

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	As At 31/12/2016 RM'000	As At 30/09/2016 RM'000
ASSETS		
Property, plant and equipment	23,002	22,964
Investment properties	1,260	1,030
Prepaid land lease payments	301	302
Intangible assets	1,736	1,795
Deferred tax assets	672	502
Investments	147,022	170,744
Investment in associated companies	21,382	19,403
Inventories - goods for resale	548	497
Land held for development	39,377	36,212
Loans	38,352	31,907
Reinsurance assets	190,884	223,012
Insurance receivables	17,507	17,776
Trade receivables	1,807	2,280
Other receivables	78,536	80,072
Deposits and placements with financial institutions	545,418	582,363
Cash and bank balances	85,249	56,511
Total assets	<u>1,193,053</u>	<u>1,247,370</u>
LIABILITIES		
Insurance contract liabilities	637,694	689,090
Insurance payables	9,420	17,055
Deferred tax liabilities	1,625	1,092
Trade payables	1,113	1,006
Other payables	13,422	12,744
Hire purchase creditors	3,168	3,011
Borrowings	34,184	34,149
Dividend payable	2,366	-
Tax payable	3,773	5,602
Total liabilities	<u>706,765</u>	<u>763,749</u>
EQUITY		
Share capital	122,977	122,977
Treasury shares	(12,022)	(11,720)
Share premium	24,302	24,302
Merger reserve	20,792	20,792
Translation reserve	(18,426)	(12,144)
Revaluation reserve	8,890	8,858
Available-for-sale reserve	(1,202)	362
Retained profits	211,939	205,494
Equity attributable to equity holders of the Company	<u>357,250</u>	<u>358,921</u>
Non-controlling interest	<u>129,038</u>	<u>124,700</u>
Total equity	<u>486,288</u>	<u>483,621</u>
Total liabilities and equity	<u>1,193,053</u>	<u>1,247,370</u>
Net assets per share (Sen)	<u>151</u>	<u>152</u>
Based on number of shares (net of treasury shares) of RM0.50 each ('000)	236,587	236,819

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2016.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Three Months Ended 31 December 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 2016	122,977	(11,720)	24,302	20,792	(12,144)	8,858	362	205,494	358,921	124,700	483,621
Purchase of treasury shares	-	(302)	-	-	-	-	-	-	(302)	-	(302)
Net profit for the period	-	-	-	-	-	-	-	11,653	11,653	4,960	16,613
Other comprehensive loss for the period	-	-	-	-	(6,282)	32	(1,564)	-	(7,814)	(622)	(8,436)
Total comprehensive income for the period	-	-	-	-	(6,282)	32	(1,564)	11,653	3,839	4,338	8,177
Dividends to equity holders of the Company (Note B10)	-	-	-	-	-	-	-	(5,208)	(5,208)	-	(5,208)
At 31 December 2016	122,977	(12,022)	24,302	20,792	(18,426)	8,890	(1,202)	211,939	357,250	129,038	486,288

	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)	-	-	-	-	-	-	(2)	-	(2)
Net loss for the period	-	-	-	-	-	-	-	(6,904)	(6,904)	3,146	(3,758)
Other comprehensive income for the period	-	-	-	-	2,478	-	2,632	-	5,110	1,126	6,236
Total comprehensive income for the period	-	-	-	-	2,478	-	2,632	(6,904)	(1,794)	4,272	2,478
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(9,560)	(9,560)	-	(9,560)
At 31 December 2015	122,977	(8,872)	24,302	20,792	(15,006)	8,858	2,576	216,779	372,406	116,155	488,561

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

CONDENSED CONSOLIDATED INCOME STATEMENT
For The Three Months Ended 31 December 2016

	Quarter ended 31-Dec-16 RM'000	Quarter ended 31-Dec-15 RM'000	Year to date 31-Dec-16 RM'000	Year to date 31-Dec-15 RM'000
Revenue	85,101	97,071	85,101	97,071
Other operating income	15,803	2,261	15,803	2,261
	100,904	99,332	100,904	99,332
Operating expenses	(80,240)	(99,609)	(80,240)	(99,609)
Profit/(loss) from operations	20,664	(277)	20,664	(277)
Finance costs	(841)	(838)	(841)	(838)
	19,823	(1,115)	19,823	(1,115)
Share of losses of associated companies	(135)	(345)	(135)	(345)
Profit/(loss) before tax	19,688	(1,460)	19,688	(1,460)
Income tax expense	(3,075)	(2,298)	(3,075)	(2,298)
Profit/(loss) for the period	16,613	(3,758)	16,613	(3,758)
Attributable to :				
Equity holders of the Company	11,653	(6,904)	11,653	(6,904)
Non-controlling interest	4,960	3,146	4,960	3,146
Earnings per share attributable to equity holders of the Company :				
- Basic earnings/(loss) per share (sen)	4.92	(2.89)	4.92	(2.89)
[Based on weighted average number of shares (net of treasury shares) of RM0.50 each]				

