

ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

FINANCIAL REPORT

31 DECEMBER 2022

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

INTERIM FINANCIAL REPORT
31 DECEMBER 2022

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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 2022

	As at End of Current Quarter 31 Dec 2022 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2021 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,875,785	1,919,410	-2.3
Right-of-use assets	321,666	328,170	-2.0
Investment properties	1,085,116	1,095,528	-1.0
Intangible assets	23,254	23,059	0.8
Investments in associates	632,974	624,502	1.4
Other investments	394,488	679,934	-42.0
Deferred tax assets	53,704	57,451	-6.5
Inventories	35,890	35,941	-0.1
Other receivables	37,218	31,141	19.5
Total non-current assets	<u>4,460,095</u>	<u>4,795,136</u>	-7.0
Inventories	289,169	239,028	21.0
Biological assets	11,977	15,615	-23.3
Trade and other receivables	424,673	357,770	18.7
Current tax assets	8,902	13,982	-36.3
Other investments	2,054,668	1,426,929	44.0
Cash and cash equivalents	3,109,598	3,526,066	-11.8
Assets classified as held for sale	29,572	16,018	84.6
Deferred tax assets	-	58,655	-100.0
Total current assets	<u>5,928,559</u>	<u>5,654,063</u>	4.9
Total assets	<u><u>10,388,654</u></u>	<u><u>10,449,199</u></u>	-0.6
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,273,227	1,275,796	-0.2
Retained earnings	5,064,699	4,881,515	3.8
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,958,139</u>	<u>6,777,524</u>	2.7
Non-controlling interests	<u>1,049,501</u>	<u>980,160</u>	7.1
Total Equity	<u><u>8,007,640</u></u>	<u><u>7,757,684</u></u>	3.2
Liabilities			
Borrowings	176,119	147,829	19.1
Lease liabilities	25,121	22,250	12.9
Contract liabilities	48,202	47,816	0.8
Retirement benefits	24,415	26,235	-6.9
Deferred tax liabilities	50,688	41,516	22.1
Total non-current liabilities	<u>324,545</u>	<u>285,646</u>	13.6
Borrowings	1,678,796	1,866,950	-10.1
Lease liabilities	1,510	6,031	-75.0
Current tax liabilities	31,969	116,009	-72.4
Trade and other payables	325,348	327,572	-0.7
Contract liabilities	18,846	27,271	-30.9
Dividends payable	-	62,036	-100.0
Total current liabilities	<u>2,056,469</u>	<u>2,405,869</u>	-14.5
Total liabilities	<u>2,381,014</u>	<u>2,691,515</u>	-11.5
Total equity and liabilities	<u><u>10,388,654</u></u>	<u><u>10,449,199</u></u>	-0.6
Net assets per stock (sen)	1121.57	1092.46	2.7

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Dec 2022 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2021 RM'000 (Unaudited)		Current Year To Date (Four quarters to 31 Dec 2022) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2021) RM'000 (Audited)	
Revenue	986,454	904,580	9.1	3,825,850	3,266,063	17.1
Results from operating activities	(31,938)	163,644	(119.5)	789,021	581,317	35.7
Finance costs	(31,160)	(17,867)	74.4	(42,901)	(28,029)	53.1
Share of profits after tax of equity accounted associates	11,546	25,224	(54.2)	74,429	53,481	39.2
(Loss)/ Profit before taxation	(51,552)	171,001	(130.1)	820,549	606,769	35.2
Tax expense	(36,673)	(31,574)	16.1	(180,700)	(106,343)	69.9
(Loss)/ Profit from continuing operations	(88,225)	139,427	(163.3)	639,849	500,426	27.9
Other comprehensive (expense)/ income, net of tax						
Remeasurement of defined benefit liability	1,169	3,466	(66.3)	1,169	3,466	(66.3)
Foreign currency translation differences for foreign operations :						
- (loss)/ gain during the period	(40,940)	9,430	(534.1)	75,901	27,352	177.5
Fair value (loss)/ profit of equity instruments designated at fair value through other comprehensive income	(64,776)	25,333	(355.7)	(123,341)	23,254	(630.4)
Share of other comprehensive income/ (expense) of equity accounted associates	5	(14)	135.7	450	3,207	(86.0)
Other comprehensive (expense)/ income for the period, net of tax	(104,542)	38,215	(373.6)	(45,821)	57,279	(180.0)
Total comprehensive (expense)/ income for the period	(192,767)	177,642	(208.5)	594,028	557,705	6.5
(Loss)/ Profit attributable to:						
Stockholders of the Company	(6,162)	95,322	(106.5)	500,837	320,953	56.0
Non-controlling interests	(82,063)	44,105	(286.1)	139,012	179,473	(22.5)
(Loss)/ Profit for the period	(88,225)	139,427	(163.3)	639,849	500,426	27.9
Total comprehensive (expense)/ income attributable to:						
Stockholders of the Company	(66,792)	135,930	(149.1)	490,796	374,902	30.9
Non-controlling interests	(125,975)	41,712	(402.0)	103,232	182,803	(43.5)
Total comprehensive (expense)/ income for the period	(192,767)	177,642	(208.5)	594,028	557,705	6.5
<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)	(0.99)	15.37	(106.4)	80.73	51.74	56.0

