

ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

FINANCIAL REPORT

30 SEPTEMBER 2022

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

INTERIM FINANCIAL REPORT
30 SEPTEMBER 2022

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ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	As at End of Current Quarter 30 Sept 2022 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2021 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,960,206	1,919,410	2.1
Right-of-use assets	333,052	328,170	1.5
Investment properties	1,086,966	1,095,528	-0.8
Intangible assets	23,729	23,059	2.9
Investments in associates	620,559	624,502	-0.6
Other investments	597,012	679,934	-12.2
Deferred tax assets	57,407	57,451	-0.1
Inventories	35,888	35,941	-0.1
Other receivables	35,098	31,141	12.7
Total non-current assets	<u>4,749,917</u>	<u>4,795,136</u>	-0.9
Inventories	324,211	239,028	35.6
Biological assets	16,178	15,615	3.6
Trade and other receivables	425,061	357,770	18.8
Current tax assets	10,079	13,982	-27.9
Other investments	1,498,596	1,426,929	5.0
Cash and cash equivalents	3,664,120	3,526,066	3.9
Assets classified as held for sale	-	16,018	-100.0
Deferred tax assets	-	58,655	-100.0
Total current assets	<u>5,938,245</u>	<u>5,654,063</u>	5.0
Total assets	<u><u>10,688,162</u></u>	<u><u>10,449,199</u></u>	2.3
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,336,091	1,275,796	4.7
Retained earnings	5,068,627	4,881,515	3.8
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>7,024,931</u>	<u>6,777,524</u>	3.7
Non-controlling interests	<u>1,175,471</u>	<u>980,160</u>	19.9
Total Equity	<u><u>8,200,402</u></u>	<u><u>7,757,684</u></u>	5.7
Liabilities			
Borrowings	117,660	147,829	-20.4
Lease liabilities	22,670	22,250	1.9
Contract liabilities	76,050	47,816	59.0
Retirement benefits	28,103	26,235	7.1
Deferred tax liabilities	41,593	41,516	0.2
Total non-current liabilities	<u>286,076</u>	<u>285,646</u>	0.2
Borrowings	1,701,393	1,866,950	-8.9
Lease liabilities	853	6,031	-85.9
Current tax liabilities	45,257	116,009	-61.0
Trade and other payables	327,802	327,572	0.1
Contract liabilities	2,307	27,271	-91.5
Dividends payable	124,072	62,036	100.0
Total current liabilities	<u>2,201,684</u>	<u>2,405,869</u>	-8.5
Total liabilities	<u>2,487,760</u>	<u>2,691,515</u>	-7.6
Total equity and liabilities	<u><u>10,688,162</u></u>	<u><u>10,449,199</u></u>	2.3
Net assets per stock (sen)	1132.34	1092.46	3.7

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



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 Sept 2022 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2021 RM'000 (Unaudited)		Current Year To Date (Three quarters to 30 Sept 2022) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2021) RM'000 (Unaudited)	
Revenue	960,252	708,089	35.6	2,839,396	2,361,483	20.2
Results from operating activities	173,331	139,471	24.3	820,959	417,673	96.6
Finance costs	(5,181)	(3,558)	(45.6)	(11,741)	(10,162)	(15.5)
Share of profits after tax of equity accounted associates	23,389	5,060	362.2	62,883	28,257	122.5
Profit before taxation	191,539	140,973	35.9	872,101	435,768	100.1
Tax expense	(34,308)	(26,499)	(29.5)	(144,027)	(74,769)	(92.6)
Profit from continuing operations	157,231	114,474	37.4	728,074	360,999	101.7
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations :						
- gain/(loss) during the period	62,525	(22,556)	377.2	116,841	17,922	551.9
Fair value (loss)/ profit of equity instruments designated at fair value through other comprehensive income	(42,559)	6,125	(794.8)	(58,565)	(2,079)	(2,717.2)
Share of other comprehensive (expense)/ income of equity accounted associates	(12)	(3)	(300.0)	445	3,221	(86.2)
Other comprehensive income/ (expense) for the period, net of tax	19,954	(16,434)	221.4	58,721	19,064	208.0
Total comprehensive income for the period	177,185	98,040	80.7	786,795	380,063	107.0
Profit attributable to:						
Stockholders of the Company	102,348	68,656	49.1	506,999	225,631	124.7
Non-controlling interests	54,883	45,818	19.8	221,075	135,368	63.3
Profit for the period	157,231	114,474	37.4	728,074	360,999	101.7
Total comprehensive income attributable to:						
Stockholders of the Company	111,953	47,169	137.3	557,588	238,972	133.3
Non-controlling interests	65,232	50,871	28.2	229,207	141,091	62.5
Total comprehensive income for the period	177,185	98,040	80.7	786,795	380,063	107.0
<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)	16.50	11.07	49.1	81.73	36.37	124.7

