



ORIENTAL HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

	As at End of Current Quarter 31 Dec 2017 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2016 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,529,968	1,554,711	-1.6
Prepaid land lease payments	59,439	63,929	-7.0
Investment properties	1,018,779	892,135	14.2
Intangible assets	29,593	33,957	-12.9
Investments in associates	593,166	590,982	0.4
Other investments	393,169	344,806	14.0
Land held for property development	36,199	36,131	0.2
Biological assets	686,323	690,041	-0.5
Deferred tax assets	39,795	39,184	1.6
Total non-current assets	<u>4,386,431</u>	<u>4,245,876</u>	3.3
Inventories	303,953	490,772	-38.1
Property development costs	3,228	3,113	3.7
Trade and other receivables	522,395	586,896	-11.0
Other investments	23,581	8,350	182.4
Current tax assets	24,938	35,311	-29.4
Short term investments	909,790	716,536	27.0
Cash and cash equivalents	3,037,258	2,821,752	7.6
Total current assets	<u>4,825,143</u>	<u>4,662,730</u>	3.5
Total assets	<u><u>9,211,574</u></u>	<u><u>8,908,606</u></u>	3.4
Equity			
Share capital	621,561	620,394	0.2
Reserves	1,061,596	1,144,081	-7.2
Retained earnings	4,371,383	4,103,638	6.5
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,054,291</u>	<u>5,867,864</u>	3.2
Non-controlling interests	<u>923,795</u>	<u>951,046</u>	-2.9
Total Equity	<u><u>6,978,086</u></u>	<u><u>6,818,910</u></u>	2.3
Liabilities			
Deferred tax liabilities	30,122	31,617	-4.7
Loans and borrowings	68,809	74,590	-7.8
Provisions	88,317	73,422	20.3
Deferred income	4,727	4,890	-3.3
Retirement benefits	21,679	18,357	18.1
Total non-current liabilities	<u>213,654</u>	<u>202,876</u>	5.3
Trade and other payables	432,097	469,611	-8.0
Loans and borrowings	1,517,830	1,367,826	11.0
Current tax liabilities	69,907	49,383	41.6
Total current liabilities	<u>2,019,834</u>	<u>1,886,820</u>	7.0
Total liabilities	<u><u>2,233,488</u></u>	<u><u>2,089,696</u></u>	6.9
Total equity and liabilities	<u><u>9,211,574</u></u>	<u><u>8,908,606</u></u>	3.4
Net assets per stock (sen)	975.88	945.83	3.2

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 YEAR ENDED 31 DECEMBER 2017

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Dec 2017 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2016 RM'000 (Unaudited)		Current Year To Date (Four quarters to 31 Dec 2017) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2016) RM'000 (Audited)	
Revenue	1,746,595	1,851,136	-5.6	6,348,149	5,524,258	14.9
Results from operating activities	158,904	285,095	-44.3	522,222	370,186	41.1
Finance costs	(11,577)	(7,307)	58.4	(20,963)	(16,362)	28.1
Share of profits after tax and non-controlling interest of associates	5,202	15,350	-66.1	26,077	33,308	-21.7
Profit before taxation	152,529	293,138	-48.0	527,336	387,132	36.2
Income tax expenses	(38,784)	(42,372)	-8.5	(113,729)	(88,919)	27.9
Profit from continuing operations	113,745	250,766	-54.6	413,607	298,213	38.7
Other comprehensive (expense)/income, net of tax						
Remeasurement of defined benefit liability	(1,552)	87	-1883.9	(1,552)	87	-1883.9
Foreign currency translation differences for foreign operations	(142,309)	101,840	-239.7	(163,749)	79,492	-306.0
Fair value of available-for-sale financial assets	19,328	21,609	-10.6	45,230	12,727	255.4
Share of other comprehensive expense of equity accounted associates	(0)	(569)	99.9	(219)	(533)	58.9
Other comprehensive (expense)/ income for the period, net of tax	(124,533)	122,967	-201.3	(120,290)	91,773	-231.1
Total comprehensive income for the period	(10,788)	373,733	-102.9	293,317	389,986	-24.8
Profit attributable to:						
Stockholders of the Company	107,760	155,657	-30.8	392,646	279,484	40.5
Non-controlling interests	5,985	95,109	-93.7	20,961	18,729	11.9
Profit for the period	113,745	250,766	-54.6	413,607	298,213	38.7
Total comprehensive income attributable to:						
Stockholders of the Company	6,666	258,254	-97.4	310,499	346,214	-10.3
Non-controlling interests	(17,454)	115,479	-115.1	(17,182)	43,772	-139.3
Total comprehensive income for the period	(10,788)	373,733	-102.9	293,317	389,986	-24.8
<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)	17.37	25.09	-30.8	63.29	45.05	40.5

