

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

Condensed Consolidated Statement of Financial Position (Audited)
As at 31 December 2011

	As at 31 Dec 2011 RM'000	As at 31 Dec 2010 RM'000
ASSETS		
Property and equipment	94,898	97,619
Intangible assets	394	414
Associated company	-	1,573
Available-for-sale securities	163,285	167,496
Trading securities	15,932	16,664
Deferred tax assets	2,997	4,200
Tax recoverable	1,133	253
Loans and receivables	770,420	544,258
Trade and other receivables	7,721	210,779
Deposits with financial institutions	57,536	79,389
Cash and bank balances	22,552	5,470
	<u>1,136,868</u>	<u>1,128,115</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	170,994	170,994
Fair value reserves	2,008	2,261
Retained profits	277,796	481,378
	<u>450,798</u>	<u>654,633</u>
Non-controlling interests	3,893	3,676
Total Equity	<u>454,691</u>	<u>658,309</u>
Liabilities		
Deferred tax liabilities	5,541	6,298
Borrowings	634,007	434,165
Trade and other payables	40,966	26,447
Tax payable	1,663	2,896
	<u>682,177</u>	<u>469,806</u>
Total Equity and Liabilities	<u>1,136,868</u>	<u>1,128,115</u>

(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 (Audited)
For the year ended 31 December 2011

	<u>2011</u> Current qtr ended 31 Dec RM'000	<u>2010</u> Comparative qtr ended 31 Dec RM'000	<u>2011</u> 12 months Cumulative to 31 Dec RM'000	<u>2010</u> 12 months Cumulative to 31 Dec RM'000
<u>Continuing operations</u>				
Revenue	30,440	26,876	118,543	96,666
Other operating gains	2,163	2,539	1,772	4,984
Net fees and commissions	(3,056)	(5,557)	(17,817)	(17,714)
Operating expenses	(13,341)	(10,909)	(48,392)	(43,793)
Finance costs	(6,010)	(4,031)	(20,387)	(12,725)
Share of results of former associated company	-	86	183	397
Gain on disposal of associated company	-	-	633	-
Profit before taxation from continuing operations	10,196	9,004	34,535	27,815
Taxation	(2,042)	(1,461)	(6,930)	(5,068)
Profit from continuing operations, net of tax	8,154	7,543	27,605	22,747
<u>Discontinued operations (net of tax)</u>				
(Loss)/profit from discontinued operations	-	(717)	-	7,138
Gain on disposal of insurance subsidiary	-	72,341	-	72,341
Net profit for the period/year	8,154	79,167	27,605	102,226
<u>Profit attributable to:</u>				
Owners of the parent	7,993	79,045	27,003	101,791
Non-controlling interests	161	122	602	435
	8,154	79,167	27,605	102,226
<u>EPS - Basic (sen)</u>				
- continuing operations	4.67	4.34	15.79	13.05
- discontinued operations	-	41.89	-	46.48
	4.67	46.23	15.79	59.53

(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 (Audited)
For the year ended 31 December 2011

	<u>2011</u> Current qtr ended 31 Dec RM'000	<u>2010</u> Comparative qtr ended 31 Dec RM'000	<u>2011</u> 12 months Cumulative to 31 Dec RM'000	<u>2010</u> 12 months Cumulative to 31 Dec RM'000
Net profit for the period/year	8,154	79,167	27,605	102,226
Available-for-sale securities:				
- (Losses)/gains on fair value changes, before tax	(1,158)	(309)	1,040	7,190
- Reclassification of gains to income statement on disposal, before tax	(77)	(930)	(986)	(1,582)
- Tax on fair value movements	1	137	(91)	(588)
- Share of other comprehensive income of former associated company	-	33	(219)	35
Other comprehensive income, net of tax	<u>(1,234)</u>	<u>(1,069)</u>	<u>(256)</u>	<u>5,055</u>
Total comprehensive income for the period/year	<u>6,920</u>	<u>78,098</u>	<u>27,349</u>	<u>107,281</u>
<u>Total comprehensive income attributable to:</u>				
Owners of the parent	6,766	77,976	26,750	106,843
Non-controlling interests	154	122	599	438
	<u>6,920</u>	<u>78,098</u>	<u>27,349</u>	<u>107,281</u>

