



ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	As at End of Current Quarter 30 June 2020 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2019 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,984,398	1,964,742	1.0
Right-of-use assets	352,764	348,695	1.2
Investment properties	1,118,424	1,108,333	0.9
Intangible assets	21,830	21,902	-0.3
Investments in associates	574,514	608,330	-5.6
Other investments	555,657	678,300	-18.1
Inventories	35,935	35,935	0.0
Other receivables	35,506	32,610	8.9
Deferred tax assets	38,054	35,226	8.0
Total non-current assets	<u>4,717,082</u>	<u>4,834,073</u>	-2.4
Inventories	283,918	318,668	-10.9
Biological assets	8,294	8,166	1.6
Trade and other receivables	315,985	396,412	-20.3
Other investments	1,461,992	1,723,452	-15.2
Current tax assets	29,306	22,243	31.8
Cash and cash equivalents	3,301,342	2,930,765	12.6
Total current assets	<u>5,400,837</u>	<u>5,399,706</u>	0.0
Total assets	<u><u>10,117,919</u></u>	<u><u>10,233,779</u></u>	-1.1
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,179,950	1,299,649	-9.2
Retained earnings	4,628,861	4,746,447	-2.5
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,429,024</u>	<u>6,666,309</u>	-3.6
Non-controlling interests	<u>854,649</u>	<u>876,243</u>	-2.5
Total Equity	<u><u>7,283,673</u></u>	<u><u>7,542,552</u></u>	-3.4
Liabilities			
Deferred tax liabilities	37,396	35,000	6.8
Borrowings	42,302	41,244	2.6
Lease liabilities	33,604	28,261	0.0
Contract liabilities	121,676	113,482	7.2
Retirement benefits	30,093	27,482	9.5
Total non-current liabilities	<u>265,071</u>	<u>245,469</u>	8.0
Trade and other payables	250,255	356,691	-29.8
Borrowings	2,138,280	2,009,341	6.4
Lease liabilities	5,714	8,130	-0.3
Current tax liabilities	59,431	53,725	10.6
Contract liabilities	3,830	17,871	-78.6
Dividend payables	111,665	-	0.0
Total current liabilities	<u>2,569,175</u>	<u>2,445,758</u>	5.0
Total liabilities	<u>2,834,246</u>	<u>2,691,227</u>	5.3
Total equity and liabilities	<u><u>10,117,919</u></u>	<u><u>10,233,779</u></u>	-1.1
Net assets per stock (sen)	1036.28	1074.53	-3.6

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



ORIENTAL HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2020

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 June 2020 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2019 RM'000 (Unaudited)		Current Year To Date (Two quarters to 30 June 2020) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2019) RM'000 (Unaudited)	
Revenue	469,669	1,408,104	-66.6	1,426,057	2,797,836	-49.0
Results from operating activities	198,579	44,940	341.9	65,297	195,900	-66.7
Finance costs	(4,205)	(5,262)	20.1	(8,504)	(9,641)	11.8
Share of (loss)/ profits after tax of equity accounted associates	(10,183)	16,310	-162.4	(40,753)	20,288	-300.9
Profit before taxation	184,191	55,988	229.0	16,040	206,547	-92.2
Income tax expenses	(11,260)	(12,537)	10.2	(26,047)	(54,584)	52.3
Profit/ (Loss) from continuing operations	172,931	43,451	298.0	(10,007)	151,963	-106.6
Other comprehensive income/(expense), net of tax						
Foreign currency translation differences for foreign operations	186,557	55,477	236.3	12,885	31,795	-59.5
Fair value gain/ (loss) of equity instruments designated at fair value through other comprehensive income	58,401	35,173	66.0	(152,146)	48,284	-415.1
Share of other comprehensive income of equity accounted associates	94	7,489	(98.7)	94	7,489	-98.7
Other comprehensive income/ (expense) for the period, net of tax	245,052	98,139	149.7	(139,167)	87,568	-258.9
Total comprehensive income/ (expense) for the period	417,983	141,590	195.2	(149,174)	239,531	-162.3
Profit/ (Loss) attributable to:						
Stockholders of the Company	78,472	77,311	1.5	(3,299)	170,479	-101.9
Non-controlling interests	94,459	(33,860)	379.0	(6,708)	(18,516)	63.8
Profit/ (Loss) for the period	172,931	43,451	298.0	(10,007)	151,963	-106.6
Total comprehensive income/ (expense) attributable to:						
Stockholders of the Company	273,093	164,592	65.9	(122,998)	245,209	-150.2
Non-controlling interests	144,890	(23,002)	729.9	(26,176)	(5,678)	-361.0
Total comprehensive income/ (expense) for the period	417,983	141,590	195.2	(149,174)	239,531	-162.3
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362		620,362	620,362	
Basic earnings/ (loss) per stock (sen) (based on the weighted average number of stocks)	12.65	12.46	1.5	(0.53)	27.48	-101.9