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 YEAR ENDED 31 DECEMBER 2017

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 2017 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2016 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2017) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2016) RM'000 (Audited)
Interest income	(21,319)	(20,116)	(85,748)	(83,390)
Other income including investment income	(26,720)	(30,803)	(59,789)	(85,592)
Interest expense	11,577	7,307	20,963	16,362
Depreciation and amortisation	35,600	37,662	140,701	133,300
Bad debts written off/(Bad debts recovered)	1,090	286	893	(511)
(Write back)/Write down of inventories	(77)	15,375	(12,948)	15,075
Write off of property, plant and equipment	1,063	2,503	1,142	2,550
Loss/(Gain) on disposal of quoted/unquoted investments	67	(544)	(26,520)	686
(Gain)/Loss on disposal of property, plant and equipment	(1,013)	14,104	(3,900)	15,837
Impairment loss on assets	8,079	25,211	8,311	26,344
Unrealised foreign exchange loss/(gain)	7,644	(159,089)	59,855	10,506
Realised foreign exchange loss/(gain)	5,393	(9,917)	6,962	(2,090)

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

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ORIENTAL HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Attributable to stockholders of the Company								Retained earnings	Capital reserve	Total	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					
<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
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	40	-	40	47	87
Foreign currency translation differences for foreign operations	-	-	-	57,935	-	-	-	-	-	-	57,935	21,557	79,492
Fair value of available-for-sale financial assets	-	-	-	-	9,288	-	-	-	-	-	9,288	3,439	12,727
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(533)	-	-	-	-	-	(533)	-	(533)
Total other comprehensive income for the year	-	-	-	57,935	8,755	-	-	-	40	-	66,730	25,043	91,773
Profit for the year	-	-	-	-	-	-	-	-	279,484	-	279,484	18,729	298,213
Total comprehensive income for the year	-	-	-	57,935	8,755	-	-	-	279,524	-	346,214	43,772	389,986
Dividends to stockholders	-	-	-	-	-	-	-	-	(124,072)	-	(124,072)	-	(124,072)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(12,304)	(12,304)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	25,780	25,780
Total (distribution to)/contribution from owners	-	-	-	-	-	-	-	-	(124,072)	-	(124,072)	13,476	(110,596)
At 31 December 2016	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
<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
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	(722)	-	(722)	(830)	(1,552)
Foreign currency translation differences for foreign operations	-	-	-	(120,108)	-	-	-	-	-	-	(120,108)	(43,641)	(163,749)
Fair value of available-for-sale financial assets	-	-	-	-	39,009	-	-	-	(107)	-	38,902	6,328	45,230
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(219)	-	-	-	-	-	(219)	-	(219)
Total other comprehensive (expense)/income for the year	-	-	-	(120,108)	38,790	-	-	-	(829)	-	(82,147)	(38,143)	(120,290)
Profit for the year	-	-	-	-	-	-	-	-	392,646	-	392,646	20,961	413,607
Total comprehensive (expense)/income for the year	-	-	-	(120,108)	38,790	-	-	-	391,817	-	310,499	(17,182)	293,317
Dividends to stockholders	-	-	-	-	-	-	-	-	(124,072)	-	(124,072)	-	(124,072)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(19,700)	(19,700)
Disposal/ Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(169)	(169)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	9,800	9,800
Total distribution to owners	-	-	-	-	-	-	-	-	(124,072)	-	(124,072)	(10,069)	(134,141)
Transfer in accordance with Section 618(2) of the Companies Act 2016	1,167	(1,099)	-	-	-	(68)	-	-	-	-	-	-	-
At 31 December 2017	621,561	-	1,073	895,976	123,825	-	474	(249)	4,371,383	40,248	6,054,291	923,795	6,978,086

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.