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

Condensed Consolidated Statement of Changes in Equity (Audited)
For the year ended 31 December 2011

	← Attributable to Owners of the Parent →			Non-controlling Interests	Total Equity	
	Share Capital RM'000	Non-distributable Fair Value Reserves RM'000	Distributable Retained Profits RM'000			
	Total RM'000			RM'000	RM'000	
12 months ended 31 December 2010						
At 1 January 2010	170,994	(1,297)	398,824	568,521	3,598	572,119
Total comprehensive income for the year	-	5,052	101,791	106,843	438	107,281
Transactions with owners:						
Dividends on ordinary shares	-	-	(19,237)	(19,237)	(360)	(19,597)
Disposal of insurance subsidiary		(1,494)	-	(1,494)	-	(1,494)
At 31 December 2010	170,994	2,261	481,378	654,633	3,676	658,309
12 months ended 31 December 2011						
At 1 January 2011	170,994	2,261	481,378	654,633	3,676	658,309
Total comprehensive income for the year	-	(253)	27,003	26,750	599	27,349
Transactions with owners:						
Dividends on ordinary shares	-	-	(230,585)	(230,585)	(382)	(230,967)
At 31 December 2011	170,994	2,008	277,796	450,798	3,893	454,691

(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 (Audited)
For the year ended 31 December 2011

	2011	2010
	12 months	12 months
	ended	ended
	31 Dec	31 Dec
	RM'000	RM'000
Profit before taxation		
- continuing operations	34,535	27,815
- discontinued operations	-	76,132
Adjustment for:		
Non-cash items	<u>16,199</u>	<u>(76,786)</u>
Operating profit before changes in working capital	50,734	27,161
Changes in working capital		
Acquisition of investments	(306,421)	(152,335)
Disposal of investments	313,968	189,467
Increase in loans, trade and other receivables	(223,107)	(220,603)
Increase in trade and other payables	4,200	41,951
Deposits with financial institutions pledged as security for credit facilities	(733)	(1,845)
Net dividends/distributions received	8,526	13,819
Interest income/islamic profit received	566	5,257
Interest and commitment fees paid	(19,617)	(11,990)
Income tax paid	(8,650)	(7,437)
Income tax refund received	-	2,832
Net cash flows used in operating activities	<u>(180,534)</u>	<u>(113,723)</u>
Investing activities:		
Proceeds from disposal of insurance subsidiary	196,484	20,000
Proceeds from disposal of associated company	2,169	-
Receipt of deposit for proposed disposal of subsidiaries	9,000	-
Acquisition of investments	(4,029)	(7,779)
Disposal of investments	2,891	7,488
Interest income/islamic profit received	1,135	782
Net dividends/distributions received	122	158
Proceeds from disposal of property and equipment	72	64
Purchase of intangible assets	(220)	(167)
Purchase of property and equipment	(1,469)	(1,288)
Reversal of cash and cash equivalents on disposal of insurance subsidiary	-	(96,756)
Net cash flows generated from/(used in) investing activities	<u>206,155</u>	<u>(77,498)</u>
Financing activities:		
Dividends paid to shareholders and non-controlling interests	(230,967)	(19,597)
Drawdown of borrowings	700,010	691,504
Repayment of borrowings	<u>(500,000)</u>	<u>(530,000)</u>
Net cash flows (used in)/generated from financing activities	<u>(30,957)</u>	<u>141,907</u>
Net change in cash and cash equivalents	(5,336)	(49,314)
Cash and cash equivalents at beginning of year	82,353	131,667
Cash and cash equivalents at end of year	<u>77,017</u>	<u>82,353</u>
Cash and cash equivalents comprise:		
Deposits with financial institutions	54,958 *	77,544
Cash and bank balances	22,552	5,470
Bank overdrafts	<u>(493) #</u>	<u>(661)</u>
	<u>77,017</u>	<u>82,353</u>

