

QUARTERLY REPORT
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	As at 31.3.2015 RM'000	As at 31.12.2014 RM'000
Assets:			
Non-current			
Property and equipment		11,519	9,398
Investment properties		372,396	371,921
Investments in an associated company		2,307,632	2,245,521
Intangible assets		914	953
Available-for-sale securities		165	165
Deferred tax assets		605	1,100
Capital financing		32,124	36,657
		<u>2,725,355</u>	<u>2,665,715</u>
Current			
Capital financing		324,625	358,339
Trade receivables		751	496
Other assets		1,823	3,597
Tax recoverable		1,091	3,403
Securities at fair value through profit or loss		59,544	82,618
Cash and bank balances		1,671	2,714
		<u>389,505</u>	<u>451,167</u>
Total Assets		<u>3,114,860</u>	<u>3,116,882</u>
Liabilities:			
Non-current			
Deferred tax liabilities		<u>9,535</u>	11,862
Current			
Deferred income		2,093	2,654
Trade payables		765	818
Tax payable		2,306	267
Borrowings	B8	313,893	378,214
Other liabilities		11,758	15,076
		<u>330,815</u>	<u>397,029</u>
Total Liabilities		<u>340,350</u>	<u>408,891</u>
Net Assets		<u>2,774,510</u>	<u>2,707,991</u>
Equity:			
Share capital		969,058	969,058
Treasury shares, at cost	A5	(30,232)	(30,232)
		<u>938,826</u>	<u>938,826</u>
Reserves		1,835,684	1,769,165
Total Equity / Equity attributable to Owners of the Company		<u>2,774,510</u>	<u>2,707,991</u>
Net Assets per share attributable to Owners of the Company (RM)		<u>2.92</u>	<u>2.85</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 2014)

QUARTERLY REPORT
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

	Note	Current quarter ended 31.3.2015 RM'000	Comparative quarter ended 31.3.2014 RM'000	Current year to date ended 31.3.2015 RM'000	Preceding year to date ended 31.3.2014 RM'000
Revenue		13,782	15,116	13,782	15,116
Direct costs		(4,173)	(3,710)	(4,173)	(3,710)
Gross profit		9,609	11,406	9,609	11,406
Other income		11,779	1,094	11,779	1,094
Administrative expenses		(3,686)	(3,459)	(3,686)	(3,459)
Other items of expense		(10,509)	(1,980)	(10,509)	(1,980)
		7,193	7,061	7,193	7,061
Finance costs		(990)	(537)	(990)	(537)
		6,203	6,524	6,203	6,524
Share of profit of an associated company		41,298	38,336	41,298	38,336
Profit Before Tax		47,501	44,860	47,501	44,860
Income tax	B6	(1,949)	(3,179)	(1,949)	(3,179)
Profit After Tax / Profit attributable to Owners of the Company		45,552	41,681	45,552	41,681
 Earnings Per Share attributable to Owners of the Company (sen) Basic / Diluted					
	B11	4.79	4.31	4.79	4.31

(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 2014)

QUARTERLY REPORT**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

	Current quarter ended 31.3.2015	Comparative quarter ended 31.3.2014	Current year to date ended 31.3.2015	Preceding year to date ended 31.3.2014
	RM'000	RM'000	RM'000	RM'000
Profit After Tax / Profit attributable to Owners of the Company	45,552	41,681	45,552	41,681
Other Comprehensive Income for the period, net of tax				
<u>Items will be reclassified subsequently to profit or loss:</u>				
Share of other comprehensive income in an associated company	20,967	443	20,967	443
Total Comprehensive Income attributable to Owners of the Company	66,519	42,124	66,519	42,124

(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 2014)

QUARTERLY REPORT
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

	Attributable to Owners of the Company					Total
	Distributable Share capital	Treasury shares (Note A5)	Revalua -tion reserve	Distributable Other reserves	Distributable Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1.1.2015	969,058	(30,232)	76,321	22,196	1,670,648	2,707,991
Other comprehensive income	-	-	-	20,967	-	20,967
Profit for the year	-	-	-	-	45,552	45,552
Total Comprehensive Income	-	-	-	20,967	45,552	66,519
As at 31.3.2015	969,058	(30,232)	76,321	43,163	1,716,200	2,774,510
As at 1.1.2014	969,058	(787)	76,321	(2,421)	1,553,437	2,595,608
Other comprehensive loss	-	-	-	443	-	443
Profit for the year	-	-	-	-	41,681	41,681
Total Comprehensive Income	-	-	-	443	41,681	42,124
Shares buybacks	-	(9,754)	-	-	-	(9,754)
Total transactions with Owners and changes in ownership interests	-	(9,754)	-	-	-	(9,754)
As at 31.3.2014	969,058	(10,541)	76,321	(1,978)	1,595,118	2,627,978

