



# ORIENTAL HOLDINGS BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	As at End of Current Quarter 30 Sept 2019 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2018 RM'000 (Audited)	Changes %
<b>Assets</b>			
Property, plant and equipment	1,986,477	2,160,794	-8.1
Prepaid land lease payments	-	59,951	-100.0
Right-of-use assets	335,050	-	0.0
Investment properties	1,115,836	1,095,294	1.9
Intangible assets	29,368	29,098	0.9
Investments in associates	661,192	632,997	4.5
Other investments	663,995	681,324	-2.5
Inventories	35,934	36,238	-0.8
Other receivables	32,178	28,759	11.9
Deferred tax assets	33,343	32,857	1.5
<b>Total non-current assets</b>	<u>4,893,373</u>	<u>4,757,312</u>	2.9
Inventories	306,209	329,253	-7.0
Biological assets	5,356	4,515	18.6
Trade and other receivables	390,848	474,689	-17.7
Other investments	758,802	805,942	-5.8
Current tax assets	27,573	23,218	18.8
Cash and cash equivalents	3,766,679	3,625,002	3.9
<b>Total current assets</b>	<u>5,255,467</u>	<u>5,262,619</u>	-0.1
<b>Total assets</b>	<u><u>10,148,840</u></u>	<u><u>10,019,931</u></u>	1.3
<b>Equity</b>			
Share capital	620,462	620,462	0.0
Reserves	1,261,827	1,268,465	-0.5
Retained earnings	4,739,919	4,679,331	1.3
Treasury stocks	(249)	(249)	0.0
<b>Total equity attributable to stockholders of the Company</b>	<u>6,621,959</u>	<u>6,568,009</u>	0.8
<b>Non-controlling interests</b>	<u>860,201</u>	<u>868,256</u>	-0.9
<b>Total Equity</b>	<u><u>7,482,160</u></u>	<u><u>7,436,265</u></u>	0.6
<b>Liabilities</b>			
Deferred tax liabilities	34,892	32,591	7.1
Borrowings	3,382	47,352	-92.9
Lease liabilities	21,710	-	0.0
Contract liabilities	138,635	109,456	26.7
Retirement benefits	23,423	21,972	6.6
<b>Total non-current liabilities</b>	<u>222,042</u>	<u>211,371</u>	5.0
Trade and other payables	327,817	427,117	-23.2
Borrowings	2,061,866	1,870,933	10.2
Lease liabilities	2,131	-	0.0
Current tax liabilities	50,051	56,427	-11.3
Contract liabilities	2,773	17,818	-84.4
<b>Total current liabilities</b>	<u>2,444,638</u>	<u>2,372,295</u>	3.0
<b>Total liabilities</b>	<u>2,666,680</u>	<u>2,583,666</u>	3.2
<b>Total equity and liabilities</b>	<u><u>10,148,840</u></u>	<u><u>10,019,931</u></u>	1.3
Net assets per stock (sen)	1067.38	1058.69	0.8

