

ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

FINANCIAL REPORT

30 JUNE 2024

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

INTERIM FINANCIAL REPORT
30 JUNE 2024

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ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	As at End of Current Quarter 30 Jun 2024 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2023 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	2,498,861	2,136,537	17.0
Right-of-use assets	701,402	735,669	-4.7
Investment properties	1,099,078	1,078,701	1.9
Intangible assets	22,251	22,806	-2.4
Investments in associates	635,938	640,048	-0.6
Other investments	504,712	510,179	-1.1
Deferred tax assets	144,701	136,953	5.7
Inventories	35,894	35,893	0.0
Other receivables	30,484	30,641	-0.5
Total non-current assets	<u>5,673,321</u>	<u>5,327,427</u>	6.5
Inventories	345,620	275,678	25.4
Biological assets	11,622	11,944	-2.7
Trade and other receivables	917,678	550,932	66.6
Deferred tax assets	-	46,590	-100.0
Current tax assets	34,606	38,594	-10.3
Other investments	1,305,020	2,723,329	-52.1
Cash and cash equivalents	4,256,384	2,651,509	60.5
Assets classified as held for sale	-	31,034	-100.0
Total current assets	<u>6,870,930</u>	<u>6,329,610</u>	8.6
Total assets	<u><u>12,544,251</u></u>	<u><u>11,657,037</u></u>	7.6
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,653,824	1,695,078	-2.4
Retained earnings	5,625,008	5,267,344	6.8
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>7,899,045</u>	<u>7,582,635</u>	4.2
Non-controlling interests	<u>502,498</u>	<u>527,699</u>	-4.8
Total equity	<u><u>8,401,543</u></u>	<u><u>8,110,334</u></u>	3.6
Liabilities			
Borrowings	1,226,318	917,583	33.6
Lease liabilities	19,613	19,873	-1.3
Contract liabilities	46,836	39,570	18.4
Retirement benefits	32,509	31,183	4.3
Deferred tax liabilities	156,158	158,223	-1.3
Total non-current liabilities	<u>1,481,434</u>	<u>1,166,432</u>	27.0
Borrowings	1,776,920	1,818,326	-2.3
Lease liabilities	3,803	5,087	-25.2
Current tax liabilities	55,658	126,895	-56.1
Trade and other payables	822,646	416,854	97.3
Contract liabilities	2,247	13,109	-82.9
Total current liabilities	<u>2,661,274</u>	<u>2,380,271</u>	11.8
Total liabilities	<u>4,142,708</u>	<u>3,546,703</u>	16.8
Total equity and liabilities	<u><u>12,544,251</u></u>	<u><u>11,657,037</u></u>	7.6
Net assets per stock (sen)	1273.23	1222.23	4.2

