PACIFICMAS BERHAD (Company No. 5024-T)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position
As at 30 September 2011

	As at 30 Sep 2011 RM'000	As at 31 Dec 2010 RM'000
ASSETS		
Property and equipment	95,389	97,619
Intangible assets	447	414
Associated company	-	1,573
Available-for-sale securities	162,259	167,496
Trading securities	14,368	16,664
Deferred tax assets	4,204	4,200
Tax recoverable	1,377	253
Loans and receivables	739,013	544,258
Trade and other receivables	11,757	210,779
Deposits with financial institutions	36,738	79,389
Cash and bank balances	7,152	5,470
	1,072,704	1,128,115
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	170,994	170,994
Fair value reserves	3,235	2,261
Retained profits	269,803	481,378
	444,032	654,633
Non-controlling interests	4,121	3,676
Total Equity	448,153	658,309
Liabilities		
Deferred tax liabilities	5,687	6,298
Borrowings	589,705	434,165
Trade and other payables	24,620	26,447
Tax payable	4,539	2,896
	624,551	469,806
Total Equity and Liabilities	1,072,704	1,128,115

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

PACIFICMAS BERHAD (Company No. 5024-T)
(Incorporated in Malaysia)

Condensed Consolidated Income Statement
For the period ended 30 September 2011

	2011 Current qtr ended 30 Sep RM'000	2010 Comparative qtr ended 30 Sep RM'000	2011 9 months Cumulative to 30 Sep RM'000	2010 9 months Cumulative to 30 Sep RM'000
Continuing operations				
Revenue	29,669	24,275	88,103	69,791
Other operating (losses)/gains	(3,108)	1,802	(391)	2,445
Net fees and commissions	(4,412)	(4,533)	(14,761)	(12,157)
Operating expenses	(11,660)	(11,396)	(35,051)	(32,884)
Finance costs	(5,608)	(3,524)	(14,377)	(8,694)
Share of results of an associated company	-	107	183	311
Gain on disposal of an associated company	-	-	633	-
Profit before taxation	4,881	6,731	24,339	18,812
Taxation	(1,050)	(1,455)	(4,888)	(3,608)
Profit for the period from continuing operations, net of tax	3,831	5,276	19,451	15,204
Discontinued operations (net of tax)				
Profit from discontinued operations	-	3,244	-	7,855
Net profit for the period	3,831	8,520	19,451	23,059
Profit attributable to:				
Owners of the parent	3,709	8,394	19,010	22,746
Non-controlling interests	122	126	441	313
	3,831	8,520	19,451	23,059
EPS - Basic (sen)				
- continuing operations	2.17	3.02	11.12	8.71
- discontinued operations	-	1.89	-	4.59
	2.17	4.91	11.12	13.30

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

PACIFICMAS BERHAD (Company No. 5024-T)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 September 2011

	2011 Current qtr ended 30 Sep RM'000	2010 Comparative qtr ended 30 Sep RM'000	2011 9 months Cumulative to 30 Sep RM'000	2010 9 months Cumulative to 30 Sep RM'000
Net profit for the period	3,831	8,520	19,451	23,059
Available-for-sale securities:				
- Unrealised gains, before tax	748	4,681	2,198	7,499
- Reclassification of losses/(gains) to income statement on disposal, before tax	109	(203)	(909)	(652)
- Tax on fair value movements	(13)	(392)	(92)	(725)
- Share of other comprehensive income of an associated company	-	(22)	(219)	2
Other comprehensive income, net of tax	844	4,064	978	6,124
Total comprehensive income for the period	4,675	12,584	20,429	29,183
Total comprehensive income attributable to:				
Owners of the parent	4,550	12,451	19,984	28,867
Non-controlling interests	125	133	445	316
	4,675	12,584	20,429	29,183

PACIFICMAS BERHAD (Company No. 5024-T)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity
For the period ended 30 September 2011

	← Attributable to Owners of the Parent			→	Non-controlling Interests	Total Equity
		Non-distributable	Distributable			
	Share Capital	Fair Value Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended **30 September 2010**						
At 1 January 2010	170,994	(1,297)	398,824	568,521	3,598	572,119
Total comprehensive income for the period	-	6,121	22,746	28,867	316	29,183
Transactions with owners:						
Dividends paid	-	-	(19,237)	(19,237)	-	(19,237)
At 30 September 2010	**170,994**	**4,824**	**402,333**	**578,151**	**3,914**	**582,065**
9 months ended **30 September 2011**						
At 1 January 2011	170,994	2,261	481,378	654,633	3,676	658,309
Total comprehensive income for the period	-	974	19,010	19,984	445	20,429
Transactions with owners:						
Dividends paid	-	-	(230,585)	(230,585)	-	(230,585)
At 30 September 2011	**170,994**	**3,235**	**269,803**	**444,032**	**4,121**	**448,153**

