

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION - Audited

	As At 30/09/2017 RM'000	As At 30/09/2016 RM'000
ASSETS		
Property, plant and equipment	26,042	22,964
Investment properties	1,220	1,030
Prepaid land lease payments	298	302
Intangible assets	2,087	1,795
Deferred tax assets	776	502
Investments	179,299	170,744
Investment in associated companies	23,166	19,403
Inventories - goods for resale	480	497
Land held for development	39,201	36,212
Loans	8,093	31,907
Reinsurance assets	200,416	223,012
Insurance receivables	20,909	17,776
Trade receivables	1,095	2,280
Other receivables	78,665	80,072
Deposits and placements with financial institutions	559,089	582,363
Cash and bank balances	30,168	56,511
Total assets	<u>1,171,004</u>	<u>1,247,370</u>
LIABILITIES		
Insurance contract liabilities	611,117	689,090
Insurance payables	10,505	17,055
Deferred tax liabilities	4,704	1,092
Trade payables	1,074	1,006
Other payables	15,665	12,744
Hire purchase creditors	2,353	3,011
Borrowings	34,512	34,149
Dividend payable	3,540	-
Tax payable	2,393	5,602
Total liabilities	<u>685,863</u>	<u>763,749</u>
EQUITY		
Share capital	147,279	122,977
Treasury shares	(12,759)	(11,720)
Share premium	-	24,302
Merger reserve	20,792	20,792
Translation reserve	(15,561)	(12,144)
Revaluation reserve	10,624	8,858
Available-for-sale reserve	13,045	362
Retained profits	192,606	205,494
Equity attributable to equity holders of the Company	<u>356,026</u>	<u>358,921</u>
Non-controlling interest	<u>129,115</u>	<u>124,700</u>
Total equity	<u>485,141</u>	<u>483,621</u>
Total liabilities and equity	<u>1,171,004</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)('000)	236,011	236,819

The 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 - Audited
For The Year Ended 30 September 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	-	(1,039)	-	-	-	-	-	-	(1,039)	-	(1,039)
Net profit for the period	-	-	-	-	-	-	-	7,666	7,666	17,870	25,536
Other comprehensive income for the period	-	-	-	-	(3,417)	1,766	12,683	-	11,032	3,891	14,923
Total comprehensive income for the period	-	-	-	-	(3,417)	1,766	12,683	7,666	18,698	21,761	40,459
Transfer pursuant to the Companies Act 2016*	24,302	-	(24,302)	-	-	-	-	-	-	-	-
Dividends to equity holders of the Company (Note B10)	-	-	-	-	-	-	-	(20,554)	(20,554)	-	(20,554)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(17,346)	(17,346)
At 30 September 2017	147,279	(12,759)	-	20,792	(15,561)	10,624	13,045	192,606	356,026	129,115	485,141

* 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 transferred from share premium account within 24 months after the commencement of the New Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transfer.

	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	-	(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	-	-	-	-	-	-	-	(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

The 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 INCOME STATEMENT

For The Year Ended 30 September 2017

	Unaudited		Audited	
	Quarter ended 30-Sep-17 RM'000	Quarter ended 30-Sep-16 RM'000	Year to date 30-Sep-17 RM'000	Year to date 30-Sep-16 RM'000
Revenue	82,586	86,388	331,547	374,394
Other operating income	11,783	11,635	35,788	23,557
	94,369	98,023	367,335	397,951
Operating expenses	(84,244)	(82,460)	(323,999)	(354,797)
Profit from operations	10,125	15,563	43,336	43,154
Finance costs	(842)	(842)	(3,349)	(3,341)
	9,283	14,721	39,987	39,813
Share of losses of associated companies	(1,426)	(1,851)	(4,051)	(2,499)
Profit before tax	7,857	12,870	35,936	37,314
Income tax expense	(4,008)	(4,866)	(10,400)	(18,170)
Profit for the period	3,849	8,004	25,536	19,144
Attributable to :				
Equity holders of the Company	(1,919)	1,391	7,666	(5,539)
Non-controlling interest	5,768	6,613	17,870	24,683
(Loss)/earnings per share attributable to equity holders of the Company :				
- Basic (loss)/earnings per share (sen)	(0.81)	0.59	3.24	(2.32)
<small>[Based on weighted average number of shares (net of treasury shares)]</small>				

The 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 Year Ended 30 September 2017

	Unaudited		Audited	
	Quarter ended 30-Sep-17 RM'000	Quarter ended 30-Sep-16 RM'000	Year to date 30-Sep-17 RM'000	Year to date 30-Sep-16 RM'000
Profit for the period	3,849	8,004	25,536	19,144
Other comprehensive (loss)/income:				
Items that may not be reclassified to income statement in subsequent periods:				
Surplus from revaluation of land and buildings:				
- Gross surplus from revaluation	4,476	-	4,538	-
- Deferred tax	(1,074)	-	(1,074)	-
Items that may be reclassified to income statement in subsequent periods:				
Currency translation differences in respect of foreign operations	776	(2,492)	(3,417)	5,340
Fair value changes on available-for-sale ("AFS") financial assets				
- Gain on fair value changes	(13,730)	921	18,737	1,050
- Transfer to income statement upon disposal	(2,509)	-	(2,509)	-
- Impairment loss	61	-	61	-
- Deferred tax	1,431	(107)	(1,413)	(248)
Other comprehensive (loss)/income for the period, net of tax	(10,569)	(1,678)	14,923	6,142
Total comprehensive (loss)/income for the period	(6,720)	6,326	40,459	25,286
Attributable to :				
Equity holders of the Company	(11,934)	(452)	18,698	219
Non-controlling interest	5,214	6,778	21,761	25,067

