



ORIENTAL HOLDINGS BERHAD

(Company No. 5286-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	As at End of Current Quarter 31 Mar 2019 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2018 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,918,021	2,160,794	-11.2
Prepaid land lease payments	-	59,951	-100.0
Right-of-use assets	333,136	-	0.0
Investment properties	1,109,772	1,095,294	1.3
Intangible assets	29,058	29,098	-0.1
Investments in associates	631,814	632,997	-0.2
Other investments	663,412	681,324	-2.6
Inventories	35,931	36,238	-0.8
Other receivables	29,464	28,759	2.5
Deferred tax assets	31,041	32,857	-5.5
Total non-current assets	<u>4,781,649</u>	<u>4,757,312</u>	0.5
Inventories	322,439	329,253	-2.1
Biological assets	4,502	4,515	-0.3
Trade and other receivables	439,808	474,689	-7.3
Other investments	791,605	805,942	-1.8
Current tax assets	20,673	23,218	-11.0
Cash and cash equivalents	3,748,457	3,625,002	3.4
Total current assets	<u>5,327,484</u>	<u>5,262,619</u>	1.2
Total assets	<u><u>10,109,133</u></u>	<u><u>10,019,931</u></u>	0.9
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,255,914	1,268,465	-1.0
Retained earnings	4,772,499	4,679,331	2.0
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,648,626</u>	<u>6,568,009</u>	1.2
Non-controlling interests	<u>885,580</u>	<u>868,256</u>	2.0
Total Equity	<u><u>7,534,206</u></u>	<u><u>7,436,265</u></u>	1.3
Liabilities			
Deferred tax liabilities	34,499	32,591	5.9
Borrowings	42,224	47,352	-10.8
Lease liabilities	24,623	-	0.0
Contract liabilities	130,291	109,456	19.0
Retirement benefits	22,770	21,972	3.6
Total non-current liabilities	<u>254,407</u>	<u>211,371</u>	20.4
Trade and other payables	401,059	427,117	-6.1
Borrowings	1,843,497	1,870,933	-1.5
Lease liabilities	8,575	-	0.0
Current tax liabilities	65,108	56,427	15.4
Contract liabilities	2,281	17,818	-87.2
Total current liabilities	<u>2,320,520</u>	<u>2,372,295</u>	-2.2
Total liabilities	<u>2,574,927</u>	<u>2,583,666</u>	-0.3
Total equity and liabilities	<u><u>10,109,133</u></u>	<u><u>10,019,931</u></u>	0.9
Net assets per stock (sen)	1071.68	1058.69	1.2

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



ORIENTAL HOLDINGS BERHAD

(Company No. 5286-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2019

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Mar 2019 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 2018 RM'000 (Unaudited)		Current Year To Date (One quarter to 31 Mar 2019) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2018) RM'000 (Unaudited)	
Revenue	1,389,732	1,480,723	-6.1	1,389,732	1,480,723	-6.1
Results from operating activities	150,960	43,516	246.9	150,960	43,516	246.9
Finance costs	(4,379)	(3,532)	-24.0	(4,379)	(3,532)	-24.0
Share of profits after tax and non-controlling interest of associates	3,978	12,749	-68.8	3,978	12,749	-68.8
Profit before taxation	150,559	52,733	185.5	150,559	52,733	185.5
Income tax expenses	(42,047)	(26,279)	-60.0	(42,047)	(26,279)	-60.0
Profit from continuing operations	108,512	26,454	310.2	108,512	26,454	310.2
Other comprehensive (expense)/income, net of tax						
Foreign currency translation differences for foreign operations	(23,682)	(136,635)	82.7	(23,682)	(136,635)	82.7
Fair value gain/ (loss) of equity instruments designated at fair value through other comprehensive income	13,111	(4,173)	414.2	13,111	(4,173)	414.2
Other comprehensive expense for the period, net of tax	(10,571)	(140,808)	92.5	(10,571)	(140,808)	92.5
Total comprehensive income/(expenses) for the period	97,941	(114,354)	185.6	97,941	(114,354)	185.6
Profit/(Loss) attributable to:						
Stockholders of the Company	93,168	60,965	52.8	93,168	60,965	52.8
Non-controlling interests	15,344	(34,511)	144.5	15,344	(34,511)	144.5
Profit for the period	108,512	26,454	310.2	108,512	26,454	310.2
Total comprehensive income/(expense) attributable to:						
Stockholders of the Company	80,617	(49,677)	262.3	80,617	(49,677)	262.3
Non-controlling interests	17,324	(64,677)	126.8	17,324	(64,677)	126.8
Total comprehensive income/(expense) for the period	97,941	(114,354)	185.6	97,941	(114,354)	185.6
<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)	15.02	9.83	52.8	15.02	9.83	52.8