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

PACIFICMAS BERHAD (Company No. 5024-T)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2011

	2011 9 months ended 30 Sep RM'000		2010 9 months ended 30 Sep RM'000
Profit before taxation			
- continuing operations	24,339		18,812
- discontinued operations	-		5,844
Adjustment for:			
Non-cash items	13,565		3,774
Operating profit before changes in working capital	37,904		28,430
Changes in working capital			
Net disposal of investments	8,492		4,091
Increase in loans, trade and other receivables	(194,943)		(200,240)
(Decrease)/increase in trade and other payables	(2,769)		42,951
Deposits with financial institutions pledged as security for credit facilities	(157)		-
Interest and net dividends received	5,985		11,580
Interest and commitment fees paid	(13,871)		(8,016)
Income tax paid	(5,049)		(5,091)
Net cash flows used in operating activities	(164,408)		(126,295)
Investing activities:			
Receipt of remaining sale proceeds for disposal of insurance subsidiary	196,484		-
Receipt of sale proceeds for disposal of an associated company	2,169		-
Net acquisition of investments	(233)		(198)
Interest and net dividends received	924		644
Net purchase of property and equipment and intangible assets	(1,017)		(937)
Net cash flows generated from/(used in) investing activities	198,327		(491)
Financing activities:			
Dividends paid	(230,585)		(19,237)
Borrowings and debt securities	150,006		171,501
Net cash flows (used in)/generated from financing activities	(80,579)		152,264
Net change in cash and cash equivalents	(46,660)		25,478
Cash and cash equivalents at beginning of year	82,353		131,667
Cash and cash equivalents at end of period	35,693		157,145
Cash and cash equivalents comprise:			
Deposits with financial institutions	34,736	*	148,176
Cash and bank balances	7,152		11,233
Bank overdrafts	(6,195)	#	(2,264)
	35,693		157,145

* Excludes deposits with financial institutions of RM2,001,840 pledged as security for credit facilities obtained by subsidiaries

\# As disclosed in Note B9 of the explanatory notes.

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT - FRS 134

A1 Accounting policies

The interim financial report has been prepared in accordance with the reporting requirements outlined in Financial Reporting Standard ("FRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the listing requirements of Bursa Malaysia Securities Berhad ("the Listing Requirements"). The interim report should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

The accounting policies and methods of computation applied in the interim financial statements are consistent with those applied in the annual audited financial statements for the year ended 31 December 2010, except for the Group's adoption of the following revised FRSs, Amendments to FRSs, Interpretations of the Issues Committee ("IC Interpretations") and Amendments to IC Interpretation issued by the MASB that are mandatory for the financial year beginning 1 January 2011:

Revised FRSs, Amendments to FRSs, IC Interpretations and Amendments to IC Interpretation

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRSs	Improvements to FRSs (2010)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation (relating to classification of Rights Issues)
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives (revised in 2010)

The revised FRS 3 and FRS 127 will impact the Group's consolidation accounting relating to the acquisition costs and disposal of interests in subsidiaries. Amendments to FRS 7 require enhanced disclosures on fair value measurements and liquidity risk of the Group. Improvements to FRSs (2010) will impact the disclosures in the Group's financial statements. The revised FRS 1, other amendments to FRSs, the IC Interpretations and Amendments to IC Interpretations are not expected to have any significant impact on the financial statements of the Group.

As at 30 September 2011, the following revised FRS, IC Interpretations and Amendments to IC Interpretation have been issued by MASB but are not effective yet and have not been adopted by the Group.

Revised FRS, IC Interpretations and Amendments to IC Interpretation		**Effective for annual financial periods beginning on or after**
FRS 124	Related Party Disclosures	1 January 2012
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

The revised FRS 124, IC interpretations and Amendments to IC Interpretation 14 are not expected to have any significant impact on the financial statements of the Group.

A2 Seasonal or cyclical factors

The principal business operations of the Group were not significantly affected by seasonal or cyclical factors.

