

ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

FINANCIAL REPORT

30 JUNE 2022

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

INTERIM FINANCIAL REPORT
30 JUNE 2022

	Page No.
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Statement of Comprehensive Income	2 - 3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5 - 6
Notes to the Interim Financial Report	7 - 20



ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	As at End of Current Quarter 30 June 2022 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2021 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,922,126	1,919,410	0.1
Right-of-use assets	329,710	328,170	0.5
Investment properties	1,093,034	1,095,528	-0.2
Intangible assets	23,505	23,059	1.9
Investments in associates	661,775	624,502	6.0
Other investments	683,786	679,934	0.6
Deferred tax assets	57,559	57,451	0.2
Inventories	35,888	35,941	-0.1
Other receivables	34,165	31,141	9.7
Total non-current assets	<u>4,841,548</u>	<u>4,795,136</u>	1.0
Inventories	300,802	239,028	25.8
Biological assets	15,802	15,615	1.2
Trade and other receivables	396,435	357,770	10.8
Current tax assets	11,787	13,982	-15.7
Other investments	1,534,395	1,426,929	7.5
Cash and cash equivalents	3,362,179	3,526,066	-4.6
Assets classified as held for sale	-	16,018	-100.0
Deferred tax assets	-	58,655	-100.0
Total current assets	<u>5,621,400</u>	<u>5,654,063</u>	-0.6
Total assets	<u><u>10,462,948</u></u>	<u><u>10,449,199</u></u>	0.1
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,322,829	1,275,796	3.7
Retained earnings	5,094,009	4,881,515	4.4
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>7,037,051</u>	<u>6,777,524</u>	3.8
Non-controlling interests	<u>1,114,240</u>	<u>980,160</u>	13.7
Total Equity	<u><u>8,151,291</u></u>	<u><u>7,757,684</u></u>	5.1
Liabilities			
Borrowings	154,624	147,829	4.6
Lease liabilities	22,834	22,250	2.6
Contract liabilities	74,137	47,816	55.0
Retirement benefits	27,041	26,235	3.1
Deferred tax liabilities	41,048	41,516	-1.1
Total non-current liabilities	<u>319,684</u>	<u>285,646</u>	11.9
Borrowings	1,542,940	1,866,950	-17.4
Lease liabilities	2,050	6,031	-66.0
Current tax liabilities	38,819	116,009	-66.5
Trade and other payables	343,850	327,572	5.0
Contract liabilities	2,278	27,271	-91.6
Dividends payable	62,036	62,036	0.0
Total current liabilities	<u>1,991,973</u>	<u>2,405,869</u>	-17.2
Total liabilities	<u>2,311,657</u>	<u>2,691,515</u>	-14.1
Total equity and liabilities	<u><u>10,462,948</u></u>	<u><u>10,449,199</u></u>	0.1
Net assets per stock (sen)	1134.29	1092.46	3.8

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 2022

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 June 2022 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2021 RM'000 (Unaudited)		Current Year To Date (Two quarters to 30 June 2022) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2021) RM'000 (Unaudited)	
Revenue	939,183	763,098	23.1	1,879,144	1,653,394	13.7
Results from operating activities	221,669	70,342	215.1	647,628	278,202	132.8
Finance costs	(3,548)	(3,627)	2.2	(6,560)	(6,604)	0.7
Share of profits after tax of equity accounted associates	21,478	115	18,576.5	39,494	23,197	70.3
Profit before taxation	239,599	66,830	258.5	680,562	294,795	130.9
Tax expense	(15,494)	(12,872)	(20.4)	(109,719)	(48,270)	(127.3)
Profit from continuing operations	224,105	53,958	315.3	570,843	246,525	131.6
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations :						
- gain/(loss) during the period	6,706	(8,023)	183.6	54,316	40,478	34.2
Fair value loss of equity instruments designated at fair value through other comprehensive income	(30,030)	(18,699)	(60.6)	(16,006)	(8,204)	(95.1)
Share of other comprehensive income of equity accounted associates	457	3,024	(84.9)	457	3,224	(85.8)
Other comprehensive (expense)/ income for the period, net of tax	(22,867)	(23,698)	3.5	38,767	35,498	9.2
Total comprehensive income for the period	201,238	30,260	565.0	609,610	282,023	116.2
Profit attributable to:						
Stockholders of the Company	136,808	34,928	291.7	404,651	156,975	157.8
Non-controlling interests	87,297	19,030	358.7	166,192	89,550	85.6
Profit for the period	224,105	53,958	315.3	570,843	246,525	131.6
Total comprehensive income attributable to:						
Stockholders of the Company	119,400	13,424	789.5	445,635	191,803	132.3
Non-controlling interests	81,838	16,836	386.1	163,975	90,220	81.8
Total comprehensive income for the period	201,238	30,260	565.0	609,610	282,023	116.2
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362		620,362	620,362	
Basic earnings per stock (sen) (based on the weighted average number of stocks)	22.05	5.63	291.7	65.23	25.30	157.8

