



# ORIENTAL HOLDINGS BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018

	As at End of Current Quarter 31 Dec 2018 RM'000 (Unaudited)	As at Preceding Financial Year End 31 Dec 2017 RM'000 (Restated)	Changes %
<b>Assets</b>			
Property, plant and equipment	2,145,511	2,218,678	-3.3
Prepaid land lease payments	59,951	62,960	-4.8
Investment properties	1,095,685	1,018,773	7.5
Intangible assets	29,099	29,594	-1.7
Investments in associates	631,300	593,124	6.4
Other investments	679,763	705,489	-3.6
Land held for property development	36,257	36,199	0.2
Deferred tax assets	31,453	53,111	-40.8
<b>Total non-current assets</b>	<u>4,709,019</u>	<u>4,717,928</u>	-0.2
Inventories	329,253	315,065	4.5
Biological assets	4,515	7,150	-36.9
Trade and other receivables	519,676	508,092	2.3
Other investments	24,504	23,581	3.9
Current tax assets	23,676	32,091	-26.2
Short term investments	784,438	906,095	-13.4
Cash and cash equivalents	3,622,002	3,040,600	19.1
<b>Total current assets</b>	<u>5,308,064</u>	<u>4,832,674</u>	9.8
<b>Total assets</b>	<u><u>10,017,083</u></u>	<u><u>9,550,602</u></u>	4.9
<b>Equity</b>			
Share capital	620,462	620,462	0.0
Reserves	1,292,225	1,361,708	-5.1
Retained earnings	4,645,725	4,397,988	5.6
Treasury stocks	(249)	(249)	0.0
<b>Total equity attributable to stockholders of the Company</b>	<u>6,558,163</u>	<u>6,379,909</u>	2.8
<b>Non-controlling interests</b>	<u>868,480</u>	<u>935,764</u>	-7.2
<b>Total Equity</b>	<u><u>7,426,643</u></u>	<u><u>7,315,673</u></u>	1.5
<b>Liabilities</b>			
Deferred tax liabilities	38,627	35,598	8.5
Loans and borrowings	47,352	62,162	-23.8
Deferred income	109,456	89,395	22.4
Retirement benefits	21,947	21,679	1.2
<b>Total non-current liabilities</b>	<u>217,382</u>	<u>208,834</u>	4.1
Trade and other payables	445,260	439,392	1.3
Loans and borrowings	1,870,933	1,519,677	23.1
Current tax liabilities	56,865	67,026	-15.2
<b>Total current liabilities</b>	<u>2,373,058</u>	<u>2,026,095</u>	17.1
<b>Total liabilities</b>	<u>2,590,440</u>	<u>2,234,929</u>	15.9
<b>Total equity and liabilities</b>	<u><u>10,017,083</u></u>	<u><u>9,550,602</u></u>	4.9
Net assets per stock (sen)	1057.10	1028.37	2.8

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 YEAR ENDED 31 DECEMBER 2018

	Individual Quarter		Changes %	Cumulative Quarters		Changes %
	Current Year Quarter 31 Dec 2018 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2017 RM'000 (Unaudited)		Current Year To Date (Four quarters to 31 Dec 2018) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2017) RM'000 (Restated)	
<b>Revenue</b>	1,421,818	1,706,971	-16.7	6,389,783	6,308,525	1.3
<b>Results from operating activities</b>	156,124	123,620	26.3	563,527	486,938	15.7
Finance costs	(11,733)	(11,320)	3.6	(21,397)	(20,706)	-3.3
Share of profits after tax and non-controlling interest of associates	(2,108)	5,161	-140.8	54,159	26,036	108.0
<b>Profit before taxation</b>	142,283	117,461	21.1	596,289	492,268	21.1
Income tax expenses	(42,435)	(15,667)	-170.9	(131,021)	(90,612)	-44.6
<b>Profit from continuing operations</b>	99,848	101,794	-1.9	465,268	401,656	15.8
<b>Other comprehensive expense, net of tax</b>						
Remeasurement of defined benefit liability	2,382	(1,552)	253.5	2,382	(1,552)	253.5
Foreign currency translation differences for foreign operations	19,879	(142,309)	114.0	(72,492)	(163,749)	55.7
Fair value of financial assets	(111,680)	109,312	-202.2	(24,282)	135,214	-118.0
Share of other comprehensive expense of equity accounted associates	-	-	0	-	(219)	100.0
<b>Other comprehensive expense for the period, net of tax</b>	(89,419)	(34,549)	-158.8	(94,392)	(30,306)	-211.5
<b>Total comprehensive income for the period</b>	10,429	67,245	-84.5	370,876	371,350	-0.1
<b>Profit attributable to:</b>						
Stockholders of the Company	104,868	99,341	5.6	500,893	384,227	30.4
Non-controlling interests	(5,020)	2,453	-304.6	(35,625)	17,429	-304.4
<b>Profit for the period</b>	99,848	101,794	-1.9	465,268	401,656	15.8
<b>Total comprehensive income attributable to:</b>						
Stockholders of the Company	9,714	88,231	-89.0	432,516	392,064	10.3
Non-controlling interests	715	(20,986)	103.4	(61,640)	(20,714)	-197.6
<b>Total comprehensive income for the period</b>	10,429	67,245	-84.5	370,876	371,350	-0.1
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362		620,362	620,362	
Basic earnings per stock (sen) (based on the weighted average number of stocks)	16.90	16.01	5.6	80.74	61.94	30.4

