



ORIENTAL HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016

	As at End of Current Quarter 30 June 2016 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2015 RM'000 (Audited)
Assets		
Property, plant and equipment	1,537,172	1,595,092
Prepaid land lease payments	98,207	66,164
Investment properties	837,793	818,178
Intangible assets	51,206	49,829
Investments in associates	554,781	562,121
Other investments	309,061	311,213
Land held for property development	36,113	36,065
Biological assets	556,964	553,741
Deferred tax assets	30,728	31,201
Total non-current assets	<u>4,012,025</u>	<u>4,023,604</u>
Inventories	295,425	265,491
Property development costs	3,063	2,948
Trade and other receivables	464,160	455,137
Other investments	9,428	9,942
Current tax assets	27,236	10,657
Short term investments	647,276	524,315
Cash and cash equivalents	2,787,254	2,886,826
Total current assets	<u>4,233,842</u>	<u>4,155,316</u>
Total assets	<u><u>8,245,867</u></u>	<u><u>8,178,920</u></u>
Equity		
Share capital	620,394	620,394
Reserves	975,548	1,077,391
Retained earnings	3,916,715	3,948,186
Treasury stocks	(249)	(249)
Total equity attributable to stockholders of the Company	<u>5,512,408</u>	<u>5,645,722</u>
Non-controlling interests	<u>790,106</u>	<u>893,798</u>
Total Equity	<u><u>6,302,514</u></u>	<u><u>6,539,520</u></u>
Liabilities		
Deferred tax liabilities	17,823	18,035
Loans and borrowings	68,487	70,056
Provisions	46,273	30,679
Deferred income	9,153	8,088
Retirement benefits	14,441	13,616
Total non-current liabilities	<u>156,177</u>	<u>140,474</u>
Trade and other payables	369,146	370,078
Loans and borrowings	1,329,733	1,085,023
Current tax liabilities	38,668	43,825
Dividend payables	49,629	-
Total current liabilities	<u>1,787,176</u>	<u>1,498,926</u>
Total liabilities	<u>1,943,353</u>	<u>1,639,400</u>
Total equity and liabilities	<u><u>8,245,867</u></u>	<u><u>8,178,920</u></u>
Net assets per stock (sen)	888.53	910.02

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 30 JUNE 2016

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 June 2016 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2015 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 2016) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2015) RM'000 (Unaudited)
Revenue	1,082,139	1,050,145	2,297,223	1,946,177
Results from operating activities	(56,132)	60,936	8,472	116,313
Finance costs	(2,849)	(2,337)	(5,660)	(4,337)
Share of profits after tax and minority interest of associates	(765)	21,082	2,481	39,391
(Loss)/ Profit before taxation	(59,746)	79,681	5,293	151,367
Income tax expenses	(11,362)	(18,110)	(29,705)	(36,129)
(Loss)/ Profit from continuing operations	(71,108)	61,571	(24,412)	115,238
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	100,886	101,295	(99,316)	136,589
Fair value of available-for-sale financial assets	(6,195)	2,850	(13,285)	1,252
Share of other comprehensive (expense)/ income of equity accounted associates	(996)	1,309	(1,138)	(6)
Other comprehensive income/ (expense) for the period, net of tax	93,695	105,454	(113,739)	137,835
Total comprehensive income/ (expense) for the period	22,587	167,025	(138,151)	253,073
(Loss)/ Profit attributable to:				
Stockholders of the Company	(12,593)	59,054	55,380	114,947
Non-controlling interests	(58,515)	2,517	(79,792)	291
(Loss)/ Profit for the period	(71,108)	61,571	(24,412)	115,238
Total comprehensive income/ (expense) attributable to:				
Stockholders of the Company	67,143	162,845	(46,463)	252,204
Non-controlling interests	(44,556)	4,180	(91,688)	869
Total comprehensive income/ (expense) for the period	22,587	167,025	(138,151)	253,073
<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)	(2.03)	9.52	8.93	18.53

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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 JUNE 2016