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sept 2022 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2021 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2022) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2021) RM'000 (Unaudited)
Included in the Total Comprehensive Expense/Income for the period are the followings :				
Interest income	(21,278)	(12,295)	(47,527)	(37,627)
Other income including investment income	(4,010)	(19,959)	(17,740)	(24,600)
Interest expense	5,181	3,558	11,741	10,162
Depreciation and amortisation	39,576	36,916	118,432	112,214
Bad debts written off/ (recovered)	49	(59)	54	(221)
Write down of inventories	1,005	987	1,337	1,064
Property, plant and equipment write off	11	146	101	222
(Gain)/ Loss on disposal of investments	(622)	(83)	(612)	318
Gain on disposal of property, plant and equipment	(1,027)	(287)	(213,910)	(2,410)
Reversal of impairment loss on assets	(301)	(421)	(333)	(122)
Unrealised foreign exchange loss/ (gain)	70,624	(26,930)	(109,854)	(107,629)
Realised foreign exchange (gain)/ loss	(109,490)	522	(132,137)	(5,068)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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	-	15,029	-	-	-	-	15,029	2,893	17,922
Fair value of financial assets	-	-	(5,782)	-	873	-	(4,909)	2,830	(2,079)
Share of other comprehensive income of equity accounted associates	-	-	3,221	-	-	-	3,221	-	3,221
Total other comprehensive income/ (expense) for the period	-	15,029	(2,561)	-	873	-	13,341	5,723	19,064
Profit for the period	-	-	-	-	225,631	-	225,631	135,368	360,999
Total comprehensive income/ (expense) for the period	-	15,029	(2,561)	-	226,504	-	238,972	141,091	380,063
Dividends to stockholders	-	-	-	-	(86,851)	-	(86,851)	-	(86,851)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(8,824)	(8,824)
Total transactions with owners	-	-	-	-	(86,851)	-	(86,851)	(8,824)	(95,675)
At 30 September 2021	620,462	905,003	291,538	(249)	4,846,628	40,248	6,703,630	946,743	7,650,373
<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	-	101,021	-	-	-	-	101,021	15,820	116,841
Fair value of financial assets	-	-	(50,877)	-	-	-	(50,877)	(7,688)	(58,565)
Share of other comprehensive income of equity accounted associates	-	-	445	-	-	-	445	-	445
Total other comprehensive income/ (expense) for the period	-	101,021	(50,432)	-	-	-	50,589	8,132	58,721
Profit for the period	-	-	-	-	506,999	-	506,999	221,075	728,074
Total comprehensive income/ (expense) for the period	-	101,021	(50,432)	-	506,999	-	557,588	229,207	786,795
Dividends to stockholders	-	-	-	-	(310,181)	-	(310,181)	-	(310,181)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(33,791)	(33,791)
Liquidation of a subsidiary	-	-	-	-	-	-	-	(105)	(105)
Total transactions with owners	-	-	-	-	(310,181)	-	(310,181)	(33,896)	(344,077)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	9,706	-	(9,706)	-	-	-	-
At 30 September 2022	620,462	1,016,107	279,736	(249)	5,068,627	40,248	7,024,931	1,175,471	8,200,402

