

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 30.6.2013 RM'000	As at 31.12.2012 RM'000
ASSETS:			
Non-current assets			
Property and equipment		9,609	8,672
Investment properties		349,650	349,650
Investments in an associated company		1,964,231	1,905,100
Intangible assets		943	131
Available-for-sale securities		165	165
Deferred tax assets		3,520	2,379
Capital financing		12,164	12,942
		2,340,282	2,279,039
Current assets			
Securities at fair value through profit or loss		39,072	26,031
Capital financing		458,589	305,275
Trade receivables		430	673
Tax recoverable		8,678	9,827
Other assets		5,249	4,728
Cash and short term funds		2,183	775
		514,201	347,309
TOTAL ASSETS		2,854,483	2,626,348
LIABILITIES:			
Non-current liabilities			
Deferred tax liabilities		1,592	32
Current liabilities			
Deferred income		1,604	1,521
Trade payables		5,582	84
Tax payable		-	277
Borrowings	B8	324,215	156,650
Other liabilities		19,502	22,667
		350,903	181,199
TOTAL LIABILITIES		352,495	181,231
NET ASSETS		2,501,988	2,445,117
EQUITY:			
Share capital		969,058	969,058
Treasury shares, at cost	A5	(786)	(784)
		968,272	968,274
Reserves		1,533,716	1,476,843
TOTAL EQUITY / Equity attributable to Owners of the Company		2,501,988	2,445,117
Net Assets per share attributable to Owners of the Company (RM)		2.58	2.52

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2012)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Current	Comparative	Current	Preceding
		quarter	quarter	year to	year to date
		ended	ended	ended	ended
	Note	30.6.2013	30.6.2012	30.6.2013	30.6.2012
		RM'000	RM'000	RM'000	RM'000
<i>Continuing Operations:</i>					
Revenue		16,899	11,602	30,337	18,374
Direct costs		(4,579)	(3,123)	(7,424)	(5,615)
Gross profit		12,320	8,479	22,913	12,759
Other income		1,591	604	9,883	1,493
Administrative expenses		(3,203)	(1,925)	(5,936)	(3,447)
Other expenses		(4,122)	(1,857)	(4,869)	(2,124)
		6,586	5,301	21,991	8,681
Finance costs		(542)	(542)	(1,078)	(1,083)
		6,044	4,759	20,913	7,598
Share of profit of an associated company		35,476	-	64,775	-
Profit before tax		41,520	4,759	85,688	7,598
Income tax expense	B6	(1,811)	(2,565)	(5,492)	(4,291)
Profit after tax from Continuing Operations		39,709	2,194	80,196	3,307
<i>Discontinued Operations:</i>					
Profit after tax from Discontinued Operations	A10	-	15,431	-	52,971
Profit after tax for the period		39,709	17,625	80,196	56,278
Profit attributable to:					
Owners of the Company					
- Continuing Operations		39,709	2,194	80,196	3,307
- Discontinued Operations	A10	-	12,720	-	45,335
		39,709	14,914	80,196	48,642
Non-controlling interests					
- Discontinued Operations	A10	-	2,711	-	7,636
		39,709	17,625	80,196	56,278
Earnings per share attributable to					
Owners of the Company (sen):					
Basic					
- Continuing Operations	B11	4.10	0.23	8.28	0.35
- Discontinued Operations	B11	-	1.33	-	4.79
		4.10	1.56	8.28	5.14
Diluted					
- Continuing Operations	B11	4.10	0.23	8.28	0.35
- Discontinued Operations	B11	-	1.33	-	4.78
		4.10	1.56	8.28	5.13

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2012)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Current quarter ended 30.6.2013 RM'000	Comparative quarter ended 30.6.2012 RM'000	Current year to ended 30.6.2013 RM'000	Preceding year to date ended 30.6.2012 RM'000
Profit after tax for the period				
- <i>Continuing Operations</i>	39,709	2,194	80,196	3,307
- <i>Discontinued Operations</i>	-	15,431	-	52,971
	39,709	17,625	80,196	56,278
Other comprehensive income for the period, net of tax				
- <i>Continuing Operations</i>				
Items will not be reclassified subsequently to profit or loss:				
Share of reserves in an associated company	(9,681)	-	(5,165)	-
- <i>Discontinued Operations</i>	-	7,625	-	21,942
Total comprehensive income for the period, net of tax	30,028	25,250	75,031	78,220
Total comprehensive income attributable to:				
Owners of the Company				
- <i>Continuing Operations</i>	30,028	2,194	75,031	3,307
- <i>Discontinued Operations</i>	-	15,937	-	66,899
	30,028	18,131	75,031	70,206
Non-controlling interests				
- <i>Discontinued Operations</i>	-	7,119	-	8,014
	30,028	25,250	75,031	78,220