(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 2014)

QUARTERLY REPORT
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

	Current year to date ended 31.3.2015 RM'000	Preceding year to date ended 31.3.2014 RM'000
Cash Flows From Operating Activities		
Profit before tax	47,501	44,860
Adjustments for:		
Non-cash and non-operating items	(5,116)	(3,755)
Share of profit of an associated company	(41,298)	(38,336)
Operating profit before working capital changes	1,087	2,769
<i>(Increase)/Decrease in operating assets:</i>		
Capital financing	37,945	60,668
Trade and other receivables	(706)	(1,473)
<i>Increase/(Decrease) in operating liabilities:</i>		
Deferred income	(561)	(926)
Trade and other payables	(3,369)	(12,202)
Cash generated from operations	34,396	48,836
Interest received	8,251	7,668
Interest paid	(2,834)	(2,308)
Income tax refund/(paid net of refund)	568	(2,164)
Net cash generated from operating activities	40,381	52,032
Cash Flows From Investing Activities		
Dividends received	164	-
Expenditure incurred on investment properties	(474)	(32)
Payment for trademarks	-	(6)
Proceeds from disposals of securities at fair value through profit or loss	24,679	7,874
Purchase of equipment	(8)	(69)
Purchase of software licenses	-	(7)
Net cash generated from investing activities	24,361	7,760

QUARTERLY REPORT**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (CONT'D)**

	Current year to date ended 31.3.2015 RM'000	Preceding year to date ended 31.3.2014 RM'000
Cash Flows From Financing Activities		
Repayment of revolving credits	(64,305)	(49,620)
Interest paid	(990)	(537)
Payments for share buybacks	-	(9,754)
Net cash used in financing activities	<u>(65,295)</u>	<u>(59,911)</u>
Net decrease in Cash and Cash Equivalents	(553)	(119)
Cash and Cash Equivalents at beginning of period	56,098	2,015
Cash and Cash Equivalents at end of period	<u>55,545</u>	<u>1,896</u>
Cash and Cash Equivalents comprised:		
Cash and bank balances	1,671	1,896
Securities at fair value through profit or loss, liquid investment	53,874	-
	<u>55,545</u>	<u>1,896</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 2014)

QUARTERLY REPORT

The unaudited interim financial report ("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

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") issued by the MASB

A1. Basis of preparation

This quarterly report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014 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 2014.

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 2014. For the current year to date, the Group adopted the following standards and amendments to published standards that are applicable and are effective for the Group's annual periods commencing on or after 1 January 2015:

(a) Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

Amendments to MFRS 119 clarify the application of MFRS 119 Employee benefits to plans that require employees or third parties to contribute towards the cost of benefits. The amendment permits contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided.

Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits; that means either in accordance with the formula in the pension plan, or where the plan provides a materially higher level of benefit for service in later years, on a straight line basis. Contributions that are not linked to service are reflected in the measurement of the benefit obligation.

(b) Annual Improvements to MFRSs 2010 - 2012 Cycle

(i) MFRS 2 Share-based Payment

The amendment clarifies the definition of "vesting condition" by separately defines "performance condition" and "service condition".

QUARTERLY REPORT

A1. Basis of preparation (Cont'd)

(b) Annual Improvements to MFRSs 2010 - 2012 Cycle (Cont'd)

(ii) MFRS 3 Business combinations

This amendment clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions under MFRS 132. The amendment requires other non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value shall be recognised in profit and loss in accordance with MFRS 9 Financial Instruments.

This is applicable for business combinations where the acquisition date is on or after 1 July 2014.

(iii) MFRS 8 Operating segments

The standard is amended to disclose the judgements made by management in aggregating operating segments. This includes a brief description of the operating segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. This amendment requires a reconciliation of segments' assets to the entity's assets when segment assets are reported and such amounts are regularly provided to the chief operating decision maker.

(iv) MFRS 13 Fair value measurement

MFRS 13 amended the basis of conclusions to clarify that that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial.

(v) MFRS 116 Property, plant and equipment and MFRS 138 Intangible assets

Both standards are amended to clarify the treatment of gross carrying amount and accumulated depreciation when an entity revalued an item of assets. The carrying amount of that asset is adjusted to the revalued amount.

At the date of the revaluation, the asset is treated in one of the following ways:

- the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or
- the accumulated depreciation is eliminated against the gross carrying amount of the asset.

QUARTERLY REPORT

A1. Basis of preparation (Cont'd)

(b) Annual Improvements to MFRSs 2010 - 2012 Cycle (Cont'd)

(vi) MFRS 124 Related party disclosures

The definition of “related party” is extended to include a management entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The reporting entity is not required to disclose the compensation paid by the management entity to the management entity’s employees or directors, but it is required to disclose the amounts incurred by the reporting entity for the provision of key management personnel services.