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 2022

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 June 2022 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2021 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 2022) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2021) RM'000 (Unaudited)
Included in the Total Comprehensive Expense/Income for the period are the followings :				
Interest income	(13,393)	(11,946)	(26,249)	(25,332)
Other income including investment income	(13,118)	(3,670)	(13,730)	(4,641)
Interest expense	3,548	3,627	6,560	6,604
Depreciation and amortisation	39,578	37,005	78,856	75,298
Bad debts written off/ (recovered)	5	(100)	5	(162)
Write down of inventories	143	208	332	77
Property, plant and equipment write off	6	27	90	76
(Gain)/ Loss on disposal of investments	(110)	9	10	410
Gain on disposal of property, plant and equipment	(1,721)	(759)	(212,883)	(2,123)
Provision/ (Reversal) of impairment loss on assets	107	(1)	(32)	299
Unrealised foreign exchange gain	(89,518)	(2,843)	(180,478)	(80,699)
Realised foreign exchange gain	(23,092)	(457)	(22,647)	(5,590)

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 2022

← 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 2021	620,462	889,974	294,099	(249)	4,706,975	40,248	6,551,509	814,476	7,365,985
Foreign currency translation differences for foreign operations	-	42,957	-	-	-	-	42,957	(2,479)	40,478
Fair value of financial assets	-	-	(12,226)	-	873	-	(11,353)	3,149	(8,204)
Share of other comprehensive income of equity accounted associates	-	-	3,224	-	-	-	3,224	-	3,224
Total other comprehensive income/ (expense) for the period	-	42,957	(9,002)	-	873	-	34,828	670	35,498
Profit for the period	-	-	-	-	156,975	-	156,975	89,550	246,525
Total comprehensive income/ (expense) for the period	-	42,957	(9,002)	-	157,848	-	191,803	90,220	282,023
Dividends to stockholders	-	-	-	-	(86,851)	-	(86,851)	-	(86,851)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(4,823)	(4,823)
Total transactions with owners	-	-	-	-	(86,851)	-	(86,851)	(4,823)	(91,674)
At 30 June 2021	620,462	932,931	285,097	(249)	4,777,972	40,248	6,656,461	899,873	7,556,334
<i>In thousands of RM</i>									
At 1 January 2022	620,462	915,086	320,462	(249)	4,881,515	40,248	6,777,524	980,160	7,757,684
Foreign currency translation differences for foreign operations	-	51,101	-	-	-	-	51,101	3,215	54,316
Fair value of financial assets	-	-	(10,574)	-	-	-	(10,574)	(5,432)	(16,006)
Share of other comprehensive income of equity accounted associates	-	-	457	-	-	-	457	-	457
Total other comprehensive income/ (expense) for the period	-	51,101	(10,117)	-	-	-	40,984	(2,217)	38,767
Profit for the period	-	-	-	-	404,651	-	404,651	166,192	570,843
Total comprehensive income/ (expense) for the period	-	51,101	(10,117)	-	404,651	-	445,635	163,975	609,610
Dividends to stockholders	-	-	-	-	(186,108)	-	(186,108)	-	(186,108)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(29,790)	(29,790)
Liquidation of a subsidiary	-	-	-	-	-	-	-	(105)	(105)
Total transactions with owners	-	-	-	-	(186,108)	-	(186,108)	(29,895)	(216,003)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	6,049	-	(6,049)	-	-	-	-
At 30 June 2022	620,462	966,187	316,394	(249)	5,094,009	40,248	7,037,051	1,114,240	8,151,291

