

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As at 30.6.2014 RM'000	As at 31.12.2013 RM'000
<b>Assets:</b>			
<b>Non-current</b>			
Property and equipment		9,926	9,280
Investment properties		359,301	358,951
Investments in an associated company		2,148,135	2,060,706
Intangible assets		993	1,048
Available-for-sale securities		165	165
Deferred tax assets		412	1,776
Securities at fair value through profit or loss		-	12,406
Capital financing		8,664	10,431
		<b>2,527,596</b>	<b>2,454,763</b>
<b>Current</b>			
Capital financing		367,038	400,862
Trade receivables		149	41
Other assets		2,293	449
Tax recoverable		7,348	9,537
Securities at fair value through profit or loss		47,452	56,655
Cash and bank balances		1,516	2,015
		<b>425,796</b>	<b>469,559</b>
<b>Total Assets</b>		<b>2,953,392</b>	<b>2,924,322</b>
<b>Liabilities:</b>			
<b>Non-current</b>			
Deferred tax liabilities		11,731	11,829
<b>Current</b>			
Deferred income		1,409	2,004
Trade payables		89	459
Tax payable		431	164
Borrowings	B8	312,752	290,219
Other liabilities		12,735	24,039
		<b>327,416</b>	<b>316,885</b>
<b>Total Liabilities</b>		<b>339,147</b>	<b>328,714</b>
<b>Net Assets</b>		<b>2,614,245</b>	<b>2,595,608</b>
<b>Equity:</b>			
Share capital		969,058	969,058
Treasury shares, at cost	A5	(30,232)	(787)
		<b>938,826</b>	<b>968,271</b>
Reserves		1,675,419	1,627,337
<b>Total Equity / Equity attributable to Owners of the Company</b>		<b>2,614,245</b>	<b>2,595,608</b>
<b>Net Assets per share attributable to Owners of the Company (RM)</b>		<b>2.75</b>	<b>2.68</b>

(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 2013)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	Current quarter ended <b>30.6.2014</b> RM'000	Comparative quarter ended 30.6.2013 RM'000	Current year to date ended <b>30.6.2014</b> RM'000	Preceding year to date ended 30.6.2013 RM'000
<b>Revenue</b>	<b>14,768</b>	16,899	<b>29,884</b>	30,337
Direct costs	<b>(3,976)</b>	(4,579)	<b>(7,700)</b>	(7,424)
Gross profit	<b>10,792</b>	12,320	<b>22,184</b>	22,913
Other income	<b>5,404</b>	1,591	<b>5,481</b>	9,883
Administrative expenses	<b>(3,612)</b>	(3,203)	<b>(7,057)</b>	(5,936)
Other items of expense	<b>(4,246)</b>	(4,122)	<b>(5,209)</b>	(4,869)
	<b>8,338</b>	6,586	<b>15,399</b>	21,991
Finance costs	<b>(542)</b>	(542)	<b>(1,079)</b>	(1,078)
	<b>7,796</b>	6,044	<b>14,320</b>	20,913
Share of profit of an associated company	<b>48,777</b>	35,476	<b>87,113</b>	64,775
<b>Profit Before Tax</b>	<b>56,573</b>	41,520	<b>101,433</b>	85,688
Income tax	<b>(3,421)</b>	(1,811)	<b>(6,600)</b>	(5,492)
<b>Profit After Tax / Profit attributable to Owners of the Company</b>	<b>53,152</b>	39,709	<b>94,833</b>	80,196
 <b>Earnings Per Share attributable to Owners of the Company (sen) Basic / Diluted</b>	 <b>5.59</b>	 4.10	 <b>9.89</b>	 8.28

(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 2013)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE  
INCOME**

	<b>Current quarter ended 30.6.2014 RM'000</b>	<b>Comparative quarter ended 30.6.2013 RM'000</b>	<b>Current year to date ended 30.6.2014 RM'000</b>	<b>Preceding year to date ended 30.6.2013 RM'000</b>
<b>Profit After Tax / Profit attributable to Owners of the Company</b>	<b>53,152</b>	39,709	<b>94,833</b>	80,196
<b>Other Comprehensive Income for the period, net of tax</b>				
<u>Items will be reclassified subsequently to profit or loss:</u>				
Share of other comprehensive income in an associated company	<b>354</b>	(9,681)	<b>797</b>	(5,165)
<b>Total Comprehensive Income attributable to Owners of the Company</b>	<b>53,506</b>	30,028	<b>95,630</b>	75,031