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ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Current Year To Date (Four quarters to 31 Dec 2017) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2016) RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	527,336	387,132
Adjustments for:		
Non-cash items	220,886	161,394
Non-operating items	(180,953)	(169,340)
Operating profit before working capital changes	567,269	379,186
Changes in working capital	235,291	(197,506)
Cash flow from operating activities	802,560	181,680
Dividend received, net	78,273	93,381
Tax paid	(86,561)	(97,411)
Interest paid	(20,787)	(16,179)
Payment of retirement benefits	(442)	(110)
<i>Net cash flows from operating activities</i>	773,043	161,361
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(354,946)	(281,670)
Purchase of investments	(132,081)	(83,657)
Proceeds from disposal of investments	95,254	71,550
Interest received	85,429	84,262
Additions of deferred expenditure	(68)	(66)
Increase in short term investments, net	(193,254)	(192,221)
<i>Net cash flows used in investing activities</i>	(499,666)	(401,802)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Four quarters to 31 Dec 2017) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2016) RM'000 (Audited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	245,910	195,602
Dividends paid to stockholders	(124,072)	(124,072)
Fixed deposits pledged for banking facilities	(37,518)	(128,014)
Dividends paid to minority interest	(19,700)	(12,304)
Proceeds from issue of shares to non-controlling interest	9,800	25,780
<i>Net cash flows from/(used in) financing activities</i>	74,420	(43,008)
Net increase/(decrease) in cash and cash equivalents	347,797	(283,449)
Cash and cash equivalents at 1 January	2,192,937	2,387,114
Effects of exchange rates on cash and cash equivalents	(168,489)	89,272
Cash and cash equivalents at 31 December (Note 1)	<u>2,372,245</u>	<u>2,192,937</u>

NOTE

	RM'000	RM'000
1 Cash and cash equivalents consist of: -		
Cash and bank balances	1,186,175	969,280
Fixed deposits	1,771,766	1,844,741
Bank overdrafts	-	(1,320)
Unit trust money market funds	79,317	7,731
	<u>3,037,258</u>	<u>2,820,432</u>
Less:		
Deposits pledged	(665,013)	(627,495)
	<u>2,372,245</u>	<u>2,192,937</u>

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

ORIENTAL HOLDINGS BERHAD
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(Incorporated in Malaysia)

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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 ended 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 did not have material impact on this interim financial report of the Group.

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

1. Basis of Preparation (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

- IC Interpretation 23, *Uncertainty over Income Tax Treatments*

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*

The Group falls within the scope of IC Interpretation 15, *Agreements for the Construction of Real Estate/MFRS 141, Agriculture*. Therefore, the Group is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRS”) and is referred to as a “Transitioning Entity.

The Group’s interim financial report for annual period beginning on 1 January 2018 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs).

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact to the financial statements of the Group upon their initial recognition other than the adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers. The Group is currently assessing the impact of these standards and will adopt these standards by the respective effective dates.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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:

- i) a single tier second interim dividend of 6 sen per ordinary stock (2015 : 6 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ended 31 December 2016 on 7 April 2017;
- ii) a single tier final dividend of 8 sen per ordinary stock (2015: 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 on 14 July 2017; and
- iii) a single tier interim dividend of 6 sen per ordinary stock (2016: 6 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ended 31 December 2017 on 9 November 2017.

