

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED FINANCIAL POSITION**

	<b>As At 31/03/2016 RM'000</b>	<b>As At 30/09/2015 RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	22,803	22,917
Investment properties	1,020	1,020
Prepaid land lease payments	304	306
Intangible assets	2,105	1,577
Investment in associated companies	10,663	9,665
Deferred tax assets	485	489
Investments	177,326	118,109
Inventories - goods for resale	589	562
Land held for development	33,669	37,386
Loans	30,270	287
Reinsurance assets	206,835	214,914
Insurance receivables	21,480	25,110
Trade receivables	2,238	969
Other receivables	90,022	85,722
Deposits and placements with financial institutions	603,843	700,826
Cash and bank balances	76,105	110,483
Total assets	<u>1,279,757</u>	<u>1,330,342</u>
<b>LIABILITIES</b>		
Insurance contract liabilities	715,904	771,398
Insurance payables	17,649	15,227
Trade payables	189	1,583
Other payables	11,010	9,500
Hire purchase creditors	2,551	2,190
Deferred tax liabilities	1,101	680
Borrowings	34,074	33,994
Tax payable	6,142	125
Total liabilities	<u>788,620</u>	<u>834,697</u>
<b>EQUITY</b>		
Share capital	122,977	122,977
Treasury shares	(8,872)	(8,870)
Share premium	24,302	24,302
Merger reserve	20,792	20,792
Translation reserve	(8,537)	(17,484)
Revaluation reserve	8,858	8,858
Available-for-sale reserve	942	(56)
Retained profits	209,193	233,243
Equity attributable to equity holders of the Company	<u>369,655</u>	<u>383,762</u>
Non-controlling interest	<u>121,482</u>	<u>111,883</u>
Total equity	<u>491,137</u>	<u>495,645</u>
Total liabilities and equity	<u>1,279,757</u>	<u>1,330,342</u>
<b>Net assets per share (Sen)</b>	<u>155</u>	<u>161</u>
Based on number of shares (net of treasury shares) of RM0.50 each ( '000 )	239,004	239,005

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For The Six Months Ended 31 March 2016

	Attributable to Equity Holders of the Company								Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Non Distributable							Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Merger Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Available-For- Sale Reserve RM'000	Retained Profits RM'000			
<b>At 1 October 2015</b>	122,977	(8,870)	24,302	20,792	(17,484)	8,858	(56)	233,243	383,762	111,883	495,645
Purchase of treasury shares	-	(2)	-	-	-	-	-	-	(2)	-	(2)
Net profit for the period	-	-	-	-	-	-	-	(10,905)	(10,905)	13,801	2,896
Other comprehensive income for the period	-	-	-	-	8,947	-	998	-	9,945	698	10,643
Total comprehensive income for the period	-	-	-	-	8,947	-	998	(10,905)	(960)	14,499	13,539
Dividends to equity holders of the Company (Note B10)	-	-	-	-	-	-	-	(13,145)	(13,145)	-	(13,145)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(4,900)	(4,900)
<b>At 31 March 2016</b>	122,977	(8,872)	24,302	20,792	(8,537)	8,858	942	209,193	369,655	121,482	491,137

	Attributable to Equity Holders of the Company								Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Non Distributable							Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Merger Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Available-For- Sale Reserve RM'000	Retained Profits RM'000			
<b>At 1 October 2014</b>	122,977	(7,214)	24,302	20,792	(774)	8,799	8,800	212,025	389,707	126,670	516,377
Purchase of treasury shares	-	(250)	-	-	-	-	-	-	(250)	-	(250)
Net loss for the period	-	-	-	-	-	-	-	3,301	3,301	(5,892)	(2,591)
Other comprehensive loss for the period	-	-	-	-	(6,490)	-	(5,507)	-	(11,997)	(850)	(12,847)
Total comprehensive loss for the period	-	-	-	-	(6,490)	-	(5,507)	3,301	(8,696)	(6,742)	(15,438)
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(12,485)	(12,485)	-	(12,485)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(23,961)	(23,961)
<b>At 31 March 2015</b>	122,977	(7,464)	24,302	20,792	(7,264)	8,799	3,293	202,841	368,276	95,967	464,243

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For The Six Months Ended 31 March 2016

	Quarter ended 31-Mar-16 RM'000	Quarter ended 31-Mar-15 RM'000	Year to date 31-Mar-16 RM'000	Year to date 31-Mar-15 RM'000
Revenue	101,579	123,875	198,650	249,371
Other operating income	6,972	13,784	9,233	22,436
	108,551	137,659	207,883	271,807
Operating expenses	(93,752)	(163,261)	(193,361)	(276,277)
Profit/(loss) from operations	14,799	(25,602)	14,522	(4,470)
Finance costs	(827)	(809)	(1,665)	(1,628)
	13,972	(26,411)	12,857	(6,098)
Share of losses of associated companies	(24)	-	(369)	-
Profit/(loss) before tax	13,948	(26,411)	12,488	(6,098)
Income tax expense	(7,294)	5,343	(9,592)	3,507
Profit/(loss) for the period	6,654	(21,068)	2,896	(2,591)
Attributable to :				
Equity holders of the Company	(4,001)	(8,419)	(10,905)	3,301
Non-controlling interest	10,655	(12,649)	13,801	(5,892)
Earnings per share attributable to equity holders of the Company :				
- Basic (loss)/earnings per share (sen)	(1.67)	(3.51)	(4.56)	1.37
[Based on weighted average number of shares (net of treasury shares) of RM0.50 each]				