(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 2013)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Owners of the Company					Total
	Share capital	Distributable Treasury shares (Note A5)	Revaluation reserve	Other reserve	Distributable Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>As at 1.1.2014</b>	<b>969,058</b>	<b>(787)</b>	<b>76,321</b>	<b>(2,421)</b>	<b>1,553,437</b>	<b>2,595,608</b>
<b>Total Comprehensive Income</b>	-	-	-	<b>797</b>	<b>94,833</b>	<b>95,630</b>
Dividend paid to Owner of the Company	-	-	-	-	<b>(47,548)</b>	<b>(47,548)</b>
Shares buybacks	-	<b>(29,445)</b>	-	-	-	<b>(29,445)</b>
<b>Total transactions with Owners of the Company</b>	-	<b>(29,445)</b>	-	-	<b>(47,548)</b>	<b>(76,993)</b>
<b>As at 30.6.2014</b>	<b>969,058</b>	<b>(30,232)</b>	<b>76,321</b>	<b>(1,624)</b>	<b>1,600,722</b>	<b>2,614,245</b>
<b>As at 1.1.2013</b>	<b>969,058</b>	<b>(784)</b>	<b>80,337</b>	<b>555</b>	<b>1,395,951</b>	<b>2,445,117</b>
<b>Total Comprehensive Income</b>	-	-	-	<b>(5,165)</b>	<b>80,196</b>	<b>75,031</b>
Dividend paid to Owner of the Company	-	-	-	-	<b>(18,158)</b>	<b>(18,158)</b>
Shares buybacks	-	<b>(2)</b>	-	-	-	<b>(2)</b>
<b>Total transactions with Owners of the Company</b>	-	<b>(2)</b>	-	-	<b>(18,158)</b>	<b>(18,160)</b>
<b>As at 30.6.2013</b>	<b>969,058</b>	<b>(786)</b>	<b>80,337</b>	<b>(4,610)</b>	<b>1,457,989</b>	<b>2,501,988</b>

(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 2013)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Current year to date ended <b>30.6.2014</b> RM'000	Preceding year to date ended 30.6.2013 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	101,433	85,688
Adjustments for:		
Non-cash and non-operating items	(10,366)	(16,502)
Share of profit of an associated company	(87,113)	(64,775)
Operating profit before working capital changes	<u>3,954</u>	4,411
<i>(Increase)/Decrease in operating assets:</i>		
Capital financing	36,399	(162,260)
Trade and other receivables	(1,952)	(321)
<i>Increase/(Decrease) in operating liabilities:</i>		
Amount owing to associated group	482	5,077
Deferred income	(595)	83
Trade and other payables	(13,394)	3,165
Cash generated from/(used in) operations	<u>24,894</u>	(149,845)
Interest received	16,371	17,420
Interest paid	(4,856)	(4,301)
Income tax paid net of refund	(2,877)	(4,200)
Net cash generated from/(used in) operating activities	<u>33,532</u>	(140,926)
<b>Cash Flows From Investing Activities</b>		
Dividends received	160	-
Expenditure incurred on an investment property	(350)	-
Payment for trademarks	(8)	(17)
Proceeds from disposals of property and equipment	22	-
Proceeds from disposals of securities at fair value through profit or loss	27,738	-
Purchase of equipment	(998)	(1,896)
Purchase of securities at fair value through profit or loss	(5,100)	(3,262)
Purchase of software licenses	(7)	(818)
Net cash generated from/(used in) investing activities	<u>21,457</u>	(5,993)
<b>Cash Flows From Financing Activities</b>		
Dividends paid to Owners of the Company	(47,548)	(18,158)
Drawdown of revolving credits	22,585	167,565
Interest paid	(1,080)	(1,078)
Payments for share buybacks	(29,445)	(2)
Net cash (used in)/generated from financing activities	<u>(55,488)</u>	148,327
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(499)</b>	1,408
<b>Cash and Cash Equivalents at beginning of period</b>	<b>2,015</b>	775
<b>Cash and Cash Equivalents at end of period</b>	<b>1,516</b>	2,183

