

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED FINANCIAL POSITION**

	<b>As At 31/03/2017 RM'000</b>	<b>As At 30/09/2016 RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	22,327	22,964
Investment properties	1,260	1,030
Prepaid land lease payments	299	302
Intangible assets	1,749	1,795
Deferred tax assets	537	502
Investments	161,178	170,744
Investment in associated companies	23,527	19,403
Inventories - goods for resale	591	497
Land held for development	39,229	36,212
Loans	38,382	31,907
Reinsurance assets	208,631	223,012
Insurance receivables	7,376	17,776
Trade receivables	1,902	2,280
Other receivables	78,283	80,072
Deposits and placements with financial institutions	565,227	582,363
Cash and bank balances	52,536	56,511
Total assets	<u>1,203,034</u>	<u>1,247,370</u>
<b>LIABILITIES</b>		
Insurance contract liabilities	651,196	689,090
Insurance payables	23,975	17,055
Deferred tax liabilities	2,689	1,092
Trade payables	1,457	1,006
Other payables	12,713	12,744
Hire purchase creditors	2,871	3,011
Borrowings	34,223	34,149
Tax payable	2,154	5,602
Total liabilities	<u>731,278</u>	<u>763,749</u>
<b>EQUITY</b>		
Share capital	147,279	122,977
Treasury shares	(12,652)	(11,720)
Share premium	-	24,302
Merger reserve	20,792	20,792
Translation reserve	(18,189)	(12,144)
Revaluation reserve	8,890	8,858
Available-for-sale reserve	4,217	362
Retained profits	206,603	205,494
Equity attributable to equity holders of the Company	<u>356,940</u>	<u>358,921</u>
Non-controlling interest	<u>114,816</u>	<u>124,700</u>
Total equity	<u>471,756</u>	<u>483,621</u>
Total liabilities and equity	<u>1,203,034</u>	<u>1,247,370</u>
<b>Net assets per share (Sen)</b>	<u>151</u>	<u>152</u>
Based on number of shares (net of treasury shares)('000)	236,094	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 Six Months Ended 31 March 2017

	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
<b>At 1 October 2016</b>	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	-	(932)	-	-	-	-	-	-	(932)	-	(932)
Net profit for the period	-	-	-	-	-	-	-	9,861	9,861	6,425	16,286
Other comprehensive loss for the period	-	-	-	-	(6,045)	32	3,855	-	(2,158)	1,037	(1,121)
Total comprehensive income for the period	-	-	-	-	(6,045)	32	3,855	9,861	7,703	7,462	15,165
Transfer pursuant to the Companies Act 2016*	24,302	-	(24,302)	-	-	-	-	-	-	-	-
Dividends to equity holders of the Company (Note B10)	-	-	-	-	-	-	-	(8,752)	(8,752)	-	(8,752)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(17,346)	(17,346)
<b>At 31 March 2017</b>	147,279	(12,652)	-	20,792	(18,189)	8,890	4,217	206,603	356,940	114,816	471,756

\* The Companies Act 2016 ("New Act") which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the credit standing in the share premium account of RM24,302,000 has been transferred to the share capital account. Pursuant to Section 618(3) of the New Act, the Company may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the New Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

	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
<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	-	-	-	-	-	-	-	(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

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For The Six Months Ended 31 March 2017

	Quarter ended 31-Mar-17 RM'000	Quarter ended 31-Mar-16 RM'000	Year to date 31-Mar-17 RM'000	Year to date 31-Mar-16 RM'000
<b>Revenue</b>	85,823	101,579	170,924	198,650
<b>Other operating income</b>	6,899	6,972	22,702	9,233
	92,722	108,551	193,626	207,883
<b>Operating expenses</b>	(89,655)	(93,752)	(169,895)	(193,361)
<b>Profit from operations</b>	3,067	14,799	23,731	14,522
<b>Finance costs</b>	(829)	(827)	(1,670)	(1,665)
	2,238	13,972	22,061	12,857
<b>Share of losses of associated companies</b>	(1,041)	(24)	(1,176)	(369)
<b>Profit before tax</b>	1,197	13,948	20,885	12,488
<b>Income tax expense</b>	(1,524)	(7,294)	(4,599)	(9,592)
<b>(Loss)/profit for the period</b>	(327)	6,654	16,286	2,896
<b>Attributable to :</b>				
<b>Equity holders of the Company</b>	(1,792)	(4,001)	9,861	(10,905)
<b>Non-controlling interest</b>	1,465	10,655	6,425	13,801
<b>(Loss)/earnings per share attributable to equity holders of the Company :</b>				
<b>- Basic (loss)/earnings per share (sen)</b>	(0.76)	(1.67)	4.17	(4.56)
[Based on weighted average number of shares (net of treasury shares)]				