A3 Items of unusual nature, size or incidence

There were no items affecting the assets, liabilities, equity, net income, or cash flows of the Group for the current quarter and current financial year-to-date that were unusual because of their nature, size or incidence, other than the net gain of RM0.63 million on disposal of its associated company, Malaysian Trustees Berhad, on 15 June 2011.

A4 Changes in estimates of amounts reported in the prior interim periods of the current financial year or in prior financial years

There were no significant changes in estimates of amounts reported in the prior interim periods of the current financial year or in prior financial years that have had a material effect on the current quarter ended 30 September 2011.

A5 Issues, repurchases and repayments of debt and equity securities

Save as disclosed below, there were no other issues, repurchases and repayments of debt and equity securities by the Group for the current quarter and in the current financial year-to-date:

Commercial Papers/Medium Term Notes Programme of the Group's Hire-Purchase and Leasing Subsidiary	Current Quarter Ended 30 Sep 2011 RM'million	Current Financial Year-to-Date 30 Sep 2011 RM'million
At the beginning of period	100	70
Issued during the period	205	420
Redemption during the period	(165)	(350)
At the end of period	140	140

A6 Dividends paid

The Company paid a special interim dividend in respect of the financial year ending 31 December 2011 on 26 April 2011 comprising the following:

(i) Franked dividend of RM1.398 per ordinary share of RM1.00 each less 25% income tax (net RM1.0485 per ordinary share) amounting to RM179,286,681; and

(ii) Single tier dividend of RM0.30 per ordinary share (tax exempt) amounting to RM51,298,050.

A7 Segment information

The segment information for the Group's business segments for the current financial year-to-date is as follows:

	Hire-purchase, leasing and other related financing services RM'000	Management of unit trust funds and private investment mandates RM'000	Property investment and management RM'000	Investment holding and management services RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
By business segment						
Revenue						
External revenue	41,706	32,416	7,152	6,829	-	88,103
Inter-segment revenue	-	82	630	32,899	(33,611)	-
Segment revenue	41,706	32,498	7,782	39,728	(33,611)	88,103
Results						
Segment profit before taxation	15,877	3,729	966	32,521	(29,570)	23,523
Share of results of an associated company	-	-	-	-	183	183
Gain on disposal of an associated company	-	-	-	1,894	(1,261)	633
Profit before taxation	15,877	3,729	966	34,415	(30,648)	24,339
Taxation	(4,202)	(834)	(524)	(6,726)	7,398	(4,888)
Net profit for the period	11,675	2,895	442	27,689	(23,250)	19,451
Assets and Liabilities						
Total assets	764,243	34,154	94,996	505,865	(326,554)	1,072,704
Total liabilities	605,705	8,422	75,064	1,643	(66,283)	624,551

A8 Events after the interim period

There are no significant events after the interim period that have not been reflected in the financial statements for the interim period.

A9 The effect of changes in the composition of the Group during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinued operations

There were no changes in the composition of the Group during the current quarter.

A10 Changes in contingent liabilities or contingent assets

The contingent liabilities of the Group as at 30 September 2011 were as follows:

	Group			Company		
	As at 30 Sep 2011 RM'000	As at 31 Dec 2010 RM'000	Increase RM'000	As at 30 Sep 2011 RM'000	As at 31 Dec 2010 RM'000	Increase RM'000
Corporate guarantees given by the Company to financiers to secure credit facilities of hire-purchase and leasing subsidiary	-	-	-	883,000	548,000	335,000
Import letters of credit undertaken by hire-purchase and leasing subsidiary from a banking subsidiary of the ultimate holding company on behalf of clients	3,335	2,328	1,007	-	-	-
Total	3,335	2,328	1,007	883,000	548,000	335,000

A11 Acquisitions and disposals of property and equipment

The acquisitions and disposals of property and equipment of the Group for the current financial year-to-date are as follows:

	Current Financial Year-to-Date 30-Sep-11 RM'000
Property and equipment:-	
Net carrying amount at the beginning of year	97,619
Acquisitions	872
Disposals	(43)
Depreciation	(3,059)
Net carrying amount at the end of period	95,389

A12 Significant related party transactions

The significant related party transactions for the current financial year-to-date ended 30 September 2011 are as follows:

	Group RM'000
Subsidiaries of the ultimate holding company	
Interest expense	2,572
Net fees and commissions expense	6,960
	9,532

B. ADDITIONAL INFORMATION AS REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B1 Review of performance

The Group's profit before taxation in the current quarter ("3Q2011") decreased by RM1.85 million (-27.5%) to RM4.88 million from RM6.73 million in the third quarter of 2010 ("3Q2010"). This was mainly attributable to trading loss of RM2.69 million for the Group's investment in equities for 3Q2011 against a gain of RM1.17 million for 3Q2010. However, the lower profit for 3Q2011 was mitigated by higher profit contribution from the Group's hire-purchase and leasing subsidiary by RM1.52 million in 3Q2011.

