



# ORIENTAL HOLDINGS BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	As at End of Current Quarter 31 Dec 2015 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2014 RM'000 (Audited)
<b>Assets</b>		
Property, plant and equipment	1,594,719	1,487,745
Prepaid land lease payments	30,723	30,713
Investment properties	821,257	568,952
Intangible assets	49,829	49,590
Investment in a non-consolidated subsidiary	-	(22,867)
Investments in associates	562,639	496,971
Other investments	321,155	307,354
Land held for property development	36,065	36,011
Biological assets	553,422	310,530
Deferred tax assets	31,236	10,427
<b>Total non-current assets</b>	<u>4,001,045</u>	<u>3,275,426</u>
Inventories	265,382	232,512
Property development costs	2,114	2,882
Trade and other receivables	489,103	517,922
Current tax assets	10,960	11,044
Short term investments	524,315	504,540
Cash and cash equivalents	2,886,662	2,415,232
<b>Total current assets</b>	<u>4,178,536</u>	<u>3,684,132</u>
<b>Total assets</b>	<u><u>8,179,581</u></u>	<u><u>6,959,558</u></u>
<b>Equity</b>		
Share capital	620,394	620,394
Reserves	1,077,380	687,039
Retained earnings	3,937,861	3,800,072
Treasury stocks	(249)	(249)
<b>Total equity attributable to stockholders of the Company</b>	<u>5,635,386</u>	<u>5,107,256</u>
<b>Non-controlling interests</b>	<u>894,820</u>	<u>849,048</u>
<b>Total Equity</b>	<u><u>6,530,206</u></u>	<u><u>5,956,304</u></u>
<b>Liabilities</b>		
Deferred tax liabilities	18,230	19,230
Loans and borrowings	60,195	2,219
Provisions	30,679	7,622
Deferred income	8,088	6,981
Retirement benefits	13,280	9,465
<b>Total non-current liabilities</b>	<u>130,472</u>	<u>45,517</u>
Trade and other payables	381,176	276,278
Loans and borrowings	1,094,653	659,175
Current tax liabilities	43,074	22,284
<b>Total current liabilities</b>	<u>1,518,903</u>	<u>957,737</u>
<b>Total liabilities</b>	<u>1,649,375</u>	<u>1,003,254</u>
<b>Total equity and liabilities</b>	<u><u>8,179,581</u></u>	<u><u>6,959,558</u></u>
	-	
Net assets per stock (sen)	908.36	823.23

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 COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 2015 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2014 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2015) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2014) RM'000 (Audited)
<b>Revenue</b>	1,242,731	967,272	4,384,367	3,464,831
<b>Results from operating activities</b>	111,500	141,524	305,986	410,874
Finance costs	(5,404)	(2,575)	(13,001)	(8,538)
Share of profits after tax and minority interest of associates	(3,417)	20,500	55,385	84,117
<b>Profit before taxation</b>	102,679	159,449	348,370	486,453
Income tax expenses	(14,560)	(15,200)	(75,011)	(77,727)
<b>Profit from continuing operations</b>	88,119	144,249	273,359	408,726
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operations	22,410	97,666	445,025	72,716
Fair value of available-for-sale financial assets	(18,189)	18,408	(22,985)	18,462
Share of other comprehensive income / (expense) of equity accounted associates	(107)	(1,820)	(397)	(4,953)
<b>Other comprehensive income/ (expense) for the period, net of tax</b>	4,114	114,254	421,643	86,225
<b>Total comprehensive income for the period</b>	92,233	258,503	695,002	494,951
<b>Profit attributable to:</b>				
Stockholders of the Company	72,080	118,163	261,861	331,083
Non-controlling interests	16,039	26,086	11,498	77,643
<b>Profit for the period</b>	88,119	144,249	273,359	408,726
<b>Total comprehensive income/ (expense) attributable to:</b>				
Stockholders of the Company	60,656	216,616	652,202	403,299
Non-controlling interests	31,577	41,887	42,800	91,652
<b>Total comprehensive income for the period</b>	92,233	258,503	695,002	494,951
<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)	11.62	19.05	42.21	53.37

