

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009

1. Basis of Preparation

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 2008. 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 2008.

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 2008.

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.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009 (Cont'd)

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 an interim dividend of 10% (2007: 10%) less 25% (2007: 26%) tax, totalling RM38,772,614 in respect of the year ended 31 December 2008 on 16 January 2009.

The final dividend of 6% (2007: 10%) less 25% (2007: 26%) tax and a special dividend of Nil (2007: 3% less 26% tax), totalling RM23,263,569 in respect of the year ended 31 December 2008 was paid on 23 July 2009.

8. Segment Revenue and Results

Financial data by business segment for the Group

	← Current Year To Date → 30 June 2009			
	Revenue RM'000	%	Operating Profit/(Loss) Before Tax RM'000	%
Automotive and related products	1,129,363	63.1	52,842	21.6
Plastic products	179,764	10.0	(6,712)	(2.7)
Hotels and resorts	85,841	4.8	25,505	10.4
Plantation	180,304	10.1	75,420	30.9
Investment holding and financial services	60,322	3.4	68,577	28.1
Property development and others	153,956	8.6	28,607	11.7
	1,789,550	100.0	244,239	100.0

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.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009 (Cont'd)

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.

11. Changes in Group's Composition

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

- (i) On 31 March 2009, Teck See Plastic Sdn. Bhd., a 60% owned subsidiary of the Company has entered into a Shares Sale and Purchase Agreement to dispose of 153,000 ordinary shares of RM1.00 each, representing 51% of the equity interest in Lipro Sdn. Bhd., for a total cash consideration of RM980,000. The transaction has been completed as the approval was obtained from MITI on 20 August 2009.
- (ii) Oriental Hyundai Sdn. Bhd., a 60% owned subsidiary of the Company, has entered into a Share Purchase Agreement ("SPA") to dispose of 6,000,000 ordinary shares of RM1.00 each ("the Sale Shares"), at a total cash consideration of approximately RM14.4 million to Hyumal Motor Sdn Bhd. The disposal was completed on 3 June 2009.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009 (Cont'd)

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. Reserves

	At 1 January 2009 RM'000	Currency translation differences RM'000	At 30 June 2009 RM'000
Distributable			
Capital reserves	40,248	-	40,248
Non-distributable			
Reserves attributable to Capital	1,141	-	1,141
Reserves attributable to Revenue	353,764	64,967	418,731
	354,905	64,967	419,872
	395,153	64,967	460,120

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

The current quarter revenue of RM899.6 million is 39.4% lower than the corresponding period last year with profit before tax of RM159.6 million, a 17.6% lower than the corresponding period last year.

The year to date revenue of RM1,789 million was 35.1% lower than the corresponding period last year with the year to date profit before tax of RM253.5 million, a 22.3% drop from the corresponding period last year.

The performance of the automotive retailing subsidiaries for both Malaysia and Singapore was in tandem with the overall drop in sale of the motor industry. The motor vehicle sales continued to be affected by the current difficult operating environment. The performance of the overseas plantation was affected by the significant lower CPO price but increase in crop output and favourable exchange helped to cushion the impact of lower CPO price. The performance of the hotel and resort sector performed reasonable well despite the flu outbreak.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009 (Cont'd)

15. Material Change in Profit Before Taxation (“PBT”) reported on as compared with the immediate preceding quarter

The Group’s PBT for the second quarter of 2009 was RM159.6 million as compared to PBT of RM93.9 million in the preceding quarter. The Group’s revenue for the second quarter of 2009 was RM899.6 million when compared to RM889.9 million in the preceding quarter.

The Group’s PBT for the second quarter of 2009 increased by RM65.7 million or 70.0% and the revenue increased by RM9.7 million or 1.1% when compared to the preceding quarter. Revenue for the plantation sector was higher mainly due to improved crop output, higher CPO price and the favourable foreign exchange. Contribution from the automobile retailing in both Malaysia and Singapore was lower as compared to the previous quarter. Performance of the hotel and resort sector was also higher as compared to the preceding quarter.

16. Current Year Prospects

The performances of the plantation subsidiaries may be impacted by the volatility of both CPO price and foreign exchange despite maintaining the level of crop production.

The performances of the automotive related subsidiaries are expected to be in tandem with the industry trend.

The revenue and the contribution from the overseas subsidiaries in the tourism and hospitality industry are expected to be maintained.

The Board of Directors expects the Group’s performance for Year 2009 will be affected by the current economic crisis.

