

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED FINANCIAL POSITION**

	<b>As At 31/03/2012 RM'000</b>	<b>As At 30/09/2011 RM'000 (Audited)</b>
<b>ASSETS</b>		
Property, plant and equipment	19,924	20,047
Investment properties	750	605
Prepaid land lease payments	320	322
Goodwill on consolidation	1,935	1,935
Intangible assets	792	734
Deferred tax assets	5,475	6,048
Investments	70,085	74,138
Inventories - goods for resale	735	791
Loans	156	245
Reinsurance assets	209,083	182,404
Insurance receivables	113,535	109,385
Trade receivables	1,309	1,128
Other receivables	26,976	21,594
Deposits and placements with financial institutions	622,717	550,410
Cash and bank balances	19,096	59,106
Total assets	<u>1,092,888</u>	<u>1,028,892</u>
<b>LIABILITIES</b>		
Insurance contract liabilities	736,134	674,485
Insurance payables	26,141	23,432
Trade payables	130	17
Other payables	14,323	8,989
Hire purchase creditors	1,886	1,596
Borrowings	92,234	96,648
Tax payable	6,208	10,647
Total liabilities	<u>877,056</u>	<u>815,814</u>
<b>EQUITY</b>		
Share capital	122,977	122,977
Treasury shares	(559)	(134)
Share premium	24,302	24,302
Merger reserve	40,769	40,769
Translation reserve	2,198	1,043
Revaluation reserve	5,222	5,222
Available-for-sale reserve	356	(5,313)
Retained profits	20,567	24,212
	<u>215,832</u>	<u>213,078</u>
Total liabilities and equity	<u>1,092,888</u>	<u>1,028,892</u>
<b>Net assets per share (Sen)</b>	<u>88</u>	<u>87</u>
Based on number of shares (net of treasury shares) of RM0.50 each ( '000 )	245,314	245,770

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For The Six Months Ended 31 March 2012

	Attributable to Equity Holders of the Company								Total 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	1,043	5,222	(5,313)	24,212	213,078
Purchase of treasury shares	-	(425)	-	-	-	-	-	-	(425)
Total comprehensive income for the period	-	-	-	-	1,155	-	5,669	2,062	8,886
Dividend	-	-	-	-	-	-	-	(5,707)	(5,707)
<b>At 31 March 2012</b>	122,977	(559)	24,302	40,769	2,198	5,222	356	20,567	215,832

	Attributable to Equity Holders of the Company								Total 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	(Accumulated Losses)/ Retained Profits RM'000	
<b>At 1 October 2010 (as previously stated)</b>	115,422	-	17,132	40,769	2,022	5,222	-	(2,019)	178,548
Effects of adopting FRS 4	-	-	-	-	-	-	-	(4,327)	(4,327)
Effects of adopting FRS 139	-	-	-	-	-	-	(1,741)	(8,572)	(10,313)
<b>At 1 October 2010 (restated)</b>	115,422	-	17,132	40,769	2,022	5,222	(1,741)	(14,918)	163,908
Issue of shares	7,555	-	7,229	-	-	-	-	-	14,784
Share issuance expenses	-	-	(59)	-	-	-	-	-	(59)
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	(1)
Total comprehensive income for the period	-	-	-	-	592	-	727	18,654	19,973
Dividend	-	-	-	-	-	-	-	(1,107)	(1,107)
<b>At 31 March 2011</b>	122,977	(1)	24,302	40,769	2,614	5,222	(1,014)	2,629	197,498

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For The Six Months Ended 31 March 2012

	Quarter ended 31-Mar-12 RM'000	Quarter ended 31-Mar-11 RM'000 (Restated)	Year to date 31-Mar-12 RM'000	Year to date 31-Mar-11 RM'000 (Restated)
Revenue	161,647	154,001	282,502	268,731
Other operating income	11,185	9,036	16,184	14,433
	172,832	163,037	298,686	283,164
Operating expenses *	(169,500)	(148,877)	(291,081)	(254,427)
Profit from operations	3,332	14,160	7,605	28,737
Finance costs	(1,231)	(1,346)	(2,531)	(1,948)
Profit before tax	2,101	12,814	5,074	26,789
Income tax expense	(791)	(3,766)	(3,012)	(8,135)
Profit for the period	1,310	9,048	2,062	18,654
Attributable to :				
Equity holders of the Company	1,310	9,048	2,062	18,654
Earnings per share attributable to equity holders of the Company :				
- Basic earnings per share (sen)	0.53	3.68	0.84	7.63
[Based on weighted average number of shares (net of treasury shares) of RM0.50 each]				

\* Includes an amount of RM20,746,000 being impairment loss as described in Note A4.