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 June 2016 RM'000 (Unaudited)	Preceding Year Quarter 30 June 2015 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 2016) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2015) RM'000 (Unaudited)
Included in the Total Comprehensive Income for the period are the followings :				
Interest income	(23,709)	(18,949)	(42,586)	(34,545)
Other income including investment income	(22,696)	(3,247)	(52,300)	(4,042)
Interest expense	2,849	2,337	5,660	4,337
Depreciation and amortisation	31,425	28,184	60,571	54,873
(Reversal of impairment loss)/ Impairment loss on receivables	(122)	893	(643)	877
Write down/ (Write back) of inventories	-	1,800	(300)	1,800
Loss on disposal of quoted/ unquoted investments	287	276	1,029	234
(Gain)/ Loss on disposal of property, plant and equipment	(159)	1,344	(613)	(27)
Impairment loss/ (Reversal of impairment loss) on assets	35	(188)	196	(199)
Unrealised foreign exchange loss/ (gain)	112,192	(1,013)	166,158	14,284
Realised foreign exchange loss	3,754	5,247	9,254	2,043

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ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016

	←----- 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 2015	620,394	1,099	1,073	545,892	98,185	68	474	(249)	3,800,072	40,248	5,107,256	849,048	5,956,304
Foreign currency translation differences for foreign operations	-	-	-	136,606	-	-	-	-	-	-	136,606	(17)	136,589
Fair value of available-for-sale financial assets	-	-	-	-	657	-	-	-	-	-	657	595	1,252
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(6)	-	-	-	-	-	(6)	-	(6)
Total other comprehensive income/(expense) for the period	-	-	-	136,606	651	-	-	-	-	-	137,257	578	137,835
Profit for the period	-	-	-	-	-	-	-	-	114,947	-	114,947	291	115,238
Total comprehensive income/ (expense) for the period	-	-	-	136,606	651	-	-	-	114,947	-	252,204	869	253,073
Dividends to stockholders	-	-	-	-	-	-	-	-	(86,851)	-	(86,851)	-	(86,851)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,114)	(11,114)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(21,879)	(21,879)
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(3,976)	(3,976)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	19,600	19,600
Total distribution to owners	-	-	-	-	-	-	-	-	(86,851)	-	(86,851)	(17,369)	(104,220)
At 30 June 2015	620,394	1,099	1,073	682,498	98,836	68	474	(249)	3,828,168	40,248	5,272,609	832,548	6,105,157
<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	-	-	-	(90,829)	-	-	-	-	-	-	(90,829)	(8,487)	(99,316)
Fair value of available-for-sale financial assets	-	-	-	-	(9,876)	-	-	-	-	-	(9,876)	(3,409)	(13,285)
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(1,138)	-	-	-	-	-	(1,138)	-	(1,138)
Total other comprehensive expense for the period	-	-	-	(90,829)	(11,014)	-	-	-	-	-	(101,843)	(11,896)	(113,739)
Profit/ (loss) for the period	-	-	-	-	-	-	-	-	55,380	-	55,380	(79,792)	(24,412)
Total comprehensive income/ (expense) for the period	-	-	-	(90,829)	(11,014)	-	-	-	55,380	-	(46,463)	(91,688)	(138,151)
Dividends to stockholders	-	-	-	-	-	-	-	-	(86,851)	-	(86,851)	-	(86,851)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(12,304)	(12,304)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	300	300
Total distribution to owners	-	-	-	-	-	-	-	-	(86,851)	-	(86,851)	(12,004)	(98,855)
At 30 June 2016	620,394	1,099	1,073	867,320	65,266	68	474	(249)	3,916,715	40,248	5,512,408	790,106	6,302,514

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ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016

	Current Year To Date (Two quarters to 30 June 2016) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2015) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,293	151,367
Adjustments for:		
Non-cash items	228,045	70,271
Non-operating items	(90,620)	(72,686)
Operating profit before working capital changes	142,718	148,952
Changes in working capital	(30,283)	(126,619)
Cash flow from operating activities	112,435	22,333
Tax paid	(51,150)	(36,033)
Interest paid	(5,813)	(4,302)
Payment of retirement benefits	(55)	(39)
<i>Net cash flows from/ (used in) operating activities</i>	55,417	(18,041)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(140,889)	(152,820)
Purchase of investments	(68,866)	(26,409)
Proceeds from disposal of investments	48,274	16,059
Proceeds from disposal of land held for property development	-	16
Interest received	43,478	38,915
Dividend received	56,663	5,723
Reversal to deferred expenditure	(47)	(18)
Net cash outflow on acquisition of a subsidiary	-	(5,287)
Net cash outflow on liquidation of a subsidiary	-	(4,048)
(Increase)/ Decrease in short term investments, net	(122,961)	44,123
<i>Net cash flows used in investing activities</i>	(184,348)	(83,746)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Two quarters to 30 June 2016) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 2015) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term bank borrowings (net)	132,537	102,746
Dividends paid to stockholders	(37,222)	(37,222)
Fixed deposits pledged for banking facilities	(41,684)	(62,368)
Dividends paid to minority interest	(12,304)	(11,114)
Proceeds from issue of shares to non-controlling interest	300	19,600
<i>Net cash flows from financing activities</i>	41,627	11,642
Net decrease in cash and cash equivalents	(87,304)	(90,145)
Cash and cash equivalents at 1 January	2,387,114	2,117,799
Effects of exchange rates on cash and cash equivalents	(53,721)	92,580
Cash and cash equivalents at 30 June (Note 1)	<u>2,246,089</u>	<u>2,120,234</u>

