

ORIENTAL HOLDINGS BERHAD

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

NOTES TO FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2002

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 and are in compliance with applicable approved accounting standards in Malaysia.

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 Quarter	
	Current Year Quarter 31 Mac 02 RM'000	Preceding Year Quarter 31 Mac 01 RM'000	Current Year To date 31 Mac 02 RM'000	Preceding Year To date 31 Mac 01 RM'000
Current taxation				
Malaysian taxation				
- Based on profit for the period	4,256	6,705	4,256	6,705
- Over provision in respect of prior period	(2,210)	(9)	(2,210)	(9)
	2,046	6,696	2,046	6,696
Foreign taxation based on the profit for the period	4,378	2,548	4,378	2,548
	<u>6,424</u>	<u>9,244</u>	<u>6,424</u>	<u>9,244</u>
Deferred taxation				
- Under provision in respect of prior period	852	-	852	-
On share of results of associated companies	1,095	1,404	1,095	1,404
	<u>8,371</u>	<u>10,648</u>	<u>8,371</u>	<u>10,648</u>

The Group's effective tax rate is lower than the prima facie tax rate as the tax charge relates to tax on profits of certain subsidiaries cannot be set-off against losses of other subsidiaries for tax purposes as group relief is not available.

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5. Profit/Loss on sale of investments and/or properties

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

6. Quoted Shares

(a) There were no purchases or disposals of quoted shares for the current financial year to date.

(b) Total investments in quoted shares

	31 Mac 02 RM'000
Quoted shares in Malaysia	
At cost	7,503
Less : Provision for diminution in value of investment	(585)
	<u>6,918</u>
Quoted shares outside Malaysia	
At cost	17,089
Less : Provision for diminution in value of investment	(1,166)
	<u>15,923</u>
Market value of quoted investments	<u>20,130</u>

7. 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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8. 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 :-

- i) the 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 32,320,512 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. On 2 March 2001, 68,192 of these Treasury Stocks were cancelled which reduced the issued capital of the Company to 517,000,000 stocks of RM1 each. The remaining 31,808 stocks repurchased are being held as treasury stocks in accordance with the requirement of Section 67A of the Companies Act, 1965. There were no stocks buy-back during this quarter; and
- ii) A 50.5% owned subsidiary, Oriental Boon Siew (Mauritius) Pte Ltd (“OBS”) has on January 31, 2002 signed a Letter of Intent in China to acquire 80.18% equity interest in the share capital of Hymold (Su Zhou) Co. Ltd. (“HSZ”). HSZ operates a plastic injection moulding plant in Su Zhou Industrial Zone, Jiang Su Province in the People’s Republic of China.

9. 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.

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NOTES TO FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2002

10. Group Borrowings

	Ringgit	Borrowings denominated in Foreign Currencies		Total RM'000
	RM'000	←	→	
		I	Currency	
	I		II	I + II
Short term borrowings				
Bank overdrafts - unsecured	4,861			4,861
Other borrowings	39,981			
		JPY7.2 billion	210,706	250,687
		USD5.57 million	21,166	21,166
		RMB33 million	15,103	15,103
		AUD25.755 million	52,025	52,025
			299,000	338,981,
	44,842		299,000	343,842

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

11. Contingent Liabilities

There were no changes in contingent liabilities since the last annual balance sheet date.

12. Off Balance Sheet Financial Instruments

The Group does not have any off balance sheet financial instruments as at 31 March 2002.

13. 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 QUARTER ENDED 31 MARCH 2002

14. Segmental Reporting

*Financial data by industry segment
for the Group*

	Current Period To Date		As at
	← 31 March 2002 →		31 March 2002
	Turnover	Profit/(Loss)	Gross Assets
	RM'000	Before Tax	Employed
		RM'000	RM'000
Motor assembling and distribution, manufacturing and trading	570,686	31,977	1,218,251
Hotels, resorts, property development and plantation	44,602	(11,051)	731,613
Financial services, investment holding and others	11,518	8,449	1,188,081
	<u>626,806</u>	<u>29,375</u>	<u>3,137,945</u>
Share of results in associated companies		8,830	
		<u>38,205</u>	

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

The Group's Profit Before Tax ("PBT") for the first quarter of 2002 was RM38.2 million as compared to RM62.9 million in the preceding fourth quarter of 2001. The preceding quarter's PBT includes a RM23.7 million gain (before tax and minority interest) from the disposal of its entire development project by one of the Group's subsidiary.

Ignoring the effect of the above mentioned disposal, the PBT for the first quarter of 2002 declined slightly by RM1.0 million, a decrease of 2.5% as compared to the preceding quarter despite an increase of 11.8% in revenue. The better than expected car sales during the first quarter of 2002 has resulted in the increase in revenue. However, stiff competition and present difficult market condition has eroded the Group's margin.

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NOTES TO FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2002

16. Review of earnings and/or revenue of the Company and its subsidiaries for current quarter and financial year-to-date

The year-to-date operating revenue of RM619.2 million was 8.4% lower than the corresponding period last year with the year-to-date PBT of RM38.2 million, a 1.5% lower than the corresponding period last year.

The loss of sole distributorship of Honda in Malaysia in July 2001 had inevitably affected the Group's revenue.

17. Material events subsequent to the end of the period reported on

There were no material events subsequent to the end of the period reported on which have not been reflected in the financial statements.

18. 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.

19. Prospects for the Future

The global economy is expected to accelerate and strengthen towards the second half of 2002 and the various measures announced by the Government to provide impetus to spur the Malaysian economy will hopefully be able to sustain and stimulate the domestic economy. All these augurs well for the automobile industry.

The performance of plantation subsidiaries and the other divisions of the Group are expected to contribute positively in terms of margin and cash flow to the Group.

Barring unforeseen circumstances, the Board of Directors expects the Group's performance in 2002 to be satisfactory.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2002**

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

Not Applicable.

21. **Dividend**

No dividend has been proposed for this current quarter.

(The Board of Directors has recommended the payment of a final dividend of 8% less 28% tax, and a special 4.5% dividend less 28% tax, totalling RM46,527,137, for the year ended 31 December 2001, if approved by the stockholders at the forthcoming Annual General Meeting to be held on 26 June 2002, the Final Dividend and Special Dividend will be paid on 26 July 2002.)

By Order of the Board

C.T. DIONG
Secretary

DATED THIS 20 MAY 2002