

PACIFIC & ORIENT BERHAD

Registration no. 199401022687 (308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION

| | As At 30/6/2020 RM'000 | As At 30/9/2019 RM'000 |
|---|------------------------------|------------------------------|
| ASSETS | | |
| Property, plant and equipment | 23,426 | 24,004 |
| Investment properties | 1,220 | 1,220 |
| Prepaid land lease payments | 286 | 290 |
| Right-of-use assets | 14,604 | - |
| Intangible assets | 1,831 | 1,867 |
| Deferred tax assets | 841 | 510 |
| Investments | 376,158 | 245,496 |
| Amortised cost | - | 33 |
| Fair value through other comprehensive income | 104,766 | 54,112 |
| Fair value through profit or loss | 271,392 | 191,351 |
| Investment in associated companies | 16,882 | 18,528 |
| Inventories - goods for resale | 679 | 552 |
| Land held for development | 51,432 | 47,345 |
| Loans | 2,138 | 2,155 |
| Reinsurance assets | 177,496 | 161,941 |
| Insurance receivables | 8,129 | 24,792 |
| Trade receivables | 3,191 | 2,395 |
| Lease receivables | 320 | - |
| Other receivables | 65,782 | 72,172 |
| Due from associated companies | 11,223 | 6,744 |
| Tax receivable | 1,596 | - |
| Deposits and placements with financial institutions | 210,477 | 332,267 |
| Cash and bank balances | 63,494 | 44,456 |
| Total assets | <u>1,031,205</u> | <u>986,734</u> |
| LIABILITIES | | |
| Insurance contract liabilities | 531,609 | 515,060 |
| Insurance payables | 11,783 | 14,693 |
| Deferred tax liabilities | 4,502 | 3,078 |
| Trade payables | 556 | 435 |
| Other payables | 12,417 | 14,943 |
| Borrowings | 81,705 | 35,179 |
| Hire purchase creditors | 1,590 | 1,419 |
| Lease liabilities | 13,696 | - |
| Dividend payable | - | 3,388 |
| Tax payable | - | 928 |
| Total liabilities | <u>657,858</u> | <u>589,123</u> |
| EQUITY | | |
| Share capital | 147,389 | 147,289 |
| Treasury shares | (20,214) | (17,156) |
| Merger reserve | 20,792 | 20,792 |
| Translation reserve | (17,559) | (17,037) |
| Revaluation reserve | 10,624 | 10,624 |
| Fair value through other comprehensive income ("FVOCI") reserve | 11,711 | 4,792 |
| Share options reserve | 1,312 | 1,046 |
| Retained profits | 121,520 | 139,344 |
| Equity attributable to equity holders of the Company | <u>275,575</u> | <u>289,694</u> |
| Non-controlling interest | <u>97,772</u> | <u>107,917</u> |
| Total equity | <u>373,347</u> | <u>397,611</u> |
| Total liabilities and equity | <u>1,031,205</u> | <u>986,734</u> |
| Net assets per share (Sen) | <u>103</u> | <u>107</u> |
| Based on number of shares (net of treasury shares)('000) | 267,743 | 271,014 |

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019.

