

# ORIENTAL HOLDINGS BERHAD

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

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

1. **Group's Accounting Policies**

There are no changes in the Group's accounting policies and methods of computations used in this quarterly financial statements as compared with the most recent annual financial statements.

2. **Exceptional Items**

There were no exceptional items for the financial periods under review

3. **Extraordinary Items**

There were no extraordinary items for the financial periods under review.

4. **Taxation**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Sep 00 <b>RM'000</b>	Preceding Year Quarter 30 Sep 99 <b>RM'000</b>	Current Year To Date 30 Sep 00 <b>RM'000</b>	Preceding Year To Date 30 Sep 99 <b>RM'000</b>
Current taxation				
Malaysian taxation				
- Based on profit for the period	10,406	118	34,765	248
- Under provision in respect of prior period	-	671	191	810
	10,406	789	34,956	1,058
Foreign taxation based on the profit for the period	9,601	5,209	16,093	12,692
	<u>20,007</u>	<u>5,998</u>	<u>51,049</u>	<u>13,750</u>
Deferred taxation				
- Over provision in respect of prior period	-	(88)	-	(88)
On share of results of associated companies	2,254	423	4,414	1,147
	<u>22,261</u>	<u>6,333</u>	<u>55,463</u>	<u>14,809</u>

The tax charge for the current quarter as well as nine months ended 30 September 2000 is higher compared to the same corresponding period as 1999 was a tax waiver year in respect of the Group's business income earned in Malaysia.

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### 5. Pre-acquisition Profit

There were no pre-acquisition profits for the current financial year to date.

### 6. Profit on sale of investments and/or properties

There were no profits on sale of investments and/or properties for the current financial year to date.

### 7. Quoted Shares

(a) There were no material purchases or disposals of quoted shares for the current financial year to date other than as disclosed in (b) below.

(b) Total investments in quoted shares

	30 Sep 2000 RM'000
Quoted shares in Malaysia	
At cost	7,599
Less : Provision for diminution in value of investment	(571)
	<u>7,028</u>
Quoted shares outside Malaysia	
At cost	
Balance at 1 January 2000	9,706
Purchases during the period	17,583
Disposals during the period	(617)
	26,672
Less : Provision for diminution in value of investment	(1,153)
	<u>25,519</u>
Market value of quoted investments	<u>32,960</u>

### 8. Changes in Composition of the Group

There were no significant changes in the composition of the Group during the current financial year to date.

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9. **Status of Corporate Proposals**

There were no corporate proposals that have been announced by the Company but not completed as at the date of this announcement except for the following :

- (i) The Company has proposed to issue Bonus Shares of 193,923,072 to be credited as fully paid-up on the basis of **Three (3)** new stocks for every **Five (5)** existing stocks held on the issued and paid-up share capital of 323,205,120 stocks ("Proposed Bonus Issue").

The Proposed Bonus Issue is to be effected by capitalising an amount of RM193,863,072 (after deducting the Treasury Stocks of 100,000 ordinary stocks) from the Unappropriated Profits Account.

The new stocks to be issued pursuant to the Proposed Bonus Issue shall, upon allotment and issue, rank pari passu in all respects with the existing issued and paid-up stocks of OHB except that they shall not be entitled to any dividend or distribution that may be declared prior to the date of allotment.

The stockholders of OHB had approved the Proposed Bonus Issue at an Extraordinary General Meeting held on 3 October 2000.

The entitlement date on 6 November 2000 for the Proposed Bonus Issue was fixed by the Board of Directors of OHB and the allotment date shall fall on 1 December 2000.

- (ii) Stock Buy-Back which was approved by the stockholders during the Extraordinary General Meeting held on 12 June 2000 for the buy-back of up to 10% or up to 32,320,215 ordinary stock of the existing issued and paid-up share capital, in line with the new Section 67A of the Companies Act, 1965. As at to-date, the Company has repurchased 100,000 of its issued share capital from the open market. The average price paid for the stocks repurchased was RM7.84 per stock. The repurchase transactions were financed by internally generated funds. The stocks repurchased are being held as treasury stocks in accordance with the requirement of Section 67A of the Companies Act, 1965.

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### 10. 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.

### 11. Equity Structure

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 year to date other than as disclosed in Note 9 (ii) above.

