

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	As At 30/6/2019 * RM'000	As At 30/9/2018 RM'000
ASSETS		
Property, plant and equipment	24,005	24,106
Investment properties	1,220	1,220
Prepaid land lease payments	290	294
Intangible assets	1,997	1,921
Deferred tax assets	521	514
Investments	167,061	164,918
Amortised cost	33	-
Fair value through other comprehensive income	32,919	-
Fair value through profit or loss	134,109	5,202
Available-for-sale	-	159,643
Held-to-maturity	-	73
Investment in associated companies	17,906	19,937
Inventories - goods for resale	619	508
Land held for development	46,980	45,416
Loans	2,621	7,967
Reinsurance assets	167,885	171,803
Insurance receivables	11,752	25,180
Trade receivables	2,770	2,450
Other receivables	74,901	74,655
Due from an associated company	5,033	3,731
Deposits and placements with financial institutions	403,358	456,972
Cash and bank balances	56,784	59,012
Total assets	985,703	1,060,604
LIABILITIES		
Insurance contract liabilities	526,592	534,128
Insurance payables	10,049	14,771
Deferred tax liabilities	3,120	3,649
Trade payables	730	411
Other payables	11,610	15,414
Hire purchase creditors	1,590	1,412
Borrowings	35,137	35,004
Dividend payable	-	3,432
Tax payable	-	3,819
Total liabilities	588,828	612,040
EQUITY		
Share capital	147,279	147,279
Treasury shares	(16,693)	(13,465)
Merger reserve	20,792	20,792
Translation reserve	(14,603)	(14,252)
Revaluation reserve	10,624	10,624
Available-for-sale reserve	-	10,329
Fair value through other comprehensive income ("FVTOCI") reserve	4,715	-
Retained profits	142,204	164,130
Equity attributable to equity holders of the Company	294,318	325,437
Non-controlling interest	102,557	123,127
Total equity	396,875	448,564
Total liabilities and equity	985,703	1,060,604
Net assets per share (Sen)	108	118
Based on number of shares (net of treasury shares)('000)	271,471	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.

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Nine Months Ended 30 June 2019

	Quarter ended 30-June-19 * RM'000	Quarter ended 30-Jun-18 RM'000	Year to date 30-June-19 * RM'000	Year to date 30-Jun-18 RM'000
Revenue	78,391	76,884	241,492	237,351
Other operating income	2,574	3,735	15,538	16,591
	80,965	80,619	257,030	253,942
Operating expenses	(83,348)	(71,501)	(257,403)	(251,225)
Profit/(loss) from operations	(2,383)	9,118	(373)	2,717
Finance costs	(836)	(833)	(2,477)	(2,493)
	(3,219)	8,285	(2,850)	224
Share of losses of associated companies	(835)	(830)	(3,530)	(2,640)
Profit/(loss) before tax	(4,054)	7,455	(6,380)	(2,416)
Income tax expense	216	(7,302)	(2,666)	(10,580)
Profit/(loss) for the period	(3,838)	153	(9,046)	(12,996)
Attributable to :				
Equity holders of the Company	(2,801)	(2,692)	(11,692)	(20,370)
Non-controlling interest	(1,037)	2,845	2,646	7,374
Loss per share attributable to equity holders of the Company :				
- Basic (loss)/earnings per share (sen)	(1.03)	(0.98)	(4.29)	(8.04)
[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 STATEMENTS OF CHANGES IN EQUITY
For The Nine Months Ended 30 June 2019

	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	FVTOCI 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	-	(3,228)	-	-	-	-	-	-	(3,228)	-	(3,228)
Net loss for the period	-	-	-	-	-	-	-	(11,692)	(11,692)	2,646	(9,046)
Other comprehensive loss for the period	-	-	-	(351)	-	-	(5,164)	-	(5,515)	(719)	(6,234)
Total comprehensive loss for the period	-	-	-	(351)	-	-	(5,164)	(11,692)	(17,207)	1,927	(15,280)
Dividends to equity holders of the Company (Note B9)	-	-	-	-	-	-	-	(10,219)	(10,219)	-	(10,219)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(22,050)	(22,050)
At 30 June 2019	147,279	(16,693)	20,792	(14,603)	10,624	-	4,715	142,204	294,318	102,557	396,875

* 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	-	(335)	-	-	-	-	-	-	(335)	-	(335)
Net loss for the period	-	-	-	-	-	-	-	(20,370)	(20,370)	7,374	(12,996)
Other comprehensive loss for the period	-	-	-	4,038	-	(8,621)	-	-	(4,583)	(2,265)	(6,848)
Total comprehensive loss for the period	-	-	-	4,038	-	(8,621)	-	(20,370)	(24,953)	5,109	(19,844)
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(9,339)	(9,339)	-	(9,339)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	(17,885)	(17,885)
At 30 June 2018	147,279	(13,094)	20,792	(11,523)	10,624	4,424	-	162,897	321,399	116,339	437,738

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 Nine Months Ended 30 June 2019

