

ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

FINANCIAL REPORT

31 DECEMBER 2021

ORIENTAL HOLDINGS BERHAD
(Registration No. 196301000446 (5286-U))
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INTERIM FINANCIAL REPORT
31 DECEMBER 2021

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ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	As at End of Current Quarter 31 Dec 2021 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2020 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,915,917	1,931,858	-0.8
Right-of-use assets	328,444	335,357	-2.1
Investment properties	1,095,420	1,109,922	-1.3
Intangible assets	23,059	22,539	2.3
Investments in associates	624,610	600,695	4.0
Other investments	676,390	619,789	9.1
Deferred tax assets	57,531	59,189	-2.8
Inventories	35,941	35,936	0.0
Other receivables	31,141	30,771	1.2
Total non-current assets	<u>4,788,453</u>	<u>4,746,056</u>	0.9
Inventories	238,964	220,360	8.4
Biological assets	15,615	11,793	32.4
Trade and other receivables	361,281	381,787	-5.4
Current tax assets	9,806	22,882	-57.1
Other investments	1,426,930	1,416,252	0.8
Cash and cash equivalents	3,526,049	3,211,313	9.8
Assets classified as held for sale	16,018	-	100.0
Deferred tax assets	58,654	-	100.0
Total current assets	<u>5,653,317</u>	<u>5,264,387</u>	7.4
Total assets	<u><u>10,441,770</u></u>	<u><u>10,010,443</u></u>	4.3
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,272,253	1,224,321	3.9
Retained earnings	4,882,136	4,706,975	3.7
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,774,602</u>	<u>6,551,509</u>	3.4
Non-controlling interests	<u>977,973</u>	<u>814,476</u>	20.1
Total Equity	<u><u>7,752,575</u></u>	<u><u>7,365,985</u></u>	5.2
Liabilities			
Borrowings	225,100	226,257	-0.5
Lease liabilities	22,389	27,861	-19.6
Contract liabilities	49,498	76,990	-35.7
Retirement benefits	26,235	31,266	-16.1
Deferred tax liabilities	36,250	33,048	9.7
Total non-current liabilities	<u>359,472</u>	<u>395,422</u>	-9.1
Borrowings	1,789,679	1,828,206	-2.1
Lease liabilities	6,302	6,952	-9.3
Current tax liabilities	121,344	42,675	184.3
Trade and other payables	328,196	304,023	8.0
Contract liabilities	22,166	29,958	-26.0
Dividends payable	62,036	37,222	66.7
Total current liabilities	<u>2,329,723</u>	<u>2,249,036</u>	3.6
Total liabilities	<u>2,689,195</u>	<u>2,644,458</u>	1.7
Total equity and liabilities	<u><u>10,441,770</u></u>	<u><u>10,010,443</u></u>	4.3
Net assets per stock (sen)	1091.99	1056.03	3.4

