



ORIENTAL HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2016

	As at End of Current Quarter 30 Sept 2016 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2015 RM'000 (Audited)
Assets		
Property, plant and equipment	1,550,406	1,595,092
Prepaid land lease payments	98,017	66,164
Investment properties	862,195	818,178
Intangible assets	50,883	49,829
Investments in associates	570,728	562,121
Other investments	306,286	311,213
Land held for property development	36,128	36,065
Biological assets	603,267	553,741
Deferred tax assets	31,560	31,201
Total non-current assets	<u>4,109,470</u>	<u>4,023,604</u>
Inventories	491,831	265,491
Property development costs	3,110	2,948
Trade and other receivables	554,793	455,137
Other investments	9,557	9,942
Current tax assets	34,537	10,657
Short term investments	614,511	524,315
Cash and cash equivalents	2,730,273	2,886,826
Total current assets	<u>4,438,612</u>	<u>4,155,316</u>
Total assets	<u><u>8,548,082</u></u>	<u><u>8,178,920</u></u>
Equity		
Share capital	620,394	620,394
Reserves	1,041,524	1,077,391
Retained earnings	3,985,162	3,948,186
Treasury stocks	(249)	(249)
Total equity attributable to stockholders of the Company	<u>5,646,831</u>	<u>5,645,722</u>
Non-controlling interests	<u>810,087</u>	<u>893,798</u>
Total Equity	<u><u>6,456,918</u></u>	<u><u>6,539,520</u></u>
Liabilities		
Deferred tax liabilities	17,781	18,035
Loans and borrowings	69,688	70,056
Provisions	58,324	30,679
Deferred income	8,804	8,088
Retirement benefits	15,578	13,616
Total non-current liabilities	<u>170,175</u>	<u>140,474</u>
Trade and other payables	428,293	370,078
Loans and borrowings	1,459,016	1,085,023
Current tax liabilities	33,680	43,825
Total current liabilities	<u>1,920,989</u>	<u>1,498,926</u>
Total liabilities	<u>2,091,164</u>	<u>1,639,400</u>
Total equity and liabilities	<u><u>8,548,082</u></u>	<u><u>8,178,920</u></u>
Net assets per stock (sen)	910.20	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 SEPTEMBER 2016

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sept 2016 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2015 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2016) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2015) RM'000 (Unaudited)
Revenue	1,375,899	1,195,459	3,673,122	3,141,636
Results from operating activities	76,619	78,173	85,091	194,486
Finance costs	(3,395)	(3,260)	(9,055)	(7,597)
Share of profits after tax and minority interest of associates	15,477	19,411	17,958	58,802
Profit before taxation	88,701	94,324	93,994	245,691
Income tax expenses	(16,842)	(24,322)	(46,547)	(60,451)
Profit from continuing operations	71,859	70,002	47,447	185,240
Other comprehensive income/ (expense), net of tax				
Foreign currency translation differences for foreign operations	76,968	286,026	(22,348)	422,615
Fair value of available-for-sale financial assets	4,403	(6,048)	(8,882)	(4,796)
Share of other comprehensive income/ (expense) of equity accounted associates	1,174	(284)	36	(290)
Other comprehensive income/ (expense) for the period, net of tax	82,545	279,694	(31,194)	417,529
Total comprehensive income for the period	154,404	349,696	16,253	602,769
Profit attributable to:				
Stockholders of the Company	68,447	74,834	123,827	189,781
Non-controlling interests	3,412	(4,832)	(76,380)	(4,541)
Profit for the period	71,859	70,002	47,447	185,240
Total comprehensive income attributable to:				
Stockholders of the Company	134,424	339,341	87,961	591,546
Non-controlling interests	19,980	10,355	(71,708)	11,223
Total comprehensive income for the period	154,404	349,696	16,253	602,769
<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)	11.03	12.06	19.96	30.59