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)  
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### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 Sept 2019 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2018 RM'000 (Unaudited)		Current Year To Date (Three quarters to 30 Sept 2019) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2018) RM'000 (Unaudited)	
<b>Revenue</b>	1,263,762	1,612,913	-21.6	4,061,598	4,967,965	-18.2
<b>Results from operating activities</b>	123,493	134,646	-8.3	319,393	407,403	-21.6
Finance costs	(5,031)	(4,052)	-24.2	(14,672)	(9,664)	-51.8
Share of profits after tax and non-controlling interest of associates	13,132	18,924	-30.6	33,420	56,267	-40.6
<b>Profit before taxation</b>	131,594	149,518	-12.0	338,141	454,006	-25.5
Income tax expenses	(22,012)	(28,644)	23.2	(76,596)	(88,586)	13.5
<b>Profit from continuing operations</b>	109,582	120,874	-9.3	261,545	365,420	-28.4
<b>Other comprehensive (expense)/income, net of tax</b>						
Remeasurement of defined benefit liability	1,173	-	0.0	1,173	-	0.0
Foreign currency translation differences for foreign operations	(45,770)	47,162	-197.0	(13,975)	(92,371)	84.9
Fair value (loss)/gain of equity instruments designated at fair value through other comprehensive income	(36,930)	44,067	-183.8	11,354	87,398	-87.0
Share of other comprehensive income of equity accounted associates	(65)	-	0.0	7,424	-	0.0
<b>Other comprehensive (expense)/income for the period, net of tax</b>	(81,592)	91,229	-189.4	5,976	(4,973)	220.2
<b>Total comprehensive income for the period</b>	27,990	212,103	-86.8	267,521	360,447	-25.8
<b>Profit/(Loss) attributable to:</b>						
Stockholders of the Company	100,868	115,073	-12.3	270,963	396,025	-31.6
Non-controlling interests	8,714	5,801	50.2	(9,418)	(30,605)	69.2
<b>Profit for the period</b>	109,582	120,874	-9.3	261,545	365,420	-28.4
<b>Total comprehensive income/(expense) attributable to:</b>						
Stockholders of the Company	19,664	209,246	-90.6	264,873	422,802	-37.4
Non-controlling interests	8,326	2,857	191.4	2,648	(62,355)	104.2
<b>Total comprehensive income for the period</b>	27,990	212,103	-86.8	267,521	360,447	-25.8
<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)	16.26	18.55	-12.3	43.68	63.84	-31.6

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## ORIENTAL HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date (Three quarters to 30 Sept 2019)	Preceding Year To Date (Three quarters to 30 Sept 2018)
	30 Sept 2019	30 Sept 2018	30 Sept 2019)	30 Sept 2018)
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

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

Interest income	(26,383)	(22,055)	(77,977)	(63,967)
Other income including investment income	(1,982)	(2,471)	(20,406)	(87,769)
Interest expense	5,031	4,052	14,672	9,664
Depreciation and amortisation	37,138	34,961	109,637	104,184
Bad debts recovered	-	(100)	(21)	(111)
Write down/(reversal of write down) of inventories	1,386	(485)	2,118	377
Write off of property, plant and equipment	329	24	614	52
Loss/(Gain) on disposal of investments	38	121	(11)	403
Gain on disposal of property, plant and equipment	(3,483)	(532)	(4,228)	(1,656)
Provision for impairment loss on assets	207	18	-	5,160
Unrealised foreign exchange (gain)/loss	(7,324)	10,134	8,557	108,056
Realised foreign exchange loss/(gain)	1,723	1,193	5,333	(822)

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## ORIENTAL HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	← Attributable to stockholders of the Company →							Non-controlling interests	Total equity
	← Non-distributable →			Distributable					
	Share capital	Translation reserve	Fair value reserve	Treasury stocks	Retained earnings	Capital reserve	Total		
<i>In thousands of RM</i>									
At 1 January 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	-	(61,682)	-	-	-	-	(61,682)	(30,689)	(92,371)
Fair value of financial assets	-	-	88,912	-	(453)	-	88,459	(1,061)	87,398
Total other comprehensive (expense)/income for the period	-	(61,682)	88,912	-	(453)	-	26,777	(31,750)	(4,973)
Profit for the period	-	-	-	-	396,025	-	396,025	(30,605)	365,420
Total comprehensive (expense)/income for the period	-	(61,682)	88,912	-	395,572	-	422,802	(62,355)	360,447
Dividends to stockholders	-	-	-	-	(210,923)	-	(210,923)	-	(210,923)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(8,195)	(8,195)
Issuance of preference share by associate company	-	-	-	-	490	-	490	-	490
Distribution of dividends by associate to preference shareholder	-	-	-	-	(19,600)	-	(19,600)	-	(19,600)
Acquisition of interest in existing subsidiaries	-	-	-	-	(6,613)	-	(6,613)	1,643	(4,970)
Total contribution from owners	-	-	-	-	(236,646)	-	(236,646)	(6,552)	(243,198)
At 30 September 2018	620,462	834,294	489,075	(249)	4,582,072	40,248	6,565,902	866,670	7,432,572
<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
Remeasurement of defined benefit liability	-	-	-	-	548	-	548	625	1,173
Foreign currency translation differences for foreign operations	-	(19,349)	-	-	-	-	(19,349)	5,374	(13,975)
Fair value of financial assets	-	-	5,287	-	-	-	5,287	6,067	11,354
Share of other comprehensive income of equity accounted associates	-	-	7,424	-	-	-	7,424	-	7,424
Total other comprehensive (expense)/income for the period	-	(19,349)	12,711	-	548	-	(6,090)	12,066	5,976
Profit for the period	-	-	-	-	270,963	-	270,963	(9,418)	261,545
Total comprehensive (expense)/income for the period	-	(19,349)	12,711	-	271,511	-	264,873	2,648	267,521
Dividends to stockholders	-	-	-	-	(210,923)	-	(210,923)	-	(210,923)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(10,703)	(10,703)
Total distribution to owners	-	-	-	-	(210,923)	-	(210,923)	(10,703)	(221,626)
At 30 September 2019	620,462	823,055	398,524	(249)	4,739,919	40,248	6,621,959	860,201	7,482,160