ORIENTAL HOLDINGS BERHAD
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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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 December 2017											
Revenue from external customers	4,672,911	198,035	302,621	710,269	59,233	330,251	74,829	6,348,149	-		6,348,149
Inter-segment revenue	1,386	183	-	-	11,612	376	-	13,557	(13,557)		-
Total revenue	<u>4,674,297</u>	<u>198,218</u>	<u>302,621</u>	<u>710,269</u>	<u>70,845</u>	<u>330,627</u>	<u>74,829</u>	<u>6,361,706</u>	<u>(13,557)</u>		<u>6,348,149</u>
Results											
Segment profit/ (loss)	<u>280,511</u>	<u>(581)</u>	<u>60,204</u>	<u>120,806</u>	<u>59,542</u>	<u>17,400</u>	<u>(15,660)</u>	<u>522,222</u>	<u>5,114</u>	A	<u>527,336</u>
Assets											
Segment assets	<u>3,219,803</u>	<u>382,772</u>	<u>1,097,127</u>	<u>2,160,903</u>	<u>428,289</u>	<u>1,040,150</u>	<u>224,631</u>	<u>8,553,675</u>	<u>657,899</u>	B	<u>9,211,574</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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 December 2016											
Revenue from external customers	4,031,999	218,860	282,235	498,145	86,084	375,178	31,757	5,524,258	-		5,524,258
Inter-segment revenue	678	98	22	-	21,748	303	-	22,849	(22,849)		-
Total revenue	<u>4,032,677</u>	<u>218,958</u>	<u>282,257</u>	<u>498,145</u>	<u>107,832</u>	<u>375,481</u>	<u>31,757</u>	<u>5,547,107</u>	<u>(22,849)</u>		<u>5,524,258</u>
Results											
Segment profit/ (loss)	<u>186,355</u>	<u>4,489</u>	<u>31,844</u>	<u>78,390</u>	<u>72,863</u>	<u>16,800</u>	<u>(20,555)</u>	<u>370,186</u>	<u>16,946</u>	A	<u>387,132</u>
Assets											
Segment assets	<u>3,199,465</u>	<u>420,319</u>	<u>1,006,242</u>	<u>2,115,845</u>	<u>347,526</u>	<u>915,299</u>	<u>238,433</u>	<u>8,243,129</u>	<u>665,477</u>	B	<u>8,908,606</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 DECEMBER 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 December 2017	31 December 2016
	RM'000	RM'000
Share of results of associates	26,077	33,308
Finance costs	(20,963)	(16,362)
	5,114	16,946

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

	31 December 2017	31 December 2016
	RM'000	RM'000
Investment in associates	593,166	590,982
Current tax assets	24,938	35,311
Deferred tax assets	39,795	39,184
	657,899	665,477

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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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 Holdings Berhad ("OHB") and its wholly-owned subsidiary, Oriental Rubber & Palm Oil Sdn Berhad ("ORPO") which owned 91.9% and 6.1% respectively in Oriental Assemblers Sdn Bhd ("OA") together 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"). The disposal has been completed on 31 May 2017.
- (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 liquidation is still in progress.
- (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.
- (iv) Oriental Holdings Berhad ("OHB") had on 16 November 2017 entered into Sale and Purchase Agreement to acquire from Honda Motor Company Ltd. ("Honda Motor") its entire 23.62% equity interest in Armstrong Auto Parts Sdn Bhd ("AAP") for a total cash consideration of RM1.00 only. OHB hold 83.88% in AAP where 77.23% is held directly and remaining 6.65% is held indirectly through a wholly owned subsidiary as of completion of the acquisition on 12 January 2018.
- (v) Oriental Holdings Berhad ("OHB") had on 16 November 2017 entered into Sale and Purchase Agreement to acquire from Honda Motor Company Ltd. ("Honda Motor") its entire 25.0% equity interest in Armstrong Cycle Parts (Sdn) Bhd ("ACP") for a total cash consideration of RM2,898,500.00. OHB hold 82.14% in ACP as of completion of the acquisition on 12 January 2018.
- (vi) Oriental Holdings Berhad ("OHB") had on 22 November 2017 entered into Sale and Purchase Agreement to acquire from Dato' Syed Mohamad Bin Syed Murtaza ("Dato' Aidid") its entire 12.858% equity interest in Armstrong Cycle Parts (Sdn) Bhd ("ACP") for a total cash consideration of RM1,490,756.52. OHB hold 95.00% in ACP as of completion of the acquisition on 12 January 2018.
- (vii) Konkrit Utara Sdn. Bhd. ("KU"), is a wholly-owned subsidiary of Unique Mix (Penang) Sdn. Bhd. which in turn is a 70% owned subsidiary of Simen Utara Sdn. Bhd. ("SU"). SU is a 91% owned sub-subsidiaries of the Company. KU had on 1 September 2016 been placed under member's voluntary winding up proceeding. On 24 November 2017, KU had convened Final General Meeting to conclude the winding up proceedings and shall be dissolved three months from the date of lodgement of statutory return to the Registrar of Companies.