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ORIENTAL HOLDINGS BERHAD

(Company No. 5286-U)
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sept 2016 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2015 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2016) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2015) RM'000 (Unaudited)
Included in the Total Comprehensive Income for the period are the followings :				
Interest income	(20,688)	(19,910)	(63,274)	(54,455)
Other income including investment income	(2,489)	(32,664)	(54,789)	(36,706)
Interest expense	3,395	3,260	9,055	7,597
Depreciation and amortisation	35,067	32,039	95,638	86,912
(Reversal of impairment loss)/ Impairment loss on receivables	(154)	(362)	(797)	515
(Write back)/ Write down of inventories	-	-	(300)	1,800
Loss on disposal of quoted/ unquoted investments	201	21	1,230	255
Loss on disposal of property, plant and equipment	2,346	2,924	1,733	2,897
Impairment loss/ (Reversal of impairment loss) on assets	937	(5,627)	1,133	(5,826)
Unrealised foreign exchange loss	3,437	62,804	169,595	77,088
Realised foreign exchange (gain)/loss	(1,427)	(1,944)	7,827	99

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ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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	-	-	-	404,456	-	-	-	-	-	-	404,456	18,159	422,615
Fair value of available-for-sale financial assets	-	-	-	-	(2,401)	-	-	-	-	-	(2,401)	(2,395)	(4,796)
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(290)	-	-	-	-	-	(290)	-	(290)
Total other comprehensive income/(expense) for the period	-	-	-	404,456	(2,691)	-	-	-	-	-	401,765	15,764	417,529
Profit/(loss) for the period	-	-	-	-	-	-	-	-	189,781	-	189,781	(4,541)	185,240
Total comprehensive income/ (expense) for the period	-	-	-	404,456	(2,691)	-	-	-	189,781	-	591,546	11,223	602,769
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	-	-	-	-	-	-	-	-	-	-	-	(3,977)	(3,977)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	20,228	20,228
Total distribution to owners	-	-	-	-	-	-	-	-	(86,851)	-	(86,851)	(16,742)	(103,593)
At 30 September 2015	620,394	1,099	1,073	950,348	95,494	68	474	(249)	3,903,002	40,248	5,611,951	843,529	6,455,480
<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	-	-	-	(28,402)	-	-	-	-	-	-	(28,402)	6,054	(22,348)
Fair value of available-for-sale financial assets	-	-	-	-	(7,501)	-	-	-	-	-	(7,501)	(1,381)	(8,882)
Share of other comprehensive income of equity accounted associates	-	-	-	-	36	-	-	-	-	-	36	-	36
Total other comprehensive (expense)/income for the period	-	-	-	(28,402)	(7,465)	-	-	-	-	-	(35,867)	4,673	(31,194)
Profit/ (loss) for the period	-	-	-	-	-	-	-	-	123,827	-	123,827	(76,380)	47,447
Total comprehensive income/ (expense) for the period	-	-	-	(28,402)	(7,465)	-	-	-	123,827	-	87,960	(71,707)	16,253
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 September 2016	620,394	1,099	1,073	929,747	68,815	68	474	(249)	3,985,162	40,248	5,646,831	810,087	6,456,918

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ORIENTAL HOLDINGS BERHAD

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

	Current Year To Date (Three quarters to 30 Sept 2016) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2015) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	93,994	245,691
Adjustments for:		
Non-cash items	267,602	158,202
Non-operating items	(123,939)	(138,067)
Operating profit before working capital changes	237,657	265,826
Changes in working capital	(236,876)	(25,043)
Cash flow from operating activities	781	240,783
Tax paid	(79,031)	(56,607)
Interest paid	(9,228)	(7,580)
Payment of retirement benefits	(81)	(39)
<i>Net cash flows (used in)/from operating activities</i>	(87,559)	176,557
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(204,404)	(338,854)
Purchase of investments	(73,054)	(29,259)
Proceeds from disposal of investments	63,672	19,148
Proceeds from disposal of land held for property development	-	16
Interest received	61,804	57,608
Dividend received	62,661	42,656
Additions of deferred expenditure	(63)	(35)
Net cash outflow on acquisition of a subsidiary	-	(5,287)
Net cash outflow on liquidation of a subsidiary	-	(4,048)
Increase in short term investments, net	(90,195)	(7,273)
<i>Net cash flows used in investing activities</i>	(179,579)	(265,328)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Three quarters to 30 Sept 2016) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2015) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term bank borrowings (net)	205,336	248,158
Dividends paid to stockholders	(86,851)	(86,851)
Fixed deposits pledged for banking facilities	(66,488)	(111,807)
Dividends paid to minority interest	(12,304)	(11,114)
Proceeds from issue of shares to non-controlling interest	300	20,228
<i>Net cash flows from financing activities</i>	39,993	58,614
Net decrease in cash and cash equivalents	(227,145)	(30,157)
Cash and cash equivalents at 1 January	2,387,114	2,117,799
Effects of exchange rates on cash and cash equivalents	4,334	295,746
Cash and cash equivalents at 30 September (Note 1)	<u>2,164,303</u>	<u>2,383,388</u>