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

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For The Six Months Ended 31 March 2017

	Quarter ended 31-Mar-17 RM'000	Quarter ended 31-Mar-16 RM'000	Year to date 31-Mar-17 RM'000	Year to date 31-Mar-16 RM'000
<b>(Loss)/profit for the period</b>	(327)	6,654	16,286	2,896
<b>Other comprehensive income/(loss):</b>				
<b>Items that may not be reclassified to income statement in subsequent periods:</b>				
Surplus from revaluation of buildings	-	-	62	-
<b>Items that may be reclassified to income statement in subsequent periods:</b>				
Currency translation differences in respect of foreign operations	237	6,469	(6,045)	8,947
Fair value changes on available-for-sale ("AFS") financial assets	8,149	(2,338)	5,510	2,146
- Deferred tax	(1,069)	276	(648)	(450)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	7,317	4,407	(1,121)	10,643
<b>Total comprehensive income for the period</b>	6,990	11,061	15,165	13,539
<b>Attributable to :</b>				
<b>Equity holders of the Company</b>	3,866	834	7,703	(960)
<b>Non-controlling interest</b>	3,124	10,227	7,462	14,499

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**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Six Months Ended 31 March 2017

	<b>31 March 2017 RM'000</b>	<b>31 March 2016 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,885	12,488
Adjustments for :		
Depreciation of property, plant and equipment	959	897
Dividend income	(2,759)	(2,045)
Interest income	(10,597)	(14,255)
Income from Sukuk	(4)	(5)
Income from Islamic fixed deposits	(2,828)	(1,483)
Interest expense	1,491	1,487
Allowance for impairment:		
- insurance receivables	25	222
Write back in allowance for impairment:		
- insurance receivables	-	(1)
- reinsurance assets	-	(283)
Share of losses of associated companies	1,176	369
Allowance for unutilised leave	(320)	(288)
Unrealised (gain)/loss on foreign exchange	(10,809)	22,108
Others	480	600
Operating (loss)/profit before working capital changes	<u>(2,301)</u>	<u>19,811</u>
Changes in working capital:		
Disposal of investments	101,000	79,000
Purchase of investments	(91,260)	(109,000)
Decrease in deposits and placements with financial institutions	17,136	96,984
Increase in loans	(6,475)	(29,983)
Decrease in reinsurance assets	14,381	8,362
Decrease in insurance receivables	10,375	3,410
Decrease/(increase) in trade and other receivables	3,538	(7,120)
Increase in inventories - goods for resale	(93)	(27)
Additional in direct expenditure of land held for development	(696)	(574)
Decrease in insurance contract liabilities	(37,893)	(55,494)
Increase in insurance payables	6,919	2,422
Increase in payables	651	353
Cash generated from operations	<u>15,282</u>	<u>8,144</u>
Tax paid, net of tax refunded	(7,169)	(3,729)
Dividends received	1,673	1,317
Interest received	9,274	16,037
Income received from Sukuk	5	5
Income received from Islamic fixed deposits	2,840	1,475
Interest paid	(1,417)	(1,400)
Net cash generated from operating activities	<u>20,488</u>	<u>21,849</u>

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Six Months Ended 31 March 2017 (Cont'd.)

	<b>31 March 2017 RM'000</b>	<b>31 March 2016 RM'000</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additional investment in associated companies	(4,975)	(1,211)
Purchase of property, plant and equipment	(242)	(244)
Purchase of intangible assets	(77)	(842)
Purchase of investments	(20,552)	(46,954)
Disposal of investments	26,800	18,000
Maturities of Sukuk	18	16
Disposal of property, plant and equipment	171	69
Net cash generated from/(used in) investing activities	<u>1,143</u>	<u>(31,166)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(932)	(2)
Dividends paid to equity holders of the Company	(8,752)	(13,145)
Dividend paid to a non-controlling interest	(17,346)	(4,900)
Decrease in hire purchase creditors	(558)	(514)
Net cash used in financing activities	<u>(27,588)</u>	<u>(18,561)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>1,377</u>	<u>(5,061)</u>
Net decrease in cash and cash equivalents	(4,580)	(32,939)
Cash and cash equivalents at beginning of year	56,511	110,483
Effect of exchange rate changes	605	(1,439)
Cash and cash equivalents at end of period	<u>52,536</u>	<u>76,105</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances*	<u>52,536</u> #	<u>76,105</u>

\* The cash and cash equivalents include deposits of RM669,000 (2016:RM648,000) 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 31 March 2017 was mainly due to lower placement of fund in deposits with maturity periods of less than three months.

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