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 COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 2015 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2014 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2015) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2014) RM'000 (Audited)
Included in the Total Comprehensive Income for the period are the followings :				
Interest income	(27,351)	(23,213)	(81,806)	(78,356)
Other income including investment income	(852)	(40,297)	(37,558)	(62,265)
Interest expense	5,404	2,575	13,001	8,538
Depreciation and amortisation	33,988	28,374	120,900	99,359
Impairment loss/ (Reversal of impairment loss) of receivables	437	(192)	952	(250)
Written-down of inventories	40	4,449	1,840	8,339
Loss/ (Gain) on disposal of quoted/ unquoted investments	(12,245)	(17)	(11,990)	(2,016)
Loss/ (Gain) on disposal of property, plant and equipment	(77)	(595)	2,820	(3,075)
Reversal of impairment loss on assets	1,087	9,803	(4,739)	8,757
Foreign exchange loss	(26,815)	(33,504)	50,372	(62,885)

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 YEAR ENDED 31 DECEMBER 2015

	← 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 2014	620,394	1,099	1,073	486,384	85,477	68	474	(249)	3,512,414	40,248	4,747,382	745,328	5,492,710
Foreign currency translation differences for foreign operations	-	-	-	59,508	-	-	-	-	-	-	59,508	13,208	72,716
Fair value of available-for-sale financial assets	-	-	-	-	17,661	-	-	-	-	-	17,661	801	18,462
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(4,953)	-	-	-	-	-	(4,953)	-	(4,953)
Total other comprehensive expense for the period	-	-	-	59,508	12,708	-	-	-	-	-	72,216	14,009	86,225
Profit for the period	-	-	-	-	-	-	-	-	331,083	-	331,083	77,643	408,726
Total comprehensive income/ (expense) for the period	-	-	-	59,508	12,708	-	-	-	331,083	-	403,299	91,652	494,951
Dividends to stockholders	-	-	-	-	-	-	-	-	(43,425)	-	(43,425)	-	(43,425)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(8,411)	(8,411)
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(4,021)	(4,021)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	24,500	24,500
Total contribution from/ (distribution to) owners	-	-	-	-	-	-	-	-	(43,425)	-	(43,425)	12,068	(31,357)
At 31 December 2014	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
<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	-	-	-	412,246	-	-	-	-	-	-	412,246	32,779	445,025
Fair value of available-for-sale financial assets	-	-	-	-	(21,508)	-	-	-	-	-	(21,508)	(1,477)	(22,985)
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(397)	-	-	-	-	-	(397)	-	(397)
Total other comprehensive income for the period	-	-	-	412,246	(21,905)	-	-	-	-	-	390,341	31,302	421,643
Profit for the period	-	-	-	-	-	-	-	-	261,861	-	261,861	11,498	273,359
Total comprehensive income for the period	-	-	-	412,246	(21,905)	-	-	-	261,861	-	652,202	42,800	695,002
Dividends to stockholders	-	-	-	-	-	-	-	-	(124,072)	-	(124,072)	-	(124,072)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,114)	(11,114)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(21,879)	(21,879)
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(4,013)	(4,013)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	39,978	39,978
Total distribution to owners	-	-	-	-	-	-	-	-	(124,072)	-	(124,072)	2,972	(121,100)
At 31 December 2015	620,394	1,099	1,073	958,138	76,280	68	474	(249)	3,937,861	40,248	5,635,386	894,820	6,530,206

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 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Current Year To Date (Four quarters to 31 Dec 2015) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2014) RM'000 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	348,370	486,453
Adjustments for:		
Non-cash items	167,543	45,328
Non-operating items	(170,919)	(220,915)
Operating profit before working capital changes	344,994	310,866
Changes in working capital	28,529	(170,019)
Cash flow from operating activities	373,523	140,847
Tax paid	(73,268)	(38,766)
Interest paid	(12,162)	(8,673)
Payment of retirement benefits	(235)	(105)
<i>Net cash flows used in operating activities</i>	287,858	93,303
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(454,128)	(323,347)
Purchase of investments	(29,259)	(27,818)
Proceeds from disposal of investments	49,903	38,728
Proceeds from disposal of land held for property development	16	-
Interest received	80,994	75,194
Dividend received	43,444	79,832
Additions to deferred expenditure	(42)	(71)
Net cash outflow on acquisition of a subsidiary	(5,287)	-
Net cash outflow on liquidation of a subsidiary	(4,048)	(1,767)
Withdrawal of short term investments, net	(19,775)	(149,380)
<i>Net cash flows used in investing activities</i>	(338,182)	(308,629)

