



ORIENTAL HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2017

	As at End of Current Quarter 30 Sept 2017 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2016 RM'000 (Audited)	Changes %
Assets			
Property, plant and equipment	1,564,651	1,554,711	0.6
Prepaid land lease payments	61,026	63,929	-4.5
Investment properties	1,037,752	892,135	16.3
Intangible assets	32,906	33,957	-3.1
Investments in associates	604,198	590,982	2.2
Other investments	396,826	344,806	15.1
Land held for property development	36,196	36,131	0.2
Biological assets	714,769	690,041	3.6
Deferred tax assets	36,850	39,184	-6.0
Total non-current assets	<u>4,485,174</u>	<u>4,245,876</u>	5.6
Inventories	265,747	490,772	-45.9
Property development costs	3,220	3,113	3.4
Trade and other receivables	520,231	586,896	-11.4
Other investments	21,953	8,350	162.9
Current tax assets	35,538	35,311	0.6
Short term investments	841,701	716,536	17.5
Cash and cash equivalents	3,097,633	2,821,752	9.8
Total current assets	<u>4,786,023</u>	<u>4,662,730</u>	2.6
Total assets	<u>9,271,197</u>	<u>8,908,606</u>	4.1
Equity			
Share capital	621,561	620,394	0.2
Reserves	1,161,861	1,144,081	1.6
Retained earnings	4,301,673	4,103,638	4.8
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	<u>6,084,846</u>	<u>5,867,864</u>	3.7
Non-controlling interests	<u>931,534</u>	<u>951,046</u>	-2.1
Total Equity	<u>7,016,380</u>	<u>6,818,910</u>	2.9
Liabilities			
Deferred tax liabilities	31,333	31,617	-0.9
Loans and borrowings	71,928	74,590	-3.6
Provisions	96,207	73,422	31.0
Deferred income	7,801	4,890	59.5
Retirement benefits	19,047	18,357	3.8
Total non-current liabilities	<u>226,316</u>	<u>202,876</u>	11.6
Trade and other payables	380,149	469,611	-19.1
Loans and borrowings	1,598,962	1,367,826	16.9
Current tax liabilities	49,390	49,383	0.0
Total current liabilities	<u>2,028,501</u>	<u>1,886,820</u>	7.5
Total liabilities	<u>2,254,817</u>	<u>2,089,696</u>	7.9
Total equity and liabilities	<u>9,271,197</u>	<u>8,908,606</u>	4.1
Net assets per stock (sen)	980.81	945.83	3.7

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 2017

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 30 Sept 2017 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2016 RM'000 (Unaudited)		Current Year To Date (Three quarters to 30 Sept 2017) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2016) RM'000 (Unaudited)	
Revenue	1,286,676	1,375,899	-6.5	4,601,554	3,673,122	25.3
Results from operating activities	143,216	76,619	86.9	363,318	85,091	327.0
Finance costs	(3,803)	(3,395)	12.0	(9,386)	(9,055)	3.7
Share of profits after tax and non-controlling interest of associates	16,994	15,477	9.8	20,875	17,958	16.2
Profit before taxation	156,407	88,701	76.3	374,807	93,994	298.8
Income tax expenses	(27,990)	(16,842)	66.2	(74,945)	(46,547)	61.0
Profit from continuing operations	128,417	71,859	78.7	299,862	47,447	532.0
Other comprehensive (expense)/income, net of tax						
Foreign currency translation differences for foreign operations	(27,303)	76,968	-135.5	(21,440)	(22,348)	4.1
Fair value of available-for-sale financial assets	(908)	4,403	-120.6	25,902	(8,882)	391.6
Share of other comprehensive (expense)/income of equity accounted associates	(0)	1,174	-100.0	(219)	36	-716.9
Other comprehensive (expense)/ income for the period, net of tax	(28,211)	82,545	-134.2	4,243	(31,194)	113.6
Total comprehensive income for the period	100,206	154,404	-35.1	304,105	16,253	1771.1
Profit attributable to:						
Stockholders of the Company	105,478	68,447	54.1	284,886	123,827	130.1
Non-controlling interests	22,939	3,412	572.3	14,976	(76,380)	119.6
Profit for the period	128,417	71,859	78.7	299,862	47,447	532.0
Total comprehensive income attributable to:						
Stockholders of the Company	86,378	134,423	-35.7	303,833	87,960	245.4
Non-controlling interests	13,828	19,981	-30.8	272	(71,707)	100.4
Total comprehensive income for the period	100,206	154,404	-35.1	304,105	16,253	1771.1
<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)	17.00	11.03	54.1	45.92	19.96	130.1