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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.

13. Review of Group's Performance

Overall Review

The Group recorded year to date revenue of RM 6,348.1 million, an increase of 14.9% or RM 823.9 million as compared to RM 5,524.2 million in the corresponding period last year. The improvement in revenue was mainly contributed by the automotive segment by RM 640.9 million as a result of hike in number of cars sold especially retail operations in Singapore. Improved Group's operating profits by RM 152.0 million was mainly due to the improved gross profit from automotive segment in line with hike in cars sold and reversal of obsolete stock of RM 13.1M on non-Euro VI car models for Singapore retail operations.

The Group achieved year to date profit before tax of RM 527.3 million, a 36.2% or RM 140.2 million higher as compared to RM 387.1 million in the corresponding period last year. The higher year to date profit before tax was mainly contributed from automotive, plantation and hospitality segment as described below.

Segmental Analysis

Performances for each operating segment are as follows:-

The revenue and operating profit for the automotive segment increased by 15.9% to RM 4,672.9 million and 50.5% to RM 280.5 million respectively.

For the retail operations in Singapore, revenue grew by 15.4% although number of cars sold increased marginally by 1.4%, as in FY2016 there was a clearance of non-Euro VI models with more discounts offered to buyers and saving from lower COE cost. For the retail operations in Malaysia, sales units increased by 19.4% from strong demand as Honda Malaysia launched four new models namely BR-V, CR-V, Civic and facelift model of Honda City during the year.

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

The revenue and operating profit for the plantation segment increased by 42.6% and 54.1% respectively supported by higher CPO sales volume (2017: 196,520MT; 2016: 142,042MT) and PK sales volume (2017: 42,383MT; 2016: 31,127MT) by 38.4% and 36.2% respectively. Besides, increase in selling prices compared to 2016 (CPO increased by 8.9%; PK increased by 11.1%) also contributed to the higher operating profit.

The performance for plastic segment remains competitive. The revenue for the segment dropped by 9.5% while recorded operating loss of RM 0.6 million (2016 operating profit: RM 4.5 million). The decrease was attributable to reduction in orders particularly from its automotive products.

Hospitality segment revenue and operating profit increased by RM 20.4 million (7.2%) and RM 28.4 million (89.1%) respectively. Both revenue and operating profit were driven by the improvement in overall average occupancy rate and average room rate for hotels especially from Australia and New Zealand hotels and higher occupancy rates for office space.

The revenue for investment holding segment decreased by 31.2% was attributable to lower dividend received from other investment. Operating profit decreased (2017: RM 59.5 million; 2016 : RM 72.9 million) due to higher unrealised foreign exchange loss on JPY denominated borrowings (2017: RM 15.1 million; 2016: RM 1.9 million) due to strengthening of JPY while off set with gain derived from disposal of a subsidiary of RM 22.3 million.

The revenue for investment properties and trading of building material products segment decreased by 12.0% while operating profit increased by 3.6% (2017: RM 17.4 million; 2016: RM 16.8 million). Despite drop in revenue, overall improved in operating profit attributable to favourable unrealised foreign exchange gain on USD denominated advances (2017: RM 2.3 million; 2016 unrealised exchange loss : RM 2.0 million) and rental income from the newly acquired commercial property in Melbourne, Australia in June 2017.