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 JUNE 2024

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 Jun 2024 RM'000 (Unaudited)	Preceding Year Quarter 30 Jun 2023 RM'000 (Unaudited)		Current Year To Date (Two quarters to 30 Jun 2024) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 Jun 2023) RM'000 (Unaudited)	
Revenue	1,180,868	1,005,842	17.4	2,370,195	1,970,251	20.3
Results from operating activities	91,407	171,596	(46.7)	518,962	315,962	64.2
Finance costs	(43,739)	(10,289)	325.1	(61,995)	(20,382)	204.2
Share of profits after tax of equity accounted associates	(394)	11,108	(103.5)	3,728	29,510	(87.4)
Profit before taxation	47,274	172,415	(72.6)	460,695	325,090	41.7
Tax expense	(25,806)	(15,812)	63.2	(111,305)	(37,018)	200.7
Profit from continuing operations	21,468	156,603	(86.3)	349,390	288,072	21.3
Other comprehensive income/ (expense), net of tax						
Foreign currency translation differences for foreign operations : - (loss)/ gain during the period	(35,965)	196,624	(118.3)	(48,097)	281,123	(117.1)
Foreign currency translation differences realised on liquidation of a subsidiary	-	-	-	-	2,409	(100.0)
Fair value gain/ (loss) of equity instruments designated at fair value through other comprehensive income	70,489	(37,965)	285.7	6,740	(36,591)	118.4
Share of other comprehensive (expense)/ income of equity accounted associates	(2,653)	3,055	(186.8)	(2,653)	3,055	(186.8)
Other comprehensive income / (expense) for the period, net of tax	31,871	161,714	(80.3)	(44,010)	249,996	(117.6)
Total comprehensive income for the period	53,339	318,317	(83.2)	305,380	538,068	(43.2)
Profit attributable to:						
Stockholders of the Company	38,188	125,201	(69.5)	357,664	219,437	63.0
Non-controlling interests	(16,720)	31,402	(153.2)	(8,274)	68,635	(112.1)
Profit for the period	21,468	156,603	(86.3)	349,390	288,072	21.3
Total comprehensive income attributable to:						
Stockholders of the Company	72,705	252,762	(71.2)	316,410	410,010	(22.8)
Non-controlling interests	(19,366)	65,555	(129.5)	(11,030)	128,058	(108.6)
Total comprehensive income for the period	53,339	318,317	(83.2)	305,380	538,068	(43.2)
<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)	6.16	20.18	(69.5)	57.65	35.37	63.0

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Jun 2024 RM'000 (Unaudited)	Preceding Year Quarter 30 Jun 2023 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 Jun 2024) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 Jun 2023) RM'000 (Unaudited)

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

Interest income	(48,164)	(43,049)	(91,970)	(78,533)
Other income including investment income	(38,552)	(42,603)	(39,012)	(43,298)
Interest expense	43,739	10,289	61,995	20,382
Depreciation and amortisation	57,720	39,176	116,984	77,006
(Bad debts recovered)/ Bad debts written off	(7)	(1)	241	14
(Reversal of write down)/ Write down of inventories	(1,518)	1,041	(4,759)	1,552
Property, plant and equipment write off	2,282	21	2,306	2,331
Gain on disposal of investments	-	(658)	(91)	(477)
Gain on liquidation of a subsidiary	-	-	-	(3,097)
Gain on disposal of property, plant and equipment	(855)	(290)	(1,190)	(3,000)
Gain on disposal of assets classified as held for sale	-	-	(209,848)	-
Provision of impairment loss on assets	104	17,932	104	19,180
Unrealised foreign exchange loss/ (gain)	35,605	(71,615)	(77)	(97,148)
Realised foreign exchange gain	(6,618)	(1,915)	(14,891)	(1,381)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

←————— 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 2023	620,462	1,021,261	213,313	(249)	5,062,305	40,248	6,957,340	1,050,197	8,007,537
Foreign currency translation differences for foreign operations	-	221,729	-	-	-	-	221,729	59,394	281,123
Fair value of financial assets	-	-	(36,620)	-	-	-	(36,620)	29	(36,591)
Foreign currency translation differences realised on liquidation of a subsidiary	-	2,409	-	-	-	-	2,409	-	2,409
Share of other comprehensive income of equity accounted associates	-	-	3,055	-	-	-	3,055	-	3,055
Total other comprehensive income for the period	-	224,138	(33,565)	-	-	-	190,573	59,423	249,996
Profit for the period	-	-	-	-	219,437	-	219,437	68,635	288,072
Total comprehensive income for the period	-	224,138	(33,565)	-	219,437	-	410,010	128,058	538,068
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(319)	(319)
Liquidation of a subsidiary	-	-	-	-	-	-	-	(5,510)	(5,510)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	11,133	-	(11,133)	-	-	-	-
Total transactions with owners	-	-	11,133	-	(11,133)	-	-	(5,829)	(5,829)
At 30 June 2023	620,462	1,245,399	190,881	(249)	5,270,609	40,248	7,367,350	1,172,426	8,539,776
<i>In thousands of RM</i>									
At 1 January 2024	620,462	1,268,408	386,422	(249)	5,267,344	40,248	7,582,635	527,699	8,110,334
Foreign currency translation differences for foreign operations	-	(45,341)	-	-	-	-	(45,341)	(2,756)	(48,097)
Fair value of financial assets	-	-	6,740	-	-	-	6,740	-	6,740
Share of other comprehensive expense of equity accounted associates	-	-	(2,653)	-	-	-	(2,653)	-	(2,653)
Total other comprehensive expense for the period	-	(45,341)	4,087	-	-	-	(41,254)	(2,756)	(44,010)
Profit for the period	-	-	-	-	357,664	-	357,664	(8,274)	349,390
Total comprehensive income for the period	-	(45,341)	4,087	-	357,664	-	316,410	(11,030)	305,380
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(13,901)	(13,901)
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	-	-	-	(270)	(270)
Total transactions with owners	-	-	-	-	-	-	-	(14,171)	(14,171)
At 30 June 2024	620,462	1,223,067	390,509	(249)	5,625,008	40,248	7,899,045	502,498	8,401,543