The Group's profit before taxation for the current financial year-to-date ended 30 September 2011 ("YTD 2011") increased by RM5.53 million (+29.4%) to RM24.34 million from RM18.81 million recorded in the previous year's corresponding period ("YTD 2010"). This was mainly due to:-

(a) Higher profit contributions from the hire-purchase/leasing and unit trust management subsidiaries by RM5.83 million and RM1.13 million respectively;

(b) Net gain on disposal of the Group's associated company, Malaysian Trustees Berhad amounting to RM0.63 million in YTD 2011; and

(c) Corporate exercise expenses amounting to RM0.55 million incurred in YTD 2010 for disposal of the Group's insurance subsidiary.

However, the higher profit before taxation for YTD 2011 was moderated by trading loss of RM1.60 million from the Group's investment in equities due to the fall in stock market prices in 3Q2011 (YTD 2010: trading gain of RM1.18 million).

B2 Material change in the current quarter compared to the immediate preceding quarter

The Group's profit before taxation decreased by RM6.83 million (-58.3%) to RM4.88 million in 3Q2011 from RM11.71 million in the immediate preceding quarter ("2Q2011") mainly due to:-

(a) Trading loss of RM2.69 million for the Group's investment in equities for 3Q2011 against a gain of RM0.49 million for 2Q2011;

(b) Lower profit contributions from the hire-purchase/leasing and unit trust management subsidiaries by RM0.96 million and RM0.79 million respectively;

(c) Lower distribution income by RM0.75 million from the Group's investments in wholesale bond funds and unit trust funds in 3Q2011; and

(d) Net gain on disposal of the Group's associated company, Malaysian Trustees Berhad amounting to RM0.63 million in 2Q2011.

B3 Prospects

Despite uncertainties in the global economic environment and the volatile stock markets, the Group is expected to remain profitable for the remaining quarter of 2011. In particular, the Group's hire purchase and leasing subsidiary is expected to remain profitable, underpinned by the expansion in private consumption and private investments amid the on-going implementation of the Economic Transformation Programme and the 10th Malaysia Plan. The Group's unit trust management subsidiary is expected to sustain its financial resilience, notwithstanding that sales and assets under management may be affected by the uncertainties of the stock markets, via enhanced marketing and cost management initiatives.

The offer by OCBC Capital (Malaysia) Sdn Bhd to acquire PacificMas Berhad's entire equity interests in 5 of its subsidiaries [Refer Note B8 (b)], is not expected to affect the Group's result for the rest of the year as the transaction, if approved by the shareholders, will only be completed in financial year 2012.

B4 Profit forecast and profit guarantee

Not applicable.

B5 Taxation

Major components of tax expense

	Current Quarter Ended 30 Sep 2011 RM'000	Current Financial Year-to-Date 30 Sep 2011 RM'000
Income tax:		
Malaysian income tax – current year's provision	2,015	5,982
Under/(over) provision in respect of a prior year	6	(388)
	2,021	5,594
Deferred tax:		
Relating to origination and reversal of temporary differences	(991)	(1,120)
Under provision in respect of a prior year	20	414
Tax expense recognised in income statement	**1,050**	**4,888**

Reconciliation of tax expense with profit before taxation:

	Current Quarter Ended 30 Sep 2011 RM'000	Current Financial Year-to-Date 30 Sep 2011 RM'000
Profit before tax	4,881	24,339
Taxation at **25%**	1,220	6,085
Tax effect arising from:-		
Expenses not deductible for tax	206	538
Income not subject to tax	(419)	(1,885)
Share of results of an associated company	-	(46)
Deferred tax asset not recognised for the period by a subsidiary	17	170
Under/(over) provision of income tax in a prior year	6	(388)
Under provision of deferred tax in a prior year	20	414
Tax expense for the period	**1,050**	**4,888**
Effective tax rate	**20.98%**	**19.98%**

B6 Profits/(losses) on sale of unquoted investments and/or properties

There were no sales of unquoted investments or properties in the current quarter.