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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 2017

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sept 2017 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 2016 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 2017) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2016) RM'000 (Unaudited)
Included in the Total Comprehensive Income for the period are the followings :				
Interest income	(21,642)	(20,688)	(64,429)	(63,274)
Other income including investment income	(1,623)	(2,489)	(33,069)	(54,789)
Interest expense	3,803	3,395	9,386	9,055
Depreciation and amortisation	34,698	35,067	105,101	95,638
Reversal of impairment loss on receivables	(43)	(154)	(197)	(797)
Write back of inventories	-	-	(12,871)	(300)
Write off of property, plant and equipment	64	0	79	47
(Gain)/Loss on disposal of quoted/ unquoted investments	(4,211)	201	(26,587)	1,230
(Gain)/Loss on disposal of property, plant and equipment	(549)	2,346	(2,887)	1,733
Impairment loss on assets	41	937	232	1,133
Unrealised foreign exchange (gain)/ loss	(4,870)	3,437	52,211	169,595
Realised foreign exchange loss/(gain)	1,846	(1,427)	1,569	7,827

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ORIENTAL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	← Attributable to stockholders of the Company →								Distributable		Non-controlling interests	Total equity	
	Share capital	Share premium	Capital reserve	Translation reserve	Fair value reserve	Capital redemption reserve	Asset revaluation reserve	Treasury stocks	Retained earnings	Capital reserve			Total
<i>In thousands of RM</i>													
At 1 January 2016	620,394	1,099	1,073	958,149	76,280	68	474	(249)	3,948,186	40,248	5,645,722	893,798	6,539,520
Foreign currency translation differences for foreign operations	-	-	-	(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 expense 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 (expense)/income 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
<i>In thousands of RM</i>													
At 1 January 2017	620,394	1,099	1,073	1,016,084	85,035	68	474	(249)	4,103,638	40,248	5,867,864	951,046	6,818,910
Foreign currency translation differences for foreign operations	-	-	-	(1,175)	-	-	-	-	-	-	(1,175)	(20,265)	(21,440)
Fair value of available-for-sale financial assets	-	-	-	-	20,341	-	-	-	-	-	20,341	5,561	25,902
Share of other comprehensive expense of equity accounted associates	-	-	-	-	(219)	-	-	-	-	-	(219)	-	(219)
Total other comprehensive (expense)/income for the period	-	-	-	(1,175)	20,122	-	-	-	-	-	18,947	(14,704)	4,243
Profit for the period	-	-	-	-	-	-	-	-	284,886	-	284,886	14,976	299,862
Total comprehensive (expense)/income for the period	-	-	-	(1,175)	20,122	-	-	-	284,886	-	303,833	272	304,105
Dividends to stockholders	-	-	-	-	-	-	-	-	(86,851)	-	(86,851)	-	(86,851)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(19,700)	(19,700)
Disposal/ Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(84)	(84)
Total distribution to owners	-	-	-	-	-	-	-	-	(86,851)	-	(86,851)	(19,784)	(106,635)
Transfer in accordance with Section 618(2) of the Companies Act 2016	1,167	(1,099)	-	-	-	(68)	-	-	-	-	-	-	-
At 30 September 2017	621,561	-	1,073	1,014,909	105,157	-	474	(249)	4,301,673	40,248	6,084,846	931,534	7,016,380

