

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED FINANCIAL POSITION**

	As At 30/09/2013 RM'000	As At 30/09/2012 RM'000	As At 01/10/2011 RM'000
<b>ASSETS</b>			
Property, plant and equipment	23,220	24,461	20,047
Investment properties	695	750	605
Prepaid land lease payments	314	318	322
Goodwill on consolidation	-	1,935	1,935
Intangible assets	1,788	1,236	734
Deferred tax	2,386	4,011	6,048
Investments	43,333	66,259	74,138
Inventories - goods for resale	427	627	791
Loans	117	132	245
Reinsurance assets	229,483	230,978	182,404
Insurance receivables	23,679	19,944	109,385
Trade receivables	1,883	1,497	1,128
Other receivables	57,326	36,017	21,594
Deposits and placements with financial institutions	868,029	718,570	550,410
Cash and bank balances	89,371	18,649	59,106
Total assets	<u>1,342,051</u>	<u>1,125,384</u>	<u>1,028,892</u>
<b>LIABILITIES</b>			
Insurance contract liabilities	786,537	761,452	674,485
Insurance payables	8,744	16,229	23,432
Trade payables	991	1,160	992
Other payables	8,502	10,864	8,014
Hire purchase creditors	1,555	1,839	1,596
Borrowings	33,766	86,238	96,648
Tax payable	-	4	10,647
Total liabilities	<u>840,095</u>	<u>877,786</u>	<u>815,814</u>
<b>EQUITY</b>			
Share capital	122,977	122,977	122,977
Treasury shares	(3,813)	(1,463)	(134)
Share premium	24,302	24,302	24,302
Merger reserve	20,792	40,769	40,769
Translation reserve	(1,028)	1,273	-
Revaluation reserve	8,799	8,799	5,222
Available-for-sale reserve	(2,198)	2,411	(5,313)
Retained profits	209,227	48,530	25,255
Equity attributable to equity holders of the Company	<u>379,058</u>	<u>247,598</u>	<u>213,078</u>
Non-controlling interest	122,898	-	-
Total equity	<u>501,956</u>	<u>247,598</u>	<u>213,078</u>
Total liabilities and equity	<u>1,342,051</u>	<u>1,125,384</u>	<u>1,028,892</u>
<b>Net assets per share (Sen)</b>	<u>156</u>	<u>101</u>	<u>87</u>
Based on number of shares (net of treasury shares) of RM0.50 each ( '000 )	242,604	244,350	245,770

**PACIFIC & ORIENT BERHAD**  
(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For The Year Ended 30 September 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>	122,977	(1,463)	24,302	40,769	1,273	8,799	2,411	48,530	247,598	-	247,598
Purchase of treasury shares	-	(2,350)	-	-	-	-	-	-	(2,350)	-	(2,350)
Divestment of a subsidiary company	-	-	-	(19,977)	-	-	-	173,545	153,568	109,760	263,328
Net profit for the year	-	-	-	-	-	-	-	36,909	36,909	13,210	50,119
Other comprehensive loss for the year	-	-	-	-	(2,301)	-	(4,609)	-	(6,910)	(72)	(6,982)
Total comprehensive income for the year	-	-	-	-	(2,301)	-	(4,609)	36,909	29,999	13,138	43,137
Dividends	-	-	-	-	-	-	-	(49,757)	(49,757)	-	(49,757)
<b>At 30 September 2013</b>	122,977	(3,813)	24,302	20,792	(1,028)	8,799	(2,198)	209,227	379,058	122,898	501,956

	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>	122,977	(134)	24,302	40,769	-	5,222	(5,313)	25,255	213,078	-	213,078
Purchase of treasury shares	-	(1,329)	-	-	-	-	-	-	(1,329)	-	(1,329)
Net profit for the year	-	-	-	-	-	-	-	36,865	36,865	-	36,865
Other comprehensive income for the year	-	-	-	-	1,273	3,577	7,724	-	12,574	-	12,574
Total comprehensive income for the year	-	-	-	-	1,273	3,577	7,724	36,865	49,439	-	49,439
Dividends	-	-	-	-	-	-	-	(13,590)	(13,590)	-	(13,590)
<b>At 30 September 2012</b>	122,977	(1,463)	24,302	40,769	1,273	8,799	2,411	48,530	247,598	-	247,598

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For The Year Ended 30 September 2013

	Quarter ended 30-Sep-13 RM'000	Quarter ended 30-Sep-12 RM'000	Year to date 30-Sep-13 RM'000	Year to date 30-Sep-12 RM'000
Revenue	142,384	141,236	563,417	561,794
Other operating income	15,154	17,062	39,116	49,402
	157,538	158,298	602,533	611,196
Operating expenses	(134,123)	(131,027)	(530,883)	(554,700) *
Profit from operations	23,415	27,271	71,650	56,496
Finance costs	(827)	(1,967)	(5,915)	(5,886)
Profit before tax	22,588	25,304	65,735	50,610
Income tax expense	(2,951)	(4,931)	(15,616)	(13,745)
Profit for the year	19,637	20,373	50,119	36,865
Attributable to :				
Equity holders of the Company	9,122	20,373	36,909	36,865
Non-controlling interest	10,515	-	13,210	-
Earnings per share attributable to equity holders of the Company :				
- Basic earnings per share (sen)	3.75	8.34	15.15	15.04
[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 financial year ended 30 September 2012.