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 2022

	Current Year To Date (Two quarters to 30 June 2022) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2021) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	680,562	294,795
Adjustments for:		
Non-cash items	(115,365)	(2,454)
Non-operating items	(286,940)	(48,432)
Operating profit before working capital changes	278,257	243,909
Changes in working capital	(83,219)	(17,300)
Cash flows from operating activities	195,038	226,609
Dividend received, net	22,580	34,286
Tax paid	(125,582)	(39,923)
Interest paid	(6,120)	(5,715)
Payment of retirement benefits	(565)	(352)
<i>Net cash flows from operating activities</i>	85,351	214,905
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(65,419)	(58,980)
Assets classified as held for sale	228,627	-
Purchase of investments	(43,289)	(5,941)
Proceeds from disposal of investments	20,769	73,119
Interest received	25,782	26,403
Net cash outflow on liquidation of a subsidiary	(105)	-
(Increase)/ Decrease in short term investments, net	(93,908)	58,396
<i>Net cash flows from investing activities</i>	72,457	92,997

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Two quarters to 30 June 2022) RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 2021) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	(168,882)	54,470
Lease liabilities (net)	(6,189)	(4,695)
Dividends paid to stockholders	(186,108)	(37,222)
Fixed deposits pledged for banking facilities	(20,115)	(11,154)
Dividends paid to non-controlling interests	(29,790)	(4,823)
<i>Net cash flows used in financing activities</i>	(411,084)	(3,424)
Net (decrease)/ increase in cash and cash equivalents	(253,276)	304,478
Cash and cash equivalents at 1 January	2,780,112	2,498,860
Effects of exchange rates on cash and cash equivalents	69,274	39,706
Cash and cash equivalents at 30 June (Note 1)	<u>2,596,110</u>	<u>2,843,044</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	1,750,498	1,667,847
Fixed deposits	1,496,195	1,667,307
Unit trust money market funds	115,486	231,497
	<u>3,362,179</u>	<u>3,566,651</u>
Less:		
Deposits pledged	(766,069)	(723,607)
	<u>2,596,110</u>	<u>2,843,044</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 2022

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 2021. 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 2021.

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 2021.

The adoption of the following amendments and annual improvements to existing accounting standards that came into effect on or after 1 January 2022 which are applicable to the Group, did not have any significant financial impact on the condensed consolidated interim financial statements upon their initial application.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment 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)*

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (Cont'd)

1. Basis of Preparation (Cont'd)

MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective:

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

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (Cont'd)

5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial period.

6. Debt and Equity Securities

There were no issuance and repayment of debt and equity stocks, stock buy-backs, stock cancellations, stocks held as treasury stocks and resale of treasury stocks for the current financial period to date.

7. Dividends Paid

Since the end of the previous financial year, the Company paid:

- i) a first 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;
- ii) a second interim single tier dividend of 20 sen per ordinary stock (FY2020 : 8 sen per ordinary stock and a single tier special interim dividend of 6 sen per ordinary stock) totalling RM124,072,366 in respect of the financial year ended 31 December 2021 on 29 March 2022; and
- iii) a final single tier dividend of 10 sen per ordinary stock totalling RM62,036,183 in respect of the financial year ended 31 December 2021 on 14 July 2022.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (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 2022											
Revenue from external customers	914,001	116,988	106,427	462,661	13,481	220,887	44,699	1,879,144	-		1,879,144
Inter-segment revenue	544	343	115	-	19,407	65	1,162	21,636	(21,636)		-
Total revenue	<u>914,545</u>	<u>117,331</u>	<u>106,542</u>	<u>462,661</u>	<u>32,888</u>	<u>220,952</u>	<u>45,861</u>	<u>1,900,780</u>	<u>(21,636)</u>		<u>1,879,144</u>
Results											
Segment profit	<u>28,116</u>	<u>7,997</u>	<u>223,717</u>	<u>316,342</u>	<u>65,534</u>	<u>3,486</u>	<u>2,436</u>	<u>647,628</u>	<u>32,934</u>	A	<u>680,562</u>
Assets											
Segment assets	<u>3,285,472</u>	<u>339,264</u>	<u>1,214,293</u>	<u>2,844,956</u>	<u>706,729</u>	<u>1,115,530</u>	<u>225,583</u>	<u>9,731,827</u>	<u>731,121</u>	B	<u>10,462,948</u>