* Excludes deposits with financial institutions of RM2,578,000 pledged as security for credit facilities obtained by subsidiaries

As disclosed in Note B8 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)

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 annual audited financial statements of PacificMas Berhad (“PacificMas” or “the Company”) 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)

QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

The main change introduced under the revised FRS 127 is the accounting for changes in ownership interest in a subsidiary, where changes in ownership which do not result in the loss of control are now accounted for within equity instead of in the income statement. Where changes in ownership interest result in loss of control, any remaining interest is remeasured at fair value and a gain or loss is recognised in the income statement. Minority interest is now referred to as “non-controlling interest”. All total comprehensive income is proportionately allocated to non-controlling interest, even if it results in the non-controlling interests having a deficit balance.

The revised FRS 3 introduces the option, on an acquisition-by-acquisition basis, to measure non-controlling interest in a business combination either at fair value or at the non-controlling interest’s proportionate share of the net identifiable assets acquired. Goodwill is measured as the difference between the aggregate of the fair value at acquisition date of any previously held equity interest in the acquiree, and the net identifiable assets acquired. Any negative goodwill (i.e. bargain purchase) is recognised in the income statement. Any consideration transferred in a business combination is measured at fair value as at the acquisition date.

There was no financial impact upon adoption of the revised FRS 3 and FRS 7 as these two accounting standards will only have impact if there are future acquisitions by the Group.

The adoption of the Amendments to FRS 7, which introduced the concept of fair value hierarchy to enhance the disclosure on fair value measurement of financial instruments in the audited financial statements, did not have any impact on the results of the Group.

The adoption of the revised FRSs, the other Amendments to FRSs, IC interpretations and Amendments to IC Interpretation 9 generally did not have any material impact on the financial results of the Group as they mainly deal with accounting policies affecting transactions which do not form part of the business operations of the Group.

On 19 November 2011, MASB issued a new MASB approved accounting standard framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012.

The directors are of the opinion that the financial performance and financial position as disclosed in the financial statements for the year ended 31 December 2011 would not be significantly different if prepared under the MFRS Framework.

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 that were unusual because of their nature, size or incidence, other than the 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 31 December 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:

Commercial Papers/Medium Term Notes Programme of the Group's Hire-Purchase and Leasing Subsidiary	Current Quarter Ended 31 Dec 2011 RM'million	Current Financial Year Ended 31 Dec 2011 RM'million
At the beginning of period/year	140	70
Issued during the period/year	150	570
Redemption during the period/year	(150)	(500)
At the end of period/year	140	140

A6 Dividends paid

The Company paid a special interim dividend in respect of the financial year ended 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.

QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

A7 Segment information

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

	Hire-purchase, leasing and other related financing services ("Hire-Purchase/ Leasing") RM'000	Management of unit trust funds and private investment mandates ("Fund Management") RM'000	Property investment and management ("Property Management") RM'000	Investment holding and management services ("Investment Holding") RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
<u>By business segment</u>						
Revenue						
External revenue	57,792	41,096	9,692	9,963	-	118,543
Inter-segment revenue	-	109	807	56,549	(57,465)	-
Segment revenue	57,792	41,205	10,499	66,512	(57,465)	118,543
Results						
Segment profit before taxation	21,302	4,668	1,321	33,608	(26,547)	34,352
Share of results of former associated company	-	-	-	-	183	183
Profit before taxation	21,302	4,668	1,321	33,608	(26,364)	34,535
Taxation	(5,688)	(756)	(729)	(8,077)	8,320	(6,930)
Net profit for the year	15,614	3,912	592	25,531	(18,044)	27,605
Assets and Liabilities						
Total assets	809,305	39,631	94,850	512,385	(319,303)	1,136,868
Total liabilities	646,828	15,432	94,385	11,537	(86,005)	682,177

A8 Events after the interim period

Subsequent to the end of the interim period, a term loan facility of RM85,600,000 granted by OCBC Bank (Malaysia) Berhad to the Group's wholly-owned subsidiary, P.B. Pacific Sdn Bhd ("PBPSB"), was drawn down on 15 February 2012. OCBC Bank (Malaysia) Berhad is a subsidiary of the Group's ultimate holding company, Oversea-Chinese Banking Corporation Limited.