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Year Ended 30 September 2013

	Quarter ended 30-Sep-13 RM'000	Quarter ended 30-Sep-12 RM'000	Year to date 30-Sep-13 RM'000	Year to date 30-Sep-12 RM'000
<b>Profit for the year</b>	19,637	20,373	50,119	36,865
<b>Other comprehensive (loss)/income:</b>				
<b>Items that may not be reclassified to income statement in subsequent periods:</b>				
Surplus from revaluation of land and buildings				
- Gross surplus from revaluation	-	4,770	-	4,770
- Deferred tax	-	(1,193)	-	(1,193)
Net gain	-	3,577	-	3,577
<b>Items that may be reclassified to income statement in subsequent periods:</b>				
Currency translation differences in respect of foreign operations	(942)	1,177	(2,301)	1,273
Fair value changes on available-for-sale ("AFS") financial assets	980	1,846	(5,359)	8,490
Deferred tax	(137)	(94)	678	(766)
Net gain/(loss)	(99)	2,929	(6,982)	8,997
<b>Other comprehensive (loss)/income for the year, net of tax</b>	(99)	6,506	(6,982)	12,574
<b>Total comprehensive income for the year</b>	19,538	26,879	43,137	49,439
<b>Attributable to :</b>				
Equity holders of the Company	8,822	26,879	29,999	49,439
Non-controlling interest	10,716	-	13,138	-

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Year Ended 30 September 2013

	30 September 2013 RM'000	30 September 2012 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	65,735	50,610
Adjustments for :		
Depreciation of property, plant and equipment	1,668	1,481
Loss on disposal of property, plant and equipment	40	45
Property, plant and equipment written off	63	106
Reversal of revaluation deficit in property, plant and equipment	-	(110)
Impairment of property, plant and equipment	613	-
Impairment of intangible assets	149	-
Intangible assets written off	2	-
Gain on fair value of investment properties	-	(110)
Gain on acquisition of a subsidiary company	-	(60)
Inventories of goods for resale written off	121	66
Allowance for inventories obsolescence	41	-
Impairment of goodwill	1,935	-
Impairment loss of AFS financial assets	929	3,172
Gain on disposal of investments	(3,447)	(773)
Gain on disposal of investment property	(5)	-
Dividend income	(998)	(1,386)
Interest income	(28,315)	(24,032)
Interest expense	5,667	5,752
Allowance for impairment :		
- insurance receivables	760	456
- trade and other receivables	28	3
Write back in allowance for impairment :		
- insurance receivables	(131)	(5,605)
- reinsurance assets	-	(1,068)
- trade and other receivables	(5)	(3)
Bad debts written off :		
- insurance receivables	-	20,746
- trade receivables	-	92
Unrealised (gain)/loss on foreign exchange	(2,619)	1,377
Others	56	226
	<u>42,287</u>	<u>50,985</u>
Changes in working capital:		
Disposal of investments	20,550	26,719
Purchase of investments	(185)	(10,293)
Decrease in bankers acceptances	-	1,564
Increase in deposits and placements with financial institutions	(149,458)	(168,160)
Decrease in loans	15	111
Decrease/(increase) in reinsurance assets	1,495	(47,505)
(Increase)/decrease in insurance receivables	(4,364)	73,841
Increase in trade and other receivables	(24,530)	(8,525)
Decrease in inventories - goods for resale	38	97
Increase in insurance contract liabilities	25,085	86,967
Decrease in insurance payables	(7,484)	(7,203)
Increase/(decrease) in payables	17	(617)
	<u>(96,534)</u>	<u>(2,019)</u>
Tax paid, net of tax refunded	(10,642)	(28,757)
Interest received	27,896	22,110
Dividends received	1,258	1,038
Interest paid	(5,606)	(4,145)
Net cash used in operating activities	<u>(83,628)</u>	<u>(11,773)</u>

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Year Ended 30 September 2013 (Cont'd.)

	30 September 2013 RM'000	30 September 2012 RM'000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Divestment of a subsidiary company net of divestment costs	263,328	-
Acquisition of a subsidiary company net of cash acquired	-	(293)
Purchase of property, plant and equipment	(737)	(490)
Purchase of intangible assets	(517)	(594)
Purchase of investments	(502)	(3,388)
Disposal of property, plant and equipment	89	276
Disposal of investment properties	60	-
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Net cash generated from / (used in) investing activities	261,721	(4,489)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(2,109)	(1,329)
Dividends paid	(51,590)	(11,757)
Decrease in hire purchase creditors	(658)	(634)
Repayment of bank borrowings	(50,534)	(12,576)
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Net cash used in financing activities	(104,891)	(26,296)
Effects of exchange rate changes on cash and cash equivalents	254	(650)
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Net increase/(decrease) in cash and cash equivalents	73,456	(43,208)
Cash and cash equivalents at beginning of year	15,915	59,091
	<hr/>	<hr/>
Cash and cash equivalents at end of year	89,371	15,883
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Cash and cash equivalents comprise the following:		
Cash and bank balances*	89,371 #	18,649
Bank overdraft	-	(2,766)
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Cash and cash equivalents as previously reported	89,371	15,883
Effect of exchange rate changes		32
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Cash and cash equivalents	89,371	15,915
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\* The cash and bank balances include deposits of RM599,000 (2012:RM581,000) 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 periods of less than three months. The higher cash and bank balances as at 30 September 2013 was mainly due to more funds placed in short-term deposits.