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 YEAR ENDED 31 DECEMBER 2018

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Dec 2018 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 2017 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 2018) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2017) RM'000 (Restated)
Included in the Total Comprehensive Income for the period are the followings :				
Interest income	(25,932)	(27,622)	(89,899)	(92,051)
Other income including investment income	(29,036)	(26,720)	(116,805)	(59,789)
Interest expense	11,733	11,320	21,397	20,706
Depreciation and amortisation	37,011	35,527	141,195	140,628
Bad debts (recovered)/written off	(478)	1,008	(589)	811
Reversal of write down of inventories	(5,809)	(77)	(5,432)	(12,948)
Write off of property, plant and equipment	205	1,103	257	1,182
Gain on disposal of subsidiaries	-	(85)	-	(22,367)
Gain on disposal of property, plant and equipment	(11,768)	(1,014)	(13,424)	(3,901)
Impairment loss on assets	18,493	5,929	23,653	6,161
Unrealised foreign exchange loss	6,045	8,769	114,101	60,980
Realised foreign exchange loss	3,067	4,352	2,245	5,921

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 CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	← Attributable to stockholders of the Company →							Distributable		Non-controlling interests	Total equity	
	Share capital	Capital reserve	Translation reserve	Non-distributable			Retained earnings					Capital reserve
			Fair value reserve	Capital redemption reserve	Asset revaluation reserve	Treasury stocks						
<i>In thousands of RM</i>												
At 1 January 2017	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
As previously stated	-	(2,172)	-	213,652	-	(474)	-	33,047	-	244,053	15,501	259,554
Effects on adoption of MFRSs												
At 1 January 2017, restated	620,394	-	1,016,084	298,687	68	-	(249)	4,136,685	40,248	6,111,917	966,547	7,078,464
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	(722)	-	(722)	(830)	(1,552)
Foreign currency translation differences for foreign operations	-	-	(120,108)	-	-	-	-	-	-	(120,108)	(43,641)	(163,749)
Fair value of financial assets	-	-	-	127,016	-	-	-	1,870	-	128,886	6,328	135,214
Share of other comprehensive expense of equity accounted associates	-	-	-	(219)	-	-	-	-	-	(219)	-	(219)
Total other comprehensive income for the year	-	-	(120,108)	126,797	-	-	-	1,148	-	7,837	(38,143)	(30,306)
Profit for the year	-	-	-	-	-	-	-	384,227	-	384,227	17,429	401,656
Total comprehensive (expense)/income for the year	-	-	(120,108)	126,797	-	-	-	385,375	-	392,064	(20,714)	371,350
Dividends to stockholders	-	-	-	-	-	-	-	(124,072)	-	(124,072)	-	(124,072)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(19,700)	(19,700)
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	(169)	(169)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	9,800	9,800
Total contribution from owners	-	-	-	-	-	-	-	(124,072)	-	(124,072)	(10,069)	(134,141)
Transfer in accordance with Section 618(2) of the Companies Act 2016	68	-	-	-	(68)	-	-	-	-	-	-	-
At 31 December 2017	620,462	-	895,976	425,484	-	-	(249)	4,397,988	40,248	6,379,909	935,764	7,315,673
<i>In thousands of RM</i>												
At 1 January 2018	620,462	2,172	895,976	123,889	-	474	(249)	4,373,753	40,248	6,056,725	930,060	6,986,785
As previously stated	-	(2,172)	-	301,595	-	(474)	-	24,235	-	323,184	5,704	328,888
Effects on adoption of MFRSs												
At 1 January 2018, restated	620,462	-	895,976	425,484	-	-	(249)	4,397,988	40,248	6,379,909	935,764	7,315,673
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	1,106	-	1,106	1,276	2,382
Foreign currency translation differences for foreign operations	-	-	(53,572)	-	-	-	-	-	-	(53,572)	(18,920)	(72,492)
Fair value of financial assets	-	-	-	(15,911)	-	-	-	-	-	(15,911)	(8,371)	(24,282)
Total other comprehensive expense for the year	-	-	(53,572)	(15,911)	-	-	-	1,106	-	(68,377)	(26,015)	(94,392)
Profit for the year	-	-	-	-	-	-	-	500,893	-	500,893	(35,625)	465,268
Total comprehensive (expense)/income for the year	-	-	(53,572)	(15,911)	-	-	-	501,999	-	432,516	(61,640)	370,876
Dividends to stockholders	-	-	-	-	-	-	-	(248,139)	-	(248,139)	-	(248,139)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,807)	(8,807)
Issuance of preference share by associate company	-	-	-	-	-	-	-	490	-	490	-	490
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(6,613)	-	(6,613)	1,643	(4,970)
Share issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,520	1,520
Total distribution to owners	-	-	-	-	-	-	-	(254,262)	-	(254,262)	(5,644)	(259,906)
At 31 December 2018	620,462	-	842,404	409,573	-	-	(249)	4,645,725	40,248	6,558,163	868,480	7,426,643