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 2022 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2021 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2022) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2021) RM'000 (Audited)

Included in the Total Comprehensive Expense/Income for the period are the followings :

Interest income	(22,931)	(12,172)	(70,458)	(49,799)
Other income including investment income	(23,581)	(3,778)	(41,321)	(28,378)
Interest expense	31,160	17,867	42,901	28,029
Depreciation and amortisation	37,919	41,606	156,351	153,820
Bad debts written off	135	3,349	189	3,128
Write down of inventories	226	56	1,563	1,120
Property, plant and equipment write off	38	120	139	342
(Gain)/ Loss on disposal of investments	(80)	(168)	(692)	150
Loss/ (Gain) on disposal of property, plant and equipment	74	(666)	(213,836)	(3,076)
Reversal of impairment loss on assets	(1,191)	(14,156)	(1,524)	(14,278)
Unrealised foreign exchange loss/ (gain)	153,241	(58,615)	43,387	(166,244)
Realised foreign exchange loss/ (gain)	2,805	(1,054)	(129,332)	(6,122)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	← 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 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	-	-	24,029	-	-	-	24,029	(775)	23,254
Share of other comprehensive income of equity accounted associates	-	-	3,207	-	-	-	3,207	-	3,207
Total other comprehensive income for the year	-	25,112	27,236	-	1,601	-	53,949	3,330	57,279
Profit for the year	-	-	-	-	320,953	-	320,953	179,473	500,426
Total comprehensive income for the year	-	25,112	27,236	-	322,554	-	374,902	182,803	557,705
Dividends to stockholders	-	-	-	-	(148,887)	-	(148,887)	-	(148,887)
Dividends 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	320,462	(249)	4,881,515	40,248	6,777,524	980,160	7,757,684
<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
Remeasurement of defined benefit liability	-	-	-	-	545	-	545	624	1,169
Foreign currency translation differences for foreign operations	-	106,175	-	-	-	-	106,175	(30,274)	75,901
Fair value of financial assets	-	-	(117,211)	-	-	-	(117,211)	(6,130)	(123,341)
Share of other comprehensive income of equity accounted associates	-	-	450	-	-	-	450	-	450
Total other comprehensive income/ (expense) for the year	-	106,175	(116,761)	-	545	-	(10,041)	(35,780)	(45,821)
Profit for the year	-	-	-	-	500,837	-	500,837	139,012	639,849
Total comprehensive income/ (expense) for the year	-	106,175	(116,761)	-	501,382	-	490,796	103,232	594,028
Dividends to stockholders	-	-	-	-	(310,181)	-	(310,181)	-	(310,181)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(33,791)	(33,791)
Liquidation of a subsidiary	-	-	-	-	-	-	-	(100)	(100)
Total transactions with owners	-	-	-	-	(310,181)	-	(310,181)	(33,891)	(344,072)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	8,017	-	(8,017)	-	-	-	-
At 31 December 2022	620,462	1,021,261	211,718	(249)	5,064,699	40,248	6,958,139	1,049,501	8,007,640

