

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED FINANCIAL POSITION**

	As At 31/3/2019 * RM'000	As At 30/9/2018 RM'000
<b>ASSETS</b>		
Property, plant and equipment	24,028	24,106
Investment properties	1,220	1,220
Prepaid land lease payments	291	294
Intangible assets	2,088	1,921
Deferred tax assets	516	514
Investments	112,140	164,918
Amortised cost	53	-
Fair value through other comprehensive income	33,577	-
Fair value through profit or loss	78,510	5,202
Available-for-sale	-	159,643
Held-to-maturity	-	73
Investment in associated companies	18,243	19,937
Inventories - goods for resale	604	508
Land held for development	45,804	45,416
Loans	2,583	7,967
Reinsurance assets	192,028	171,803
Insurance receivables	10,213	25,180
Trade receivables	2,639	2,450
Other receivables	78,611	74,655
Due from an associated company	3,168	3,731
Deposits and placements with financial institutions	489,809	456,972
Cash and bank balances	58,034	59,012
<b>Total assets</b>	<b>1,042,019</b>	<b>1,060,604</b>
<b>LIABILITIES</b>		
Insurance contract liabilities	552,759	534,128
Insurance payables	24,993	14,771
Deferred tax liabilities	3,237	3,649
Trade payables	513	411
Other payables	13,725	15,414
Hire purchase creditors	1,401	1,412
Borrowings	35,076	35,004
Dividend payable	-	3,432
Tax payable	3,323	3,819
<b>Total liabilities</b>	<b>635,027</b>	<b>612,040</b>
<b>EQUITY</b>		
Share capital	147,279	147,279
Treasury shares	(15,782)	(13,465)
Merger reserve	20,792	20,792
Translation reserve	(13,175)	(14,252)
Revaluation reserve	10,624	10,624
Available-for-sale reserve	-	10,329
Fair value through other comprehensive income ("FVTOCI") reserve	5,075	-
Retained profits	148,408	164,130
Equity attributable to equity holders of the Company	303,221	325,437
Non-controlling interest	103,771	123,127
<b>Total equity</b>	<b>406,992</b>	<b>448,564</b>
<b>Total liabilities and equity</b>	<b>1,042,019</b>	<b>1,060,604</b>
<b>Net assets per share (Sen)</b>	<b>111</b>	<b>118</b>
Based on number of shares (net of treasury shares)('000)	272,383	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 Six Months Ended 31 March 2019

	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	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			
<b>At 1 October 2018 (as previously stated)</b>	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)
<b>At 1 October 2018 (restated)</b>	147,279	(13,465)	20,792	(14,252)	10,624	-	9,879	164,115	324,972	122,680	447,652
Purchase of treasury shares	-	(2,317)	-	-	-	-	-	-	(2,317)	-	(2,317)
Net loss for the period	-	-	-	-	-	-	-	(8,891)	(8,891)	3,683	(5,208)
Other comprehensive loss for the period	-	-	-	1,077	-	-	(4,804)	-	(3,727)	(542)	(4,269)
Total comprehensive loss for the period	-	-	-	1,077	-	-	(4,804)	(8,891)	(12,618)	3,141	(9,477)
Dividends to equity holders of the Company (Note B9)	-	-	-	-	-	-	-	(6,816)	(6,816)	-	(6,816)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(22,050)	(22,050)
<b>At 31 March 2019</b>	147,279	(15,782)	20,792	(13,175)	10,624	-	5,075	148,408	303,221	103,771	406,992

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

	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	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			
<b>At 1 October 2017</b>	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	-	-	-	-	-	-	-	(5,900)	(5,900)	-	(5,900)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(17,885)	(17,885)
<b>At 31 March 2018</b>	147,279	(12,836)	20,792	(10,716)	10,624	6,639	-	169,028	330,810	114,229	445,039

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 Six Months Ended 31 March 2019

	Quarter ended 31-Mar-19 * RM'000	Quarter ended 31-Mar-18 RM'000	Year to date 31-Mar-19 * RM'000	Year to date 31-Mar-18 RM'000
Revenue	85,543	83,220	163,101	160,467
Other operating income	10,086	9,551	12,964	12,856
	95,629	92,771	176,065	173,323
Operating expenses	(90,620)	(94,198)	(174,055)	(179,724)
Profit/(loss) from operations	5,009	(1,427)	2,010	(6,401)
Finance costs	(810)	(824)	(1,641)	(1,660)
	4,199	(2,251)	369	(8,061)
Share of losses of associated companies	(1,417)	(612)	(2,695)	(1,810)
Profit/(loss) before tax	2,782	(2,863)	(2,326)	(9,871)
Income tax expense	(2,100)	(2,357)	(2,882)	(3,278)
Profit/(loss) for the period	682	(5,220)	(5,208)	(13,149)
Attributable to :				
Equity holders of the Company	(1,978)	(8,229)	(8,891)	(17,678)
Non-controlling interest	2,660	3,009	3,683	4,529
Loss per share attributable to equity holders of the Company :				
- Basic (loss)/earnings per share (sen)	(0.73)	(3.30)	(3.26)	(7.29)
[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.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For The Six Months Ended 31 March 2019