The proceeds from the loan were used by PBPSB to:

- (a) repay its inter-company advances totalling RM66,000,000 to PacificMas and a fellow subsidiary on 15 February 2012; and
- (b) pay an interim dividend in respect of the financial year ended 31 December 2011, comprising net franked dividend after tax of RM600,000 and single tier tax exempt dividend of RM19,000,000, to PacificMas on 16 February 2012.

Other than the abovementioned subsequent events, there are no other 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 31 December 2011 were as follows:

	<u>Group</u>			<u>Company</u>		
	As at 31 Dec 2011 RM'000	As at 31 Dec 2010 RM'000	Decrease RM'000	As at 31 Dec 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	1,227	2,328	(1,101)	-	-	-
Total	1,227	2,328	(1,101)	883,000	548,000	335,000

QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

A11 Acquisitions and disposals of property and equipment

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

	Group RM'000
Property and equipment:-	
Net carrying amount at the beginning of year	97,619
Acquisitions	1,469
Disposals	(66)
Depreciation	(4,077)
Write-offs	(47)
Net carrying amount at the end of year	<u>94,898</u>

A12 Commitments for the purchase of property and equipment

The commitments for the purchase of property and equipment as at 31 December 2011 are as follows:

	Group RM'000
Approved and contracted for	<u>481</u>

A13 Significant related party transactions

The significant related party transactions for the current financial year ended 31 December 2011 are as follows:

	Group RM'000
<u>Former associated company:</u>	
Management fee income for provision of shared services	113
Rental and car park income	84
<u>A substantial shareholder of the Company:</u>	
Management fee income	123
<u>Subsidiaries of the ultimate holding company:</u>	
Interest income/Islamic profits from deposits	290
Investment management fee income	331
Insurance premium expense	(410)
Interest expense	(3,527)
Investment management fee expense	(689)
Net fees and commissions	(8,562)

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

B1 Review of performance

(i) Current quarter ("4Q2011") vs. previous year corresponding quarter ("4Q2010")

The Group's profit before taxation ("PBT") in the 4Q2011 increased by RM1.20 million (+13.2%) to RM10.20 million from RM9.0 million in 4Q2010. This was mainly attributable to higher profit contribution from the Group's hire-purchase and leasing subsidiary by RM1.05 million.

The performance of the business segments of the Group for 4Q2011 as compared with 4Q2010 is as follows:-

- 1) Hire-Purchase/Leasing – PBT increased by RM1.05 million mainly due to higher net interest income contributed by growth in loans and receivables but moderated by higher personnel cost.
- 2) Fund Management – Lower revenue, albeit mitigated by lower commissions and lower operating expenses, resulted in slightly lower PBT by RM0.06 million.
- 3) Property Management – PBT increased by RM0.69 million mainly due to lower interest expense on inter-company loans in 4Q2011 as compared to 4Q2010.
- 4) Investment Holding – PBT decreased by RM0.40 million (after inter-segment eliminations) mainly due to lower investment income from unit trust funds, mitigated by higher trading gain on equities as a result of the improved performance of equity market in 4Q2011 as compared to 4Q2010.