(c) Annual Improvements to MFRSs 2011 - 2013 Cycle

(i) MFRS 1 First-time adoption of International Financial Reporting Standards

The basis of conclusions clarifies that a first-time adopter allows to apply new MFRS that is not yet effective if that MFRS permits early application. Notwithstanding with the advantages of applying a more recent version of MFRS, the first-time adopter can use either the MFRS that is currently mandatory or the new MFRS that is not yet mandatory.

(ii) MFRS 3 Business combinations

The standard is amended to clarify that MFRS 3 does not apply to the accounting for the formation of any joint arrangement in the financial statements of the joint arrangement itself.

(iii) MFRS 13 Fair value measurement

MFRS 13 has been amended to clarify that the portfolio exception, whereby entities are exempted from measuring the fair value of a group of financial assets and financial liabilities with offsetting risk positions on a net basis, applies to all contracts within the scope of MFRS 139 or MFRS 9, regardless of whether they meet the definition of a financial asset or financial liability under MFRS 132.

An entity shall apply the amendment prospectively from the beginning of the first annual period in which MFRS 13 is applied.

(iv) MFRS 140 Investment property

The standard clarifies the interrelationship between MFRS 3 and MFRS 140 when classifying property as investment property or owner-occupied property. This standard amended to clarify that judgement is required to determine whether an acquired property is an investment property under MFRS 140 or the acquisition of the investment property constitutes a business combination under MFRS 3.

This amendment can be applied to individual acquisitions of investment property before 1 July 2014 if, and only if, the information necessary to apply the amendment is available.

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

The adoption of the amendments to MFRS 119 did 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" did not have any financial impact to the Group as the amendments focus on clarification of the definition under respective standards and requirement on additional disclosures.

The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective:

(a) For financial year beginning on/after 1 January 2016

- | | | |
|-------|--|---|
| (i) | Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| (ii) | Amendments to MFRS 10, MFRS 12 and MFRS 128 | Investment Entities: Applying the Consolidation Exception |
| (iii) | Amendments to MFRS 101 | Disclosure Initiative |
| (iv) | Amendments to MFRS 116 and MFRS 138 | Clarification of Acceptable Methods of Depreciation and Amortisation |
| (v) | Amendments to MFRS 127 | Equity Method in Separate Financial Statements |
| (vi) | Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012–2014 Cycle" inclusive of MFRS 5 Non-current assets held for sale and discontinued operations, Amendments to MFRS 7 Financial instruments: Disclosures, MFRS 119 Employee benefits and MFRS 134 Interim financial reporting | |

Amendments to MFRS 10, MFRS 12 and MFRS 128 clarify the exemption from preparing consolidated financial statements for an intermediate parent entity, a subsidiary providing services that support parent's investment activities, application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity, and the disclosures required.

Amendments to MFRS 101 clarify that an entity shall decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. In determining a systematic manner, the entity shall consider the effect on the understandability and comparability of its financial statements. Each entity considers the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity.

The adoption of amendments to the other standards and "Annual Improvements to MFRSs Cycles" is not expected to have material financial impact to the Group as the amendments focus on clarification of the definition under respective standards and requirement on additional disclosures.

(b) For financial year beginning on/after 1 January 2017

MFRS 15	Revenue from Contracts with Customers
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The adoption of MFRS 15 is not expected to have any material impact on the financial statements of the Group.

QUARTERLY REPORT
A7. Segmental information

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

	Investment Holding RM'000	Capital Financing RM'000	Property Investment RM'000	Inter- segments Eliminations RM'000	Total RM'000
Current year to date ended 31.3.2015					
Revenue					
External customers	-	9,426	4,356	-	13,782
Inter-segment	122	-	407	(529)	-
Total	122	9,426	4,763	(529)	13,782
Results					
Segment (loss)/profit	(389)	3,491	3,256	(155)	6,203
Share of profits of an associate	41,143	-	-	155	41,298
Profit before tax	40,754	3,491	3,256	-	47,501
Income tax					(1,949)
Profit after tax for the period					45,552
Preceding year to date ended 31.3.2014					
Revenue					
External parties	-	10,852	4,264	-	15,116
Inter-segment	1,385	-	373	(1,758)	-
Total	1,385	10,852	4,637	(1,758)	15,116
Results					
Segment (loss)/profit	(2,435)	6,010	3,211	(262)	6,524
Share of profits of an associate	38,074	-	-	262	38,336
Profit before tax	35,639	6,010	3,211	-	44,860
Income tax					(3,179)
Profit after tax for the period					41,681

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

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, contributing 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 at terms mutually agreed between the segments concerned and have been eliminated to arrive at the Group's results.

Total assets for each segment have no material change from the amount disclosed in the annual financial statements for the year ended 31 December 2014.

