

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	As At 30/06/2017 RM'000	As At 30/09/2016 RM'000
ASSETS		
Property, plant and equipment	21,858	22,964
Investment properties	1,260	1,030
Prepaid land lease payments	299	302
Intangible assets	1,841	1,795
Deferred tax assets	648	502
Investments	169,316	170,744
Investment in associated companies	25,051	19,403
Inventories - goods for resale	576	497
Land held for development	39,298	36,212
Loans	8,123	31,907
Reinsurance assets	194,679	223,012
Insurance receivables	8,922	17,776
Trade receivables	1,648	2,280
Other receivables	119,465	80,072
Deposits and placements with financial institutions	544,414	582,363
Cash and bank balances	39,815	56,511
Total assets	<u>1,177,213</u>	<u>1,247,370</u>
LIABILITIES		
Insurance contract liabilities	615,188	689,090
Insurance payables	9,468	17,055
Deferred tax liabilities	4,904	1,092
Trade payables	1,416	1,006
Other payables	10,080	12,744
Hire purchase creditors	2,603	3,011
Borrowings	34,478	34,149
Tax payable	29	5,602
Total liabilities	<u>678,166</u>	<u>763,749</u>
EQUITY		
Share capital	147,279	122,977
Treasury shares	(12,653)	(11,720)
Share premium	-	24,302
Merger reserve	20,792	20,792
Translation reserve	(16,337)	(12,144)
Revaluation reserve	8,890	8,858
Available-for-sale reserve	25,570	362
Retained profits	201,605	205,494
Equity attributable to equity holders of the Company	<u>375,146</u>	<u>358,921</u>
Non-controlling interest	123,901	124,700
Total equity	<u>499,047</u>	<u>483,621</u>
Total liabilities and equity	<u>1,177,213</u>	<u>1,247,370</u>
Net assets per share (Sen)	<u>159</u>	<u>152</u>
Based on number of shares (net of treasury shares)('000)	236,093	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 Nine Months Ended 30 June 2017

	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			
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	-	(933)	-	-	-	-	-	-	(933)	-	(933)
Net profit for the period	-	-	-	-	-	-	-	9,585	9,585	12,102	21,687
Other comprehensive income for the period	-	-	-	-	(4,193)	32	25,208	-	21,047	4,445	25,492
Total comprehensive income for the period	-	-	-	-	(4,193)	32	25,208	9,585	30,632	16,547	47,179
Transfer pursuant to the Companies Act 2016*	24,302	-	(24,302)	-	-	-	-	-	-	-	-
Dividends to equity holders of the Company (Note B10)	-	-	-	-	-	-	-	(13,474)	(13,474)	-	(13,474)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(17,346)	(17,346)
At 30 June 2017	147,279	(12,653)	-	20,792	(16,337)	8,890	25,570	201,605	375,146	123,901	499,047

* 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 amount 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								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			
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	-	(292)	-	-	-	-	-	-	(292)	-	(292)
Net profit for the period	-	-	-	-	-	-	-	(6,930)	(6,930)	18,070	11,140
Other comprehensive income for the period	-	-	-	-	7,832	-	(231)	-	7,601	219	7,820
Total comprehensive income for the period	-	-	-	-	7,832	-	(231)	(6,930)	671	18,289	18,960
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(16,252)	(16,252)	-	(16,252)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(4,900)	(4,900)
At 30 June 2016	122,977	(9,162)	24,302	20,792	(9,652)	8,858	(287)	210,061	367,889	125,272	493,161

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Nine Months Ended 30 June 2017

	Quarter ended 30-Jun-17 RM'000	Quarter ended 30-Jun-16 RM'000	Year to date 30-Jun-17 RM'000	Year to date 30-Jun-16 RM'000
Revenue	78,037	89,356	248,961	288,006
Other operating income	1,303	2,689	24,005	11,922
	79,340	92,045	272,966	299,928
Operating expenses	(69,860)	(78,976)	(239,755)	(272,337)
Profit from operations	9,480	13,069	33,211	27,591
Finance costs	(837)	(834)	(2,507)	(2,499)
	8,643	12,235	30,704	25,092
Share of losses of associated companies	(1,449)	(279)	(2,625)	(648)
Profit before tax	7,194	11,956	28,079	24,444
Income tax expense	(1,793)	(3,712)	(6,392)	(13,304)
Profit for the period	5,401	8,244	21,687	11,140
Attributable to :				
Equity holders of the Company	(276)	3,975	9,585	(6,930)
Non-controlling interest	5,677	4,269	12,102	18,070
(Loss)/earnings per share attributable to equity holders of the Company :				
- Basic (loss)/earnings per share (sen)	(0.12)	1.66	4.06	(2.90)
[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 Nine Months Ended 30 June 2017