(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 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 2013 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 2013. This quarterly report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The significant accounting policies and methods of computation applied in preparing the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2013, except for the adoption of the following amendments to published standards and interpretation to existing standard, which are effective for annual periods commencing on or after 1 January 2014:

Amendments to MFRS 10 - Consolidated Financial Statements (Investment Entities)

Amendments to MFRS 12 - Disclosure of Interests in Other Entities (Investment Entities)

Amendments to MFRS 127 - Consolidated and Separate Financial Statements (Investment Entities)

Amendments to MFRS 132 - Financial Instruments: Presentation (Offsetting Financial Assets and Financial Liabilities)

Amendments to MFRS 139 - Financial Instruments: Recognition and Measurement (Novation of Derivatives and Continuation of Hedge Accounting)

IC Interpretation 21 - Levies

- (i) Amendments to MFRS 10, MFRS 12 and MFRS 127 introduce an exception to the principle of consolidation of subsidiaries for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value in accordance with MFRS 139: Financial Instruments: Recognition and Measurement instead of consolidating them.
- (ii) Amendment to MFRS 132 - Financial Instruments: Presentation clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business; the event of default; and the event of insolvency or bankruptcy. It also clarifies that certain gross settlement mechanisms with equivalent characteristics to net settlement will satisfy the criterion under MFRS 132.
- (iii) Amendment to MFRS 139 - Financial Instruments: Recognition and Measurement introduce novation of derivatives and continuation of hedge accounting.

**A1. Basis of preparation (Cont'd)**

- (iv) IC Interpretation 21 - Levies sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that a liability to pay a levy is recognised when the obligating event occurs. Obligating event is the event identified by the legislation that triggers the payment of the levy.

The amendment to MFRS 139 is not applicable as the Group do not apply hedge accounting. The adoption of the above amendments to published standards and interpretation to existing standard do not give rise to any material financial impact to the Group.

The following amendments to published standards are applicable to the Group but not yet effective:

**(a) Effective for annual periods commencing on or after 1 July 2014**

- (i) Amendments to MFRS 119 - Defined Benefit Plans: Employee Contributions make available a guidance in accounting for contributions from employees or third parties to defined benefit plans.
- (ii) Amendments to "Annual Improvements to MFRSs 2010-2012 Cycle" consist of amendments to:

MFRS 2 - Share-based Payment

The amendment clarifies definition of 'vesting conditions' and 'market conditions' and introduces definition of 'performance condition' and 'service condition' to ensure consistency. A vesting condition is either a service condition or performance condition.

MFRS 3 - Business Combinations

The amendment requires the acquirer to classify an obligation to pay contingent consideration that meets the definition of a financial instrument as a financial liability or as equity on the basis of the definitions of an equity instrument and a financial liability as required under MFRS 132: Financial Instruments: Presentation. Other contingent consideration that is within the scope of MFRS 9: Financial Instruments shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9, the amendment removes options to recognise any resulting gain or loss either in profit or loss or in other comprehensive income.

MFRS 8 - Operating Segments

The amendment requires the disclosure of judgements made by management in applying the aggregation criteria in operating segments, including a brief description of the operating segments that have been aggregated in such manner and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. A reconciliation of the total of the reportable segments' assets to the entity's assets is required if that amount is regularly provided to the chief operating decision maker.

MFRS 13 - Fair Value Measurement

The amendment clarifies that there is no change to the measurement requirements for short-term receivables and payables with no stated interest rate at invoice amounts without discounting when the effect of discounting is immaterial.

**A1. Basis of preparation (Cont'd)**

**(a) Effective for annual periods commencing on or after 1 July 2014 (Cont'd)**

- (ii) Amendments to "Annual Improvements to MFRSs 2010-2012 Cycle" consist of amendments to:  
(Cont'd)

MFRS 116 - Property, Plant and Equipment

The amendment clarifies the accounting treatment when an asset is revalued. At the date of the revaluation, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated amortisation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or is eliminated against the gross carrying amount of the asset. The amount of the adjustment of accumulated depreciation or amortisation forms part of the increase or decrease in the carrying amount.

