

ORIENTAL HOLDINGS BERHAD

(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

FINANCIAL REPORT

30 SEPTEMBER 2024

ORIENTAL HOLDINGS BERHAD
(Registration No. 196301000446 (5286-U))
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INTERIM FINANCIAL REPORT
30 SEPTEMBER 2024

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(Registration No. 196301000446 (5286-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	As at End of Current Quarter 30 Sept 2024 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2023 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	2,441,483	2,136,537	14.3
Right-of-use assets	675,941	735,669	-8.1
Investment properties	1,074,657	1,078,701	-0.4
Intangible assets	21,956	22,806	-3.7
Investments in associates	628,313	640,048	-1.8
Other investments	487,274	510,179	-4.5
Deferred tax assets	139,076	136,953	1.6
Inventories	35,896	35,893	0.0
Other receivables	30,968	30,641	1.1
Total non-current assets	<u>5,535,564</u>	<u>5,327,427</u>	3.9
Inventories	325,070	275,678	17.9
Biological assets	11,105	11,944	-7.0
Trade and other receivables	893,788	550,932	62.2
Deferred tax assets	-	46,590	-100.0
Current tax assets	27,167	38,594	-29.6
Other investments	1,604,809	2,723,329	-41.1
Cash and cash equivalents	3,637,155	2,651,509	37.2
Assets classified as held for sale	-	31,034	-100.0
Total current assets	<u>6,499,094</u>	<u>6,329,610</u>	2.7
Total assets	<u><u>12,034,658</u></u>	<u><u>11,657,037</u></u>	3.2
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,321,738	1,695,078	-22.0
Retained earnings	5,589,803	5,267,344	6.1
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>7,531,754</u>	<u>7,582,635</u>	-0.7
Non-controlling interests	<u>507,055</u>	<u>527,699</u>	-3.9
Total equity	<u><u>8,038,809</u></u>	<u><u>8,110,334</u></u>	-0.9
Liabilities			
Borrowings	906,387	917,583	-1.2
Lease liabilities	20,075	19,873	1.0
Contract liabilities	43,843	39,570	10.8
Retirement benefits	31,731	31,183	1.8
Deferred tax liabilities	153,671	158,223	-2.9
Total non-current liabilities	<u>1,155,707</u>	<u>1,166,432</u>	-0.9
Borrowings	1,936,802	1,818,326	6.5
Lease liabilities	2,072	5,087	-59.3
Current tax liabilities	47,821	126,895	-62.3
Trade and other payables	850,936	416,854	104.1
Contract liabilities	2,511	13,109	-80.8
Total current liabilities	<u>2,840,142</u>	<u>2,380,271</u>	19.3
Total liabilities	<u>3,995,849</u>	<u>3,546,703</u>	12.7
Total equity and liabilities	<u><u>12,034,658</u></u>	<u><u>11,657,037</u></u>	3.2
Net assets per stock (sen)	1214.03	1222.23	-0.7

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



ORIENTAL HOLDINGS BERHAD

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

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 Sept 2024 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2023 RM'000 (Unaudited)		Current Year To Date (Three quarters to 30 Sept 2024) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2023) RM'000 (Unaudited)	
Revenue	<u>1,311,093</u>	<u>1,086,131</u>	20.7	<u>3,681,288</u>	<u>3,056,382</u>	20.4
Results from operating activities	136,377	348,744	(60.9)	655,339	664,706	(1.4)
Finance costs	(19,728)	(10,062)	96.1	(81,723)	(30,444)	168.4
Share of profits after tax of equity accounted associates	14,811	12,507	18.4	18,539	42,017	(55.9)
Profit before taxation	<u>131,460</u>	<u>351,189</u>	(62.6)	<u>592,155</u>	<u>676,279</u>	(12.4)
Tax expense	(33,602)	(33,022)	1.8	(144,907)	(70,040)	106.9
Profit from continuing operations	<u>97,858</u>	<u>318,167</u>	(69.2)	<u>447,248</u>	<u>606,239</u>	(26.2)
Other comprehensive (expense)/ income, net of tax						
Foreign currency translation differences for foreign operations : - (loss)/ gain during the period	(330,756)	(44,931)	636.1	(378,853)	236,192	(260.4)
Foreign currency translation differences realised on liquidation of a subsidiary	-	-	-	-	2,409	(100.0)
Fair value (loss)/ gain of equity instruments designated at fair value through other comprehensive income	(5,905)	216,201	(102.7)	835	179,610	(99.5)
Share of other comprehensive income/ (expense) of equity accounted associates	197	5	3,840.0	(2,456)	3,060	(180.3)
Other comprehensive (expense)/ income for the period, net of tax	<u>(336,464)</u>	<u>171,275</u>	(296.4)	<u>(380,474)</u>	<u>421,271</u>	(190.3)
Total comprehensive (expense)/ income for the period	<u>(238,606)</u>	<u>489,442</u>	(148.8)	<u>66,774</u>	<u>1,027,510</u>	(93.5)
Profit attributable to:						
Stockholders of the Company	88,868	297,416	(70.1)	446,532	516,853	(13.6)
Non-controlling interests	8,990	20,751	(56.7)	716	89,386	(99.2)
Profit for the period	<u>97,858</u>	<u>318,167</u>	(69.2)	<u>447,248</u>	<u>606,239</u>	(26.2)
Total comprehensive income attributable to:						
Stockholders of the Company	(243,218)	486,525	(150.0)	73,192	896,535	(91.8)
Non-controlling interests	4,612	2,917	58.1	(6,418)	130,975	(104.9)
Total comprehensive (expense)/ income for the period	<u>(238,606)</u>	<u>489,442</u>	(148.8)	<u>66,774</u>	<u>1,027,510</u>	(93.5)
<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)	<u>14.33</u>	<u>47.94</u>	(70.1)	<u>71.98</u>	<u>83.31</u>	(13.6)