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 PERIOD ENDED 30 SEPTEMBER 2017

	Current Year To Date (Three quarters to 30 Sept 2017) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2016) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	374,807	93,994
Adjustments for:		
Non-cash items	160,072	267,602
Non-operating items	(138,461)	(123,939)
Operating profit before working capital changes	396,418	237,657
Changes in working capital	245,587	(236,876)
Cash flow from operating activities	642,005	781
Tax paid	(74,919)	(79,031)
Interest paid	(8,139)	(9,228)
Payment of retirement benefits	(242)	(81)
<i>Net cash flows from/(used in) operating activities</i>	558,705	(87,559)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(314,224)	(204,404)
Purchase of investments	(126,530)	(73,054)
Proceeds from disposal of investments	87,556	63,672
Interest received	60,996	61,804
Dividend received	39,828	62,661
Additions of deferred expenditure	(65)	(63)
Increase in short term investments, net	(125,165)	(90,195)
<i>Net cash flows used in investing activities</i>	(377,604)	(179,579)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (Three quarters to 30 Sept 2017) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 2016) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	261,888	205,336
Dividends paid to stockholders	(86,851)	(86,851)
Fixed deposits pledged for banking facilities	(14,325)	(66,488)
Dividends paid to minority interest	(19,700)	(12,304)
Proceeds from issue of shares to non-controlling interest	-	300
<i>Net cash flows from financing activities</i>	141,012	39,993
Net increase/(decrease) in cash and cash equivalents	322,113	(227,145)
Cash and cash equivalents at 1 January	2,192,937	2,387,114
Effects of exchange rates on cash and cash equivalents	(59,239)	4,334
Cash and cash equivalents at 30 September (Note 1)	<u>2,455,811</u>	<u>2,164,303</u>

NOTE

	RM'000	RM'000
1 Cash and cash equivalents consist of: -		
Cash and bank balances	1,264,563	871,682
Fixed deposits	1,738,834	1,823,141
Unit trust money market funds	94,236	35,450
	<u>3,097,633</u>	<u>2,730,273</u>
Less:		
Deposits pledged	(641,822)	(565,970)
	<u>2,455,811</u>	<u>2,164,303</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)
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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 2017

1. Basis of Preparation

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

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

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Revised Listing Requirements.

The interim financial report should be read in conjunction with the most recent annual audited financial statements of the Group for the year ended 31 December 2016. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2016.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the year ended 31 December 2016 except for the adoption of the following new and revised FRSs, IC Interpretations and Amendments :-

Adoption of Revised FRSs, IC Interpretations and Amendments

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

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

ORIENTAL HOLDINGS BERHAD
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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 128, *Investments in Associates and Joint Ventures (Annual Improvements to FRS Standards 2014-2016 Cycle)*
- Amendments to FRS 140, *Investment Property – Transfers of Investment Property*

Effective for annual periods beginning on or after 1 January 2019

- FRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*

Effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

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

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

ORIENTAL HOLDINGS BERHAD
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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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 ending 31 December 2017 on 9 November 2017.

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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
30 September 2017											
Revenue from external customers	3,344,347	145,520	220,576	555,758	31,708	250,130	53,515	4,601,554	-		4,601,554
Inter-segment revenue	832	144	-	-	11,612	307	-	12,895	(12,895)		-
Total revenue	3,345,179	145,664	220,576	555,758	43,320	250,437	53,515	4,614,449	(12,895)		4,601,554
Results											
Segment profit/ (loss)	206,552	(2,598)	36,648	76,917	40,518	17,994	(12,713)	363,318	11,489	A	374,807
Assets											
Segment assets	3,216,743	384,614	1,047,690	2,236,022	432,336	1,048,683	228,523	8,594,611	676,586	B	9,271,197

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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
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>

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SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
30 SEPTEMBER 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:

	30 September 2017 RM'000	30 September 2016 RM'000
Share of results of associates	20,875	17,958
Finance costs	(9,386)	(9,055)
	11,489	8,903

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

	30 September 2017 RM'000	30 September 2016 RM'000
Investment in associates	604,198	570,728
Current tax assets	35,538	34,537
Deferred tax assets	36,850	31,560
	676,586	636,825

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 2017 (Cont'd)

11. Changes in Group's Composition

There were no changes in the composition of the Group during the current financial period to-date other than the following:-

- (i) Oriental Assemblers Sdn Bhd ("OA"), a 91.9% owned subsidiary by the Company and 6.1% owned by the Company's wholly-owned subsidiary, Oriental Rubber & Palm Oil Sdn Berhad ("ORPO") with other minority shareholders, had on 21 June 2016, entered into a Share Purchase Agreement ("SPA") to dispose the collective 100% equity interest in OA to Aroma Kiara Sdn Bhd ("AKSB"). 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 process will take approximately 6 to 12 months to complete.
- (iii) Oriental International Mauritius Pte. Ltd., a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary company known as OIM (Aust) Pty. Ltd. ("OIM (Aust)") in Australia on 18 April 2017. The initial issued and paid up share capital of OIM (Aust) is AUD100.00 (Australian Dollar One Hundred) only represented by One Hundred Ordinary Share. The issued and paid up capital of OIM (Aust) will be increased as and when necessary. The intended principal activity of OIM (Aust) is property investment holding.
- (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. Upon completion of the acquisition, OHB shall hold 83.88% in AAP where 77.23% is held directly and remaining 6.65% is held indirectly through a wholly owned subsidiary.
- (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. Upon completion of the acquisition, OHB shall hold 82.14% in ACP.

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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 4,601.6 million, an increase of 25.3% or RM 928.4 million as compared to RM 3,673.1 million in the corresponding period last year. The improvement in revenue was mainly contributed by the automotive segment by RM 704.9 million as a result of the hike in number of cars sold especially retail operations in Singapore. Improved Group's operating profits by RM 278.2 million was mainly due to the improved gross profit from plantation segment in line with higher CPO and PK sales volume and selling price and lower unfavourable realised and unrealised foreign exchange loss mainly due to depreciation of RM/IDR against JPY borrowings (2017 : RM 53.8 million; 2016 : RM 177.4 million).

The Group achieved year to date profit before tax of RM 374.8 million, a significant 298.8% or RM 280.8 million higher as compared to RM 94.0 million in the corresponding period last year. The higher year to date profit before tax was mainly contributed from plantation, automotive and investment holding 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 26.7% to RM 3,344.3 million and 49.3% to RM 206.6 million respectively.

For the retail operations in Singapore, revenue grew by 30.3% in line with the hike in number of cars sold by 27.7%, mainly from the strong product demand ie. Civic, HR-V and City. For the retail operations in Malaysia, sales units increased by 22.9% 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 for the plantation segment increased by 82.3% and turnaround from operating loss of RM 69.6 million in 2016 to operating profit of RM 76.9 million supported by higher CPO sales volume (2017: 152,106MT; 2016: 91,524MT) and PK sales volume (2017: 31,934MT; 2016: 17,750MT) by 66.2% and 79.9% respectively. Besides, increase in selling prices compared to 2016 (CPO increased by 16.8%; PK increased by 19.4%) and lower unfavourable unrealised foreign exchange loss (2017: RM 41.5 million; 2016: RM 97.2 million).

The performance for plastic segment remains competitive. The revenue for the segment dropped by 9.5% and suffered higher operating loss by 811.6% (2017: RM 2.6 million; 2016: RM 0.3 million). The decrease was attributable to reduction in orders particularly from its automotive product.