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Current Year To Date (Three quarters to 30 Sept 2022) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2021) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	872,101	435,768
Adjustments for:		
Non-cash items	(20,221)	(1,280)
Non-operating items	(333,380)	(82,610)
Operating profit before working capital changes	518,500	351,878
Changes in working capital	(138,965)	(26,079)
Cash flows from operating activities	379,535	325,799
Dividend received, net	83,415	56,218
Tax paid	(151,987)	(57,238)
Interest paid	(12,686)	(9,180)
Payment of retirement benefits	(757)	(439)
<i>Net cash flows from operating activities</i>	297,520	315,160
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(127,050)	(91,638)
Proceeds from disposal of assets classified as held for sale	228,627	-
Purchase of investments	(43,289)	(7,640)
Proceeds from disposal of investments	81,990	81,003
Interest received	44,230	37,580
Net cash outflow on liquidation of a subsidiary	(105)	-
(Increase)/ Decrease in short term investments, net	(51,821)	35,804
<i>Net cash flows from investing activities</i>	132,582	55,109

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Three quarters to 30 Sept 2022) RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2021) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	(157,828)	84,158
Lease liabilities (net)	(3,571)	(6,820)
Dividends paid to stockholders	(248,144)	(124,072)
Fixed deposits pledged for banking facilities	(46,192)	(8,590)
Dividends paid to non-controlling interests	(33,791)	(8,824)
<i>Net cash flows used in financing activities</i>	(489,526)	(64,148)
Net (decrease)/ increase in cash and cash equivalents	(59,424)	306,121
Cash and cash equivalents at 1 January	2,780,112	2,498,860
Effects of exchange rates on cash and cash equivalents	151,286	61,484
Cash and cash equivalents at 30 September (Note 1)	<u>2,871,974</u>	<u>2,866,465</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	1,768,223	1,911,532
Fixed deposits	1,683,441	1,487,478
Unit trust money market funds	212,456	188,498
	<u>3,664,120</u>	<u>3,587,508</u>
Less:		
Deposits pledged	(792,146)	(721,043)
	<u>2,871,974</u>	<u>2,866,465</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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)*

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*

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.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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;
- 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; and
- iv) 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 on 17 November 2022.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 September 2022											
Revenue from external customers	1,411,517	195,938	164,928	658,604	15,416	323,730	69,263	2,839,396	-		2,839,396
Inter-segment revenue	562	391	175	-	19,407	108	8	20,651	(20,651)		-
Total revenue	<u>1,412,079</u>	<u>196,329</u>	<u>165,103</u>	<u>658,604</u>	<u>34,823</u>	<u>323,838</u>	<u>69,271</u>	<u>2,860,047</u>	<u>(20,651)</u>		<u>2,839,396</u>
Results											
Segment profit	<u>43,555</u>	<u>15,187</u>	<u>237,165</u>	<u>422,879</u>	<u>91,465</u>	<u>5,658</u>	<u>5,050</u>	<u>820,959</u>	<u>51,142</u>	A	<u>872,101</u>
Assets											
Segment assets	<u>3,337,087</u>	<u>337,016</u>	<u>1,192,409</u>	<u>3,063,951</u>	<u>716,948</u>	<u>1,124,739</u>	<u>227,967</u>	<u>10,000,117</u>	<u>688,045</u>	B	<u>10,688,162</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 September 2022
	RM'000
Share of results of associates	62,883
Finance costs	(11,741)
	<u>51,142</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 September 2022
	RM'000
Investment in associates	620,559
Current tax assets	10,079
Deferred tax assets	57,407
	<u>688,045</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.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 2,839.4 million, an increase of 20.2% or RM 477.9 million as compared to RM 2,361.5 million in the corresponding period last year. The increase in revenue was mainly attributed to the higher contribution from the automotive, investment properties and trading of building material products and plastic segments.

The Group recorded an operating profit of RM 821.0 million (2021 : RM 417.7 million), increased by RM 403.3 million and profit before tax of RM 872.1 million compared to the profit before tax of RM 435.8 million in the corresponding period last year mainly attributed from gain on disposal from hotels and resorts segment and favourable realised and unrealised foreign exchange gain from plantation segment.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue and operating profit from the automotive segment increased by 23.4% to RM 1,411.5 million and 8.0% to RM 43.6 million respectively.