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (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:

	30 June 2022
	RM'000
Share of results of associates	39,494
Finance costs	<u>(6,560)</u>
	<u>32,934</u>

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

	30 June 2022
	RM'000
Investment in associates	661,775
Current tax assets	11,787
Deferred tax assets	<u>57,559</u>
	<u>731,121</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.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (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 1,879.1 million, an increase of 13.7% or RM 225.7 million as compared to RM 1,653.4 million in the corresponding period last year. The increase in revenue was mainly attributed to the higher contribution from the plantation and investment properties and trading of building material products segments with overall increase in CPO and PK selling prices and higher sales volume from building material products respectively.

The Group recorded an operating profit of RM 647.6 million (2021 : RM 278.2 million), increased by RM 369.4 million mainly attributed from plantation and hotels and resorts segments.

The Group recorded year to date profit before tax of RM 680.6 million compared to the profit before tax of RM 294.8 million in the corresponding period last year was mainly attributed to higher contribution from hotels and resorts and plantation segments.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue from the automotive segment increased by 6.4% to RM 914.0 million while operating profit decreased by 29.6% to RM 28.1 million.

For the retail operations in Singapore, revenue and operating profit decreased by 28.9% and 66.1% respectively mainly due to the lower number of cars sold by 44.6% which impacted by the reduction in supply of Certificate of Entitlement (COE) quota and higher COE price.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (Cont'd)

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

For the retail operations in Malaysia, revenue and operating profit increased by RM 137.5 million and RM 6.1 million respectively attributed to higher number of cars sold by 51.9%. Higher sales as a result of earlier months stock shortages, and fulfilling of outstanding orders in 1HFY22 which translated into increase in sales. Besides, newly launched models ie. City Hatchback & Civic models have also boosted the sales volume.

The plantation segment generated a revenue of RM 462.7 million, an increase of 16.1% compared to corresponding period last year of RM 398.4 million and recorded an operating profit of RM 316.3 million (2021 : RM 196.5 million). Higher revenue was contributed by the increase in CPO and PK selling price by 53.4% and 74.7% respectively. The segment's operating profit was also attributable to the favourable realised and unrealised foreign exchange gain of RM 167.3 million (2021: RM 63.6 million) from the strengthening of the IDR against the JPY denominated borrowings and repayment of JPY denominated borrowings.

The plastic segment recorded an increase in revenue of 32.4% to RM 117.0 million (2021 : RM 88.4 million) while recorded an operating profit of RM 8.0 million (2021 : RM 6.2 million). The improvement in revenue was mainly due to higher sales from automotive customers spurred by higher demand from consumers in line with the savings from the sales tax exemption for locally assembled vehicles as well as new models launched. Despite higher revenue, operating profit merely increased by RM 1.8 million mainly due to lower margin as higher operational expenses from materials, and packaging costs as well as increased in labour costs due to shortage of labour force in the market and implementation of minimum wage effective on 1st May 2022.

Hotels and resorts segment recorded revenue of RM 106.4 million (2021 : RM 97.9 million) and recorded significant increase in operating profit of RM 223.7 million (2021 : RM 11.4 million). Significant increase in operating profit was mainly due to gain on disposal of one of the hotel in Melbourne, Australia of RM 210.0 million.