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2019

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Mar 2019 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 2018 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 2019) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2018) RM'000 (Unaudited)
Included in the Total Comprehensive Income for the period are the followings :				
Interest income	(25,484)	(21,892)	(25,484)	(21,892)
Other income including investment income	(1,646)	(1,115)	(1,646)	(1,115)
Interest expense	4,379	3,532	4,379	3,532
Depreciation and amortisation	35,833	33,822	35,833	33,822
Bad debts recovered	(1)	(11)	(1)	(11)
Write down of inventories	13	174	13	174
Write off of property, plant and equipment	19	2	19	2
Loss on disposal of quoted/unquoted investments	-	406	-	406
Gain on disposal of property, plant and equipment	(149)	(505)	(149)	(505)
Reversal of impairment loss on assets	(220)	(253)	(220)	(253)
Unrealised foreign exchange (gain)/loss	(23,920)	98,637	(23,920)	98,637
Realised foreign exchange loss	2,641	1,164	2,641	1,164

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ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019

	Attributable to stockholders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Translation reserve	Fair value reserve	Treasury stocks	Retained earnings	Capital reserve			
<i>In thousands of RM</i>									
At 1 January 2018	620,462	895,976	400,163	(249)	4,423,146	40,248	6,379,746	935,577	7,315,323
Foreign currency translation differences for foreign operations	-	(108,681)	-	-	-	-	(108,681)	(27,954)	(136,635)
Fair value of financial assets	-	-	(1,961)	-	-	-	(1,961)	(2,212)	(4,173)
Total other comprehensive income for the period	-	(108,681)	(1,961)	-	-	-	(110,642)	(30,166)	(140,808)
Profit for the period	-	-	-	-	60,965	-	60,965	(34,511)	26,454
Total comprehensive (expense)/income for the period	-	(108,681)	(1,961)	-	60,965	-	(49,677)	(64,677)	(114,354)
Acquisition of interest in existing subsidiaries	-	-	-	-	(6,431)	-	(6,431)	2,041	(4,390)
Total contribution from owners	-	-	-	-	(6,431)	-	(6,431)	2,041	(4,390)
At 31 March 2018	620,462	787,295	398,202	(249)	4,477,680	40,248	6,323,638	872,941	7,196,579
<i>In thousands of RM</i>									
At 1 January 2019	620,462	842,404	385,813	(249)	4,679,331	40,248	6,568,009	868,256	7,436,265
Foreign currency translation differences for foreign operations	-	(21,903)	-	-	-	-	(21,903)	(1,779)	(23,682)
Fair value of financial assets	-	-	9,352	-	-	-	9,352	3,759	13,111
Total other comprehensive expense for the period	-	(21,903)	9,352	-	-	-	(12,551)	1,980	(10,571)
Profit for the period	-	-	-	-	93,168	-	93,168	15,344	108,512
Total comprehensive (expense)/income for the period	-	(21,903)	9,352	-	93,168	-	80,617	17,324	97,941
At 31 March 2019	620,462	820,501	395,165	(249)	4,772,499	40,248	6,648,626	885,580	7,534,206

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ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2019

	Current Year To Date (One quarter to 31 Mar 2019) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2018) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	150,559	52,733
Adjustments for:		
Non-cash items	8,821	126,227
Non-operating items	(26,877)	(32,324)
Operating profit before working capital changes	132,503	146,636
Changes in working capital	18,686	(125,895)
Cash flow from operating activities	151,189	20,741
Dividend received, net	5,483	1,666
Tax paid	(26,491)	4,630
Interest paid	(3,532)	(2,431)
Payment of retirement benefits	(26)	(43)
<i>Net cash flows from operating activities</i>	126,623	24,563
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(60,856)	(36,213)
Purchase of investments	-	(9,255)
Proceeds from disposal of investments	6,137	20,269
Interest received	21,912	17,052
Acquisition of interest in existing subsidiaries	-	(4,390)
Decrease in short term investments, net	36,861	58,261
<i>Net cash flows from investing activities</i>	4,054	45,724