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 stocks in issue or the relative entitlement of any of the stockholders 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 YEAR ENDED 31 DECEMBER 2018

	Current Year To Date (Four quarters to 31 Dec 2018) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 2017) RM'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	596,289	492,268
Adjustments for:		
Non-cash items	278,819	209,610
Non-operating items	(253,103)	(167,044)
Operating profit before working capital changes	622,005	534,834
Changes in working capital	9,452	246,520
Cash flow from operating activities	631,457	781,354
Dividend received, net	134,053	78,273
Tax paid	(108,874)	(91,019)
Interest paid	(20,890)	(20,530)
Payment of retirement benefits	(270)	(563)
<i>Net cash flows from operating activities</i>	635,476	747,515
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(223,213)	(358,273)
Purchase of investments	(38,081)	(132,081)
Proceeds from disposal of investments	42,275	95,254
Interest received	88,077	91,734
Additions of deferred expenditure	(57)	(68)
(Acquisition of)/Proceeds from disposal of interest in existing subsidiaries	(4,970)	27,002
Decrease/(Increase) in short term investments, net	97,919	(189,559)
<i>Net cash flows used in investing activities</i>	(38,050)	(465,991)

**CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	<b>Current Year To Date (Four quarters to 31 Dec 2018) RM'000 (Unaudited)</b>	<b>Preceding Year To Date (Four quarters to 31 Dec 2017) RM'000 (Restated)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings (net)	258,577	241,111
Dividends paid to stockholders	(248,139)	(124,072)
Fixed deposits pledged for banking facilities	(14,484)	(37,518)
Dividends paid to minority interest	(8,807)	(19,700)
Proceeds from issue of shares to non-controlling interest	1,520	9,800
<i>Net cash flows (used in)/from financing activities</i>	(11,333)	69,621
Net increase in cash and cash equivalents	586,093	351,145
Cash and cash equivalents at 1 January	2,375,587	2,192,937
Effects of exchange rates on cash and cash equivalents	(19,175)	(168,495)
Cash and cash equivalents at 31 December (Note 1)	<u>2,942,505</u>	<u>2,375,587</u>

**NOTE**

	<b>RM'000</b>	<b>RM'000</b>
1 Cash and cash equivalents consist of: -		
Cash and bank balances	1,257,890	1,185,144
Fixed deposits	2,223,512	1,776,139
Unit trust money market funds	140,600	79,317
	<u>3,622,002</u>	<u>3,040,600</u>
Less:		
Deposits pledged	(679,497)	(665,013)
	<u>2,942,505</u>	<u>2,375,587</u>

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 DECEMBER 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 are 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) Deemed cost of property, plant and equipment

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. 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. MFRS 9 also requires unquoted investments in equity instruments to be measured at fair value, with changes in fair value recognised in other comprehensive income. The change in accounting policies was applied retrospectively.