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2012)

		Attributable to Owners of the Company											Discontinued Operations		
		Continuing Operations					Discontinued Operations								
		Equity com-					Profit equalisation reserve	Foreign exchange reserves	Available -for-sale reserves	Other reserve	Retained profits	Total	Non-controlling interests	Total equity	
Note	Share capital	Treasury shares	pensation reserve	Revaluation reserve	Other reserve	Statutory reserves	Regulatory reserve	of Islamic banking operations	exchange reserves	-for-sale reserves	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	969,058	(784)	-	80,337	555	-	-	-	-	-	-	1,395,951	2,445,117	-	2,445,117
	-	-	-	-	(5,165)	-	-	-	-	-	-	80,196	75,031	-	75,031
	-	-	-	-	-	-	-	-	-	-	-	(18,158)	(18,158)	-	(18,158)
A6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A5	-	(2)	-	-	-	-	-	-	-	-	-	-	(2)	-	(2)
	-	(2)	-	-	-	-	-	-	-	-	-	(18,158)	(18,160)	-	(18,160)
	969,058	(786)	-	80,337	(4,610)	-	-	-	-	-	-	1,457,989	2,501,988	-	2,501,988
	964,145	(29,789)	581	-	-	239,537	-	-	(12,991)	(10,269)	(846)	298,671	1,449,039	301,188	1,750,227
	-	-	-	-	-	-	-	-	-	-	-	11,347	11,347	-	11,347
	964,145	(29,789)	581	-	-	239,537	-	-	(12,991)	(10,269)	(846)	310,018	1,460,386	301,188	1,761,574
	-	-	-	-	-	-	-	-	-	-	-	3,307	3,307	-	3,307
A10	-	-	-	-	-	-	-	-	1,828	19,744	(8)	45,335	66,899	8,014	74,913
	-	-	-	-	-	-	-	-	1,828	19,744	(8)	48,642	70,206	8,014	78,220
	-	-	-	-	-	-	-	-	-	-	-	(14,118)	(14,118)	-	(14,118)
	1,336	-	-	-	-	-	-	-	-	-	-	-	1,336	-	1,336
	-	(2)	-	-	-	-	-	-	-	-	-	-	(2)	-	(2)
	-	29,008	-	-	-	-	-	-	-	-	-	(29,008)	-	-	-
	-	-	(210)	-	-	-	-	-	-	-	-	210	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,000)	(9,000)
	-	-	-	-	-	-	-	-	-	-	-	272	272	-	272
	-	-	-	-	-	-	-	272	-	-	-	(272)	-	-	-
	-	-	-	-	-	-	9,955	-	-	-	-	(9,955)	-	-	-
	-	-	-	-	-	-	(9,955)	-	-	-	-	9,955	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	6	6	(6)	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	(142)	(142)
	-	-	-	-	-	-	-	-	-	-	-	266	266	-	266
	-	-	-	-	-	23,444	-	-	-	-	-	(23,444)	-	-	-
	1,336	29,006	(210)	-	-	23,444	-	272	-	-	-	(66,088)	(12,240)	(9,148)	(21,388)
	965,481	(783)	371	-	-	262,981	-	272	(11,163)	9,475	(854)	292,572	1,518,352	300,054	1,818,406