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## ORIENTAL HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Current Year To Date (Three quarters to 30 Sept 2019) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2018) RM'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	338,141	454,006
Adjustments for:		
Non-cash items	124,051	213,001
Non-operating items	(121,371)	(199,591)
Operating profit before working capital changes	340,821	467,416
Changes in working capital	16,636	(54,141)
Cash flow from operating activities	357,457	413,275
Dividend received, net	34,669	104,761
Tax paid	(84,334)	(84,293)
Interest paid	(13,759)	(8,577)
Payment of retirement benefits	(92)	(192)
<i>Net cash flows from operating activities</i>	293,941	424,974
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(194,837)	(151,566)
Purchase of investments	(96)	(34,964)
Proceeds from disposal of investments	24,918	36,873
Interest received	74,226	60,913
Acquisition of interest in existing subsidiaries	-	(4,971)
Decrease in short term investments, net	51,478	158,497
<i>Net cash flows (used in)/from investing activities</i>	(44,311)	64,782

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

	<b>Current Year To Date (Three quarters to 30 Sept 2019) RM'000 (Unaudited)</b>	<b>Preceding Year To Date (Three quarters to 30 Sept 2018) RM'000 (Unaudited)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings (net)	94,415	88,644
Dividends paid to stockholders	(210,923)	(210,923)
Fixed deposits pledged for banking facilities	(36,037)	12,918
Dividends paid to non-controlling interests	(10,703)	(8,195)
<i>Net cash flows used in financing activities</i>	(163,248)	(117,556)
Net increase in cash and cash equivalents	86,382	372,200
Cash and cash equivalents at 1 January	2,959,210	2,375,587
Effects of exchange rates on cash and cash equivalents	19,259	(58,057)
Cash and cash equivalents at 30 September (Note 1)	<u>3,064,851</u>	<u>2,689,730</u>

**NOTE**

	<b>RM'000</b>	<b>RM'000</b>
1 Cash and cash equivalents consist of: -		
Cash and bank balances	1,262,769	1,126,814
Fixed deposits	2,408,275	2,060,638
Unit trust money market funds	95,635	154,373
	<u>3,766,679</u>	<u>3,341,825</u>
Less:		
Deposits pledged	(701,828)	(652,095)
	<u>3,064,851</u>	<u>2,689,730</u>

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**ORIENTAL HOLDINGS BERHAD**  
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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**30 SEPTEMBER 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 – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

***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**  
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**30 SEPTEMBER 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**