**CONSOLIDATED CASH FLOW STATEMENT (Cont'd)**

	<b>Current Year To Date (Four quarters to 31 Dec 2015) RM'000 (Unaudited)</b>	<b>Preceding Year To Date (Four quarters to 31 Dec 2014) RM'000 (Audited)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term bank borrowings (net)	325,221	194,142
Dividends paid to stockholders	(124,072)	(43,425)
Fixed deposits pledged for banking facilities	(202,670)	(168,679)
Dividends paid to minority interest	(11,114)	(8,411)
Proceeds from issue of shares to non-controlling interest	39,978	24,500
<i>Net cash flows from/ (used in) financing activities</i>	27,343	(1,873)
Net decrease in cash and cash equivalents	(22,981)	(217,199)
Cash and cash equivalents at 1 January	2,117,799	2,278,286
Effects of exchange rates on cash and cash equivalents	292,363	56,712
Cash and cash equivalents at 31 December (Note 1)	<u>2,387,181</u>	<u>2,117,799</u>

**NOTE**

	<b>RM'000</b>	<b>RM'000</b>
1 Cash and cash equivalents consist of: -		
Cash and bank balances	1,070,330	854,237
Fixed deposits (excluding pledged deposits)	1,238,597	1,201,260
Bank overdrafts	-	(622)
Unit trust money market funds	78,254	62,924
	<u>2,387,181</u>	<u>2,117,799</u>

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 DECEMBER 2015**

**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 ended 31 December 2015, 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 2014. 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 2014.

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 2014 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 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*

Amendments to FRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*

Amendments to FRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*

Amendments to FRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*

Amendments to FRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*

Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*

Amendments to FRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*

Amendments to FRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*

Amendments to FRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*

Amendments to FRS 140, *Investment Property (Annual Improvements 2011-2013 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.

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015 (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 interim dividend of 6% (2013: 3.5%) totalling RM37,221,710 in respect of the financial year ended 31 December 2014 on 26 March 2015,
- ii) a single tier final dividend of 6% (2013: 3.5%) and single tier special dividend of 2% (2013: Nil) totalling RM49,628,946 in respect of the financial year ended 31 December 2014 on 15 July 2015,
- iii) A single tier interim dividend of 6% (2014: 6%) totalling RM37,221,710 in respect of the financial year ended 31 December 2015 on 17 November 2015.



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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015 (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
<b>31 December 2015</b>											
Revenue from external customers	2,956,202	215,176	265,928	450,807	35,106	441,968	19,180	4,384,367	-		4,384,367
Inter-segment revenue	688	87	201	-	9,364	9,604	-	19,944	(19,944)		-
Total revenue	<u>2,956,890</u>	<u>215,263</u>	<u>266,129</u>	<u>450,807</u>	<u>44,470</u>	<u>451,572</u>	<u>19,180</u>	<u>4,404,311</u>	<u>(19,944)</u>		<u>4,384,367</u>
<b>Results</b>											
Segment profit/ (loss)	<u>175,473</u>	<u>11,960</u>	<u>34,112</u>	<u>67,432</u>	<u>34,194</u>	<u>9,210</u>	<u>(26,395)</u>	<u>305,986</u>	<u>42,384</u>	A	<u>348,370</u>
<b>Assets</b>											
Segment assets	<u>2,925,743</u>	<u>432,710</u>	<u>1,017,728</u>	<u>1,785,533</u>	<u>304,124</u>	<u>871,816</u>	<u>237,092</u>	<u>7,574,746</u>	<u>604,835</u>	B	<u>8,179,581</u>

