



ORIENTAL HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	As at End of Current Quarter 31 Dec 2019 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2018 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,968,785	2,160,794	-8.9
Prepaid land lease payments	-	59,951	-100.0
Right-of-use assets	346,017	-	0.0
Investment properties	1,102,405	1,095,294	0.6
Intangible assets	21,903	29,098	-24.7
Investments in associates	602,507	632,997	-4.8
Other investments	671,015	681,324	-1.5
Inventories	35,935	36,238	-0.8
Other receivables	32,610	28,759	13.4
Deferred tax assets	40,628	32,857	23.7
Total non-current assets	<u>4,821,805</u>	<u>4,757,312</u>	1.4
Inventories	318,139	329,253	-3.4
Biological assets	8,166	4,515	80.9
Trade and other receivables	401,525	474,689	-15.4
Other investments	857,221	805,942	6.4
Current tax assets	23,071	23,218	-0.6
Cash and cash equivalents	3,807,193	3,625,002	5.0
Total current assets	<u>5,415,315</u>	<u>5,262,619</u>	2.9
Total assets	<u>10,237,120</u>	<u>10,019,931</u>	2.2
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,302,696	1,268,465	2.7
Retained earnings	4,744,409	4,679,331	1.4
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,667,318</u>	<u>6,568,009</u>	1.5
Non-controlling interests	<u>873,280</u>	<u>868,256</u>	0.6
Total Equity	<u>7,540,598</u>	<u>7,436,265</u>	1.4
Liabilities			
Deferred tax liabilities	37,969	32,591	16.5
Borrowings	42,177	47,352	-10.9
Lease liabilities	28,089	-	0.0
Contract liabilities	113,482	109,456	3.7
Retirement benefits	27,482	21,972	25.1
Total non-current liabilities	<u>249,199</u>	<u>211,371</u>	17.9
Trade and other payables	351,208	427,117	-17.8
Borrowings	2,013,759	1,870,933	7.6
Lease liabilities	7,007	-	0.0
Current tax liabilities	57,478	56,427	1.9
Contract liabilities	17,871	17,818	0.3
Total current liabilities	<u>2,447,323</u>	<u>2,372,295</u>	3.2
Total liabilities	<u>2,696,522</u>	<u>2,583,666</u>	4.4
Total equity and liabilities	<u>10,237,120</u>	<u>10,019,931</u>	2.2
Net assets per stock (sen)	1074.69	1058.69	1.5

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 YEAR ENDED 31 DECEMBER 2019

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Dec 2019 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2018 RM'000 (Unaudited)		Current Year To Date (Four quarters to 31 Dec 2019) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2018) RM'000 (Audited)	
Revenue	1,099,613	1,412,982	-22.2	5,161,211	6,380,947	-19.1
Results from operating activities	119,283	154,050	-22.6	438,676	561,453	-21.9
Finance costs	(14,168)	(11,471)	-23.5	(28,840)	(21,135)	-36.5
Share of profits after tax of equity accounted associates	10,470	78	13323.1	43,890	56,345	-22.1
Profit before taxation	115,585	142,657	-19.0	453,726	596,663	-24.0
Income tax expenses	(28,870)	(33,903)	14.8	(105,466)	(122,489)	13.9
Profit from continuing operations	86,715	108,754	-20.3	348,260	474,174	-26.6
Other comprehensive (expense)/income, net of tax						
Remeasurement of defined benefit liability	(1,401)	2,382	-158.8	(228)	2,382	-109.6
Foreign currency translation differences for foreign operations	38,682	19,879	94.6	24,707	(72,492)	134.1
Fair value gain/(loss) of equity instruments designated at fair value through other comprehensive income	9,570	(110,119)	108.7	20,924	(22,721)	192.1
Share of other comprehensive income of equity accounted associates	26	-	0.0	7,450	-	0.0
Other comprehensive income/(expense) for the period, net of tax	46,877	(87,858)	153.4	52,853	(92,831)	156.9
Total comprehensive income for the period	133,592	20,896	539.3	401,113	381,343	5.2
Profit/(Loss) attributable to:						
Stockholders of the Company	79,586	113,811	-30.1	350,549	509,836	-31.2
Non-controlling interests	7,129	(5,057)	241.0	(2,289)	(35,662)	93.6
Profit for the period	86,715	108,754	-20.3	348,260	474,174	-26.6
Total comprehensive income/(expense) attributable to:						
Stockholders of the Company	119,802	20,218	492.6	384,675	443,020	-13.2
Non-controlling interests	13,790	678	1933.9	16,438	(61,677)	126.7
Total comprehensive income for the period	133,592	20,896	539.3	401,113	381,343	5.2
<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)	12.83	18.35	-30.1	56.51	82.18	-31.2