<b>Opening balance</b>	<b>MFRS 117</b>	<b>Effect of Adoption</b>	<b>MFRS 16</b>
	RM'000	RM'000	RM'000
Property, plant and equipment	2,160,794	(255,066)	1,905,728
Prepaid lease payments	59,951	(59,951)	-
Right-of-use assets	-	340,094	340,094
Lease liabilities	-	(25,077)	(25,077)
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**  
**30 SEPTEMBER 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:

- i) 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;
- ii) a single tier final dividend of 8 sen per ordinary stock and single tier final special dividend of 20 sen per ordinary stock (2017 : a single tier final dividend of 8 sen per ordinary stock and single tier final special dividend of 20 sen per ordinary stock) totalling RM173,701,312 in respect of the financial year ended 31 December 2018 on 11 July 2019; and
- iii) a single tier interim dividend of 12 sen per ordinary stock (2018 : 6 sen per ordinary stock) totalling RM74,443,420 in respect of the financial year ending 31 December 2019 on 22 November 2019.

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**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**30 SEPTEMBER 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 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
<b>30 September 2019</b>											
Revenue from external customers	2,947,265	206,306	228,988	360,058	19,865	225,539	73,577	4,061,598	-		4,061,598
Inter-segment revenue	455	105	264	-	10,696	55	-	11,575	(11,575)		-
Total revenue	<u>2,947,720</u>	<u>206,411</u>	<u>229,252</u>	<u>360,058</u>	<u>30,561</u>	<u>225,594</u>	<u>73,577</u>	<u>4,073,173</u>	<u>(11,575)</u>		<u>4,061,598</u>
<b>Results</b>											
Segment profit/ (loss)	<u>259,551</u>	<u>6,155</u>	<u>35,437</u>	<u>18,285</u>	<u>7,806</u>	<u>(3,791)</u>	<u>(4,050)</u>	<u>319,393</u>	<u>18,748</u>	A	<u>338,141</u>
<b>Assets</b>											
Segment assets	<u>3,424,788</u>	<u>385,171</u>	<u>1,055,188</u>	<u>2,436,718</u>	<u>782,515</u>	<u>1,130,320</u>	<u>212,032</u>	<u>9,426,732</u>	<u>722,108</u>	B	<u>10,148,840</u>

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

	30 September 2019
	RM'000
Share of results of associates	33,420
Finance costs	<u>(14,672)</u>
	<u>18,748</u>

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

	30 September 2019
	RM'000
Investment in associates	661,192
Current tax assets	27,573
Deferred tax assets	<u>33,343</u>
	<u>722,108</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**  
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**30 SEPTEMBER 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. A final General Meeting was called by liquidator on 31 October 2019 to make final capital distribution. Dissolution of the Company will be happened three months after the lodgement of return and foresee will be officially dissolved in early 2020.
- (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 subsidiary named Selasih OAM Sdn. Bhd., as 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.
- (vi) The Company had on 20 June 2019 incorporated a subsidiary named Kah Agency Sdn. Bhd., as a wholly-owned subsidiary of Kah Motor Company Sdn. Berhad. The initial issued share capital is two ordinary share at an issue price of RM1 each. The intended principal activity of Kah Agency Sdn. Bhd. is insurance agent.

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**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 4,061.6 million, a decreased of 18.2% or RM 906.4 million as compared to RM 4,968.0 million in the corresponding period last year. The decline in revenue was mainly attributable to lower contribution from the automotive segment by RM 788.6 million impacted by lower number of cars sold from retail operations. Group's operating profits declined by RM 88.0 million mainly due to decrease in dividend income from investment holding segment.

The Group recorded year to date profit before tax of RM 338.1 million, a 25.5% or RM 115.9 million lower as compared to RM 454.0 million in the corresponding period last year. The lower year to date profit before tax was mainly attributable to lower contribution from automotive 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 21.1% to RM 2,947.3 million and operating profit decreased by 14.4% to RM 259.6 million.

For the retail operations in Singapore, revenue and operating profit decreased by 20.9% and 9.1% respectively mainly from lower number of cars sold in line with lower COE quota issued. For the retail operations in Malaysia, revenue decreased by 23.1% attributable to lower number of cars sold by 17.1% affected by competition from other car brands. Besides, in the corresponding period last year, there was a three months tax holiday which help boost the buying sentiments among customers.