For the retail operations in Singapore, revenue and operating profit decreased by 20.1% and 56.0% respectively mainly due to the lower number of cars sold by 38.7% which impacted by the reduction in supply of Certificate of Entitlement (COE) quota and higher COE price.

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SELECTED EXPLANATORY NOTES
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30 SEPTEMBER 2022 (Cont'd)

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

For the retail operations in Malaysia, revenue and operating profit increased by RM 282.7 million and RM 11.2 million respectively attributed to higher number of cars sold by 79.9%. Higher sales as a result of earlier months stock shortages, and fulfilling of outstanding orders in YTDFY22 translated into increased revenue.

The plantation segment generated a revenue of RM 658.6 million, an increase of 5.8% compared to corresponding period last year of RM 622.4 million and recorded an operating profit of RM 422.9 million (2021 : RM 305.3 million). Higher revenue was contributed by the increase in CPO, PK and FFB selling price by 32.4%, 47.1% and 16.6% respectively. The segment's operating profit was also attributable to the favourable realised and unrealised foreign exchange gain of RM 200.9 million (2021: RM 93.3 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 60.5% to RM 195.9 million (2021 : RM 122.1 million) while recorded an operating profit of RM 15.2 million (2021 : RM 7.6 million). The improvement in revenue was mainly due to high sales orders arising from pent up demand to clear backlog by 31 March 2023 to be eligible for sales tax exemption for locally assembled vehicles as well as new models launched. Despite higher revenue, operating profit increased marginally by RM 7.6 million mainly due to lower gross profit 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 164.9 million (2021 : RM 145.9 million) and recorded exceptional gain in operating profit of RM 237.2 million (2021 : RM 18.0 million). Increased in revenue mainly from Singapore, United Kingdom and Malaysia in line with overall higher average room rates. While 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 decreased by 30.0% to RM 15.4 million (2021 : RM 22.0 million) and recorded an operating profit of RM 91.5 million (2021 : RM 40.5 million) mainly attributable to lower dividend income while increase in realised foreign exchange gain of RM 42.9 million (2021 : RM 0.1 million) on the repayment of JPY denominated borrowings.

The investment properties and trading of building material products segment recorded a 42.6% increase in revenue to RM 323.7 million (2021 : RM 227.1 million) and operating profit of RM 5.7 million (2021 : RM 3.6 million) in line with higher sales volume.

Healthcare segment's operating profit remained low at RM 5.1 million (2021 : RM 2.4 million) while recorded an increase in number of patients by 23.0%.

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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 third quarter of 2022 was RM 960.3 million, an increase of RM 21.1 million or 2.2% from RM 939.2 million in Q2FY22, mainly due to higher contribution from automotive segment by RM 42.5 million attributed to the higher number of cars sold.

The Group recorded an operating profit of RM 173.3 million (Q2FY22 : RM 221.7 million) mainly due to lower contribution from plantation and investment holding segments.

The Group recorded a profit before tax for Q3FY22 of RM 191.5 million compared to a profit before tax of RM 239.6 million for Q2FY22 mainly attributed to lower contribution from plantation and investment holding segments and unrealised foreign exchange loss.

Segmental Analysis

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

Revenue and operating profit from automotive segment increased by 9.3% to RM 497.5 million (Q2FY22 : RM 455.0 million) and by 242.2% to RM 15.4 million (Q2FY22 : RM 4.5 million) respectively. The increase in revenue and operating profit were mainly due to slight increase in number of cars sold from retail operations by 3.7% as well as lower unrealised foreign exchange losses as a result of the strengthening of the SGD against major currencies on its cash and bank balances.

Revenue from plantation segment decreased by 12.0% to RM 195.9 million (Q2FY22 : RM 222.6 million) mainly due to lower CPO, PK and FFB selling price by 30.7%, 48.6% and 35.5% compared to Q2FY22. The segment recorded an operating profit of RM 106.5 million (Q2FY22 : RM 151.8 million) in line with lower realised and unrealised foreign exchange gain of RM 33.7 million (Q2FY22 : RM 95.1 million) impacted by the weakening of the IDR against the SGD denominated borrowings.