	Quarter ended 30-Jun-17 RM'000	Quarter ended 30-Jun-16 RM'000	Year to date 30-Jun-17 RM'000	Year to date 30-Jun-16 RM'000
Profit for the period	5,401	8,244	21,687	11,140
Other comprehensive income/(loss):				
Items that may not be reclassified to income statement in subsequent periods:				
Surplus from revaluation of buildings	-	-	62	-
Items that may be reclassified to income statement in subsequent periods:				
Currency translation differences in respect of foreign operations	1,852	(1,115)	(4,193)	7,832
Fair value changes on available-for-sale ("AFS") financial assets	26,957	(2,017)	32,467	129
- Deferred tax	(2,196)	309	(2,844)	(141)
Other comprehensive income/(loss) for the period, net of tax	26,613	(2,823)	25,492	7,820
Total comprehensive income for the period	32,014	5,421	47,179	18,960
Attributable to :				
Equity holders of the Company	22,929	1,631	30,632	671
Non-controlling interest	9,085	3,790	16,547	18,289

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PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Nine Months Ended 30 June 2017

	30 June 2017 RM'000	30 June 2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	28,079	24,444
Adjustments for :		
Depreciation of property, plant and equipment	1,431	1,392
Loss on disposal of property, plant and equipment	116	160
Property, plant and equipment written off	6	1
Gain on fair value of financial assets at fair value through profit or loss	(1,319)	-
Dividend income	(4,536)	(3,800)
Interest income	(15,213)	(20,457)
Income from Sukuk	(10)	(8)
Income from Islamic fixed deposits	(4,100)	(2,573)
Interest expense	2,238	2,234
Allowance for impairment:		
- insurance receivables	208	98
Write back in allowance for impairment:		
- insurance receivables	-	(1)
- reinsurance assets	-	(592)
Bad debts written off of trade receivables	-	8
Share of losses of associated companies	2,625	648
Unrealised (gain)/loss on foreign exchange	(7,594)	20,784
Others	521	618
Operating profit before working capital changes	<u>2,452</u>	<u>22,956</u>
Changes in working capital:		
Disposal of investments	153,000	124,000
Purchase of investments	(91,928)	(144,000)
Decrease in deposits and placements with financial institutions	37,949	113,860
Decrease/(Increase) in loans	23,785	(29,968)
Decrease/(increase) in reinsurance assets	28,333	(3,562)
Decrease in insurance receivables	8,646	10,422
Increase in trade and other receivables	(35,484)	(28,722)
Increase in inventories - goods for resale	(79)	(24)
Additional in direct expenditure of land held for development	(1,831)	(958)
Decrease in insurance contract liabilities	(73,902)	(62,710)
(Decrease)/increase in insurance payables	(7,587)	3,961
(Decrease)/increase in payables	(1,593)	186
Cash generated from operations	<u>41,761</u>	<u>5,441</u>
Tax paid, net of tax refunded	(12,094)	(6,071)
Dividends received	4,266	2,516
Interest received	12,901	22,909
Income received from Sukuk	8	10
Income received from Islamic fixed deposits	4,112	2,549
Interest paid	(2,801)	(2,768)
Net cash generated from operating activities	<u>48,153</u>	<u>24,586</u>

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Nine Months Ended 30 June 2017 (Cont'd.)

	30 June 2017 RM'000	30 June 2016 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Additional investment in associated companies	(7,742)	(1,211)
Purchase of property, plant and equipment	(268)	(909)
Purchase of intangible assets	(239)	(581)
Purchase of investments	(54,916)	(82,258)
Disposal of investments	28,800	55,000
Maturities of Sukuk	36	33
Disposal of property, plant and equipment	175	223
Net cash used in investing activities	<u>(34,154)</u>	<u>(29,703)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(933)	(246)
Dividends paid to equity holders of the Company	(13,474)	(16,252)
Dividend paid to a non-controlling interest	(17,346)	(4,900)
Decrease in hire purchase creditors	(821)	(554)
Drawdown of borrowing	215	-
Net cash used in financing activities	<u>(32,359)</u>	<u>(21,952)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>1,127</u>	<u>(5,379)</u>
Net decrease in cash and cash equivalents	(17,233)	(32,448)
Cash and cash equivalents at beginning of year	56,511	110,483
Effect of exchange rate changes	537	(1,172)
Cash and cash equivalents at end of period	<u>39,815</u>	<u>76,863</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances*	<u>39,815</u> #	<u>76,863</u>

* The cash and cash equivalents include deposits of RM1,531,000 (2016:RM654,000) which have been pledged as securities by the subsidiary companies 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 June 2017 was mainly due to lower placement of fund in deposits with maturity periods of less than three months.

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