

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	As At 31/3/2018 RM'000	As At 30/09/2017 RM'000
ASSETS		
Property, plant and equipment	25,135	26,042
Investment properties	1,220	1,220
Prepaid land lease payments	296	298
Intangible assets	1,827	2,087
Deferred tax assets	1,231	776
Investments	186,175	179,299
Investment in associated companies	21,960	23,166
Due from an associated company	758	-
Inventories - goods for resale	502	480
Land held for development	38,754	39,201
Loans	8,033	8,093
Reinsurance assets	198,402	200,416
Insurance receivables	16,848	20,909
Trade receivables	1,630	1,095
Other receivables	74,753	78,665
Deposits and placements with financial institutions	506,607	559,089
Cash and bank balances	24,292	30,168
Total assets	<u>1,108,423</u>	<u>1,171,004</u>
LIABILITIES		
Insurance contract liabilities	586,763	611,117
Insurance payables	21,556	10,505
Deferred tax liabilities	3,635	4,704
Trade payables	1,112	1,074
Other payables	10,972	15,665
Hire purchase creditors	1,912	2,353
Borrowings	34,574	34,512
Dividend payable	-	3,540
Tax payable	2,860	2,393
Total liabilities	<u>663,384</u>	<u>685,863</u>
EQUITY		
Share capital	147,279	147,279
Treasury shares	(12,836)	(12,759)
Merger reserve	20,792	20,792
Translation reserve	(10,716)	(15,561)
Revaluation reserve	10,624	10,624
Available-for-sale reserve	6,639	13,045
Retained profits	169,028	192,606
Equity attributable to equity holders of the Company	<u>330,810</u>	<u>356,026</u>
Non-controlling interest	<u>114,229</u>	<u>129,115</u>
Total equity	<u>445,039</u>	<u>485,141</u>
Total liabilities and equity	<u>1,108,423</u>	<u>1,171,004</u>
Net assets per share (Sen)	<u>120</u>	<u>151</u>
Based on number of shares (net of treasury shares)('000)	275,272	236,011

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Six Months Ended 31 March 2018

	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 2017	147,279	(12,759)	-	20,792	(15,561)	10,624	13,045	192,606	356,026	129,115	485,141
Purchase of treasury shares	-	(77)	-	-	-	-	-	-	(77)	-	(77)
Net loss for the period	-	-	-	-	-	-	-	(17,678)	(17,678)	4,529	(13,149)
Other comprehensive loss for the period	-	-	-	-	4,845	-	(6,406)	-	(1,561)	(1,530)	(3,091)
Total comprehensive loss for the period	-	-	-	-	4,845	-	(6,406)	(17,678)	(19,239)	2,999	(16,240)
Dividends to equity holders of the Company (Note B10)	-	-	-	-	-	-	-	(5,900)	(5,900)	-	(5,900)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(17,885)	(17,885)
At 31 March 2018	147,279	(12,836)	-	20,792	(10,716)	10,624	6,639	169,028	330,810	114,229	445,039

* 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 had been transferred to the share capital account. As allowed under Section 618(3) of the New Act, the Company utilised RM20,496,000 of its share premium account to issue 40,992,333 new bonus shares on 29 March 2018 (refer to Note A7(i)).

	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	-	(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	-	-	-	-	-	-	-	(8,752)	(8,752)	-	(8,752)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(17,346)	(17,346)
At 31 March 2017	147,279	(12,652)	-	20,792	(18,189)	8,890	4,217	206,603	356,940	114,816	471,756

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Six Months Ended 31 March 2018

	Quarter ended 31-Mar-18 RM'000	Quarter ended 31-Mar-17 RM'000	Year to date 31-Mar-18 RM'000	Year to date 31-Mar-17 RM'000
Revenue	83,220	85,823	160,467	170,924
Other operating income	9,551	6,899	12,856	22,702
	92,771	92,722	173,323	193,626
Operating expenses	(94,198)	(89,655)	(179,724)	(169,895)
(Loss)/profit from operations	(1,427)	3,067	(6,401)	23,731
Finance costs	(824)	(829)	(1,660)	(1,670)
	(2,251)	2,238	(8,061)	22,061
Share of losses of associated companies	(612)	(1,041)	(1,810)	(1,176)
(Loss)/profit before tax	(2,863)	1,197	(9,871)	20,885
Income tax expense	(2,357)	(1,524)	(3,278)	(4,599)
(Loss)/profit for the period	(5,220)	(327)	(13,149)	16,286
Attributable to :				
Equity holders of the Company	(8,229)	(1,792)	(17,678)	9,861
Non-controlling interest	3,009	1,465	4,529	6,425
(Loss)/earnings per share attributable to equity holders of the Company :				
- Basic (loss)/earnings per share (sen)	(3.30)	(0.76)	(7.29)	4.17
[Based on weighted average number of shares (net of treasury shares)]				

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017.