CONDENSED CONSOLIDATED INCOME STATEMENT
For The Nine Months Ended 30 June 2020

| | Quarter ended 30-Jun-20 RM'000 | Quarter ended 30-Jun-19 RM'000 | Year to date 30-Jun-20 RM'000 | Year to date 30-Jun-19 RM'000 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| Revenue | 74,036 | 78,391 | 236,937 | 241,492 |
| Other operating income | 1,683 | 2,574 | 21,602 | 15,538 |
| | 75,719 | 80,965 | 258,539 | 257,030 |
| Operating expenses | (68,849) | (83,348) | (258,538) | (257,403) |
| Profit/(loss) from operations | 6,870 | (2,383) | 1 | (373) |
| Finance costs | (1,490) | (836) | (3,499) | (2,477) |
| | 5,380 | (3,219) | (3,498) | (2,850) |
| Share of losses of associated companies | (185) | (835) | (1,861) | (3,530) |
| Profit/(loss) before tax | 5,195 | (4,054) | (5,359) | (6,380) |
| Income tax | (1,495) | 216 | (1,298) | (2,666) |
| Profit/(loss) for the period | 3,700 | (3,838) | (6,657) | (9,046) |
| Attributable to : | | | | |
| Equity holders of the Company | (480) | (2,801) | (6,529) | (11,692) |
| Non-controlling interest | 4,180 | (1,037) | (128) | 2,646 |
| Loss per share attributable to equity holders of the Company : | | | | |
| - Basic loss per share (sen) | (0.18) | (1.03) | (2.42) | (4.29) |
| - Diluted loss per share (sen) | # ⁽¹⁾ | # ⁽²⁾ | # ⁽¹⁾ | # ⁽²⁾ |
| [Based on weighted average number of shares (net of treasury shares)] | | | | |

#⁽¹⁾ - Not disclosed as it is anti-dilutive

#⁽²⁾ - There were no potential dilutive ordinary shares during this reporting period

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Nine Months Ended 30 June 2020

| | Quarter ended 30-Jun-20 RM'000 | Quarter ended 30-Jun-19 RM'000 | Year to date 30-Jun-20 RM'000 | Year to date 30-Jun-19 RM'000 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| Profit/(loss) for the period | 3,700 | (3,838) | (6,657) | (9,046) |
| Other comprehensive income/(loss): | | | | |
| Items that may be reclassified to income statement in subsequent periods: | | | | |
| Currency translation differences in respect of foreign operations | (122) | (1,428) | (522) | (351) |
| Fair value changes on FVOCI financial assets - debt instruments | | | | |
| - Gain on fair value changes | 2,127 | - | 2,705 | - |
| - Deferred tax | (511) | - | (649) | - |
| | 1,616 | - | 2,056 | - |
| Items that will not be reclassified to income statement in subsequent periods: | | | | |
| Fair value changes on FVOCI financial assets - equity instruments | | | | |
| - Gain/(loss) on fair value changes | 11,095 | (651) | 7,902 | (6,346) |
| - Deferred tax | (1,105) | 114 | (787) | 463 |
| | 9,990 | (537) | 7,115 | (5,883) |
| Other comprehensive income/(loss) for the period, net of tax | 11,484 | (1,965) | 8,649 | (6,234) |
| Total comprehensive income/(loss) for the period | 15,184 | (5,803) | 1,992 | (15,280) |
| Attributable to : | | | | |
| Equity holders of the Company | 8,518 | (4,589) | (88) | (17,207) |
| Non-controlling interest | 6,666 | (1,214) | 2,080 | 1,927 |

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019.

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Registration no. 199401022687 (308366-H)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For The Nine Months Ended 30 June 2020

| | Attributable to Equity Holders of the Company | | | | | | | | Non-Controlling Interest RM'000 | Total Equity RM'000 | |
|---|---|---------------------------|--------------------------|-------------------------------|-------------------------------|---------------------------------|-------------------------|-----------------|------------------------------------|------------------------|----------------------------|
| | Non Distributable | | | | | | Distributable | Total RM'000 | | | |
| | Share Capital RM'000 | Treasury Shares RM'000 | Merger Reserve RM'000 | Translation Reserve RM'000 | Revaluation Reserve RM'000 | Share Options Reserve RM'000 | FVOCI Reserve RM'000 | | | | Retained Profits RM'000 |
| At 1 October 2019 | 147,289 | (17,156) | 20,792 | (17,037) | 10,624 | 1,046 | 4,792 | 139,344 | 289,694 | 107,917 | 397,611 |
| Purchase of treasury shares | - | (3,058) | - | - | - | - | - | - | (3,058) | - | (3,058) |
| Net loss for the period | - | - | - | - | - | - | - | (6,529) | (6,529) | (128) | (6,657) |
| Other comprehensive income for the period | - | - | - | (522) | - | - | 6,963 | - | 6,441 | 2,208 | 8,649 |
| Total comprehensive income for the period | - | - | - | (522) | - | - | 6,963 | (6,529) | (88) | 2,080 | 1,992 |
| Dividends to equity holders of the Company (Note B9) | - | - | - | - | - | - | - | (11,321) | (11,321) | - | (11,321) |
| Dividend to a non-controlling interest by a subsidiary company | - | - | - | - | - | - | - | - | - | (12,250) | (12,250) |
| Option charge arising from share options granted | - | - | - | - | - | 282 | - | - | 282 | - | 282 |
| Ordinary shares issued pursuant to exercised of ESOS | 100 | - | - | - | - | (9) | - | - | 91 | - | 91 |
| Forfeiture of ESOS | - | - | - | - | - | (7) | - | 4 | (3) | 3 | - |
| Transfer upon the disposal of quoted shares designated at FVOCI | - | - | - | - | - | - | (44) | 22 | (22) | 22 | - |
| At 30 June 2020 | 147,389 | (20,214) | 20,792 | (17,559) | 10,624 | 1,312 | 11,711 | 121,520 | 275,575 | 97,772 | 373,347 |