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sept 2024 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2023 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2024) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2023) RM'000 (Unaudited)
Included in the Total Comprehensive Expense/Income for the period are the followings :				
Interest income	(45,031)	(38,654)	(137,001)	(117,187)
Other income including investment income	(3,429)	(2,523)	(42,441)	(45,821)
Interest expense	19,728	10,062	81,723	30,444
Depreciation and amortisation	49,432	40,323	166,416	117,329
(Bad debts recovered)/ Bad debts written off	(6)	1	235	15
Write down/ (Reversal of write down) of inventories	790	21	(3,969)	1,573
Property, plant and equipment write off	481	56	717	2,387
Gain on disposal of investments	-	-	(91)	(477)
Gain on remeasurement of non-controlling interest previously held in an associate	-	(116,398)	-	(116,398)
Gain on liquidation of a subsidiary	-	-	-	(3,097)
Gain from a bargain purchase on step acquisition of an associate	-	(102,372)	-	(102,372)
Gain on disposal of property, plant and equipment	(2,896)	(701)	(4,086)	(3,701)
Gain on disposal of assets classified as held for sale	-	-	(209,848)	-
(Reversal of impairment loss)/ Provision of impairment loss on assets	(174)	-	(70)	19,180
Unrealised foreign exchange (gain)/ loss	(10,296)	17,369	(10,373)	(79,779)
Realised foreign exchange loss/ (gain)	10,904	(3,157)	(3,987)	(4,538)

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

	Current Year To Date (Three quarters to 30 Sept 2024) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2023) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	592,155	676,279
Adjustments for:		
Non-cash items	157,825	56,313
Non-operating items	(330,207)	(386,047)
Operating profit before working capital changes	419,773	346,545
Changes in working capital	51,141	(44,541)
Cash flows from operating activities	470,914	302,004
Dividend received, net	49,410	52,134
Tax paid	(173,062)	(89,874)
Payment of retirement benefits	(1,511)	(537)
<i>Net cash flows from operating activities</i>	345,751	263,727
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(556,544)	(181,275)
Proceeds from disposal of assets classified as held for sale	240,318	-
Purchase of investments	(1,173,005)	(648,077)
Proceeds from disposal of investments	944,464	475,654
Interest received	139,407	106,857
Net cash outflow on acquisition of a subsidiary	(270)	(806,508)
Net cash outflow on liquidation of a subsidiary	-	(15)
Decrease/ (Increase) in short term investments, net	1,332,908	(647,284)
<i>Net cash flows from/ (used in) investing activities</i>	927,278	(1,700,648)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Three quarters to 30 Sept 2024) RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2023) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	288,919	753,188
Lease liabilities (net)	(11,481)	(4,597)
Dividends paid to stockholders	(124,073)	(124,072)
Fixed deposits pledged for banking facilities	227,752	(121,642)
Dividends paid to non-controlling interests	(13,956)	(4,387)
Interest paid	(86,174)	(34,476)
<i>Net cash flows from financing activities</i>	280,987	464,014
Net increase/ (decrease) in cash and cash equivalents	1,554,016	(972,907)
Cash and cash equivalents at 1 January	1,872,866	2,560,136
Effects of exchange rates on cash and cash equivalents	(340,619)	245,324
Cash and cash equivalents at 30 September (Note 1)	<u>3,086,263</u>	<u>1,832,553</u>

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	951,347	560,892
Fixed deposits	2,360,135	1,658,012
Unit trust money market funds	325,672	321,065
	<u>3,637,154</u>	<u>2,539,969</u>
Less:		
Deposits pledged	(550,891)	(707,416)
	<u>3,086,263</u>	<u>1,832,553</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

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*

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

1. Basis of Preparation (Cont'd)

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*

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.