NOTE

	RM'000	RM'000
1 Cash and cash equivalents consist of: -		
Cash and bank balances	1,109,291	849,063
Fixed deposits	1,637,377	1,542,106
Unit trust money market funds	40,586	88,244
	<u>2,787,254</u>	<u>2,479,413</u>
Less:		
Deposits pledged	(541,165)	(359,179)
	<u>2,246,089</u>	<u>2,120,234</u>

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

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2016

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 Standard (“MFRS”) Framework.

For the financial year ending 31 December 2016, 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 2015. 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 2015.

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 2015 except for the adoption of the following new and revised FRSs, IC Interpretations and Amendments :-

Adoption of Revised FRSs, IC Interpretations and Amendments

FRS 14, *Regulatory Deferral Accounts*

Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
(*Annual Improvements 2012-2014 Cycle*)

Amendments to FRS 7, *Financial Instruments: Disclosures* (*Annual Improvements 2012-2014 Cycle*)

Amendments to FRS 10, *Consolidated Financial Statements*, FRS 12, *Disclosure of Interests in Other Entities* and FRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*

Amendments to FRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*

Amendments to FRS 101, *Presentation of Financial Statements – Disclosure Initiative*

Amendments to FRS 116, *Property, Plant and Equipment* and FRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to FRS 119, *Employee Benefits* (*Annual Improvements 2012-2014 Cycle*)

Amendments to FRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*

Amendments to FRS 134, *Interim Financial Reporting* (*Annual Improvements 2012-2014 Cycle*)

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

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2016 (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:

- i) a single tier second interim dividend of 6.0% (2014 : 6.0%), totalling RM37,221,710 in respect of the financial year ended 31 December 2015 on 15 April 2016;
- i) a single tier final dividend of 6% (2014: 6%) and single tier special dividend of 2% (2014: 2%) totalling RM49,628,946 in respect of the financial year ended 31 December 2015 on 1 July 2016.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2016 (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
30 June 2016											
Revenue from external customers	1,569,905	106,114	132,417	219,455	51,482	199,659	18,191	2,297,223	-		2,297,223
Inter-segment revenue	133	32	22	-	21,747	203	-	22,137	(22,137)		-
Total revenue	<u>1,570,038</u>	<u>106,146</u>	<u>132,439</u>	<u>219,455</u>	<u>73,229</u>	<u>199,862</u>	<u>18,191</u>	<u>2,319,360</u>	<u>(22,137)</u>		<u>2,297,223</u>
Results											
Segment profit/ (loss)	<u>82,513</u>	<u>(2,759)</u>	<u>22,217</u>	<u>(82,591)</u>	<u>(8,070)</u>	<u>8,240</u>	<u>(11,078)</u>	<u>8,472</u>	<u>(3,179)</u>	A	<u>5,293</u>
Assets											
Segment assets	<u>2,905,358</u>	<u>422,929</u>	<u>961,642</u>	<u>1,828,331</u>	<u>404,443</u>	<u>873,203</u>	<u>237,216</u>	<u>7,633,122</u>	<u>612,745</u>	B	<u>8,245,867</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2016 (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
30 June 2015											
Revenue from external customers	1,284,368	109,118	123,262	187,093	2,708	232,496	7,132	1,946,177	-		1,946,177
Inter-segment revenue	176	34	12	-	9,364	9,440	-	19,026	(19,026)		-
Total revenue	<u>1,284,544</u>	<u>109,152</u>	<u>123,274</u>	<u>187,093</u>	<u>12,072</u>	<u>241,936</u>	<u>7,132</u>	<u>1,965,203</u>	<u>(19,026)</u>		<u>1,946,177</u>
Results											
Segment profit/ (loss)	<u>78,349</u>	<u>2,019</u>	<u>15,379</u>	<u>26,617</u>	<u>4,022</u>	<u>3,661</u>	<u>(13,734)</u>	<u>116,313</u>	<u>35,054</u>	A	<u>151,367</u>
Assets											
Segment assets	<u>2,593,588</u>	<u>422,517</u>	<u>932,196</u>	<u>1,563,853</u>	<u>390,012</u>	<u>687,219</u>	<u>223,848</u>	<u>6,813,233</u>	<u>538,492</u>	B	<u>7,351,725</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2016 (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:

