

ORIENTAL HOLDINGS BERHAD [Registration No. 196301000446 (5286U)]

Stock Name : ORIENT

Type : TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)

Subject : PROPOSED FINANCIAL ASSISTANCE

1. INTRODUCTION

1.1 Oriental Holdings Berhad (“OHB”) wishes to announce that PT Gunung Maras Lestari (“GML”) and PT Gunungsawit Binalestari (“GSBL”) intend to advance RM200 million, in stages to its related companies, PT Gunung Sawit Selatan Lestari (“GSSL”), PT Pratama Palm Abadi (“PPA”) and PT Dapo Agro Makmur (“DAM”), PT Sumatra Sawit Lestari (“SSL”) and PT Surya Agro Persada (“SAP”) (“Proposed Advances”) to pay off loan from financial institutions and for working capital purpose.

2. INFORMATION ON GML, GSBL, GSSL, PPA, DAM, SSL, SAP, ORIENTAL BOON SIEW (MAURITIUS) PTE LTD (“OBSM”), OBS (SINGAPORE) PTE LTD (“OBSS”) AND OAM ASIA (SINGAPORE) PTE LTD (“OAMS”)

2.1 GML, a limited liability company, duly incorporated under the laws of the Republic of Indonesia, having its domicile in Bangka, Jakarta, Republic of Indonesia. GML was incorporated on 13 August 1994. GML is engaged in oil palm plantation. Its present issued share capital is IDR6 Billion. It is a 92.5% subsidiary of Selasih Permata Sdn Bhd (a wholly-owned subsidiary of OHB) and 7.5% owned by Karli Boenjamin, an Indonesian citizen. The Directors of GML are Dato’ Seri Lim Su Tong, Karli Boenjamin, Datin Loh Ean, Chan Kuang, Wong Tet Look, Yeap Tzu Tsing and Dato’ Syed Mohamad Bin Syed Murtaza while the Commissioners are Dato’ Sri Datuk Wira Tan Hui Jing and Ruddy Samuel.

2.2 GSBL, a limited liability company, duly incorporated under the laws of the Republic of Indonesia, having its domicile in Bangka, Jakarta, Republic of Indonesia. GSBL was incorporated on 17 February 1995. GSBL is engaged in oil palm plantation. Its present issued share capital is IDR7 Billion. It is a 92.5% subsidiary of Selasih Permata Sdn Bhd (a wholly-owned subsidiary of OHB) and 7.5% owned by Karli Boenjamin, an Indonesian citizen. The Directors of GSBL are Dato’ Seri Lim Su Tong, Karli Boenjamin, Datin Loh Ean, Chan Kuang, Wong Tet Look, Yaep Chin Yee and Dato’ Syed Mohamad Bin Syed Murtaza while the Commissioners are Dato’ Sri Datuk Wira Tan Hui Jing and Ruddy Samuel.

2.3 GSSL, a limited liability company, is duly organized and existing under the laws of the Republic of Indonesia, having its domicile in Lubuk Linggau, South Sumatra, Republic of Indonesia. GSSL was incorporated on 1 June 2010. Its present issued share capital is IDR15 Billion.

2.4 PPA, a limited liability company, duly organised and existing under the laws of the Republic of Indonesia, having its domicile in Lubuk Linggau, South Sumatra, Republic of Indonesia. PPA was incorporated on 21 May 2010. Its present issued share capital is IDR12 Billion.

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- 2.5 DAM, a limited liability company, duly organised and existing under the laws of the Republic of Indonesia, having its domicile in Lubuk Linggau, South Sumatra, Republic of Indonesia. DAM was incorporated on 14 August 2008. Its present issued share capital is IDR8 Billion.
- 2.6 SSL, a limited liability company, duly organised and existing under the laws of the Republic of Indonesia, having its domicile in Lubuk Linggau, South Sumatra, Republic of Indonesia. SSL was incorporated on 28 December 2012. Its present issued share capital is IDR10 Billion.
- 2.7 SAP, a limited liability company, duly organised and existing under the laws of the Republic of Indonesia, having its domicile in Lubuk Linggau, South Sumatra, Republic of Indonesia. SAP was incorporated on 23 November 2007. Its present issued share capital is IDR16.375 Billion.
- 2.8 GSSL, PPA, DAM, SSL and SAP are engaged in oil palm plantation. GSSL, PPA, DAM and SSL are respectively owned 90% by OBSS whilst SAP is owned 90% by OAMS. The remaining 10% in GSSL, PPA and DAM are held directly by Karli Boenjamin, an Indonesian citizen whilst he holds indirect 10% in SSL and SAP via a company which he is a director and major shareholder. The Directors of these five respective companies are Dato' Seri Lim Su Tong, Karli Boenjamin, Datin Loh Ean, Datuk Loh Kian Chong, Wong Tet Look, Yeap Tzu Tsing, Yaep Chin Yee and Oon Leong Lye while the Commissioners are Dato' Sri Datuk Wira Tan Hui Jing and Andri Boenjamin.
- 2.9 OBSM, a limited liability company, is duly organized and existing under the laws of Mauritius. OBSM was incorporated on 11 September 2001. Its present issued share capital is USD8 million. The principal activities of OBSM are investment holding and granting of loans. OBSM is a wholly-owned subsidiary of OHB. The Directors are Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, CMJA(UK), Dato' Sri Datuk Wira Tan Hui Jing, Dato' Lim Kean Seng, Sharmil Dhanraj Shah, Georges Valery Magon while the alternate Directors are Wong Tet Look and Dato' Seri Lim Su Tong.
- 2.10 OBSS, a limited liability company, was incorporated in Singapore on 8 March 2007. The present issued share capital of OBSS is SGD100,000. The principal activities of OBSS are investment holding and granting of loans. OBSS is a wholly owned subsidiary of OBSM. The Directors are Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, CMJA(UK), Dato' Lim Kean Seng, Dato' Sri Datuk Wira Tan Hui Jing and Tan Cheng Shun while the alternate Directors are Dato' Seri Lim Su Tong, Tan Kheng Hwee and Wong Tet Look.