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

7. Dividends Paid

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

- i) 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; and
- ii) 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 on 21 November 2024.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 September 2024											
Revenue from external customers	2,118,627	208,708	218,578	634,306	38,018	358,379	104,672	3,681,288	-		3,681,288
Inter-segment revenue	9,025	195	5	-	19,135	-	-	28,360	(28,360)		-
Total revenue	<u>2,127,652</u>	<u>208,903</u>	<u>218,583</u>	<u>634,306</u>	<u>57,153</u>	<u>358,379</u>	<u>104,672</u>	<u>3,709,648</u>	<u>(28,360)</u>		<u>3,681,288</u>
Results											
Segment profit	<u>194,549</u>	<u>23,553</u>	<u>282,599</u>	<u>129,958</u>	<u>15,724</u>	<u>(9,949)</u>	<u>18,905</u>	<u>655,339</u>	<u>(63,184)</u>	A	<u>592,155</u>
Assets											
Segment assets	<u>3,426,954</u>	<u>357,869</u>	<u>1,263,580</u>	<u>3,519,247</u>	<u>1,309,371</u>	<u>1,106,416</u>	<u>256,665</u>	<u>11,240,102</u>	<u>794,556</u>	B	<u>12,034,658</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 September 2024
	RM'000
Share of results of associates	18,539
Finance costs	(81,723)
	<u>(63,184)</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 2024
	RM'000
Investment in associates	628,313
Current tax assets	27,167
Deferred tax assets	139,076
	<u>794,556</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) 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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TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 2024 (Cont'd)

10. Changes in Group's Composition

- (iii) On 16 October 2024, Kah Motor Company Sdn. Berhad, a wholly-owned subsidiary of the Company acquired an additional 19% interest in Happy Motoring Co. Sdn. Bhd. ("HM"), a 51% owned subsidiary, from non-controlling interests for a total purchase consideration of BND2,052,000 (approximately RM6,819,000) in cash. Subsequent to the acquisition, HM became a 70% owned subsidiary of the Company.

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 3,681.3 million, an increase of 20.4% as compared to RM 3,056.4 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 655.3 million (YTDFY23 : RM 664.7 million), decreased by RM 9.4 million and profit before tax of RM 592.2 million compared to RM 676.3 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 compared to gain from a bargain purchase on step acquisition of an associate; Southern Perak Plantations Sdn. Bhd. ("SPP") and gain on remeasurement of non-controlling interest previously held in an associate; SPP of RM 102.4 million and RM 116.4 million respectively in the corresponding period last year. Lower profit before tax also resulted from higher interest expenses incurred and lower share of profits from associates.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue and operating profit from the automotive segment increased by 35.9% to RM 2,118.6 million and 37.1% to RM 194.5 million respectively.

For the retail operations in Singapore, revenue and operating profit increased by 68.0% and 38.0% respectively. Higher operating profit was mainly due to higher number of cars sold by 132.4% driven by the consistent rise in Certificate of Entitlement ("COE") quotas.

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30 SEPTEMBER 2024 (Cont'd)

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

For the retail operations in Malaysia, revenue increased by RM 138.9 million while recorded lower operating profit by RM 1.2 million attributed to higher number of cars sold by 14.3% spurred by high demand for Civic, City, CR-V and HR-V models as well as the newly launched model namely WR-V in the second half of 2023. Decrease in operating profit mainly from intense competition in the industry which has impacted on gross profit as well as rising in operational costs.

The plantation segment generated a revenue of RM 634.3 million, an increase of 8.6% compared to corresponding period last year of RM 583.9 million and recorded an operating profit of RM 130.0 million (YTDFY23 : RM 167.0 million). Higher revenue was attributed to the higher in FFB selling prices of 12.3% (YTDFY24 : RM 739/MT; YTDFY23 : RM 658/MT) and FFB production volume of 6.6%. While lower operating profit was attributable to the realised and unrealised foreign exchange loss of RM 3.7 million (YTDFY23 : realised and unrealised foreign exchange gain of RM 64.6 million) on the IDR against the JPY and CHF denominated borrowings.

