ORIENTAL HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2018

	As at End of Current Quarter 31 Mar 2018 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2017 RM'000 (Restated)	Changes %
Assets			
Property, plant and equipment	2,150,023	2,218,678	-3.1
Prepaid land lease payments	61,222	62,960	-2.8
Investment properties	1,004,520	1,018,773	-1.4
Intangible assets	29,475	29,594	-0.4
Investments in associates	600,923	593,124	1.3
Other investments	666,359	709,030	-6.0
Land held for property development	36,211	36,199	0.0
Deferred tax assets	51,808	53,111	-2.5
Total non-current assets	4,600,541	4,721,469	-2.6
Inventories	368,532	302,137	22.0
Biological assets	8,527	8,527	0.0
Property development costs	3,254	3,228	0.8
Trade and other receivables	525,440	508,092	3.4
Contract assets	2,838	2,838	0.0
Other investments	39,319	23,581	66.7
Current tax assets	14,289	32,091	-55.5
Short term investments	847,834	906,095	-6.4
Cash and cash equivalents	2,989,551	3,040,600	-1.7
Total current assets	4,799,584	4,827,189	-0.6
Total assets	9,400,125	9,548,658	-1.6
Equity			
Share capital	620,462	620,462	0.0
Reserves	1,253,872	1,364,514	-8.1
Retained earnings	4,438,094	4,383,560	1.2
Treasury stocks	(249)	(249)	0.0
Total equity attributable to stockholders of the Company	6,312,179	6,368,287	-0.9
Non-controlling interests	867,424	930,060	-6.7
Total Equity	7,179,603	7,298,347	-1.6
Liabilities			
Deferred tax liabilities	51,273	50,980	0.6
Loans and borrowings	59,589	62,162	-4.1
Deferred income	102,257	89,395	14.4
Retirement benefits	21,103	21,679	-2.7
Total non-current liabilities	234,222	224,216	4.5
Trade and other payables	375,414	439,392	-14.6
Loans and borrowings	1,532,339	1,519,677	0.8
Current tax liabilities	78,547	67,026	17.2
Total current liabilities	1,986,300	2,026,095	-2.0
Total liabilities	2,220,522	2,250,311	-1.3
Total equity and liabilities	9,400,125	9,548,658	-1.6
Net assets per stock (sen)	1017.45	1026.49	-0.9

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 31 MARCH 2018

	Individual Quarter			Cumulative Quarters		
	Current Year Quarter 31 Mar 2018 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 2017 RM'000 (Unaudited)	Changes %	Current Year To Date (One quarter to 31 Mar 2018) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2017) RM'000 (Unaudited)	Changes %
Revenue	1,480,723	1,698,085	-12.8	1,480,723	1,698,085	-12.8
Results from operating activities	43,516	96,624	-55.0	43,516	96,624	-55.0
Finance costs	(3,532)	(2,652)	33.2	(3,532)	(2,652)	33.2
Share of profits after tax and non-controlling interest of associates	12,749	5,919	115.4	12,749	5,919	115.4
Profit before taxation	52,733	99,891	-47.2	52,733	99,891	-47.2
Income tax expenses	(26,279)	(32,759)	-19.8	(26,279)	(32,759)	-19.8
Profit from continuing operations	26,454	67,132	-60.6	26,454	67,132	-60.6
Other comprehensive (expense)/income, net of tax						
Foreign currency translation differences for foreign operations	(136,635)	77,285	-276.8	(136,635)	77,285	-276.8
Fair value of available-for-sale financial assets	(4,173)	945	-541.6	(4,173)	945	-541.6
Share of other comprehensive expense of equity accounted associates	-	(219)	100.0	-	(219)	100.0
Other comprehensive (expense)/ income for the period, net of tax	(140,808)	78,011	-280.5	(140,808)	78,011	-280.5
Total comprehensive (expense)/ income for the period	(114,354)	145,143	-178.8	(114,354)	145,143	-178.8
Profit attributable to:						
Stockholders of the Company	60,965	65,047	-6.3	60,965	65,047	-6.3
Non-controlling interests	(34,511)	2,085	-1755.2	(34,511)	2,085	-1755.2
Profit for the period	26,454	67,132	-60.6	26,454	67,132	-60.6
Total comprehensive income attributable to:						
Stockholders of the Company	(49,677)	137,121	-136.2	(49,677)	137,121	-136.2
Non-controlling interests	(64,677)	8,022	-906.2	(64,677)	8,022	-906.2
Total comprehensive (expense)/ income for the period	(114,354)	145,143	-178.8	(114,354)	145,143	-178.8
Weighted average number of stocks in issue ('000)	620,362	620,362		620,362	620,362	
Basic earnings per stock (sen) (based on the weighted average number of stocks of RM1 each)	9.83	10.49	-6.3	9.83	10.49	-6.3