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Six Months Ended 31 March 2018

	Quarter ended 31-Mar-18 RM'000	Quarter ended 31-Mar-17 RM'000	Year to date 31-Mar-18 RM'000	Year to date 31-Mar-17 RM'000
(Loss)/profit for the period	(5,220)	(327)	(13,149)	16,286
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	-	-	-	62
Items that may be reclassified to income statement in subsequent periods:				
Currency translation differences in respect of foreign operations	2,046	237	4,845	(6,045)
Fair value changes on available-for-sale ("AFS") financial assets				
- (Loss)/gain on fair value changes	(1,594)	8,149	(8,869)	5,510
- Transfer to income statement upon disposal	(38)	-	(53)	-
- Deferred tax	429	(1,069)	986	(648)
Other comprehensive income/(loss) for the period, net of tax	843	7,317	(3,091)	(1,121)
Total comprehensive (loss)/income for the period	(4,377)	6,990	(16,240)	15,165
Attributable to :				
Equity holders of the Company	(6,719)	3,866	(19,239)	7,703
Non-controlling interest	2,342	3,124	2,999	7,462

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017.

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Six Months Ended 31 March 2018

	31 March 2018 RM'000	31 March 2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(9,871)	20,885
Adjustments for :		
Depreciation of property, plant and equipment	1,057	959
Loss on fair value of financial assets at fair value through profit or loss	496	-
Gain on disposal of investments	(53)	-
Dividend income	(2,868)	(2,759)
Interest income	(7,930)	(10,597)
Income from Sukuk	(3)	(4)
Income from Islamic fixed deposits	(3,180)	(2,828)
Interest expense	1,481	1,491
Allowance for impairment:		
- an associated company	2,293	-
- insurance receivables	540	25
Share of losses of associated companies	1,810	1,176
Allowance for unutilised leave	(262)	(320)
Unrealised loss/(gain) on foreign exchange	10,941	(10,809)
Others	787	480
Operating loss before working capital changes	<u>(4,762)</u>	<u>(2,301)</u>
Changes in working capital:		
Disposal of investments	92,230	101,000
Purchase of investments	(112,604)	(91,260)
Decrease in deposits and placements with financial institutions	52,483	17,136
Decrease/(increase) in loans	59	(6,475)
Decrease in reinsurance assets	2,014	14,381
Decrease in insurance receivables	3,520	10,375
Decrease in trade and other receivables	936	3,538
Increase in due from an associated company	(758)	-
Increase in inventories - goods for resale	(22)	(93)
Additional in direct expenditure of land held for development	(2,546)	(696)
Decrease in insurance contract liabilities	(24,354)	(37,893)
Increase in insurance payables	11,052	6,919
(Decrease)/increase in payables	<u>(4,492)</u>	<u>651</u>
Cash generated from operations	12,756	15,282
Tax paid, net of tax refunded	(2,155)	(7,169)
Dividends received	2,677	1,673
Interest received	9,198	9,274
Income received from Sukuk	3	5
Income received from Islamic fixed deposits	3,180	2,840
Interest paid	<u>(1,401)</u>	<u>(1,417)</u>
Net cash generated from operating activities	<u>24,258</u>	<u>20,488</u>

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Six Months Ended 31 March 2018 (Cont'd)

	31 March 2018 RM'000	31 March 2017 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Additional investment in associated companies	(3,761)	(4,975)
Purchase of property, plant and equipment	(224)	(242)
Purchase of intangible assets	(269)	(77)
Purchase of investments	(15,160)	(20,552)
Disposal of investments	19,156	26,800
Maturities of Sukuk	19	18
Disposal of property, plant and equipment	7	171
Net cash (used in)/generated from investing activities	<u>(232)</u>	<u>1,143</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(49)	(932)
Dividends paid to equity holders of the Company	(9,440)	(8,752)
Dividend paid to a non-controlling interest	(17,885)	(17,346)
Decrease in hire purchase creditors	(486)	(558)
Net cash used in financing activities	<u>(27,860)</u>	<u>(27,588)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(797)</u>	<u>1,377</u>
Net decrease in cash and cash equivalents	(4,631)	(4,580)
Cash and cash equivalents at beginning of year	30,168	56,511
Effect of exchange rate changes	(1,245)	605
Cash and cash equivalents at end of year	<u>24,292</u>	<u>52,536</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances*	<u>24,292</u> #	<u>52,536</u>

* The cash and cash equivalents include deposits of RM690,000 (2017:RM669,000) 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 31 March 2018 was mainly due to lower placement of fund in deposits with maturity periods of less than three months.

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