Hospitality segment revenue and operating profit increased by RM 16.9 million (8.3%) and RM 4.6 million (14.4%) 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 41.3% was attributable to lower dividend received from other investment. Operating profit increased (2017: RM 40.5 million; 2016 operating loss : RM 12.9 million) due to lower unrealised foreign exchange loss on JPY denominated borrowings (2017: RM 14.3 million; 2016: RM 49.4 million) due to weakening of JPY and 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 10.9% while operating profit increased by 35.1% (2017: RM 18.0 million; 2016: RM 13.3 million). Despite drop in revenue, overall improved in operating profit attributable to favourable unrealised foreign exchange gain on USD denominated advances (2017: RM 4.6 million; 2016 unrealised exchange loss : RM 0.2 million) and rental income from the newly acquired commercial property in Melbourne, Australia in June 2017.

Healthcare segment's revenue improved by 80.0% with increasing patient load but remained at operating loss of RM 12.7 million (2016 : RM 15.8 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 third quarter of 2017 was RM 1,286.7 million, a decrease of RM 330.1 million or 20.4% from RM 1,616.8 million in Q2FY17, mainly due to lower contribution from the automotive segment with lower number of cars sold especially for the retail operations in Singapore. Increase in the Group’s operating profits by RM 19.7 million was mainly due to favourable unrealised foreign exchange gain in Q3FY17 of RM 4.9 million (Q2FY17 unrealised foreign exchange loss : RM 13.2 million).

The Group’s profit for the third quarter of 2017 increased from RM 118.5 million in Q2FY17 to RM 156.4 million in current quarter. The higher profit before tax was mainly contributed by improved performance from plantation segment and favourable unrealised foreign exchange gain of RM 4.9 million (Q2FY17 unrealised foreign exchange loss : RM 13.2 million).

Segmental Analysis

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

Revenue from automotive segment dropped by 27.9% to RM 857.5 million, however recorded a constant operating profit of RM 72.5 million (Q2FY17: RM 72.4 million). Revenue for retail operation decreased by 29.6% mainly due to lower number of cars sold especially from retail operations in Singapore. Supply of cars in Singapore has been slow and not able to cope with the demand as Honda factory changed its production line to comply with the Euro VI emission standards taken into effect on 1 September 2017. Despite drop in revenue, operating profit remained constant attributable to improved gross profit margin due to better pricing while last quarter gross profit was affected by car sales for those clearance of non-Euro VI models.

Revenue from plantation segment increased slightly by 0.7% (Q3FY17 : RM 189.3 million; Q2FY17 : RM 188.0 million) and turnaround from operating loss of RM 7.3 million in Q2FY17 to operating profit of RM 52.1 million. The segment managed to register an operating profit due to favourable unrealised foreign exchange gain for the JPY borrowings as a result of strengthening of IDR against JPY.

Revenue for plastic segment increased by 20.1% to RM 55.7 million (Q2FY17 : RM 46.3 million) and recorded an operating profit of RM 1.3 million (Q2FY17 operating loss : RM 1.8 million). Improvement in operating profit was attributable to income derived from compensation by automotive customer for the recovery of the shortfall in investment tooling.

Revenue for hospitality segment increased by 8.0% (Q3FY17 : RM 74.0 million; Q2FY17 : RM 68.5 million) and recorded higher operating profit by 57.6% (Q3FY17 : RM 12.1 million; Q2FY17 : RM 7.7 million). The hotels’ overall average occupancy rate and room rate has improved except for a hotel in Australia as currently undergoing refurbishment since June 2017. Hotel in Singapore has re-opened at the end of October 2017 after refurbishment since September 2016.

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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 decreased by 89.3% and recorded an operating profit of RM 0.3 million (Q2FY17 : RM 55.1 million). Lower revenue and lower operating profit both was due to lower dividend income received during the quarter while in Q2FY17 recorded dividend income received from other investment of RM 24.7 million and gain derived from disposal of a subsidiary of RM 22.3 million.

Revenue for investment properties and trading of building material products segment increased by 8.3% mainly improved in profit margin from building material products due to higher selling price. The operating profit increased (Q3FY17: RM 8.5 million; Q2FY17: RM 1.2 million) mainly due to favourable unrealised foreign exchange gain from USD denominated advances.

