,731 units in 2023. MAA is cautious with its 2024 TIV forecast given the many uncertainties at play and expecting a reduction in consumer spending, due to concerns over targeted subsidy rationalisation, high cost of living, the implementation of the proposed High Value Goods (HVG) tax, and higher service tax rate for some services including motor vehicles repair and maintenance.

COE premiums across all categories saw a drop in the first tender exercise in 2024 with open category COE price hit SGD 106,388 after breaking records hitting SGD 158,004 in October 2023. COE supply for the A, B and Open categories will increase significantly from the second half of 2024 before reaching the peak supply years from 2026 to 2027, an advantage to retail operations in Singapore.

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14. Current Year Prospects (Cont'd)

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.

International tourism sector's recovery momentum expected to continue in 2024 with the implementation of the mutual 30-day visa-free travel between China and Singapore starting on 9 February 2024, the eve of Chinese New Year. Geopolitical uncertainty, the state of the global economy and other factors such as the continued restoration of flight connectivity will have bearing on the pace of travel recovery. 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 31 Dec 23 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 22 RM'000 (Unaudited)	Current Year To date 31 Dec 23 RM'000 (Unaudited)	Preceding Year To date 31 Dec 22 RM'000 (Audited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	15,948	5,074	26,414	19,070
- (Over)/ Under provision in respect of prior period	(791)	(111)	(585)	222
	15,157	4,963	25,829	19,292
Foreign taxation				
- Based on profit for the period	74,250	14,176	135,163	83,136
	89,407	19,139	160,992	102,428
Deferred taxation				
- Current period	(97,210)	17,190	(97,697)	79,143
- Under provision in respect of prior period	1,574	1,820	516	605
	(95,636)	19,010	(97,181)	79,748
	(6,229)	38,149	63,811	182,176

17. Status of Corporate Proposals

There were no corporate proposals that have been announced by the Company but not completed at the date of this announcement save for 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.

For information purposes, on 13 October 2022, the Company entered into the following acquisitions with related parties for a total cash consideration of approximately RM1.2 billion:

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17. Status of Corporate Proposals (Cont'd)

- (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”) (“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 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. Accordingly, the Company became the sole shareholder of the entire issued share capital of SPSB, OBS(M) and SPP.

The Proposed Land Acquisitions namely Bukit Langkap Estate Acquisition and Thye Group Estate Acquisition were subsequently completed on 22 January 2024 following the settlement for the balance of purchase consideration of Bukit Langkap Estate and the purchase consideration of Thye Group Estate. The Bentong Estate Acquisition was completed on 16 February 2024 following the settlement for the balance of the purchase consideration of Bentong Estate, hence marking the completion of the Proposals in its entirety.

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18. Group Borrowings

	Interest rate %	Borrowings denominated in		Total	
		Ringgit	Foreign Currencies		
Short Term		RM'000	Source Currency	RM Equivalent RM'000	RM'000
		I		II	I + II
Hire purchase financing	2.8 - 4.0	867	-	-	867
Borrowings – secured					
-Revolving credit	0.8 - 1.4	-	JPY 15.765 billion	514,317	514,317
	5.0 - 5.2	-	SGD 0.248 billion	864,244	864,244
-Term loans	5.1 - 6.1	337	SGD 0.004 billion	14,872	15,209
Borrowings – unsecured					
-Bankers acceptance	3.9 - 4.3	58,324	-	-	58,324
-Revolving credit	4.1 - 5.0	2,000	SGD 0.770 billion	269,997	271,997
	1.2	-	JPY 0.640 billion	20,761	20,761
		61,528		1,684,191	1,745,719
Long Term					
Hire purchase financing	2.8 - 4.0	1,069	-	-	1,069
Term loans – secured	5.1 - 6.1	2,329	SGD 0.061 billion	210,792	213,121
Revolving credit	4.1- 4.4	776,000	-	-	776,000
- unsecured					
		779,398		210,792	990,190
Total Borrowings		840,926		1,894,983	2,735,909

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19. Trade receivables

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

	RM'000	%
Not past due	337,911	88.4
Past due less than 3 months	39,035	10.2
Past due 3-6 months	3,853	1.0
Past due 6-12 months	1,328	0.4
Past due more than 1 year	18	0.0
	<u>382,145</u>	<u>100.0</u>

The Group did not impair the past due trade receivables but monitor these receivables closely. No bad and past due debts are anticipated that could materially affect the financial results and financial position of the Group as a whole.

20. Changes in Material Litigations

Not applicable.

21. Dividend Proposed

No dividend has been proposed for the current quarter.

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22. Basic Earnings per Stock

The basic earnings per stock are computed based on the net profit for the year divided by the weighted average number of stocks in issue.

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 23 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 22 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 23) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 22) RM'000 (Audited)
Net (loss)/ profit for the period attributable to Stockholders of the Company (RM'000)	<u>(60,139)</u>	<u>(8,604)</u>	<u>456,714</u>	<u>498,395</u>
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362	620,362	620,362
Basic (loss)/ earnings per stock (sen)	<u>(9.69)</u>	<u>(1.39)</u>	<u>73.62</u>	<u>80.34</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 29 FEBRUARY 2024