(ii) Current financial year ended 31 December 2011 ("FY 2011") vs. previous financial year ended 31 December 2010 ("FY 2010")

The Group's profit before taxation ("PBT") for FY 2011 increased by RM6.72 million (+24.2%) to RM34.54 million from RM27.82 million recorded in FY 2010. This was mainly due to:-

- (a) Higher profit contributions from the hire-purchase/leasing and fund management subsidiaries by RM6.88 million and RM1.07 million respectively; and
- (b) Net gain on disposal of the Group's associated company, Malaysian Trustees Berhad amounting to RM0.63 million in FY 2011.

However, the favourable performance for FY 2011 was moderated by lower trading gain by RM2.16 million for the Group's investment in equities due to the weaker stock market in 2011.

**QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

The performance of the business segments of the Group for FY 2011 as compared with FY 2010 is as follows:-

- 1) Hire-Purchase/Leasing – PBT rose by RM6.88 million mainly due to increase in net interest income as well as higher fee and commission income, moderated by higher personnel cost and loss on derivative financial instruments in FY 2011.
- 2) Fund Management – PBT increased by RM1.07 million mainly due to lower expenses recorded for FY 2011 with launching expenses for new funds being lower than FY 2010 by RM0.86 million.
- 3) Property Management – PBT increased by RM0.29 million mainly due to higher rental income received in FY 2011.
- 4) Investment Holding – PBT decreased by RM1.31 million (after inter-segment eliminations) mainly due to lower trading gain from investment in equities as a result of weaker stock market in FY 2011.

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

The Group's profit before taxation increased by RM5.32 million (+108.9%) to RM10.20 million in 4Q2011 from RM4.88 million in the immediate preceding quarter ("3Q2011") mainly due to:-

- (a) Trading gain of RM1.92 million for the Group's investment in equities for 4Q2011 against a loss of RM2.69 million for 3Q2011; and
- (b) Higher distribution income by RM1.54 million from the Group's investments in wholesale bond funds and unit trust funds in 4Q2011.

However, the increase in profit was moderated by corporate exercise expenses of RM0.90 million incurred in 4Q2011 for the proposed disposal of the Company's entire equity interest in 5 subsidiaries to OCBC Capital (Malaysia) Sdn Bhd ("OCSB").

B3 Prospects

The Group's business segments, namely Hire-Purchase/Leasing, Fund Management and Investment Holding could be unfavourably affected by the expected volatility in the global financial markets and the global economic slowdown in 2012, notwithstanding the various business initiatives to improve business growth and profitability. The Group's Property Management operation is expected to sustain its financial performance in 2012 due to the favourable and high occupancy rate of its investment property.

Having regard to the above, the Board of Directors is of the opinion that the Group's overall financial performance will remain satisfactory in 2012. Nevertheless, the proposed sale of the Group's subsidiaries to OCSB as stated in Note B7(b), if approved by the shareholders, will have consequential effects on the Group's financials.

QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

B4 Profit forecast and profit guarantee

Not applicable.

B5 Taxation

Major components of tax expense

	Current Quarter Ended 31 Dec 2011 RM'000	Current Financial Year Ended 31 Dec 2011 RM'000
Current income tax:		
Malaysian income tax	2,370	8,352
Over provision in respect of prior years	(1,389)	(1,777)
	981	6,575
Deferred tax:		
Relating to origination and reversal of temporary differences	(61)	(1,181)
Under provision in respect of prior years	1,122	1,536
Tax expense recognised in income statement	2,042	6,930

**Reconciliation of tax expense with
profit before taxation:**

	Current Quarter Ended 31 Dec 2011 RM'000	Current Financial Year Ended 31 Dec 2011 RM'000
Profit before tax	10,196	34,535
Taxation at 25%	2,549	8,634
Adjustments:-		
Expenses not deductible for tax	553	1,091
Income not subject to tax	(816)	(2,701)
Deferred tax asset not recognised by a subsidiary	23	193
Over provision of income tax in prior years	(1,389)	(1,777)
Under provision of deferred tax in prior years	1,122	1,536
Share of results of former associated company	-	(46)
Tax expense for the period/year	2,042	6,930
Effective tax rate	22.65%	20.76%

QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

B6 Detailed Income Statements

Pursuant to paragraph 16 in Appendix 9B of the Listing Requirements, the detailed income statements of the Group for the current quarter and financial year are as follows:

	Current Quarter Ended 31 Dec 2011 RM'000	Current Financial Year Ended 31 Dec 2011 RM'000
Revenue		
Interest income	16,171	58,300
Revenue from unit trust funds and private investment mandates	8,681	41,096
Other income	5,588	19,147
	<u>30,440</u>	<u>118,543</u>
Other Operating Gains		
Net gains on disposal of investments		
- trading securities quoted in Bursa Malaysia Securities Berhad	449	1,563
- available-for-sale securities	77	986
Interest income/Islamic profit	317	1,144
Loss from derivative financial instruments	(189)	(808)
Other income/(losses)	1,509	(1,113)
	<u>2,163</u>	<u>1,772</u>
Net Fees and Commissions	(3,056)	(17,817)
Operating Expenses		
Depreciation and amortisation	(1,072)	(4,284)
Allowance for impairment of loans and receivables	(853)	(3,171)
Other operating expenses	(11,416)	(40,937)
	<u>(13,341)</u>	<u>(48,392)</u>
Finance Costs		
Interest expense	(5,933)	(20,128)
Other finance costs	(77)	(259)
	<u>(6,010)</u>	<u>(20,387)</u>
Share of results of former associated company	-	183
Gain on disposal of associated company	-	633
Profit before taxation	10,196	34,535
Taxation	(2,042)	(6,930)
Net profit for the period/year	8,154	27,605

Note

There were no provision for and write-off of inventories, disposal of properties and foreign exchange gain or loss for the Group for the current quarter and current financial year. There was also no impairment of assets at Group level other than allowance for impairment of loans and receivables.

B7 Status of corporate proposals announced but not completed yet

(a) Rectification of Public Shareholding Spread

Following the take-over of PacificMas by OCBC Capital (Malaysia) Sdn Bhd (“OCSB”) in 2008, OCSB 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”).

OCSB 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 6 January 2012, PacificMas received a letter from Bursa Securities approving a further extension of time up to the approval of shareholders being obtained for the proposed winding-up of PacificMas [as explained in Note B7(b)] to comply with the Public Shareholding Spread requirement.

(b) Proposed disposal of PacificMas’ entire equity interests in certain subsidiaries

On 21 December 2011, PacificMas entered into a conditional sale and purchase agreement (“SPA”) with OCSB for the following:-

- (i) The proposed disposals of PacificMas’ entire equity interest in its wholly-owned subsidiaries, namely Pac Lease Berhad, P.B. Pacific Sdn Bhd (“PBPSB”), PacificMas Fidelity Sdn Bhd and PacificMas Capital Sdn Bhd for total disposal consideration of RM387,887,828 (“Proposed Disposal of Wholly-Owned Subsidiaries”); and
- (ii) The proposed disposal of PacificMas’ 85% equity interest in Pacific Mutual Fund Bhd (“PMFB”) for a disposal consideration of RM40,344,672 (“Proposed Disposal of PMFB Shares”).

The initial aggregate purchase consideration of RM450,000,000 offered by OCSB for the Proposed Disposal of Wholly-Owned Subsidiaries and Proposed Disposal of PMFB Shares (collectively known as “Proposed Disposals”) was adjusted to RM428,232,500 subsequent to the declaration of interim dividends for the financial year ended 31 December 2011 by PMFB and PBPSB, in accordance with the terms of the SPA.

QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

The Proposed Disposals are subject to the relevant regulatory approvals and the approval of the Company's shareholders at an Extraordinary General Meeting to be convened at a later date.