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (One quarter to 31 Mar 2019) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2018) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	12,269	(3,438)
Fixed deposits pledged for banking facilities	(3,397)	25,581
<i>Net cash flows from financing activities</i>	8,872	22,143
Net increase in cash and cash equivalents	139,549	92,430
Cash and cash equivalents at 1 January	2,959,210	2,375,587
Effects of exchange rates on cash and cash equivalents	(19,491)	(117,899)
Cash and cash equivalents at 31 March (Note 1)	<u>3,079,268</u>	<u>2,350,118</u>

NOTE

	RM'000	RM'000
1 Cash and cash equivalents consist of: -		
Cash and bank balances	1,275,873	1,009,727
Fixed deposits	2,312,747	1,867,231
Unit trust money market funds	159,837	112,593
	<u>3,748,457</u>	<u>2,989,551</u>
Less:		
Deposits pledged	(669,189)	(639,433)
	<u>3,079,268</u>	<u>2,350,118</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2019

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 2018. 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 2018.

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 2018.

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 2020

- Amendments to MFRS 3, *Business Combinations*
- Amendments to MFRS 101, *Presentation of Financial Statements*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact to the financial statements of the Group upon their initial recognition.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2019 (Cont'd)

The Group has adopted MFRS 16, *Leases* with effective from 1 January 2019 as mentioned below:

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

As allowed by the transitional provision, the Group apply MFRS 16 with effect from 1 January 2019, using the modified retrospective approach, with no restatement of comparative information. The cumulative effect of adopting MFRS 16 was recognised as an adjustment to the opening balance of following components at 1 January 2019.

Condensed Consolidated Statement of Financial Position at 1 January 2019

Opening balance	MFRS 117	Effect of Adoption	MFRS 16
	RM'000	RM'000	RM'000
Property, plant and equipment	2,160,794	(255,058)	1,905,736
Prepaid lease payments	59,951	(59,951)	-
Right-of-use assets	-	341,941	341,941
Lease liabilities	-	(25,243)	(25,243)
Finance lease obligation	(9,834)	9,834	-
Hire purchase liabilities	-	(9,834)	(9,834)

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. The tourism sector will generally perform better during the major festive and holiday seasons.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2019 (Cont'd)

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 single tier second interim dividend of 6 sen per ordinary stock (2017 : 6 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ended 31 December 2018 on 11 April 2019.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2019 (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 holdings 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 March 2019											
Revenue from external customers	1,014,001	64,078	79,478	128,375	3,145	77,902	22,753	1,389,732	-		1,389,732
Inter-segment revenue	218	83	53	-	-	27	-	381	(381)		-
Total revenue	<u>1,014,219</u>	<u>64,161</u>	<u>79,531</u>	<u>128,375</u>	<u>3,145</u>	<u>77,929</u>	<u>22,753</u>	<u>1,390,113</u>	<u>(381)</u>		<u>1,389,732</u>
Results											
Segment profit/ (loss)	<u>89,394</u>	<u>1,774</u>	<u>16,283</u>	<u>46,102</u>	<u>147</u>	<u>(617)</u>	<u>(2,123)</u>	<u>150,960</u>	<u>(401)</u>	A	<u>150,559</u>
Assets											
Segment assets	<u>3,483,652</u>	<u>379,669</u>	<u>1,058,967</u>	<u>2,330,628</u>	<u>855,498</u>	<u>1,107,935</u>	<u>209,256</u>	<u>9,425,605</u>	<u>683,528</u>	B	<u>10,109,133</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2019 (Cont'd)

8. Segment Revenue and Results (Cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated interim financial report

A The following items are added to/ (deducted from) segment profit to arrive at "Profit before tax" presented in the condensed consolidated statements of comprehensive income:

	31 March 2019
	RM'000
Share of results of associates	3,978
Finance costs	<u>(4,379)</u>
	<u>(401)</u>

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

	31 March 2019
	RM'000
Investment in associates	631,814
Current tax assets	20,673
Deferred tax assets	<u>31,041</u>
	<u>683,528</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.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2019 (Cont'd)