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

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

**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.

(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 using the cost model.

b) Biological assets

Prior to the adoption of the Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, agricultural produce 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 value less costs to sell of the biological assets was recognised in profit or loss.



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

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

**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
<b>Assets</b>			
Property, plant and equipment	1,529,816	688,862	2,218,678
Biological assets (non-current)	688,862	(688,862)	-
Other investments	393,234	312,255	705,489
Inventories	304,247	10,818	315,065
Property development costs	3,228	(3,228)	-
Biological assets (current)	-	7,150	7,150
Impact to assets	<u>2,919,387</u>	<u>326,995</u>	<u>3,246,382</u>
<b>Total equity and liabilities</b>			
Reserves	1,062,759	298,949	1,361,708
Retained earnings	4,373,753	24,235	4,397,988
Non-controlling interests	930,060	5,704	935,764
Deferred tax liabilities	31,921	3,677	35,598
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	<u>6,932,850</u>	<u>326,995</u>	<u>7,259,845</u>

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 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
<b>Assets</b>			
Property, plant and equipment	1,554,711	690,041	2,244,752
Biological assets (non-current)	690,041	(690,041)	-
Other investments	344,806	225,742	570,548
Inventories	490,772	31,619	522,391
Property development costs	3,113	(3,113)	-
Biological assets (current)	-	10,336	10,336
Impact to assets	<u>3,083,443</u>	<u>264,584</u>	<u>3,348,027</u>
<b>Total equity and liabilities</b>			
Reserves	1,144,081	211,006	1,355,087
Retained earnings	4,103,638	33,047	4,136,685
Non-controlling interests	951,046	15,501	966,547
Deferred tax liabilities	31,617	9,702	41,319
Provisions	73,422	(73,422)	-
Deferred income	4,890	69,987	74,877
Trade and other payables	469,611	(1,237)	468,374
Impact to equity and liabilities	<u>6,778,305</u>	<u>264,584</u>	<u>7,042,889</u>

iii) Reconciliation of profit or loss and other comprehensive income as at 31 December 2017

	Previously reported under FRSs RM'000	Effects of adoption of MFRSs RM'000	Reported under MFRSs RM'000
<b>Profit and loss</b>			
Revenue	6,329,181	(20,656)	6,308,525
Results from operating activities	513,549	(26,611)	486,938
Income tax expenses	(96,637)	6,025	(90,612)
Profit from continuing operations	<u>422,242</u>	<u>(20,586)</u>	<u>401,656</u>
<b>Other comprehensive income, net of tax</b>			
Fair value of financial assets	<u>45,294</u>	<u>89,920</u>	<u>135,214</u>

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

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

**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 2020***

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

***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*

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

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

**1. Basis of Preparation (Cont'd)**

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*.

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**

There's 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 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**  
**31 DECEMBER 2018 (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:

- i) 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;
- ii) a single tier final dividend of 8 sen per ordinary stock and single tier final special dividend of 20 sen per ordinary stock (2016 : a single tier final dividend of 8 sen per ordinary stock) totalling RM173,701,312 in respect of the financial year ended 31 December 2017 on 12 July 2018; and
- iii) a single tier interim dividend of 6 sen per ordinary stock (2017: 6 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ending 31 December 2018 on 22 November 2018.

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

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

**8. Segment Revenue and Results**

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holdings 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
<b>31 December 2018</b>											
Revenue from external customers	4,745,609	220,544	316,481	613,545	118,207	307,768	67,629	6,389,783	-		6,389,783
Inter-segment revenue	904	104	308	-	12,019	72	-	13,407	(13,407)		-
Total revenue	<u>4,746,513</u>	<u>220,648</u>	<u>316,789</u>	<u>613,545</u>	<u>130,226</u>	<u>307,840</u>	<u>67,629</u>	<u>6,403,190</u>	<u>(13,407)</u>		<u>6,389,783</u>
<b>Results</b>											
Segment profit/ (loss)	<u>409,470</u>	<u>2,467</u>	<u>59,796</u>	<u>(16,396)</u>	<u>109,004</u>	<u>6,262</u>	<u>(7,076)</u>	<u>563,527</u>	<u>32,762</u>	A	<u>596,289</u>
<b>Assets</b>											
Segment assets	<u>3,454,809</u>	<u>378,440</u>	<u>1,058,255</u>	<u>2,306,101</u>	<u>830,866</u>	<u>1,091,501</u>	<u>210,682</u>	<u>9,330,654</u>	<u>686,429</u>	B	<u>10,017,083</u>