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



ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2020

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 June 2020 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2019 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 2020) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2019) RM'000 (Unaudited)
Included in the Total Comprehensive Income/ (Expense) for the period are the followings :				
Interest income	(19,346)	(26,110)	(43,935)	(51,594)
Other income including investment income	(1,657)	(16,778)	(2,898)	(18,424)
Interest expense	4,205	5,262	8,504	9,641
Depreciation and amortisation	37,612	36,666	74,015	72,499
Bad debts recovered	-	(20)	(522)	(21)
Write down of inventories	224	719	378	732
Write off of property, plant and equipment	42	266	44	285
Gain on disposal of investments	(283)	(49)	(271)	(49)
Gain on disposal of property, plant and equipment	(98)	(596)	(834)	(745)
(Reversal)/ Provision of impairment loss on assets	(542)	13	(556)	(207)
Unrealised foreign exchange (gain)/ loss	(217,660)	39,801	16,853	15,881
Realised foreign exchange loss/ (gain)	9,775	969	(4,953)	3,610

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



ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020

	← Attributable to stockholders of the Company →						Non-controlling interests	Total equity	
	Share capital	Translation reserve	Fair value reserve	Treasury stocks	Retained earnings	Capital reserve			Total
<i>In thousands of RM</i>									
At 1 January 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	-	25,583	-	-	-	-	25,583	6,212	31,795
Fair value of financial assets	-	-	41,658	-	-	-	41,658	6,626	48,284
Share of other comprehensive income of equity accounted associates	-	-	7,489	-	-	-	7,489	-	7,489
Total other comprehensive income for the period	-	25,583	49,147	-	-	-	74,730	12,838	87,568
Profit for the period	-	-	-	-	170,479	-	170,479	(18,516)	151,963
Total comprehensive income/ (expense) for the period	-	25,583	49,147	-	170,479	-	245,209	(5,678)	239,531
Dividends to stockholders	-	-	-	-	(210,923)	-	(210,923)	-	(210,923)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(10,703)	(10,703)
Total transactions with owners	-	-	-	-	(210,923)	-	(210,923)	(10,703)	(221,626)
At 30 June 2019	620,462	867,987	434,960	(249)	4,638,887	40,248	6,602,295	851,875	7,454,170
<i>In thousands of RM</i>									
At 1 January 2020	620,462	858,453	400,948	(249)	4,746,447	40,248	6,666,309	876,243	7,542,552
Foreign currency translation differences for foreign operations	-	20,692	-	-	-	-	20,692	(7,807)	12,885
Fair value of financial assets	-	-	(140,485)	-	-	-	(140,485)	(11,661)	(152,146)
Share of other comprehensive income of equity accounted associates	-	-	94	-	-	-	94	-	94
Total other comprehensive income/ (expense) for the period	-	20,692	(140,391)	-	-	-	(119,699)	(19,468)	(139,167)
Loss for the period	-	-	-	-	(3,299)	-	(3,299)	(6,708)	(10,007)
Total comprehensive income/ (expenses) for the period	-	20,692	(140,391)	-	(3,299)	-	(122,998)	(26,176)	(149,174)
Dividends to stockholders	-	-	-	-	(111,665)	-	(111,665)	-	(111,665)
Changes in ownership interests in a subsidiary	-	-	-	-	(2,622)	-	(2,622)	2,622	-
Share issued to non-controlling interests	-	-	-	-	-	-	-	1,960	1,960
Total transactions with owners	-	-	-	-	(114,287)	-	(114,287)	4,582	(109,705)
At 30 June 2020	620,462	879,145	260,557	(249)	4,628,861	40,248	6,429,024	854,649	7,283,673