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Current Year To Date (Four quarters to 31 Dec 2022) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2021) RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	820,549	606,769
Adjustments for:		
Non-cash items	179,674	(40,295)
Non-operating items	(360,462)	(106,649)
Operating profit before working capital changes	639,761	459,825
Changes in working capital	(123,331)	1,953
Cash flows from operating activities	516,430	461,778
Dividend received, net	106,818	59,845
Tax paid	(186,646)	(75,010)
Payment of retirement benefits	(991)	(738)
<i>Net cash flows from operating activities</i>	435,611	445,875
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(155,733)	(110,252)
Proceeds from disposal of assets classified as held for sale	228,627	-
Purchase of investments	(49,774)	(8,937)
Proceeds from disposal of investments	162,014	85,290
Interest received	62,209	50,583
Net cash inflow on liquidation of a subsidiary	92	-
Increase in short term investments, net	(542,966)	(116,487)
<i>Net cash flows used in investing activities</i>	(295,531)	(99,803)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Four quarters to 31 Dec 2022) RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2021) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	(164,025)	87,249
Lease liabilities (net)	(925)	(8,541)
Dividends paid to stockholders	(372,216)	(124,072)
Fixed deposits pledged for banking facilities	160,180	(33,501)
Dividends paid to non-controlling interests	(33,791)	(21,469)
Proceeds from issue of shares to non-controlling interest	-	4,350
Interest paid	(42,696)	(30,772)
<i>Net cash flows used in financing activities</i>	(453,473)	(126,756)
Net (decrease)/ increase in cash and cash equivalents	(313,393)	219,316
Cash and cash equivalents at 1 January	2,780,112	2,498,860
Effects of exchange rates on cash and cash equivalents	57,105	61,936
Cash and cash equivalents at 31 December (Note 1)	<u>2,523,824</u>	<u>2,780,112</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	1,317,683	1,691,740
Fixed deposits	1,637,297	1,653,384
Unit trust money market funds	154,618	180,942
	<u>3,109,598</u>	<u>3,526,066</u>
Less:		
Deposits pledged	(585,774)	(745,954)
	<u>2,523,824</u>	<u>2,780,112</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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
31 DECEMBER 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 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*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*

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
31 DECEMBER 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 ended 31 December 2022 on 17 November 2022.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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
31 December 2022											
Revenue from external customers	1,891,244	264,699	227,563	885,636	39,894	422,751	94,063	3,825,850	-		3,825,850
Inter-segment revenue	587	391	288	-	19,407	126	8	20,807	(20,807)		-
Total revenue	<u>1,891,831</u>	<u>265,090</u>	<u>227,851</u>	<u>885,636</u>	<u>59,301</u>	<u>422,877</u>	<u>94,071</u>	<u>3,846,657</u>	<u>(20,807)</u>		<u>3,825,850</u>
Results											
Segment profit	<u>82,940</u>	<u>20,869</u>	<u>248,507</u>	<u>344,737</u>	<u>74,205</u>	<u>9,552</u>	<u>8,211</u>	<u>789,021</u>	<u>31,528</u>	A	<u>820,549</u>
Assets											
Segment assets	<u>3,316,605</u>	<u>334,723</u>	<u>1,196,008</u>	<u>2,873,345</u>	<u>623,767</u>	<u>1,119,868</u>	<u>228,758</u>	<u>9,693,074</u>	<u>695,580</u>	B	<u>10,388,654</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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:

	31 December 2022
	RM'000
Share of results of associates	74,429
Finance costs	(42,901)
	<u>31,528</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 2022
	RM'000
Investment in associates	632,974
Current tax assets	8,902
Deferred tax assets	53,704
	<u>695,580</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) 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 members’ voluntary winding up proceeding. A final General Meeting was called by liquidator on 22 December 2022 to make final capital distribution and shall be dissolved within three months from the date of lodgement of statutory return to the Registrar of Companies.
- (ii) Armstrong Component Parts (Vietnam) Co., Ltd (“ACPV”), a wholly-owned subsidiary of Armstrong Auto Parts Sdn Berhad which in turn is 94.8% owned by the Company had on 6 February 2017 submitted the notice of voluntary dissolution and termination of activities to the Vietnamese tax authority. ACPV was involved in the manufacturing of automotive parts before cessation of its business operations in November 2014. The liquidation has been completed on 20 February 2023.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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 3,825.9 million, an increase of 17.1% or RM 559.8 million as compared to RM 3,266.1 million in the corresponding period last year. The increase in revenue was mainly attributed to the higher contribution from all segments.