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2016.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Three Months Ended 31 December 2016

	Quarter ended 31-Dec-16 RM'000	Quarter ended 31-Dec-15 RM'000	Year to date 31-Dec-16 RM'000	Year to date 31-Dec-15 RM'000
Profit/(loss) for the period	16,613	(3,758)	16,613	(3,758)
Other comprehensive (loss)/income:				
Items that may not be reclassified to income statement in subsequent periods:				
Surplus from revaluation of buildings	62	-	62	-
Items that may be reclassified to income statement in subsequent periods:				
Currency translation differences in respect of foreign operations	(6,282)	2,478	(6,282)	2,478
Fair value changes on available-for-sale ("AFS") financial assets	(2,639)	4,484	(2,639)	4,484
- Deferred tax	421	(726)	421	(726)
Other comprehensive (loss)/income for the period, net of tax	(8,438)	6,236	(8,438)	6,236
Total comprehensive income for the period	8,175	2,478	8,175	2,478
Attributable to :				
Equity holders of the Company	3,837	(1,794)	3,837	(1,794)
Non-controlling interest	4,338	4,272	4,338	4,272

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PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Three Months Ended 31 December 2016

	31 December 2016 RM'000	31 December 2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	19,688	(1,460)
Adjustments for :		
Depreciation of property, plant and equipment	478	444
Dividend income	(1,644)	(565)
Interest income	(4,869)	(7,294)
Income from Sukuk	(2)	(3)
Income from Islamic fixed deposits	(1,566)	(633)
Interest expense	751	749
Allowance for impairment:		
- insurance receivables	2	1
Write back in allowance for impairment:		
- insurance receivables	(59)	(11)
- reinsurance assets	-	(154)
Share of losses of associated companies	135	345
Short term accumulating compensated absences	(319)	(178)
Unrealised (gain)/loss on foreign exchange	(11,343)	6,638
Others	124	135
Operating profit/(loss) before working capital changes	<u>1,376</u>	<u>(1,986)</u>
Changes in working capital:		
Disposal of investments	75,000	-
Purchase of investments	(70,000)	(30,000)
Decrease in deposits and placements with financial institutions	36,945	74,840
Increase in loans	(6,445)	(29,991)
Decrease in reinsurance assets	32,128	20,386
Decrease/(increase) in insurance receivables	326	(3,672)
Decrease/(increase) in trade and other receivables	965	(7,157)
Increase in inventories - goods for resale	(50)	(302)
Additional/(decrease) in direct expenditure of land held for development	(1,276)	258
Decrease in insurance contract liabilities	(51,395)	(40,095)
Decrease in insurance payables	(7,635)	(2,847)
Increase in payables	1,730	3,219
Cash generated from/(used in) operations	<u>11,669</u>	<u>(17,347)</u>
Tax paid, net of tax refunded	(4,144)	(1,492)
Dividends received	1,108	372
Interest received	5,928	9,620
Income received from Sukuk	4	5
Income received from Islamic fixed deposits	1,575	625
Interest paid	(1,375)	(1,367)
Net cash generated from/(used in) operating activities	<u>14,765</u>	<u>(9,584)</u>

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(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Three Months Ended 31 December 2016 (Cont'd.)

	31 December 2016 RM'000	31 December 2015 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of an associated company	(1,771)	-
Purchase of property, plant and equipment	(162)	(119)
Purchase of intangible assets	8	(1)
Purchase of investments	16,554	(25,119)
Maturities of Sukuk	18	16
Disposal of property, plant and equipment	-	5
Net cash generated from/(used in) investing activities	<u>14,647</u>	<u>(25,218)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(277)	(2)
Dividends paid to equity holders of the Company	(2,842)	(4,780)
Decrease in hire purchase creditors	(252)	(200)
Net cash used in financing activities	<u>(3,371)</u>	<u>(4,982)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>1,407</u>	<u>(1,613)</u>
Net increase/(decrease) in cash and cash equivalents	27,448	(41,397)
Cash and cash equivalents at beginning of year	56,511	110,483
Effect of exchange rate changes	1,290	(1,081)
Cash and cash equivalents at end of year	<u>85,249</u>	<u>68,005</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances*	<u>85,249</u> #	<u>68,005</u>

* The cash and cash equivalents include deposits of RM664,000 (2015:RM643,000) 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 December 2016 was mainly due to placement of more funds in deposits with maturity periods of less than three months.

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