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2012)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current year to date ended 30.6.2013 RM'000	Preceding year to date ended 30.6.2012 RM'000
Cash Flows From Operating Activities		
Profit before tax from		
- <i>Continuing operations</i>	85,688	7,598
- <i>Discontinued operations</i>	-	76,206
Profit before tax	85,688	83,804
Adjustments for:		
Non-cash and non-operating items	(15,911)	2,315
Share of profits of associated companies	(64,775)	(1,292)
Operating profit before working capital changes	5,002	84,827
<i>(Increase)/Decrease in operating assets:</i>		
Loans and financing	(165,578)	(464,491)
Trade and other receivables	(321)	(1,365,975)
Available-for-sale securities	3,318	(167,306)
Securities at fair value through profit or loss	(3,262)	(85,345)
Deposits and placements with a bank	-	47,018
Securities held-to-maturity	-	66,680
Other operating assets	-	(61,376)
Statutory deposits with Central Banks	-	(35,894)
<i>Increase/(Decrease) in operating liabilities:</i>		
Trade and other payables	3,165	971,478
Deferred income	83	-
Other operating liabilities	5,077	16,540
Deposits from customers	-	811,026
Deposits and placements of banks and other financial institutions	-	(300,063)
Obligations on securities sold under repurchase agreements	-	(32,015)
Obligations on securities borrowed	-	78,644
Cash used in operations	(152,516)	(436,252)
Interest received	17,420	8,739
Interest paid	(4,301)	(3,229)
Income tax paid net of refund	(4,200)	(42,572)
Net cash used in operating activities	(143,597)	(473,314)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	Current year to date ended 30.6.2013 RM'000	Preceding year to date ended 30.6.2012 RM'000
Cash Flows From Investing Activities		
Purchase of property and equipment	(1,896)	(12,110)
Purchase of software licenses	(818)	(2,711)
Payment for trademarks	(17)	(49)
Payment for trading rights	-	(25)
Acquisition of additional shares from non-controlling interests	-	(142)
Dividends received	-	846
Proceeds from disposals of property and equipment	-	429
Net cash used in investing activities	<u>(2,731)</u>	<u>(13,762)</u>
Cash Flows From Financing Activities		
Drawdown of revolving credits	167,565	310,392
Interest paid	(1,078)	(1,083)
Payments for share buybacks by the Company	(2)	(2)
Dividends paid to Owners of the Company	(18,158)	(14,118)
Dividends paid to non-controlling interests	-	(9,000)
Proceeds from issuance of shares pursuant to exercise of ESOS	-	1,336
Net cash generated from financing activities	<u>148,327</u>	<u>287,525</u>
Net increase/(decrease) in cash and cash equivalents	1,999	(199,551)
Effects of exchange rate changes	(591)	1,669
Cash and cash equivalents at beginning of period	775	1,338,553
Cash and cash equivalents at end of period	<u>2,183</u>	<u>1,140,671</u>
Cash and cash equivalents at end of period comprised:		
Cash and short term funds	2,183	289,038
Money at call and deposits placements with maturity within one month	-	851,633
	<u>2,183</u>	<u>1,140,671</u>

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2012)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") issued by the Malaysian Accounting Standards Board ("MASB")****A1. Basis of preparation**

The unaudited interim financial statements ("the quarterly report") have been prepared in accordance with the MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K - Periodic Disclosures of the Listing Requirements of Bursa Malaysia Securities Berhad. This quarterly report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012 and the accompanying explanatory notes, which 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 year ended 31 December 2012. This quarterly report also complies with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The comparative figures have represented to conform with current year's presentation. This is due to the financial statements of the preceding year are prepared pursuant to the Bank Negara Malaysia's revised Guidelines on Financial Reporting for Banking Institutions ("BNM/GP8") which the Company is still a parent company of an investment bank. On 9 November 2012, the Company completed the disposal of its investment banking subsidiaries as shown in Note A10, which requires the financial statements prepared in accordance with disclosure requirements under MFRS 5: Non-Current Assets Held for Sale and Discontinued Operations ("MFRS 5").

The significant accounting policies and methods of computation applied in preparing the unaudited condensed consolidated interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2012, except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period:

Effective for annual periods commencing on or after 1 July 2012

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income
(Amendments to MFRS 101)

Effective for annual periods commencing on or after 1 January 2013

MFRS 3	Business Combination (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**A1. Basis of preparation (Cont'd)****Effective for annual periods commencing on or after 1 January 2013 (Cont'd)**

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans (Amendments to MFRS 1)
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income (Annual Improvements 2009 - 2011 Cycle)
Amendment to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)
Amendment to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009 - 2011 Cycle)
Amendment to MFRS 134	Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)
Amendment to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 1, MFRS 11, MFRS 119, IC Interpretation 20 and IC Interpretation 2 are not applicable to the Group as they are not relevant to its operations. The adoption of the other MFRSs, IC Interpretations and Amendments to MFRSs did not have any significant financial impact to the Group.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective:

Effective for annual periods commencing on or after 1 January 2014

Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities (Amendments to MFRS 10, MFRS 12 and MFRS 127)
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132)

Effective for annual periods commencing on or after 1 January 2015

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

The adoption of Amendments to MFRS 10, MFRS 12, MFRS 127 and MFRS 132 is not expected to have any material financial impact to the financial statements of the Group in the initial period of application as the Company is not an investment entity as defined under MFRS 10 and the existing offsetting principles applied are the same as MFRS 132. MFRS 9 requires significant changes in accounting for financial instruments and the financial effects of its adoption are still being assessed due to the complexity of this standard.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**A2. Seasonal or cyclical factors**

There were no significant seasonal or cyclical factors that will materially affect the business operations of the Group for the period under review.

