

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED FINANCIAL POSITION**

	As At 30/06/2013 RM'000	As At 30/09/2012 RM'000	As At 01/10/2011 RM'000
<b>ASSETS</b>			
Property, plant and equipment	24,178	24,461	20,047
Investment properties	695	750	605
Prepaid land lease payments	315	318	322
Goodwill on consolidation	1,935	1,935	1,935
Intangible assets	1,900	1,236	734
Deferred tax assets	1,588	4,011	6,048
Investments	47,759	66,259	74,138
Inventories - goods for resale	583	627	791
Loans	114	132	245
Reinsurance assets	229,355	230,978	182,404
Insurance receivables	23,360	19,944	109,385
Trade receivables	1,482	1,497	1,128
Other receivables	62,547	36,017	21,594
Deposits and placements with financial institutions	723,220	718,570	550,410
Cash and bank balances	220,665	18,649	59,106
<b>Total assets</b>	<b>1,339,696</b>	<b>1,125,384</b>	<b>1,028,892</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	780,596	761,452	674,485
Insurance payables	12,197	16,229	23,432
Trade payables	54	49	17
Other payables	13,775	11,975	8,989
Hire purchase creditors	1,706	1,839	1,596
Borrowings	46,039	86,238	96,648
Tax payable	3	4	10,647
<b>Total liabilities</b>	<b>854,370</b>	<b>877,786</b>	<b>815,814</b>
<b>EQUITY</b>			
Share capital	122,977	122,977	122,977
Treasury shares	(2,865)	(1,463)	(134)
Share premium	24,302	24,302	24,302
Merger reserve	20,792	40,769	40,769
Translation reserve	(86)	1,273	-
Revaluation reserve	8,799	8,799	5,222
Available-for-sale reserve	(2,840)	2,411	(5,313)
Retained profits	202,065	48,530	25,255
<b>Equity attributable to equity holders of the Company</b>	<b>373,144</b>	<b>247,598</b>	<b>213,078</b>
Non-controlling interest	112,182	-	-
<b>Total equity</b>	<b>485,326</b>	<b>247,598</b>	<b>213,078</b>
<b>Total liabilities and equity</b>	<b>1,339,696</b>	<b>1,125,384</b>	<b>1,028,892</b>
<b>Net assets per share (Sen)</b>	<b>153</b>	<b>101</b>	<b>87</b>
Based on number of shares (net of treasury shares) of RM0.50 each ( '000 )	243,287	244,350	245,770

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For The Nine Months Ended 30 June 2013

	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	Share Premium RM'000	Merger Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Available-For- Sale Reserve RM'000	Retained Profits RM'000			
<b>At 1 October 2012</b>											
- as reported under Financial Reporting Standard ("FRS")	122,977	(1,463)	24,302	40,769	2,316	8,799	2,411	47,487	247,598	-	247,598
Effect of adopting Malaysian Financial Reporting Standard ("MFRS") 1	-	-	-	-	(1,043)	-	-	1,043	-	-	-
<b>At 1 October 2012, under MFRS</b>	122,977	(1,463)	24,302	40,769	1,273	8,799	2,411	48,530	247,598	-	247,598
Purchase of treasury shares	-	(1,402)	-	-	-	-	-	-	(1,402)	-	(1,402)
Divestment of a subsidiary company	-	-	-	(19,977)	-	-	-	173,559	153,582	109,760	263,342
Net profit for the period	-	-	-	-	-	-	-	27,787	27,787	2,695	30,482
Other comprehensive loss for the period	-	-	-	-	(1,359)	-	(5,251)	-	(6,610)	(273)	(6,883)
Total comprehensive income for the period	-	-	-	-	(1,359)	-	(5,251)	27,787	21,177	2,422	23,599
Dividends	-	-	-	-	-	-	-	(47,811)	(47,811)	-	(47,811)
<b>At 30 June 2013</b>	122,977	(2,865)	24,302	20,792	(86)	8,799	(2,840)	202,065	373,144	112,182	485,326

	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	Share Premium RM'000	Merger Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Available-For- Sale Reserve RM'000	Retained Profits RM'000			
<b>At 1 October 2011</b>											
- as reported under FRS	122,977	(134)	24,302	40,769	1,043	5,222	(5,313)	24,212	213,078	-	213,078
Effect of adopting MFRS 1	-	-	-	-	(1,043)	-	-	1,043	-	-	-
<b>At 1 October 2011, under MFRS</b>	122,977	(134)	24,302	40,769	-	5,222	(5,313)	25,255	213,078	-	213,078
Purchase of treasury shares	-	(1,310)	-	-	-	-	-	-	(1,310)	-	(1,310)
Net profit for the period	-	-	-	-	-	-	-	16,492	16,492	-	16,492
Other comprehensive income for the period	-	-	-	-	96	-	5,972	-	6,068	-	6,068
Total comprehensive income for the period	-	-	-	-	96	-	5,972	16,492	22,560	-	22,560
Dividends	-	-	-	-	-	-	-	(8,092)	(8,092)	-	(8,092)
<b>At 30 June 2012</b>	122,977	(1,444)	24,302	40,769	96	5,222	659	33,655	226,236	-	226,236

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For The Nine Months Ended 30 June 2013

