

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	Unaudited As At 30/9/2019 * RM'000	Audited As At 30/9/2018 RM'000
ASSETS		
Property, plant and equipment	24,004	24,106
Investment properties	1,220	1,220
Prepaid land lease payments	289	294
Intangible assets	1,867	1,921
Deferred tax assets	510	514
Investments	245,496	164,918
Amortised cost	33	-
Fair value through other comprehensive income	54,113	-
Fair value through profit or loss	191,350	5,202
Available-for-sale	-	159,643
Held-to-maturity	-	73
Investment in associated companies	18,528	19,937
Inventories - goods for resale	552	508
Land held for development	47,345	45,416
Loans	2,155	7,967
Reinsurance assets	161,941	171,803
Insurance receivables	24,792	25,180
Trade receivables	2,395	2,450
Other receivables	72,172	74,655
Due from an associated company	6,744	3,731
Deposits and placements with financial institutions	330,688	456,972
Cash and bank balances	46,036	59,012
Total assets	986,734	1,060,604
LIABILITIES		
Insurance contract liabilities	515,060	534,128
Insurance payables	14,693	14,771
Deferred tax liabilities	3,078	3,649
Contract Liabilities	1,060	1,363
Trade payables	435	411
Other payables	13,882	14,051
Hire purchase creditors	1,420	1,412
Borrowings	35,179	35,004
Dividend payable	3,388	3,432
Tax payable	928	3,819
Total liabilities	589,123	612,040
EQUITY		
Share capital	147,289	147,279
Treasury shares	(17,156)	(13,465)
Merger reserve	20,792	20,792
Translation reserve	(17,037)	(14,252)
Revaluation reserve	10,624	10,624
Available-for-sale reserve	-	10,329
Fair value through other comprehensive income ("FVOCI") reserve	4,792	-
Share option reserve	1,046	-
Retained profits	139,344	164,130
Equity attributable to equity holders of the Company	289,694	325,437
Non-controlling interest	107,917	123,127
Total equity	397,611	448,564
Total liabilities and equity	986,734	1,060,604
Net assets per share (Sen)	107	118
Based on number of shares (net of treasury shares)(^{'000})	271,014	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 INCOME STATEMENT
For The Year Ended 30 September 2019

	Quarter ended 30-Sep-19 * RM'000	Quarter ended 30-Sep-18 RM'000	Unaudited Year to date 30-Sep-19 * RM'000	Audited Year to date 30-Sep-18 RM'000
Revenue	81,988	79,794	323,480	317,145
Other operating income	18,851	12,021	34,389	28,612
	100,839	91,815	357,869	345,757
Operating expenses	(87,193)	(70,853)	(344,596)	(322,078)
Profit from operations	13,646	20,962	13,273	23,679
Finance costs	(837)	(880)	(3,314)	(3,373)
	12,809	20,082	9,959	20,306
Share of losses of associated companies	(537)	(1,206)	(4,067)	(3,846)
Profit before tax	12,272	18,876	5,892	16,460
Income tax expense	(4,198)	(4,614)	(6,864)	(15,194)
Profit/(loss) for the period	8,074	14,262	(972)	1,266
Attributable to :				
Equity holders of the Company	3,257	8,103	(8,435)	(12,267)
Non-controlling interest	4,817	6,159	7,463	13,533
Earnings/(loss) per share attributable to equity holders of the Company :				
- Basic earnings/(loss) per share (sen)	1.20	2.95	(3.10)	(4.74)
- Diluted earnings/(loss) per share (sen)	1.20	# ⁽¹⁾	# ⁽²⁾	# ⁽¹⁾
[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).

#⁽¹⁾ - There is no dilutive potential ordinary shares as at end of the reporting period.

#⁽²⁾ - Not disclosed as it is anti-dilutive.