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Dec 2021 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2020 RM'000 (Unaudited)		Current Year To Date (Four quarters to 31 Dec 2021) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2020) RM'000 (Audited)	
Revenue	906,420	990,172	-8.5	3,267,903	3,364,446	-2.9
Results from operating activities	163,436	117,648	38.9	581,109	145,558	299.2
Finance costs	(17,610)	(17,361)	-1.4	(27,772)	(30,035)	7.5
Share of profits/ (loss) after tax of equity accounted associates	25,332	17,645	43.6	53,589	(7,629)	802.4
Profit before taxation	171,158	117,932	45.1	606,926	107,894	462.5
Tax expense	(33,297)	649	-5230.5	(108,066)	(34,299)	-215.1
Profit from continuing operations	137,861	118,581	16.3	498,860	73,595	577.8
Other comprehensive income/ (expense), net of tax						
Remeasurement of defined benefit liability	3,466	(207)	1774.4	3,466	(207)	1774.4
Foreign currency translation differences for foreign operations :						
- gain during the year	9,430	81,612	-88.4	27,352	31,721	-13.8
-reclassification to profit or loss on disposal of a subsidiary	-	(13,564)	100.0	-	(13,564)	100.0
Fair value gain/ (loss) of equity instruments designated at fair value through other comprehensive income	21,790	57,532	-62.1	19,711	(112,696)	117.5
Share of other comprehensive (expense) /income of equity accounted associates	(14)	(314)	95.5	3,207	(2,005)	260.0
Other comprehensive income/ (expense) for the period, net of tax	34,672	125,059	-72.3	53,736	(96,751)	155.5
Total comprehensive income/ (expense) for the period	172,533	243,640	-29.2	552,596	(23,156)	2486.4
Profit/ (Loss) attributable to:						
Stockholders of the Company	95,943	100,442	-4.5	321,574	112,130	186.8
Non-controlling interests	41,918	18,139	131.1	177,286	(38,535)	560.1
Profit for the period	137,861	118,581	16.3	498,860	73,595	577.8
Total comprehensive income/ (expense) attributable to:						
Stockholders of the Company	133,008	201,199	-33.9	371,980	36,709	913.3
Non-controlling interests	39,525	42,441	-6.9	180,616	(59,865)	401.7
Total comprehensive income/ (expense) for the period	172,533	243,640	-29.2	552,596	(23,156)	2486.4
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362		620,362	620,362	
Basic earnings per stock (sen) (based on the weighted average number of stocks)	15.47	16.19	-4.4	51.84	18.07	186.9

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 2021 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2020 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2021) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2020) RM'000 (Audited)
Included in the Total Comprehensive Expense/Income for the period are the followings :				
Interest income	(12,172)	(14,335)	(49,799)	(74,614)
Other income including investment income	(3,778)	(1,709)	(28,378)	(10,294)
Interest expense	17,610	17,361	27,772	30,035
Depreciation and amortisation	40,818	36,741	153,032	147,809
Bad debts written off	2,235	360	2,014	4
Write down of inventories	121	1,548	1,185	3,032
Property, plant and equipment write off	120	351	342	414
(Gain)/ Loss on disposal of investments	(168)	(25,898)	150	(25,801)
Gain on disposal of property, plant and equipment	(674)	(1,829)	(3,084)	(2,940)
(Reversal)/ Provision of impairment loss on assets	(7,219)	70,259	(7,341)	70,258
Unrealised foreign exchange (gain)/ loss	(60,206)	(49,166)	(167,835)	65,722
Realised foreign exchange loss/ (gain)	538	5,398	(4,530)	1,514

