

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	As At 30/09/2012 RM'000 (Audited)	As At 30/09/2011 RM'000 (Audited)
ASSETS		
Property, plant and equipment	24,461	20,047
Investment properties	750	605
Prepaid land lease payments	318	322
Goodwill on consolidation	1,935	1,935
Intangible assets	1,236	734
Deferred tax assets	4,011	6,048
Investments	66,259	74,138
Inventories - goods for resale	627	791
Loans	132	245
Reinsurance assets	230,978	182,404
Insurance receivables	19,944	109,385
Trade receivables	1,497	1,128
Other receivables	36,017	21,594
Deposits and placements with financial institutions	718,570	550,410
Cash and bank balances	18,649	59,106
Total assets	<u>1,125,384</u>	<u>1,028,892</u>
LIABILITIES		
Insurance contract liabilities	761,452	674,485
Insurance payables	16,229	23,432
Trade payables	49	17
Other payables	11,975	8,989
Hire purchase creditors	1,839	1,596
Borrowings	86,238	96,648
Tax payable	4	10,647
Total liabilities	<u>877,786</u>	<u>815,814</u>
EQUITY		
Share capital	122,977	122,977
Treasury shares	(1,463)	(134)
Share premium	24,302	24,302
Merger reserve	40,769	40,769
Translation reserve	2,316	1,043
Revaluation reserve	8,799	5,222
Available-for-sale reserve	2,411	(5,313)
Retained profits	47,487	24,212
	<u>247,598</u>	<u>213,078</u>
Total liabilities and equity	<u>1,125,384</u>	<u>1,028,892</u>
Net assets per share (Sen)	<u>101</u>	<u>87</u>
Based on number of shares (net of treasury shares) of RM0.50 each ('000)	244,350	245,770

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Year Ended 30 September 2012

	Attributable to Equity Holders of the Company								
	Non Distributable						Distributable		Total RM'000
	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	
At 1 October 2011	122,977	(134)	24,302	40,769	1,043	5,222	(5,313)	24,212	213,078
Purchase of treasury shares	-	(1,329)	-	-	-	-	-	-	(1,329)
Net profit for the year	-	-	-	-	-	-	-	36,865	36,865
Other comprehensive income for the year	-	-	-	-	1,273	3,577	7,724	-	12,574
Total comprehensive income for the year	-	-	-	-	1,273	3,577	7,724	36,865	49,439
Dividend	-	-	-	-	-	-	-	(13,590)	(13,590)
At 30 September 2012	122,977	(1,463)	24,302	40,769	2,316	8,799	2,411	47,487	247,598

	Attributable to Equity Holders of the Company								
	Non Distributable						Distributable		Total RM'000
	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	
At 1 October 2010	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	-	(134)	-	-	-	-	-	-	(134)
Net profit for the year	-	-	-	-	-	-	-	49,459	49,459
Other comprehensive income for the year	-	-	-	-	(979)	-	(3,572)	-	(4,551)
Total comprehensive income for the year	-	-	-	-	(979)	-	(3,572)	49,459	44,908
Dividend	-	-	-	-	-	-	-	(10,329)	(10,329)
At 30 September 2011	122,977	(134)	24,302	40,769	1,043	5,222	(5,313)	24,212	213,078

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Year Ended 30 September 2012

	Quarter ended 30-Sep-12 RM'000	Quarter ended 30-Sep-11 RM'000	Year to date 30-Sep-12 RM'000	Year to date 30-Sep-11 RM'000
Revenue	131,917	131,213	548,767	529,294
Other operating income	17,062	10,154	49,402	29,687
	148,979	141,367	598,169	558,981
Operating expenses	(121,708)	(120,009)	(541,673) *	(484,985)
Profit from operations	27,271	21,358	56,496	73,996
Finance costs	(1,967)	(1,414)	(5,886)	(4,717)
Profit before tax	25,304	19,944	50,610	69,279
Income tax expense	(4,931)	(5,323)	(13,745)	(19,820)
Profit for the period	20,373	14,621	36,865	49,459
Attributable to :				
Equity holders of the Company	20,373	14,621	36,865	49,459
Earnings per share attributable to equity holders of the Company :				
- Basic earnings per share (sen)	8.34	5.95	15.04	20.18
[Based on weighted average number of shares (net of treasury shares) of RM0.50 each]				

* Includes a one-off bad debt of an insurance receivable written off amounting to RM20,746,000 as described in Note A5 (i).