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2024

	Current Year To Date (Two quarters to 30 Jun 2024) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 Jun 2023) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	460,695	325,090
Adjustments for:		
Non-cash items	124,284	4,694
Non-operating items	(283,767)	(137,535)
Operating profit before working capital changes	301,212	192,249
Changes in working capital	(34,752)	(80,427)
Cash flows from operating activities	266,460	111,822
Dividend received, net	42,084	46,360
Tax paid	(142,919)	(60,300)
Payment of retirement benefits	(969)	(443)
<i>Net cash flows from operating activities</i>	164,656	97,439
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(490,025)	(120,156)
Proceeds from disposal of assets classified as held for sale	240,318	-
Purchase of investments	(722,135)	(271,659)
Proceeds from disposal of investments	647,561	149,631
Interest received	95,467	73,221
Net cash outflow on acquisition of a subsidiary	(270)	-
Net cash outflow on liquidation of a subsidiary	-	(15)
Decrease/ (Increase) in short term investments, net	1,505,039	(419,723)
<i>Net cash flows from/ (used in) investing activities</i>	1,275,955	(588,701)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Two quarters to 30 Jun 2024) RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 Jun 2023) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	299,728	(85,596)
Lease liabilities (net)	(9,444)	(3,163)
Fixed deposits pledged for banking facilities	276,569	(65,953)
Dividends paid to non-controlling interests	(13,901)	(319)
Interest paid	(61,290)	(24,314)
<i>Net cash flows from/ (used in) financing activities</i>	491,662	(179,345)
Net increase/ (decrease) in cash and cash equivalents	1,932,273	(670,607)
Cash and cash equivalents at 1 January	1,872,866	2,514,868
Effects of exchange rates on cash and cash equivalents	(50,830)	282,375
Cash and cash equivalents at 30 June (Note 1)	<u>3,754,309</u>	<u>2,126,636</u>

NOTE

	RM'000	RM'000
1 Cash and cash equivalents consist of: -		
Cash and bank balances	749,020	539,150
Fixed deposits	3,140,166	1,851,582
Unit trust money market funds	367,198	387,631
	<u>4,256,384</u>	<u>2,778,363</u>
Less:		
Deposits pledged	(502,075)	(651,727)
	<u>3,754,309</u>	<u>2,126,636</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2024 (Cont'd)

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 2023. 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 2023.

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 2023.

The adoption of the following amendments and annual improvements to existing accounting standards that came into effect on or after 1 January 2024 which are applicable to the Group, did not have any significant financial impact on the condensed consolidated interim financial statements upon their initial application.

MFRS Accounting Standards, 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 – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRS Accounting Standards, Amendments and IC Interpretations issued but not yet effective:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, 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*

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2024 (Cont'd)

1. Basis of Preparation (Cont'd)

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact on the financial statements of the Group upon their initial recognition.