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Registration no. 199401022687 (308366-H)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For The Nine Months Ended 30 June 2020 (Cont'd)

| | Attributable to Equity Holders of the Company | | | | | | | | Non-Controlling Interest RM'000 | Total Equity RM'000 | |
|--|---|---------------------------|--------------------------|-------------------------------|-------------------------------|--------------------------------------|-------------------------|-----------------|------------------------------------|------------------------|----------------------------|
| | Non Distributable | | | | | | Distributable | Total RM'000 | | | |
| | 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 |
| 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 | - | - | - | - | - | - | - | (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 condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019.

PACIFIC & ORIENT BERHAD

Registration no. 199401022687 (308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Nine Months Ended 30 June 2020

| | 30 June 2020 RM'000 | 30 June 2019 RM'000 |
|---|------------------------------------|------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (5,359) | (6,380) |
| Adjustments for : | | |
| Depreciation of: | | |
| - property, plant and equipment | 1,673 | 1,533 |
| - right-of-use assets | 2,413 | - |
| Amortisation of: | | |
| - prepaid land lease payments | 3 | 3 |
| - intangible assets | 422 | 428 |
| Loss on disposal of property, plant and equipment | 59 | 25 |
| Property, plant and equipment written off | 5 | 4 |
| Loss on fair value of financial assets at fair value through profit or loss | 4,306 | 1,721 |
| Gain on disposal of investments | (1,000) | (287) |
| Gain on derecognition of right-of-use assets | (318) | - |
| Dividend income | (5,565) | (3,452) |
| Interest income | (9,284) | (11,366) |
| Income from Sukuk | - | (3) |
| Income from Islamic fixed deposits | (3,045) | (4,725) |
| Interest expense | 3,277 | 2,211 |
| Allowance for impairment: | | |
| - investment in an associated company | 2,886 | - |
| - insurance receivables | 338 | - |
| Write back in allowance for impairment: | | |
| - insurance receivables | - | (63) |
| - trade receivables | (2) | - |
| Share of losses of associated companies | 1,861 | 3,530 |
| Allowance for unutilised leave | 295 | - |
| Share options expense | 282 | - |
| Unrealised (gain)/loss on foreign exchange | (4,591) | 298 |
| Others | - | 84 |
| Operating loss before working capital changes | <u>(11,344)</u> | <u>(16,439)</u> |
| Changes in working capital: | | |
| Disposal of investments | 39,547 | 106,701 |
| Purchase of investments | (163,657) | (133,996) |
| Decrease in deposits and placements with financial institutions | 121,832 | 53,599 |
| Decrease in loans | 18 | 5,345 |
| (Increase)/decrease in reinsurance assets | (15,555) | 3,918 |
| Decrease in insurance receivables | 16,326 | 13,491 |
| Increase in amounts due from associated companies | (4,233) | (1,303) |
| Decrease/(increase) in trade and other receivables | 5,647 | (1,964) |
| Increase in inventories - goods for resale | (127) | (111) |
| Additional direct expenditure of land held for development | (2,493) | (1,576) |
| Increase/(decrease) in insurance contract liabilities | 16,548 | (7,535) |
| Decrease in insurance payables | (2,909) | (4,722) |
| Decrease in payables | (1,954) | (2,784) |
| Cash (used in)/generated from operations | <u>(2,354)</u> | <u>12,624</u> |
| Tax paid, net of tax refunded | (4,456) | (2,862) |
| Dividends received | 4,992 | 3,046 |
| Interest received | 9,534 | 11,413 |
| Income received from Sukuk | - | 3 |
| Income received from Islamic fixed deposits | 3,045 | 4,725 |
| Interest paid | (3,493) | (5,115) |
| Net cash generated from operating activities | <u>7,268</u> | <u>23,834</u> |