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

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

**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 December 2018 RM'000
Share of results of associates	54,159
Finance costs	<u>(21,397)</u>
	<u>32,762</u>

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

	31 December 2018 RM'000
Investment in associates	631,300
Current tax assets	23,676
Deferred tax assets	<u>31,453</u>
	<u>686,429</u>

**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.

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

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

**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) The Company 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 holds 83.88% interest 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) The Company had on 16 November 2017 entered into Sale and Purchase Agreement to acquire from 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 holds 82.14% in ACP as of completion of the acquisition on 12 January 2018.
- (iv) The Company had on 22 November 2017 entered into Sale and Purchase Agreement to acquire from Dato’ Syed Mohamad Bin Syed Murtaza his entire 12.858% equity interest in ACP for a total cash consideration of RM1,490,756.52. OHB holds 95.00% in ACP as of completion of the acquisition on 12 January 2018.
- (v) The Company had on 30 July 2018 entered into Sale and Purchase Agreement to acquire from Hi-lex Corporation its entire 5% equity interest in ACP for a total cash consideration of RM579,700.00. OHB holds 100% in ACP as of completion of the acquisition on 9 August 2018.
- (vi) Armstrong Realty Sdn. Bhd. (“AR”), a wholly-owned subsidiary of Armstrong Auto Parts Sdn. Bhd. which in turn is a 89.65% owned subsidiary of OHB. AR had on 28 September 2018 been placed under member’s voluntary winding up proceeding. AR was incorporated in Malaysia on 19 June 1978 with its former name as Stanley Bulbs (M) Sdn Berhad. It had on 10 November 1982 changed its name to Oriental Showa Sdn. Berhad before assumed its current name on 3 January 1994. Its issued and paid up share capital is RM4,200,000.00 comprised 4,200,000 ordinary shares. ARSB had ceased operations and is dormant since 2008.



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

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

**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 is 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 6,389.8 million, an increase of 1.3% or RM 81.3 million as compared to RM 6,308.5 million in the corresponding period last year. The improvement in revenue was mainly attributable to higher contribution by the automotive segment of RM 98.4 million as a result of the hike in number of cars sold especially retail operations in Singapore. Group's operating profits improved by RM 76.6 million contributed mostly by the higher gross profit margin mainly from automotive and related products and investment holding segments off-setting unfavourable unrealised foreign exchange loss due to weakening of IDR against JPY borrowings (2018 : RM 97.3 million; 2017 : RM 43.1 million) from the plantation segment.

The Group achieved year to date profit before tax of RM 596.3 million, a 21.1% or RM 104.0 million higher as compared to RM 492.3 million in the corresponding period last year. The higher year to date profit before tax was mainly attributable to higher contribution from automotive and investment holding segments as described below.

Segmental Analysis

Performance for each operating segment is as follows:-

The revenue from the automotive segment increased by 2.1% to RM 4,745.6 million while operating profit increased by 47.3% to RM 409.5 million.

For the retail operations in Singapore, revenue and operating profit increased by 4.3% and 4.9% respectively mainly from higher number of cars sold by 18.2% and improved gross profit margin. For the retail operations in Malaysia, revenue decreased by 1.4% attributable to lower number of cars sold with the launching of new car models from other competitors brand.

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

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

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

The revenue and operating profit for plantation segment decreased by 14.4% and 118.3% respectively. The overall decline in revenue and performance of plantation was impacted by the decrease in commodity selling prices compared to 2017 (CPO decreased by 22.3%; PK decreased by 29.9% and FFB decreased by 27.5%) and unrealised foreign exchange loss (2018 : RM 97.3 million; 2017 : RM 43.1 million) mainly from JPY denominated borrowings.

Plastic segment has shown improvement in both revenue and operating profit in 2018 compared to corresponding period last year. The revenue for the segment increased by 11.4% while operating profit was RM 2.5 million (operating loss 2017 : RM 0.6 million) attributable to increase in orders particularly from its automotive products.

Hotels and resorts segment revenue increased by RM 13.8 million (4.6%) while operating profit remained constant. Higher revenue was driven mainly by the improvement in average occupancy rate and average room rate for hotel in Singapore since re-opened for business at the end of October 2017 after undergoing major refurbishment.