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	← Attributable to stockholders of the Company →						Total	Non-controlling interests	Total equity
	Share capital	Translation reserve	Fair value reserve	Treasury stocks	Retained earnings	Capital reserve			
<i>In thousands of RM</i>									
At 1 January 2020	620,462	858,453	400,948	(249)	4,746,447	40,248	6,666,309	876,243	7,542,552
Remeasurement of defined benefit liability	-	-	-	-	(93)	-	(93)	(114)	(207)
Foreign currency translation differences for foreign operations	-	31,521	-	-	-	-	31,521	(13,364)	18,157
Fair value of financial assets	-	-	(104,844)	-	-	-	(104,844)	(7,852)	(112,696)
Share of other comprehensive expense of equity accounted associates	-	-	(2,005)	-	-	-	(2,005)	-	(2,005)
Total other comprehensive income/ (expense) for the period	-	31,521	(106,849)	-	(93)	-	(75,421)	(21,330)	(96,751)
Profit/(Loss) for the period	-	-	-	-	112,130	-	112,130	(38,535)	73,595
Total comprehensive income/ (expense) for the period	-	31,521	(106,849)	-	112,037	-	36,709	(59,865)	(23,156)
Dividends to stockholders	-	-	-	-	(148,887)	-	(148,887)	-	(148,887)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(9,370)	(9,370)
Changes in ownership interests in a subsidiary	-	-	-	-	(2,622)	-	(2,622)	2,622	-
Disposal of a subsidiary	-	-	-	-	-	-	-	(1,034)	(1,034)
Shares issued to non-controlling interests	-	-	-	-	-	-	-	5,880	5,880
Total transactions with owners	-	-	-	-	(151,509)	-	(151,509)	(1,902)	(153,411)
At 31 December 2020	620,462	889,974	294,099	(249)	4,706,975	40,248	6,551,509	814,476	7,365,985
<i>In thousands of RM</i>									
At 1 January 2021	620,462	889,974	294,099	(249)	4,706,975	40,248	6,551,509	814,476	7,365,985
Remeasurement of defined benefit liability	-	-	-	-	1,601	-	1,601	1,865	3,466
Foreign currency translation differences for foreign operations	-	25,112	-	-	-	-	25,112	2,240	27,352
Fair value of financial assets	-	-	20,486	-	-	-	20,486	(775)	19,711
Share of other comprehensive income of equity accounted	-	-	3,207	-	-	-	3,207	-	3,207
Total other comprehensive income for the period	-	25,112	23,693	-	1,601	-	50,406	3,330	53,736
Profit for the year	-	-	-	-	321,574	-	321,574	177,286	498,860
Total comprehensive income for the period	-	25,112	23,693	-	323,175	-	371,980	180,616	552,596
Dividends to stockholders	-	-	-	-	(148,887)	-	(148,887)	-	(148,887)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(21,469)	(21,469)
Shares issued to non-controlling interests	-	-	-	-	-	-	-	4,350	4,350
Total transactions with owners	-	-	-	-	(148,887)	-	(148,887)	(17,119)	(166,006)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	(873)	-	873	-	-	-	-
At 31 December 2021	620,462	915,086	316,919	(249)	4,882,136	40,248	6,774,602	977,973	7,752,575

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Current Year To Date (Four quarters to 31 Dec 2021) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2020) RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	606,926	107,894
Adjustments for:		
Non-cash items	(36,853)	294,997
Non-operating items	(106,979)	(76,101)
Operating profit before working capital changes	463,094	326,790
Changes in working capital	(4,833)	36,194
Cash flows from operating activities	458,261	362,984
Dividend received, net	59,845	16,510
Tax paid	(72,565)	(70,781)
Interest paid	(27,931)	(33,033)
Payment of retirement benefits	(738)	(930)
<i>Net cash flows from operating activities</i>	416,872	274,750
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(114,291)	(148,770)
Purchase of investments	(8,937)	(154,837)
Proceeds from disposal of investments	85,290	72,494
Interest received	50,583	79,529
Net cash inflow on disposal of a subsidiary	-	23,414
(Increase)/ Decrease in short term investments, net	(116,487)	326,928
<i>Net cash flows (used in)/ from investing activities</i>	(103,842)	198,758

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Four quarters to 31 Dec 2021) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2020) RM'000 (Audited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	88,840	(47,323)
Lease liabilities (net)	(7,877)	(10,597)
Dividends paid to stockholders	(124,072)	(111,665)
Fixed deposits pledged for banking facilities	(33,501)	(4,721)
Dividends paid to non-controlling interests	(21,469)	(9,370)
Proceeds from issue of shares to non-controlling interest	4,350	5,880
<i>Net cash flows used in financing activities</i>	(93,729)	(177,796)
Net increase in cash and cash equivalents	219,301	295,712
Cash and cash equivalents at 1 January	2,498,860	2,222,934
Effects of exchange rates on cash and cash equivalents	61,934	(19,786)
Cash and cash equivalents at 31 December (Note 1)	<u>2,780,095</u>	<u>2,498,860</u>

NOTE

	RM'000	RM'000
1 Cash and cash equivalents consist of: -		
Cash and bank balances	1,691,723	1,631,373
Fixed deposits	1,653,185	1,430,772
Unit trust money market funds	181,141	149,168
	<u>3,526,049</u>	<u>3,211,313</u>
Less:		
Deposits pledged	(745,954)	(712,453)
	<u>2,780,095</u>	<u>2,498,860</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 2021

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 2020. 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 2020.