A3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the financial statements for the current year to date.

A4. Changes in estimates

There were no other significant changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect in the current year to date.

A5. Changes in debt and equity securities**Share buybacks / Treasury shares of the Company**

During the current year to date, the Company has purchased 1,000 ordinary shares for a total cash consideration of RM1,783 from the open market at an average cost of RM1.78 per share. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965. Summary of share buybacks is as follows:

	Number of shares	Highest price RM	Lowest price RM	Average cost (included transaction costs) RM	Total amount paid RM
As at 1.1.2013	635,153	2.82	0.90	1.23	784,059
June	1,000	1.74	1.74	1.78	1,783
As at 30.6.2013	636,153	2.82	0.90	1.24	785,842

Other than the above, there were no issuances, repurchases and repayments of debt and equity securities of the Company for the current year to date.

A6. Dividends paid

A final dividend of 2.5 sen per share less 25% income tax amounted to RM18,157,981 in respect of the preceding financial year ended 31 December 2012 was paid on 15 May 2013.

A7. Segmental information

Please refer to Appendix I.

A8. Events after the end of the quarter**Increase of equity interest in RHB Capital Berhad ("RHBC") via Dividend Reinvestment Plan ("DRP")**

On 1 August 2013, RHBC, an associated company, issued and allotted 37,166,089 new RHBC shares at the issue price of RM7.63 per share pursuant to its DRP which was applied to the final dividend in respect of financial year ended 31 December 2012.

The Company had elected to reinvest all its dividend entitlement of RM39,420,500 by reinvesting 5,166,513 new shares in RHBC. Consequently, the equity interest in RHBC increased from 9.82% to 9.88%.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
A9. Changes in the composition of the Group

There are no changes in the composition of the Group for the current year to date.

A10. Disposal of Subsidiary Companies in Preceding Year to Date

The Company had on 9 November 2012 completed the disposal of the following entities:-

- a) 100% equity interest in OSKIB;
- b) 20% equity interest in OSK Trustees Berhad ("OSKT");
- c) 20% equity interest in Malaysian Trustees Berhad ("MTB"); and
- d) 100% equity interest in OSK Investment Bank (Labuan) Limited ("OSKL")

for a total disposal consideration of RM2,094.5 million satisfied through the issuance of 245.0 million new ordinary shares of RM1.00 each in RHBC and cash of RM222.7 million.

The comparative consolidated statement of profit or loss, statement of other comprehensive income and statement of cash flows have been represented to show the Discontinued Operations separately from Continuing Operations by using BNM/GP8 presentation as shown below:-

(a) Statement of Profit or Loss for the Discontinued Operations

The financial results for the Discontinued Operations of the Group were as follows:-

	Comparative quarter ended 30.6.2012 RM'000	Preceding year to date ended 30.6.2012 RM'000
Revenue	239,908	519,822
Interest income	78,746	156,542
Interest expense	(50,343)	(100,475)
Net interest income	28,403	56,067
Non-interest income	151,151	342,171
Net income from Islamic banking operations	2,555	4,450
Other operating expenses	(173,933)	(341,155)
Write back of impairment losses on loans, advances and financing	582	1,534
Allowance for impairment losses on trade and other receivables	(3)	(400)
Write back of impairment loss on investments	12,247	12,247
Share of profits of associated companies	721	1,292
Profit before tax from Discontinued Operations	21,723	76,206
Income tax expense and zakat	(6,292)	(23,235)
Profit after tax for the period from Discontinued Operations	15,431	52,971
Profit attributable to:		
Owners of the Company	12,720	45,335
Non-controlling interests	2,711	7,636
	15,431	52,971

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
A10. Disposal of Subsidiary Companies in Preceding Year to Date (Cont'd)
(b) Statement of Other Comprehensive Income for the Discontinued Operations

The major components of Statement of Other Comprehensive Income for the Discontinued Operations of the Group were shown below:

