



ORIENTAL HOLDINGS BERHAD

(Company No. 5286-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2017

	As at End of Current Quarter 31 Mar 2017 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2016 RM'000 (Audited)
Assets		
Property, plant and equipment	1,555,926	1,554,711
Prepaid land lease payments	63,018	63,929
Investment properties	909,630	892,135
Intangible assets	33,924	33,957
Investments in associates	600,406	590,982
Other investments	365,300	344,806
Land held for property development	36,145	36,131
Biological assets	713,449	690,041
Deferred tax assets	38,477	39,184
Total non-current assets	<u>4,316,275</u>	<u>4,245,876</u>
Inventories	443,324	490,772
Property development costs	3,145	3,113
Trade and other receivables	537,053	586,896
Other investments	49,632	8,350
Current tax assets	27,171	35,311
Short term investments	853,072	716,536
Cash and cash equivalents	2,912,024	2,821,752
Total current assets	<u>4,825,421</u>	<u>4,662,730</u>
Total assets	<u>9,141,696</u>	<u>8,908,606</u>
Equity		
Share capital	621,561	620,394
Reserves	1,214,988	1,144,081
Retained earnings	4,168,685	4,103,638
Treasury stocks	(249)	(249)
Total equity attributable to stockholders of the Company	<u>6,004,985</u>	<u>5,867,864</u>
Non-controlling interests	<u>959,101</u>	<u>951,046</u>
Total Equity	<u>6,964,086</u>	<u>6,818,910</u>
Liabilities		
Deferred tax liabilities	31,535	31,617
Loans and borrowings	73,023	74,590
Provisions	87,344	73,422
Deferred income	7,778	4,890
Retirement benefits	18,918	18,357
Total non-current liabilities	<u>218,598</u>	<u>202,876</u>
Trade and other payables	404,318	469,611
Loans and borrowings	1,495,495	1,367,826
Current tax liabilities	59,199	49,383
Total current liabilities	<u>1,959,012</u>	<u>1,886,820</u>
Total liabilities	<u>2,177,610</u>	<u>2,089,696</u>
Total equity and liabilities	<u>9,141,696</u>	<u>8,908,606</u>
Net assets per stock (sen)	967.93	945.83

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



ORIENTAL HOLDINGS BERHAD

(Company No. 5286-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2017

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Mar 2017 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 2016 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 2017) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2016) RM'000 (Unaudited)
Revenue	1,698,085	1,215,084	1,698,085	1,215,084
Results from operating activities	96,624	64,604	96,624	64,604
Finance costs	(2,652)	(2,811)	(2,652)	(2,811)
Share of profits after tax and non-controlling interest of associates	5,919	3,246	5,919	3,246
Profit before taxation	99,891	65,039	99,891	65,039
Income tax expenses	(32,759)	(18,343)	(32,759)	(18,343)
Profit from continuing operations	67,132	46,696	67,132	46,696
Other comprehensive income/ (expense), net of tax				
Foreign currency translation differences for foreign operations	77,285	(200,202)	77,285	(200,202)
Fair value of available-for-sale financial assets	945	(7,090)	945	(7,090)
Share of other comprehensive expense of equity accounted associates	(219)	(142)	(219)	(142)
Other comprehensive income/ (expense) for the period, net of tax	78,011	(207,434)	78,011	(207,434)
Total comprehensive income/ (expense) for the period	145,143	(160,738)	145,143	(160,738)
Profit attributable to:				
Stockholders of the Company	65,047	67,973	65,047	67,973
Non-controlling interests	2,085	(21,277)	2,085	(21,277)
Profit for the period	67,132	46,696	67,132	46,696
Total comprehensive income attributable to:				
Stockholders of the Company	137,121	(113,606)	137,121	(113,606)
Non-controlling interests	8,022	(47,132)	8,022	(47,132)
Total comprehensive income/ (expense) for the period	145,143	(160,738)	145,143	(160,738)
<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 of RM1 each)	10.49	10.96	10.49	10.96