NOTE

	RM'000	RM'000
1 Cash and cash equivalents consist of: -		
Cash and bank balances	871,682	1,038,747
Fixed deposits	1,823,141	1,675,005
Unit trust money market funds	35,450	78,254
	<u>2,730,273</u>	<u>2,792,006</u>
Less:		
Deposits pledged	(565,970)	(408,618)
	<u>2,164,303</u>	<u>2,383,388</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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.

ORIENTAL HOLDINGS BERHAD
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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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;
- ii) 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; and
- iii) a single tier interim dividend of 6% (2015: 6%) totalling RM37,221,710 in respect of the financial year ending 31 December 2016 on 11 November 2016.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 2016 (Cont'd)

7. 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 September 2016											
Revenue from external customers	2,639,402	160,732	203,638	304,856	54,034	280,726	29,734	3,673,122	-		3,673,122
Inter-segment revenue	155	44	22	-	21,747	252	-	22,220	(22,220)		-
Total revenue	<u>2,639,557</u>	<u>160,776</u>	<u>203,660</u>	<u>304,856</u>	<u>75,781</u>	<u>280,978</u>	<u>29,734</u>	<u>3,695,342</u>	<u>(22,220)</u>		<u>3,673,122</u>
Results											
Segment profit/ (loss)	<u>138,362</u>	<u>(285)</u>	<u>32,035</u>	<u>(69,614)</u>	<u>(12,949)</u>	<u>13,320</u>	<u>(15,778)</u>	<u>85,091</u>	<u>8,903</u>	A	<u>93,994</u>
Assets											
Segment assets	<u>3,035,578</u>	<u>421,959</u>	<u>987,457</u>	<u>1,923,504</u>	<u>398,469</u>	<u>906,388</u>	<u>237,902</u>	<u>7,911,257</u>	<u>636,825</u>	B	<u>8,548,082</u>

ORIENTAL HOLDINGS BERHAD
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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 September 2015											
Revenue from external customers	2,096,736	161,998	191,622	316,246	33,380	329,098	12,556	3,141,636	-		3,414,636
Inter-segment revenue	266	61	36	-	9,364	9,542	-	19,269	(19,269)		-
Total revenue	<u>2,097,002</u>	<u>162,059</u>	<u>191,658</u>	<u>316,246</u>	<u>42,744</u>	<u>338,640</u>	<u>12,556</u>	<u>3,160,905</u>	<u>(19,269)</u>		<u>3,414,636</u>
Results											
Segment profit/ (loss)	<u>122,622</u>	<u>3,936</u>	<u>25,356</u>	<u>19,403</u>	<u>34,353</u>	<u>9,044</u>	<u>(20,228)</u>	<u>194,486</u>	<u>51,205</u>	A	<u>245,691</u>
Assets											
Segment assets	<u>2,875,200</u>	<u>430,694</u>	<u>1,008,605</u>	<u>1,728,404</u>	<u>369,588</u>	<u>805,297</u>	<u>227,804</u>	<u>7,445,592</u>	<u>555,106</u>	B	<u>8,000,698</u>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 September 2016	30 September 2015
	RM'000	RM'000
Share of results of associates	17,958	58,802
Finance costs	(9,055)	(7,597)
	8,903	51,205

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 September 2016	30 September 2015
	RM'000	RM'000
Investment in associates	570,728	550,983
Current tax assets	34,537	15,412
Deferred tax assets	31,560	11,578
Investment in non-consolidated subsidiary	-	(22,867)
	636,825	555,106

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 SEPTEMBER 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. 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 Sumatera Sawit Lestari ("SSL"). The acquisition was 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 concluded 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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11. Changes in Group's Composition (Cont'd)

- (v) Konkrit Utara Sdn. Bhd. ("KU"), 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 placed under member's voluntary winding up proceeding. KU was incorporated in Malaysia on 20 October 1993 with an authorised share capital of RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each whilst its issued and paid up share capital of RM300,000.00 comprised 300,000 ordinary shares of RM1.00 each. KU had ceased operations and remained dormant currently.