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015 (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
<b>31 December 2014</b>											
Revenue from external customers	1,958,549	264,053	249,019	431,660	65,940	493,673	1,937	3,464,831	-		3,464,831
Inter-segment revenue	1,096	7,156	870	-	4,135	10,345	-	23,602	(23,602)		-
Total revenue	<u>1,959,645</u>	<u>271,209</u>	<u>249,889</u>	<u>431,660</u>	<u>70,075</u>	<u>504,018</u>	<u>1,937</u>	<u>3,488,433</u>	<u>(23,602)</u>		<u>3,464,831</u>
<b>Results</b>											
Segment profit/ (loss)	<u>67,972</u>	<u>1,092</u>	<u>37,633</u>	<u>206,988</u>	<u>94,051</u>	<u>8,005</u>	<u>(4,867)</u>	<u>410,874</u>	<u>75,579</u>	A	<u>486,453</u>
<b>Assets</b>											
Segment assets	<u>2,456,121</u>	<u>420,469</u>	<u>894,016</u>	<u>1,407,794</u>	<u>448,416</u>	<u>625,589</u>	<u>211,578</u>	<u>6,463,983</u>	<u>495,575</u>	B	<u>6,959,558</u>

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015 (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 December 2015	31 December 2014
	RM'000	RM'000
Share of results of associates	55,385	84,117
Finance costs	(13,001)	(8,538)
	42,384	75,579

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 December 2015	31 December 2014
	RM'000	RM'000
Investment in associates	562,639	496,971
Current tax assets	10,960	11,044
Deferred tax assets	31,236	10,427
Investment in non-consolidated subsidiary	-	(22,867)
	604,835	495,575

**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 DECEMBER 2015 (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) 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 the voluntary winding up proceeding. LEM was incorporated in Malaysia on 8 May 1991 with an authorised share capital of RM5 million comprising 5 million ordinary shares of RM1.00 each whilst its issued and paid up share capital of RM1.5 million comprised 1.5 million ordinary shares of RM1.00 each. LEM had ceased operations and remained dormant currently.
- (ii) The Company through its indirect subsidiary, OAM Asia (Singapore) Pte. Ltd. (50.50%) ("OAMS") had on 2 March 2015, obtained confirmation from the Ministry of Law and Human Rights of the Republic of Indonesia for the acquisition of 90% of the equity interest in PT Surya Agro Persada ("SAP") from PT Kencana Sawit Abadi pursuant to a Conditional Share Sale and Purchase Agreement. Upon completion of the said acquisition, SAP became the 90% owned subsidiary of OAMS. SAP was incorporated on 26 October 2007 with an issued and paid up share capital of IDR16,375,000,000 (RM4,634,125) represented by 16,375 Ordinary Shares. The principal activities of SAP are cultivation of oil palm plantation and related activities.
- (iii) The Company through its indirect subsidiary, Oriental Asia (Mauritius) Pte. Ltd. (50.50%) ("OAM") had on 20 March 2015 incorporated a wholly owned subsidiary company known as Oriental Asia (Aust.) Pty. Ltd. ("OAA") in Australia. The initial issued and paid up share capital of OAA is AUD500 represented by 500 Ordinary Shares. During the year, the issued and paid up capital has increased to AUD28,834,016. The principal activity of OAA is investment property.
- (iv) 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") is 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, and on 4 January 2016 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.
- (v) The Company through its indirect subsidiary, OBS Pte Ltd. (50.50%) ("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") via a cash subscription (RM2.84 million) pursuant to a Shares Subscription Agreement entered with PT Tradisi Bina Usaha and Saksono 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 (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 related activities.

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015 (Cont'd)**

**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 DECEMBER 2015 (Cont'd)**

**13. Review of Group's Performance**

The year to date revenue of RM 4,384.4 million was 26.5% higher than the corresponding period last year, however the year to date profit before tax of RM 348.4 million, a 28.4% 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 50.9% to RM 2,956.2 million and by 158.1% to RM 175.5 million respectively. For the retail operations in Malaysia and Singapore, the number of cars sold has increased by 31.4% compared with corresponding period last year.