2. Auditors' Qualification

There's no qualification on the audit report of the preceding annual financial statements of Oriental Holdings Berhad.

3. Seasonal Cyclical Factors

Majority of the business operations of the Group are generally in tandem with the prevailing economic conditions where the Group operates with the exception of a few sectors. Commodity price is the most significant determinant of the level of profitability for the plantation sector although seasonal factor such as climatic condition also plays a part in determining the production level.

4. Exceptional Items

There were no material exceptional items for the period under review.

5. Changes in Estimates

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

6. Debt and Equity Securities

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

7. Dividends Paid

Since the end of the previous financial year, the Company paid a final single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 in respect of the financial year ended 31 December 2023 on 18 July 2024.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2024 (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 2024											
Revenue from external customers	1,326,461	135,280	152,788	411,969	35,893	241,161	66,643	2,370,195	-		2,370,195
Inter-segment revenue	1,317	37	4	-	19,135	-	-	20,493	(20,493)		-
Total revenue	<u>1,327,778</u>	<u>135,317</u>	<u>152,792</u>	<u>411,969</u>	<u>55,028</u>	<u>241,161</u>	<u>66,643</u>	<u>2,390,688</u>	<u>(20,493)</u>		<u>2,370,195</u>
Results											
Segment profit	<u>129,428</u>	<u>14,819</u>	<u>268,932</u>	<u>58,839</u>	<u>45,647</u>	<u>(10,504)</u>	<u>11,801</u>	<u>518,962</u>	<u>(58,267)</u>	A	<u>460,695</u>
Assets											
Segment assets	<u>3,585,549</u>	<u>348,505</u>	<u>1,348,733</u>	<u>3,695,336</u>	<u>1,394,077</u>	<u>1,110,282</u>	<u>246,524</u>	<u>11,729,006</u>	<u>815,245</u>	B	<u>12,544,251</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2024 (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 2024
	RM'000
Share of results of associates	3,728
Finance costs	(61,995)
	(58,267)

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 2024
	RM'000
Investment in associates	635,938
Current tax assets	34,606
Deferred tax assets	144,701
	815,245

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) On 1 February 2024, Kah Motor Company Sdn. Berhad, a wholly-owned subsidiary of the Company acquired an additional 1% interest in Boon Siew (Borneo) Sendirian Berhad (“BSB”), a 99% owned subsidiary, from non-controlling interests for a total purchase consideration of RM270,000 in cash. Subsequent to the acquisition, BSB became a wholly-owned subsidiary of the Company.
- (ii) On 27 March 2024, the Company incorporated a wholly-owned subsidiary named Kah Progression Auto Sdn. Bhd. The initial issued share capital is 1 ordinary share at an issue price of RM1. The intended principal activities of Kah Progression Auto Sdn. Bhd. are retailing of motor vehicles, sale of spare parts and servicing.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2024 (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 2,370.2 million, an increase of 20.3% as compared to RM 1,970.3 million in the corresponding period last year. The increase in revenue was mainly due to higher contribution from automotive segment attributed to higher number of cars sold especially from the retail operations in Malaysia and Singapore.

The Group recorded an operating profit of RM 519.0 million (1HFY23 : RM 316.0 million), increased by RM 203.0 million and profit before tax of RM 460.7 million compared to RM 325.1 million in the corresponding period last year mainly attributed to gain on disposal of Bayview Eden Melbourne Hotel in Australia of RM 209.8 million which was completed in March 2024.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue and operating profit from the automotive segment increased by 31.7% to RM 1,326.5 million and 34.5% to RM 129.4 million respectively.

For the retail operations in Singapore, revenue and operating profit increased by 39.7% and 30.0% respectively. Higher operating profit was mainly due to higher number of cars sold by 65.9% driven by the increase in Certificate of Entitlement ("COE") quotas and steady decline of COE premiums.