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 31 MARCH 2018

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Mar 2018 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 2017 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 2018) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2017) RM'000 (Unaudited)
Included in the Total Comprehensive Income for the period are the followings :				
Interest income	(21,892)	(23,110)	(21,892)	(23,110)
Other income including investment income	(1,115)	(569)	(1,115)	(569)
Interest expense	3,532	2,652	3,532	2,652
Depreciation and amortisation	33,822	34,945	33,822	34,945
Bad debts recovered	(11)	(79)	(11)	(79)
Write down of inventories	174	-	174	-
Write off of property, plant and equipment	2	8	2	8
Loss on disposal of quoted/unquoted investments	406	48	406	48
Gain on disposal of property, plant and equipment	(505)	(1,052)	(505)	(1,052)
(Reversal of impairment loss)/Impairment loss on assets	(253)	235	(253)	235
Unrealised foreign exchange loss	98,637	43,916	98,637	43,916
Realised foreign exchange loss	1,164	939	1,164	939

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should be read in conjunction with, this interim financial report.

ORIENTAL HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018

	Attributable to stockholders of the Company											
		Non-distributable						Distributable				
	Share capital	**Capital reserve**	**Translation reserve**	**Fair value reserve**	**Capital redemption reserve**	**Asset revaluation reserve**	**Treasury stocks**	**Retained earnings**	**Capital reserve**	**Total**	**Non-controlling interests**	**Total equity**
In thousands of RM												
At 1 January 2017												
As previously stated	620,394	2,172	1,016,084	85,035	68	474	(249)	4,103,638	40,248	5,867,864	951,046	6,818,910
Effects on adoption of MFRSs	-	(2,172)	-	303,520	-	(474)	-	17,584	-	318,458	-	318,458
At 1 January 2017, restated	620,394	-	1,016,084	388,555	68	-	(249)	4,121,222	40,248	6,186,322	951,046	7,137,368
Foreign currency translation differences for foreign operations	-	-	71,697	-	-	-	-	-	-	71,697	5,588	77,285
Fair value of available-for-sale financial assets	-	-	-	596	-	-	-	-	-	596	349	945
Share of other comprehensive expense of equity accounted associates	-	-	-	(219)						(219)	-	(219)
Total other comprehensive income for the year	-	-	71,697	377	-	-	-	-	-	72,074	5,937	78,011
Profit for the year	-	-	-	-	-	-	-	65,047	-	65,047	2,085	67,132
Total comprehensive income for the year	-	-	71,697	377	-	-	-	65,047	-	137,121	8,022	145,143
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	33	33
Total contribution from owners	-	-	-	-	-	-	-	-	-	-	33	33
Transfer in accordance with Section 618(2) of the Companies Act 2016	68	-	-	-	(68)	-	-	-	-	-	-	-
At 31 March 2017	620,462	-	1,087,781	388,932	-	-	(249)	4,186,269	40,248	6,323,443	959,101	7,282,544