B7 Particulars of purchase or disposal of quoted securities

The sale and purchase transactions for quoted securities of the Group for the current quarter and current financial year-to-date were as follows:

Purchase & Disposal of Quoted Securities RM'000	Current Quarter Ended 30 Sep 2011	Current Financial Year-to-Date 30 Sep 2011
Purchase cost	6,772	10,406
Sale proceeds	7,688	11,104
Net gain from disposal	583	1,114

As at 30 Sep 2011 RM'000	Cost	Carrying Value	Market Value
Quoted securities	15,330	14,368	14,368

B8 Status of corporate proposals announced but not completed yet

(a) Rectification of Public Shareholding Spread

Following the take-over of PacificMas Berhad ("PacificMas" or "the Company") by OCBC Capital (Malaysia) Sdn Bhd ("OCBC Capital") in 2008, OCBC Capital held 67.07% shareholding in PacificMas which resulted in PacificMas not complying with the minimum 25% public shareholding spread requirement ("Public Shareholding Spread") of Bursa Malaysia Securities Berhad ("Bursa Securities").

OCBC Capital had sold down its shareholding by 6.1 million ordinary shares on 9 June 2009, thus reducing its total shareholdings in PacificMas from 67.07% to 63.50%. During the period from 28 March 2011 to 25 July 2011, Koperasi Angkatan Tentera Malaysia Berhad ("KATM") also disposed of 730,200 ordinary shares in PacificMas, thus reducing its total shareholdings in PacificMas from 16.44% to 16.02%. However, PacificMas remained non-compliant with the Public Shareholding Spread.

On 28 September 2011, PacificMas received approval from Bursa Securities for a further extension of three (3) months from 26 September 2011 to 25 December 2011 to comply with the Public Shareholding Spread.

(b) Offer to acquire PacificMas' entire equity interests in certain subsidiaries ("Offer")

On 17 October 2011, PacificMas received an offer from OCBC Capital to acquire the Company's entire equity interest in the following subsidiaries:-

(a) 100% equity interest in Pac Lease Berhad comprising of 115,000,000 ordinary shares of RM1.00 each
(b) 85% equity interest in Pacific Mutual Fund Bhd comprising of 4,250,000 ordinary shares of RM1.00 each
(c) 100% equity interest in P.B. Pacific Sdn Bhd comprising of 10,000 ordinary shares of RM1.00 each
(d) 100% equity interest in PacificMas Fidelity Sdn Bhd comprising of 50,000,000 ordinary shares of RM1.00 each
(e) 100% equity interest in PacificMas Capital Sdn Bhd comprising of 53,000,000 ordinary shares of RM1.00 each

Under the terms of Offer, the aggregate purchase consideration for PacificMas to dispose its entire equity interests in the abovementioned subsidiaries ("Proposed Disposals") is RM450,000,000 to be satisfied by the payment of RM164,233,990 in cash on completion of the Proposed Disposals and RM285,766,010 as an amount due and owing by OCBC Capital to PacificMas payable at a later date.

PacificMas has appointed AmInvestment Bank Berhad to act as the main adviser and Kenanga Investment Bank Berhad to act as the independent adviser in relation to the Offer.

On 4 November 2011, the Board of Directors of PacificMas, save for Dato' Ahmad Zahudi Bin Hj. Salleh, George Lee Lap Wah, Jeffrey Chew Sun Teong and Wong Ah Wah (collectively referred to as the "Interested Directors") and Tan Sri Dato' Nasruddin Bin Bahari, after careful consideration of the terms and conditions of the Offer, and the views of the main adviser and the independent adviser and all other relevant aspects of the Offer, resolved to accept the Offer.

Pursuant to the terms of the Offer, the Proposed Disposals remain subject to several conditions including inter alia the negotiation and execution of a definitive agreement in respect of the Proposed Disposals reflecting the terms of the Offer, the receipt of the relevant regulatory approvals and the approval of the shareholders of PacificMas at an extraordinary general meeting to be convened at a later date.