	30 June 2016	30 June 2015
	RM'000	RM'000
Share of results of associates	2,481	39,391
Finance costs	(5,660)	(4,337)
	(3,179)	35,054

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:

	30 June 2016	30 June 2015
	RM'000	RM'000
Investment in associates	554,781	535,065
Current tax assets	27,236	15,482
Deferred tax assets	30,728	10,812
Investment in non-consolidated subsidiary	-	(22,867)
	612,745	538,492

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.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 JUNE 2016 (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) Unique Mix (Singapore) Pte. Ltd. ("UMS"), a wholly-owned subsidiary of OAM which in turn is a wholly-owned subsidiary of Selasih Permata Sdn. Bhd. ("SP") and a 50.5% owned subsidiary of the Company, had on 14 December 2015 submitted an application to the Accounting and Corporate Regulatory Authority ("ACRA") to strike its name off from the Register. On 4 January 2016, UMS received a striking-off notice from ACRA dated 18 December 2015 whereupon UMS will be struck-off from the Register upon expiry of a 60-days period from the publication of a notice in the Singapore Government Gazette, if there is no objection received. The struck-off was completed on 17 March 2016.
- (ii) The Company through its indirect 50.5% owned subsidiary, OBS Pte. Ltd. ("OBS") had on 10 February 2016, received approval dated 2 February 2016 from the Ministry of Law and Human Rights of the Republic of Indonesia ("MOLHR") for the acquisition of 90% equity interest in PT Sumatra Sawit Lestari ("SSL"). The acquisition will be settled via a cash subscription (equivalent to about RM2.84 million) pursuant to a Shares Subscription Agreement entered with PT Tradisi Bina Usaha and Saksona Boenjamin. Upon completion of the said acquisition, SSL became the 90% owned subsidiary of OBS. SSL was incorporated on 29 November 2012 with its present authorised and issued share capital of IDR10,000,000,000 (equivalent to about RM3.2 million) divided into 10,000 shares with nominal value of IDR1,000,000 each. The principal activities of SSL are cultivation of oil palm plantation and its related activities.
- (iii) Lipro Electrical Manufacturing Sdn. Bhd. ("LEM"), a wholly-owned subsidiary of Teck See Plastic Sdn. Bhd. which in turn is a 60% owned subsidiary of the Company, had on 9 January 2015 been placed under voluntary winding up proceeding. LEM had ceased operations and remained dormant since then. LEM convened the Final General Meeting on 7 April 2016 and conclude the winding up proceedings.
- (iv) 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 Bhd ("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") for total cash consideration of RM32.5 million. OA was incorporated as Capital Motor-Assembly Corporation Sendirian Berhad in Malaysia under the Companies Act, 1965 on 1 May 1967. OA is involved in vehicle assembly and the manufacturing and sale of engines and transmissions with operations based in Johor Bahru, Johor Darul Takzim. Its present issued and fully paid-up share capital is RM36,000,000.00 comprising 36,000,000 ordinary shares of RM1.00 each. The disposal is expected to be completed by end of year 2016 upon fulfilment of the obligations as stated in the SPA. Upon the completion of the disposal, OA shall cease to be a subsidiary of the Company.

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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.

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13. Review of Group's Performance

The year to date revenue of RM 2,297.2 million was 18.0% higher than the corresponding period last year, however the year to date profit before tax of RM 5.3 million, was 96.5% lower than the corresponding period last year.

Performances for each operating segment are as follows:-

The revenue and operating profit for the automotive segment increased by 22.2% to RM 1,569.9 million and by 5.3% to RM 82.5 million respectively.

For the retail operations in Singapore, revenue increased significantly by 59.1% mainly due to number of cars sold increased by 79.0%, mainly from Jazz and Odyssey model following the higher Certificate of Entitlement (COE) quota released by the authorities. For the retail operations in Malaysia, sales units decreased by 17.9% mainly due to new car price increase from January 2016 (strong JPY) and slow down in consumer spending.