The plastic segment recorded a decrease in revenue and operating profit of 7.0% to RM 208.7 million (YTDFY23 : RM 224.5 million) and 3.3% to RM 23.5 million (YTDFY23 : RM 24.3 million) respectively. Lower operating profit was attributed to lower sales orders from domestic automotive customers with high fixed overhead costs and delay of new models launched from customers.

Hotels and resorts segment recorded an increase in revenue of 15.1% to RM 218.6 million (YTDFY23 : RM 190.0 million) while recorded a significant increase in operating profit of RM 282.6 million (YTDFY23 : RM 37.0 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 events and leisure tourism. While in 2023, the performance for New Zealand hotel was affected as the resort being closed from mid-February 2023 to mid-April 2023 due to cyclone. 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 YTDFY24 increased by 96.8%.

Revenue from the investment holding segment decreased by 11.2% to RM 38.0 million (YTDFY23 : RM 42.8 million) and recorded a lower operating profit of RM 15.7 million (YTDFY23 : RM 281.4 million). Lower revenue was mainly due to lower dividend income received from other investments. Significant lower operating profit was attributed to gain from a bargain purchase on step acquisition of an associate; SPP and gain on remeasurement of non-controlling interest previously held in an associate, SPP of RM 102.4 million and RM 116.4 million respectively in Q3FY23. Excluded the gain from a bargain purchase and gain on remeasurement of non-controlling interest in 2023, operating profit decreased by 74.9% attributable to withholding tax on dividend income received (YTDFY24 : RM 11.5 million ; YTDFY23 : RM Nil).

The investment properties and trading of building material products segment recorded a slight decrease of 3.3% in revenue to RM 358.4 million (YTDFY23 : RM 370.5 million) in tandem with lower sales volume. Operating loss of RM 10.0 million (YTDFY23 : operating profit of RM 2.4 million) was due to higher operating costs, such as price hike in transportation and maintenance cost, land tax for Australian properties and assessment expenses for Melaka reclaimed land.

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

Healthcare segment's revenue increased by 22.2% to RM 104.7 million (YTDFY23 : RM 85.7 million) and operating profit increased to RM 18.9 million (YTDFY23 : RM 10.7 million) attributed to improvement in gross profit margin from higher operating theatre cases despite lower number of patients by 0.8%.

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 2024 was RM 1,311.1 million, an increase of RM 130.2 million or 11.0% from RM 1,180.9 million in Q2FY24 with overall increase in revenue except for hotels and resorts, plantation and investment holding segments.

The Group recorded an operating profit of RM 136.4 million (Q2FY24 : RM 91.4 million), increased by RM 45.0 million and profit before tax of RM 131.5 million compared to profit before tax of RM 47.3 million for Q2FY24 mainly attributed from higher operating profit from 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 increased by 26.0% to RM 792.2 million (Q2FY24 : RM 628.8 million) and operating profit decreased by 3.0% to RM 65.1 million (Q2FY24 : RM 67.1 million). The increase in revenue was mainly attributed to higher number of cars sold by 25.3% from retail operations in Singapore as COE quotas has been consistently rise. Lower operating profit was mainly from retail operations in Singapore attributed to loss in foreign exchange on its foreign currencies cash and bank balances by RM 17.4 million.

The plantation segment generated a revenue of RM 222.3 million, a decrease of 5.6% compared to immediate preceding quarter of RM 235.5 million and recorded an operating profit of RM 71.1 million (Q2FY24 : operating loss of RM 7.3 million). Lower revenue was attributed to the decrease in CPO sales volume and selling price by 7.5% and 3.2% respectively while operating profit was attributed to the realised and unrealised foreign exchange gain of RM 13.2 million (Q2FY24 : realised and unrealised foreign exchange loss of RM 33.1 million) on the IDR against the CHF denominated borrowings.

Revenue and operating profit from the plastic segment increased by 18.4% to RM 73.4 million (Q2FY24 : RM 62.0 million) and 45.0% to RM 8.7 million (Q2FY24 : RM 6.0 million) respectively. Higher operating profit was attributed to higher contribution to absorb the fixed and semi-fixed operating cost, whereas in Q2FY24, 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.

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

Hotels and resorts segment recorded a decrease in revenue of 11.1% to RM 65.8 million (Q2FY24 : RM 74.0 million) and recorded lower operating profit of RM 13.7 million (Q2FY24 : RM 26.5 million). Lower revenue was mainly due to lower occupancy rates and average room rates especially from Australia and New Zealand hotels as slow pick up in bookings. While in Q2FY24, the New Zealand’s hotel received RM 2.5 million progress claim for the cyclone disaster occurred in 2023.

