



ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	As at End of Current Quarter 30 Sept 2020 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2019 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,930,593	1,964,742	-1.7
Right-of-use assets	336,405	348,695	-3.5
Investment properties	1,121,565	1,108,333	1.2
Intangible assets	21,762	21,902	-0.6
Investments in associates	584,104	608,330	-4.0
Other investments	546,677	678,300	-19.4
Inventories	35,936	35,935	0.0
Other receivables	35,807	32,610	9.8
Deferred tax assets	37,843	35,226	7.4
Total non-current assets	<u>4,650,692</u>	<u>4,834,073</u>	-3.8
Inventories	223,306	318,668	-29.9
Biological assets	7,755	8,166	-5.0
Trade and other receivables	336,539	396,412	-15.1
Other investments	1,364,229	1,723,452	-20.8
Current tax assets	30,626	22,243	37.7
Cash and cash equivalents	3,292,555	2,930,765	12.3
Total current assets	<u>5,255,010</u>	<u>5,399,706</u>	-2.7
Total assets	<u><u>9,905,702</u></u>	<u><u>10,233,779</u></u>	-3.2
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,123,471	1,299,649	-13.6
Retained earnings	4,643,848	4,746,447	-2.2
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,387,532</u>	<u>6,666,309</u>	-4.2
Non-controlling interests	<u>771,599</u>	<u>876,243</u>	-11.9
Total Equity	<u><u>7,159,131</u></u>	<u><u>7,542,552</u></u>	-5.1
Liabilities			
Deferred tax liabilities	33,834	35,000	-3.3
Borrowings	42,485	41,244	3.0
Lease liabilities	33,296	28,261	17.8
Contract liabilities	113,592	113,482	0.1
Retirement benefits	29,355	27,482	6.8
Total non-current liabilities	<u>252,562</u>	<u>245,469</u>	2.9
Trade and other payables	274,809	356,691	-23.0
Borrowings	2,159,340	2,009,341	7.5
Lease liabilities	4,539	8,130	-44.2
Current tax liabilities	50,954	53,725	-5.2
Contract liabilities	4,367	17,871	-75.6
Total current liabilities	<u>2,494,009</u>	<u>2,445,758</u>	2.0
Total liabilities	<u><u>2,746,571</u></u>	<u><u>2,691,227</u></u>	2.1
Total equity and liabilities	<u><u>9,905,702</u></u>	<u><u>10,233,779</u></u>	-3.2
Net assets per stock (sen)	1029.59	1074.53	-4.2

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 SEPTEMBER 2020

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 Sept 2020 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2019 RM'000 (Unaudited)		Current Year To Date (Three quarters to 30 Sept 2020) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2019) RM'000 (Unaudited)	
Revenue	948,217	1,263,762	-25.0	2,374,274	4,061,598	-41.5
Results from operating activities	(37,387)	123,493	-130.3	27,910	319,393	-91.3
Finance costs	(4,170)	(5,031)	17.1	(12,674)	(14,672)	13.6
Share of profits/ (loss) after tax of equity accounted associates	15,479	13,132	17.9	(25,274)	33,420	-175.6
(Loss)/ Profit before taxation	(26,078)	131,594	-119.8	(10,038)	338,141	-103.0
Income tax expenses	(8,901)	(22,012)	59.6	(34,948)	(76,596)	54.4
(Loss)/ Profit from continuing operations	(34,979)	109,582	-131.9	(44,986)	261,545	-117.2
Other comprehensive (expense)/ income, net of tax						
Remeasurement of defined benefit liability	-	1,173	-100.0	-	1,173	-100.0
Foreign currency translation differences for foreign operations	(62,776)	(45,770)	-37.2	(49,891)	(13,975)	-257.0
Fair value (loss)/ gain of equity instruments designated at fair value through other comprehensive income	(18,082)	(36,930)	51.0	(170,228)	11,354	-1599.3
Share of other comprehensive (expense)/ income of equity accounted	(1,785)	(65)	-2646.2	(1,691)	7,424	-122.8
Other comprehensive (expense)/ income for the period, net of tax	(82,643)	(81,592)	-1.3	(221,810)	5,976	-3811.7
Total comprehensive (expense)/ income for the period	(117,622)	27,990	-520.2	(266,796)	267,521	-199.7
(Loss)/ Profit attributable to:						
Stockholders of the Company	14,987	100,484	-85.1	11,688	270,963	-95.7
Non-controlling interests	(49,966)	9,098	-649.2	(56,674)	(9,418)	-501.8
(Loss)/ Profit for the period	(34,979)	109,582	-131.9	(44,986)	261,545	-117.2
Total comprehensive (expense)/ income attributable to:						
Stockholders of the Company	(41,492)	19,664	-311.0	(164,490)	264,873	-162.1
Non-controlling interests	(76,130)	8,326	-1014.4	(102,306)	2,648	-3963.5
Total comprehensive (expense)/ income for the period	(117,622)	27,990	-520.2	(266,796)	267,521	-199.7
<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)	2.42	16.20	-85.1	1.88	43.68	-95.7