### 12. Group Borrowings

	Borrowings denominated in			Total RM'000
	Ringgit RM'000	← Foreign Currencies Currency	→ RM Equivalent RM'000	
	I		II	I + II
Long term borrowings, secured				
<i>Analysis of repayment</i>				
Between 2 - 5 years	-	NZD 1.3 million	2,027	2,027
Short term borrowings				
<i>Unsecured</i>				
Bank overdrafts	10,426			10,426
Short term loans	-	USD5.3 million	21,114	21,114
Other borrowings	1,782			
		JPY6.1 billion	192,435	194,217
		Rp106.6 billion	42,660	42,660
	-	AUD30.4 million	62,624	62,624
			297,719	299,501
	12,208		318,833	331,041

The borrowings denominated in foreign currencies are in respect of borrowings obtained by the Group's foreign subsidiaries/operations.

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**13. Contingent Liabilities**

The Company has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiary companies up to a limit of RM556.1 million of which RM263.5 million were utilised as at 30 September 2000.

The Company has also issued a corporate guarantee to a non-financial institution for supply of goods and services provided to a subsidiary company up to a limit of RM19.0 million of which RM2.6 million were utilised as at 30 September 2000.

**14. Off Balance Sheet Financial Instruments**

As at 30 September 2000, one of the Group's foreign operations entered into a cross currency principal and interest rate swaps with principal amounts of A\$12.5 million/JPY1.09 billion. The settlement of the principal amount are on an equal quarterly instalment basis commencing 28 September 1999 and the final instalment is due on 28 June 2001.

Accounting Policy

Transactions in off balance sheet financial instruments including cross currency principal and interest rate swaps are valued at market prices at the balance sheet date. The resultant profits and losses are taken up in the profit and loss account.

**15. Material Litigation**

Neither the Company nor any of its subsidiaries are engaged in any material litigation, either as plaintiff or defendant and the Directors are not aware of any proceedings pending or threatened, against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company or any of its subsidiaries, financially or otherwise.

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## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

### 16. Segmental Reporting

*Financial data by industry segment  
for the Group*

	Current Period To Date 30 Sep 2000		As at 30 Sep 2000
	Turnover RM'000	Profit Before Taxation RM'000	Gross Assets Employed RM'000
Motor assembling and distribution, manufacturing and trading	1,947,015	154,881	1,341,269
Hotels, resorts, property development and plantation	105,102	(7,794)	715,748
Financial services, investment holding and others	40,487	29,651	1,342,499
	<u>2,092,604</u>	<u>176,738</u>	<u>3,399,516</u>
Share of results in associated companies		14,880	
		<u>191,618</u>	

### 17. Material Change in the Profit Before Taxation ("PBT") compared to the results of the preceding quarter

All the divisions in the Group performed better than expected as compared to the preceding quarter. The depressing CPO price has affected the performance of the Group's plantation subsidiaries. However, the unexpected demand for passenger cars both in Malaysia and across the causeway in Singapore has boosted the performance of the automotive and related subsidiaries for the current quarter.

### 18. Review of Performance of the Company and its Principal Subsidiaries

As explained in Note 17, the better than expected performance of the automotive and related subsidiaries has contributed to the increase in the Group's turnover and operating margin despite the lower turnover attained by the Group's plantation subsidiaries due to the lower CPO price.

### 19. Prospects for the Future

The volatility of the Japanese Yen against the Ringgit and the competitive situation of the Group's business will continue to have an impact on the Group's performance. However, barring any unforeseen circumstances, the Group expects the performance for the Year 2000 to be satisfactory.

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## **NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000**

20. **Variance of Actual Profit from Forecast Profit**

Not Applicable.

21. **Dividend**

No interim dividend is recommended for the quarter ended 30 September 2000.

The interim dividend of 5% less 28% tax, and a special 35% dividend less 28% tax, totalling RM93,054,274 (based on the Issued and Paid up capital of 323,205,120 ordinary stocks less Treasury Stocks of 100,000 ordinary stocks) announced during the six months results ended 30 June 2000 is payable on 28 November 2000.

By Order of the Board

**C.T. DIONG**

**Secretary**

**DATED THIS 28 NOVEMBER 2000**