Healthcare segment's revenue improved by 135.6% with increasing patient load but remained at operating loss of RM 15.7 million (2016 : RM 20.6 million) due to the high fixed operating cost (ie staff costs and depreciation) since its commencement in January 2015.

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

Overall Review

The Group’s revenue for the fourth quarter of 2017 was RM 1,746.6 million, an increase of RM 459.9 million or 35.7% from RM 1,286.7 million in Q3FY17, mainly due to higher contribution from the automotive segment with higher number of cars sold especially for the retail operations in Singapore. Increase in the Group’s operating profits by RM 15.7 million was contributed from investment holding segment with higher dividend income received from other investment mitigated by unfavourable unrealised foreign exchange loss in Q4FY17 of RM 7.6 million (Q3FY17 unrealised foreign exchange gain : RM 4.9 million).

The Group’s profit before tax for the fourth quarter of 2017 decreased from RM 156.4 million in Q3FY17 to RM 152.5 million in current quarter. The lower profit before tax was mainly attributable by the decline in performance from plantation segment and investment properties and trading of building material products segment.

Segmental Analysis

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

Revenue from automotive segment increased by 54.9% to RM 1,328.6 million and recorded a slight increase in operating profit of RM 74.0 million (Q3FY17: RM 72.5 million). Revenue for retail operation increased by 58.8% mainly due to higher number of cars sold especially from retail operations in Singapore. Operating profit increased slightly by 2.1% despite better revenue generated due to higher cost of sales from manufacturing and assembly operation and unrealised foreign exchange loss mainly from fixed deposits in AUD.

Revenue from plantation segment decreased by 18.4% (Q4FY17 : RM 154.5 million; Q3FY17 : RM 189.3 million) while recorded lower operating profit of RM 43.9 million (Q3FY17 : RM 52.1 million). Lower revenue for the quarter was mainly due to the lower CPO and PK sales volume by 21.4% and 14.3% respectively. Lower operating profit was in line with decrease in revenue during the quarter.

Revenue for plastic segment decreased slightly by 5.7% to RM 52.5 million (Q3FY17 : RM 55.7 million) and recorded higher operating profit of RM 2.0 million (Q3FY17 : RM 1.3 million). Improvement in operating profit was attributable to lower operational expenses from continuing focus on cost control.

Revenue for hospitality segment increased by 10.9% (Q4FY17 : RM 82.0 million; Q3FY17 : RM 74.0 million) and recorded higher operating profit by 94.9% (Q4FY17 : RM 23.6 million; Q3FY17 : RM 12.1 million). Both revenue and operating profit increased attributable to the overall improvement in hotels’ average occupancy and room rate. Hotel in Singapore has re-opened at the end of October 2017 after refurbishment since September 2016, contributing to the improved performance during the quarter.

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

Revenue for investment holding segment increased by 856.1% and recorded significant increase in operating profit of RM 19.0 million (Q3FY17 : RM 0.3 million). Both improvement in revenue and operating profit was due to higher dividend income received from other investment during the quarter.

Revenue for investment properties and trading of building material products segment decreased by 7.9% mainly due to supply of goods impacted as production halted from the recent flood in November 2017. The segment recorded operating loss of RM 0.6 million (Q3FY17 operating profit : RM 8.5 million) mainly due to unfavourable unrealised foreign exchange loss from USD denominated advances.

Healthcare segment recorded improvement in revenue by 4.8% mainly from increasing patient load. Despite increase in revenue, the segment remained at operating loss of RM 2.9 million (Q3FY17: RM 3.6 million) as a result of high fixed operating costs due to still in pre-development stage from its third year commencement since January 2015.

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 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 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 management will continue exercise cost control, productivity improvement and sourcing for new business ventures to improve the performance of the segment.

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 necessary steps to ensure that all the estates and mills remain efficient and competitive. The forex exposure of the JPY loan are closely monitored and the loans were backed by fixed deposits pledged to banks. Group’s FFB production will continue to produce a satisfactory result in 2018 with the addition of newly-mature areas, coupled with the ongoing progress of existing mature areas into higher yielding brackets.