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ORIENTAL HOLDINGS BERHAD

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 2019 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2018 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2019) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2018) RM'000 (Audited)

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

Interest income	(25,472)	(47,988)	(103,449)	(89,900)
Other income including investment income	(21,483)	(31,507)	(41,889)	(116,805)
Interest expense	14,168	11,471	28,840	21,135
Depreciation and amortisation	45,823	72,300	155,460	141,523
Bad debts written off/(recovered)	279	(578)	258	(589)
Write down/(Reversal of write down) of inventories	1,953	(6,294)	4,071	(5,432)
Write off of property, plant and equipment	70	229	684	257
(Gain)/ Loss on disposal of investments	(701)	218	(712)	500
Gain on disposal of property, plant and equipment	(2,949)	(12,300)	(7,177)	(13,424)
Provision for impairment loss on assets	56,770	20,830	56,770	25,972
Unrealised foreign exchange (gain)/loss	(43,386)	21,796	(34,829)	119,718
Realised foreign exchange loss	7,500	4,260	12,833	2,245

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ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 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
Remeasurement of defined benefit liability	-	-	-	-	1,106	-	1,106	1,276	2,382
Foreign currency translation differences for foreign operations	-	(53,572)	-	-	-	-	(53,572)	(18,920)	(72,492)
Fair value of financial assets	-	-	(14,350)	-	-	-	(14,350)	(8,371)	(22,721)
Total other comprehensive (expense)/income for the period	-	(53,572)	(14,350)	-	1,106	-	(66,816)	(26,015)	(92,831)
Profit for the period	-	-	-	-	509,836	-	509,836	(35,662)	474,174
Total comprehensive (expense)/income for the period	-	(53,572)	(14,350)	-	510,942	-	443,020	(61,677)	381,343
Dividends to stockholders	-	-	-	-	(248,144)	-	(248,144)	-	(248,144)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(8,807)	(8,807)
Acquisition of interest in existing subsidiaries	-	-	-	-	(6,613)	-	(6,613)	1,643	(4,970)
Share issued to non-controlling interests	-	-	-	-	-	-	-	1,520	1,520
Total contribution from owners	-	-	-	-	(254,757)	-	(254,757)	(5,644)	(260,401)
At 31 December 2018	620,462	842,404	385,813	(249)	4,679,331	40,248	6,568,009	868,256	7,436,265
<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	-	-	-	-	(105)	-	(105)	(123)	(228)
Foreign currency translation differences for foreign operations	-	16,201	-	-	-	-	16,201	8,506	24,707
Fair value of financial assets	-	-	10,580	-	-	-	10,580	10,344	20,924
Share of other comprehensive income of equity accounted associates	-	-	7,450	-	-	-	7,450	-	7,450
Total other comprehensive (expense)/income for the period	-	16,201	18,030	-	(105)	-	34,126	18,727	52,853
Profit for the period	-	-	-	-	350,549	-	350,549	(2,289)	348,260
Total comprehensive income for the period	-	16,201	18,030	-	350,444	-	384,675	16,438	401,113
Dividends to stockholders	-	-	-	-	(285,366)	-	(285,366)	-	(285,366)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(10,703)	(10,703)
Liquidation of a subsidiary	-	-	-	-	-	-	-	(711)	(711)
Total distribution to owners	-	-	-	-	(285,366)	-	(285,366)	(11,414)	(296,780)
At 31 December 2019	620,462	858,605	403,843	(249)	4,744,409	40,248	6,667,318	873,280	7,540,598

