

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	As At 30/09/2016 RM'000	As At 30/09/2015 RM'000
ASSETS		
Property, plant and equipment	22,964	22,917
Investment properties	1,030	1,020
Prepaid land lease payments	302	306
Intangible assets	1,795	1,577
Deferred tax assets	502	489
Investments	170,744	118,109
Investment in associated companies	19,403	9,665
Inventories - goods for resale	497	562
Land held for development	36,212	37,386
Loans	31,907	287
Reinsurance assets	223,012	214,914
Insurance receivables	17,776	25,110
Trade receivables	2,280	969
Other receivables	80,072	85,722
Deposits and placements with financial institutions	582,363	700,826
Cash and bank balances	56,511	110,483
Total assets	<u>1,247,370</u>	<u>1,330,342</u>
LIABILITIES		
Insurance contract liabilities	689,090	771,398
Insurance payables	17,055	15,227
Deferred tax liabilities	1,092	680
Trade payables	1,006	1,583
Other payables	12,744	9,500
Hire purchase creditors	3,011	2,190
Borrowings	34,149	33,994
Tax payable	5,602	125
Total liabilities	<u>763,749</u>	<u>834,697</u>
EQUITY		
Share capital	122,977	122,977
Treasury shares	(11,720)	(8,870)
Share premium	24,302	24,302
Merger reserve	20,792	20,792
Translation reserve	(12,144)	(17,484)
Revaluation reserve	8,858	8,858
Available-for-sale reserve	362	(56)
Retained profits	205,494	233,243
Equity attributable to equity holders of the Company	<u>358,921</u>	<u>383,762</u>
Non-controlling interest	<u>124,700</u>	<u>111,883</u>
Total equity	<u>483,621</u>	<u>495,645</u>
Total liabilities and equity	<u>1,247,370</u>	<u>1,330,342</u>
Net assets per share (Sen)	<u>152</u>	<u>161</u>
Based on number of shares (net of treasury shares) of RM0.50 each ('000)	236,819	239,005

The audited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2015.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Year Ended 30 September 2016

	Attributable to Equity Holders of the Company								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			Total RM'000
At 1 October 2015	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	-	(2,850)	-	-	-	-	-	-	(2,850)	-	(2,850)
Net profit for the period	-	-	-	-	-	-	-	(5,539)	(5,539)	24,683	19,144
Other comprehensive income for the period	-	-	-	-	5,340	-	418	-	5,758	384	6,142
Total comprehensive income for the period	-	-	-	-	5,340	-	418	(5,539)	219	25,067	25,286
Dividends to equity holders of the Company (Note B10)	-	-	-	-	-	-	-	(22,210)	(22,210)	-	(22,210)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(12,250)	(12,250)
At 30 September 2016	122,977	(11,720)	24,302	20,792	(12,144)	8,858	362	205,494	358,921	124,700	483,621

	Attributable to Equity Holders of the Company								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			Total RM'000
At 1 October 2014	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	-	(1,656)	-	-	-	-	-	-	(1,656)	-	(1,656)
Net profit for the period	-	-	-	-	-	-	-	42,570	42,570	10,643	53,213
Other comprehensive loss for the period	-	-	-	-	(16,710)	59	(8,856)	-	(25,507)	(1,469)	(26,976)
Total comprehensive income for the period	-	-	-	-	(16,710)	59	(8,856)	42,570	17,063	9,174	26,237
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(21,352)	(21,352)	-	(21,352)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(23,961)	(23,961)
At 30 September 2015	122,977	(8,870)	24,302	20,792	(17,484)	8,858	(56)	233,243	383,762	111,883	495,645

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Year Ended 30 September 2016

	Quarter ended 30-Sep-16 RM'000	Quarter ended 30-Sep-15 RM'000	Year to date 30-Sep-16 RM'000	Year to date 30-Sep-15 RM'000
Revenue	86,388	104,136	374,394	464,844
Other operating income	11,635	35,615	23,557	64,307
	98,023	139,751	397,951	529,151
Operating expenses	(82,460)	(93,728)	(354,797)	(463,166)
Profit from operations	15,563	46,023	43,154	65,985
Finance costs	(842)	(832)	(3,341)	(3,280)
	14,721	45,191	39,813	62,705
Share of losses of associated companies	(1,851)	(56)	(2,499)	(433)
Profit before tax	12,870	45,135	37,314	62,272
Income tax expense	(4,866)	(6,764)	(18,170)	(9,059)
Profit for the period	8,004	38,371	19,144	53,213
Attributable to :				
Equity holders of the Company	1,391	28,959	(5,539)	42,570
Non-controlling interest	6,613	9,412	24,683	10,643
(Loss)/earnings per share attributable to equity holders of the Company :				
- Basic (loss)/earnings per share (sen)	0.59	12.10	(2.32)	17.75
[Based on weighted average number of shares (net of treasury shares) of RM0.50 each]				

The audited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2015.