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 2020.

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 April 2021

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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)*

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 2021 (Cont'd)

1. Basis of Preparation (Cont'd)

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

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 on 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.

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.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 2021 (Cont'd)

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) an interim single tier dividend of 6 sen per ordinary stock (FY2019 : 12 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ended 31 December 2020 on 21 January 2021;
- ii) a second interim single tier dividend of 8 sen per ordinary stock and special interim single tier dividend of 6 sen per ordinary stock (FY2019 : a single tier final dividend of 8 sen per ordinary stock and single tier final special dividend of 10 sen per ordinary stock) totalling RM86,850,656 in respect of the financial year ended 31 December 2020 on 15 July 2021; and
- iii) an interim single tier dividend of 10 sen per ordinary stock (FY2020 : 6 sen per ordinary stock) totalling RM62,036,183 in respect of the financial year ended 31 December 2021 on 20 January 2022.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 2021 (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 2021											
Revenue from external customers	1,611,251	187,453	192,610	828,923	24,833	340,644	82,189	3,267,903	-		3,267,903
Inter-segment revenue	924	436	359	-	11,480	129	99	13,427	(13,427)		-
Total revenue	<u>1,612,175</u>	<u>187,889</u>	<u>192,969</u>	<u>828,923</u>	<u>36,313</u>	<u>340,773</u>	<u>82,288</u>	<u>3,281,330</u>	<u>(13,427)</u>		<u>3,267,903</u>
Results											
Segment profit	<u>71,225</u>	<u>14,399</u>	<u>15,624</u>	<u>439,901</u>	<u>31,698</u>	<u>4,368</u>	<u>3,894</u>	<u>581,109</u>	<u>25,817</u>	A	<u>606,926</u>
Assets											
Segment assets	<u>3,173,765</u>	<u>328,975</u>	<u>1,090,078</u>	<u>2,863,431</u>	<u>893,009</u>	<u>1,113,798</u>	<u>228,113</u>	<u>9,691,169</u>	<u>750,601</u>	B	<u>10,441,770</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 2021 (Cont'd)

8. Segment Revenue and Results (Cont'd)

Notes Nature of reconciliations 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 statement of profit or loss and other comprehensive income:

	31 December 2021
	RM'000
Share of results of associates	53,589
Finance costs	<u>(27,772)</u>
	<u>25,817</u>

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

	31 December 2021
	RM'000
Investment in associates	624,610
Current tax assets	9,806
Deferred tax assets	<u>116,185</u>
	<u>750,601</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:-

- (i) The Company through its direct 51% owned subsidiary, Melaka Straits Medical Centre Sdn. Bhd. had on 25 March 2021 incorporated a wholly owned subsidiary named Oriental Medical (Segamat) Sdn. Bhd.. The initial issued share capital is one ordinary share at an issue price of RM1.00 only. The intended principal activities of Oriental Medical (Segamat) Sdn. Bhd. are operating a medical centre and provision of related healthcare services.
- (ii) The Company has further subscribed in rights issue of 6,119,592 ordinary shares and renounceable rights issue of 1,529,898 ordinary shares at an issue price of RM1.00 each in Melaka Straits Medical Centre Sdn. Bhd. ("MSMC"), its direct 51% owned subsidiary. The Company holds 51.68% in MSMC upon completion of the application on 1 October 2021.

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

(iii) Unique Pave Sdn. Bhd. ("UP"), is a 76% owned subsidiary of Simen Utara Sdn. Bhd ("SU") and an associate of Unique Mix (Penang) Sdn. Bhd. which in turn is a 70% owned subsidiary of SU. SU is a 91% owned sub-subsiary of the Company. UP had on 31 December 2021 been placed under member's voluntary winding up proceeding.