	Quarter ended 30-June-19 * RM'000	Quarter ended 30-Jun-18 RM'000	Year to date 30-June-19 * RM'000	Year to date 30-Jun-18 RM'000
Profit/(loss) for the period	(3,838)	153	(9,046)	(12,996)
Other comprehensive income/(loss):				
Items that may be reclassified to income statement in subsequent periods:				
Currency translation differences in respect of foreign operations	(1,428)	(807)	(351)	4,038
Fair value changes in available-for-sale ("AFS") financial assets				
- Loss on fair value changes	-	(3,213)	-	(12,082)
- Transfer to income statement upon disposal	-	(212)	-	(265)
- Deferred tax	-	475	-	1,461
	(1,428)	(3,757)	(351)	(6,848)
Items that will not be reclassified to income statement in subsequent periods:				
Fair value changes in quoted shares through other comprehensive income ("FVTOCI")				
- Gain/(loss) on fair value changes	(651)	-	(6,346)	-
- Deferred tax	114	-	463	-
	(537)	-	(5,883)	-
Other comprehensive income/(loss) for the period, net of tax	(1,965)	(3,757)	(6,234)	(6,848)
Total comprehensive income/(loss) for the period	(5,803)	(3,604)	(15,280)	(19,844)
Attributable to :				
Equity holders of the Company	(4,589)	(5,714)	(17,207)	(24,953)
Non-controlling interest	(1,214)	2,110	1,927	5,109

* 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 Nine Months Ended 30 June 2019

	30 June 2019 RM'000	30 June 2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(6,380)	(2,416)
Adjustments for :		
Depreciation of property, plant and equipment	1,533	1,597
Amortisation of:		
- prepaid land lease payments	3	3
- intangible assets	428	351
Loss on disposal of property, plant and equipment	25	98
Property, plant and equipment written off	4	45
Loss on fair value of financial assets at fair value through profit or loss	1,721	1,052
Gain on disposal of investments	(287)	(265)
Dividend income	(3,452)	(4,076)
Interest income	(11,366)	(11,573)
Income from Sukuk	(3)	(4)
Income from Islamic fixed deposits	(4,725)	(4,867)
Interest expense	2,210	2,226
Allowance for impairment:		
- an associated company	-	2,293
- insurance receivables	-	812
- insurance receivables	(63)	-
- trade receivables	-	(1,200)
- other receivables	-	(438)
Share of losses of associated companies	3,530	2,640
Unrealised loss on foreign exchange	298	8,706
Others	85	209
Operating loss before working capital changes	<u>(16,439)</u>	<u>(4,807)</u>
Changes in working capital:		
Disposal of investments	106,701	145,523
Purchase of investments	(133,996)	(162,938)
Decrease in deposits and placements with financial institutions	53,628	77,677
Decrease/(increase) in loans	5,345	(1,408)
Decrease in reinsurance assets	3,918	11,928
Decrease in insurance receivables	13,491	1,926
Increase in amounts due from an associated company	(1,303)	(2,461)
(Increase)/decrease in trade and other receivables	(1,964)	1,566
Increase in inventories - goods for resale	(111)	(45)
Additional in direct expenditure of land held for development	(1,576)	(4,156)
Decrease in insurance contract liabilities	(7,535)	(46,922)
Decrease in insurance payables	(4,722)	(686)
Decrease in payables	(2,784)	(5,419)
Cash generated from operations	<u>12,653</u>	<u>9,778</u>
Tax paid, net of tax refunded	(2,862)	(10,131)
Dividends received	3,046	3,814
Interest received	11,413	15,054
Income received from Sukuk	3	6
Income received from Islamic fixed deposits	4,725	4,867
Interest paid	(5,115)	(2,762)
Net cash generated from operating activities	<u>23,863</u>	<u>20,626</u>

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Nine Months Ended 30 June 2019 (Cont'd)

	30 June 2019 RM'000	30 June 2018 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of associated companies	(1,476)	(3,775)
Purchase of property, plant and equipment	(850)	(634)
Purchase of intangible assets	(491)	(316)
Purchase of investments	(31,986)	(15,599)
Disposal of investments	48,422	33,136
Maturities of Sukuk	40	37
Disposal of property, plant and equipment	3	79
Net cash generated from investing activities	<u>13,662</u>	<u>12,928</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(3,228)	(328)
Dividends paid to equity holders of the Company	(13,652)	(12,879)
Dividend paid to a non-controlling interest	(22,050)	(17,885)
Decrease in hire purchase creditors	(402)	(719)
Drawdown of borrowings	-	15,314
Net cash used in financing activities	<u>(39,332)</u>	<u>(16,497)</u>
Net decrease in cash and cash equivalents	(1,807)	17,057
Foreign exchange differences	(421)	(1,522)
Cash and cash equivalents at beginning of year	59,012	30,168
Cash and cash equivalents at end of year	<u>56,784</u>	<u>45,703</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances*	<u>56,784</u> #	<u>45,703</u>

* The cash and cash equivalents include deposits of RM1,572,000 (2018:RM696,000) 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 30 June 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	(402)	-	(402)
<u>Addition:</u>			
Purchase of properties, plant and equipment	580	-	580
Transaction costs	-	133	133
At 30 June 2019	<u>1,590</u>	<u>35,137</u>	<u>36,727</u>

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