**PACIFIC & ORIENT BERHAD**

(Company No: 308366-H)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Six Months Ended 31 March 2012

	Quarter ended 31-Mar-12 RM'000	Quarter ended 31-Mar-11 RM'000	Year to date 31-Mar-12 RM'000	Year to date 31-Mar-11 RM'000
<b>Profit for the period</b>	1,310	9,048	2,062	18,654
<b>Other comprehensive income:</b>				
Currency translation differences in respect of foreign operations	976	711	1,155	592
Net fair value changes on available-for-sale ("AFS") financial assets				
- Gain in fair value changes	1,342	689	3,926	1,401
- Transfer to income statement upon disposal	(775)	-	(775)	(348)
- Impairment loss reclassified to income statement	414	92	3,172	233
Tax on fair value movements	(198)	(361)	(654)	(559)
<b>Other comprehensive income for the period, net of tax</b>	1,759	1,131	6,824	1,319
<b>Total comprehensive income for the period</b>	3,069	10,179	8,886	19,973
<b>Attributable to :</b>				
<b>Equity holders of the Company</b>	3,069	10,179	8,886	19,973

**PACIFIC & ORIENT BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Six Months Ended 31 March 2012

	<b>31 March 2012 RM'000</b>	<b>31 March 2011 RM'000 (Restated)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,074	26,789
Adjustments for :		
Depreciation of property, plant and equipment	703	757
Impairment loss on insurance receivables	20,746	-
Allowance for impairment of insurance receivables	114	3,206
Write back in allowance for impairment of reinsurance assets	(28)	(67)
Impairment loss on AFS financial assets	3,172	233
Loss on disposal of equipment	118	85
Unrealised foreign exchange gain	(1,311)	(759)
Interest income	(11,376)	(10,590)
Dividend income	(368)	(420)
Interest expenses	2,469	1,909
Others	(769)	(416)
	<u>18,544</u>	<u>20,727</u>
Changes in working capital:		
Disposal of investments	6,719	5,646
Purchase of investments	(148)	-
Decrease in bankers' acceptance	1,564	-
Increase in deposits and placements with financial institutions	(72,307)	(79,460)
Decrease in loans	89	24
Increase in reinsurance assets	(47,396)	(45,805)
Increase in insurance receivables	(4,496)	(29,526)
Increase in trade and other receivables	(4,379)	(2,419)
Decrease in inventories - goods for resale	34	79
Increase in insurance contract liabilities	61,649	53,736
Increase/(decrease) in insurance payables	2,815	(7,182)
Increase/(decrease) in payables	1,065	(680)
	<u>(36,247)</u>	<u>(84,860)</u>
Tax paid	(8,145)	(6,224)
Interest received	11,054	12,169
Dividend received	144	220
Interest paid	(2,233)	(1,064)
	<u>(35,427)</u>	<u>(79,759)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(274)	(412)
Purchase of intangible assets	(134)	(22)
Disposal of property, plant and equipment	105	270
	<u>(303)</u>	<u>(164)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of shares	-	14,784
Purchase of treasury shares	(329)	(1)
Share issuance expenses	-	(59)
Dividends paid	(1,474)	(1,107)
Decrease in hire purchase creditors	(289)	(224)
(Repayment)/drawdown of bank borrowings	(2,000)	60,222
	<u>(4,092)</u>	<u>73,615</u>
Net cash (used in)/generated from financing activities	<u>(4,092)</u>	<u>73,615</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Six Months Ended 31 March 2012 (Cont'd.)

	<b>31 March 2012 RM'000</b>	<b>31 March 2011 RM'000 (Restated)</b>
Effects of exchange rate changes on cash and cash equivalents	<u>(172)</u>	<u>(62)</u>
Net decrease in cash and cash equivalents	(39,994)	(6,370)
Cash and cash equivalents at beginning of year	59,106	50,494
Effect of exchange rate changes	(16)	(10)
Cash and cash equivalents at end of period	<u>19,096</u>	<u>44,114</u>

Cash and cash equivalents comprise the following:

Cash and bank balances*	19,096	#	50,327
Bank overdraft	<u>-</u>		<u>(6,213)</u>
Cash and cash equivalents at end of period	<u>19,096</u>		<u>44,114</u>

\* The cash and bank balances include deposits of RM572,000 (2011:RM555,000) which have been pledged as securities 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 lower cash and bank balances as at 31 March 2012 was due to reinvestment of short term deposits of less than three months to longer term deposits classified under deposits and placements with financial institutions.