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ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Current Year To Date (Four quarters to 31 Dec 2019) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2018) RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	453,726	596,663
Adjustments for:		
Non-cash items	189,338	275,402
Non-operating items	(168,159)	(254,839)
Operating profit before working capital changes	474,905	617,226
Changes in working capital	(2,469)	32,024
Cash flow from operating activities	472,436	649,250
Dividend received, net	125,381	134,053
Tax paid	(106,574)	(107,992)
Interest paid	(28,364)	(24,701)
Payment of retirement benefits	(404)	(265)
<i>Net cash flows from operating activities</i>	462,475	650,345
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(247,460)	(238,137)
Purchase of investments	(851)	(38,081)
Proceeds from disposal of investments	33,146	42,275
Interest received	101,943	88,078
Acquisition of interest in existing subsidiaries	-	(4,970)
(Increase)/Decrease in short term investments, net	(47,230)	100,919
<i>Net cash flows used in investing activities</i>	(160,452)	(49,916)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Four quarters to 31 Dec 2019) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2018) RM'000 (Audited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	139,043	258,577
Lease liabilities (net)	5,526	-
Dividends paid to stockholders	(285,366)	(248,144)
Fixed deposits pledged for banking facilities	(41,940)	(778)
Dividends paid to non-controlling interests	(10,703)	(8,807)
Proceeds from issue of shares to non-controlling interest	-	1,520
<i>Net cash flows (used in)/from financing activities</i>	(193,440)	2,368
Net increase in cash and cash equivalents	108,583	602,797
Cash and cash equivalents at 1 January	2,959,195	2,375,587
Effects of exchange rates on cash and cash equivalents	31,584	(19,174)
Cash and cash equivalents at 31 December (Note 1)	3,099,362	2,959,210

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	1,214,145	1,257,890
Fixed deposits	2,473,758	2,226,512
Bank overdrafts	(99)	-
Unit trust money market funds	119,290	140,600
	3,807,094	3,625,002
Less:		
Deposits pledged	(707,732)	(665,792)
	3,099,362	2,959,210

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosure- Interest Rate Benchmark Reform*

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 DECEMBER 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	(264,848)	1,895,946
Prepaid lease payments	59,951	(59,951)	-
Right-of-use assets	-	355,537	355,537
Lease liabilities	-	(40,572)	(40,572)
Finance lease obligation	(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 DECEMBER 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 ended 31 December 2019 on 22 November 2019.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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
31 December 2019											
Revenue from external customers	3,619,908	280,668	312,854	506,664	45,362	322,239	73,516	5,161,211	-		5,161,211
Inter-segment revenue	522	183	332	-	10,696	55	-	11,788	(11,788)		-
Total revenue	<u>3,620,430</u>	<u>280,851</u>	<u>313,186</u>	<u>506,664</u>	<u>56,058</u>	<u>322,294</u>	<u>73,516</u>	<u>5,172,999</u>	<u>(11,788)</u>		<u>5,161,211</u>
Results											
Segment profit/ (loss)	<u>308,662</u>	<u>8,153</u>	<u>53,569</u>	<u>65,498</u>	<u>24,783</u>	<u>(17,680)</u>	<u>(4,309)</u>	<u>438,676</u>	<u>15,050</u>	A	<u>453,726</u>
Assets											
Segment assets	<u>3,511,531</u>	<u>383,488</u>	<u>1,072,930</u>	<u>2,501,412</u>	<u>742,299</u>	<u>1,144,779</u>	<u>214,475</u>	<u>9,570,914</u>	<u>666,206</u>	B	<u>10,237,120</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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 December 2019
	RM'000
Share of results of associates	43,890
Finance costs	<u>(28,840)</u>
	<u>15,050</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 December 2019
	RM'000
Investment in associates	602,507
Current tax assets	23,071
Deferred tax assets	<u>40,628</u>
	<u>666,206</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 DECEMBER 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. AR has completely dissolved on 7 February 2020 after 3 months from the lodgement of return on 6 November 2019.
- (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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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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 5,161.2 million, a decreased of 19.1% or RM 1,219.7 million as compared to RM 6,380.9 million in the corresponding period last year. The decline in revenue was mainly attributable to lower contribution from the automotive segment by RM 1,113.2 million resulted from lower number of cars sold from retail operations. Group's operating profits declined by RM 122.8 million mainly due to decrease in dividend income from investment holding segment.

