

General Announcement
Reference No **MB-111104-48157**

Submitting Merchant Bank : AMINVESTMENT BANK BERHAD
Company Name : **PACIFICMAS BERHAD**
Stock Name : PACMAS
Date Announced : 04/11/2011

Type : Announcement
Subject : TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)
RELATED PARTY TRANSACTIONS

Description : PACIFICMAS BERHAD (“PACIFICMAS” OR “COMPANY”)

ACCEPTANCE OF OFFER TO ACQUIRE PACIFICMAS’ ENTIRE
EQUITY INTERESTS IN CERTAIN SUBSIDIARIES (“OFFER”)

Announcement Details/Table Section :

We refer to the announcement made by the Company dated 17 October 2011 in relation to the Offer from OCBC Capital (Malaysia) Sdn Bhd (“**OCSB**”) to acquire the Company’s entire equity interest in the following subsidiaries upon the terms and conditions of the offer letter dated 17 October 2011 and subject to the execution of definitive agreement(s) in respect of the proposed transaction (“**Proposed Disposals**”):-

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

Under the terms of the Offer, the aggregate purchase consideration for the Proposed Disposals is RM450,000,000 to be satisfied by the payment of RM164,233,990 in cash (“**Cash Portion**”) on completion and RM285,766,010 as an amount due and owing by OCSB to PacificMas payable at a later date. OCSB has confirmed that it has sufficient financial resources for the Cash Portion.

OCSB is an indirect wholly-owned subsidiary of Oversea-Chinese Banking Corporation Limited, a company listed on the Singapore Exchange Securities Trading Limited.

On behalf of the Company, AmInvestment Bank Berhad (a member of AmInvestment Bank Group) (“**AmInvestment Bank**”) wishes to announce that the board of directors of PacificMas (“**Board**”), 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, has, 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. Accordingly, the Board (save for the Interested Directors and Tan Sri Dato' Nasruddin Bin Bahari) does not intend to seek other alternative bids.

Tan Sri Dato' Nasruddin Bin Bahari is not deemed interested in the Offer. However, as he is a director of OCBC Advisers (Malaysia) Sdn Bhd, the adviser for OCSB, he has, in view of the potential conflict of interest which may thereby arise, on his own accord abstained from deliberating and voting in relation to the Offer in the board meetings.

Pursuant to paragraph 10.08(11) of the Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), Koperasi Angkatan Tentera Malaysia Berhad (“**KAT**”), a major shareholder of PacificMas, is deemed a related party in the proposed disposal of PMFB by virtue of its shareholding of the remaining 15% equity interest in PMFB. As such, Dato' Ahmad Zahudi Bin Hj. Salleh, being the Board representative of KAT in PacificMas, has abstained from deliberation and voting in relation to the Offer in the board meetings. Nevertheless, KAT is not interested in the proposed disposal of the PMFB. As such, KAT has informed the Board that it will be applying to Bursa Securities for a waiver from being deemed a related party for the proposed disposal of PMFB.

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 (“**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**”).

The Proposed Disposals and Proposed Distributions are collectively referred to hereinafter as the “**Proposals**”.

Accordingly, the Board, save for the Interested Directors and Tan Sri Dato' Nasruddin Bin Bahari, has also resolved that after the completion of the Proposed Disposals and subject to all requisite approvals being obtained, PacificMas will proceed with the Proposed Distributions.

The total cash distribution to the shareholders of PacificMas (other than to OCSB) pursuant to the Proposed Distributions is estimated to be approximately RM3.38 per PacificMas share (“**Proposed Distributions Amount**”). We wish to highlight that the Proposed Distributions Amount is based on the unaudited management accounts as at 30 September 2011, after taking into account, inter-alia, provisions made on certain possibly non-recoverable assets and expenses relating to the Proposals. The Proposed Distributions Amount is subject to change depending on, inter-alia, the market or realisable value of the remaining assets at the point of disposal and/or recovery of the assets.

The Board wishes to advise the shareholders of PacificMas not to take any action that might prejudice their interests and to carefully consider the recommendation of the independent adviser in their letter to be despatched to shareholders prior to the extraordinary general meeting to be convened pertaining to the Proposals. Kenanga Investment Bank Berhad has been appointed as the independent adviser to advise the non-interested directors and shareholders of PacificMas as to whether the Proposals are fair and reasonable and to advise shareholders on whether they should vote in favour of the Proposals.

In view of the above, the Board, save for the Interested Directors and Tan Sri Dato' Nasruddin Bin Bahari, has instructed the management to finalise the terms and conditions of the Agreement to reflect the terms of the Offer and such other terms as may be agreed between the parties. The full details of the Proposals will be announced upon execution of the Agreement.

This announcement is dated 4 November 2011.