Revenue for plastic segment increased by 32.8% to RM 79.0 million (Q2FY22 : RM 59.5 million) while recorded an operating profit of RM 7.2 million (Q2FY22 : RM 4.0 million) mainly attributed to higher sales orders from automotive customers.

Revenue for hotels and resorts segment decreased by 2.2% to RM 58.5 million (Q2FY22 : RM 59.8 million) and recorded higher operating profit of RM 13.4 million (Q2FY22 : RM 11.6 million). This was due to slight increase in average room rates especially from Singapore market as global travel recovery picks up pace.

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Revenue for investment holding segment decreased by 83.3% to RM 1.9 million (Q2FY22 : RM 11.4 million) and recorded an operating profit of RM 25.9 million (Q2FY22 : RM 48.8 million). Lower operating profit was attributable to lower dividend income and lower realised and unrealised foreign exchange gain of RM 20.1 million (Q2FY22 : RM 37.6 million) derived from SGD denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 4.3% to RM 102.8 million (Q2FY22 : RM 107.4 million) as sales volume declined due to competitive market. Higher operating profit of RM 2.2 million (Q2FY22 operating loss : RM 0.5 million) was mainly due to no payment of land tax for Australia properties in Q3FY22 as compared to Q2FY22.

Healthcare segment’s operating profit remained low at RM 2.6 million (Q2FY22 : RM 1.5 million) while recorded higher number of patients by 6.2%.

14. Current Year Prospects

Global growth is projected to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. The cost of living crisis, tightening financial conditions, Russia’s invasion of Ukraine, and the lingering of COVID-19 pandemic all weigh heavily on the outlook. Meanwhile, global inflation is projected to rise from 4.7% in 2021 to 8.8% in 2022, and decline to 6.5% in 2023.

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.

Certificate of Entitlement (“COE”) prices soared to a new high of SGD 116,577 in November 2022 while for the period between November and January 2023, the monthly COE quota for cars shrunk by 14.5% compared with the period between August and October 2022. Performance for the retail operations in Singapore expected to face strong headwind ahead.

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.

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14. Current Year Prospects (Cont'd)

Palm oil widening discount to soy oil expected to boost fourth quarter demand, enticing price-sensitive consumers and boost biofuel usage. The plantation segment will take necessary steps to ensure that all estates and mills remain efficient, cost effective and competitive.

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 countries lifted their international travel restrictions.

The healthcare segment will continue to focus on strengthening brand awareness and positioning the hospital for sustainable growth. In the pipeline is the construction of a new hospital in Segamat, which is part of Group's expansionary plans in the north Johor region, slated to open in 2026.

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.

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16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sept 22 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 21 RM'000 (Unaudited)	Current Year To date 30 Sept 22 RM'000 (Unaudited)	Preceding Year To date 30 Sept 21 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	4,583	3,371	13,996	7,722
- Under provision in respect of prior period	232	169	333	205
	4,815	3,540	14,329	7,927
Foreign taxation				
- Based on profit for the period	29,083	22,703	68,960	67,452
	33,898	26,243	83,289	75,379
Deferred taxation				
- Current period	410	256	61,953	(531)
- Over provision in respect of prior period	-	-	(1,215)	(79)
	410	256	60,738	(610)
	<u>34,308</u>	<u>26,499</u>	<u>144,027</u>	<u>74,769</u>

17. Status of Corporate Proposals

The corporate proposals that have been announced by the Company but not completed at the date of this announcement are as follows:

- a) 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; and

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17. Status of Corporate Proposals (Cont'd)