17. Variance of Actual Profit from Forecast Profit

Not Applicable.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009 (Cont'd)

18. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 June 09 RM'000 (Unaudited)	Preceding Year Quarter 30 June 08 RM'000 (Unaudited)	Current Year To date 30 June 09 RM'000 (Unaudited)	Preceding Year To date 30 June 08 RM'000 (Unaudited)
Current taxation				
Malaysian taxation				
- Based on profit for the period	13,330	7,889	14,982	14,982
- (Over)/ under provision in respect of prior year	(37)	(51)	(457)	145
	13,293	7,838	14,525	15,127
Foreign taxation				
- Based on profit for the period	32,813	30,973	58,110	58,231
	46,106	38,811	72,635	73,358
Deferred taxation				
- Current period	-	188	-	852
- Over provision in respect of prior year	315	1,486	17	1,372
	315	1,674	17	2,224
	46,421	40,485	72,652	75,582

19. Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There were no profit/(loss) on sale of unquoted investments and/or properties for the period under review.

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009 (Cont'd)

20. Purchase or Disposal of Quoted Securities

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

(b) Total quoted securities

30 June 09
RM'000

Quoted securities in Malaysia

Cost

Balance at 1 January 2009	7,654
Exchange differences	15
Balance at 30 June 2009	7,669

Less: Allowance for diminution in value (507)

Carrying amount

Balance at 30 June 2009	7,162
-------------------------	-------

Quoted securities outside Malaysia

Cost

Balance at 1 January 2009	162,314
Purchases during the period	103,254
Disposal during the period	(91,348)
Exchange differences	1,463
Balance at 30 June 2009	175,683

Less: Allowance for diminution in value (30,949)

Carrying amount

Balance at 30 June 2009	144,734
-------------------------	---------

Market value of quoted securities 184,140

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

SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009 (Cont'd)

21. 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:-

- (i) The Stock Buy-Back which was approved by the stockholders at the Annual General Meeting on 25 June 2008 for the buy-back of up to 10% or up to 51,700,000 ordinary stocks. There were no stocks buy-back during this quarter.
- (ii) Further to the announcement made on 14 July 2008, the proposed restructuring of PT. Oriental Manufacturing Indonesia (“PT. OMI”), a 55.43% and 33.69% owned subsidiary of Oriental International (Mauritius) Pte Ltd and Teck See Plastic Sdn Bhd respectively, which in turn are wholly owned and 60% owned subsidiaries of the Company respectively by inviting Kasai Kogyo Co. Ltd. (“KASAI”) to participate as a 51.44% equity partner, to jointly manage and expand PT. OMI’s business of automotive interior parts in Indonesia .

Upon completion of the proposed restructuring, PT. OMI will become an associate company of the Group and shall change its name to P.T. Kasai Teck See Indonesia or such other name which may be approved by the authority.

Its authorised capital of PT. OMI will be increased from USD 5 million divided into 1,000 shares of USD5,000 each to USD 6,636,000 and the issued capital of PT. OMI will be increased from USD 3,220,000 to USD 6,636,000.

The announcement was made on 15 April 2009.

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

**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009 (Cont'd)**

22. **Group Borrowings**

	Ringgit	Borrowings denominated in Foreign Currencies		Total RM'000 I + II
	RM'000 I	←	→	
		Source Currency	RM Equivalent RM'000 II	
Finance lease obligations	2,383		-	2,383
Bank overdrafts – unsecured	386		-	386
Other borrowings – secured	15,380		-	15,380
Other borrowings – unsecured	21,896			
		JPY 8.37 billion	314,034	335,930
		USD 9.89 million	31,120	31,120
		RMB 0.60 million	309	309
		AUD 4.85 million	13,877	13,877
		BAHT 227.50 million	23,504	23,504
			382,844	404,740
	40,045		382,844	422,889

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

23. **Off Balance Sheet Financial Instruments**

There are no off balance sheet financial instruments as at the date of this report.

24. **Changes in Material Litigations**

Not applicable.

25. **Dividends Proposed**

No dividend has been proposed for the current quarter.

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

**SELECTED EXPLANATORY NOTES
 TO THE INTERIM FINANCIAL REPORT
 FOR THE PERIOD ENDED 30 JUNE 2009 (Cont'd)**

26. **Basic Earnings per Stock**

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 June 09 RM'000 (Unaudited)	Preceding Year Quarter 30 June 08 RM'000 (Unaudited)	Current Year To Date (Two quarters to 30 June 09) RM'000 (Unaudited)	Preceding Year To Date (Two quarters to 30 June 08) RM'000 (Unaudited)
Net profit for the period (RM'000)	91,234	129,931	144,177	205,582
<i>Weighted average number of stocks in issue ('000)</i>	516,968	516,968	516,968	516,968
Basic earnings per stock (sen)	17.65	25.13	27.89	39.77

By Order of the Board

C.T. DIONG
Joint Secretary

DATED THIS 27 AUG 2009