

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	As At 31/12/2018 * RM'000	As At 30/9/2018 RM'000
ASSETS		
Property, plant and equipment	24,084	24,106
Investment properties	1,220	1,220
Prepaid land lease payments	293	294
Intangible assets	2,061	1,921
Deferred tax assets	515	514
Investments	132,059	164,918
Amortised cost	53	-
Fair value through other comprehensive income	32,719	-
Fair value through profit or loss	99,287	5,202
Available-for-sale	-	159,643
Held-to-maturity	-	73
Investment in associated companies	18,959	19,937
Inventories - goods for resale	667	508
Land held for development	45,682	45,416
Loans	3,573	7,967
Reinsurance assets	165,494	171,803
Insurance receivables	17,997	25,180
Trade receivables	2,779	2,450
Other receivables	75,652	74,655
Due from an associated company	3,080	3,731
Deposits and placements with financial institutions	419,704	456,972
Cash and bank balances	112,479	59,012
Total assets	1,026,298	1,060,604
LIABILITIES		
Insurance contract liabilities	522,951	534,128
Insurance payables	11,683	14,771
Deferred tax liabilities	3,130	3,649
Trade payables	713	411
Other payables	13,686	15,414
Hire purchase creditors	1,215	1,412
Borrowings	35,045	35,004
Dividend payable	2,728	3,432
Tax payable	2,864	3,819
Total liabilities	594,015	612,040
EQUITY		
Share capital	147,279	147,279
Treasury shares	(15,142)	(13,465)
Merger reserve	20,792	20,792
Translation reserve	(13,291)	(14,252)
Revaluation reserve	10,624	10,624
Available-for-sale reserve	-	10,329
Fair value through other comprehensive income ("FVTOCI") reserve	4,637	-
Retained profits	154,474	164,130
Equity attributable to equity holders of the Company	309,373	325,437
Non-controlling interest	122,910	123,127
Total equity	432,283	448,564
Total liabilities and equity	1,026,298	1,060,604
Net assets per share (Sen)	113	118
Based on number of shares (net of treasury shares)('000)	273,019	274,674

* The financial statements are prepared in accordance with the MFRS 9 as explained in Note A1(a).

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2018.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Three Months Ended 31 December 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	Merger Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Available-For-Sale Reserve RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	Total RM'000		
At 1 October 2018 (as previously stated)	147,279	(13,465)	20,792	(14,252)	10,624	10,329	-	164,130	325,437	123,127	448,564
Effects of adopting MFRS 9 *	-	-	-	-	-	(10,329)	9,879	(15)	(465)	(447)	(912)
At 1 October 2018 (restated)	147,279	(13,465)	20,792	(14,252)	10,624	-	9,879	164,115	324,972	122,680	447,652
Purchase of treasury shares	-	(1,677)	-	-	-	-	-	-	(1,677)	-	(1,677)
Net loss for the period	-	-	-	-	-	-	-	(6,913)	(6,913)	1,023	(5,890)
Other comprehensive loss for the period	-	-	-	961	-	-	(5,242)	-	(4,281)	(793)	(5,074)
Total comprehensive loss for the period	-	-	-	961	-	-	(5,242)	(6,913)	(11,194)	230	(10,964)
Dividends to equity holders of the Company (Note B9)	-	-	-	-	-	-	-	(2,728)	(2,728)	-	(2,728)
At 31 December 2018	147,279	(15,142)	20,792	(13,291)	10,624	-	4,637	154,474	309,373	122,910	432,283

* The effects of adopting MFRS 9 are explained in Note A1(a).

	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	Merger Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Available-For-Sale Reserve RM'000	FVOCI 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	-	(42)	-	-	-	-	-	-	(42)	-	(42)
Net loss for the period	-	-	-	-	-	-	-	(9,449)	(9,449)	1,520	(7,929)
Other comprehensive loss for the period	-	-	-	2,799	-	(5,870)	-	-	(3,071)	(863)	(3,934)
Total comprehensive loss for the period	-	-	-	2,799	-	(5,870)	-	(9,449)	(12,520)	657	(11,863)
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(2,360)	(2,360)	-	(2,360)
At 31 December 2017	147,279	(12,801)	20,792	(12,762)	10,624	7,175	-	180,797	341,104	129,772	470,876

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2018.

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Three Months Ended 31 December 2018

	Quarter ended 31-Dec-18 * RM'000	Quarter ended 31-Dec-17 RM'000	Year to date 31-Dec-18 * RM'000	Year to date 31-Dec-17 RM'000
Revenue	77,558	77,247	77,558	77,247
Other operating income	2,878	3,305	2,878	3,305
	80,436	80,552	80,436	80,552
Operating expenses	(83,435)	(85,526)	(83,435)	(85,526)
Loss from operations	(2,999)	(4,974)	(2,999)	(4,974)
Finance costs	(831)	(836)	(831)	(836)
	(3,830)	(5,810)	(3,830)	(5,810)
Share of losses of associated companies	(1,278)	(1,198)	(1,278)	(1,198)
Loss before tax	(5,108)	(7,008)	(5,108)	(7,008)
Income tax expense	(782)	(921)	(782)	(921)
Loss for the period	(5,890)	(7,929)	(5,890)	(7,929)
Attributable to :				
Equity holders of the Company	(6,913)	(9,449)	(6,913)	(9,449)
Non-controlling interest	1,023	1,520	1,023	1,520
Loss per share attributable to equity holders of the Company :				
- Basic (loss)/earnings per share (sen)	(2.53)	(4.00)	(2.53)	(4.00)
[Based on weighted average number of shares (net of treasury shares)]				

* The financial statements are prepared in accordance with the MFRS 9 as explained in Note A1(a).