Automotive segment's operating profit was affected by foreign exchange loss on overseas fixed deposits placements and advances.

The revenue for the plantation segment increased by 17.3% mainly due to higher CPO (YTD 2016: 72,018MT; YTD 2015: 59,201MT) and PK sales volume (YTD 2016: 13,250MT ; YTD 2015: 12,294MT) by 21.6% and 7.8% respectively. However, the segment recorded an operating loss (YTD 2016 : RM 82.6 million; YTD 2015: operating profit of RM 26.6 million) due to higher cost of sales as a result of imported fertilizers and foreign exchange loss on JPY borrowings (IDR weakened against JPY: June16: 11.9%; June15: 5.4%).

The performance for plastic segment remains competitive. The revenue for the segment decreased by 2.8% and recorded an operating loss (2016: RM 2.8 million, 2015: operating profit of RM 2.0 million). Lower revenue was mainly attributable to lower sales from its major customers especially from automotive products segment. The segment operated at loss due to market threat and competition further having to contend with the high operating costs.

Hospitality segment revenue and operating profit increased by RM 9.2 million (7.4%) and RM 6.8 million (44.5%) respectively. The average occupancy rate for hotels and office space improved. Nevertheless, the operating profit was affected by the performance in Melbourne's hotel which is undergoing renovation since Q1 2016 and will only be available by mid of 2017.

Revenue for investment holding segment increased significantly by 1801.1% due to dividend received from other investment. The segment registered at operating loss of RM 8.1 million (YTD 2015: operating profit of RM 4.0 million) mainly attributable to foreign exchange exposure on JPY borrowings.

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

The revenue for investment properties and trading of building material products segment decreased by 14.1% while operating profit improved by 125.1% (YTD 2016: RM 8.2 million, YTD 2015: RM 3.7 million). Lower revenue was due to lower sales volume for trading of building material related products due to delay in infrastructure investments and banking industry continue to deleverage due to funding constraints and more stringent regulation.

Healthcare segment generated higher revenue by 155.1% with increasing patient admissions but remained to operate at loss of RM 11.1 million (YTD 2015: RM 13.7 million) mainly due to high fixed operating cost including depreciations and staff related expenses since its commencement of operation in January 2015.

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

The Group's revenue for the second quarter of 2016 was RM 1,082.1 million, a decrease of RM 132.9 million or 10.9% from RM 1,215.1 million in Q1FY16.

The Group's profit for the second quarter of 2016 decreased to Group's loss of RM 59.7 million from Group's profit of RM 65.0 million in the immediate preceding quarter.

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

Revenue from automotive segment decreased by 12.9% to RM 730.9 million and recorded a lower operating profit by 56.0% to RM 25.2 million (Q1FY16: RM 57.3 million). Revenue for retail operating dropped by 13.6% mainly due to lower number of cars sold particularly from Singapore retail operations by 22.4%. Lower operating profit recorded at RM 24.3M (Q1FY16 : RM 49.7M) mainly due to foreign exchange loss on overseas fixed deposits placement and advances.

Revenue from plantation segment decreased by 4.5% (Q2FY16 : RM 107.2 million; Q1FY16 : RM 112.3 million) and recorded operating loss of RM 74.9 million compared to operating loss Q1FY16 : RM 7.7 million. Lower CPO and PK sales volume from Indonesian operations (40.0% and 23.3% respectively) as compared to Q1FY16 due to El Nino effect, although the selling price for CPO was higher by 29.5%. In addition, foreign exchange exposure in the JPY borrowings due to weakened IDR against JPY (June16 : 10.0% ; March16 : 1.8%).

Revenue for plastic segment remains constant (Q2FY16 : RM 52.8 million ; Q1FY16 : RM 53.3 million) while recorded an operating loss (Q2FY16 : RM 1.9 million ; Q1FY16 : RM 0.9 million) mainly due to sharp downturn in the electrical & electronic market arising from economic uncertainties and excess capacity in the local plastic injection moulding industry.

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

Revenue for hospitality segment dropped by 10.0% and recorded lower operating profit by 39.1%. The hotels’ average occupancy rate and average room rate declined except for London’s hotel due to soft quarter for Q2FY16.