The revenue for investment holding segment increased by 99.6% attributable to higher dividend income from other investments. Operating profit has increased by 86.8% (2018 : RM 109.0 million; 2017 : RM 58.4 million) attributable to lower unrealised foreign exchange loss of RM 3.6 million (2017 unrealised foreign exchange loss : RM 15.1 million) on JPY denominated borrowings.

The revenue and operating profit for investment properties and trading of building material products segment decreased by 6.9% and 64.5% respectively. Decrease in revenue and operating profit were attributable to lower sales volume and net selling prices.

Healthcare segment's revenue improved by 24.6% with increasing patients load especially for outpatients but remained at operating loss of RM 7.1 million (2017 : RM 15.9 million) due to high fixed operating cost 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 fourth quarter of 2018 was RM 1,421.8 million, a decrease of RM 191.1 million or 11.8% from RM 1,612.9 million in Q3FY18, mainly due to lower contribution from automotive segment with lower number of cars sold especially for the retail operations in Singapore. Increase in the Group's operating profits by RM 21.5 million (Q4FY18 : RM 156.1 million; Q3FY18 : RM 134.6 million) was mainly contributed from automotive and investment holding segments.

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

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

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

The Group’s profit before tax for Q4FY18 decreased from RM 149.5 million in Q3FY18 to RM 142.3 million. The lower profit before tax was mainly due to drop in performance from plantation segment.

*Segmental Analysis*

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

Revenue from automotive segment decreased by 17.3% to RM 1,009.8 million while recorded higher operating profit of RM 106.2 million (Q3FY18 : RM 94.0 million). Revenue for retail operation decreased by 18.4% mainly due to lower number of cars sold especially from retail operations in Singapore. Operating profit increased mainly due to gain derived from disposal of property under government mandatory acquisition of RM 11.0 million during the quarter.

Revenue from plantation segment increased by 14.6% (Q4FY18 : RM 160.8 million ; Q3FY18 : RM 140.3 million) while operating profit was RM 8.8 million in Q4FY18 (Q3FY18 : RM 15.2 million). Higher revenue for the quarter was mainly due to increase in CPO sales volume by 21.9%. The segment registered lower operating profit mainly due to impairment of biological assets of RM 22.0 million.

Revenue for plastic segment decreased slightly by 1.6% to RM 58.7 million (Q3FY18 : RM 59.6 million), while operating profit increased by 90.6% to RM 1.5 million (Q3FY18 : RM 0.8 million). Improvement in operating profit was attributable to lower operational expenses from cost control while operating under competitive environment with marginal profit.

Revenue for hotels and resorts segment increased by 8.1% (Q4FY18 : RM 86.2 million; Q3FY18 : RM 79.7 million) while operating profit improved by 16.6% (Q4FY18 : RM 18.7 million; Q3FY18 : RM 16.1 million) attributable mainly to the increase in hotels’ average occupancy rate and average room rate from Australia hotels.

Revenue and operating profit for investment holding segment increased significantly by 693.1% and 124.1% respectively. Higher revenue and operating profit were due to higher dividend income received from other investment.

Revenue for investment properties and trading of building material products segment was lower by 8.0% mainly due to lower sales volume. Despite lower revenue, the operating profit was higher by 194.2% (Q4FY18 : RM 1.5 million; Q3FY18 : RM 0.5 million) mainly due to lower unrealised foreign exchange loss from USD denominated advances.

Healthcare segment remained operating at loss of RM 1.4 million (Q3FY18 : RM 1.3 million) as a result of high fixed operating costs.

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

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

**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. The automotive segment will continue to expand and upgrade its showrooms and service centres.

The plastic segment continues to face stiff competition environment from the local industry players. Limited growth in the automotive industry in Malaysia with upcoming new models at smaller volume has impacted the segment's performance. The management will continue to exercise cost control, productivity improvement and source 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 loans are closely monitored and the loans are backed by fixed deposits pledged to banks. The segment is currently constructing its fourth oil mill in South Sumatra, Indonesia which expected to further enhance the segment earnings in year 2020.

The hotels and resorts segment will optimise the utilisation of its existing assets and improve operational execution through various organic measures.

The investment properties segment continues to reclaim the remaining 140 acres of land in Melaka and commence the construction of mixed use service apartments and commercial complex in Australia which is targeted for completion in second half of 2019.