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 SEPTEMBER 2020

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sept 2020 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2019 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2020) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2019) RM'000 (Unaudited)
Included in the Total Comprehensive Expense/Income for the period are the followings :				
Interest income	(16,344)	(26,383)	(60,279)	(77,977)
Other income including investment income	(5,687)	(1,982)	(8,585)	(20,406)
Interest expense	4,170	5,031	12,674	14,672
Depreciation and amortisation	37,053	37,138	111,068	109,637
Bad debts written off/ (recovered)	166	-	(356)	(21)
Write down of inventories	1,106	1,386	1,484	2,118
Write off of property, plant and equipment	19	329	63	614
Loss/ (Gain) on disposal of investments	368	38	97	(11)
Gain on disposal of property, plant and equipment	(277)	(3,483)	(1,111)	(4,228)
Provision/ (Reversal) of impairment loss on assets	555	207	(1)	-
Unrealised foreign exchange loss/ (gain)	98,035	(7,324)	114,888	8,557
Realised foreign exchange loss/ (gain)	1,069	1,723	(3,884)	5,333

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 SEPTEMBER 2020

← Attributable to stockholders of the Company →
← Non-distributable → Distributable

	Share capital	Translation reserve	Fair value reserve	Treasury stocks	Retained earnings	Capital reserve	Total	Non-controlling interests	Total equity
<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/ (Loss) 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 transactions with 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
<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	-	(19,175)	-	-	-	-	(19,175)	(30,716)	(49,891)
Fair value of financial assets	-	-	(155,312)	-	-	-	(155,312)	(14,916)	(170,228)
Share of other comprehensive expense of equity accounted associates	-	-	(1,691)	-	-	-	(1,691)	-	(1,691)
Total other comprehensive expense for the period	-	(19,175)	(157,003)	-	-	-	(176,178)	(45,632)	(221,810)
Profit/ (Loss) for the period	-	-	-	-	11,688	-	11,688	(56,674)	(44,986)
Total comprehensive (expense)/ income for the period	-	(19,175)	(157,003)	-	11,688	-	(164,490)	(102,306)	(266,796)
Dividends to stockholders	-	-	-	-	(111,665)	-	(111,665)	-	(111,665)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(8,880)	(8,880)
Changes in ownership interests in a subsidiary	-	-	-	-	(2,622)	-	(2,622)	2,622	-
Share issued to non-controlling interests	-	-	-	-	-	-	-	3,920	3,920
Total transactions with owners	-	-	-	-	(114,287)	-	(114,287)	(2,338)	(116,625)
At 30 September 2020	620,462	839,278	243,945	(249)	4,643,848	40,248	6,387,532	771,599	7,159,131

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 SEPTEMBER 2020

	Current Year To Date (Three quarters to 30 Sept 2020) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2019) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(10,038)	338,141
Adjustments for:		
Non-cash items	226,721	124,051
Non-operating items	(31,757)	(121,371)
Operating profit before working capital changes	184,926	340,821
Changes in working capital	61,696	16,636
Cash flow from operating activities	246,622	357,457
Dividend received, net	13,038	34,669
Tax paid	(49,593)	(84,334)
Interest paid	(12,276)	(13,759)
Payment of retirement benefits	(213)	(92)
<i>Net cash flows from operating activities</i>	197,578	293,941
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(107,860)	(194,837)
Purchase of investments	(104,564)	(96)
Proceeds from disposal of investments	64,970	24,918
Interest received	62,616	74,226
Decrease in short term investments, net	352,990	51,478
<i>Net cash flows from/ (used in) investing activities</i>	268,152	(44,311)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Three quarters to 30 Sept 2020) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2019) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	83,808	94,415
Lease liabilities (net)	(5,967)	-
Dividends paid to stockholders	(111,665)	(210,923)
Fixed deposits pledged for banking facilities	15,047	(36,037)
Dividends paid to non-controlling interests	(8,880)	(10,703)
Proceeds from issue of shares to non-controlling interest	3,920	-
<i>Net cash flows used in financing activities</i>	(23,737)	(163,248)
Net increase in cash and cash equivalents	441,993	86,382
Cash and cash equivalents at 1 January	2,222,934	2,959,210
Effects of exchange rates on cash and cash equivalents	(65,171)	19,259
Cash and cash equivalents at 30 September (Note 1)	<u>2,599,756</u>	<u>3,064,851</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	1,571,063	1,262,769
Fixed deposits	1,507,359	2,408,275
Bank overdrafts	(114)	-
Unit trust money market funds	214,133	95,635
	<u>3,292,441</u>	<u>3,766,679</u>
Less:		
Deposits pledged	(692,685)	(701,828)
	<u>2,599,756</u>	<u>3,064,851</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 SEPTEMBER 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 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform –Phase 2*