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 3,267.9 million, a decrease of 2.9% or RM 96.5 million as compared to RM 3,364.4 million in the corresponding period last year. The decrease in revenue was mainly attributed to the lower contribution from the automotive segment with overall decrease in number of cars sold from retail operations.

The Group recorded an operating profit of RM 581.1 million (FY2020 : RM 145.6 million), increased by RM 435.5 million mainly attributed from plantation segment.

The Group recorded year to date profit before tax of RM 606.9 million compared to the profit before tax of RM 107.9 million in the corresponding period last year was mainly attributed to higher contribution from plantation segment.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue from the automotive segment decreased by 21.7% to RM 1,611.3 million while operating profit decreased by 52.6% to RM 71.2 million.

For the retail operations in Singapore, revenue and operating profit decreased by 35.1% and 51.4% respectively mainly due to the lower number of cars sold by 53.4% especially for Honda Jazz, HRV and Civic models impacted by the reduction in supply of Certificate of Entitlement (COE) quota and slow down business activities due to COVID-19 restrictions.

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

For the retail operations in Malaysia, revenue decreased by 9.1% and recorded lower operating profit attributed to the 10.4% dropped in the number of cars sold mainly due to FMCO from June to August 2021 with closure of showroom and limited services intake.

The plantation segment generated a revenue of RM 828.9 million, an increase of 53.6% compared to corresponding period last year of RM 539.8 million and recorded an operating profit of RM 439.9 million (FY2020 : RM 33.4 million). Higher revenue was contributed by the increase in CPO and PK sales volume by 10.8% and 23.5% respectively as well as CPO and PK selling price by 41.1% and 68.6% respectively. The segment's operating profit was also attributable to the favourable unrealised foreign exchange gain of RM 146.3 million (FY2020 unrealised foreign exchange loss : RM 60.2 million) from the strengthening of the IDR against the JPY denominated borrowings.

The plastic segment recorded a decrease in revenue of 9.3% to RM 187.5 million (FY2020 : RM 206.8 million) while recorded an operating profit of RM 14.4 million (FY2020 : RM 12.8 million). The lower revenue mainly due to lower sales order from automotive and electronics customers. Besides, plastic segment has a longer period of suspension of production activities from June 2021 to August 2021 compared to last year lockdown period from mid-March to May 2020. Higher operating profit mainly attributable to better cost management and wage subsidy received.

Hotels and resorts segment recorded a 15.6% increase in revenue to RM 192.6 million (FY2020 : RM 166.6 million) and recorded an operating profit of RM 15.6 million (FY2020 operating loss : RM 6.5 million). Overall average room rates and occupancy rates have been gradually recovering especially for Australia and United Kingdom hotels since the emergence of worldwide COVID-19 pandemic cases in mid-March 2020. The relaxation of broad-based travel restrictions and reopen of United Kingdom's borders to fully vaccinated travellers in August 2021 will bring a promising outlook for the tourism sectors.

Revenue for the investment holding segment increased by 145.5% to RM 24.8 million (FY2020 : RM 10.1 million) and recorded an operating profit of RM 31.7 million (FY2020 : RM 0.8 million) mainly attributable to dividend received from other investments and the unrealised foreign exchange gain of RM 33.7 million (FY2020 unrealised foreign exchange loss : RM 17.1 million) on the JPY denominated borrowings.

The investment properties and trading of building material products segment recorded a 8.7% increase in revenue to RM 340.6 million (FY2020 : RM 313.4 million) and operating profit of RM 4.4 million (FY2020 operating loss : RM 43.2 million) in line with higher sales volume and improved sales margin compared to corresponding period last year. Last year included impairment loss of assets of RM 43.8 million.

Healthcare segment's revenue increased by 15.6% to RM 82.2 million (FY2020 : RM 71.1 million) and recorded an operating profit of RM 3.9 million (FY2020 operating loss : RM 1.9 million) in line with the increase in number of patients by 17.8%.