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



ORIENTAL HOLDINGS BERHAD

(Company No. 5286-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2017

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Mar 2017 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 2016 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 2017) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2016) RM'000 (Unaudited)
Included in the Total Comprehensive Income for the period are the followings :				
Interest income	(23,110)	(18,877)	(23,110)	(18,877)
Other income including investment income	(569)	(29,604)	(569)	(29,604)
Interest expense	2,652	2,811	2,652	2,811
Depreciation and amortisation	34,945	29,146	34,945	29,146
Reversal of impairment loss on receivables	(79)	(521)	(79)	(521)
Write down of inventories	-	(300)	-	(300)
Write off of property, plant and equipment	8	46	8	46
Loss on disposal of quoted/ unquoted investments	48	742	48	742
Gain on disposal of property, plant and equipment	(1,052)	(454)	(1,052)	(454)
Impairment loss on assets	235	161	235	161
Unrealised foreign exchange loss	43,916	53,966	43,916	53,966
Realised foreign exchange loss	939	5,500	939	5,500

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



ORIENTAL HOLDINGS BERHAD

(Company No. 5286-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

	← Attributable to stockholders of the Company →											Non-controlling interests	Total equity
	← Non-distributable →					Distributable							
	Share capital	Share premium	Capital reserve	Translation reserve	Fair value reserve	Capital redemption reserve	Asset revaluation reserve	Treasury stocks	Retained earnings	Capital reserve	Total		
<i>In thousands of RM</i>													
At 1 January 2016	620,394	1,099	1,073	958,149	76,280	68	474	(249)	3,948,186	40,248	5,645,722	893,798	6,539,520
Foreign currency translation differences for foreign operations	-	-	-	(177,964)	-	-	-	-	-	-	(177,964)	(22,238)	(200,202)
Fair value of available-for-sale financial assets	-	-	-	-	(3,473)	-	-	-	-	-	(3,473)	(3,617)	(7,090)
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(142)	-	-	-	-	-	(142)	-	(142)
Total other comprehensive expense for the period	-	-	-	(177,964)	(3,615)	-	-	-	-	-	(181,579)	(25,855)	(207,434)
Profit for the period	-	-	-	-	-	-	-	-	67,973	-	67,973	(21,277)	46,696
Total comprehensive (expense)/income for the period	-	-	-	(177,964)	(3,615)	-	-	-	67,973	-	(113,606)	(47,132)	(160,738)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	300	300
Total distribution to owners	-	-	-	-	-	-	-	-	-	-	-	300	300
At 31 March 2016	620,394	1,099	1,073	780,185	72,665	68	474	(249)	4,016,159	40,248	5,532,116	846,966	6,379,082
<i>In thousands of RM</i>													
At 1 January 2017	620,394	1,099	1,073	1,016,084	85,035	68	474	(249)	4,103,638	40,248	5,867,864	951,046	6,818,910
Foreign currency translation differences for foreign operations	-	-	-	71,697	-	-	-	-	-	-	71,697	5,588	77,285
Fair value of available-for-sale financial assets	-	-	-	-	596	-	-	-	-	-	596	349	945
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(219)	-	-	-	-	-	(219)	-	(219)
Total other comprehensive income for the period	-	-	-	71,697	377	-	-	-	-	-	72,074	5,937	78,011
Profit for the period	-	-	-	-	-	-	-	-	65,047	-	65,047	2,085	67,132
Total comprehensive income for the period	-	-	-	71,697	377	-	-	-	65,047	-	137,121	8,022	145,143
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	33	33
Total distribution to owners	-	-	-	-	-	-	-	-	-	-	-	33	33
Transfer in accordance with Section 618(2) of the Companies Act 2016	1,167	(1,099)	-	-	-	(68)	-	-	-	-	-	-	-
At 31 March 2017	621,561	-	1,073	1,087,781	85,412	-	474	(249)	4,168,685	40,248	6,004,985	959,101	6,964,086

Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium and capital redemption reserve become part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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



ORIENTAL HOLDINGS BERHAD

(Company No. 5286-U)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2017

	Current Year To Date (One quarter to 31 Mar 2017) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2016) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	99,891	65,039
Adjustments for:		
Non-cash items	80,474	83,283
Non-operating items	(27,951)	(45,452)
Operating profit before working capital changes	152,414	102,870
Changes in working capital	55,431	(7,867)
Cash flow from operating activities	207,845	95,003
Tax paid	(14,768)	(19,955)
Interest paid	(1,425)	(2,964)
Payment of retirement benefits	(101)	(51)
<i>Net cash flows from operating activities</i>	191,551	72,033
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(49,305)	(72,897)
Purchase of investments	(76,698)	(29,184)
Proceeds from disposal of investments	20,656	16,512
Interest received	18,031	19,779
Dividend received	505	29,583
Additions of deferred expenditure	(14)	(15)
Increase in short term investments, net	(136,536)	(2,595)
<i>Net cash flows used in investing activities</i>	(223,361)	(38,817)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (One quarter to 31 Mar 2017) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2016) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	86,939	70,835
Fixed deposits pledged for banking facilities	11,811	21,832
Proceeds from issue of shares to non-controlling interest	-	300
<i>Net cash flows from financing activities</i>	98,750	92,967
Net increase in cash and cash equivalents	66,940	126,183
Cash and cash equivalents at 1 January	2,192,937	2,387,114
Effects of exchange rates on cash and cash equivalents	36,463	(137,486)
Cash and cash equivalents at 31 March (Note 1)	2,296,340	2,375,811