	Comparative quarter ended 30.6.2012 RM'000	Preceding year to date ended 30.6.2012 RM'000
Profit after tax for the period from discontinued operations	15,431	52,971
Other comprehensive income		
Items will not be reclassified subsequently to profit or loss:		
Share of other reserves in an associated group	-	(8)
Items will be reclassified subsequently to profit or loss:		
Net gain from foreign currency translation	20,517	3,175
Reversal of available-for-sale loss/(gain) upon disposal	464	(2,874)
Unrealised net (loss)/gain on revaluation of securities available-for-sale	(17,048)	27,990
Income tax relating to components of other comprehensive loss/(income)	3,692	(6,341)
Other comprehensive income for the period, net of tax	<u>7,625</u>	<u>21,942</u>
Total comprehensive income for the period, net of tax	<u>23,056</u>	<u>74,913</u>
Total comprehensive income attributable to:		
Owners of the Company	15,937	66,899
Non-controlling interests	7,119	8,014
	<u>23,056</u>	<u>74,913</u>

(c) Statement of Cash Flows for the Discontinued Operations

The cash flows attributable to the Discontinued Operations of the Group were as follows:-

	Preceding year to date ended 30.6.2012 RM'000
Operating activities	(11,020)
Investing activities	308
Financing activities	(5,605)
Net cash outflows	<u>(16,317)</u>

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
PART B - Explanatory Notes Pursuant to Chapter 9, Part K - Periodic Disclosures, Part A of Appendix 9B, of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")
B1. Group performance analysis of all operating segments for the current quarter and year to date

For performance analysis purpose, the Group's financial results are analysed by Continuing and Discontinued Operations as shown below:-

	Current quarter ended 30.6.2013 RM'000	Comparative quarter ended 30.6.2012 RM'000	Current year to date ended 30.6.2013 RM'000	Preceding year to date ended 30.6.2012 RM'000
Revenue - Continuing Operations	16,899	11,602	30,337	18,374
- Discontinued Operations	-	239,908	-	519,822
	16,899	251,510	30,337	538,196
Profit after tax - Continuing Operations	39,709	2,194	80,196	3,307
- Discontinued Operations	-	15,431	-	52,971
	39,709	17,625	80,196	56,278
Profit attributable to Owners of the Company				
- Continuing Operations	39,709	2,194	80,196	3,307
- Discontinued Operations	-	12,720	-	45,335
	39,709	14,914	80,196	48,642

(a) Current Year To Date ("6M13") compared with Preceding Year To Date ("6M12")
Overall performance

The Continuing Operations of the Group recorded total revenue of RM30.34 million in 6M13, up by 65% or RM11.97 million from RM18.37 million reported in 6M12, principally due to higher operating income generated from its existing capital financing business and higher rental income reported from its investment property business. The profit after tax from Continuing Operations which included the share of profit of RHB Capital Berhad ("RHBC") group increased by RM76.89 million to RM80.20 million in 6M13 compared with RM3.31 million recorded in 6M12.

The 6M13 profit after tax of RM80.20 million surpassed the total profit after tax from both Continuing and Discontinued Operations in 6M12 of RM56.28 million by 42% or RM23.92 million. The 6M13 profit after tax derived from the share of profit of RHBC group of RM64.78 million and profits generated by the existing businesses of RM15.42 million, the latter increased from RM3.31 million in 6M12 through higher operating revenue as mentioned above.

Profit attributable to Owners of the Company increased by 65% or RM31.56 million to RM80.20 million from RM48.64 million in 6M12. This translates to earnings per share of 8.28 sen, up by 61% or 3.14 sen from 5.14 sen in 6M12. The shareholders' funds of the Group as at 30 June 2013 increased to RM2.50 billion from RM2.45 billion at the end of 2012, resulting in net assets per share of RM2.58 and RM2.52 respectively.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
B1. Performance analysis of the Group for the current quarter and year to date (Cont'd.)
(a) Current Year To Date (“6M13”) compared with Preceding Year To Date (“6M12”) (Cont'd)
Performance analysis of the respective operating business segments for 6M13 versus 6M12:-

	Current year to date ended 30.6.2013			Preceding year to date ended 30.6.2012		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investment holding	75,587	-	75,587	(2,053)	-	(2,053)
Capital financing	5,437	-	5,437	9,243	-	9,243
Property investment	4,664	-	4,664	5,462	-	5,462
Investment banking	-	-	-	-	71,152	71,152
Adjustments	-	-	-	(5,054)	5,054	-
Profit before tax	85,688	-	85,688	7,598	76,206	83,804

The **Investment Holding** segment is the Group's top profit contributor in 6M13. It recorded a pre-tax profit of RM75.59 million as compared with the pre-tax loss of RM2.05 million in 6M12. The increased in 6M13 pre-tax profit was mainly attributed by the share of profit of RHBC group of RM64.78 million and the appreciation in investment securities of RM9.67 million.