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 Year Ended 30 September 2019

Unaudited	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	Share Options 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	648	198	191	389
At 1 October 2018 (restated)	147,279	(13,465)	20,792	(14,252)	10,624	-	-	9,879	164,778	325,635	123,318	448,953
Purchase of treasury shares	-	(3,691)	-	-	-	-	-	-	-	(3,691)	-	(3,691)
Profit from operations	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	-	-	-	(8,435)	(8,435)	7,463	(972)
Other comprehensive loss for the period	-	-	-	(2,785)	-	-	-	(5,087)	-	(7,872)	(814)	(8,686)
Total comprehensive loss for the period	-	-	-	(2,785)	-	-	-	(5,087)	(8,435)	(16,307)	6,649	(9,658)
Dividends to equity holders of the Company	-	-	-	-	-	-	-	-	(16,999)	(16,999)	-	(16,999)
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	-	(22,050)	(22,050)
Option charge arising from share options granted	-	-	-	-	-	-	1,047	-	-	1,047	-	1,047
Share options exercised	10	-	-	-	-	-	(1)	-	-	9	-	9
At 30 September 2019	147,289	(17,156)	20,792	(17,037)	10,624	-	1,046	4,792	139,344	289,694	107,917	397,611

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

Audited	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	Share Options 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	-	(706)	-	-	-	-	-	-	-	(706)	-	(706)
Net loss for the period	-	-	-	-	-	-	-	-	(12,267)	(12,267)	13,533	1,266
Other comprehensive loss for the period	-	-	-	1,309	-	(2,716)	-	-	-	(1,407)	(1,636)	(3,043)
Total comprehensive loss for the period	-	-	-	1,309	-	(2,716)	-	-	(12,267)	(13,674)	11,897	(1,777)
Dividends to equity holders of the Company	-	-	-	-	-	-	-	-	(16,209)	(16,209)	-	(16,209)
Dividend to a non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	-	-	(17,885)	(17,885)
At 30 September 2018	147,279	(13,465)	20,792	(14,252)	10,624	10,329	-	-	164,130	325,437	123,127	448,564

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 Year Ended 30 September 2019

	Quarter ended 30-Sep-19 * RM'000	Quarter ended 30-Sep-18 RM'000	Unaudited Year to date 30-Sep-19 * RM'000	Audited Year to date 30-Sep-18 RM'000
Profit/(loss) for the period	8,074	14,262	(972)	1,266
Other comprehensive (loss)/income:				
Items that may be reclassified to income statement in subsequent periods:				
Currency translation differences in respect of foreign operations	(2,434)	(2,729)	(2,785)	1,309
Profit before tax				
Fair value changes in available-for-sale ("AFS") financial assets				
- Gain/(loss) on fair value changes	-	7,454	-	(4,628)
- Transfer to income statement upon disposal	-	(513)	-	(778)
- Deferred tax	-	(407)	-	1,054
	(2,434)	3,805	(2,785)	(3,043)
Fair value changes in quoted shares through other comprehensive income ("FVOCI") - debt instruments				
- Gain on fair value changes	42	-	42	-
- Deferred tax	(10)	-	(10)	-
	32	-	32	-
Items that will not be reclassified to income statement in subsequent periods:				
Fair value changes in quoted shares through other comprehensive income ("FVOCI") - equity instruments				
- Loss on fair value changes	(121)	-	(6,467)	-
- Deferred tax	71	-	534	-
	(50)	-	(5,933)	-
Other comprehensive (loss)/income for the period, net of tax	(2,452)	3,805	(8,686)	(3,043)
Total comprehensive income/(loss) for the period	5,622	18,067	(9,658)	(1,777)
Attributable to :				
Equity holders of the Company	900	11,279	(16,307)	(13,674)
Non-controlling interest	4,722	6,788	6,649	11,897

* 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 Year Ended 30 September 2019