For the retail operations in Malaysia, revenue increased by RM 110.5 million while recorded higher operating profit by RM 0.3 million attributed to higher number of cars sold by 18.6% spurred by high demand for Civic and HR-V models as well as the newly launched model namely WR-V in the second half of 2023. Marginal increase in operating profit mainly from intense competition in the industry which has impacted on gross profit as well as rising in operational costs.

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SELECTED EXPLANATORY NOTES
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30 JUNE 2024 (Cont'd)

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

The plantation segment generated a revenue of RM 412.0 million, an increase of 17.7% compared to corresponding period last year of RM 349.9 million and recorded an operating profit of RM 58.8 million (1HFY23 : RM 119.1 million). Higher revenue was attributed to the higher in FFB and PK selling price by 10.9% (1HFY24 : RM 741/MT; 1HFY23 : RM 668/MT) and 13.6% (1HFY24 : RM 1,893/MT; 1HFY23 : RM 1,667/MT) respectively. While lower operating profit was attributable to the higher realised and unrealised foreign exchange loss of RM 16.8 million (1HFY23 : realised and unrealised foreign exchange gain of RM 78.4 million) on the IDR against the JPY and CHF denominated borrowings.

The plastic segment recorded a decrease in revenue and operating profit of 10.6% to RM 135.3 million (1HFY23 : RM 151.4 million) and 14.9% to RM 14.8 million (1HFY23 : RM 17.4 million) respectively. Lower operating profit was attributed to lower sales orders from domestic automotive customers with high fixed overhead costs.

Hotels and resorts segment recorded an increase in revenue of 25.5% to RM 152.8 million (1HFY23 : RM 121.8 million) while recorded a significant increase in operating profit to RM 268.9 million (1HFY23 : RM 15.4 million). Higher revenue was mainly due to overall higher average occupancy rates and average room rates especially from New Zealand and Australia hotels with the recovery of business travel and leisure demand. Significant increase in operating profit was mainly attributed to gain on disposal of Bayview Eden Melbourne Hotel in Australia of RM 209.8 million. Excluded the gain on disposal, operating profit in 1HFY24 increased by 283.8%.

Revenue from the investment holding segment decreased by 12.2% to RM 35.9 million (1HFY23 : RM 40.9 million) and recorded an operating profit of RM 45.6 million (1HFY23 : RM 61.9 million). Lower revenue was mainly due to lower dividend income received from other investments. Lower operating profit was attributed to withholding tax on dividend income received (1HFY24 : RM 11.5 million ; 1HFY23 : RM Nil).

The investment properties and trading of building material products segment recorded a slight decrease of 1.5% in revenue to RM 241.2 million (1HFY23 : RM 244.8 million) in tandem with lower sales volume amid operating in a competitive market. Operating loss of RM 10.5 million (1HFY23 : operating profit of RM 1.0 million) was due to higher operating costs, such as price hike in transportation and maintenance cost, land tax and assessment expenses for Melaka reclaimed land.

Healthcare segment's revenue increased by 23.3% to RM 66.6 million (1HFY23 : RM 54.0 million) and operating profit increased to RM 11.8 million (1HFY23 : RM 5.0 million) attributed to improvement in gross profit margin from higher operating theatre cases despite lower number of patients by 1.4%.

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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 second quarter of 2024 was RM 1,180.9 million, a decrease of RM 8.4 million or 0.7% from RM 1,189.3 million in Q1FY24 with overall decline in revenue except for plantation, investment holding and healthcare segments.

The Group recorded an operating profit of RM 91.4 million (Q1FY24 : RM 427.6 million), decreased by RM 336.2 million and profit before tax of RM 47.3 million compared to profit before tax of RM 413.4 million for Q1FY24 mainly attributed from lower operating profit from hotels and resorts, plantation and investment properties and trading of building material products segments.