The **Capital Financing** segment contributed a pre-tax profit of RM5.44 million in 6M13 (6M12: RM9.24 million), after allowance for impairment of RM4.85 million (6M12: RM1.27 million). Despite the higher revenue, the performance was impacted by higher funding and personnel costs incurred in 6M13.

The **Property Investment** segment reported a pre-tax profit of RM4.66 million in 6M13 compared with RM5.46 million in 6M12. The reduction in pre-tax profit was due to higher operating costs in 6M13 despite higher rental income.

The pre-tax profit of **Investment Banking** business in 6M12, solely under Discontinued Operations, derived mainly from its investment banking, equities and futures, as well as wealth management.

Performance analysis of the respective operating geographical segments for 6M13 versus 6M12:-

The Group's Continuing Operations are all based in Malaysia unlike the Discontinued Operations in 6M12.

Pre-tax profit from Continuing Operations increased significantly to RM85.69 million from RM7.60 million in 6M12; mainly due to the share of profit of RHBC group and improved earnings from existing businesses. In 6M12, the Group's Discontinued Operations recorded pre-tax profit of RM76.21 million.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

B1. Performance analysis of the Group for the current quarter and year to date (Cont'd.)

(b) Current Quarter (“2Q13”) compared with Comparative Quarter of Preceding Year (“2Q12”)

The 2Q13 profit after tax increased by RM22.08 million or 125% to RM39.71 million from RM17.63 million in 2Q12 from both its Continuing and Discontinued Operations. The 2Q13 profit after tax included the share of profit of RHBC group of RM35.48 million and profit contribution of RM4.23 million from existing businesses as compared to RM2.19 million in 2Q12. The profit after tax from Discontinued Operations of RM15.43 million in 2Q12 was mainly contributed by investment banking operations.

The profits attributable to Owners of the Company amounted to RM39.71 million in 2Q13 compared with RM14.91 million in 2Q12, up by 166% or RM24.80 million, resulting in earnings per share of 4.10 sen compared with 1.56 sen in 2Q12.

B2. Commentary on pre-tax profit for current quarter (“2Q13”) compared with immediate preceding quarter (“1Q13”)

The 2Q13 pre-tax profit of RM41.52 million mainly derived from the higher share of profit of RM35.48 million of RHBC group and pre-tax profit of RM6.04 million from its existing businesses. The 1Q13 pre-tax profit of RM44.17 million mainly attributed to the share of profit of RHBC group of RM29.30 million and operating profit of RM14.87 million from its existing businesses which included RM8.24 million from the appreciation of investment securities.

B3. Commentary on current year prospects and progress on previously announced revenue or profit forecast

(a) Current year prospects

(Commentary on the rest of the year)

The **Investment Holding** business will continue to benefit from the share of profit from its investment in RHBC group. The Group will continue to receive rental income from its **Property Investment** business and profit contribution from its **Capital Financing** business.

The Group will continue to explore and evaluate new businesses and investment opportunities.

The Board is confident that the Group will achieve satisfactory performance for the rest of 2013 despite the prevailing challenging economic environment.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**B3. Current year prospects and progress on previously announced revenue or profit forecast (Cont'd.)****(b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced**

There were no revenue or profit forecast announced by the Company.

B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There were no revenue or profit forecast announced by the Company.

B5. Profit forecast/profit guarantee previously announced

There were no profit forecast or profit guarantee issued by the Company.

B6. Income tax expense

	Current quarter ended 30.6.2013 RM'000	Current year to date ended 30.6.2013 RM'000
In respect of current period:		
Income tax	(3,104)	(5,072)
Deferred taxation	1,293	(420)
Income tax expense	<u>(1,811)</u>	<u>(5,492)</u>

Excluding share of profit of an associate company, the effective tax rate for the current year to date is higher than the statutory tax rate of 25% mainly due to certain expenses do not allowed for tax deduction purposes.

B7. Status of corporate proposals and utilisation of proceeds**(a) Status of corporate proposals announced but not completed as at 23 August 2013 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)**

There were no corporate proposals announced.