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 60.26% 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 is still in progress.
- (ii) Armstrong Realty Sdn. Bhd. (“AR”), a wholly-owned subsidiary of Armstrong Auto Parts Sdn. Berhad which, in turn is a 89.65% owned subsidiary of OHB had on 28 September 2018 been placed under members’ voluntary winding up proceeding. AR had ceased operations and is dormant since 2008.
- (iii) The Company had on 22 January 2019 incorporated a wholly owned subsidiary named Star Life Pharma Sdn. Bhd.. The initial issued share capital of Star Life Pharma is one ordinary share at an issue price of RM1 only. The intended principal activity of Star Life Pharma Sdn. Bhd. is to operate as an integrated lifestyle retail pharmacy.
- (iv) The Company through its direct 51% owned subsidiary, Melaka Straits Medical Centre Sdn. Bhd. had on 23 January 2019 incorporated a wholly owned subsidiary named Star Joy Sdn. Bhd.. The initial issued share capital is one ordinary share at an issue price of RM1 only. The intended principal activity of Star Joy Sdn. Bhd. is to manage and operate transitional care centre(s).
- (v) The Company had on 19 April 2019 incorporated a sub-sub-subsidiary named Selasih OAM Sdn. Bhd., a wholly-owned subsidiary of Oriental Asia (Mauritius) Pte. Ltd. which, in turn is a wholly-owned subsidiary of Selasih Permata Sdn. Bhd. Selasih Permata Sdn. Bhd. is a 50.5% owned subsidiary of OHB. The initial issued share capital of Selasih OAM Sdn. Bhd. is two ordinary shares at an issue price of RM1 each. The intended principal activity of Selasih OAM Sdn. Bhd. is investment holding.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2019 (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 1,389.7 million, a decrease of 6.1% or RM 91.0 million as compared to RM 1,480.7 million in the corresponding period last year. The decline in revenue was mainly attributable to lower contribution from the automotive segment by RM 86.2 million impacted by the lower number of cars sold from retail operations in Malaysia and decrease in Certificate of Entitlement (COE) and Additional Registration Fee (ARF) sales from retail operations in Singapore. Group's operating profits improved by RM 107.4 million contributed mostly by the favourable unrealised foreign exchange gain due to strengthening of IDR against JPY borrowings (Q1FY19 unrealised foreign exchange gain : RM 26.2 million; Q1FY18 unrealised foreign exchange loss : RM 78.6 million) from the plantation segment.

The Group achieved first quarter profit before tax of RM 150.6 million, a 185.5% or RM 97.9 million higher as compared to RM 52.7 million in the corresponding period last year. The higher first quarter profit before tax was mainly attributable to higher contribution from automotive, plantation and investment holding segments as described below.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue from the automotive segment decreased by 7.8% to RM 1,014.0 million while operating profit increased by 10.4% to RM 89.4 million.

For the retail operations in Singapore, revenue decreased by 5.3% mainly from lower revenue from COE and ARF sales. Despite decline in revenue, operating profit improved by 7.1% attributable to lower unrealised foreign exchange loss of RM 1.7 million in Q1FY19 (Q1FY18 unrealised foreign exchange loss : RM 2.9 million) mainly from fixed deposits in AUD, USD and JPY. For the retail operations in Malaysia, revenue decreased by 12.4% attributable to lower number of cars sold by 18.7% impacted by intense competition from other car brands.

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31 MARCH 2019 (Cont'd)

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

The revenue for plantation segment decreased by 14.4% while recorded an operating profit of RM 46.1 million as compared to operating loss of RM 40.6 million in corresponding period last year. The decline in revenue was impacted by the overall decline in commodities selling prices compared to Q1FY18 (CPO decreased by 18.1%; PK decreased by 37.6% and FFB decreased by 19.1%). The segment managed to register operating profit despite decline in revenue attributable to favourable unrealised foreign exchange gain of RM 26.2 million (Q1FY18 unrealised foreign exchange loss : RM 78.6 million) mainly from JPY denominated borrowings.

Plastic segment has shown improvement in both revenue and operating profit in Q1FY19 compared to corresponding period last year. The revenue for the segment increased by 28.6% while operating profit was RM 1.8 million (Q1FY18 operating loss : RM 1.1 million) attributable to increase in orders from its automotive and electronics products.

Hotels and resorts segment revenue remained constant while operating profit decreased by 12.8%. The decline in operating profit was impacted by the overall lower average occupancy rate and average room rate for hotels especially from Australia and New Zealand hotels.

The revenue for investment holding segment increased slightly mainly due to dividend income received. The segment has turnaround from operating loss of RM 15.2 million in Q1FY18 to operating profit of RM 0.1 million attributable to lower unrealised foreign exchange loss of RM 0.1 million (Q1FY18 unrealised foreign exchange loss : RM 15.6 million) on JPY denominated borrowings.