	Quarter ended 30-Jun-13 RM'000	Quarter ended 30-Jun-12 RM'000	Year to date 30-Jun-13 RM'000	Year to date 30-Jun-12 RM'000
Revenue	134,304	134,348	416,403	416,850
Other operating income	4,969	16,156	23,962	32,340
	139,273	150,504	440,365	449,190
Operating expenses	(126,356)	(128,884)	(392,130)	(419,965) *
Profit from operations	12,917	21,620	48,235	29,225
Finance costs	(1,228)	(1,388)	(5,088)	(3,919)
Profit before tax	11,689	20,232	43,147	25,306
Income tax expense	(3,612)	(5,802)	(12,665)	(8,814)
Profit for the period	8,077	14,430	30,482	16,492
Attributable to :				
Equity holders of the Company	5,382	14,430	27,787	16,492
Non-controlling interest	2,695	-	2,695	-
Earnings per share attributable to equity holders of the Company :				
- Basic earnings per share (sen)	2.21	5.90	11.40	6.72
[Based on weighted average number of shares (net of treasury shares) of RM0.50 each]				

\* Includes a one-off impairment loss of RM20,746,000, arising from the commutation of a reinsurance contract with a reinsurer which was charged to the income statement in the year to date ended 30 June 2012.

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Nine Months Ended 30 June 2013

	Quarter ended 30-Jun-13 RM'000	Quarter ended 30-Jun-12 RM'000	Year to date 30-Jun-13 RM'000	Year to date 30-Jun-12 RM'000
<b>Profit for the period</b>	8,077	14,430	30,482	16,492
<b>Other comprehensive (loss)/income:</b>				
<b>Items to be reclassified to income statement in subsequent periods:</b>				
Currency translation differences in respect of foreign operations	(412)	(1,059)	(1,359)	96
Fair value changes on available-for-sale ("AFS") financial assets	227	321	(6,339)	6,644
Deferred tax	(56)	(18)	815	(672)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	(241)	(756)	(6,883)	6,068
<b>Total comprehensive income for the period</b>	7,836	13,674	23,599	22,560
<b>Attributable to :</b>				
Equity holders of the Company	5,414	13,674	21,177	22,560
Non-controlling interest	2,422	-	2,422	-

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Nine Months Ended 30 June 2013

	30 June 2013 RM'000	30 June 2012 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	43,147	25,306
Adjustments for :		
Depreciation of property, plant and equipment	1,233	1,077
Impairment loss on insurance receivable	-	20,746
Allowance for impairment of insurance receivables	470	308
Write back in allowance for impairment reinsurance assets	-	(816)
Impairment loss of AFS financial assets	467	3,172
Loss on disposal of property, plant and equipment	40	127
Unrealised (gain) / loss on foreign exchange	(1,552)	126
Gain on disposal of investments	(3,447)	(773)
Gain on fair value of investment properties	-	(110)
Gain on disposal of investments properties	(5)	-
Interest income	(20,297)	(17,598)
Dividend income	(708)	(489)
Interest expense	4,931	3,821
Others	(74)	101
	<u>24,205</u>	<u>34,998</u>
Changes in working capital:		
Disposal of investments	15,550	21,719
Purchase of investments	(185)	(309)
Decrease in bankers acceptances	-	1,564
Increase in deposits and placements with financial institutions	(4,650)	(172,784)
Decrease in loans	18	100
Decrease/(increase) in reinsurance assets	1,623	(60,613)
(Increase)/decrease in insurance receivables	(3,887)	90,161
Increase in trade and other receivables	(20,316)	(7,898)
Decrease in inventories - goods for resale	44	27
Increase in insurance contract liabilities	19,144	76,456
Decrease in insurance payables	(4,032)	(8,573)
(Decrease)/increase in payables	(554)	2,154
	<u>26,960</u>	<u>(22,998)</u>
Tax paid	(14,819)	(18,301)
Interest received	18,882	16,149
Dividends received	1,096	208
Interest paid	(5,530)	(5,191)
	<u>26,589</u>	<u>(30,133)</u>
Net cash generated from / (used in) operating activities	<u>26,589</u>	<u>(30,133)</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For The Nine Months Ended 30 June 2013 (Cont'd.)

	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Divestment of a subsidiary company net of divestment costs	269,252	-
Acquisition of a subsidiary company net of cash acquired	-	(293)
Purchase of property, plant and equipment	(624)	(389)
Purchase of intangible assets	(417)	(207)
Purchase of investments	(502)	(466)
Disposal of property, plant and equipment	90	147
Disposal of investment properties	60	-
	<hr/>	<hr/>
Net cash generated from / (used in) investing activities	267,859	(1,208)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(1,401)	(1,321)
Dividends paid	(49,644)	(8,092)
Decrease in hire purchase creditors	(558)	(453)
Repayment of bank borrowings	(38,234)	(12,408)
	<hr/>	<hr/>
Net cash used in financing activities	(89,837)	(22,274)
Effects of exchange rate changes on cash and cash equivalents	<hr/>	<hr/>
	152	(571)
Net increase/(decrease) in cash and cash equivalents	204,763	(54,186)
Cash and cash equivalents at beginning of year	15,883	59,106
Effect of exchange rate changes	19	(6)
	<hr/>	<hr/>
Cash and cash equivalents at end of period	220,665	4,914
 Cash and cash equivalents comprise the following:		
Cash and bank balances*	220,665	# 6,987
Bank overdraft	<hr/>	<hr/>
	-	(2,073)
Cash and cash equivalents as restated	220,665	4,914

\* The cash and bank balances include deposits of RM696,000 (2012:RM673,000) which have been pledged as security by a subsidiary company 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 period of three months or less. The higher cash and bank balances as at 30 June 2013 was mainly due to placement of proceeds received from the divestment of the insurance subsidiary into short-term deposits of less than three months.