(b) The status of utilisation of proceeds raised from any corporate proposal by the Company

There were no proceeds raised from any corporate proposal by the Company.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**B8. Borrowings and debt securities as at the end of the reporting period**

The Group do not issued any debt securities and the Group's borrowings denominated in Ringgit Malaysia (RM) at the end of the current year to date are as follows:-

	RM'000
Short term borrowings - Unsecured	
Revolving credits	<u>324,215</u>

B9. Changes in material litigation

As at 23 August 2013 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group was not engaged in any material litigation either as plaintiff or defendant and the Directors are not aware of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business operations of the Group.

B10. Dividends

- (a) The Board of Directors declared an interim dividend of 2.5 sen (6M12: 2.5 sen) per share less 25% income tax for the current year to date and fixed the entitlement date to be 9 September 2013 and payment date to be 25 September 2013.
- (b) Total dividend for the current year to date is 2.5 sen (6M12: 2.5 sen) per share less 25% income tax.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
B11. Earnings Per Share (“EPS”) attributable to Owners of the Company

	Current quarter ended 30.6.2013	Comparative quarter ended 30.6.2012	Current year to date ended 30.6.2013	Preceding year to date ended 30.6.2012
<u>Basic</u>				
Profit attributable to Owners of the Company (RM'000):				
- <i>Continuing Operations</i>	39,709	2,194	80,196	3,307
- <i>Discontinued Operations</i>	-	12,720	-	45,335
	39,709	14,914	80,196	48,642
Weighted average number of ordinary shares in issue ('000 shares)	968,423	953,423	968,423	946,906
<u>Basic EPS (sen)</u>				
- <i>Continuing Operations</i>	4.10	0.23	8.28	0.35
- <i>Discontinued Operations</i>	-	1.33	-	4.79
Total	4.10	1.56	8.28	5.14
<u>Diluted</u>				
Profit attributable to Owners of the Company (RM'000):				
- <i>Continuing Operations</i>	39,709	2,194	80,196	3,307
- <i>Discontinued Operations</i>	-	12,720	-	45,335
	39,709	14,914	80,196	48,642
Weighted average number of ordinary shares in issue ('000 shares)	968,423	953,423	968,423	946,906
Effect of dilution on assumed exercise of options granted under Executive Share Option Scheme ('000 shares)	-	1,173	-	1,176
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	968,423	954,596	968,423	948,082
<u>Diluted EPS (sen)</u>				
- <i>Continuing Operations</i>	4.10	0.23	8.28	0.35
- <i>Discontinued Operations</i>	-	1.33	-	4.78
Total	4.10	1.56	8.28	5.13

B12. Auditors' report of preceding annual financial statements

The auditors' report of the Group's preceding year's financial statements was not qualified.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
B13. Items included in the Statement of Profit or Loss and Statement of Other Comprehensive Income

	Current quarter ended 30.6.2013 RM'000	Comparative quarter ended 30.6.2012 RM'000	Current year to date ended 30.6.2013 RM'000	Preceding year to date ended 30.6.2012 RM'000
(a) Profit before taxation from Continuing Operations is arrived at after (charging)/crediting:				
(i) Revenue				
- Interest income	9,868	4,629	17,420	8,739
- Rental income	4,142	1,910	8,225	3,818
- Dividend income	-	-	-	1
(ii) Direct cost				
- Interest expenses	(2,755)	(2,024)	(4,398)	(3,204)
(iii) Other income				
- Realised gain from foreign exchange translations	-	44	-	44
- Unrealised gain on revaluation of securities	1,092	457	9,187	1,089
- Unrealised gain from foreign exchange translations	443	33	591	33
- Bad debts recovered	-	20	-	145
(iv) Administrative expenses				
- Depreciation and amortisation	(169)	(571)	(352)	(1,142)
(v) Other expenses				
- (Allowance for)/Write back of individual assessment	(2,998)	6	(2,995)	(29)
- Allowance for collective assessment	(1,104)	(1,574)	(1,853)	(1,235)
- Bad debts written off	(21)	-	(21)	(9)
- Realised loss on revaluation of securities	-	(851)	-	(851)
- Reversal of unrealised loss from foreign exchange translations	-	562	-	-
(vi) Finance costs				
- Interest expenses	(542)	(542)	(1,078)	(1,083)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
B13. Items included in the Statement of Profit or Loss and Statement of Other Comprehensive Income (Cont'd)