NOTE

1 Cash and cash equivalents consist of: -

	RM'000	RM'000
Cash and bank balances	1,082,394	1,028,883
Fixed deposits	1,785,392	1,798,548
Bank overdrafts	-	(15)
Unit trust money market funds	44,238	26,044
	2,912,024	2,853,460
Less:		
Deposits pledged	(615,684)	(477,649)
	2,296,340	2,375,811

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

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017

1. Basis of Preparation

The Group falls within the scope definition of Transitioning Entities. Transitioning Entities are allowed to defer the adoption of Malaysian Financial Reporting Standards (“MFRS”) Framework.

For the financial year ending 31 December 2017, the Group will continue to prepare its financial statements using Financial Reporting Standards (“FRS”).

The interim financial report is unaudited and has been prepared in compliance with FRS 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 2016. 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 2016.

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 2016 except for the adoption of the following new and revised FRSs, IC Interpretations and Amendments :-

Adoption of Revised FRSs, IC Interpretations and Amendments

- Amendments to FRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to FRS Standards 2014-2016 Cycle)*
- Amendments to FRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to FRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

The adoption of the above amendments to FRSs and IC Interpretation do not have material impact on this interim financial report of the Group.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

FRSs, Amendments to FRSs and IC Interpretations issued but not yet effective

Effective for annual periods beginning on or after 1 January 2018

- FRS 9, *Financial Instruments (2014)*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements to FRS Standards 2014-2016 Cycle)*
- Amendments to FRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to FRS 4, *Insurance Contracts – Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts*
- Amendments to FRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to FRS Standards 2014-2016 Cycle)*
- Amendments to FRS 140, *Investment Property – Transfers of Investment Property*

Effective for annual periods beginning on or after 1 January 2019

- FRS 16, *Leases*

Effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to FRS 10, *Consolidated Financial Statements* and FRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

2. Auditors' Qualification

Not applicable. No qualification on the audit report of the preceding annual financial statements of Oriental Holdings Berhad.

3. Seasonal or 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 other 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. The tourism sector will generally perform better during the major festive and holiday seasons.

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 single tier second interim dividend of 6 sen per ordinary stock (2015 : 6 sen per ordinary stock), totalling RM 37,221,710 in respect of the financial year ended 31 December 2016 on 7 April 2017.

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

**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (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 and financial services 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 March 2017											
Revenue from external customers	1,297,861	43,507	78,125	178,417	1,822	82,831	15,522	1,698,085	-		1,698,085
Inter-segment revenue	208	74	-	-	-	114	-	396	(396)		-
Total revenue	1,298,069	43,581	78,125	178,417	1,822	82,945	15,522	1,698,481	(396)		1,698,085
Results											
Segment profit/ (loss)	61,651	(2,086)	16,896	32,122	(14,877)	8,270	(5,352)	96,624	3,267	A	99,891
Assets											
Segment assets	3,217,065	412,891	1,038,981	2,276,160	382,275	916,123	232,147	8,475,642	666,054	B	9,141,696

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

8. Segment Revenue and Results (Cont'd)

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding and financial services 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 March 2016											
Revenue from external customers	839,023	53,322	69,702	112,272	30,557	101,844	8,364	1,215,084	-		1,215,084
Inter-segment revenue	103	1	13	-	-	142	-	259	(259)		-
Total revenue	<u>839,126</u>	<u>53,323</u>	<u>69,715</u>	<u>112,272</u>	<u>30,557</u>	<u>101,986</u>	<u>8,364</u>	<u>1,215,343</u>	<u>(259)</u>		<u>1,215,084</u>
Results											
Segment profit/ (loss)	<u>57,260</u>	<u>(946)</u>	<u>13,812</u>	<u>(7,656)</u>	<u>3,316</u>	<u>4,790</u>	<u>(5,972)</u>	<u>64,604</u>	<u>435</u>	A	<u>65,039</u>
Assets											
Segment assets	<u>2,841,743</u>	<u>425,773</u>	<u>955,581</u>	<u>1,775,742</u>	<u>345,830</u>	<u>883,588</u>	<u>236,667</u>	<u>7,464,924</u>	<u>601,450</u>	B	<u>8,066,374</u>