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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 2021 was RM 906.4 million, an increase of RM 198.3 million or 28.0% from RM 708.1 million in Q3FY21, mainly due to higher contribution from automotive segment by RM 182.0 million attributed to the higher number of cars sold from retail operations.

The Group recorded an operating profit of RM 163.4 million (Q3FY21 : RM 139.5 million) mainly due to higher contribution from automotive, plantation and plastic segments attributable to the higher sales.

The Group recorded a profit before tax for Q4FY21 of RM 171.2 million compared to a profit before tax of RM 141.0 million for Q3FY21 mainly derived from the contribution from automotive, plantation and plastic segments and 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 increased by 63.8% to RM 467.3 million (Q3FY21 : RM 285.3 million) and operating profit increased to RM 30.9 million (Q3FY21 : RM 0.4 million). The increase in revenue and operating profit were mainly due to the higher number of cars sold from retail operations in Malaysia by 213.0% as a result from showrooms gradually resume operations after the nationwide lockdown was lifted in August 2021.

Revenue from plantation segment decreased by 7.8% to RM 206.5 million (Q3FY21 : RM 224.0 million) mainly due to lower CPO & PK sales volume by 27.6% and 38.5% respectively compared to Q3FY21. The segment recorded an operating profit of RM 134.6 million (Q3FY21 : RM 108.8 million) in line with favourable unrealised foreign exchange gain of RM 56.4 million (Q3FY21 : RM 30.5 million) from the strengthening of the IDR against the JPY denominated borrowings.

Revenue for plastic segment increased by 93.8% to RM 65.3 million (Q3FY21 : RM 33.7 million) while recorded an operating profit of RM 6.8 million (Q3FY21 : RM 1.4 million) mainly attributable to higher automotive sales after the FMCO suspension of the operations from 1 June 2021 to third week of August 2021.

Revenue for hotels and resorts segment decreased by 2.7% to RM 46.7 million (Q3FY21 : RM 48.0 million) and recorded an operating loss of RM 2.4 million (Q3FY21 operating profit : RM 6.6 million) in line with lower occupancy rates from Australia and New Zealand hotels due to lockdown restrictions in Q4FY21.

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

Revenue for investment holding segment decreased by 85.1% to RM 2.8 million (Q3FY21 : RM 18.8 million) and recorded an operating loss of RM 8.8 million (Q3FY21 operating profit : RM 18.0 million). Lower operating profit was attributable to higher dividend income received from other investments in Q3FY21.

Revenue for investment properties and trading of building material products segment increased by 60.9% to RM 113.6 million (Q3FY21 : RM 70.6 million) while recorded an operating profit of RM 0.8 million (Q3FY21 : RM 2.6 million) as increased in the segment production operating capacity and selling price in the current quarter compared to Q3FY21. Lower operating profit was mainly due to bad debts written off.

Healthcare segment’s operating profit remained constant at RM 1.5 million (Q3FY21 : RM 1.6 million).

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 MCO from 18 March 2020 to 12 May 2020 and reinstatement of MCO 2.0 in mid-January to early March 2021. The Singapore government had also imposed similar lockdown measures (Circuit Breaker) from 7 April 2020 to 1 June 2020. As Malaysia and Singapore grapple with a surge in COVID-19 cases and highly infectious variants, MCO 3.0/ FMCO 3.0 were implemented nationwide effective 12 May 2021 and 1 June 2021 respectively. Malaysia and Singapore launched a vaccinated travel lane (VTL) between Changi Airport and Kuala Lumpur International Airport on 29 November 2021. Under the VTL, fully vaccinated travellers able to travel between Malaysia and Singapore, and be subjected to COVID-19 tests in lieu of serving quarantine or stay-home notice.

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14. Current Year Prospects (Cont'd)

The automotive segment will continue to contribute to the Group's performance under very competitive market conditions with strong and aggressive promotional campaigns by the industry players. Retail operations in Malaysia will be gradually improved with the extension period of vehicle sales tax exemption further extended to June 2022. Shortage of vital components such as semiconductor chips continue to be a concern for certain models line up. The automakers predict the chip constraint will ease in the second half of 2022. We will continuing monitor the situation to improve the performance of the segment.