	Current quarter ended 30.6.2013 RM'000	Comparative quarter ended 30.6.2012 RM'000	Current year to date ended 30.6.2013 RM'000	Preceding year to date ended 30.6.2012 RM'000
(b) Profit after tax from Discontinued Operations is arrived at after (charging)/crediting:				
(i) Interest income	-	78,746	-	156,542
(ii) Interest expense	-	(50,343)	-	(100,475)
(iii) Non-interest income				
- Dividend income	-	544	-	727
- Net (loss)/gain arising from sales of securities and derivatives	-	(5,130)	-	46,839
- Unrealised loss on revaluation of trading securities and derivatives	-	(7,439)	-	(6,329)
- Unrealised gain/(loss) on derivatives	-	2,160	-	(5,383)
- Unrealised gain/(loss) from foreign exchange translations	-	1,266	-	(7,638)
- Realised gain on foreign exchange	-	12,409	-	7,780
(iv) Other operating expenses				
- Depreciation and amortisation	-	(5,660)	-	(11,051)
- Loss on disposal of equipment	-	(6)	-	(478)
(v) Write back of impairment losses on loans, advances and financing				
- Individual assessment	-	268	-	268
- Collective assessment	-	314	-	1,266
	-	582	-	1,534
(vi) (Allowance for)/Write back of impairment losses on trade and other receivables				
- Individual assessment	-	(175)	-	(310)
- Collective assessment	-	382	-	120
Bad debts written off	-	(210)	-	(210)
	-	(3)	-	(400)

(c) Allowance for and write off of inventories and exceptional items are not applicable to the Group.

(d) Items for other comprehensive income are disclosed in the Statement of Other Comprehensive Income for Continuing Operations and Note A10(b) for Discontinued Operations.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**B14. Realised and Unrealised Profits**

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the reporting date, into realised and unrealised profits or losses. On 20 December 2010, Bursa Malaysia further issued a guidance on the disclosure and the format required.

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits below is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and not to be applied for any other purpose.

Based on the above criteria, the breakdown of retained profits of the Group as at the reporting date is as follows:

	As at 30.6.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiary companies		
- Realised	1,365,899	1,377,306
- Unrealised	114,334	105,185
	1,480,233	1,482,491
Total share of retained profits from associated companies		
- Realised	92,431	39,878
- Unrealised	-	-
	1,572,664	1,522,369
Less : Consolidation adjustments	(114,675)	(126,418)
	1,457,989	1,395,951

By Order of the Board**Tan Sri Ong Leong Huat**
Chief Executive Officer / Group Managing DirectorKuala Lumpur
30 August 2013

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**A7. Segmental information**

For management purposes, the Group is organised into the following major business segments based on products and services, which are regularly provided to and reviewed by the chief operating decision makers:

Continuing Operations:

- | | |
|------------------------|--|
| 1. Investment Holding | - Investing activities and other insignificant business segment. |
| 2. Capital Financing | - Capital financing activities. |
| 3. Property Investment | - Management and letting of properties. |

Discontinued Operations:

(for preceding year to date)

- | | |
|-----------------------|--|
| 1. Investment Banking | - Investment banking, loans and financing, equities and futures, wealth management, investment holding and others. |
|-----------------------|--|

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The inter-segment transactions have been entered into in the ordinary course of business at terms mutually agreed between the segments concerned and are not more favourable than those arranged with independent third parties and have been eliminated to arrive at the Group's results.

The segmental information for preceding year to date have been re-presented to conform with current year to date presentation.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
A7. Segmental information (Cont'd)
Geographical Segments
Continuing Operations:

The Group operates domestically in Malaysia only.

Discontinued Operations:

The Discontinued Operations of the Group operated in Malaysia (Domestic) and overseas which include Singapore, China and Hong Kong, Indonesia, Cambodia and Thailand.

Revenue is based on geographical locations of business operations. Non-current assets are presented based on the geographical location of assets, which consist of Investments in an associated company, Investment properties, Properties and equipment and Intangible assets.

	Continuing Operations	Discontinued Operations			Conso -lidated	Adjustments for Discontinued Operations	Amount shown in Financial Statements
	Domestic	Domestic	Overseas	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CURRENT YEAR TO DATE ENDED 30.6.2013							
Revenue	30,337	-	-	-	30,337	-	30,337
Profit before tax	85,688	-	-	-	85,688	-	85,688
Non-current assets as at 30.6.2013	2,340,282	-	-	-	2,340,282	-	2,340,282
PRECEDING YEAR TO DATE ENDED 30.6.2012							
Revenue	18,374	384,702	135,120	519,822	538,196	(519,822)	18,374
Profit/(Loss) before tax	7,598	76,709	(503)	76,206	83,804	(76,206)	7,598
Non-current assets as at 31.12.2012	2,279,039	-	-	-	2,279,039	-	2,279,039