Healthcare segment recorded improvement in revenue by 15.2% mainly from increasing patient load. Despite increase in revenue, the segment remained at operating loss of RM 3.6 million (Q2FY17: RM 3.8 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 opening of the biggest Honda 4S Centre in Malaysia, located in Tebrau, Johor Bahru is indeed very timely to support the increasing demands and provide more convenience to Honda’s growing customer base.

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

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 2017 will be satisfactory.

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

Not Applicable.

17. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sept 17 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 16 RM'000 (Unaudited)	Current Year To date 30 Sept 17 RM'000 (Unaudited)	Preceding Year To date 30 Sept 16 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	4,649	4,299	13,307	12,377
- Under/ (Over) provision in respect of prior period	37	(90)	(241)	(535)
	4,686	4,209	13,066	11,842
Foreign taxation				
- Based on profit for the period	23,272	12,473	60,596	34,725
	27,958	16,682	73,662	46,567
Deferred taxation				
- Current period	32	160	(21)	(6)
- Under/ (Over) provision in respect of prior period	-	-	1,304	(14)
	32	160	1,283	(20)
	27,990	16,842	74,945	46,547

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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	4,353		-	-	4,353
Other borrowings – secured						
-Revolving credit	0.9 - 1.4 2.7	-	JPY 21.995 billion SGD 0.026 billion		824,737 79,723	824,737 79,723
					904,460	904,460
-Term loans	2.4 3.0 5.1-5.3	-	SGD 0.001 billion THB 0.003 billion IDR 0.534 billion		1,823 380 167	1,823 380 167
					2,370	2,370
Borrowings – unsecured						
-Bankers acceptance	3.9 - 4.2	39,050		-	-	39,050
-Revolving credit	0.9 - 1.4	-	JPY 17.300 billion		648,729	648,729
		<u>43,403</u>			<u>1,555,559</u>	<u>1,598,962</u>
Long Term						
Finance lease obligations	2.5 - 2.8	10,629		-	-	10,629
Term loans – secured	2.4 3.0 5.1-5.3	-	SGD 0.015 billion THB 0.080 billion IDR 15.587 billion		46,294 10,126 4,879	46,294 10,126 4,879
					61,299	61,299
		<u>10,629</u>			<u>61,299</u>	<u>71,928</u>
Total Borrowings		<u>54,032</u>			<u>1,616,858</u>	<u>1,670,890</u>

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20. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 30 September 2017 is as follows:

	RM'000	%
Not past due	267,854	88.9
Past due < 3 months	24,638	8.2
Past due 3-6 months	5,197	1.7
Past due 6-12 months	2,221	0.7
Past due more than 1 year	1,382	0.5
	<hr/> 301,292 <hr/>	<hr/> 100.0 <hr/>

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

No dividend has been proposed for the current quarter.

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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 30 Sept 17 RM'000 (Unaudited)	Preceding Year Quarter 30 Sept 16 RM'000 (Unaudited)	Current Year To Date (Three quarters to 30 Sept 17) RM'000 (Unaudited)	Preceding Year To Date (Three quarters to 30 Sept 16) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>105,478</u>	<u>68,447</u>	<u>284,886</u>	<u>123,827</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>17.00</u>	<u>11.03</u>	<u>45.92</u>	<u>19.96</u>

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24. Realised and Unrealised Profit or Losses Disclosure

	As at 30 September 2017 RM'000	As at 31 December 2016 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	5,629,129	5,252,001
- Unrealised	(152,640)	(80,971)
	5,476,489	5,171,030
Total share of retained earnings of associates		
- Realised	511,877	498,806
- Unrealised	(2,500)	(2,555)
	5,985,866	5,667,281
Less : Consolidation adjustments	(1,684,193)	(1,563,643)
Total retained earnings	4,301,673	4,103,638

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

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

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 22 NOVEMBER 2017