The plastic segment continues to face competitive environment from other industry players and the 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 segment are expecting to benefit from current Indonesia's new export policy through higher CPO prices, but noted several risk factors that may affect earnings estimates. The forex exposure of the JPY loans will be closely monitored and managed.

The hotels and resorts segment has been affected by the major lockdowns across the world. Hotel in United Kingdom has been closed for business since April 2020 and has resumed business operation in May 2021 resulting from easing of lockdown restrictions after the rapid mass vaccination programme across United Kingdom. Australia's international borders open to all vaccinated visa holders on 21 February 2022, while New Zealand plan for phased reopening of borders from 27 February 2022, and will fully reopen its borders to travelers around the world in October 2022.

The 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 have 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.

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16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 21 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 20 RM'000 (Unaudited)	Current Year To date 31 Dec 21 RM'000 (Unaudited)	Preceding Year To date 31 Dec 20 RM'000 (Audited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	9,077	6,902	16,799	10,186
- Under/ (Over) provision in respect of prior period	62	(716)	267	(655)
	9,139	6,186	17,066	9,531
Foreign taxation				
- Based on profit for the period	79,043	15,212	146,495	49,959
	88,182	21,398	163,561	59,490
Deferred taxation				
- Current period	(57,242)	(20,894)	(57,773)	(20,745)
- Under/ (Over) provision in respect of prior period	2,357	(1,153)	2,278	(4,446)
	(54,885)	(22,047)	(55,495)	(25,191)
	33,297	(649)	108,066	34,299

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 27 October 2021 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		Total RM'000 I + II
		Ringgit RM'000 I	← Foreign Currencies → Source Currency RM Equivalent RM'000 II	
Short Term				
Hire purchase financing	2.5 - 2.9	294	-	294
Borrowings – secured				
-Revolving credit	0.8 - 1.4	-	JPY 39.680 billion	1,435,496
-Term loans	1.9 - 4.3	264	SGD 0.001 billion	1,807
Borrowings – unsecured				
-Bankers acceptance	2.4 - 2.7	31,748	-	31,748
-Revolving credit	1.5 - 2.9	12,000	JPY 8.515 billion	308,070
		<u>44,306</u>		<u>1,745,373</u>
				<u>1,789,679</u>
Long Term				
Hire purchase financing	2.5 - 2.9	316	-	316
Term loans – secured	1.9 - 4.3	3,701	SGD 0.072 billion	221,083
		<u>4,017</u>		<u>221,083</u>
				<u>225,100</u>
Total Borrowings		<u>48,323</u>		<u>1,966,456</u>
				<u>2,014,779</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 2021 is as follows:

	RM'000	%
Not past due	224,180	87.0
Past due less than 3 months	28,937	11.2
Past due 3-6 months	2,642	1.0
Past due 6-12 months	1,246	0.5
Past due more than 1 year	614	0.3
	<u>257,619</u>	<u>100.0</u>

The Group did not impair the past due trade receivables but monitor these receivables closely. No bad and past due debts are anticipated that could materially affect the financial results and financial position of the Group as a whole.

20. Changes in Material Litigations

Not applicable.

21. Dividend Proposed

The Board of Directors proposed a second interim single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 in respect of the financial year ended 31 December 2021. The dividend will be payable on 29 March 2022 to Depositors registered in the Records of Depositors at the close of business on 15 March 2022.

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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 21 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 20 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 21) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 20) RM'000 (Audited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>95,943</u>	<u>100,442</u>	<u>321,574</u>	<u>112,130</u>
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362	620,362	620,362
Basic earnings per stock (sen)	<u>15.47</u>	<u>16.19</u>	<u>51.84</u>	<u>18.07</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 25 FEBRUARY 2022