Revenue for the investment holding segment increased by 321.9% to RM 13.5 million (2021 : RM 3.2 million) and recorded an operating profit of RM 65.5 million (2021 : RM 22.5 million) mainly attributable to dividend income and unrealised foreign exchange gain of RM 53.8 million (2021 : RM 22.6 million) on the JPY denominated borrowings.

The investment properties and trading of building material products segment recorded a 41.2% increase in revenue to RM 220.9 million (2021 : RM 156.5 million) and operating profit of RM 3.5 million (2021 : RM 0.9 million) in line with higher sales volume and improved in operating profit due to cost control especially in administrative expenses.

Healthcare segment's operating profit remained low at RM 2.4 million (2021 : RM 0.8 million) while recorded an increase in number of patients by 26.0%.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (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 2022 was RM 939.2 million, a decrease of RM 0.8 million or 0.1% from RM 940.0 million in Q1FY22, mainly due to lower contribution from plantation segment by RM 17.5 million attributed to the lower CPO and PK selling prices.

The Group recorded an operating profit of RM 221.7 million (Q1FY22 : RM 426.0 million) mainly due to lower contribution from hotels and resorts and automotive segments.

The Group recorded a profit before tax for Q2FY22 of RM 239.6 million compared to a profit before tax of RM 441.0 million for Q1FY22 mainly derived from plantation and investment holding segments and unrealised foreign exchange gain.

Segmental Analysis

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

Revenue from automotive segment decreased by 0.9% to RM 455.0 million (Q1FY22 : RM 459.0 million) and operating profit decreased to RM 4.5 million (Q1FY22 : RM 23.6 million). The decrease in revenue and operating profit were mainly due to the lower number of cars sold from retail operations by 6.8% as well as unrealised foreign exchange losses as a result of strengthening SGD against major currencies on its cash and bank balances.

Revenue from plantation segment decreased by 7.3% to RM 222.6 million (Q1FY22 : RM 240.1 million) mainly due to lower CPO sales volume by 17.4% and PK selling price by 15.0% compared to Q1FY22. The segment recorded an operating profit of RM 151.8 million (Q1FY22 : RM 164.6 million) in line with favourable unrealised foreign exchange gain of RM 71.8 million (Q1FY22 : RM 72.5 million) from the strengthening of the IDR against the JPY denominated borrowings.

Revenue for plastic segment increased by 3.5% to RM 59.5 million (Q1FY22 : RM 57.5 million) while recorded a constant operating profit of RM 4.0 million for both quarters mainly attributable to increase in labour costs caused by shortage of labour and implementation of minimum wage effective on 1st May 2022.

Revenue for hotels and resorts segment increased by 28.3% to RM 59.8 million (Q1FY22 : RM 46.6 million) and recorded a significant lower operating profit of RM 11.6 million (Q1FY22 : RM 212.1 million). This was due to gain on disposal of one of the hotel in Melbourne, Australia of RM 210.0 million in Q1FY22. Overall higher occupancy rates and average room rates as recovery after reopens the international market and ease of COVID-19 restriction in interstate travelling.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (Cont'd)

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 increased by 442.9% to RM 11.4 million (Q1FY22 : RM 2.1 million) and recorded an operating profit of RM 48.8 million (Q1FY22 : RM 16.8 million). Higher operating profit was attributable to dividend income and unrealised foreign exchange gain of RM 37.7 million (Q1FY22 : RM 16.2 million) on the JPY denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 5.4% to RM 107.4 million (Q1FY22 : RM 113.5 million) and recorded an operating loss of RM 0.5 million (Q1FY22 operating profit : RM 4.0 million) as decreased in the sales volume due to competitive market. Higher operating loss was mainly due to payment of land tax for Australia properties in Q2FY22.

Healthcare segment’s operating profit remained low at RM 1.5 million (Q1FY22 : RM 0.9 million) while recorded higher number of patients by 6.6% mainly due to higher operating cost.

14. Current Year Prospects

Global growth is projected to slow to 3.2% in 2022. Economic damage from the conflict of war in Ukraine has contributed to a significant slow down in global growth in addition to inflation where fuel and food prices have increased rapidly.

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. The government has also extended the registration period for vehicles bought during the SST exemption until March 31, 2023, to enable car owners to enjoy the tax incentives.