Segmental Analysis

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

Revenue from the automotive segment decreased by 9.9% to RM 628.8 million (Q1FY24 : RM 697.7 million) and operating profit increased by 7.7% to RM 67.1 million (Q1FY24 : RM 62.3 million). The decrease in revenue was mainly attributed to lower number of cars sold by 18.6% from retail operations in Malaysia. The increase in operating profit was mainly from retail operations in Singapore attributed to higher dividend income and interest income.

The plantation segment generated a revenue of RM 235.5 million, an increase of 33.5% compared to immediate preceding quarter of RM 176.4 million and recorded an operating loss of RM 7.3 million (Q1FY24 : operating profit of RM 66.1 million). Higher revenue was attributed to the increase in CPO and PK sales volume by 26.4% and 21.2% respectively while operating loss was attributed to the realised and unrealised foreign exchange loss of RM 33.1 million (Q1FY24 : realised and unrealised foreign exchange gain of RM 16.3 million) on the IDR against the JPY and CHF denominated borrowings.

Revenue and operating profit from the plastic segment decreased by 15.4% to RM 62.0 million (Q1FY24 : RM 73.3 million) and 31.8% to RM 6.0 million (Q1FY24 : RM 8.8 million) respectively. Lower in operating profit was attributed to lower gross profit margin as margin compression from competition, increased in operating costs and shorter working days for the month of April and June 2024 due to Hari Raya and Hari Raya Haji whereby customers have long shut down.

Hotels and resorts segment recorded a decrease in revenue of 6.1% to RM 74.0 million (Q1FY24 : RM 78.8 million) and recorded lower operating profit of RM 26.5 million (Q1FY24 : RM 242.4 million). Lower revenue was mainly due to overall lower average occupancy rates and average room rates especially from Australia hotels as the hotels’ business typically slow down in the winter months. Significant decrease in operating profit was mainly attributed to gain on disposal of Bayview Eden Melbourne Hotel in Australia of RM 209.8 million in Q1FY24. Excluded the gain on disposal, operating profit in Q2FY24 decreased by 18.7%.

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Revenue from the investment holding segment increased to RM 34.7 million (Q1FY24 : RM 1.2 million) while recorded an operating profit of RM 14.4 million (Q1FY24 : RM 31.3 million). Higher revenue was mainly attributed to higher dividend income from other investments. Despite higher dividend income from other investments, lower operating profit was attributed to lower realised and unrealised foreign exchange gain of RM 0.6 million (Q1FY24 : RM 22.3 million) on the USD against the SGD denominated borrowings.

The investment properties and trading of building material products segment recorded a 14.4% decrease in revenue to RM 111.2 million (Q1FY24 : RM 129.9 million) in tandem with lower sales volume. Operating loss of RM 22.3 million (Q1FY24 : operating profit of RM 11.8 million) was mainly due to lower gross profit margin derived from stiff price competition for building material products, quit rent expenses incurred pertaining to Melaka reclaimed land and payment of land tax for Australian properties.

Healthcare segment’s revenue increased by 7.8% to RM 34.6 million (Q1FY24: RM 32.1 million) and operating profit increased to RM 6.9 million (Q1FY24 : RM 4.9 million) attributed to higher number of patients by 5.8%.

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14. Current Year Prospects

The global real GDP growth is projected to be in line with the April 2024 World Economic Outlook forecast, at 3.2 per cent in 2024 and 3.3 per cent 2025.

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. The automotive industry is subject to rapid changes driven by technological advancements, regulatory shifts, market demands, interest rates and global events. Management will continue staying well-informed as the automotive industry navigates the uncertainties that lie ahead in 2024.

In Singapore, car deregistrations in the first quarter of 2024 recorded the highest in nearly three years leading to more COE becoming available for bidding in the coming quota periods to meet the pent-up demand that has been building over the last two years of the COVID-19 pandemic. There were 15,946 car deregistrations made between January and May 2024. This is 46 per cent more than the 10,928 units in the same period in 2023, an advantage to retail operations in Singapore.