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2018.

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Three Months Ended 31 December 2018

	Quarter ended 31-Dec-18 * RM'000	Quarter ended 31-Dec-17 RM'000	Year to date 31-Dec-18 * RM'000	Year to date 31-Dec-17 RM'000
Loss for the period	(5,890)	(7,929)	(5,890)	(7,929)
Other comprehensive income/(loss):				
Items that may be reclassified to income statement in subsequent periods:				
Currency translation differences in respect of foreign operations	961	2,799	961	2,799
Fair value changes in available-for-sale ("AFS") financial assets				
- Loss on fair value changes	-	(7,275)	-	(7,275)
- Transfer to income statement upon disposal	-	(15)	-	(15)
- Deferred tax	-	557	-	557
	961	(3,934)	961	(3,934)
Items that will not be reclassified to income statement in subsequent periods:				
Fair value changes in quoted shares through other comprehensive income ("FVTOCI")				
- Loss on fair value changes	(6,547)	-	(6,547)	-
- Deferred tax	512	-	512	-
	(6,035)	-	(6,035)	-
Other comprehensive loss for the period, net of tax	(5,074)	(3,934)	(5,074)	(3,934)
Total comprehensive loss for the period	(10,964)	(11,863)	(10,964)	(11,863)
Attributable to :				
Equity holders of the Company	(11,194)	(12,520)	(11,194)	(12,520)
Non-controlling interest	230	657	230	657

* The financial statements are prepared in accordance with the MFRS 9 as explained in Note A1(a).

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2018.

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Three Months Ended 31 December 2018

	31 December 2018 RM'000	31 December 2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(5,108)	(7,008)
Adjustments for :		
Depreciation of property, plant and equipment	506	529
Amortisation of:		
Loss/(gain) on fair value of financial assets at fair value through profit or loss	1,800	(393)
Dividend income	(431)	(896)
Interest income	(3,692)	(4,240)
Income from Sukuk	(1)	(2)
Income from Islamic fixed deposits	(1,715)	(1,472)
Interest expense	740	746
Allowance for impairment:		
- insurance receivables	120	-
Write back in allowance for impairment:		
- insurance receivables	(732)	(123)
Share of losses of associated companies	1,278	1,198
Allowance for unutilised leave	(263)	(394)
Unrealised loss on foreign exchange	1,937	6,079
Others	223	176
Operating loss before working capital changes	<u>(5,338)</u>	<u>(5,800)</u>
Changes in working capital:		
Disposal of investments	48,271	5,630
Purchase of investments	(40,048)	(27,215)
Decrease in deposits and placements with financial institutions	37,268	67,332
Decrease/(increase) in loans	4,394	(26)
Decrease in reinsurance assets	6,310	13,839
Decrease in insurance receivables	6,882	6,106
Increase in amounts due from an associated company	651	-
Decrease/(increase) in trade and other receivables	892	(723)
Increase in inventories - goods for resale	(160)	(5)
Additional in direct expenditure of land held for development	(257)	(1,838)
Decrease in insurance contract liabilities	(11,177)	(28,794)
Decrease in insurance payables	(3,088)	(2,816)
Decrease in payables	(1,560)	(2,530)
Cash generated from operations	<u>43,040</u>	<u>23,160</u>
Tax paid, net of tax refunded	(1,822)	(270)
Dividends received	295	846
Interest received	1,606	8,749
Income received from Sukuk	2	3
Income received from Islamic fixed deposits	1,715	1,472
Interest paid	(728)	(1,139)
Net cash generated from operating activities	<u>44,108</u>	<u>32,821</u>

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Three Months Ended 31 December 2018 (Cont'd)

	31 December 2018 RM'000	31 December 2017 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of associated companies	(929)	(1,462)
Purchase of property, plant and equipment	(129)	(53)
Purchase of intangible assets	(287)	-
Purchase of investments	(14,824)	(757)
Disposal of investments	30,880	15,606
Maturities of Sukuk	20	19
Disposal of property, plant and equipment	4	1
Net cash generated from investing activities	<u>14,735</u>	<u>13,354</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(1,621)	(42)
Dividends paid to equity holders of the Company	(3,433)	(3,540)
Decrease in hire purchase creditors	(197)	(255)
Net cash used in financing activities	<u>(5,251)</u>	<u>(3,837)</u>
Net increase in cash and cash equivalents	53,592	42,338
Foreign exchange differences	(125)	(1,094)
Cash and cash equivalents at beginning of year	59,012	30,168
Cash and cash equivalents at end of year	<u>112,479</u>	<u>71,412</u>

Cash and cash equivalents comprise the following:

Cash and bank balances*	<u>112,479</u>	#	<u>71,412</u>
-------------------------	----------------	---	---------------

* The cash and cash equivalents include deposits of RM1,553,000 (2018:RM685,000) 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 higher cash and bank balances as at 31 December 2018 was mainly due to more placement of fund in deposits with maturity periods of less than three months.

(a) Reconciliation of liabilities arising from financing activities:

	Hire purchase creditors RM'000	Borrowings RM'000	Total RM'000
At 1 October 2018	1,412	35,004	36,416
<u>Changes in Financing Cash Flows</u>			
Repayment of hire purchase	(197)	-	(197)
<u>Addition:</u>			
Transaction costs	-	41	41
At 31 December 2018	<u>1,215</u>	<u>35,045</u>	<u>36,260</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2018.