The hospitality segment will optimise the utilisation of the existing assets and improve the operational execution through various organic measures. Hotel in Singapore has re-opened for business at the end of October 2017 after undergoing major refurbishment hence will further contribute to the revenue of the segment.

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15. Current Year Prospects (Cont'd)

The investment properties segment will continue to reclaim its remaining 415 acres of land in Melaka and develop the construction of mixed use service apartments and commercial complex in Australia. The recent acquisition of a commercial property in Melbourne, Australia in Q2FY17 will provide further value-add to the segment's performance.

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

Given the above Group's operating segment commitments, the Board is optimistic that the Group's performance for the year 2018 will be satisfactory.

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

Not Applicable.

17. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 17 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 16 RM'000 (Unaudited)	Current Year To date 31 Dec 17 RM'000 (Unaudited)	Preceding Year To date 31 Dec 16 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	6,282	5,372	19,589	17,749
- Under/(Over) provision in respect of prior period	1,482	(2,259)	1,241	(2,794)
	7,764	3,113	20,830	14,955
Foreign taxation				
- Based on profit for the period	35,305	31,760	95,901	66,485
	43,069	34,873	116,731	81,440
Deferred taxation				
- Current period	(4,580)	(5,471)	(4,601)	(5,477)
- Under provision in respect of prior period	295	12,970	1,599	12,956
	(4,285)	7,499	(3,002)	7,479
	38,784	42,372	113,729	88,919

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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 8 June 2017 for the buy-back of up to 10% or up to 62,039,363 ordinary stocks. There were no stocks buy-back for the period to date.

19. Group Borrowings

	Interest rate %	Borrowings denominated in		Source Currency	RM Equivalent RM'000	Total RM'000
		Ringgit	Foreign Currencies			
Short Term		RM'000			RM'000	
		I			II	I + II
Finance lease obligations	2.5 - 2.8	5,708		-	-	5,708
Borrowings – secured						
-Revolving credit	0.4 - 1.4 3.0	-	JPY 21.995 billion SGD 0.026 billion		788,125 77,674	788,125 77,674
					865,799	865,799
-Term loans	2.7 6.8	-	SGD 0.001 billion IDR 0.474 billion		1,776 141	1,776 141
					1,917	1,917
Borrowings – unsecured						
-Bankers acceptance	3.9 - 4.3	31,319		-	-	31,319
-Revolving credit	0.4 - 1.4	-	JPY 17.100 billion		613,087	613,087
		<u>37,027</u>			<u>1,480,803</u>	<u>1,517,830</u>
Long Term						
Finance lease obligations	2.5 - 2.8	9,571		-	-	9,571
Term loans – secured	2.7 3.0 6.8	-	SGD 0.015 billion THB 0.080 billion IDR 15.587 billion		44,661 9,932 4,645	44,661 9,932 4,645
					59,238	59,238
		<u>9,571</u>			<u>59,238</u>	<u>68,809</u>
Total Borrowings		<u>46,598</u>			<u>1,540,041</u>	<u>1,586,639</u>

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20. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 31 December 2017 is as follows:

	RM'000	%
Not past due	231,750	80.5
Past due < 3 months	48,812	17.0
Past due 3-6 months	4,996	1.7
Past due 6-12 months	982	0.3
Past due more than 1 year	1,361	0.5
	<u>287,901</u>	<u>100.0</u>

The Group did not impair the past due trade receivables but monitor these receivables closely. No bad and past due debts are anticipated that could materially affect the financial results and financial position of the Group as a whole.

21. Changes in Material Litigations

Not applicable.

22. Dividend Proposed

The Board of Directors proposed a single tier second interim dividend of 6 sen per ordinary stock (2016: 6 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ended 31 December 2017. The entitlement date and payment date will be announced at a later date.

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23. 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 17 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 16 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 17) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 16) RM'000 (Audited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>107,760</u>	<u>155,657</u>	<u>392,646</u>	<u>279,484</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>17.37</u>	<u>25.09</u>	<u>63.29</u>	<u>45.05</u>

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 27 FEBRUARY 2018