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Six Months Ended 31 March 2016

	Quarter ended 31-Mar-16 RM'000	Quarter ended 31-Mar-15 RM'000	Year to date 31-Mar-16 RM'000	Year to date 31-Mar-15 RM'000
<b>Profit/(loss) for the period</b>	6,654	(21,068)	2,896	(2,591)
<b>Other comprehensive income/(loss):</b>				
<b>Items that may be reclassified to income statement in subsequent periods:</b>				
Currency translation differences in respect of foreign operations	6,469	(3,109)	8,947	(6,490)
Fair value changes on available-for-sale ("AFS") financial assets	(2,338)	1,216	2,146	(6,935)
- Deferred tax	276	(225)	(450)	578
<b>Other comprehensive income/(loss) for the period, net of tax</b>	4,407	(2,118)	10,643	(12,847)
<b>Total comprehensive income/(loss) for the period</b>	11,061	(23,186)	13,539	(15,438)
<b>Attributable to :</b>				
Equity holders of the Company	834	(10,867)	(960)	(8,696)
Non-controlling interest	10,227	(12,319)	14,499	(6,742)

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Six Months Ended 31 March 2016

	31 March 2016 RM'000	31 March 2015 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	12,488	(6,098)
Adjustments for :		
Depreciation of property, plant and equipment	897	882
Property, plant and equipment written off	-	27
Dividend income	(2,045)	(1,346)
Interest income	(14,255)	(17,462)
Income from Sukuk	(5)	(6)
Income from Islamic fixed deposits	(1,483)	(890)
Interest expense	1,487	1,455
Allowance for impairment:		
- insurance receivables	222	203
- reinsurance assets	-	2,038
Write back in allowance for impairment:		
- insurance receivables	(1)	(397)
- reinsurance assets	(283)	-
Share of losses of associated companies	369	-
Short term accumulating compensated absences	(288)	-
Unrealised loss/(gain) on foreign exchange	22,108	(12,418)
Others	600	259
Operating profit/(loss) before working capital changes	<u>19,811</u>	<u>(33,753)</u>
Changes in working capital:		
Disposal of investments	79,000	-
Purchase of investments	(109,000)	(10,000)
Decrease in deposits and placements with financial institutions	96,984	1,933
(Increase)/decrease in loans	(29,983)	30,930
Decrease/(increase) in reinsurance assets	8,362	(19,920)
Decrease in insurance receivables	3,410	9,492
Increase in trade and other receivables	(7,120)	(11,211)
Increase in inventories - goods for resale	(27)	(61)
Increase in land held for development	(574)	(31,221)
(Decrease)/increase in insurance contract liabilities	(55,494)	60,351
Increase in insurance payables	2,422	10,691
Increase/(decrease) in payables	353	(220)
Cash generated from operations	<u>8,144</u>	<u>7,011</u>
Tax paid, net of tax refunded	(3,729)	(8,894)
Dividends received	1,317	991
Interest received	16,037	17,624
Income received from Sukuk	5	6
Income received from Islamic fixed deposits	1,475	-
Interest paid	(1,400)	(1,428)
Net cash generated from operating activities	<u>21,849</u>	<u>15,310</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Additional investment in an associated company	(1,211)	-
Purchase of property, plant and equipment	(244)	(326)
Purchase of intangible assets	(842)	(450)
Purchase of investments	(46,954)	(1,786)
Disposal of investments	18,000	-
Maturities of Sukuk	16	31
Disposal of property, plant and equipment	69	113
Net cash used in investing activities	<u>(31,166)</u>	<u>(2,418)</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Six Months Ended 31 March 2016 (Cont'd.)

	<b>31 March 2016 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(2)	(250)
Dividends paid to equity holders of the Company	(13,145)	(12,248)
Dividend paid to a non-controlling interest	(4,900)	(23,961)
Decrease in hire purchase creditors	(514)	(320)
Net cash used in financing activities	<u>(18,561)</u>	<u>(36,779)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(5,061)</u>	<u>5,256</u>
Net decrease in cash and cash equivalents	(32,939)	(18,631)
Cash and cash equivalents at beginning of year	110,483	74,647
Effect of exchange rate changes	(1,439)	521
Cash and cash equivalents at end of period	<u>76,105</u>	<u>56,537</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances*	<u>76,105</u> #	<u>56,537</u>

\* The cash and cash equivalents include deposits of RM648,000 (2015:RM628,000) which have been pledged as security by a subsidiary company for credit facilities granted.

# Cash and bank balances consist of cash in hand, cash at bank, and short-term deposits placed with financial institutions with maturity periods of less than three months. The higher cash and bank balances as at 31 March 2016 was mainly due to placement of more funds in deposits with maturity periods of less than three months.