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*

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

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

1. Basis of Preparation (Cont'd)

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.

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 SEPTEMBER 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 September 2020											
Revenue from external customers	1,446,365	143,193	127,969	361,724	7,264	219,397	68,362	2,374,274	-		2,374,274
Inter-segment revenue	494	377	229	-	11,108	75	53	12,336	(12,336)		-
Total revenue	<u>1,446,859</u>	<u>143,570</u>	<u>128,198</u>	<u>361,724</u>	<u>18,372</u>	<u>219,472</u>	<u>68,415</u>	<u>2,386,610</u>	<u>(12,336)</u>		<u>2,374,274</u>
Results											
Segment profit/ (loss)	<u>96,387</u>	<u>1,573</u>	<u>(852)</u>	<u>(61,506)</u>	<u>(6,746)</u>	<u>2,434</u>	<u>(3,380)</u>	<u>27,910</u>	<u>(37,948)</u>	A	<u>(10,038)</u>
Assets											
Segment assets	<u>3,401,028</u>	<u>370,816</u>	<u>1,048,726</u>	<u>2,471,418</u>	<u>596,676</u>	<u>1,148,468</u>	<u>215,997</u>	<u>9,253,129</u>	<u>652,573</u>	B	<u>9,905,702</u>

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 September 2020
	RM'000
Share of results of associates	(25,274)
Finance costs	<u>(12,674)</u>
	<u><u>(37,948)</u></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 2020
	RM'000
Investment in associates	584,104
Current tax assets	30,626
Deferred tax assets	<u>37,843</u>
	<u><u>652,573</u></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 followings:-

- (i) 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 SEPTEMBER 2020 (Cont'd)

10. Changes in Group's Composition (Cont'd)

- (ii) Oriental Industries (Wuxi) Co., Ltd. ("OIW"), a 72.25% owned subsidiary by the Company, 15.25% owned by wholly-owned subsidiary of Oriental International (Mauritius) Co., Ltd. ("OIM") and 12.50% owned subsidiary by Teck See Plastic Sdn. Bhd. which in turn is a 60% owned subsidiary of the Company, had on 16 September 2020 entered into an Equity Transfer Agreement to dispose off their respective investments in OIW to Jiangsu Xinghuida Technology Co., Ltd. for aggregate cash consideration of RMB 116,280,000. The total registered and issued capital of OIW is USD 12,000,000 and is dormant currently. The disposal has obtained the approval of authority on 12 October 2020. Upon the completion of the disposal, OIW shall cease to be a subsidiary of the Company.

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 2,374.3 million, a decline of 41.5% or RM 1,687.3 million as compared to RM 4,061.6 million in the corresponding period last year. The decline in revenue was mainly attributed to the lower contribution from the automotive segment by RM 1,500.9 million impacted by the lower number of cars sold from retail operations.

The Group recorded an operating profit of RM 27.9 million (2019: RM 319.4 million), declined by RM 291.5 million mainly due to lower contribution from all business segments.

The Group recorded year to date loss before tax of RM 10.0 million compared to the profit before tax of RM 338.1 million in the corresponding period last year was mainly attributed by lower contribution from automotive and plantation segments as well as 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 50.9% to RM 1,446.4 million while operating profit decreased by 62.9% to RM 96.4 million.