The retail operation in Singapore was contributed by higher Certificate of Entitlement (COE) quota released by the authorities and well received models like Jazz and Odyssey.

The retail performance in Malaysia was contributed by newly launched models, ie. HRV. While, auto parts manufacturing operations remain challenging due to lower production units.

The revenue for the plantation segment increased by 4.4% mainly due to higher CPO and PK sales volume by 23% and 6% respectively. However, operating profit decreased by 67.4% compared to corresponding period last year due to higher cost of sales resulted from imported fertilizers and foreign exchange exposure on JPY borrowings derived from weakening of IDR against JPY.

The revenue for the plastic segment decreased by 18.5% but operating profit recorded an improvement (YTD 2015: RM 12.0 million, YTD 2014: RM 1.1 million). Lower revenue mainly attributed to lower sales from its major customers especially from electrical products. However, the segment managed to maintain its profit due to higher other operating income.

Hospitality revenue increased by 6.8% but recorded dropped in operating profit by 9.4%. Operating profit was affected by loss on disposal of demolition for refurbishment of RM 2.1 million from the Thailand service apartment.

The performance for investment properties and trading of building material products segment remains challenging. The year to date revenue decreased by 10.5% while operating profit improved by 15.0% mainly generated from lower sales volume for trading of building material related products and lower units of house sold. However, the operating profit recorded slight improvement due to better cost saving in the competitive environment.

Healthcare segment commenced its hospital operation in January 2015. The segment operates at a loss of RM 26.4 million (2014: RM 4.9 million) due to high start-up cost and operating cost mainly depreciations and staff costs.

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015 (Cont'd)**

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

The Group’s revenue for the fourth quarter of 2015 was RM 1,242.7 million, an increase of RM 47.3 million or 4.0% from RM 1,195.5 million in Q3FY15.

The Group’s profit for the fourth quarter of 2015 increased by 8.9% or RM 8.4 million to RM 102.7 million compared to RM 94.3 million in the preceding quarter.

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

Revenue from automotive segment increased by 5.8% to RM 859.5 million and recorded higher operating profit by 19.4% to RM 52.9 million (Q3FY15: RM 44.3 million). Revenue hike mainly derived from higher number of cars sold mainly from local retail operations as resulted from Honda rebates and increased car price in January 2016. Auto parts manufacturing operations remain at losses mainly due to higher operational expenses.

Revenue from plantation segment increased by 4.2% to RM 134.6 million and operating profit recorded significant increased by 765.8% to RM 48.0 million (Q3FY15: operating loss RM 7.2 million). Increased in revenue mainly attributed by higher CPO and PK sales volume from Indonesia Operations (3% and 45% respectively) as compared to Q3FY15. Higher operating profit mainly due to foreign exchange gain especially on JPY borrowings derived from strengthening of IDR against JPY.

Revenue for plastic segment remains constant (Q4FY15: RM 53.2 million, Q3FY15: RM 52.9 million) while recorded higher operating profit (Q4FY15: RM 8.0 million, Q3FY15: RM 1.9 million) mainly due to continued effort in operational efficiency improvement during this tougher environment.

Slight improved for hospitality segment revenue by 8.7% and recorded stagnant operating profit (Q4FY15: RM 8.8 million, Q3FY15: RM 10.0 million). Better average occupancy rate and average room rate in Australia and New Zealand properties mainly due to strong leisure, conference business and festive season.

Significant decrease in revenue and operating profit for investment holding segment by 94.4% and 100.5% respectively mainly due to lower dividend income received from other investment for current quarter.

Revenue for investment properties and trading of building material products segment increased by 16.8% mainly due to higher sales volume secured by trading of building material products segment. However, the segment recorded lower operating profit by 96.9% mainly due to poor market demand for investment properties and having to contend with fixed operating expenses during current quarter.

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015 (Cont'd)**

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

Healthcare segment revenue recorded at RM 6.6 million (Q3FY15: RM 5.4 million) mainly due to increase of inpatient admission. However, the segment remain operates at a loss of RM 6.2 million (Q3FY15: RM 6.5 million) as a result of high operating cost.