It is an integral term of the Offer that after the completion of the Proposed Disposals, PacificMas shall liquidate/sell as far as possible all of its remaining residual assets and settle all the outstanding debts or liabilities, including settling (or setting aside an amount sufficient to cover) expenses relating to the Proposed Disposals and Proposed Distributions (as defined below). Thereafter, PacificMas will promptly distribute its remaining cash via the declaration of special dividend(s) and/or the implementation of a capital repayment exercise in accordance with Section 64 of the Companies Act, 1965, to all the entitled shareholders of PacificMas ("Proposed Distributions").

B9 Borrowings and debt securities

(i) As at 30 September 2011, the Group's outstanding borrowings and debt securities payable were as follows:

Secured by corporate guarantees of the Company:-	**RM'000**
Bank borrowings:	
Bank overdrafts	6,195
Revolving credits	313,500
Recourse obligations on receivables sold to Cagamas Berhad	130,010
Unsecured:-	
Private debt securities	140,000
	589,705

Included in bank borrowings are RM99.50 million revolving credits granted by a banking subsidiary of the Group's ultimate holding company.

(ii) The breakdown between short-term and long-term borrowings of the Group as at 30 September 2011 were as follows:

	RM'000
Due within 12 months	529,699
Due after 12 months	60,006
	589,705

(iii) All borrowings and debt securities of the Group were denominated in Malaysian Ringgit.

B10 Derivative financial instruments

The Group's hire-purchase and leasing subsidiary has entered into seven interest rate swap contracts. Details of the outstanding derivatives as at 30 September 2011 are as follows:

Type of Derivatives	Contract/ Notional Value (RM'000)	Fair Value Payable (RM'000)	Fair Value Receivable (RM'000)
Interest rate swaps			
- Less than 1 year	10,000	35	-
- 1 year to 3 years	70,000*	584	15
- More than 3 years	-	-	-

* included RM30 million interest rate swap contracts with a banking subsidiary of the Group's ultimate holding company

The purpose of entering into the interest rate swap contracts is to manage interest rate risk by mitigating the effect of prospective interest rate movements which could reduce its future net interest income. The interest rate swap contracts entitle the Group's hire-purchase and leasing subsidiary to receive interest at floating rates on the notional principal amount and pay interest at fixed rates on the same amount to the counterparty. The differences between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amount are to be exchanged on a quarterly basis. The floating rate interest is pegged against the 3-month KLIBOR on the reset date.

The interest rate swap contracts are subject to certain risks and the policies for mitigating or managing such risks are set out below:

Market Risk

Market risk is the risk that the value of a financial instrument will decrease as a result of economic changes that may impact market prices. Exposure to market risk may be reduced through matching the hedging instrument with an underlying asset. The market risk posed by the Group's interest rate swap contracts is not significant.

Credit Risk

Credit risk arises from the possibility that the counterparty to the interest rate swap contract may be unable to meet the terms of a contract in which the Group's hire-purchase and leasing subsidiary has a gain position. The associated risks are minimal as the interest rate swap contracts were entered into with three credit-worthy financial institutions.

Liquidity Risk

Liquidity risk is the financial risk due to uncertain liquidity faced by the hire-purchase and leasing subsidiary in meeting its contractual and financial obligations to the counterparties at all times. The obligations to the counterparty are the interest amounts calculated upfront on a quarterly basis between the fixed rate contracted against the floating rate which is based on the 3-month KLIBOR with reference to the agreed notional principal amount and are settled on a quarterly basis. The liquidity risk is minimal as the obligations to the counterparties are small and can be met through cash flow generated from operating activities.

Policies in place for mitigating or controlling the risks associated with the derivatives

The Group's hire-purchase and leasing subsidiary, as a result of the use of derivative instruments, is exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. To mitigate the counterparty risks, the hire-purchase and leasing subsidiary only contracts with major financial institutions with good credit ratings and strong financial standing. The hire-purchase and leasing subsidiary also seeks prior approval from the Executive Committee of its Board of Directors ("EXCO") before entering into any interest rate swap contracts. The exposure to the risks associated with the derivatives is limited to the net settlement of interest amounts calculated by reference to the notional principal amount granted by each financial institution.

The Board of Directors of the hire-purchase and leasing subsidiary ("the Board") has the overall responsibility of determining the type and level of business risks that the subsidiary undertakes in achieving its corporate objectives. It has delegated its authority to monitor and manage risk exposures to the EXCO. Any policy decisions and proposals on risk exposures are recommended by the EXCO for review and approval by the Board of Directors of the hire-purchase and leasing subsidiary.