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

The revenue for plantation segment decreased by 20.5% while recorded an operating profit of RM 18.3 million (2018 operating loss : RM 25.2 million). The decline in revenue was impacted by the overall declined in commodities selling prices compared to 2018 (CPO decreased by 12.1%; PK decreased by 34.9% and FFB decreased by 9.6%). The segment registered higher operating gain attributable to lower unrealised foreign exchange loss of RM 3.6 million in 2019 (2018 : RM 95.4 million) mainly from weakening of IDR against JPY denominated borrowings.

Plastic segment has shown improvement in both revenue and operating profit in 2019 compared to corresponding period last year. The revenue for the segment increased by 27.4% and operating profit increased by 546.5% attributable to increase in orders from its automotive and electronics products and better cost management.

Hotels and resorts segment revenue remained constant while operating profit decreased by 13.7%. The decline in operating profit was impacted by the overall lower average occupancy rate and average room rate especially from Australia hotels due to oversupply of new hotels and serviced apartments nearby and low demand for online travel agencies.

The revenue and operating profit for investment holding segment decreased by 77.3% and 91.1% respectively. The decline in operating profit mainly due to lower dividend income received and higher unrealised foreign exchange loss of RM 3.5 million (2018 unrealised foreign exchange gain : RM 4.4 million) on JPY denominated borrowings.

The revenue for investment properties and trading of building material products segment decreased slightly by 2.0% while recorded operating loss of RM 3.8 million (2018 operating profit : RM 4.8 million) mainly due to challenging property sectors and higher operating expenses due to land tax assessment from Australia's properties.

Slight improvement in healthcare segment's revenue by 5.5% while still operating at loss of RM 4.1 million (2018 : RM 5.7 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 third quarter of 2019 was RM 1,263.8 million, a decreased of RM 144.3 million or 10.3% from RM 1,408.1 million in Q2FY19, mainly due to lower contribution from automotive segment attributable to lower number of cars sold especially for the retail operations in Singapore. Increase in the Group's operating profits by RM 78.6 million (Q3FY19 : RM 123.5 million; Q2FY19 : RM 44.9 million) was mainly due to unrealised foreign exchange gain in Q3FY19 of RM 7.3 million (unrealised foreign exchange loss in Q2FY19 : RM 39.8 million) mainly from JPY denominated borrowings.

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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 Q3FY19 increased from RM 56.0 million in Q2FY19 to RM 131.6 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 decreased by 12.9% to RM 900.0 million and operating profit declined to RM 74.7 million (Q2FY19 : RM 95.5 million). Lower revenue and operating profit were due to lower number of cars sold especially from retail operations in Singapore in line with lower COE issued. The segment incurred higher unrealised foreign exchange gain of RM 3.5 million in Q3FY19 (Q2FY19 : RM 1.0 million) mainly from its advances to subsidiaries.

Revenue from plantation segment decreased by 1.8% (Q3FY19 : RM 114.8 million ; Q2FY19 : RM 116.9 million) and operating profit was RM 27.5 million in Q3FY19 (Q2FY19 operating loss : RM 55.3 million). The decline in revenue was impacted by lower CPO sales volume by 10.0% and CPO and PK selling price decreased by 0.7% and 6.1% respectively. The segment’s operating profit was attributable to favourable unrealised foreign exchange gain of RM 0.3 million (Q2FY19 unrealised foreign exchange loss : RM 30.1 million) on JPY denominated borrowings.

Revenue for plastic segment decreased by 3.6% to RM 69.8 million (Q2FY19 : RM 72.4 million), while operating profit increased by 173.5% to RM 3.2 million (Q2FY19 : RM 1.2 million). Plastic segment has been operating under competitive environment with marginal profit leading to decline in segment performance. While higher operating profit was due to lower operating expenses from cost control.