	Share capital	**Capital reserve**	**Translation reserve**	**Fair value reserve**	**Capital redemption reserve**	**Asset revaluation reserve**	**Treasury stocks**	**Retained earnings**	**Capital reserve**	**Total**	**Non-controlling interests**	**Total equity**
In thousands of RM												
At 1 January 2018												
As previously stated	620,462	2,172	895,976	123,889	-	474	(249)	4,373,753	40,248	6,056,725	930,060	6,986,785
Effects on adoption of MFRSs	-	(2,172)	-	304,401	-	(474)	-	9,807	-	311,562	-	311,562
At 1 January 2018, restated	620,462	-	895,976	428,290	-	-	(249)	4,383,560	40,248	6,368,287	930,060	7,298,347
Foreign currency translation differences for foreign operations	-	-	(108,681)	-	-	-	-	-	-	(108,681)	(27,954)	(136,635)
Fair value of available-for-sale financial assets	-	-	-	(1,961)	-	-	-	-	-	(1,961)	(2,212)	(4,173)
Total other comprehensive expense for the year	-	-	(108,681)	(1,961)	-	-	-	-	-	(110,642)	(30,166)	(140,808)
Profit/(Loss) for the year	-	-	-	-	-	-	-	60,965	-	60,965	(34,511)	26,454
Total comprehensive (expense)/income for the year	-	-	(108,681)	(1,961)	-	-	-	60,965	-	(49,677)	(64,677)	(114,354)
Acquisition of interest in existing subsidiaries	-	-	-	-	-	-	-	(6,431)	-	(6,431)	2,041	(4,390)
Total distribution to owners	-	-	-	-	-	-	-	(6,431)	-	(6,431)	2,041	(4,390)
At 31 March 2018	620,462	-	787,295	426,329	-	-	(249)	4,438,094	40,248	6,312,179	867,424	7,179,603

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.

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 CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2018

	Current Year To Date (One quarter to 31 Mar 2018) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2017) RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	52,733	99,891
Adjustments for:		
Non-cash items	126,227	80,474
Non-operating items	(32,324)	(27,951)
Operating profit before working capital changes	146,636	152,414
Changes in working capital	(125,884)	55,431
Cash flow from operating activities	20,752	207,845
Dividend received, net	1,666	505
Tax paid	4,630	(14,768)
Interest paid	(2,431)	(1,425)
Payment of retirement benefits	(43)	(101)
Net cash flows from operating activities	24,574	192,056
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(36,213)	(49,305)
Purchase of investments	(9,255)	(76,698)
Proceeds from disposal of investments	20,269	20,656
Interest received	17,052	18,031
Additions of deferred expenditure	(11)	(14)
Acquisition of interest in existing subsidiaries	(4,390)	-
Decrease/(Increase) in short term investments, net	58,261	(136,536)
Net cash flows from/(used in) investing activities	45,713	(223,866)

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Current Year To Date (One quarter to 31 Mar 2018) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 2017) RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	(3,438)	86,939
Fixed deposits pledged for banking facilities	25,581	11,811
Net cash flows from financing activities	22,143	98,750
Net increase in cash and cash equivalents	92,430	66,940
Cash and cash equivalents at 1 January	2,375,587	2,192,937
Effects of exchange rates on cash and cash equivalents	(117,899)	36,463
Cash and cash equivalents at 31 March (Note 1)	2,350,118	2,296,340

NOTE

		RM'000	RM'000
1	Cash and cash equivalents consist of: -		
	Cash and bank balances	1,009,727	1,082,394
	Fixed deposits	1,867,231	1,785,392
	Unit trust money market funds	112,593	44,238
		2,989,551	2,912,024
	Less:		
	Deposits pledged	(639,433)	(615,684)
		2,350,118	2,296,340

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

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2018

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MFRS 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 2017. 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 2017.

The financial statements of the Group for the financial period ended 31 March 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS') Framework. The date of transition to the MFRS Framework was on 1 January 2017.

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 2017 except for the adoption of the following new and revised MFRSs, IC Interpretations and Amendments which are effective from the annual period on or after 1 January 2018. The changes in accounting policies ae also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018. The adoption of these standards, amendments and interpretations has no material impact to these interim financial statements, other than as disclosed below:

(i) MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*

a) <u>Deemed cost of property, plant and equipment</u>
In the prior years, land and buildings of the Company was measured at revalued amount. The revaluation of the land and buildings was done in 1978 as part of a restructuring event in that year. The Group availed the transitional provisions issued by the Malaysian Accounting Standards Board to have the 1978 revalued assets of land and buildings continue to be stated at their existing carrying amounts less accumulated depreciation. As permitted in MFRS 1, the Company has treated the revalued amount at the date of transition as the deemed cost of the land and buildings. The related revaluation reserve of the previous revaluation has been transferred to retained earnings at the date of transition.