MFRS 124 - Related Party Disclosures

The amendment lengthens the definition of 'related party' to cover an entity, or any member of a group of which it is a party, that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

MFRS 138 - Intangible Assets

The amendment clarifies the accounting for the accumulated depreciation or amortisation when an asset is revalued, similar to MFRS 116: Property, Plant and Equipment above.

- (iii) Amendments to "Annual Improvements to MFRSs 2011-2013 Cycle" consist of amendments to:

MFRS 1 - First-time Adoption of Malaysian Financial Reporting Standards

The amendment requires an entity to use the MFRSs that are effective at the end of its first MFRS reporting period and clarifies that a first-time adopter allows to apply new MFRS that is not yet effective if that MFRS permits early application. It only explains the advantages of applying a more recent version of a MFRS.

MFRS 3 - Business Combinations

The amendment clarifies that MFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.



**A1. Basis of preparation (Cont'd)**

**(a) Effective for annual periods commencing on or after 1 July 2014 (Cont'd)**

- (iii) Amendments to "Annual Improvements to MFRSs 2011-2013 Cycle" consist of amendments to:  
(Cont'd)

MFRS 13 - Fair Value Measurement

The amendment clarifies the application of exception under MFRS applies only to financial assets, and financial liabilities and other contracts within the scope of MFRS 139: Financial Instruments: Recognition and Measurement or MFRS 9: Financial Instruments, regardless of whether they meet the definitions of financial assets or financial liabilities in MFRS 132: Financial Instruments: Presentation.

MFRS 140 - Investment Property

The amendment requires a judgement to determine whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of MFRS 3: Business Combinations. Determining whether a specific transaction meets the definition of a business combination as defined in MFRS 3 and includes an investment property as defined in MFRS 140 requires the separate application of both Standard.

The adoption of the amendments to MFRS 119 will not have any financial impact to the Group as the defined benefit plan of the Group does not require employees or third parties to contribute to the plan. The adoption of amendments to "Annual Improvements to MFRSs Cycles" are not expected to have a material impact on the financial results of the Group as the amendments focus on clarification of the definition under respective standards and requirement on additional disclosures.

**(b) Effective for annual periods commencing on or after 1 January 2016**

- (i) MFRS 14 - Regulatory Deferral Accounts

MFRS 14 defines regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other Standards, but that qualify to be deferred in accordance with MFRS 14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price that an entity can charge to customers for rate-regulated goods or services.

MFRS 14 requires entity to present regulatory deferral account balances as separate line items in the statement of financial position and to present movements in those account balances as separate line items in the statement of profit or loss and other comprehensive income. MFRS 14 also requires specific disclosures to identify the nature of, and risks associated with, the rate regulation that has resulted in the recognition of regulatory deferral balances in accordance with MFRS 14.

**A1. Basis of preparation (Cont'd)****(b) Effective for annual periods commencing on or after 1 January 2016 (Cont'd)****(i) MFRS 14 - Regulatory Deferral Accounts (Cont'd)**

MFRS 14 permits an entity within its scope to continue to account for regulatory deferral account balances in its financial statements in accordance with its previous GAAP when it adopts MFRS, subject to the limited changes to the accounting policies that were applied in accordance with previous generally accepted accounting principles (previous GAAP) for regulatory deferral account balances, which are primarily related to the presentation of these accounts.

**(ii) Amendment to MFRS 11 - Accounting for Acquisitions of Interests in Joint Operations**

The amendment clarifies that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in MFRS 3, it shall apply all of the principles on business combinations accounting in MFRS 3, and other MFRSs, that do not conflict with the guidance in this MFRS and disclose the information required by those MFRSs in relation to business combinations. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business. The accounting for the acquisition of an interest in such a joint operation is specified therein.

**(iii) Amendments to MFRS 116 and MFRS 138 - Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendment clarifies on factors considered in determining the useful life of an asset, of which expected future reductions in the selling price of an item might reflect a reduction of the future economic benefits embodied in the asset. The amendment added it is not appropriate to determine a depreciation method based on revenue that is generated by an activity that includes the use of an asset, as the revenue generally reflects factors other than the consumption of the economic benefits of the asset.

The adoption of MFRS 14 will not have any financial impact to the Group as the Group do not engaged in rate-regulated activities, such as those in utilities, telecommunication and transport industries. The adoption of MFRS 11, 116 and 138 will not have material financial impact to the Group.