The 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 CASH FLOWS - Audited
For The Year Ended 30 September 2017

	30 September 2017 RM'000	30 September 2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	35,936	37,314
Adjustments for :		
Depreciation of property, plant and equipment	1,896	1,881
Amortisation of:		
- prepaid land lease payments	4	4
- intangible assets	400	358
Loss on disposal of property, plant and equipment	117	217
Property, plant and equipment written off	9	21
Reversal of revaluation deficit of property, plant and equipment	(118)	-
Loss/(gain) on fair value of investment properties	40	(10)
Gain on disposal of investments	(2,509)	-
Gain on fair value of investments held as profit or loss	(1,196)	-
Inventories of goods for resale written off	63	53
Impairment of AFS financial assets	61	58
Dividend income	(5,338)	(5,081)
Interest income	(19,627)	(26,054)
Income from Sukuk	(7)	(10)
Income from Islamic fixed deposits	(5,395)	(4,402)
Interest expense	2,992	2,987
Allowance for impairment:		
- associated companies	2,061	3,475
- insurance receivables	152	5
- trade receivables	726	778
- other receivables	408	-
Write back in allowance for impairment:		
- insurance receivables	(540)	(314)
- reinsurance assets	(1,077)	-
- trade receivables	(151)	(109)
- other receivables	-	(1)
Non-allowable expenses	340	436
Bad debts written off:		
- insurance receivables	185	-
- trade receivables	8	148
Share of losses of associated companies	4,051	2,499
Allowance for unutilised leave	(14)	54
Pension cost - defined benefit plan	64	51
Unrealised (gain)/loss on foreign exchange	(5,647)	16,362
Transfer to property, plant and equipment from inventories	(21)	(13)
Operating profit before working capital changes	<u>7,873</u>	<u>30,707</u>
Changes in working capital:		
Disposal of investments	162,690	156,000
Purchase of investments	(129,010)	(186,000)
Decrease in deposits and placements with financial institutions	23,273	118,464
Decrease/(Increase) in loans	23,814	(31,620)
Decrease/(increase) in reinsurance assets	23,673	(8,098)
(Increase)/Decrease in insurance receivables	(2,745)	7,644
Increase in trade and other receivables	4,451	1,754
(Increase)/decrease in inventories - goods for resale	(45)	12
Additional in direct expenditure of land held for development	(2,301)	(1,341)
Decrease in insurance contract liabilities	(77,973)	(82,308)
(Decrease)/increase in insurance payables	(6,551)	1,828
Increase in payables	2,863	2,523
Cash generated from operations	<u>30,012</u>	<u>9,565</u>
Tax paid, net of tax refunded	(12,179)	(12,453)
Dividends received	5,007	3,731
Interest received	16,927	27,756
Income received from Sukuk	8	10
Income received from Islamic fixed deposits	5,407	4,391
Interest paid	(2,848)	(2,814)
Net cash generated from operating activities	<u>42,334</u>	<u>30,186</u>

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - Audited
For The Year Ended 30 September 2017 (Cont'd)

	30 September 2017 RM'000	30 September 2016 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of associated companies	(9,030)	(17,446)
Purchase of property, plant and equipment	(311)	(648)
Purchase of intangible assets	(682)	(573)
Purchase of investments	(55,443)	(96,037)
Disposal of investments	31,800	73,000
Maturities of Sukuk	35	34
Disposal of property, plant and equipment	177	335
Net cash used in investing activities	<u>(33,454)</u>	<u>(41,335)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(1,039)	(2,850)
Dividends paid to equity holders of the Company	(17,014)	(22,210)
Dividend paid to a non-controlling interest	(17,346)	(12,250)
Decrease in hire purchase creditors	(1,072)	(1,194)
Drawdown of borrowing	211	-
Net cash used in financing activities	<u>(36,260)</u>	<u>(38,504)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(111)</u>	<u>597</u>
Net decrease in cash and cash equivalents	(27,491)	(49,056)
Cash and cash equivalents at beginning of year	57,659	105,567
Cash and cash equivalents at end of year	<u>30,168</u>	<u>56,511</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances*	30,168 #	56,511
Effect of exchange rate changes	<u>-</u>	<u>1,148</u>
Cash and cash equivalents *	<u>30,168</u>	<u>57,659</u>

* The cash and cash equivalents include deposits of RM680,000 (2016:RM659,000) 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 September 2017 was mainly due to lower placement of fund in deposits with maturity periods of less than three months.

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