The Group recorded year to date profit before tax of RM 453.7 million, a 24.0% or RM 143.0 million lower as compared to RM 596.7 million in the corresponding period last year. The lower year to date profit before tax was mainly contributable 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 23.5% to RM 3,619.9 million and operating profit decreased by 24.8% to RM 308.7 million.

For the retail operations in Singapore, revenue and operating profit decreased by 24.7% and 17.8% respectively mainly from lower number of cars sold in line with lower COE quota issued. For the retail operations in Malaysia, revenue decreased by 22.9% attributable to lower number of cars sold by 29.2% 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 17.8% while recorded an operating profit of RM 65.5 million (2018 operating loss : RM 17.3 million). The decline in revenue was impacted by the overall declined in commodities selling prices compared to 2018 (CPO decreased by 4.7% and PK decreased by 33.1%). The segment registered operating profit attributable to unrealised foreign exchange gain of RM 35.4 million in 2019 (2018 unrealised foreign exchange loss : RM 97.3 million) mainly on 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 27.3% and operating profit increased by 230.5% 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 10.4%. The decline in operating profit was impacted by oversupply of new hotels and serviced apartments nearby and increased in selling & marketing expenses due to increase in staffing and energy expenses.

The revenue and operating profit for investment holding segment decreased by 61.6% and 76.9% respectively. The decline in operating profit mainly due to lower dividend income received and higher unrealised foreign exchange loss of RM 6.3 million (2018 : RM 3.6 million) mainly on JPY denominated borrowings.

The revenue for investment properties and trading of building material products segment increased slightly by 4.7% while recorded operating loss of RM 17.7 million (2018 operating profit : RM 6.2 million) mainly due to provision for impairment loss of investment property in overseas and higher operating expenses due to land tax assessment from Australia's properties.

Slight improvement in healthcare segment's revenue by 7.5% while still operating at loss of RM 4.3 million (2018 : RM 7.3 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 fourth quarter of 2019 was RM 1,099.6 million, a decreased of RM 164.2 million or 13.0% from RM 1,263.8 million in Q3FY19, mainly due to lower contribution from automotive segment attributable to lower number of cars sold especially for the retail operations in Singapore. Decrease in the Group's operating profits by RM 4.2 million (Q4FY19 : RM 119.3 million; Q3FY19 : RM 123.5 million) was mainly due to provision for impairment loss of investment property in overseas of RM 16.0 million and impairment of bearer plants of RM 28.2 million off set with unrealised foreign exchange gain in Q4FY19 of RM 43.4 million (Q3FY19 : RM 7.3 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 Q4FY19 decreased from RM 131.6 million in Q3FY19 to RM 115.6 million. The lower profit before tax was mainly due to decrease in performance from automotive segment.

Segmental Analysis

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

Revenue from automotive segment decreased by 25.3% to RM 672.7 million and operating profit declined to RM 49.1 million (Q3FY19 : RM 74.7 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 loss of RM 3.4 million in Q4FY19 (Q3FY19 unrealised foreign exchange gain : RM 3.5 million) mainly from its advances to subsidiaries.

Revenue from plantation segment increased by 27.7% (Q4FY19 : RM 146.6 million ; Q3FY19 : RM 114.8 million) and operating profit was RM 47.2 million in Q4FY19 (Q3FY19 operating profit : RM 27.5 million). The rise in revenue was resulted by higher CPO sales volume by 18.4% and CPO and PK selling price increased by 12.7% and 6.8% respectively. The segment’s operating profit was attributable to favourable unrealised foreign exchange gain of RM 39.0 million (Q3FY19 : RM 0.3 million) on JPY denominated borrowings set off by impairment of bearer plants of RM 28.2 million.

Revenue for plastic segment increased by 6.5% to RM 74.4 million (Q3FY19 : RM 69.8 million), while operating profit decreased by 37.7% to RM 2.0 million (Q3FY19 : RM 3.2 million). Plastic segment has been operating under competitive environment with marginal profit, while lower operating profit was due to higher operating expenses on its engineering support to improve its operations.