(ii) MFRS 9, *Financial Instruments*

On the adoption of MFRS 9, the Group assessed the financial assets and liabilities for the classification and measurement, impairment and hedge accounting. In respect of impairment of financial assets, MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments. During the current financial quarter ended, the Group is currently measuring the unquoted other investments to be stated at fair value. The change in accounting policies is limited to reclassification of fair valuing unquoted other investments, and thus, the change will not impact comprehensive income or equity.

1. Basis of Preparation (Cont'd)

(iii) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers, MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customers.

Upon adoption of MFRS 15, the Group recognises the revenue from contracts with customers when or as the Group transfers goods or services to a customer, measured at the amount to which the Group expects to be entitled, according to the term and condition stipulated in the contracts with customers. Depending on whether certain criteria are met, revenue is recognised over time, in a manner that depicts the Group's performance; or at a point in time, when control of the goods or services is transferred to the customers. The adoption of this new MFRS 15 have not resulted in any significant impact on the financial statements of the Group except for the following area:

a) Property development

The Group is in the business developing residential and commercial properties. The Group used to recognise revenue from the sale of development properties under construction using the completion method. Under MFRS 15, performance obligations are for the sale of development properties are satisfied over time where the Group is restricted contractually from directing the properties for alternative use as they are being developed and has an enforceable right to payment for performance completed to date. Accordingly, the revenue used to recognise using the completed contract method is adjusted upon adoption of MFRS 15 to recognise the revenue over time.

(iv) MFRS 141, *Agriculture*

a) Bearer plants

The amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116. After initial recognition, bearer plants will now be measured under MFRS 116 at accumulated cost (before maturity) and the cost model (after maturity).

b) Biological assets

Prior to the adoption of the Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, biological assets which form part of the bearer plants were not recognised. With the adoption of the Amendments to MFRS 116 and MFRS 141, the biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The changes in fair vale less costs to sell of the biological assets was recognised in profit or loss.

1. Basis of Preparation (Cont'd)

In summary, impact of MFRS 1, 9, 15 and 141 adoptions are as follows:

i) Reconciliation of equity as at 31 December 2017

	Previously reported under FRSs RM'000	Effects of adoption of MFRSs RM'000	Reported under MFRSs RM'000
Assets			
Property, plant and equipment	1,529,816	688,862	2,218,678
Biological assets (non-current)	688,862	(688,862)	-
Other investments	393,234	315,796	709,030
Inventories	304,247	(2,110)	302,137
Biological assets (current)	-	8,527	8,527
Contract assets	-	2,838	2,838
Impact to assets	2,916,159	325,051	3,241,210
Total equity and liabilities			
Reserves	1,062,759	301,755	1,364,514
Retained earnings	4,373,753	9,807	4,383,560
Deferred tax liabilities	31,921	19,059	50,980
Provisions	88,317	(88,317)	-
Deferred income	4,727	84,668	89,395
Trade and other payables	441,313	(1,921)	439,392
Impact to equity and liabilities	6,002,790	325,051	6,327,841

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2018 (Cont'd)

1. Basis of Preparation (Cont'd)

Impact of MFRS 1, 9, 15 and 141 adoptions are as follows (cont'd):

ii) Reconciliation of equity as at 1 January 2017

	Previously reported under FRSs RM'000	Effects of adoption of MFRSs RM'000	Reported under MFRSs RM'000
Assets			
Property, plant and equipment	1,554,711	690,041	2,244,752
Biological assets (non-current)	690,041	(690,041)	-
Other investments	344,806	315,796	660,602
Inventories	490,772	(629)	490,143
Biological assets (current)	-	17,134	17,134
Contract assets	-	835	835
Impact to assets	3,080,330	333,136	3,413,466
Total equity and liabilities			
Reserves	1,144,081	300,874	1,444,955
Retained earnings	4,103,638	17,584	4,121,222
Deferred tax liabilities	31,617	17,258	48,875
Provisions	73,422	(73,422)	-
Deferred income	4,890	71,033	75,923
Trade and other payables	469,611	(191)	469,420
Impact to equity and liabilities	5,827,259	333,136	6,160,395

iii) The impact of the adjustments on the initial application of the adoption of the MFRS 1, 9, 15 and 141 do not have a significant impact on profit for the period ended 31 March 2017 of the Group.

1. Basis of Preparation (Cont'd)

MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayments Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlements*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

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 except as mentioned below:

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, Operating Leases – *Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

1. Basis of Preparation (Cont'd)

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

2. Auditors' Qualification

Not applicable. No qualification on the audit report of the preceding annual financial statements of Oriental Holdings Berhad.