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



ORIENTAL HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

	Current Year To Date (Two quarters to 30 June 2020) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2019) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,040	206,547
Adjustments for:		
Non-cash items	93,461	88,272
Non-operating items	1,537	(81,460)
Operating profit before working capital changes	111,038	213,359
Changes in working capital	2,345	607
Cash flow from operating activities	113,383	213,966
Dividend received, net	6,409	26,217
Tax paid	(27,732)	(57,523)
Interest paid	(9,675)	(8,740)
Payment of retirement benefits	(178)	(56)
<i>Net cash flows from operating activities</i>	82,207	173,864
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(71,218)	(128,463)
Purchase of investments	(47,236)	(96)
Proceeds from disposal of investments	22,198	23,338
Interest received	46,913	49,271
Decrease in short term investments, net	254,906	120,520
<i>Net cash flows from investing activities</i>	205,563	64,570

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Two quarters to 30 June 2020) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2019) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	32,923	101,536
Lease liabilities (net)	(4,366)	-
Dividends paid to stockholders	-	(37,222)
Fixed deposits pledged for banking facilities	(27,609)	(23,947)
Dividends paid to non-controlling interests	-	(10,703)
Proceeds from issue of shares to non-controlling interest	1,960	-
<i>Net cash flows from financing activities</i>	2,908	29,664
Net increase in cash and cash equivalents	290,678	268,098
Cash and cash equivalents at 1 January	2,222,934	2,959,210
Effects of exchange rates on cash and cash equivalents	51,892	35,402
Cash and cash equivalents at 30 June (Note 1)	<u>2,565,504</u>	<u>3,262,710</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	1,470,045	1,135,221
Fixed deposits	1,630,767	2,655,331
Bank overdrafts	(497)	-
Unit trust money market funds	200,530	161,897
	<u>3,300,845</u>	<u>3,952,449</u>
Less:		
Deposits pledged	(735,341)	(689,739)
	<u>2,565,504</u>	<u>3,262,710</u>

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

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020

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 2019. 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 2019.

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 2019.

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 June 2020

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

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*

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

1. Basis of Preparation (Cont'd)

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

2. Auditors' Qualification

There's no qualification on the audit report of the preceding annual financial statements of Oriental Holdings Berhad.

3. Seasonal Cyclical Factors

Majority of the business operations of the Group are generally in tandem with the prevailing economic conditions where the Group operates with the exception of a few sectors. Commodity price is the most significant determinant of the level of profitability for the plantation sector although seasonal factor such as climatic condition also plays a part in determining the production level. The tourism sector will generally perform better during the major festive and holiday seasons.

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 final dividend of 8 sen per ordinary stock and single tier final special dividend of 10 sen per ordinary stock (2018 : a single tier final dividend of 8 sen per ordinary stock and single tier final special dividend of 20 sen per ordinary stock) totalling RM111,665,129 in respect of the financial year ended 31 December 2019 on 7 August 2020.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

8. Segment Revenue and Results

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties & trading of building material products RM'000	Healthcare RM'000	Total of all segments RM'000	Reconciliation/ Elimination RM'000	Notes	Total per consolidated financial statements RM'000
30 June 2020											
Revenue from external customers	819,752	76,736	89,146	266,032	4,909	126,311	43,171	1,426,057	-		1,426,057
Inter-segment revenue	434	131	171	-	11,108	33	11	11,888	(11,888)		-
Total revenue	<u>820,186</u>	<u>76,867</u>	<u>89,317</u>	<u>266,032</u>	<u>16,017</u>	<u>126,344</u>	<u>43,182</u>	<u>1,437,945</u>	<u>(11,888)</u>		<u>1,426,057</u>
Results											
Segment profit/ (loss)	<u>51,491</u>	<u>(3,009)</u>	<u>1,003</u>	<u>12,244</u>	<u>7,361</u>	<u>223</u>	<u>(4,016)</u>	<u>65,297</u>	<u>(49,257)</u>	A	<u>16,040</u>
Assets											
Segment assets	<u>3,424,174</u>	<u>369,153</u>	<u>1,059,532</u>	<u>2,585,185</u>	<u>684,876</u>	<u>1,144,073</u>	<u>209,052</u>	<u>9,476,045</u>	<u>641,874</u>	B	<u>10,117,919</u>

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (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 June 2020
	RM'000
Share of results of associates	(40,753)
Finance costs	(8,504)
	<u>(49,257)</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 June 2020
	RM'000
Investment in associates	574,514
Current tax assets	29,306
Deferred tax assets	38,054
	<u>641,874</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.