The plastic segment continues to face competitive environment from other industry players i.e., automotive sector although the sector is seeing positive signs of recovery. Management will continue to exercise cost rationalisation and productivity improvement.

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

Travel demand is likely to stabilize in 2024 benchmarking record occupancy and rate. The hospitality industry has been witnessing a recovery in various segments of travel. Group travel, in particular, has seen a steady rise. The hotels and resorts segment will continue to maintain and promote high standards of ethics and integrity across the segment while embracing sustainability and technological integration.

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 business opportunities to add synergy to existing business.

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15. Variance of Actual Profit from Forecast Profit/Profit Guarantee

Not Applicable.

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 June 24 RM'000 (Unaudited)	Preceding Year Quarter 30 June 23 RM'000 (Unaudited)	Current Year To date 30 June 24 RM'000 (Unaudited)	Preceding Year To date 30 June 23 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	12,170	2,327	16,981	4,685
- Under/ (Over) provision in respect of prior period	170	16	590	(262)
	12,340	2,343	17,571	4,423
Foreign taxation				
- Based on profit for the period	24,507	14,254	57,660	33,987
	36,847	16,597	75,231	38,410
Deferred taxation				
- Current period	(11,520)	(1,107)	35,336	(334)
- Under/ (Over) provision in respect of prior period	479	322	738	(1,058)
	(11,041)	(785)	36,074	(1,392)
	25,806	15,812	111,305	37,018

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 save for the Stock Buy-Back which was approved by the stockholders at the Annual General Meeting on 13 June 2024 for the buy-back of up to 10% or up to 62,039,363 ordinary stocks. There were no stocks buy-back for the period to date.

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18. Group Borrowings

	Interest rate %	Borrowings denominated in		Source Currency	RM Equivalent	Total
		Ringgit	Foreign Currencies			
Short Term		RM'000			RM'000	RM'000
		I			II	I + II
Hire purchase financing	4.3 - 7.5	449		-	-	449
Borrowings – secured						
-Revolving credit	1.0 - 1.5	-	JPY 11.805 billion		347,383	347,383
	2.4 - 2.5	-	CHF 0.211 billion		1,111,709	1,111,709
-Term loans	4.3 - 6.0	355	SGD 0.001 billion		4,463	4,818
Borrowings – unsecured						
-Bankers acceptance	3.9 - 4.2	40,770		-	-	40,770
-Revolving credit	1.2 - 4.4	153,181	JPY 0.640 billion		18,758	171,939
	2.6	-	CHF 0.017 billion		99,852	99,852
		<u>194,755</u>			<u>1,582,165</u>	<u>1,776,920</u>
Long Term						
Hire purchase financing	4.3 - 7.5	1,308		-	-	1,308
Term loans – secured	4.3 - 6.0	1,985	SGD 0.062 billion		213,333	215,318
Revolving credit	4.3 - 4.4	1,009,692		-	-	1,009,692
- unsecured						
		<u>1,012,985</u>			<u>213,333</u>	<u>1,226,318</u>
Total Borrowings		<u>1,207,740</u>			<u>1,795,498</u>	<u>3,003,238</u>

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19. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 30 June 2024 is as follows:

	RM'000	%
Not past due	302,369	88.9
Past due less than 3 months	33,132	9.7
Past due 3-6 months	3,894	1.2
Past due 6-12 months	393	0.1
Past due more than 1 year	442	0.1
	<u>340,230</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 2024. The entitlement date and payment date will be announced at a later date.

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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 June 24 RM'000 (Unaudited)	Preceding Year Quarter 30 June 23 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 24) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 23) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>38,188</u>	<u>125,201</u>	<u>357,664</u>	<u>219,437</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>6.16</u>	<u>20.18</u>	<u>57.65</u>	<u>35.37</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 22 AUGUST 2024