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 30 September 2012

	Quarter ended 30-Sep-12 RM'000	Quarter ended 30-Sep-11 RM'000	Year to date 30-Sep-12 RM'000	Year to date 30-Sep-11 RM'000
Profit for the period	20,373	14,621	36,865	49,459
Other comprehensive income/(loss):				
Currency translation differences in respect of foreign operations	1,177	(1,679)	1,273	(979)
Surplus from revaluation of land and buildings:				
- Gross surplus from revaluation	4,770	-	4,770	-
- Deferred tax	(1,193)	-	(1,193)	-
Fair value changes on available-for-sale ("AFS") financial assets:				
- Gain / (loss) in fair value changes	1,846	(5,988)	6,093	(6,849)
- Transfer to income statement upon disposal	-	-	(775)	(575)
- Impairment loss reclassified to income statement	-	3,664	3,172	3,897
- Deferred tax	(94)	225	(766)	(45)
Other comprehensive income/(loss) for the year, net of tax	6,506	(3,778)	12,574	(4,551)
Total comprehensive income for the year	26,879	10,843	49,439	44,908
Attributable to :				
Equity holders of the Company	26,879	10,843	49,439	44,908

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 September 2012

	30 September 2012 RM'000	30 September 2011 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	50,610	69,279
Adjustments for :		
Depreciation of property, plant and equipment	1,481	1,501
Loss on disposal of property, plant and equipment	45	92
Property, plant and equipment written off	106	27
Reversal of revaluation deficit in property, plant and equipment	(110)	-
Gain on fair value of investment properties	(110)	-
Gain on acquisition of a subsidiary company	(60)	-
Inventories of goods for resale written off	66	196
Allowance for inventory obsolescence	-	13
Impairment loss of AFS financial assets	3,172	3,897
Gain on disposal of investments	(773)	(550)
Dividend income	(1,386)	(720)
Interest income	(24,032)	(22,031)
Interest expense	5,752	4,644
Allowance for impairment :		
- insurance receivables	456	1,310
- trade and other receivables	3	-
Write back in allowance for impairment :		
- insurance receivables	(5,605)	(97)
- reinsurance assets	(1,068)	(1,055)
- trade and other receivables	(3)	(18)
Bad debts written off :		
- insurance receivables	20,746	-
- trade and other receivables	92	54
Unrealised loss on foreign exchange	1,377	1,166
Others	226	55
	<u>50,985</u>	<u>57,763</u>
Changes in working capital:		
Disposal of investments	26,719	31,110
Purchase of investments	(10,293)	-
Decrease/(increase) in bankers acceptances	1,564	(1,564)
Increase in deposits and placements with financial institutions*	(168,160)	(63,574)
Decrease in loans	111	48
Increase in reinsurance assets	(47,505)	(61,835)
Decrease/(increase) in insurance receivables	73,841	(50,847)
Increase in trade and other receivables	(8,525)	(4,592)
Decrease in inventories - goods for resale	97	210
Increase in insurance contract liabilities	86,967	51,874
Decrease in insurance payables	(7,203)	(16,606)
Decrease in payables	(617)	(1,738)
	<u>(2,019)</u>	<u>(59,751)</u>
Tax paid	(28,757)	(16,222)
Interest received	22,110	23,899
Dividends received	1,038	374
Interest paid	(4,145)	(3,420)
	<u>(11,773)</u>	<u>(55,120)</u>
Net cash used in operating activities	<u>(11,773)</u>	<u>(55,120)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 September 2012 (Cont'd.)

	30 September 2012 RM'000	30 September 2011 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiary company net of cash acquired	(293)	-
Purchase of property, plant and equipment	(490)	(509)
Purchase of intangible assets	(594)	(24)
Purchase of investments	(3,388)	-
Disposal of property, plant and equipment	276	327
	<hr/>	<hr/>
Net cash used in investing activities	(4,489)	(206)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares	-	14,784
Purchase of treasury shares	(1,329)	(123)
Share issuance expenses	-	(59)
Dividends paid	(11,757)	(10,329)
Decrease in hire purchase creditors	(634)	(556)
(Repayment)/drawdown of borrowings	(12,576)	60,222
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Net cash (used in)/generated from financing activities	(26,296)	63,939
Effects of exchange rate changes on cash and cash equivalents	(650)	(8)
Net (decrease)/increase in cash and cash equivalents	(43,208)	8,605
Cash and cash equivalents at beginning of year	59,091	50,501
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Cash and cash equivalents at end of year	15,883	59,106
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Cash and cash equivalents comprise the following:		
Cash and bank balances**	18,649 #	59,106
Bank overdraft	(2,766)	-
Cash and cash equivalents as previously reported	15,883	59,106
Effect of exchange rate changes	-	(15)
Cash and cash equivalents as restated	15,883	59,091

* Surplus funds from operation have been placed as deposits and placements with financial institutions.

** The cash and bank balances include deposits of RM581,000 (2011:RM564,000) 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 three months or less. The lower cash and bank balances as at 30 September 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.