The Group recorded an operating profit of RM 789.0 million (2021 : RM 581.3 million), increased by RM 207.7 million and profit before tax of RM 820.5 million compared to the profit before tax of RM 606.8 million in the corresponding period last year mainly attributed from gain on disposal from hotels and resorts segment.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue and operating profit from the automotive segment increased by 17.3% to RM 1,891.2 million and 13.8% to RM 82.9 million respectively.

For the retail operations in Singapore, revenue and operating profit decreased by 17.1% and 27.6% 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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12. Review of Group's Performance (Cont'd)

For the retail operations in Malaysia, revenue and operating profit increased by RM 291.0 million and RM 10.7 million respectively attributed to higher number of cars sold by 47.1%. Higher sales as a result of earlier months stock shortages, and fulfilling of outstanding orders in FY2022 as well as newly launched models; HR-V, Civic, CR-V and City Hatchback, translated into increased revenue.

The plantation segment generated a revenue of RM 885.6 million, an increase of 6.8% compared to corresponding period last year of RM 829.0 million and recorded an operating profit of RM 344.7 million (2021 : RM 440.8 million). Higher revenue was contributed by the increase in CPO, PK and FFB selling price by 18.0%, 18.3% and 2.7% respectively. Lower operating profit was attributable to the lower realised and unrealised foreign exchange gain of RM 88.4 million (2021 : RM 149.3 million) from the weakening of the IDR against the SGD denominated borrowings.

The plastic segment recorded an increase in revenue of 42.5% to RM 264.7 million (2021 : RM 185.8 million) while recorded an operating profit of RM 20.9 million (2021 : RM 14.0 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. Higher operating profit was mainly due to higher gross profit margin and better cost management.

Hotels and resorts segment recorded revenue of RM 227.6 million (2021 : RM 192.6 million) and recorded exceptional gain in operating profit of RM 248.5 million (2021 : RM 15.6 million). Increased in revenue was mainly from Singapore and United Kingdom hotels in line with overall higher average room rates as global travel recovery picks up pace. 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 increased by 60.9% to RM 39.9 million (2021 : RM 24.8 million) and recorded an operating profit of RM 74.2 million (2021 : RM 31.5 million) mainly attributable to higher dividend income from other investments.

The investment properties and trading of building material products segment recorded a 24.6% increase in revenue to RM 422.8 million (2021 : RM 339.2 million) in line with higher sales volume. Higher operating profit of RM 9.6 million (2021 : RM 2.6 million) was mainly due to reversal of impairment loss on Australia property in Q4FY22 of RM 4.9 million.

Healthcare segment's revenue increased by 15.0% to RM 94.1 million (2021 : RM 81.8 million) while operating profit has shown improvement at RM 8.2 million (2021 : RM 3.9 million) in line with the increase in number of patients by 16.4%.

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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 2022 was RM 986.5 million, an increase of RM 26.2 million or 2.7% from RM 960.3 million in Q3FY22, mainly due to higher contribution from plantation segment by RM 31.1 million attributed to the higher commodities sales volume.

The Group recorded an operating loss of RM 31.9 million (Q3FY22 operating profit : RM 173.3 million) mainly due to lower contribution from plantation and investment holding segments.

The Group recorded a loss before tax for Q4FY22 of RM 51.6 million compared to a profit before tax of RM 191.5 million for Q3FY22 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 from automotive segment decreased by 3.6% to RM 479.7 million (Q3FY22 : RM 497.5 million) while operating profit increased by 155.8% to RM 39.4 million (Q3FY22 : RM 15.4 million). The decrease in revenue was due to slight decrease in number of cars sold from retail operations by 0.8% while higher operating profit was mainly due to higher gross profit margin.

Revenue from plantation segment increased by 15.9% to RM 227.0 million (Q3FY22 : RM 195.9 million) mainly due to higher CPO and PK sales volume by 26.8% and 20.7% respectively compared to Q3FY22. However, the segment recorded an operating loss of RM 78.1 million (Q3FY22 operating profit : RM 106.5 million) mainly attributed to realised and unrealised foreign exchange loss of RM 112.5 million (Q3FY22 gain : RM 33.7 million) impacted by the weakening of the IDR against the SGD denominated borrowings.