**(c) Effective date yet to be determined****MFRS 9 - Financial Instruments**

MFRS 9 will eventually replace MFRS 139: Financial Instruments: Recognition and Measurement with significant changes. The financial effects of the adoption are still being reviewed due to its complexity.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014****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 17,460,100 ordinary shares for a total cash consideration of RM29,445,220 from the open market at an average cost of RM1.69 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 1.1.2014	637,153	2.82	0.90	1.24	787,484
February	1,397,900	1.62	1.61	1.62	2,270,448
March	4,598,200	1.67	1.60	1.63	7,483,489
April	11,463,000	1.73	1.66	1.72	19,689,560
June	1,000	1.68	1.68	1.72	1,723
	17,460,100	1.73	1.60	1.69	29,445,220
As at 30.6.2014	18,097,253	2.82	0.90	1.67	30,232,704

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 single-tier dividend of 5.0 sen per share of RM47.548 million in respect of the preceding financial year ended 31 December 2013 was paid on 15 May 2014.

**A7. Segmental information**

The Group operates domestically in Malaysia only, hence no geographical segmental information presented. Below is the business segment analysis:

<b>RM'000</b>	<b>Investment Holding</b>	<b>Capital Financing</b>	<b>Property Investment</b>	<b>Inter-segments Eliminations</b>	<b>Total</b>
<b>Current year to date ended 30.6.2014</b>					
<b>Revenue</b>					
External customers	11	21,293	8,580	-	29,884
Inter-segment	2,292	-	727	(3,019)	-
<b>Total</b>	<b>2,303</b>	<b>21,293</b>	<b>9,307</b>	<b>(3,019)</b>	<b>29,884</b>
<b>Results</b>					
Segment (loss)/profit	(3,178)	11,411	6,569	(482)	14,320
Share of profits of an associate	86,631	-	-	482	87,113
<b>Profit before tax</b>	<b>83,453</b>	<b>11,411</b>	<b>6,569</b>	<b>-</b>	<b>101,433</b>
Income tax					(6,600)
<b>Profit after tax for the period</b>					<b>94,833</b>
<b>Preceding year to date ended 30.6.2013</b>					
<b>Revenue</b>					
External parties	-	21,957	8,380	-	30,337
Inter-segment	4,515	-	785	(5,300)	-
<b>Total</b>	<b>4,515</b>	<b>21,957</b>	<b>9,165</b>	<b>(5,300)</b>	<b>30,337</b>
<b>Results</b>					
Segment profit	11,401	5,327	4,664	(479)	20,913
Share of profits of an associate	64,296	-	-	479	64,775
<b>Profit before tax</b>	<b>75,697</b>	<b>5,327</b>	<b>4,664</b>	<b>-</b>	<b>85,688</b>
Income tax					(5,492)
<b>Profit after tax for the period</b>					<b>80,196</b>

For measure of business segment profit or loss, the Group is organised into three major business segments based on products and services, which are regularly provided to and reviewed by the chief operating decision makers:

- (i) Investment Holding - Investing activities and other insignificant business segment, where investments contribute dividend income and interest income.
- (ii) Capital Financing - Capital financing activities, generating interest, fee and related income.
- (iii) Property Investment - Management and letting of properties, making rental yield and appreciation of properties.

Business 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.

**A7. Segmental information (Cont'd)**

Total assets for each segment have no material change from the amount disclosed in the annual financial statements for the year ended 31 December 2013.

There were no differences in the basis of segmentation or in the basis of measurement of segment profit or loss since the annual financial statements for the year ended 31 December 2013 .

**A8. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current year to date.

**A9. Events after the end of the quarter**

Increase of equity interest in RHB Capital Berhad ("RHBC") via Dividend Reinvestment Plan ("DRP")

On 23 July 2014, 25,546,821 new RHBC shares issued and allotted at the issue price of RM7.44 per share which was applied to the final dividend in respect of financial year ended 31 December 2013. The Company had elected to reinvest 3,492,900 new shares in RHBC and received RM206.86 balance in cash out of its dividend entitlement of RM25,987,383. Accordingly, the equity interest in RHBC increased to 9.94% or 255,797,588 ordinary shares from 9.91% or 252,304,688 ordinary shares.