	Unaudited 30 September 2019 RM'000	Audited 30 September 2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,892	16,460
Adjustments for :		
Depreciation of property, plant and equipment	2,121	2,161
Amortisation of:		
Profit from operations		
- prepaid land lease payments	4	4
- intangible assets	561	481
Loss on disposal of property, plant and equipment	40	260
Property, plant and equipment written off	4	48
Intangible assets written off	-	22
Profit before tax	2,725	1,590
Gain on disposal of investments	(701)	(778)
Dividend income	(6,268)	(5,357)
Interest income	(14,590)	(15,339)
Income from Sukuk	(3)	(5)
Income from Islamic fixed deposits	(5,708)	(6,561)
Interest expense	2,957	3,029
Allowance for impairment:		
- an associated company	-	2,293
- insurance receivables	-	591
Write back in allowance for impairment:		
- insurance receivables	54	-
- trade receivables	-	707
- other receivables	(706)	-
- intangible assets	-	19
Write back in allowance for impairment:		
- insurance receivables	-	(76)
- trade receivables	-	(1,210)
- other receivables	-	(438)
Non-allowable expenses	-	344
Bad debts written off:		
- trade receivables	-	3
Share of losses of associated companies	4,067	3,846
Allowance for unutilised leave	-	(9)
Pension cost - defined benefit plan	-	71
Share options expense	1,047	-
Unrealised loss on foreign exchange	69	3,704
Others	267	(9)
Operating loss before working capital changes	<u>(8,168)</u>	<u>5,851</u>
Changes in working capital:		
Disposal of investments	118,093	186,464
Purchase of investments	(229,730)	(203,014)
Decrease in deposits and placements with financial institutions	126,303	102,118
Decrease in loans	5,811	126
Decrease in reinsurance assets	9,862	28,613
Decrease/(increase) in insurance receivables	333	(4,787)
Increase in amounts due from an associated company	(3,014)	(3,731)
Increase in trade and other receivables	(824)	(471)
Increase in inventories - goods for resale	(45)	(28)
Additional in direct expenditure of land held for development	(2,177)	(6,895)
Decrease in insurance contract liabilities	(19,067)	(76,989)
(Decrease)/increase in insurance payables	(78)	4,266
(Decrease)/increase in contract liabilities	(303)	9
Decrease in payables	(252)	(1,163)
Cash (used in)/generated from operations	<u>(3,256)</u>	<u>30,369</u>
Tax paid, net of tax refunded	(2,939)	(12,241)
Dividends received	5,742	4,986
Interest received	16,797	18,164
Income received from Sukuk	3	6
Income received from Islamic fixed deposits	5,708	6,561
Interest paid	(8,380)	(2,858)
Net cash generated from operating activities	<u>13,675</u>	<u>44,987</u>

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended 30 September 2019 (Cont'd)

	Unaudited 30 September 2019 RM'000	Audited 30 September 2018 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of associated companies	(2,608)	(3,775)
Purchase of property, plant and equipment	(1,456)	(695)
Purchase of intangible assets	(490)	(313)
Purchase of investments	(30,971)	(16,275)
Disposal of investments	54,122	41,186
Maturities of Sukuk	40	38
Disposal of property, plant and equipment	3	172
Net cash generated from investing activities	<u>18,640</u>	<u>20,338</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(3,691)	(579)
Issuance of share capital	10	-
Dividends paid to equity holders of the Company	(17,044)	(16,317)
Dividend paid to a non-controlling interest	(22,050)	(17,885)
Decrease in hire purchase creditors	(576)	(1,029)
Drawdown of borrowings	-	328
Net cash used in financing activities	<u>(43,351)</u>	<u>(35,482)</u>
Net (decrease)/increased in cash and cash equivalents	(11,036)	29,843
Foreign exchange differences	(2,645)	(999)
Cash and cash equivalents at beginning of year	<u>59,012</u>	<u>30,168</u>
Cash and cash equivalents at end of year	<u>45,331</u>	<u>59,012</u>

Cash and cash equivalents comprise the following:

Cash and bank balances*	<u>46,036</u>	#	<u>59,012</u>
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* The cash and cash equivalents include deposits of RM1,579,000 (2018:RM1,543,000) 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 2019 was mainly due to withdrawal 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	(576)	-	(576)
<u>Addition:</u>			
Purchase of properties, plant and equipment	584	-	584
Transaction costs	-	178	178
Translation differences	-	(3)	(3)
At 30 September 2019	<u>1,420</u>	<u>35,179</u>	<u>36,599</u>

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