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

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

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

For the retail operations in Singapore, revenue and operating profit decreased by 55.1% and 57.9% respectively mainly due to the lower number of cars sold by 61.3% as there was no new car registration during Circuit Breaker ("CB") period from 7 April to 1 June 2020. Performance of Singapore retail operations has been slowly recovering following the newly launched Honda City in early September 2020.

For the retail operations in Malaysia, revenue decreased by 42.7% attributed to the 45.8% 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 recent launching of the new Honda City and CRV facelift in Quarter 4, will boost the car sales in near future.

The plantation segment generated a revenue of RM 361.7 million, a slight increase of 0.4% compared to corresponding period last year of RM 360.1 million and recorded an operating loss of RM 61.5 million (2019 operating profit : RM 18.3 million). The segment's operating loss was attributable to the unrealised foreign exchange loss of RM 116.3 million (2019 : RM 3.6 million) from the weakening of the IDR against the JPY denominated borrowings.

The plastic segment recorded a decrease in revenue of 30.6% and an operating profit of RM 1.6 million (2019 : RM 6.2 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 44.1% decline in revenue to RM 128.0 million and recorded an operating loss of RM 0.9 million (2019 operating profit: RM 35.4 million). Overall average room rates declined significantly impacting the performance of hotels especially Australia and United Kingdom hotels. 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 63.4% to RM 7.3 million and recorded an operating loss of RM 6.7 million (2019 operating profit : RM 7.8 million) mainly attributable to lower dividend received from other investments and realised foreign exchange loss of RM 5.4 million (2019 realised foreign exchange gain : RM 0.03 million) from the weakening of the MYR against the JPY denominated borrowings.

The investment properties and trading of building material products segment recorded a 2.7% decrease in revenue to RM 219.4 million while recorded an operating profit of RM 2.4 million (2019 operating loss : RM 3.8 million). The segment managed to turnaround into profit as no unrealised foreign exchange loss from intercompany advances (2019 unrealised foreign exchange loss : RM 3.8 million) attributable to repayment of advances in Quarter 4 2019.

Healthcare segment's revenue decreased by 7.1% to RM 68.4 million due to decline in number of patients by 20.9% while still operating at loss of RM 3.4 million (2019 : RM 4.1 million) as a result of high fixed operating cost.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 third quarter of 2020 was RM 948.2 million, an increase of RM 478.5 million or 101.9% from RM 469.7 million in Q2FY20, mainly due to higher contribution from automotive segment attributed to the higher number of cars sold for both retail operations in Singapore and Malaysia. The Group recorded an operating loss of RM 37.4 million (Q2FY20 operating profit : RM 198.6 million) mainly due to unrealised foreign exchange loss in Q3FY20 of RM 98.0 million (Q2FY20 unrealised foreign exchange gain : RM 217.7 million) mainly from the weakening of the IDR against the JPY denominated borrowings by the plantation segment.

The Group recorded a loss before tax for Q3FY20 of RM 26.1 million compared to a profit before tax of RM 184.2 million for Q2FY20 mainly derived from the unrealised foreign exchange loss from plantation segment.

Segmental Analysis

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

Revenue from automotive segment increased by 191.1% to RM 626.6 million and operating profit increased to RM 44.9 million (Q2FY20 : RM 19.5 million). The increase in revenue and operating profit were mainly due to the higher number of cars sold from retail operations in Malaysia and Singapore as business resumed in May/June after the enforcement of MCO and CB in respective countries since March/April 2020.

Revenue from plantation segment decreased by 28.4% to RM 95.7 million (Q2FY20 : RM 133.6 million) mainly due to decrease in CPO and PK sales volume by 40.9% and 28.8% respectively while recorded an operating loss of RM 73.8 million compared to operating profit of RM 197.6 million for Q2FY20. The segment’s operating loss was attributable to the unrealised foreign exchange loss of RM 92.7 million (Q2FY20 unrealised foreign exchange gain : RM 209.9 million) from the weakening of the IDR against the JPY denominated borrowings.

Revenue for plastic segment increased by 110.4% to RM 66.5 million (Q2FY20 : RM 31.6 million) while recorded an operating profit of RM 4.6 million (Q2FY20 : RM 1.1 million). The improvement in plastic segment performance was attributable to higher demand by consumers subsequent to uplift of MCO and the stimulus package introduced by the Government on the full exemption of sales tax for the locally assembled vehicles from mid-June to end-December 2020.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 increased by 52.8% to RM 38.8 million (Q2FY20 : RM 25.4 million) while recorded an operating loss of RM 1.9 million (Q2FY20 : RM 5.5 million) in line with the recovery of hotels’ average occupancy rate and average room rate especially New Zealand hotels following the uplifting of lock down in May with more hotel stays during ski season from domestic market in Quarter 3.