**A10. Fair value measurement**

**Determination of fair value**

The carrying amounts of trade and other receivables/payables, cash and cash equivalents, capital financing and short term borrowings are approximated fair values due to the relatively short term maturity in nature of these financial instruments.

**Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 inputs: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 inputs: other techniques for which all inputs which have a significant effect on the recorded fair values are observable for the assets or liabilities, either directly or indirectly.
- Level 3 inputs: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data for the assets or liabilities.

**A10. Fair value measurement (Cont'd)**

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 30.6.2014</b>				
<b>Recurring fair value measurement:</b>				
<b>Financial assets</b>				
Available-for-sale financial asset	-	-	165	165
Financial assets at fair value through profit or loss	47,452	-	-	47,452
<b>Total</b>	<b>47,452</b>	<b>-</b>	<b>165</b>	<b>47,617</b>

**As at 31.12.2013****Recurring fair value measurement:**

<b>Financial assets</b>				
Available-for-sale financial asset	-	-	165	165
Financial assets at fair value through profit or loss	69,061	-	-	69,061
<b>Total</b>	<b>69,061</b>	<b>-</b>	<b>165</b>	<b>69,226</b>

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. There were no transfers between Level 1 and 2 during the year.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**
**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. Performance analysis of the Group for the current quarter and year to date**

The Group's financial results are analysed as below:-

	Immediate preceding quarter ended 31.3.2014 RM'000	<b>Current quarter ended 30.6.2014 RM'000</b>	Comparative quarter ended 30.6.2013 RM'000	<b>Current year to date ended 30.6.2014 RM'000</b>	Preceding year to date ended 30.6.2013 RM'000
<b>Revenue</b>	15,116	<b>14,768</b>	16,899	<b>29,884</b>	30,337
Pre-tax profit from the businesses	6,524	<b>7,796</b>	6,044	<b>14,320</b>	20,913
Share of profit of an associated company	38,336	<b>48,777</b>	35,476	<b>87,113</b>	64,775
<b>Profit Before Tax</b>	44,860	<b>56,573</b>	41,520	<b>101,433</b>	85,688
<b>Profit After Tax / Profit attributable to Owners of the Company</b>	41,681	<b>53,152</b>	39,709	<b>94,833</b>	80,196
<b>Earnings Per Share attributable to Owners of the Company (sen)</b>					
<b>Basic / Diluted</b>	4.31	<b>5.59</b>	4.10	<b>9.89</b>	8.28

**(a) Current Year To Date compared with Preceding Year To Date**
Overall performance

The pre-tax profit of the Group increased to RM101.43 million for the six months ended 30 June 2014 ("6M14"), up by 18% or RM15.74 million from RM85.69 million in the preceding six months ended 30 June 2013 ("6M13"). The Group's profit after tax / profit attributable to Owners of the Company for 6M14 of RM94.83 million was 18% or RM14.63 million higher than 6M13 of RM80.20 million. The earnings per share for 6M14 rose by 19% or 1.61 sen to 9.89 sen compared with 8.28 sen in 6M13.

The earnings growth was mainly due to higher share of profit of an associated company, RHB Capital Berhad ("RHBC") group, up by RM22.33 million or 34% to RM87.11 million; coupled with pre-tax profit from the Group's businesses of RM14.32 million after accounting for a marked-to-market loss of RM0.38 million (6M13: RM20.91 million which included a marked-to-market gain of RM9.78 million offset against allowance for doubtful debts of RM4.85 million).

The equity attributable to Owners of the Company as at 30 June 2014 strengthened by RM18.6 million to RM2.614 billion from RM2.596 billion at end of 2013, after accounting for the final dividend payment for 2013 of RM47.55 million and shares buybacks of RM29.45 million; resulting in net assets per share improved by RM0.07 to RM2.75 at 30 June 2014 compared with RM2.68 at end of 2013.