PACIFIC & ORIENT BERHAD
(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 30 September 2016

	Quarter ended 30-Sep-16 RM'000	Quarter ended 30-Sep-15 RM'000	Year to date 30-Sep-16 RM'000	Year to date 30-Sep-15 RM'000
Profit for the period	8,004	38,371	19,144	53,213
Other comprehensive (loss)/income:				
Items that may not be reclassified to income statement in subsequent periods:				
Deferred tax in respect of revaluation reserve	-	115	-	115
Items that may be reclassified to income statement in subsequent periods:				
Currency translation differences in respect of foreign operations	(2,492)	(9,324)	5,340	(16,710)
Fair value changes on available-for-sale ("AFS") financial assets	921	(1,121)	1,050	(11,456)
- Deferred tax	(107)	5	(248)	1,075
Other comprehensive (loss)/income for the period, net of tax	(1,678)	(10,325)	6,142	(26,976)
Total comprehensive income/(loss) for the period	6,326	28,046	25,286	26,237
Attributable to :				
Equity holders of the Company	(452)	18,531	219	17,063
Non-controlling interest	6,778	9,515	25,067	9,174

The audited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2015.

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 September 2016

	30 September 2016 RM'000	30 September 2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	37,314	62,272
Adjustments for :		
Depreciation of property, plant and equipment	1,881	1,797
Amortisation of:		
- prepaid land lease payments	4	4
- intangible assets	358	628
Loss on disposal of property, plant and equipment	217	152
Property, plant and equipment written off	21	53
Intangible assets written off	-	1
Gain on fair value of investment properties	(10)	(180)
Gain on disposal of investments	-	(716)
Inventories of goods for resale written off	53	4
Allowance for inventories obsolescence	-	11
Impairment of AFS financial assets	58	2,125
Dividend income	(5,081)	(1,874)
Interest income	(26,054)	(34,055)
Income from Sukuk	(10)	(12)
Income from Islamic fixed deposits	(4,402)	(1,132)
Interest expense	2,987	2,933
Allowance for impairment:		
- an associated company	3,475	-
- property, plant and equipment	-	567
- intangible assets	-	1
- insurance receivables	5	752
- trade receivables	778	855
- other receivables	-	991
- reinsurance assets	-	1,839
Write back in allowance for impairment:		
- insurance receivables	(314)	(990)
- trade receivables	(109)	(4)
- other receivables	(1)	-
Non-allowance expenses	436	-
Bad debts written off of trade receivables	148	2
Share of losses of associated companies	2,499	433
Allowance of unutilised leave	54	289
Pension cost - defined benefit plan	51	55
Unrealised loss/(gain) on foreign exchange	16,362	(38,161)
Transfer to property, plant and equipment and intangible assets from inventories	(13)	(25)
Operating profit/(loss) before working capital changes	30,707	(1,385)
Changes in working capital:		
Disposal of investments	156,000	1,016
Purchase of investments	(186,000)	(75,000)
Decrease in deposits and placements with financial institutions	118,464	155,590
(Increase)/decrease in loans	(31,620)	30,947
Increase in reinsurance assets	(8,098)	(904)
Decrease/(increase) in insurance receivables	7,644	(626)
Decrease/(increase) in trade and other receivables	1,754	(15,393)
Decrease/(increase) in inventories - goods for resale	12	(103)
Additional direct expenditure of/acquisition of land held for development	(1,341)	(37,386)
Decrease in insurance contract liabilities	(82,308)	(1,258)
Increase in insurance payables	1,828	3,740
Increase in payables	2,523	1,263
Cash generated from operations	9,565	60,501

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(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 September 2016 (Cont'd.)

	30 September 2016 RM'000	30 September 2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES (Cont'd)		
Tax paid, net of tax refunded	(12,453)	(12,750)
Dividends received	3,731	1,216
Interest received	27,756	32,952
Income received from Sukuk	10	12
Income received from Islamic fixed deposits	4,391	1,132
Interest paid	(2,814)	(2,948)
Net cash generated from operating activities	<u>30,186</u>	<u>80,115</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of an associated companies	(17,446)	(8,229)
Purchase of property, plant and equipment	(648)	(1,449)
Purchase of intangible assets	(573)	(454)
Purchase of investments	(96,037)	(1,854)
Maturities of Sukuk	34	47
Disposal of investments	73,000	-
Disposal of property, plant and equipment	335	396
Net cash used in investing activities	<u>(41,335)</u>	<u>(11,543)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(2,850)	(1,656)
Dividends paid to equity holders of the Company	(22,210)	(25,195)
Dividend paid to a non-controlling interest	(12,250)	(23,961)
Decrease in hire purchase creditors	(1,194)	(792)
Net cash used in financing activities	<u>(38,504)</u>	<u>(51,604)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>597</u>	<u>3,848</u>
Net (decrease)/increase in cash and cash equivalents	(49,056)	20,816
Cash and cash equivalents at beginning of year	<u>105,567</u>	<u>89,667</u>
Cash and cash equivalents at end of year	<u>56,511</u>	<u>110,483</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances*	56,511 #	110,483
Effect of exchange rate changes	<u>-</u>	<u>(4,916)</u>
Cash and cash equivalents *	<u>56,511</u>	<u>105,567</u>

* The cash and cash equivalents include deposits of RM659,000 (2015:RM638,000) 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 lower cash and bank balances as at 30 September 2016 was mainly due to placement of less funds in deposits with maturity periods of less than three months.

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