**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 upgrading its showrooms and service centres including boosting its presence in Sabah and Sarawak. The retail outlet in Johor Bahru is targeted to commence operation in July 2016 which will be the biggest 4S centre in Malaysia.

The plastic segment remains to face stiff competitive environment among the local industry players, and limited growth in overall automotive segment in Malaysia and upcoming new models at smaller volume have impacted the segment performance.

The plantation segment will continue to consolidate the present land bank and to diversify into real estate via the recent Melbourne properties acquisition as parts of the strategies employed to mitigate the exposure from the regulator changes and volatility of palm oil industry.

The hospitality segment is expected to maintain on its profitability with improved operational execution through various organic measures.

The investment properties segments will continue to reclaim its remaining 415 acres in Melaka and to unlock the value of the land bank for future developments.

With the commencement of Melaka’s hospital, the Group is expected to gain strong corporate reputation via Oriental Medical Centre as a reliable, affordable healthcare provider with its 300 beds and 8 levels facilities.

The Board is of the view that the Group’s performance for the year 2016 will be a respectable one given the current economic condition.

**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 DECEMBER 2015 (Cont'd)**

**17. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 15 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 14 RM'000 (Unaudited)	Current Year To date 31 Dec 15 RM'000 (Unaudited)	Preceding Year To date 31 Dec 14 RM'000 (Audited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	12,642	(1,914)	24,224	16,938
- Under/(Over) provision in respect of prior period	325	(144)	821	(1,967)
	12,967	(2,058)	25,045	14,971
Foreign taxation				
- Based on profit for the period	20,145	14,993	69,211	60,797
	33,112	12,935	94,256	75,768
Deferred taxation				
- Current period	(18,775)	904	(20,186)	258
- Under provision in respect of prior period	223	1,361	941	1,701
	(18,552)	2,265	(19,245)	1,959
	<u>14,560</u>	<u>15,200</u>	<u>75,011</u>	<u>77,727</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 9 June 2015 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 DECEMBER 2015 (Cont'd)**

**19. Group Borrowings**

	Ringgit	← Foreign Currencies →	RM		Total RM'000 I + II
	RM'000 I	Source Currency	Equivalent RM'000	II	
Finance lease obligations	15,337	-	-		15,337
Other borrowings – secured	-	JPY 14.425 billion	513,857		513,857
		SGD 0.017 billion	50,127		50,127
Other borrowings – unsecured	56,546	JPY 14.230 billion	507,055		563,601
		THB 0.100 billion	11,926		11,926
	71,883		1,082,965		1,154,848

**20. Changes in Material Litigations**

Not applicable.

**21. Dividend Proposed**

The Board of Directors proposed a single tier second interim dividend of 6.0% (2014 : 6.0%), totalling RM 37,221,710 in respect of the financial year ended 31 December 2015. The dividend will be payable on 15 April 2016 to depositors registered in the Record of Depositors at close of business on 25 March 2016.

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015 (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 Dec 15 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 14 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 15) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 14) RM'000 (Audited)
Net profit for the period (RM'000)	<u>72,080</u>	<u>118,163</u>	<u>261,861</u>	<u>331,083</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>11.62</u>	<u>19.05</u>	<u>42.21</u>	<u>53.37</u>

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015 (Cont'd)**

**23. Realised and Unrealised Profit or Losses Disclosure**

	As at 31 December 2015 RM'000	As at 31 December 2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	4,985,793	4,873,340
- Unrealised	(52,711)	46,579
	<u>4,933,082</u>	<u>4,919,919</u>
Total share of retained earnings of associates		
- Realised	458,928	407,906
- Unrealised	(4,140)	(4,664)
	<u>5,387,870</u>	<u>5,323,161</u>
Less : Consolidation adjustments	(1,450,009)	(1,523,089)
Total retained profits	<u><u>3,937,861</u></u>	<u><u>3,800,072</u></u>

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 29 FEBRUARY 2016**