The revenue for investment properties and trading of building material products segment increased slightly by 2.4% while recorded operating loss of RM 0.6 million (Q1FY18 operating profit : RM 3.2 million) mainly due to unrealised foreign exchange loss from USD denominated advances.

Healthcare segment's revenue remained constant while still operating at loss of RM 2.1 million (Q1FY18 : RM 2.4 million) due to high fixed operating cost since its commencement in January 2015.

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

Overall Review

The Group's revenue for the first quarter of 2019 was RM 1,389.7 million, a decrease of RM 23.3 million or 1.6% from RM 1,413.0 million in Q4FY18, mainly due to lower contribution from plantation segment attributable to decrease in commodities sales volume and selling price. Decrease in the Group's operating profits by RM 3.1 million (Q1FY19 : RM 151.0 million; Q4FY18 : RM 154.1 million) was mainly due to lower contribution from automotive and investment holding segments cushioned by unrealised foreign exchange gain in Q1FY19 of RM 23.9 million (unrealised foreign exchange loss in Q4FY18 : RM 11.7 million).

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

The Group’s profit before tax for Q1FY19 increased from RM 142.7 million in Q4FY18 to RM 150.6 million. The higher profit before tax was mainly due to increase in performance from plantation segment.

Segmental Analysis

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

Revenue from automotive segment increased marginally by 1.7% to RM 1,014.0 million while recorded lower operating profit of RM 89.4 million (Q4FY18 : RM 107.3 million). Operating profit decreased as in Q4FY18 there was a gain derived from disposal of property under government mandatory acquisition of RM 11.0 million.

Revenue from plantation segment decreased by 21.6% (Q1FY19 : RM 128.4 million ; Q4FY18 : RM 163.8 million) while operating profit was RM 46.1 million in Q1FY19 (Q4FY18 : RM 7.9 million). The decline in revenue was impacted by lower CPO and PK sales volume by 25.4% and 5.7% respectively while PK selling price decreased by 15.9%. Despite decline in revenue, improvement in operating profit was attributable to higher favourable unrealised foreign exchange gain of RM 26.2 million (Q4FY18: RM 0.1 million) on JPY denominated borrowings.

Revenue for plastic segment increased by 9.2% to RM 64.1 million (Q4FY18 : RM 58.7 million), while operating profit increased by 17.1% to RM 1.8 million (Q4FY18 : RM 1.5 million). Improvement in both revenue and operating profit was attributable to higher sales order with lower operational expenses from cost control.

Revenue for hotels and resorts segment decreased by 7.8% (Q1FY19 : RM 79.5 million; Q4FY18 : RM 86.2 million) while operating profit declined by 13.0% (Q1FY19 : RM 16.3 million; Q4FY18 : RM 18.7 million) mainly attributable to decrease in hotels’ average occupancy rate and average room rate from UK hotel.

Revenue and operating profit for investment holding segment decreased by 89.8% and 99.2% respectively. Both revenue and operating profit decreased attributable to lower dividend received from investment income.

Revenue for investment properties and trading of building material products segment remained constant and recorded an operating loss of RM 0.6 million (Q4FY18 operating profit : RM 1.4 million) mainly due to higher unrealised foreign exchange loss from USD denominated advances.

Healthcare segment remained operating at loss of RM 2.1 million (Q4FY18 : RM 1.7 million) as a result of high fixed operating costs.

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14. Current Year Prospects

The automotive segment will continue to contribute to the Group's performance under very competitive market conditions with strong and aggressive promotional campaigns by car companies that are keen to grow their market shares. The automotive segment will continue to expand and upgrade its showrooms and service centres.

The plastic segment continues to face stiff competition environment from the local industry players. Limited growth in the automotive industry in Malaysia with upcoming new models at smaller volume has impacted the segment's performance. The management will continue to exercise cost control, productivity improvement and source for new business ventures to improve the performance of the segment.

The plantation segment will continue to take necessary steps to ensure that all the estates and mills remain efficient and competitive. The forex exposure of the JPY loans are closely monitored and the loans are backed by fixed deposits pledged to banks. The segment is currently constructing its fourth oil mill in South Sumatra, Indonesia which expected to further enhance the segment earnings in year 2020.

The hotels and resorts segment will optimise the utilisation of its existing assets and improve operational execution through various organic measures.