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:-

The company had on 10 February 2020 subscribed the Rights Issue of 35,620,000 new ordinary shares in Armstrong Auto Parts Sdn Berhad (“AAP”) at an issue price of RM1.00 each (“Right Issue”) for a total cash consideration of RM 35,620,000. OHB holds 94.79% interest in AAP whereby 91.44% is directly and the remaining 3.35% is held indirectly through a wholly-owned subsidiary.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (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 1,426.0 million, a decline of 49.0% or RM 1,371.8 million as compared to RM 2,797.8 million in the corresponding period last year. The decline in revenue was mainly attributed to the lower contribution from the automotive segment by RM 1,227.5 million impacted by the lower number of cars sold from retail operations.

The Group recorded an operating profit of RM 65.3 million, declined by RM 130.6 million mainly due to lower contribution from all business segments.

The Group recorded year to date profit before tax of RM 16.0 million compared to the profit before tax of RM 206.5 million in the corresponding period last year was mainly attributed by lower contribution from automotive segment and share of losses of equity accounted associates.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue from the automotive segment decreased by 60.0% to RM 819.8 million and operating profit decreased by 72.1% to RM 51.5 million.

For the retail operations in Singapore, revenue and operating profit decreased by 61.5% and 62.6% respectively mainly due to the lower number of cars sold by 68.3% as there was no new car registration during Circuit Breaker ("CB") period from 7 April to 1 June 2020 enforced by the Singapore Government to stem the spread of COVID-19.

For the retail operations in Malaysia, revenue decreased by 56.9% attributed to the 60.7% decline in the number of cars sold with the implementation of the Movement Control Order (MCO), on 18 March 2020 to 12 May 2020 with the suspension of operations for non-essential service providers and manufacturing activities. Honda car sales came to a halt in April and has been slowly recovering from May onwards. The delay in the launching of the new Honda City and CRV facelift, now expected only in Quarter 4, also dampened consumer sentiment.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

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

The plantation segment generated a revenue of RM 266.0 million, an increase of 8.4% compared to corresponding period last year of RM 245.3 million and recorded an operating profit of RM 12.2 million (2019 operating loss: RM 9.2 million). The increase in revenue was mainly attributed by the increase in the average CPO and FFB selling price compared to 2019 (CPO increased by 21.4% and FFB increased by 19.8%) while improvement in operating profit was in line with increase in revenue.

The plastic segment recorded a decrease in revenue of 43.8% and an operating loss of RM 3.0 million (2019 operating profit : RM 2.9 million) mainly attributed to the decline in orders from its automotive and electronics customers and further aggravated by the suspension of production activities following the lock down period of MCO with main customers resumed operation in early June 2020.

Hotels and resorts segment recorded a 41.1% decline in revenue to RM 89.1 million and a 95.5% decrease in operating profit to RM 1.0 million (2019: RM 22.2 million). Overall average room rates and room occupancy rates declined significantly. The broad-based travel restrictions and travel risk aversion as a result of the global and domestic actions taken to contain the outbreak of COVID-19 have affected the tourism-related activities.

Revenue for the investment holding segment decreased by 69.7% to RM 4.9 million with an operating profit of RM 7.4 million (2019 operating loss : RM 1.3 million). Lower dividend received was cushioned by unrealised foreign exchange gain of RM 5.6 million (2019 unrealised foreign exchange loss : RM 8.9 million) derived from the strengthening of the USD against the SGD denominated borrowings.

The investment properties and trading of building material products segment recorded a 18.1% decrease in revenue to RM 126.3 million while recorded an operating profit of RM 0.2 million (2019 : RM 0.1 million) due to slow down in infrastructure projects and property development further impacted by the lockdown period since beginning of March 2020.