- (vi) The Company through its wholly owned subsidiary, Kah Motor Company Sdn Berhad has incorporated a wholly-owned subsidiary company known as 30 Bencoolen Pte. Ltd. ("30 Bencoolen") in Singapore on 15 November 2016. The initial issued and paid up share capital of 30 Bencoolen is SGD1 (Singapore Dollar One) only represented by One Ordinary Share of SGD1. The issued and paid up capital of 30 Bencoolen will be increased as and when necessary. The intended principal activity of 30 Bencoolen is management of hotel operations.

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 3,673.1 million was 16.9% higher than the corresponding period last year, however the year to date profit before tax of RM 94.0 million, was 61.7% 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 25.9% to RM 2,639.4 million and by 12.8% to RM 138.4 million respectively.

For the retail operations in Singapore, revenue grew significantly by 56.7% mainly due to number of cars sold increased by 78.2%, mainly from newly launched Civic model in current quarter, and continuing strong demand for models launched last year namely Jazz and Odyssey following marketing strategy in order to gain market share. For the retail operations in Malaysia, sales units decreased by 11.9% mainly due to new car price increase since January 2016 and slow down in overall market condition resulted in cautious consumer spending.

The revenue for the plantation segment decreased by 3.6% mainly due to lower CPO production and PK sales volume by 15.0% and 13.7% respectively although selling prices were slightly higher compared to YTD FY15. The segment recorded an operating loss (YTD 2016 : RM 69.6 million; YTD 2015: operating profit of RM 19.4 million) mainly due to El Nino effect causing severe drought in estates and consequential impact on FFB yields.

The performance for plastic segment remains competitive. The revenue for the segment remain stagnant (decreased by 0.8%) and recorded an operating loss (2016: RM 0.3 million, 2015: operating profit of RM 3.9 million). Lower revenue was mainly attributable to lower sales from its major customers. The segment operated at loss due to increasing operating costs.

Hospitality segment revenue and operating profit increased by RM 12.0 million (6.3%) and RM 6.7 million (26.3%) respectively. Both revenue and operating profit were driven by the improve average occupancy rate for hotels and office space.

Revenue for investment holding segment increased by 61.9% due to dividend received from other investment. The segment registered operating loss of RM 12.9 million (YTD 2015: operating profit of RM 34.4 million) mainly attributable to foreign exchange exposure on JPY borrowings.

The revenue for investment properties and trading of building material products segment decreased by 14.7% and registered increased in operating profit by 47.3% (YTD 2016: RM 13.3 million; YTD 2015: RM 9.0 million). Lower revenue was due to lower sales volume for trading of building material related products result from deferment of infrastructure investments caused by weak market sentiments and slow down in the property market.

Healthcare segment's revenue improved by 136.8% with increasing patient load but remained at loss of RM 15.8 million (YTD 2015: RM 20.2 million) mainly due to high fixed operating cost.

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

The Group’s revenue for the third quarter of 2016 was RM 1,375.9 million, an increase of RM 293.8 million or 27.1% from RM 1,082.1 million in Q2FY16.

The Group’s profit for the third quarter of 2016 increased from Group’s loss of RM 59.7 million in Q2FY16 to Group’s profit of RM 88.7 million in current quarter.

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

Revenue from automotive segment grew by 46.3% to RM 1,069.5 million and recorded higher operating profit by 121.2% to RM 55.8 million (Q2FY16: RM 25.3 million). Revenue for retail operating increased by 51.0% mainly due to higher number of cars sold particularly from newly launched of Honda Civic during this quarter. Higher operating profit recorded in line with higher revenue.