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

8. Segment Revenue and Results (Cont'd)

Notes Nature of adjustments and eliminations 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 statements of comprehensive income:

	31 March 2017	31 March 2016
	RM'000	RM'000
Share of results of associates	5,919	3,246
Finance costs	(2,652)	(2,811)
	3,267	435

B The following items are added to/ (deducted from) segment assets to arrive at total assets reported in the condensed consolidated statement of financial positions:

	31 March 2017	31 March 2016
	RM'000	RM'000
Investment in associates	600,406	556,713
Current tax assets	27,171	15,082
Deferred tax assets	38,477	29,655
	666,054	601,450

9. Revaluation of Property, Plant and Equipment

Not applicable. No valuation policy was adopted for property, plant and equipment. The Group availed the transitional provisions issued by the Malaysian Accounting Standards Board upon adoption of International Accounting Standard No 16 (Revised) to have the 1976 and 1978 revalued assets of land and buildings continue to be stated at their existing carrying amounts less accumulated depreciation.

10. 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.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

11. 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) Oriental Assemblers Sdn Bhd ("OA"), a 91.9% owned subsidiary by the Company and 6.1% owned by wholly-owned subsidiary of Oriental Rubber & Palm Oil Sdn Berhad ("ORPO") with other minority shareholders, had on 21 June 2016, entered into a Share Purchase Agreement ("SPA") to dispose the collective 100% equity interest in OA to Aroma Kiara Sdn Bhd ("AKSB"). On 29 December 2016, the Company received approval from the Ministry of International Trade and Industry for the disposal, and hence, the SPA is now unconditional. The vendors and purchaser have mutually agreed to complete and finalise the disposal pursuant to the said SPA by the second quarter of 2017. Upon the completion of the disposal, OA shall cease to be a subsidiary of the Company.
- (ii) Armstrong Component Parts (Vietnam) Co., Ltd ("ACPV"), a wholly-owned subsidiary of Armstrong Auto Parts Sdn Berhad which in turn is 60.26% 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 process will take approximately 6 to 12 months to complete.
- (iii) Oriental International Mauritius Pte. Ltd., a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary company known as OIM (Aust) Pty. Ltd. ("OIM (Aust)") in Australia on 18 April 2017. The initial issued and paid up share capital of OIM (Aust) is AUD100.00 (Australian Dollar One Hundred) only represented by One Hundred Ordinary Share. The issued and paid up capital of OIM (Aust) will be increased as and when necessary. The intended principal activity of OIM (Aust) is property investment holding.

12. 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 are 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.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

13. Review of Group's Performance

The year to date revenue of RM 1,698.1 million was 39.8% higher than the corresponding period last year with the year to date profit before tax of RM 99.9 million, a 53.6% higher than the corresponding period last year. The profit before tax was mainly affected by unfavourable unrealised foreign exchange loss of RM 43.9 million (2016 : RM 54.0 million). Excluding the net foreign exchange loss, the underlying PBT of RM 143.8 million for year to date is 20.8% higher than the underlying PBT of RM 119.0 million for 2016. The higher underlying PBT was due mainly to contribution from the plantation segment while mitigated with by lower contribution from the investment holding segment.

Performances for each operating segment are as follows:-

The revenue and operating profit for the automotive segment increased by 54.7% to RM 1,297.9 million and 7.7% to RM 61.7 million respectively.

For the retail operations in Singapore, revenue grew significantly by 68.9% mainly due to the hike in number of cars sold by 66.0%, mainly from the strong product launch since Q3 last year for Civic model, and continuing strong demand for other models ie. HRV. For the retail operations in Malaysia, sales units increased by 38.7% mainly due to strong demand from new model, BRV introduced to the market in January this year. Nevertheless, the operating profit was slightly affected by lower gross margin (stocks affected by Euro VI emission standard) and higher operating costs as sales incentive.