Revenue for hotels and resorts segment increased by 8.1% (Q3FY19 : RM 83.9 million; Q3FY19 : RM 77.6 million) and operating profit increased by 36.5% (Q4FY19 : RM 18.1 million; Q3FY19 : RM 13.3 million) mainly attributable to increase in hotels’ average occupancy rate and average room rate mainly from Australia operation due to holiday season.

Revenue for investment holding segment increased by 591.0% to RM 25.5 million (Q3FY19 : RM 3.7 million), and recorded an operating profit of RM 17.0 million (Q3FY19 : RM 9.1 million). Higher revenue and operating profit was due to higher dividend income received from other investments by 1,329.1%.

Revenue for investment properties and trading of building material products segment increased by 35.8% to RM 96.7 million (Q3FY19 : RM 71.2 million), while recorded an operating loss of RM 13.9 million (Q3FY19 : RM 3.8 million) mainly due to provision for impairment loss of investment property in overseas.

Healthcare segment remained operating at loss of RM 0.3 million (Q3FY19 : RM 0.5 million) while recorded lower number of patients by 4.8%.

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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's fourth oil mill in South Sumatra, Indonesia is expected to commence milling operations in quarter 2 2020, hence will 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 commencement of business operation for its serviced apartments and retail outlet are in August 2019 and January 2020 respectively.

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 has been delayed for fulfilment of MOH requirement and expected to be in operation by end of 2020.

While the overall market climate is one of cautious optimism, with the recent COVID-19 outbreak in China, the Board is of the view that the Group's performance for the year 2020 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 31 Dec 19 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 18 RM'000 (Unaudited)	Current Year To date 31 Dec 19 RM'000 (Unaudited)	Preceding Year To date 31 Dec 18 RM'000 (Audited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	7,840	7,442	16,555	17,548
- (Over)/Under provision in respect of prior period	(217)	(575)	10,484	(1,004)
	7,623	6,867	27,039	16,544
Foreign taxation				
- Based on profit for the period	26,614	13,701	81,425	89,649
	34,237	20,568	108,464	106,193
Deferred taxation				
- Current period	(8,762)	4,112	(6,284)	6,471
- Under provision in respect of prior period	3,395	9,223	3,286	9,825
	(5,367)	13,335	(2,998)	16,296
	<u>28,870</u>	<u>33,903</u>	<u>105,466</u>	<u>122,489</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			RM'000	RM'000
		I			II	I + II
Hire purchase liabilities	2.0 - 2.5	201		-	-	201
Borrowings – secured						
-Revolving credit	4.7 - 5.1	4,000		-	-	4,000
	0.9 - 1.4	-	JPY 30.830 billion		1,163,620	1,163,620
	3.5 - 3.9	-	SGD 0.065 billion		196,460	196,460
					1,360,080	1,364,080
-Term loans – secured	3.2	-	SGD 0.001 billion		1,782	1,782
-Bank overdraft	8.7	99		-	-	99
Borrowings – unsecured						
-Bankers acceptance	3.8 - 4.1	24,547		-	-	24,547
-Revolving credit	0.9 - 1.4	-	JPY 16.515 billion		623,050	623,050
		<u>28,847</u>			<u>1,984,912</u>	<u>2,013,759</u>
Long Term						
Hire purchase liabilities	2.0 - 2.5	933		-	-	933
Term loans – secured	3.2	-	SGD 0.013 billion		41,244	41,244
		<u>933</u>			<u>41,244</u>	<u>42,177</u>
Total Borrowings		<u>29,780</u>			<u>2,026,156</u>	<u>2,055,936</u>

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19. Trade receivables

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

	RM'000	%
Not past due	228,502	86.8
Past due less than 3 months	28,390	10.8
Past due 3-6 months	4,304	1.6
Past due 6-12 months	736	0.3
Past due more than 1 year	1,423	0.5
	<hr/>	
	263,355	100.0
	<hr/>	

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 19 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 18 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 19) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 18) RM'000 (Audited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>79,586</u>	<u>113,811</u>	<u>350,549</u>	<u>509,836</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>12.83</u>	<u>18.35</u>	<u>56.51</u>	<u>82.18</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 28 FEBRUARY 2020