**B1. Performance analysis of the Group for the current quarter and year to date (Cont'd)**
**(a) Current Year To Date compared with Preceding Year To Date (Cont'd)**
Performance analysis of the respective business segments

<u>Business Segments</u>	<b>Current quarter ended 30.6.2014 RM'000</b>	<b>Comparative quarter ended 30.6.2013 RM'000</b>	<b>Current year to date ended 30.6.2014 RM'000</b>	<b>Preceding year to date ended 30.6.2013 RM'000</b>
Investment Holding	<b>47,814</b>	37,408	<b>83,453</b>	75,697
Capital Financing	<b>5,401</b>	1,783	<b>11,411</b>	5,327
Property Investment	<b>3,358</b>	2,329	<b>6,569</b>	4,664
<b>Profit before tax</b>	<b>56,573</b>	41,520	<b>101,433</b>	85,688

The Investment Holding segment remained as the Group's top profit contributor in 6M14 with pre-tax profit of RM83.45 million versus RM75.70 million posted in 6M13, up by 10% or RM7.75 million. The profit improvement was mainly attributed to higher share of profit of RHBC group by RM22.33 million, offset against net interest expense of RM1.37 million (6M13: net interest income of RM2.57 million) and marked-to-market loss of RM0.38 million on investment securities (6M13: marked-to-market gain of RM9.78 million).

The Capital Financing segment achieved pre-tax profit of RM11.41 million in 6M14, increased by RM6.08 million or 114% from RM5.33 million in 6M13. The profit growth was mainly due to higher net fee income coupled with a write back of impairment loss of RM0.81 million in 6M14 compared with allowance for impairment loss of RM4.85 million in 6M13.

The Property Investment segment contributed higher pre-tax profit by RM1.91 million or 41% to RM6.57 million from RM4.66 million in 6M13 on the back of higher rental yield and stable occupancy rate.

**(b) Current Quarter compared with Comparative Quarter of Preceding Year**

The Group posted pre-tax profit of RM56.57 million in second quarter of 2014 ("2Q14"), represented an increase of RM15.05 million or 36%, compared with RM41.52 million in the comparative quarter of 2013 ("2Q13"). The Group's profit after tax / profit attributable to Owners of the Company for 2Q14 of RM53.15 million was RM13.44 million or 34% higher than 2Q13 of RM39.71 million. The earnings per share for 2Q14 increased by 1.49 sen or 36% to 5.59 sen compared with 4.10 sen in 2Q13.

The improved earnings were mainly due to higher share of profit of RHBC group, up by RM13.30 million or 37% to RM48.78 million; combined with pre-tax profit contribution from the businesses of RM7.79 million (2Q13: RM6.04 million).



**B2. Commentary on pre-tax profit for current quarter compared with immediate preceding quarter**

The Group achieved pre-tax profit of RM56.57 million for the current quarter ("2Q14"), up by RM11.71 million or 26%, compared with immediate preceding quarter ("1Q14") of RM44.86 million. This was attributed to higher share of profit of RHBC group of RM48.78 million (1Q14: RM38.33 million) together with the Group's businesses pre-tax profit of RM7.79 million (1Q14: RM6.53 million). The improvement in pre-tax profit from businesses was due to net gain on disposal of investments of RM0.63 million recorded in 2Q14 as compared with net loss on disposal of investments of RM0.94 million reported in 1Q14 under Investment Holding segment.

**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)*

Our domestic economy is well supported by domestic demand and private investment with positive consumer sentiment. As such the economy remains resilient for the rest of the year.

The Group's Investment Holding business segment will continue to benefit from the share of profit from its investment in RHBC group. Property Investment and Capital Financing business segments are expected to contribute positive returns to the Group with steady rental yield and profitable earnings respectively.

The Group continues to seek and evaluate business and investment opportunities to enhance its performance. The Board is confident that the Group will achieve satisfactory results for the rest of 2014.

**(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.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014****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**

	<b>Current quarter ended 30.6.2014 RM'000</b>	<b>Current year to date ended 30.6.2014 RM'000</b>
In respect of current period:		
Income tax	(2,807)	(3,844)
Deferred taxation	(614)	(1,236)
Under provision in respect of prior year income tax	-	(1,520)
Income tax expense	<u>(3,421)</u>	<u>(6,600)</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 non-deductibility of certain expenses.

**B7. Status of corporate proposals and utilisation of proceeds****(a) Status of corporate proposals announced but not completed as at 22 August 2014 (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.