The revenue and operating profit for the plantation segment increased by 58.9% and 519.6% respectively mainly due to overall increase in selling prices compared to 2016 (CPO increased by 53.5%; PK increased by 114.7%) although CPO sales volume was slightly affected.

The performance for plastic segment remains competitive. The revenue for the segment dropped by 18.4% and suffered higher operating loss (2017: RM 2.1 million; 2016: RM 1.0 million). The decrease in segment performance was mainly due to lower sales volume and having to contend with the fixed and semi-fixed overhead expenses.

Hospitality segment revenue and operating profit increased by RM 8.4 million (12.1%) and RM 3.1 million (22.3%) respectively. The improvement in revenue and operating profit were driven by the better average occupancy rate and average room rate for hotels and office space especially for Australia and New Zealand hotels.

Significant decrease in revenue and operating profit for investment holding segment by 94.0% and 548.6% respectively was due to lower dividend received from other investment.

The revenue for investment properties and trading of building material products segment decreased by 18.7% while operating profit increased by 72.7% (2017: RM 8.3 million; 2016: RM 4.8 million). Improved operating profit was derived from better cost management.

Healthcare segment's revenue improved by 85.6% with increasing patient load but remained operating at a loss of RM 5.4 million (2016 : RM 6.0 million) due to the high fixed operating cost since its commencement in January 2015.

ORIENTAL HOLDINGS BERHAD

(Company No. 5286-U)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)**

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

The Group’s revenue for the first quarter of 2017 was RM 1,698.1 million, a decrease of RM 153.1 million or 8.3% from RM 1,851.1 million in Q4FY16.

The Group’s profit for the first quarter of 2017 decreased from RM 293.1 million in Q4FY16 to RM 99.9 million in current quarter. The lower PBT is mainly affected by unfavourable unrealised foreign exchange loss of RM 43.9 million (foreign exchange gain Q4FY16 : RM 159.1 million). Excluding the net foreign exchange loss, the underlying PBT of RM 143.8 million for first quarter is 7.3% higher than the underlying PBT of RM 134.1 million for Q4 FY16. The higher underlying PBT was due mainly contribution from the plantation segment which is moderated by lower contribution from the investment holding segment.

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

Revenue from automotive segment dropped by 6.8% to RM 1,297.9 million, but recorded higher operating profit by 28.5% to RM 61.7 million (Q4FY16: RM 48.0 million). Revenue for retail operation decreased by 7.3% mainly due to lower number of cars sold. Despite drop in revenue, improved operating profit was mainly due to the improved margin and lower selling and administration expenses as compared to last quarter.

Revenue and operating profit from plantation segment decreased by 7.7% (Q1FY17 : RM 178.4 million; Q4FY16 : RM 193.3 million) and 78.3% (Q1FY17 : RM 32.1 million; Q4FY16 : RM 148.0 million) respectively. Lower revenue for the quarter was mainly due to the lower CPO and PK sales volume by 21.8% and 28.8% respectively although with slight increase in selling price. The segment registered a significant drop in operating profit from the foreign exchange loss suffered for the JPY borrowings (weakened IDR against JPY (March 2017 : 3.6% ; strengthened IDR against JPY, December 2016 : 11.5%).

The performance for plastic segment remains competitive. Revenue dropped by 25.2% to RM 43.5 million and recorded an operating loss of RM 2.1 million (profit Q4FY16 : RM 4.8 million). The drop in performance was mainly due to weaker demand from automotive product segment.

Revenue for hospitality segment remained stagnant at RM 78.1 million (Q4FY16 : RM 78.6 million) and achieved higher operating profit by RM 17.0 million (operating loss Q4FY16 : RM 0.2 million). The hotels’ average occupancy rate and average room rate improved except for the hotel in Singapore which was under refurbishment since September 2016.

Revenue for investment holding segment decreased by 94.0% and recorded an operating loss of RM 14.9 million (operating profit Q4FY16 : RM 85.8 million). Lower revenue was due to lower dividend income received from other investment, while the segment’s operating loss was further driven by the unrealised foreign exchange loss mainly from JPY denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 12.3% mainly due to lower sales volume. The operating profit however improved by 137.7% (Q1FY17: RM 8.3 million; Q4FY16: RM 3.5 million) mainly due to unrealised foreign exchange gain from USD denominated advances.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

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

Healthcare segment recorded improved in revenue by 667.3% mainly from increasing patient load. Despite increase in revenue, the segment continued to operate at an operating loss of RM 5.4 million (Q4FY16: RM 4.8 million) as a result of high fixed operating costs.