3. Seasonal 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 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 on 6 April 2018.

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 March 2018											
Revenue from external customers	1,100,222	49,839	79,319	149,987	2,475	76,091	22,790	1,480,723	-		1,480,723
Inter-segment revenue	15	2	109	-	-	45	-	171	(171)		-
Total revenue	1,100,237	49,841	79,428	149,987	2,475	76,136	22,790	1,480,894	(171)		1,480,723
Results											
Segment profit/ (loss)	80,971	(1,134)	18,678	(40,643)	(15,197)	3,192	(2,351)	43,516	9,217	**A**	52,733
Assets											
Segment assets	3,171,805	384,541	1,071,227	2,095,382	760,779	1,028,560	220,811	8,733,105	667,020	**B**	9,400,125

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 March 2017											
Revenue from external customers	1,297,861	43,507	78,125	178,417	1,822	82,831	15,522	1,698,085	-		1,698,085
Inter-segment revenue	208	74	-	-	-	114	-	396	(396)		-
Total revenue	1,298,069	43,581	78,125	178,417	1,822	82,945	15,522	1,698,481	(396)		1,698,085
Results											
Segment profit/ (loss)	61,651	(2,086)	16,896	32,122	(14,877)	8,270	(5,352)	96,624	3,267	**A**	99,891
Assets											
Segment assets	3,217,065	412,891	1,038,981	2,276,160	382,275	916,123	232,147	8,475,642	666,054	**B**	9,141,696

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 March 2018	31 March 2017
	RM'000	RM'000
Share of results of associates	12,749	5,919
Finance costs	(3,532)	(2,652)
	9,217	3,267

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

	31 March 2018	31 March 2017
	RM'000	RM'000
Investment in associates	600,923	600,406
Current tax assets	14,289	27,171
Deferred tax assets	51,808	38,477
	667,020	666,054

9. 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.

10. 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) 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.

(ii) 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 Berhad ("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.

(iii) 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.

(iv) 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.

11. 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.

12. Review of Group's Performance

Overall Review

The Group recorded year to date revenue of RM 1,480.7 million, a decrease of 12.8% or RM 217.4 million as compared to RM 1,698.1 million in the corresponding period last year. The decline in revenue was mainly attributable to lower contribution by the automotive segment by RM 197.6 million as a result of decrease in number of cars sold especially retail operations in Singapore. Group's operating profits declined by RM 53.1 million was mainly impacted by the higher unfavourable realised and unrealised foreign exchange loss mainly due to depreciation of RM/IDR against JPY borrowings (Q1FY18 : RM 99.8 million; Q1FY17 : RM 44.9 million) especially from the plantation segment.

The Group achieved first quarter profit before tax of RM 52.7 million, a 47.2% or RM 47.2 million lower as compared to RM 99.9 million in the corresponding period last year. The lower first quarter profit before tax was mainly attributable to lower contribution from plantation and investment properties and trading of building material products segment as described below.

Segmental Analysis

Performances for each operating segment are as follows:-

The revenue for the automotive segment decreased by 15.2% to RM 1,100.2 million while operating profit increased by 31.3% to RM 81.0 million.

For the retail operations in Singapore, revenue decreased by 21.2% in line with number of cars sold decreased by 21.3%. Despite lower revenue generated, operating profit increased by 31.3% in 2018 due to improvement in gross profit margin. For the retail operations in Malaysia, sales units decreased by 8.2% impacted by intense competition from other dealers and no new/facelift models being launched.

The revenue for plantation segment decreased by 15.9% while recorded an operating loss of RM 40.6 million as compared to operating profit of RM 32.1 million in corresponding period last year. The overall decline in revenue and performance of plantation were impacted by the decrease in commodities selling prices compared to Q1FY17 (CPO decreased by 25.6%; PK decreased by 35.6% and FFB decreased by 21.8%) and unrealised foreign exchange loss (Q1FY18 : RM 78.6 million; Q1FY17 : RM 32.6 million).

Plastic segment has shown improvement in both revenue and performance in 2018 compared to corresponding period last year. The revenue for the segment increased by 14.6% while recorded lower operating loss of RM 1.1 million (operating loss Q1FY17 : RM 2.1 million) attributable to increase in orders particularly from its automotive products and better cost management.