- b) On 13 October 2022, the Company entered into the followings for a total cash consideration of approximately RM1.2 billion:
- (i) conditional share sale agreement to acquire from Boon Siew Sdn Bhd (“BSSB”) 34,984,125 ordinary shares in the Company’s existing 50.50% owned subsidiary, Selasih Permata Sdn Bhd (“SPSB”), representing the balance 49.50% equity interest in SPSB, for a cash consideration of RM646,931,000;
 - (ii) conditional share sale agreement to acquire from BSSB 3,960,000 ordinary shares in the Company’s existing 50.50% owned subsidiary, Oriental Boon Siew (Mauritius) Pte Ltd (“OBS(M)”), representing the balance 49.50% equity interest in OBS(M), for a cash consideration of RM1; and
 - (iii) conditional share sale agreement to acquire from BSSB, Boon Siew Development Sdn Bhd and Loh Boon Siew Holdings Sdn Bhd collectively 12,100,000 ordinary shares in the Company’s existing 39.50% owned associate company, Southern Perak Plantations Sdn Bhd (“SPP”), representing the balance 60.50% equity interest in SPP, for a cash consideration of RM155,327,000.

Simultaneously with the Proposed Share Acquisitions, the Company had entered into the following conditional sale and purchase agreements with Boontong Estates Sdn Bhd (“BESB”) to acquire the following plantation estates, which are to be held through SPP (subject to the completion of the Proposed SPP Acquisition):-

- (i) oil palm plantation land held under 17 land titles measuring a total of 77.51 hectares (“Ha”) located along Jalan Ara Kuda, Mukim 19, District of Seberang Perai Tengah, Pulau Pinang, Malaysia (“Bukit Langkap Estate”) for a cash consideration of RM41,000,000;
- (ii) oil palm plantation land held under 30 land titles measuring a total of 1,704.24 Ha located within Mukim and District of Bentong, Pahang, Malaysia (“Bentong Estate”) for a cash consideration of RM132,000,000; and
- (iii) oil palm plantation land held under 22 land titles measuring a total of 1,668.60 Ha located within the district of Kuala Muda, Kedah Darul Aman (“Thye Group Estate”) for a cash consideration of RM224,100,000.

The Proposals are subject to the following approvals being obtained:-

- (i) the non-interested stockholders of the Company at an extraordinary general meeting (“EGM”) to be convened;
- (ii) the approval from the Estate Land Board in relation to the transfer of the plantation properties under the Proposed Land Acquisitions being obtained by BESB; and
- (iii) any other relevant authorities/parties, if required.

Barring any unforeseen circumstances, the Proposed Share Acquisitions are envisaged to be completed by the 1st quarter of 2023 and the Proposed Land Acquisitions to be completed in the first half of 2023.

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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	5.3	120	-	120
Borrowings – secured				
-Revolving credit	0.8 - 1.4	-	JPY 21.220 billion	679,651
	3.5 - 4.1	-	SGD 0.19 billion	610,735
-Term loans	4.1 - 4.6	295	SGD 0.035 billion	111,783
Borrowings – unsecured				
-Bankers acceptance	2.9 - 3.6	42,626	-	42,626
-Revolving credit	3.3 - 3.7	5,000	SGD 0.078 billion	251,183
		48,041		1,653,352
				1,701,393
Long Term				
Hire purchase financing	5.3	744	-	744
Term loans – secured	3.8 - 4.6	3,183	SGD 0.035 billion	113,733
		3,927		113,733
				117,660
Total Borrowings		51,968		1,767,085
				1,819,053

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19. Trade receivables

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

	RM'000	%
Not past due	253,072	89.4
Past due less than 3 months	27,955	9.9
Past due 3-6 months	1,664	0.6
Past due 6-12 months	311	0.1
Past due more than 1 year	45	0.0
	<hr/> 283,047	<hr/> 100.0

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

20. Changes in Material Litigations

Not applicable.

21. Dividend Proposed

No dividend has been proposed for the current quarter.

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22. Basic Earnings per Stock

The basic earnings per stock are computed based on the net profit for the year divided by the weighted average number of stocks in issue.

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sept 22 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 21 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 22) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 21) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>102,348</u>	<u>68,656</u>	<u>506,999</u>	<u>225,631</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>16.50</u>	<u>11.07</u>	<u>81.73</u>	<u>36.37</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 24 NOVEMBER 2022