	Quarter ended 31-Mar-19 * RM'000	Quarter ended 31-Mar-18 RM'000	Year to date 31-Mar-19 * RM'000	Year to date 31-Mar-18 RM'000
<b>Profit/(loss) for the period</b>	682	(5,220)	(5,208)	(13,149)
<b>Other comprehensive income/(loss):</b>				
<b>Items that may be reclassified to income statement in subsequent periods:</b>				
Currency translation differences in respect of foreign operations	116	2,046	1,077	4,845
Fair value changes in available-for-sale ("AFS") financial assets				
- Loss on fair value changes	-	(1,594)	-	(8,869)
- Transfer to income statement upon disposal	-	(38)	-	(53)
- Deferred tax	-	429	-	986
	116	843	1,077	(3,091)
<b>Items that will not be reclassified to income statement in subsequent periods:</b>				
Fair value changes in quoted shares through other comprehensive income ("FVTOCI")				
- Gain/(loss) on fair value changes	852	-	(5,695)	-
- Deferred tax	(163)	-	349	-
	689	-	(5,346)	-
<b>Other comprehensive income/(loss) for the period, net of tax</b>	805	843	(4,269)	(3,091)
<b>Total comprehensive income/(loss) for the period</b>	1,487	(4,377)	(9,477)	(16,240)
<b>Attributable to :</b>				
<b>Equity holders of the Company</b>	(1,424)	(6,719)	(12,618)	(19,239)
<b>Non-controlling interest</b>	2,911	2,342	3,141	2,999

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

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Six Months Ended 31 March 2019

	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,326)	(9,871)
Adjustments for :		
Depreciation of property, plant and equipment	1,024	1,057
Amortisation of:		
Loss on fair value of financial assets at fair value through profit or loss	1,658	496
Gain on disposal of investments	(79)	(53)
Dividend income	(2,650)	(2,868)
Interest income	(7,259)	(7,930)
Income from Sukuk	(2)	(3)
Income from Islamic fixed deposits	(3,427)	(3,180)
Interest expense	1,462	1,481
Allowance for impairment:		
- an associated company	-	2,293
- insurance receivables	-	540
Write back in allowance for impairment:		
- insurance receivables	(1,023)	-
Share of losses of associated companies	2,695	1,810
Allowance for unutilised leave	(114)	(262)
Unrealised loss on foreign exchange	2,565	10,941
Others	398	787
Operating loss before working capital changes	<u>(7,078)</u>	<u>(4,762)</u>
Changes in working capital:		
Disposal of investments	88,355	92,230
Purchase of investments	(51,586)	(112,604)
(Increase)/decrease in deposits and placements with financial institutions	(32,837)	52,483
Decrease in loans	5,383	59
(Increase)/decrease in reinsurance assets	(20,225)	2,014
Decrease in insurance receivables	15,078	3,520
Decrease/(increase) in amounts due from an associated company	563	(758)
Decrease in trade and other receivables	833	936
Increase in inventories - goods for resale	(96)	(22)
Additional in direct expenditure of land held for development	(927)	(2,546)
Increase/(decrease) in insurance contract liabilities	18,631	(24,354)
Increase in insurance payables	10,222	11,052
Decrease in payables	(1,846)	(4,492)
Cash generated from operations	<u>24,470</u>	<u>12,756</u>
Tax paid, net of tax refunded	(3,500)	(2,155)
Dividends received	2,452	2,677
Interest received	2,421	9,198
Income received from Sukuk	2	3
Income received from Islamic fixed deposits	3,427	3,180
Interest paid	(1,389)	(1,401)
Net cash generated from operating activities	<u>27,883</u>	<u>24,258</u>

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Six Months Ended 31 March 2019 (Cont'd)

	31 March 2019 RM'000	31 March 2018 RM'000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of associated companies	(1,355)	(3,761)
Purchase of property, plant and equipment	(237)	(224)
Purchase of intangible assets	(455)	(269)
Purchase of investments	(31,378)	(15,160)
Disposal of investments	39,880	19,156
Maturities of Sukuk	19	19
Disposal of property, plant and equipment	3	7
Net cash generated from/(used in) investing activities	<u>6,477</u>	<u>(232)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(2,314)	(49)
Dividends paid to equity holders of the Company	(10,249)	(9,440)
Dividend paid to a non-controlling interest	(22,050)	(17,885)
Decrease in hire purchase creditors	(356)	(486)
Net cash used in financing activities	<u>(34,969)</u>	<u>(27,860)</u>
Net decrease in cash and cash equivalents	(609)	(3,834)
Foreign exchange differences	(369)	(2,042)
Cash and cash equivalents at beginning of year	59,012	30,168
	<u>58,034</u>	<u>24,292</u>
Cash and cash equivalents at end of year	<u>58,034</u>	<u>24,292</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances*	<u>58,034</u> #	<u>24,292</u>

\* The cash and cash equivalents include deposits of RM1,548,000 (2018:RM690,000) 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 March 2019 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	(356)	-	(356)
<u>Addition:</u>			
Purchase of properties, plant and equipment	345	-	345
Transaction costs	-	80	80
Translation differences	-	(8)	(8)
At 31 March 2019	<u>1,401</u>	<u>35,076</u>	<u>36,477</u>

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