Slight increase in hospitality segment revenue and operating profit by RM 1.2 million (1.5%) and RM 1.8 million (10.6%) respectively. Both revenue and operating profit were driven by the improvement in overall average occupancy rate for hotels especially from Australia and New Zealand hotels.

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

The revenue for investment holding segment increased by 35.8% attributable to higher dividend income from other investment. Operating loss has increased slightly by 2.2% (Q1FY18 : RM 15.2 million; Q1FY17 : RM 14.9 million) attributable to higher unrealised foreign exchange loss on JPY denominated borrowings (Q1FY18 : RM 15.6 million; Q1FY17 : RM 14.7 million).

The revenue and operating profit for investment properties and trading of building material products segment decreased by 8.1% and 61.4% (Q1FY18 : RM 3.2 million; Q1FY17 : RM 8.3 million) respectively. Decrease in revenue and operating profit were attributable to lower sales volume and net selling prices in the depressed property market.

Healthcare segment's revenue improved by 46.8% with increasing patient load especially for outpatients but remained at operating loss of RM 2.4 million (2017 : RM 5.4 million) due to high fixed operating cost (ie staff costs and depreciation) since its commencement in January 2015.

13. 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 first quarter of 2018 was RM 1,480.7 million, a decrease of RM 246.9 million or 14.3% from RM 1,727.6 million in Q4FY17, attributable to lower contribution from automotive segment with lower number of cars sold especially for the retail operations in Malaysia. Decrease in the Group's operating profits by RM 106.7 million (Q1FY18 : RM 43.5 million; Q4FY17 : RM 150.2 million) was mainly due to unfavourable unrealised foreign exchange loss in Q1FY18 of RM 98.6 million (Q4FY17 : RM 8.8 million).

The Group's profit before tax for the first quarter of 2018 decreased from RM 144.1 million in Q4FY17 to RM 52.7 million in current quarter. The lower profit before tax was mainly attributable by the decline in performance from plantation and investment holding segment.

Segmental Analysis

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

Revenue from automotive segment decreased by 16.9% to RM 1,100.2 million and recorded an increase in operating profit of RM 81.0 million (Q4FY17 : RM 74.0 million). Revenue for retail operation decreased by 17.7% mainly due to lower number of cars sold especially from retail operations in Malaysia. Despite lower revenue generated, operating profit increased by 9.5% due to improvement in performance from retail operations as incurred lower unrealised foreign exchange loss mainly from fixed deposits in AUD and NZD.

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

Revenue from plantation segment decreased by 6.7% (Q1FY18 : RM 150.0 million ; Q4FY17 : RM 160.8 million) while recorded operating loss of RM 40.6 million in Q1FY18 (Q4FY17 operating profit : RM 36.7 million). Lower revenue for the quarter was mainly due to decrease in FFB production by 16.1% and decrease in commodities selling prices (CPO decreased by 8.6%; PK decreased by 17.3% and FFB decreased by 8.3%). The segment registered an operating loss impacted mainly from the foreign exchange loss on the JPY borrowings (Q1FY18 : RM 78.6 million; Q4FY17 : RM 1.6 million) due to strengthening of JPY.

Revenue for plastic segment decreased slightly by 5.1% to RM 49.8 million (Q4FY17 : RM 52.5 million) and recorded operating loss of RM 1.1 million (operating profit Q4FY17 : RM 2.0 million). Plastic segment has been operating under competitive environment with marginal profit leading to decline in segment performance.

Revenue for hospitality segment decreased slightly by 3.4% (Q1FY18 : RM 79.3 million; Q4FY17 : RM 82.1 million) and recorded lower operating profit by 19.7% (Q1FY18 : RM 18.7 million; Q4FY17 : RM 23.3 million). Both revenue and operating profit decreased attributable to the decreased in hotels' average occupancy rate especially for Australia hotels.

Revenue for investment holding segment decreased by 91.0% and recorded an operating loss of RM 15.2 million (operating profit Q4FY17 : RM 17.8 million). Lower revenue was due to lower dividend income received from other investment while the segment's operating loss was further driven by the unrealised foreign exchange loss from JPY denominated borrowings.