Investment holding segment recorded a constant revenue at RM 2.4 million for both quarters while recorded an operating loss of RM 14.1 million (Q2FY20 : RM 9.6 million). Higher operating loss was mainly due to the realised foreign exchange loss of RM 4.2 million (Q2FY20 : RM 1.0 million) from the weakening of the MYR against the JPY denominated borrowings.

Revenue for investment properties and trading of building material products segment increased by 107.8% to RM 93.1 million (Q2FY20 : RM 44.8 million) and recorded an operating profit of RM 2.2 million (Q2FY20 operating loss : RM 1.3 million) in line with improvement in sales order as the segment resumed its operation subsequent to uplift of MCO in May 2020.

Revenue for healthcare segment increased by 50.9% to RM 25.2 million (Q2FY20 : RM 16.7 million) and recorded an operating profit of RM 0.6 million (Q2FY20 operating loss : RM 3.2 million) in line with increase of 57.3% in the total number of patients in the current quarter compared to Q2FY20.

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 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.

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.

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

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

14. Current Year Prospects (Cont'd)

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. Honda Malaysia has recently launched the new Honda City and CRV facelift in Quarter 4.

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 rationalisation, 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 segment's fourth oil mill in South Sumatra, Indonesia has commenced its milling operation in early November 2020, hence will contribute positively to the segment performance moving forward.

The hotels and resorts segment has been affected by the major lock downs happening across the world. Hotel in United Kingdom has been closed for business since April 2020 following the lock down and expected to resume business operation in early 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 has been 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 SEPTEMBER 2020 (Cont'd)

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sept 20 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 19 RM'000 (Unaudited)	Current Year To date 30 Sept 20 RM'000 (Unaudited)	Preceding Year To date 30 Sept 19 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	912	1,735	3,284	8,715
- Under/(Over) provision in respect of prior period	3	(173)	61	10,701
	915	1,562	3,345	19,416
Foreign taxation				
- Based on profit for the period	10,991	18,994	34,747	54,811
	11,906	20,556	38,092	74,227
Deferred taxation				
- Current period	(3,005)	1,457	149	2,478
- Over provision in respect of prior period	-	(1)	(3,293)	(109)
	(3,005)	1,456	(3,144)	2,369
	8,901	22,012	34,948	76,596

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 SEPTEMBER 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			RM'000	RM'000
		I			II	I + II
Borrowings – secured						
-Revolving credit	4.8 - 5.1	5,000	-		-	5,000
	0.9 - 1.5	-	JPY 32.630 billion		1,284,819	1,284,819
	2.1 - 2.3	-	SGD 0.066 billion		192,989	192,989
					1,477,808	1,482,808
-Term loans	1.7	-	SGD 0.001 billion		1,780	1,780
-Bank overdraft	7.2	114	-		-	114
Borrowings – unsecured						
-Bankers acceptance	2.5 - 3.7	16,525	-		-	16,525
-Revolving credit	0.9 - 2.7	8,000	JPY 16.515 billion		650,113	658,113
		<u>29,639</u>			<u>2,129,701</u>	<u>2,159,340</u>
Long Term						
Term loans – secured	1.7 - 4.3	2,619	SGD 0.013 billion		39,866	42,485
		<u>2,619</u>			<u>39,866</u>	<u>42,485</u>
Total Borrowings		<u>32,258</u>			<u>2,169,567</u>	<u>2,201,825</u>

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

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

19. Trade receivables

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

	RM'000	%
Not past due	192,003	88.5
Past due less than 3 months	20,025	9.2
Past due 3-6 months	3,884	1.8
Past due 6-12 months	62	0.0
Past due more than 1 year	988	0.5
	<hr/> 216,962 <hr/>	<hr/> 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

The Board of Directors proposed an interim dividend of 6 sen per ordinary stock (2019 : 12 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ending 31 December 2020. The dividend will be payable on 21 January 2021 to depositors registered in the Record of Depositors at close of business on 31 December 2020.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 Sept 20 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 19 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 20) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 19) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>14,987</u>	<u>100,484</u>	<u>11,688</u>	<u>270,963</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>2.42</u>	<u>16.20</u>	<u>1.88</u>	<u>43.68</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 26 NOVEMBER 2020