Revenue for plastic segment decreased by 12.9% to RM 68.8 million (Q3FY22 : RM 79.0 million) while recorded an operating profit of RM 5.7 million (Q3FY22 : RM 7.2 million) mainly attributed to lower sales orders from automotive customers and high operating expenses.

Revenue for hotels and resorts segment increased by 7.0% to RM 62.6 million (Q3FY22 : RM 58.5 million) and recorded an operating profit of RM 11.3 million (Q3FY22 : RM 13.4 million). Despite increased in revenue, lower operating profit was mainly due to high operating expenses especially from New Zealand hotels with low occupancy rates resulted from poor snow condition.

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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 increased significantly by 1,189.5% to RM 24.5 million (Q3FY22 : RM 1.9 million) while recorded an operating loss of RM 17.3 million (Q3FY22 operating profit : RM 25.9 million). Despite higher dividend income from other investments, operating loss was attributable to realised and unrealised foreign exchange loss of RM 32.6 million (Q3FY22 gain : RM 20.1 million) derived from SGD denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 3.7% to RM 99.0 million (Q3FY22 : RM 102.8 million) as sales volume and profit margin declined due to competitive market. Higher operating profit of RM 3.9 million (Q3FY22 : RM 2.2 million) was mainly due to reversal of impairment loss on Australia property in Q4FY22 of RM 4.9 million.

Healthcare segment’s operating profit increased to RM 3.2 million (Q3FY22 : RM 2.6 million) with better gross profit margin despite recorded lower number of patients by 4.3%.

14. Current Year Prospects

Global growth is projected to slow from 3.4% in 2022 to 2.9% in 2023, then rise to 3.1% in 2024. The rise in central bank rates to fight inflation, the cost of living crisis and Russia’s invasion of Ukraine continue to weigh heavily on the outlook. Meanwhile, global inflation is projected to fall from 8.8% in 2022 to 6.6% in 2023, and decline to 4.3% in 2024.

The automotive segment will continue to contribute to the Group’s performance under competitive market conditions with strong and aggressive promotional campaigns by the industry players. Malaysian Automotive Association (MAA) expects vehicle sales to drop 9.8% to 650,000 units in 2023 following the record-high total industry volume (TIV) of 720,658 units last year as car buyers have until end of March this year to capitalise SST exemption. The MAA forecasts TIV growth to return to the mean level of about 1% to 2% y-o-y every year from 2024 to 2027.

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 expect further easing to a chip crunch that’s restricted production in the global automotive industry. We will continue to monitor the situation to improve the performance of the segment.

Certificate of Entitlement (“COE”) premiums went on a relentless upward march for much of 2022, driven by the low supply of COE. COE supply predicted to remain low overall and premiums will stay high for at least the first half of 2023. 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)

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

The hotels and resorts segment has been making a comeback following countries lifted their international travel restrictions. The World Tourism Organisation projects that international tourist arrivals could reach 80% to 95% of pre-pandemic levels in 2023 (versus 63% in 2022) despite lingering global headwinds.

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 31 Dec 22 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 21 RM'000 (Unaudited)	Current Year To date 31 Dec 22 RM'000 (Unaudited)	Preceding Year To date 31 Dec 21 RM'000 (Audited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	9,322	2,178	23,318	9,900
- (Over)/ Under provision in respect of prior period	(350)	24	(17)	229
	8,972	2,202	23,301	10,129
Foreign taxation				
- Based on profit for the period	15,354	78,912	84,314	146,364
	24,326	81,114	107,615	156,493
Deferred taxation				
- Current period	5,263	(51,098)	67,216	(51,629)
- Under provision in respect of prior period	7,084	1,558	5,869	1,479
	12,347	(49,540)	73,085	(50,150)
	36,673	31,574	180,700	106,343

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 following acquisitions with related parties 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 (“Proposed SPSB Acquisition”);
 - (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 (“Proposed OBS(M) Acquisition”);
 - (iii) conditional share sale agreement to acquire from BSSB, Boon Siew Development Sdn Bhd (“BSD”) and Loh Boon Siew Holdings Sdn Bhd (“LBS”) 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 (“Proposed SPP Acquisition”); and
 - (iv) 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):-
 - a) 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 (“Proposed Bukit Langkap Estate Acquisition”);
 - b) 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 (“Proposed Bentong Estate Acquisition”); and
 - c) oil palm plantation land held under 25 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 (“Proposed Thye Group Estate Acquisition”).