Healthcare segment will continue to focus on enhancing brand awareness and positioning the hospital for sustainable growth. The hospital is expected to generate profit by year 2020. As part of Group's strategic plan to expand its presence in the healthcare industry, the segment has set up transitional care centre incorporating elderly living facilities which expected to be in operation by second half of 2019.

Given the above Group's operating segment commitments, the Board is optimistic that the Group's performance for the year 2019 will be satisfactory.

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

Not Applicable.

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

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

**16. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 18 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 17 RM'000 (Unaudited)	Current Year To date 31 Dec 18 RM'000 (Unaudited)	Preceding Year To date 31 Dec 17 RM'000 (Restated)
<b>Current taxation</b>				
Malaysian taxation				
- Based on profit for the period	7,866	3,765	17,972	17,072
- (Over)/Under provision in respect of prior period	(706)	727	(1,135)	486
	7,160	4,492	16,837	17,558
Foreign taxation				
- Based on profit for the period	14,272	33,001	90,220	93,597
	21,432	37,493	107,057	111,155
<b>Deferred taxation</b>				
- Current period	1,639	(22,270)	3,998	(22,291)
- Under provision in respect of prior period	19,364	444	19,966	1,748
	21,003	(21,826)	23,964	(20,543)
	<u>42,435</u>	<u>15,667</u>	<u>131,021</u>	<u>90,612</u>

**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 7 June 2018 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 DECEMBER 2018 (Cont'd)**

**18. Group Borrowings**

	Interest rate %	Borrowings denominated in		Source Currency	RM Equivalent RM'000	Total RM'000
		Ringgit	← Foreign Currencies →			
Short Term		RM'000			RM'000	RM'000
		I			II	I + II
Finance lease obligations	2.5 - 2.8	5,399		-	-	5,399
Borrowings – secured						
-Revolving credit	4.8	1,000		-	-	1,000
	0.9 - 1.4	-	JPY 26.53 billion		1,001,130	1,001,130
	3.0- 3.7	-	SGD 0.062 billion		185,138	185,138
					1,186,268	1,187,268
-Term loans– secured	3.2	-	SGD 0.001 billion		1,777	1,777
	3.8	-	THB 0.064 billion		8,124	8,124
					9,901	9,901
Borrowings – unsecured						
-Bankers acceptance	4.2 - 4.4	26,976		-	-	26,976
-Revolving credit	0.9 - 1.4	-	JPY 17.015 billion		641,389	641,389
		<u>33,375</u>			<u>1,837,558</u>	<u>1,870,933</u>
<b>Long Term</b>						
Finance lease obligations	2.5 - 2.8	4,435		-	-	4,435
Term loans – secured	3.2	-	SGD 0.014 billion		42,917	42,917
		<u>4,435</u>			<u>42,917</u>	<u>47,352</u>
<b>Total Borrowings</b>		<u><b>37,810</b></u>			<u><b>1,880,475</b></u>	<u><b>1,918,285</b></u>

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

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

**19. Trade receivables**

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

	<b>RM'000</b>	<b>%</b>
Not past due	227,064	82.9
Past due < 3 months	40,075	14.6
Past due 3-6 months	2,552	0.9
Past due 6-12 months	1,658	0.6
Past due more than 1 year	2,709	1.0
	<u>274,058</u>	<u>100.0</u>

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 single tier second interim dividend of 6 sen per ordinary stock (2017: 6 sen per ordinary stock) totalling RM37,221,710 in respect of the financial year ended 31 December 2018. The entitlement date and payment date will be announced at a later date.

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

**SELECTED EXPLANATORY NOTES**  
**TO THE INTERIM FINANCIAL REPORT**  
**31 DECEMBER 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 Dec 18 RM'000 (Unaudited)	Preceding Year Quarter 31 Dec 17 RM'000 (Unaudited)	Current Year To Date (Four quarters to 31 Dec 18) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 31 Dec 17) RM'000 (Restated)
Net profit for the period attributable to Stockholders of the Company (RM'000)	<u>104,868</u>	<u>99,341</u>	<u>500,893</u>	<u>384,227</u>
<i>Weighted average number of stocks in issue ('000)</i>	620,362	620,362	620,362	620,362
Basic earnings per stock (sen)	<u>16.90</u>	<u>16.01</u>	<u>80.74</u>	<u>61.94</u>

By Order of the Board

**ONG TZE-EN**  
**Company Secretary**

**DATED THIS 27 FEBRUARY 2019**