Revenue from plantation segment decreased by 20.3% (Q3FY16 : RM 85.4 million; Q2FY16 : RM 107.2 million) but recorded operating profit of RM 13.0 million (operating loss in Q2FY16 : RM 74.9 million). Lower CPO and PK sales volume from Indonesian operations (27.8% and 21.7% respectively) as compared to Q2FY16 due to El Nino effect with consequential impact on FFB yields. The segment managed to registered an operating profit due to lower foreign exchange loss for the JPY borrowings (weakened IDR against JPY (September16 : 0.1% ; June16 : 10.0%).

Revenue for plastic segment remained stagnant (Q3FY16 : RM 54.6 million; Q2FY16 : RM 52.8 million) and recorded operating profit of RM 2.5 million (Q2FY16 : operating loss RM 1.8 million) mainly due to slight increase in sales from its major customers especially from automotive products segment.

Revenue and operating profit for hospitality segment improved by 13.6% and 16.8% respectively. The hotels’ average occupancy rate and average room rate improved except for Singapore and 2 Australia’s hotel which are under renovation.

Revenue for investment holding segment decreased by 87.8% and recorded an operating loss of RM 4.9 million (operating loss Q2FY16 : RM 11.4 million). Lower revenue was due to lower dividend income received from other investments. 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 17.1% mainly due to lower overall sales volume. While the operating profit increased by 45.7% (Q3FY16: RM 5.1 million; Q2FY16: RM 3.5 million) mainly due to cost control efforts.

Healthcare segment recorded a revenue of RM 11.5 million (Q2FY16 : RM 9.8 million) mainly from increasing patient load. However, the segment continued to operate at an operating loss of RM 4.7 million (Q2FY16: RM 5.1 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 East Malaysia. The outlet in Johor Bahru has commenced operation in November 2016 which is 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 diversify into investment properties to counteract the volatility of palm oil industry.

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.

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.

Given the prevailing 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 Sept 16 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 15 RM'000 (Unaudited)	Current Year To date 30 Sept 16 RM'000 (Unaudited)	Preceding Year To date 30 Sept 15 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	4,299	4,279	12,377	11,582
- (Over)/ Under provision in respect of prior period	(90)	670	(535)	496
	4,209	4,949	11,842	12,078
Foreign taxation				
- Based on profit for the period	12,473	19,528	34,725	49,066
	16,682	24,477	46,567	61,144
Deferred taxation				
- Current period	160	(155)	(6)	(1,411)
- (Over)/ Under provision in respect of prior period	-	-	(14)	718
	160	(155)	(20)	(693)
	<u>16,842</u>	<u>24,322</u>	<u>46,547</u>	<u>60,451</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

	Ringgit	← Foreign Currencies →	RM		Total RM'000 I + II
	RM'000 I	Currency	Equivalent	RM'000 II	
Finance lease obligations	13,855	-	-	-	13,855
Other borrowings – secured	-	JPY 15.025 billion	613,122		613,122
		SGD 0.016 billion	48,658		48,658
		THB 0.096 billion	11,454		11,454
Other borrowings – unsecured	36,605	JPY 19.710 billion	805,010		841,615
	50,460		1,478,244		1,528,704

20. Changes in Material Litigations

Not applicable.

21. Dividend Proposed

No dividend has been proposed for the current quarter.

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22. Basic Earnings per Stock

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sept 16 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 15 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 16) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 15) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>68,447</u>	<u>74,834</u>	<u>123,827</u>	<u>189,781</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>11.03</u>	<u>12.06</u>	<u>19.96</u>	<u>30.59</u>

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23. Realised and Unrealised Profit or Losses Disclosure

	As at 30 September 2016 RM'000	As at 31 December 2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	5,215,570	4,959,610
- Unrealised	(222,663)	(56,979)
	4,992,907	4,902,631
Total share of retained earnings of associates		
- Realised	480,313	469,766
- Unrealised	(3,898)	(4,140)
	5,469,322	5,368,257
Less : Consolidation adjustments	(1,484,160)	(1,420,071)
Total retained profits	3,985,162	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 17 NOVEMBER 2016