PACIFIC & ORIENT BERHAD

Registration no. 199401022687 (308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Nine Months Ended 30 June 2020 (Cont'd)

| | 30 June 2020 RM'000 | 30 June 2019 RM'000 |
|--|---------------------------|---------------------------|
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Acquisition of associated companies | (2,069) | (1,476) |
| Purchase of property, plant and equipment | (655) | (850) |
| Purchase of intangible assets | (382) | (491) |
| Purchase of investments | (3) | (31,986) |
| Disposal of investments | 1,108 | 48,422 |
| Maturities of Sukuk | 33 | 40 |
| Disposal of property, plant and equipment | 216 | 3 |
| Decrease in lease receivables | 141 | - |
| Net cash (used in)/generated from investing activities | <u>(1,611)</u> | <u>13,662</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Purchase of treasury shares | (3,059) | (3,228) |
| Issuance of share capital | 91 | - |
| Dividends paid to equity holders of the Company | (14,709) | (13,652) |
| Dividend paid to a non-controlling interest | (12,250) | (22,050) |
| Decrease in hire purchase creditors | (502) | (402) |
| Decrease in lease liabilities | (3,324) | - |
| Proceeds from drawdown of borrowings | 46,399 | - |
| Net cash generated from/(used in) financing activities | <u>12,646</u> | <u>(39,332)</u> |
| Net increase/(decrease) in cash and cash equivalents | 18,303 | (1,836) |
| Foreign exchange differences | 735 | (421) |
| Cash and cash equivalents at beginning of period | 44,456 | 57,469 |
| Cash and cash equivalents at end of period | <u>63,494</u> | <u>55,212</u> |
| Cash and cash equivalents comprise the following: | | |
| Cash and bank balances # | <u>63,494</u> | <u>55,212</u> |

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.

(a) Reconciliation of liabilities arising from financing activities:

| | Lease liabilities RM'000 | Hire purchase creditors RM'000 | Borrowings RM'000 | Total RM'000 |
|---|-----------------------------|--------------------------------------|----------------------|-----------------|
| At 1 October 2019 (as previously stated) | - | 1,419 | 35,179 | 36,598 |
| Effects of adopting MFRS 16 | 14,654 | - | - | 14,654 |
| At 1 October 2019 (as restated) | <u>14,654</u> | <u>1,419</u> | <u>35,179</u> | <u>51,252</u> |
| Changes in Financing Cash Flows | | | | |
| Proceeds from drawdown | - | - | 46,399 | 46,399 |
| Repayment of hire purchase | - | (502) | - | (502) |
| Repayment of lease liabilities | (3,324) | - | - | (3,324) |
| Addition: | | | | |
| Purchase of properties, plant and equipment | - | 668 | - | 668 |
| Purchase of right-of-use assets | 2,263 | - | - | 2,263 |
| Transaction costs | - | - | 106 | 106 |
| Translation differences | 103 | 5 | 21 | 129 |
| At 30 June 2020 | <u>13,696</u> | <u>1,590</u> | <u>81,705</u> | <u>96,991</u> |

The condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2019.