The Board of Directors of PacificMas (save for the nominee directors of Oversea-Chinese Banking Corporation Limited namely, George Lee Lap Wah, Chew Sun Teong and Wong Ah Wah, and Tan Sri Dato' Nasruddin Bin Bahari who have abstained from deliberation and voting) had also resolved that after the completion of the Proposed Disposals (or the Proposed Disposal of Wholly-Owned Subsidiaries, as the case may be), PacificMas will proceed with the proposed realisation of residual assets in the Company and settlement of outstanding debts and liabilities ("Proposed Realisation of Residual Assets") and distribute the proceeds thereof to the entitled shareholders of the Company via proposed special dividend and/or proposed capital repayment ("Proposed Distributions"). If only the Proposed Disposal of PMFB Shares is undertaken, the proceeds will be distributed by way of a proposed special dividend.

It is also the intention of PacificMas to initiate a proposed members' voluntary winding up under Section 254(1)(b) of the Companies Act, 1965 ("Proposed Winding Up") subsequent to the completion of the Proposed Disposals, Proposed Realisation of Residual Assets and Proposed Distributions (collectively known as the "Proposals"). The Proposed Winding Up will only be recommended by the Board of Directors after the completion of the Proposals for the consideration of shareholders at a separate Extraordinary General Meeting.

B8 Borrowings and debt securities

- (i) As at 31 December 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	493
Revolving credits	363,500
Recourse obligations on receivables sold to Cagamas Berhad	130,014

Unsecured:-

Private debt securities	140,000
	<u>634,007</u>

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

**QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

- (ii) The breakdown between short-term and long-term borrowings of the Group as at 31 December 2011 were as follows:

	RM'000
Due within 12 months	584,000
Due after 12 months	50,007
	<u>634,007</u>

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

B9 Derivative financial instruments

The Group's hire-purchase and leasing subsidiary has entered into eight interest rate swap contracts. Details of the outstanding derivatives as at 31 December 2011 are as follows:

<u>Type of Derivatives</u>	<u>Contract/ Notional Value (RM'000)</u>	<u>Fair Value</u>	
		<u>Payable (RM'000)</u>	<u>Receivable (RM'000)</u>
Interest rate swaps			
- Less than 1 year	20,000	33	1
- 1 year to 3 years	70,000	761	-
- More than 3 years	-	-	-
	<u>90,000*</u>	<u>794</u>	<u>1</u>

- * 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.

**QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

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.

B10 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 31-Dec-11 RM'000	Current Financial Year Ended 31-Dec-11 RM'000
Losses arising from fair value changes in derivative payables	175	752

- (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.

B11 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.

QUARTERLY FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

B12 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.
- (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 ended 31 December 2011 that was paid on 26 April 2011.

B13 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.

	<u>2011</u> Current Qtr Ended 31 Dec	<u>2010</u> Comparative Qtr Ended 31 Dec	<u>2011</u> 12 Months Cumulative 31 Dec	<u>2010</u> 12 Months Cumulative 31 Dec
Profit for the period/year attributable to owners of the parent (RM'000)	7,993	79,045	27,003	101,791
- From continuing operations (RM'000)	7,993	7,421	27,003	22,312
- From discontinued operations (RM'000)	-	71,624	-	79,479
Number of ordinary shares in issue ('000)	170,994	170,994	170,994	170,994
Basic EPS (sen)	4.67	46.23	15.79	59.53
- From continuing operations (sen)	4.67	4.34	15.79	13.05
- From discontinued operations (sen)	-	41.89	-	46.48

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

B14 Disclosure of Realised and Unrealised Profits/Losses

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

	As at 31 Dec 2011 RM'000	As at 31 Dec 2010 RM'000
Realised and unrealised profits/(losses) of the Company and its subsidiaries:		
- Realised	290,879	523,161
- Unrealised	(2,402)	(574)
	<hr/> 288,477	<hr/> 522,587
Share of retained profits from former associated company:		
- Realised	-	1,250
- Unrealised	-	(6)
	<hr/> 288,477	<hr/> 523,831
Less: Consolidation adjustments	(10,681)	(42,453)
	<hr/> 277,796	<hr/> 481,378
Total retained profits	277,796	481,378

B15 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 February 2012