(The Proposed SPSB Acquisition, Proposed OBS(M) Acquisition and Proposed SPP Acquisition are collectively referred to as the “Proposed Shares Acquisitions”. The Proposed Bukit Langkap Estate Acquisition, Proposed Bentong Estate Acquisition and Proposed Thye Group Estate Acquisition are collectively referred to as the “Proposed Land Acquisitions”, and the Proposed Shares Acquisitions and Proposed Land Acquisitions are collectively referred to as the “Proposals”).

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17. Status of Corporate Proposals (Cont'd)

Further to the announcement on 13 October 2022, the Company had, on 12 January 2023 entered into the following:

- (i) supplemental share sale agreement with BSSB in relation to the Proposed SPSB Acquisition;
- (ii) supplemental share sale agreement with BSSB in relation to the Proposed OBS(M) Acquisition;
- (iii) supplemental share sale agreement with BSSB, BSD and LBS in relation to the Proposed SPP Acquisition;
- (iv) supplemental sale and purchase agreement with BESB in relation to the Proposed Bukit Langkap Estate Acquisition;
- (v) supplemental sale and purchase agreement with BESB in relation to the Proposed Bentong Estate Acquisition; and
- (vi) supplemental sale and purchase agreement with BESB in relation to the Proposed Thye Group Estate Acquisition.

The supplemental agreements were executed to facilitate SPSB Real Property Gains Tax (“RPGT”) retention terms as well as the extension of cut-off date of the supplemental agreements.

Save for the above amendments, all other terms and conditions in the agreements dated 13 October 2022 will remain valid, in full force and effect.

The Proposed Shares Acquisitions 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; and
- (ii) any other relevant authorities/parties, if required.

Whilst the proposed Land Acquisitions are subject to the following approvals being obtained:-

- (i) the non-interested stockholders of the Company at an 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 and subject to all requisite approvals being obtained, the Proposed Shares Acquisitions are envisaged to be completed by the 2nd quarter of 2023 and the Proposed Land Acquisitions to be completed by the 3rd quarter of 2023.

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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	510		-	-	510
Borrowings – secured						
-Revolving credit	0.8 - 1.4	-	JPY 21.220 billion		703,485	703,485
	5.2	-	SGD 0.19 billion		623,996	623,996
-Term loans	4.3 - 6.1	305	SGD 0.016 billion		51,974	52,279
Borrowings – unsecured						
-Bankers acceptance	3.0 - 4.3	35,877		-	-	35,877
-Revolving credit	3.8 - 4.8	7,000	SGD 0.078 billion		255,649	262,649
		43,692			1,635,104	1,678,796
Long Term						
Hire purchase financing	5.3	506		-	-	506
Term loans – secured	4.3 - 5.8	3,011	SGD 0.053 billion		172,602	175,613
		3,517			172,602	176,119
Total Borrowings		47,209			1,807,706	1,854,915

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19. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 31 December 2022 is as follows:

	RM'000	%
Not past due	259,075	88.2
Past due less than 3 months	33,061	11.3
Past due 3-6 months	491	0.2
Past due 6-12 months	822	0.3
Past due more than 1 year	120	0.0
	<u>293,569</u>	<u>100.0</u>

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

20. Changes in Material Litigations

Not applicable.

21. Dividend Proposed

No dividend has been proposed for the current quarter.

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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 22 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 21 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 22) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 21) RM'000 (Audited)
Net (loss)/ profit for the period attributable to Stockholders of the Company (RM'000)	<u>(6,162)</u>	<u>95,322</u>	<u>500,837</u>	<u>320,953</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>(0.99)</u>	<u>15.37</u>	<u>80.73</u>	<u>51.74</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 28 FEBRUARY 2023