The investment properties segment continues to reclaim the remaining 140 acres of land in Melaka and has completed the construction of mixed use service apartments and commercial space in Australia ahead of schedule, having obtained its Notice of Practical Completion and Occupation Permit on 9 April 2019. The lease agreement of the service apartments has been signed and hence commenced business operation on 20 May 2019.

Healthcare segment will continue to focus on enhancing brand awareness and positioning the hospital for sustainable growth. The hospital is expected to generate profit by year 2020. As part of Group's strategic plan to expand its presence in the healthcare industry, the segment has set up transitional care centre incorporating elderly living facilities which expected to be in operation by second half of 2019.

Given the above Group's operating segment commitments, the Board is optimistic that the Group's performance for the year 2019 will be satisfactory.

15. Variance of Actual Profit from Forecast Profit/Profit Guarantee

Not Applicable.

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16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 19 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 18 RM'000 (Unaudited)	Current Year To date 31 Mar 19 RM'000 (Unaudited)	Preceding Year To date 31 Mar 18 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	3,099	3,046	3,099	3,046
- Under/(Over) provision in respect of prior period	10,915	(278)	10,915	(278)
	14,014	2,768	14,014	2,768
Foreign taxation				
- Based on profit for the period	24,154	22,977	24,154	22,977
	38,168	25,745	38,168	25,745
Deferred taxation				
- Current period	3,987	(68)	3,987	(68)
- (Over)/Under provision in respect of prior period	(108)	602	(108)	602
	3,879	534	3,879	534
	<u>42,047</u>	<u>26,279</u>	<u>42,047</u>	<u>26,279</u>

17. Status of Corporate Proposals

There were no corporate proposals that have been announced by the Company but not completed at the date of this announcement except for the Stock Buy-Back which was approved by the stockholders at the Annual General Meeting on 7 June 2018 for the buy-back of up to 10% or up to 62,039,363 ordinary stocks. There were no stocks buy-back for the period to date.

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18. Group Borrowings

	Interest rate %	Borrowings denominated in		Source Currency	RM Equivalent RM'000	Total RM'000
		Ringgit	Foreign Currencies			
Short Term		RM'000			RM'000	RM'000
		I			II	I + II
Lease obligations	2.5 - 5.0	6,856	-	-	-	6,856
	5.3	-	-	-	1,719	1,719
					1,719	8,575
Borrowings – secured						
	-Revolving credit	4,000	-	-	-	4,000
	0.4 - 1.4	-	JPY 26.53 billion		978,857	978,857
	3.0 - 3.9	-	SGD 0.068 billion		201,636	201,636
					1,180,493	1,184,493
-Term loans	3.3	-	SGD 0.001 billion		1,767	1,767
	3.7	-	THB 0.059 billion		7,591	7,591
					9,358	9,358
Borrowings – unsecured						
	-Bankers acceptance	21,904	-	-	-	21,904
-Revolving credit	0.4 - 1.4	-	JPY 17.015 billion		627,742	627,742
		<u>32,760</u>			<u>1,819,312</u>	<u>1,852,072</u>
Long Term						
Lease obligations	2.5 - 5.0	19,491	-	-	-	19,491
	5.3	-	-	-	5,132	5,132
					5,132	24,623
Term loans	3.3	-	SGD 0.014 billion		42,224	42,224
		<u>19,491</u>			<u>47,356</u>	<u>66,847</u>
Total Borrowings		<u>52,251</u>			<u>1,866,668</u>	<u>1,918,919</u>

Note: The lease obligations above are inclusive of operating and finance leases.

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19. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 31 March 2019 is as follows:

	RM'000	%
Not past due	227,030	87.9
Past due < 3 months	25,171	9.8
Past due 3-6 months	2,679	1.0
Past due 6-12 months	423	0.2
Past due more than 1 year	2,859	1.1
	<u>258,162</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 a final single tier dividend of 28 sen per ordinary stock (a final single tier dividend of 8 sen per ordinary stock and a special final single tier dividend of 20 sen per ordinary stock) totalling RM173,701,312 in respect of the financial year ended 31 December 2018, subject to the approval of the stockholders at the forthcoming Annual General Meeting.

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22. Basic Earnings per Stock

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Mar 19 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 18 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 19) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 18) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>93,168</u>	<u>60,965</u>	<u>93,168</u>	<u>60,965</u>
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362	620,362	620,362
Basic earnings per stock (sen)	<u>15.02</u>	<u>9.83</u>	<u>15.02</u>	<u>9.83</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 29 MAY 2019