Cash Requirements

The above instruments were executed with credit-worthy financial institutions in Malaysia and as such, credit and counterparty risks are minimal. There were no transaction costs at the inception of these contracts. The hire-purchase and leasing subsidiary will fund the cash requirements of these derivatives from its net cash flow from operating activities when the payments fall due.

Related accounting policies

Interest rate swap contracts are recognised at fair value on the statement of financial position and are classified as derivative receivables when their fair value is favourable and as derivative payables when their fair value is unfavourable. Any gains or losses arising from changes in fair value on derivatives during the year are taken directly to the income statement.

B11 Gains / Losses arising from Fair Value Changes of Financial Liabilities

(a) Save as disclosed below, there was no other gain or loss arising from fair value changes of the Group's financial liabilities:

	Current Quarter Ended 30-Sep-11 RM'000	Current Financial Year-to-Date 30-Sep-11 RM'000
Losses arising from fair value changes in derivative payables	599	577

(b) The above losses arose from the fair value changes in interest rate swap contracts entered between the Group's hire-purchase and leasing subsidiary and financial institutions. The hire-purchase and leasing subsidiary pays fixed rate and receives floating rate from the interest rate swap contracts. Losses on fair value changes were recorded due to the unfavourable movement of the floating rate on the interest rate swaps.

(c) The derivative payables are based on the difference between the present values of the fixed rate payables and floating rate receivables computed on the notional amount over the remaining tenor of the interest rate swaps. The fair values of the derivative contracts are the estimated amounts that the Group's hire-purchase and leasing subsidiary would expect to pay in the event of termination of the outstanding positions as at the reporting date.

B12 Changes in material litigation

Other than the litigation case between the Group's hire-purchase and leasing subsidiary, Pac Lease Berhad, and Kenseisha (M) Sdn Bhd ("KMSB") which was settled when KMSB fully paid the outstanding sum on 30 June 2011, the Group does not have any material litigation since the date of the last annual statement of financial position that would materially or adversely affect its financial position.

B13 Dividends

(a) Apart from the payment of the special interim dividend on 26 April 2011 (see Note A6), no other interim dividend has been proposed or declared for the current quarter and current financial year-to-date.

(b) Total net dividend paid by the Company for current financial year amounted to RM230,584,731. Please refer to Note A6 for the special dividend in respect of the financial year ending 31 December 2011 that was paid on 26 April 2011.

B14 Earnings per share ("EPS")

Basic EPS are calculated by dividing profit for the period attributable to owners of the parent by the number of shares in issue during the period.

	2011 Current Qtr Ended 30 Sep	**2010** Comparative Qtr Ended 30 Sep	**2011** 9 Months Cumulative 30 Sep	**2010** 9 Months Cumulative 30 Sep
Profit for the period attributable to owners of the parent (RM'000)	3,709	8,394	19,010	22,746
- From continuing operations (RM'000)	3,709	5,150	19,010	14,891
- From discontinued operations (RM'000)	-	3,244	-	7,855
Number of ordinary shares in issue ('000)	170,994	170,994	170,994	170,994
Basic EPS (sen)	2.17	4.91	11.12	13.30
- From continuing operations (sen)	2.17	3.02	11.12	8.71
- From discontinued operations (sen)	-	1.89	-	4.59

The Group has no potential dilutive ordinary shares in issue as at the reporting date and therefore diluted EPS have not been presented.

B15 Disclosure of Realised and Unrealised Profits/Losses

The breakdowns of the retained profits of the Group as at 30 September 2011 and 31 December 2010 into realised and unrealised profits are as follows:

	As at 30 Sep 2011 RM'000	As at 31 Dec 2010 RM'000
Realised and unrealised profits/(losses) of the Company and its subsidiaries:		
- Realised	310,122	523,161
- Unrealised	(2,444)	(574)
	307,678	522,587
Share of retained profits from associated company:		
- Realised	-	1,250
- Unrealised	-	(6)
	307,678	523,831
Less: Consolidation adjustments	(37,875)	(42,453)
Total retained profits	**269,803**	**481,378**

B16 Qualification of financial statements

The auditors' report on the annual financial statements for the year ended 31 December 2010 did not contain any qualification.

BY ORDER OF THE BOARD

CHONG YOK HUA (MAICSA 0861045)
COMPANY SECRETARY

23 November 2011