Revenue from the investment holding segment decreased to RM 2.1 million (Q2FY24 : RM 34.7 million) while recorded an operating loss of RM 29.9 million (Q2FY24 : RM 14.4 million). Lower revenue was mainly attributed to lower income from other investments. Besides lower dividend income from other investments, operating loss was attributed to realised and unrealised foreign exchange loss of RM 5.7 million (Q2FY24 : realised and unrealised foreign exchange gain RM 0.6 million) on the USD against the SGD, JPY and CHF denominated borrowings.

The investment properties and trading of building material products segment recorded a 5.4% increase in revenue to RM 117.2 million (Q2FY24 : RM 111.2 million) in tandem with higher sales volume. Operating profit of RM 0.6 million (Q2FY24 : operating loss of RM 22.3 million) was mainly due to in Q2FY24, higher quit rent expenses incurred pertaining to Melaka reclaimed land and payment of land tax for Australian properties. The segment remain facing stiff price competition for its building material products.

Healthcare segment’s revenue increased by 9.8% to RM 38.0 million (Q2FY24: RM 34.6 million) and operating profit increased to RM 7.1 million (Q2FY24 : RM 6.9 million) attributed to higher number of patients by 5.4%.

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14. Current Year Prospects

The global economy remained unusually resilient throughout the disinflationary process. Growth is projected to hold steady at 3.2 per cent in 2024 and 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 2025.

For Singapore market, 20,000 additional Certificates of Entitlement (COEs) will be available from February 2025 as part of the ramp-up to the Electronic Road Pricing (ERP) 2.0 system which allow for more flexible and responsive congestion management. There were 26,424 car deregistrations made between January and September 2024, which is 27% more than the 20,845 units in the same period in 2023.

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 remain stable or modest growth during the balance of 2024 and in 2025, followed by stronger growth through 2027. 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 Sept 24 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 23 RM'000 (Unaudited)	Current Year To date 30 Sept 24 RM'000 (Unaudited)	Preceding Year To date 30 Sept 23 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	4,705	5,781	21,686	10,466
- Under provision in respect of prior period	135	468	725	206
	4,840	6,249	22,411	10,672
Foreign taxation				
- Based on profit for the period	27,119	26,926	84,779	60,913
	31,959	33,175	107,190	71,585
Deferred taxation				
- Current period	1,643	(153)	36,979	(487)
- Under/ (Over) provision in respect of prior period	-	-	738	(1,058)
	1,643	(153)	37,717	(1,545)
	33,602	33,022	144,907	70,040

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 RM'000	Total RM'000
		Ringgit	Foreign Currencies			
Short Term		RM'000			RM Equivalent RM'000	Total RM'000
		I			II	I + II
Hire purchase financing	4.3 - 7.5	356		-	-	356
Borrowings – secured						
-Revolving credit	1.1 - 1.7	-	JPY 11.805 billion		339,746	339,746
	1.9 - 2.3	-	CHF 0.215 billion		1,048,244	1,048,244
-Term loans	4.3 - 5.3	364	SGD 0.002 billion		7,588	7,952
Borrowings – unsecured						
-Bankers acceptance	3.9 - 4.2	36,145		-	-	36,145
-Revolving credit	1.2 - 4.3	195,000	JPY 0.640 billion		18,519	213,519
	1.9 - 2.4	-	CHF 0.061 billion		290,840	290,840
		<u>231,865</u>			<u>1,704,937</u>	<u>1,936,802</u>
Long Term						
Hire purchase financing	4.3 - 7.5	1,683		-	-	1,683
Term loans – secured	4.3 – 5.3	1,814	SGD 0.059 billion		190,767	192,581
Revolving credit	2.2 - 4.3	355,359	CHF 0.073 billion		356,764	712,123
- unsecured						
		<u>358,856</u>			<u>547,531</u>	<u>906,387</u>
Total Borrowings		<u>590,721</u>			<u>2,252,468</u>	<u>2,843,189</u>

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19. Trade receivables

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

	RM'000	%
Not past due	303,354	88.5
Past due less than 3 months	33,579	9.8
Past due 3-6 months	4,488	1.3
Past due 6-12 months	984	0.3
Past due more than 1 year	335	0.1
	<u>342,740</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 30 Sept 24 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 23 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 24) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 23) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>88,868</u>	<u>297,416</u>	<u>446,532</u>	<u>516,853</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>14.33</u>	<u>47.94</u>	<u>71.98</u>	<u>83.31</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 21 NOVEMBER 2024