Healthcare segment's revenue decreased by 7.9% to RM 43.2 million while recorded constant operating loss of RM 4.0M due to decline in number of patients by 23.5%.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

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 second quarter of 2020 was RM 469.7 million, a decrease of RM 486.7 million or 50.9% from RM 956.4 million in Q1FY20, mainly due to lower contribution from automotive segment attributed to the lower number of cars sold for both retail operations in Singapore and Malaysia. The Group recorded an operating profit of RM 198.6 million (Q1FY20 operating loss : RM 133.3 million) mainly due to unrealised foreign exchange gain in Q2FY20 of RM 217.7 million (Q1FY20 unrealised foreign exchange loss : RM 234.5 million) mainly from the weakening of the JPY for the JPY denominated borrowings by the plantation segment.

The Group recorded a profit before tax for Q2FY20 of RM 184.2 million compared to a loss before tax of RM 168.2 million for Q1FY20 mainly derived from the unrealised foreign exchange gain 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 64.4% to RM 215.3 million and operating profit decreased to RM 19.5 million (Q1FY20: RM 32.0 million). The lower revenue and operating profit were mainly due to the lower number of cars sold compared to Q1FY20 from retail operations in Singapore and Malaysia in line with the enforcement of CB and MCO in respective countries.

Revenue from plantation segment increased slightly by 0.8% to RM 133.6 million (Q1FY20 : RM 132.5 million) mainly due to increase in CPO sales volume by 12.0% while recorded an operating profit of RM 197.6 million compared to an operating loss of RM 185.4 million for Q1FY20. The segment’s operating profit was attributable to the unrealised foreign exchange gain of RM 209.9 million (Q1FY20 unrealised foreign exchange loss : RM 233.6 million) with the weakening of the JPY for the JPY denominated borrowings.

Revenue for plastic segment decreased by 30.1% to RM 31.6 million (Q1FY20 : RM 45.2 million) while recorded an operating profit of RM 1.1 million (Q1FY20 operating loss : RM 4.1 million). The segment has been operating under competitive environment with marginal profit.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

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

Revenue for hotels and resorts segment decreased by 60.2% to RM 25.4 million (Q1FY20 : RM 63.8 million) and recorded an operating loss of RM 5.5 million (Q1FY20 operating profit : RM 6.5 million) mainly attributed to the significant drop in hotels’ average occupancy rate and average room rate for all hotels across the Group especially for Australia, New Zealand and United Kingdom hotels.

Revenue for investment holding segment decreased slightly by 4.0% to RM 2.4 million (Q1FY20 : RM 2.5 million) while recorded an operating loss of RM 9.6 million (Q1FY20 operating profit : RM 17.0 million). Operating loss was mainly due to unrealised foreign exchange loss of RM 5.9 million (Q1FY20 unrealised foreign exchange gain : RM 11.5 million) on its SGD denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 45.0% to RM 44.8 million (Q1FY20 : RM 81.5 million) and recorded an operating loss of RM 1.3 million (Q1FY20 operating profit : RM 1.5 million) as the segment operation has been disrupted following the MCO with minimal sales order.

Revenue for healthcare segment decreased by 36.7% to RM 16.7 million (Q1FY20 : RM 26.4 million) and recorded higher operating loss of RM 3.2 million (Q1FY20: RM 0.8 million) in line with a decline of 39.8% in the total number of patients in the current quarter compared to Q1FY20.

14. Current Year Prospects

On 11 March 2020, the World Organisation declared the COVID-19 outbreak to be a pandemic.

The Group’s Performance was impacted by the necessary global and domestic actions taken to contain the outbreak.

The implementation and subsequent extension of the Movement Control Order (MCO) have dampen economic activity following the suspension of operations by non-essential service providers and lower operating capacity of manufacturing firms.

The suspension of non-essential services due to recent COVID-19 outbreak have impacted the automotive retail and after sales services. In Malaysia, the government had imposed the Movement Control Order from 18 March 2020 to 12 May 2020. The Singapore government had also imposed similar lock down measures (Circuit Breaker) from 7 April 2020 to 1 June 2020. During this period, no vehicle sales were recorded.