Shortage of vital components such as semiconductor chips continue to be a concern for certain models line up as war in Ukraine continues to put a strain on supplies of important parts needed. Some automakers predict the chip shortage in its entirety to continue in 2024. A revision of earlier prediction that supply could stretch into 2023. We will continue to 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.

Despite the removal of Indonesia’s three-week CPO export ban, Indonesia's exports have not reverted to normal levels as the government required companies to sell a portion of output at home before issuing export permits, in a bid to control local cooking oil prices. This has led to a surge in stocks and a slump in prices. The plantation segment will take necessary steps to ensure that all estates and mills remain efficient, cost effective and competitive.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (Cont'd)

14. Current Year Prospects (Cont'd)

The hotels and resorts segment has been affected by the major lockdowns across the world since 2020. However, with the accelerating vaccination programmes and greater immunity, the hotels and resorts segment will make a comeback following several countries lifted their international travel restrictions and open to vaccinated travellers.

The healthcare segment will continue to focus on strengthening brand awareness and positioning the hospital for sustainable growth.

The Board will continue to demonstrate resilience by placing emphasis on improving our efficiency and look forward to seek excellent business opportunities to add synergy to existing business.

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 2022 (Cont'd)

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 June 22 RM'000 (Unaudited)	Preceding Year Quarter 30 June 21 RM'000 (Unaudited)	Current Year To date 30 June 22 RM'000 (Unaudited)	Preceding Year To date 30 June 21 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	5,873	2,465	9,413	4,351
- (Over)/ Under provision in respect of prior period	(24)	(20)	101	36
	5,849	2,445	9,514	4,387
Foreign taxation				
- Based on profit for the period	15,657	16,337	39,877	44,749
	21,506	18,782	49,391	49,136
Deferred taxation				
- Current period	(5,669)	(5,909)	61,543	(787)
- Over provision in respect of prior period	(343)	(1)	(1,215)	(79)
	(6,012)	(5,910)	60,328	(866)
	15,494	12,872	109,719	48,270

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 June 2022 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 2022 (Cont'd)

18. Group Borrowings

	Interest rate %	Borrowings denominated in		Source Currency	RM Equivalent	Total
		Ringgit	Foreign Currencies			
Short Term		RM'000			RM'000	RM'000
		I			II	I + II
Hire purchase financing	5.3	239		-	-	239
Borrowings – secured						
-Revolving credit	0.8 - 1.4	-	JPY 37.060 billion		1,196,096	1,196,096
-Term loans	2.7 – 4.4	277	SGD 0.023 billion		73,677	73,954
Borrowings – unsecured						
-Bankers acceptance	2.5 – 3.0	37,441		-	-	37,441
-Revolving credit	1.5 – 3.2	5,000	JPY 3.900 billion		125,839	130,839
	2.4	-	SGD 0.033 billion		104,371	104,371
		<u>42,957</u>			<u>1,499,983</u>	<u>1,542,940</u>
Long Term						
Hire purchase financing	5.3	744		-	-	744
Term loans – secured	2.7 – 4.4	3,364	SGD 0.047 billion		150,516	153,880
		<u>4,108</u>			<u>150,516</u>	<u>154,624</u>
Total Borrowings		<u>47,065</u>			<u>1,650,499</u>	<u>1,697,564</u>

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (Cont'd)

19. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 30 June 2022 is as follows:

	RM'000	%
Not past due	228,565	87.2
Past due less than 3 months	30,718	11.7
Past due 3-6 months	1,276	0.5
Past due 6-12 months	786	0.3
Past due more than 1 year	712	0.3
	<u>262,057</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 an interim single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 in respect of the financial year ending 31 December 2022. The entitlement date and payment date will be announced at a later date.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2022 (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 22 RM'000 (Unaudited)	Preceding Year Quarter 30 June 21 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 22) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 21) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>136,808</u>	<u>34,928</u>	<u>404,651</u>	<u>156,975</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>22.05</u>	<u>5.63</u>	<u>65.23</u>	<u>25.30</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 25 AUGUST 2022