Revenue for hotels and resorts segment increased by 7.9% (Q3FY19 : RM 77.6 million; Q2FY19 : RM 71.9 million) and operating profit increased by 126.1% (Q3FY19 : RM 13.3 million; Q2FY19 : RM 5.9 million) mainly attributable to increase in hotels’ average occupancy rate and average room rate due to seasonal changes.

Revenue for investment holding segment decreased by 71.7% to RM 3.7 million (Q2FY19 : RM 13.0 million), while recorded an operating profit of RM 9.1 million (Q2FY19 operating loss : RM 1.5 million). Higher operating profit was due to favourable unrealised foreign exchange gain from JPY and SGD denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 6.8% to RM 71.2 million (Q2FY19 : RM 76.4 million), while recorded an operating loss of RM 3.8 million (Q2FY19 operating profit : RM 0.7 million) mainly due to higher land tax assessment from Australia’s properties.

Revenue for healthcare segment increased by 10.7% (Q3FY19 : RM 26.7 million; Q2FY19 : RM 24.1 million) due to higher total number of patients by 6.5%. Healthcare segment remained operating at loss of RM 0.5 million (Q2FY19 : RM 1.5 million).

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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 for its serviced apartments in August 2019 while retail outlet will commence operation in January 2020.

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 of the view that the Group's performance for the year 2019 will be challenging.

**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 19 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 18 RM'000 (Unaudited)	Current Year To date 30 Sept 19 RM'000 (Unaudited)	Preceding Year To date 30 Sept 18 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	1,735	3,593	8,715	10,106
- (Over)/Under provision in respect of prior period	(173)	(338)	10,701	(429)
	1,562	3,255	19,416	9,677
Foreign taxation				
- Based on profit for the period	18,994	23,103	54,811	75,948
	20,556	26,358	74,227	85,625
Deferred taxation				
- Current period	1,457	2,286	2,478	2,359
- (Over)/Under provision in respect of prior period	(1)	-	(109)	602
	1,456	2,286	2,369	2,961
	<u>22,012</u>	<u>28,644</u>	<u>76,596</u>	<u>88,586</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 12 June 2019 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			II	I + II
		I				
Hire purchase liabilities	2.5 - 2.8	3,547	-	-	-	3,547
Borrowings – secured						
-Revolving credit	4.8 - 5.1	4,000	-	-	-	4,000
	0.4 - 1.4	-	JPY 28.330 billion		1,117,344	1,117,344
	2.8 - 3.9	-	SGD 0.070 billion		205,466	205,466
					1,322,810	1,326,810
-Term loans	3.3	-	SGD 0.014 billion		43,403	43,403
	3.7	-	THB 0.049 billion		6,714	6,714
					50,117	50,117
Borrowings – unsecured						
-Bankers acceptance	3.9 - 4.1	21,630	-	-	-	21,630
-Revolving credit	0.4 - 1.4	-	JPY 17.515 billion		659,762	659,762
		<u>29,177</u>			<u>2,032,689</u>	<u>2,061,866</u>
<b>Long Term</b>						
Hire purchase liabilities	2.5 - 2.8	3,382	-	-	-	3,382
		<u>3,382</u>			<u>-</u>	<u>3,382</u>
<b>Total Borrowings</b>		<u><b>32,559</b></u>			<u><b>2,032,689</b></u>	<u><b>2,065,248</b></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 2019 is as follows:

	<b>RM'000</b>	<b>%</b>
Not past due	206,872	86.0
Past due < 3 months	27,783	11.5
Past due 3-6 months	2,768	1.2
Past due 6-12 months	1,037	0.4
Past due more than 1 year	2,098	0.9
	<u>240,558</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 19 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 18 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 19) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 18) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>100,868</u>	<u>115,073</u>	<u>270,963</u>	<u>396,025</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>16.26</u>	<u>18.55</u>	<u>43.68</u>	<u>63.84</u>

By Order of the Board

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

**DATED THIS 27 NOVEMBER 2019**