15. Current Year Prospects

The automotive segment will continue to contribute to the Group’s performance under very competitive market conditions with strong and aggressive promotional campaigns by car companies that are keen to maintain/grow their market shares under the current competitive environment. The automotive segment will continue to expand and upgrade its showrooms and service centres including boosting its presence in East Malaysia. The opening of the biggest Honda 4S Centre in Malaysia, located in Tebrau, Johor Bahru is indeed very timely to support the increasing demands and provide more convenience to Honda’s growing customer base.

The plastic segment continues to face stiff competitive environment among the local industry players. Limited growth in the overall automotive segment in Malaysia with upcoming new models at smaller volume has impacted the segment’s performance.

The plantation segment will continue to consolidate the present land bank and diversify into investment properties to counteract the volatility of palm oil industry. Besides, the plantation segment will continue to take all necessary steps to ensure that all the estates and mills remain efficient and competitive.

The hospitality segment will optimise the utilisation of the existing assets and improve the operational execution through various organic measures.

The investment properties segment will continue to reclaim its remaining 415 acres in Melaka and continue its development for the construction of mixed use of service apartments and commercial complex for its Australian properties.

Healthcare segment will continue to focus on enhancing brand awareness and positioning the hospital for sustainable growth.

Given the prevailing economic uncertainties around the world and financial market volatility, the Board is hopeful that the Group’s performance for the year 2017 will be satisfactory.

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

Not Applicable.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

17. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 17 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 16 RM'000 (Unaudited)	Current Year To date 31 Mar 17 RM'000 (Unaudited)	Preceding Year To date 31 Mar 16 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	4,213	3,913	4,213	3,913
- Over provision in respect of prior period	(278)	(521)	(278)	(521)
	3,935	3,392	3,935	3,392
Foreign taxation				
- Based on profit for the period	27,775	14,992	27,775	14,992
	31,710	18,384	31,710	18,384
Deferred taxation				
- Current period	(256)	(30)	(256)	(30)
- Under/ (Over) provision in respect of prior period	1,305	(11)	1,305	(11)
	1,049	(41)	1,049	(41)
	32,759	18,343	32,759	18,343

18. Status of Corporate Proposals

There were no corporate proposals that have been announced by the Company but not completed at the date of this announcement except for the Stock Buy-Back which was approved by the stockholders at the Annual General Meeting on 2 June 2016 for the buy-back of up to 10% or up to 62,039,364 ordinary stocks. There were no stocks buy-back for the period to date.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

19. Group Borrowings

	Borrowings denominated in		RM Equivalent RM'000 II	Total RM'000 I + II
	Ringgit RM'000 I	← Foreign Currencies → Source Currency		
Finance lease obligations	14,037	-	-	14,037
Other borrowings – secured	-	JPY 20.345 billion	786,994	786,994
		SGD 0.016 billion	49,914	49,914
		THB 0.089 billion	11,441	11,441
		IDR 16.187 billion	5,374	5,374
Other borrowings – unsecured	27,754	JPY 16.650 billion	673,004	700,758
	<u>41,791</u>		<u>1,526,727</u>	<u>1,568,518</u>

20. Changes in Material Litigations

Not applicable.

21. Dividend Proposed

The Board of Directors proposed a single tier final dividend of 8 sen per ordinary stock (2016 : a single tier final dividend of 6 sen per ordinary stock and single tier special dividend of 2 sen per ordinary stock) totalling RM49,628,946 in respect of the financial year ended 31 December 2016, subject to the approval of the stockholders at the forthcoming Annual General Meeting.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

22. Basic Earnings per Stock

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Mar 17 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 16 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 17) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 16) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>65,047</u>	<u>67,973</u>	<u>65,047</u>	<u>67,973</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>10.49</u>	<u>10.96</u>	<u>10.49</u>	<u>10.96</u>

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2017 (Cont'd)

23. Realised and Unrealised Profit or Losses Disclosure

	As at 31 March 2017 RM'000	As at 31 December 2016 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	5,485,929	5,252,002
- Unrealised	(131,816)	(80,971)
	5,354,113	5,171,031
Total share of retained earnings of associates		
- Realised	508,673	498,805
- Unrealised	(3,424)	(2,555)
	5,859,362	5,667,281
Less : Consolidation adjustments	(1,690,677)	(1,563,643)
Total retained profits	4,168,685	4,103,638

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 24 MAY 2017