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- 2.11 OAMS, a limited liability company, was incorporated in Singapore on 6 March 2012. The present issued share capital of OAMS is SGD5,284,000 and AUD29,589,986 and its principal activity is investment holding. OAMS is a wholly owned subsidiary of OBSM. The Directors are Datuk Loh Kian Chong, Dato' Lim Kean Seng and Tan Cheng Shun while the alternate Directors are Dato' Seri Lim Su Tong and Wong Tet Look.
- 2.12 Selasih Permata Sdn Bhd was incorporated in Malaysia on 12 April 1993. The present issued share capital of Selasih Permata Sdn Bhd is RM70,675,000 and its principal activity is investment holding. The Directors are Datuk Loh Kian Chong, Dato' Seri Lim Su Tong, Dato' Robert Wong Lum Kong, DSSA, JP, CMJA(UK), Tan Kheng Hwee, Dato' Sri Datuk Wira Tan Hui Jing and Wong Tet Look while the alternate Directors are Datin Loh Ean and Lim Ee Hean.
- 2.13 Selasih Permata Sdn Bhd and OBSM are both wholly-owned subsidiaries of OHB now, following the acquisition by OHB on 25 September 2023 of the remaining 49.5% equity interest owned by Boon Siew Sdn Bhd ("BSSB"), a major stockholder of OHB. BSSB is a major shareholder of Selasih Permata Sdn Bhd and OBSM within the preceding 6-month from 25 September 2023.

3. RATIONALE FOR THE PROPOSED ADVANCES

- 3.1 The Proposed Advances is funded from the internal reserve of GML and GSBL. The Proposed Advances will facilitate efficient fund management within the Plantation segment and improve shareholders' wealth with the progressive repayment of borrowings to minimise high-cost borrowings and for working capital. Essentially, OHB Group is able to utilise its cash reserves to provide funding to the benefits of its subsidiaries at competitive rates whilst still generating a reasonable income.

4. FINANCIAL EFFECTS OF PROPOSED ADVANCES

- 4.1 The Proposed Advances will not have any effects on the issued share capital and substantial stockholders' stockholding of OHB. The transaction is not expected to have any material impact on Group's earnings, net assets and gearing of OHB for the financial year ending 31 December 2024.
- 4.2 The highest percentage ratio applicable to the transaction as per paragraph 10.02(g) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") is 2.87% based on the latest consolidated financial statements of OHB for financial year ended 31 December 2022.

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5. SALIENT TERMS OF THE AGREEMENT

5.1 No formal agreement has been entered into. The parties, namely, GML, GSBL, GSSL, PPA, DAM and SAP will exchange letters to formalize the Proposed Advances.

6. APPROVAL OF SHAREHOLDERS AND RELEVANT GOVERNMENT AUTHORITIES

6.1 The Proposed Advances is not subject to approval of any relevant regulatory authorities or the Company's stockholders.

7. INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH DIRECTORS OR MAJOR SHAREHOLDERS

7.1 None of the Directors and / or major stockholders and / or person connected with a Director or major stockholder have any interest, direct or indirect, in the Proposed Advances, save as disclosed below:

- (1) BSSB is a major stockholder of OHB holding 44.3% in the Company. BSSB is a major shareholder within 6-month before the transfer of shares in SPSB and OBSM.
- (2) The Directors, namely, Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, CMJA(UK), Dato' Seri Lim Su Tong, Ms Tan Kheng Hwee and Dato' Sri Datuk Wira Tan Hui Jing are indirect major shareholders of BSSB via their respective family companies.
- (3) Karli Boenjamin, a Director and substantial shareholder of 7.5% of GML and GSBL. He is also a Director and major shareholder of 10% in GSSL, PPA, DAM whilst a Director and indirect major shareholder of 10% in SSL and SAP.

(collective referred to as "Interested Directors")

7.2 The Interested Directors have abstained from deliberation and voting on the Proposed Advances at respective Board levels.

8. RISKS FACTORS

8.1 The Board does not envisage any specific risk associated with the Proposed Advances, as the Board is of the view that, barring any unforeseen circumstances, the respective subsidiaries will be able to service their obligations as and when these fall due.

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9. STATEMENT BY THE AUDIT COMMITTEE AND BOARD OF DIRECTORS

9.1 The Audit Committee formed the view that the Proposed Advances is in the best interest of the Group, fair, reasonable and not detrimental to the interest of the minority shareholders.

9.2 The Audit Committee and Board of Directors (save and except for the Interested Directors of OHB) are of the opinion that the Proposed Advances is in the best interest of the Company as the Group would be utilising its own cash resources to reduce the borrowings of GSSL, PPA, DAM, SSL and SAP resulting also in interest savings for the Group.

10. TOTAL AMOUNT TRANSACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING TWLEVE (12) MONTHS

10.1 There is no amount transacted which involved the interest of the same related parties for the preceding last 12 months.

This announcement is dated 4 March 2024.