**B8. Borrowings and debt securities as at the end of the reporting period**

The Group has 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:-

	<b>RM'000</b>
Short term borrowings - Unsecured	
Revolving credits	<b><u>312,752</u></b>

**B9. Changes in material litigation**

As at 22 August 2014 (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 has declared an interim single-tier dividend of 2.5 sen per share for the current year (6M13: 2.5 sen per share less 25% income tax) and has fixed the entitlement date to be 15 September 2014 and payment date to be 30 September 2014.
- (b) Total dividend for the current year to date is 2.5 sen single-tier per share (6M13: 2.5 sen less 25% income tax).

**B11. Earnings Per Share ("EPS") attributable to Owners of the Company**

	<b>Current quarter ended 30.6.2014</b>	Comparative quarter ended 30.6.2013	<b>Current year to date ended 30.6.2014</b>	Preceding year to date ended 30.6.2013
Profit attributable to Owners of the Company (RM'000):	<b><u>53,152</u></b>	39,709	<b><u>94,833</u></b>	80,196
Weighted average number of ordinary shares in issue ('000 shares)	<b><u>951,623</u></b>	968,423	<b><u>959,186</u></b>	968,423
<b>Basic / Dilutive EPS (sen)</b>	<b><u>5.59</u></b>	4.10	<b><u>9.89</u></b>	8.28

There are no dilutive potential ordinary shares outstanding as at the reporting dates.

**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 2014**
**B13. Items included in the Statements of Profit or Loss and Statements of Other Comprehensive Income**

	<b>Current quarter ended 30.6.2014 RM'000</b>	<b>Comparative quarter ended 30.6.2013 RM'000</b>	<b>Current year to date ended 30.6.2014 RM'000</b>	<b>Preceding year to date ended 30.6.2013 RM'000</b>
<b>(a) Profit before taxation is arrived at after (charging)/crediting:</b>				
(i) Revenue				
- Interest income	8,703	9,868	16,371	17,420
- Rental income	4,317	4,239	8,581	8,379
(ii) Direct cost				
- Interest expense	(2,528)	(2,755)	(4,804)	(4,398)
(iii) Other income				
- Gain arising from sale of securities	763	-	-	-
- Realised gain from foreign exchange translations of securities	-	-	340	-
- Unrealised gain from foreign exchange translations of securities	-	443	-	591
- Unrealised gain on revaluation of securities at fair value through profit or loss	1,101	1,092	978	9,187
- Write back of impairment losses on capital financing:				
- Collective assessment	96	-	144	-
- Individual assessment	112	-	665	-
(iv) Administrative expenses				
- Depreciation and amortisation	(208)	(169)	(401)	(352)
(v) Other items of expense				
- Bad debts written off	(1)	(21)	(1)	(21)
- Loss arising from sale of securities	-	-	(646)	-
- Realised loss from foreign exchange translations of securities	(132)	-	-	-
- Unrealised loss from foreign exchange translations	(913)	-	(1,362)	-
- Allowance for impairment losses on capital financing:				
- Collective assessment	-	(1,104)	-	(1,853)
- Individual assessment	-	(2,998)	-	(2,995)
(vi) Finance costs				
- Interest expense	(542)	(542)	(1,079)	(1,078)

**B13. Items included in the Statements of Profit or Loss and Statements of Other Comprehensive Income (Cont'd)**

- (b) Allowance for and write off of inventories and exceptional items are not applicable to the Group.**
- (c) Items for other comprehensive income are disclosed in the Statement of Comprehensive Income.**

**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.

**B14. Realised and Unrealised Profits (Cont'd)**

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

	<b>As at 30.6.2014 RM'000</b>	<b>As at 31.12.2013 RM'000</b>
Total retained profits of the Company and its subsidiary companies		
- Realised	<b>1,399,380</b>	1,437,077
- Unrealised	<b>109,644</b>	111,294
	<b>1,509,024</b>	1,548,371
Total share of retained profit from associated company		
- Realised	<b>311,542</b>	173,109
- Unrealised	-	-
	<b>1,820,566</b>	1,721,480
Less : Consolidation adjustments	<b>(219,844)</b>	(168,043)
	<b>1,600,722</b>	1,553,437

**By Order of the Board**

**Tan Sri Ong Leong Huat**  
**Chief Executive Officer / Group Managing Director**

Kuala Lumpur  
29 August 2014