Revenue for investment properties and trading of building material products segment decreased by 5.4% mainly due to lower sales volume and net selling prices. The segment has turnaround from operating loss of RM 0.4 million in Q4FY17 to operating profit of RM 3.2 million mainly due to favourable unrealised foreign exchange gain from USD denominated advances.

Healthcare segment recorded improvement in revenue mainly from increasing patient load. Despite increase in revenue, the segment remained at operating loss of RM 2.4 million (Q4FY17: RM 3.2 million) as a result of high fixed operating costs due to still in pre-development stage from its fourth year commencement since January 2015.

14. 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.

14. Current Year Prospects (Cont'd)

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 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.

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.

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.

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

Not Applicable.

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 18 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 17 RM'000 (Unaudited)	Current Year To date 31 Mar 18 RM'000 (Unaudited)	Preceding Year To date 31 Mar 17 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	3,046	4,213	3,046	4,213
- Over provision in respect of prior period	(278)	(278)	(278)	(278)
	2,768	3,935	2,768	3,935
Foreign taxation				
- Based on profit for the period	22,977	27,775	22,977	27,775
	25,745	31,710	25,745	31,710
Deferred taxation				
- Current period	(68)	(256)	(68)	(256)
- Under provision in respect of prior period	602	1,305	602	1,305
	534	1,049	534	1,049
	26,279	32,759	26,279	32,759

17. 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.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2018 (Cont'd)

18. Group Borrowings

	Interest rate %	Ringgit	← Borrowings denominated in Foreign Currencies →		
			Source Currency	RM Equivalent	Total
Short Term		RM'000		RM'000	RM'000
		I		II	I + II
Finance lease obligations	2.5 - 2.9	5,122	-	-	5,122
Borrowings – secured					
-Revolving credit	0.4 - 1.5	-	JPY 21.995 billion	797,625	797,625
	2.9		SGD 0.026 billion	75,541	75,541
				873,166	873,166
-Term loans– secured	2.7	-	SGD 0.001 billion	1,727	1,727
	3.0		THB 0.012 billion	1,486	1,486
				3,213	3,213
Borrowings – unsecured					
-Bankers acceptance	4.1 - 4.6	30,421	-	-	30,421
-Revolving credit	0.4 - 1.5	-	JPY 17.100 billion	620,417	620,417
		35,543		1,496,796	1,532,339
Long Term					
Finance lease obligations	2.5 - 2.9	8,660	-	-	8,660
Term loans – secured	2.7	-	SGD 0.014 billion	43,002	43,002
	3.0		THB 0.064 billion	7,927	7,927
				50,929	50,929
		8,660		50,929	59,589
Total Borrowings		**44,203**		**1,547,725**	**1,591,928**

19. Trade receivables

The ageing analysis of trade receivables (included under trade and other receivables category) as at 31 March 2018 is as follows:

	RM'000	%
Not past due	243,338	86.9
Past due < 3 months	26,291	9.4
Past due 3-6 months	7,261	2.6
Past due 6-12 months	1,555	0.5
Past due more than 1 year	1,664	0.6
	280,109	100.0

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.

20. Changes in Material Litigations

Not applicable.

21. Dividend Proposed

The Board of Directors proposed a final single tier dividend of 28 sen per ordinary stock (a final single tier dividend of 8 sen per ordinary stock and special final single tier dividend of 20 sen per ordinary stock) totalling RM173,701,312 in respect of the financial year ended 31 December 2017, subject to the approval of the stockholders at the forthcoming Annual General Meeting.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
31 MARCH 2018 (Cont'd)

22. Basic Earnings per Stock

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Mar 18 RM'000 (Unaudited)	Preceding Year Quarter 31 Mar 17 RM'000 (Unaudited)	Current Year To Date (One quarter to 31 Mar 18) RM'000 (Unaudited)	Preceding Year To Date (One quarter to 31 Mar 17) RM'000 (Unaudited)
Net profit for the period attributable to Stockholders of the Company (RM'000)	60,965	65,047	60,965	65,047
Weighted average number of stocks in issue ('000)	620,362	620,362	620,362	620,362
Basic earnings per stock (sen)	9.83	10.49	9.83	10.49

By Order of the Board

ONG TZE-EN
Company Secretary

DATED THIS 30 MAY 2018