Revenue for investment holding segment decreased by 31.5% and recorded at operating loss of RM 11.4 million (operating profit Q1FY16 : RM 3.3million). Lower revenue was due to lower dividend income received from other investments by 34.4%. The segment suffers operating loss mainly due to unrealised foreign exchange loss from JPY denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 4.0% mainly due to lower overall sales volume resulted by lower housing demand. However, the segment managed to maintain its operating profit of RM 3.4 million compared to Q1FY16 of RM 4.8 million mainly due to cost control efforts.

Healthcare segment recorded a revenue of RM 9.8 million (Q1FY16 : RM 8.4 million) mainly from increasing patient admissions. However, the segment continued to operate at an operating loss of RM 5.1 million (Q1FY16: RM 6.0 million) as a result of high fixed operating costs since its commencement in January 2015.

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15. Current Year Prospects

The automotive segment will continue to contribute to the Group's performance under very competitive market conditions with the rising cost of living and weakening of ringgit. The Automotive segment will continue to expand and upgrade its showrooms and service centres including boosting its presence in Sabah and Sarawak. The retail outlet in Johor Bahru is targeted to commence operation by end of 2016 which will be the biggest 4S centre in Malaysia.

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 have impacted the segment's performance.

The plantation segment will continue to consolidate the present land bank and to diversify into real estate investment via several strategic acquisitions in Australia to counteract the volatility of palm oil industry and the exposure from the changes in regulatory requirements on land holding.

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 to seek ways to value-add its land bank for future developments.

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

The volatility of exchange rates will continue to impact the non-cash flow of foreign exchange translation on gain/loss arising from JPY denominated borrowings. However, the JPY has consistently provided the low cost of funds for the Group's financing activity especially for plantation segment given the peculiar nature of the plantation business, which has a long gestation period before it generates a healthy cash flow. The Group will continue to monitor its foreign currencies borrowings and mitigate the exposure through the money market.

Due to the slower global economy growth, the Board is of the view that the Group's performance for year 2016 will be maintained at competitive edge in its core businesses given the current economic condition.

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

Not Applicable.

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17. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 June 16 RM'000 (Unaudited)	Preceding Year Quarter 30 June 15 RM'000 (Unaudited)	Current Year To date 30 June 16 RM'000 (Unaudited)	Preceding Year To date 30 June 15 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	4,165	3,124	8,078	7,303
- Under/ (Over) provision in respect of prior period	76	(66)	(445)	(174)
	4,241	3,058	7,633	7,129
Foreign taxation				
- Based on profit for the period	7,260	15,210	22,252	29,538
	11,501	18,268	29,885	36,667
Deferred taxation				
- Current period	(136)	(153)	(166)	(1,256)
- (Over)/ Under provision in respect of prior period	(3)	(5)	(14)	718
	(139)	(158)	(180)	(538)
	<u>11,362</u>	<u>18,110</u>	<u>29,705</u>	<u>36,129</u>

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.

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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	14,098	-	-	14,098
Other borrowings – secured	-	JPY 15.025 billion	588,210	588,210
		SGD 0.016 billion	48,456	48,456
		THB 0.098 billion	11,236	11,236
Other borrowings – unsecured	42,715	JPY 17.710 billion	693,505	736,220
	<u>56,813</u>		<u>1,341,407</u>	<u>1,398,220</u>

20. Changes in Material Litigations

Not applicable.

21. Dividend Proposed

The Board of Directors proposed an interim single tier dividend of 6.0% (2015 : 6.0%), totalling RM37,221,710 in respect of the financial year ending 31 December 2016. 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 16 RM'000 (Unaudited)	Preceding Year Quarter 30 June 15 RM'000 (Unaudited)	Current Year To Date (Two quarter to 30 June 16) RM'000 (Unaudited)	Preceding Year To Date (Two quarter to 30 June 15) RM'000 (Unaudited)
Net (loss)/ profit for the period attributable to Stockholders of the Company (RM'000)	<u>(12,593)</u>	<u>59,054</u>	<u>55,380</u>	<u>114,947</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>(2.03)</u>	<u>9.52</u>	<u>8.93</u>	<u>18.53</u>

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23. Realised and Unrealised Profit or Losses Disclosure

	As at 30 June 2016 RM'000	As at 31 December 2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	5,161,645	4,959,610
- Unrealised	(208,397)	(56,979)
	4,953,248	4,902,631
Total share of retained earnings of associates		
- Realised	465,470	469,766
- Unrealised	(4,344)	(4,140)
	5,414,374	5,368,257
Less : Consolidation adjustments	(1,497,659)	(1,420,071)
Total retained profits	3,916,715	3,948,186

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 23 AUGUST 2016