As part of the short-term Economic Recovery Plan, the Malaysian Prime Minister announced on 6 June 2020 that locally assembled cars will be fully exempted from sales tax while for imported cars, the sales tax will be cut from 10% to 5% from 15 June 2020 to 31 December 2020.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

14. Current Year Prospects (Cont'd)

Beyond the MCO period, reduced social and recreational activities until the pandemic is fully controlled globally and domestically will continue to dampen consumption and investment activities.

Private consumption is expected to be affected by weak labour market conditions, mobility restrictions and subdued sentiments.

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 keen to grow their market shares.

The plastic segment continues to face competitive environment from other domestic industry players and will be impacted by disruptions in the global supply chain and limited growth in the local automotive industry. Management will continue to exercise cost rationalised, productivity improvement and source for new business ventures to improve the performance of the segment.

The plantation segment will take necessary steps to ensure that all estates and mills remain efficient, cost effective and competitive. The forex exposure of the JPY loans will be closely monitored and managed.

The hotels and resorts segment have been affected by the broad-based travel restrictions and travel risk aversion; the occupancy and room rates are expected to return to pre-COVID-19 level next year.

Healthcare segment will continue to focus on strengthening brand awareness and positioning the hospital for sustainable growth. Following the MCO that arose with the current COVID-19 pandemic, there was a sharp decline in patient admissions. Patient sentiments are expected to gradually improve following the easing of MCO restrictions.

The Board is mindful of the seismic shifts that the COVID-19 pandemic has brought about to the domestic and global economies. The Board will navigate the challenges ahead and formulate plans to strengthen further the Group's solid foundation for a sustainable growth.

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

Not Applicable.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 June 20 RM'000 (Unaudited)	Preceding Year Quarter 30 June 19 RM'000 (Unaudited)	Current Year To date 30 June 20 RM'000 (Unaudited)	Preceding Year To date 30 June 19 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	550	3,881	2,372	6,980
- (Over)/Under provision in respect of prior period	-	(41)	58	10,874
	550	3,840	2,430	17,854
Foreign taxation				
- Based on profit for the period	7,531	11,663	23,756	35,817
	8,081	15,503	26,186	53,671
Deferred taxation				
- Current period	3,179	(2,966)	3,154	1,021
- Over provision in respect of prior period	-	-	(3,293)	(108)
	3,179	(2,966)	(139)	913
	11,260	12,537	26,047	54,584

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 15 July 2020 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.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

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				
Borrowings – secured						
-Revolving credit	4.8 - 5.1	5,000	-		-	5,000
	0.9 - 1.5	-	JPY 31.830 billion		1,267,836	1,267,836
	2.1 - 3.0	-	SGD 0.066 billion		196,819	196,819
					1,464,655	1,469,655
-Term loans – secured	1.7	-	SGD 0.001 billion		1,803	1,803
-Bank overdraft	7.4	497	-		-	497
Borrowings – unsecured						
-Bankers acceptance	2.8 - 4.1	8,814	-		-	8,814
-Revolving credit	0.9 - 1.5	-	JPY 16.515 billion		657,511	657,511
		<u>14,311</u>			<u>2,123,969</u>	<u>2,138,280</u>
Long Term						
Term loans – secured	1.7 - 4.3	1,475	SGD 0.013 billion		40,827	42,302
		<u>1,475</u>			<u>40,827</u>	<u>42,302</u>
Total Borrowings		<u>15,786</u>			<u>2,164,796</u>	<u>2,180,582</u>

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

19. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 30 June 2020 is as follows:

	RM'000	%
Not past due	124,125	73.7
Past due less than 3 months	35,281	21.0
Past due 3-6 months	7,478	4.4
Past due 6-12 months	513	0.3
Past due more than 1 year	983	0.6
	<u>168,380</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.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2020 (Cont'd)

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 June 20 RM'000 (Unaudited)	Preceding Year Quarter 30 June 19 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 20) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 19) RM'000 (Unaudited)
Net profit/(loss) for the period attributable to Stockholders of the Company (RM'000)	<u>78,472</u>	<u>77,311</u>	<u>(3,299)</u>	<u>170,479</u>
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362	620,362	620,362
Basic earnings/(loss) per stock (sen)	<u>12.65</u>	<u>12.46</u>	<u>(0.53)</u>	<u>27.48</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 26 AUGUST 2020