A8. Events after the end of the current quarter that have not been reflected in this quarterly report

- (a) Multiple proposals for Proposed OSK Property Holdings Berhad ("OSKP") Acquisition, Proposed PJ Development Holdings Berhad ("PJD") Acquisition, Proposed OSKP Offer, Proposed PJD Offer, Proposed Diversification, Proposed Exemption, Proposed Bonus Issue of Warrants, Proposed Special Cash Dividend, Proposed Increase in Authorised Share Capital and Proposed Amendment. (Collectively referred to as the "Proposals")
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The subsequent events for the above are disclosed in Note B7.

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

On 24 April 2015, 16,024,645 new RHBC shares issued and allotted at the issue price of RM7.03 per share which was applied to the interim dividend in respect of financial year ended 31 December 2014. The Company had elected to reinvest 2,182,412 new shares in RHBC and received RM5,498.92 balance in cash out of its dividend entitlement of RM15,347,855. Accordingly, the equity interest in RHBC increased to 9.97% or 257,980,000 ordinary shares from 9.94% or 255,797,588 ordinary shares.

A9. Effects of changes in the composition of the Group for the current year to date

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

QUARTERLY REPORT**A10. Significant unrecognised contractual commitments for the purchase of property and equipment**

	As at 31.3.2015 RM'000	As at 31.12.2014 RM'000
Contracted but not provided for:		
- Acquisition of office equipment and software	120	144
- Investment property under construction	12,725	13,642
- Short term leasehold land and buildings	107	121
	<u>12,952</u>	<u>13,907</u>

A11. Significant related party transactions

	Income / (Expense) Current year to date ended 31.3.2015 RM'000
(a) Significant transactions with an associated group of companies:	
Office rental income from:	
RHB Bank Berhad	178
RHB Investment Bank Berhad	2,163
RHB Asset Management Sdn Bhd	<u>388</u>
Interest expense to:	
RHB Bank Berhad	<u>(1,812)</u>
Net distribution from Cash Management Fund from:	
RHB Asset Management Sdn Bhd	<u>489</u>
(b) Significant transactions with companies related to a director and a major shareholder of the Company:	
Office rental income from:	
PJD Management Services Sdn Bhd	360
OSK Properties Sdn Bhd	<u>171</u>

QUARTERLY REPORT

A12. Fair value measurement

Determination of fair value

The carrying amounts of trade and other receivables/payables, cash and cash equivalents and short term borrowings are approximated fair values due to the relatively short term maturity in nature of these financial instruments. The Group's capital financing are mostly fixed rate loans with short term maturities of less than one year, the carrying amounts of capital financing are approximate their fair values. The fair values of impaired fixed rate capital financing are represented by their carrying value, net of individual impairment allowance, being the expected recoverable amount.

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.

QUARTERLY REPORT**A12. Fair value measurement (Cont'd)**

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

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 31.3.2015				
Recurring fair value measurement:				
Financial assets				
Available-for-sale financial asset	-	-	165	165
Financial assets at fair value through profit or loss	59,544	-	-	59,544
Total	59,544	-	165	59,709

As at 31.12.2014**Recurring fair value measurement:**

Financial assets				
Available-for-sale financial asset	-	-	165	165
Financial assets at fair value through profit or loss	82,618	-	-	82,618
Total	82,618	-	165	82,783

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 last bid price. There were no transfers between Level 1 and 2 during the year.

QUARTERLY REPORT
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 31.12.2014 RM'000	Current quarter ended 31.3.2015 RM'000	Comparative quarter ended 31.3.2014 RM'000	Current year to date ended 31.3.2015 RM'000	Preceding year to date ended 31.3.2014 RM'000
Revenue	15,664	13,782	15,116	13,782	15,116
Pre-tax profit from the businesses	15,232	6,203	6,524	6,203	6,524
Share of profit of an associate	41,930	41,298	38,336	41,298	38,336
Profit Before Tax	57,162	47,501	44,860	47,501	44,860
Profit after tax from the businesses	12,350	4,254	3,345	4,254	3,345
Share of profit of an associate	41,930	41,298	38,336	41,298	38,336
Profit After Tax / Profit attributable to Owners of the Company	54,280	45,552	41,681	45,552	41,681
Earnings Per Share attributable to Owners of the Company (sen)					
Basic / Diluted	5.71	4.79	4.31	4.79	4.31

Overall performance

The Group's profit after tax and profit attributable to Owners of the Company for the current quarter of 2015 ("1Q15") of RM45.55 million was 9% or RM3.87 million higher than the comparative quarter of 2014 ("1Q14") of RM41.68 million. The earnings growth was mainly due to higher share of profit of RHBC group, up by 8% or RM2.96 million to RM41.30 million from RM38.34 million in 1Q14; coupled with the profit after tax from the Group's businesses of RM4.25 million, up by 27% or RM0.91 million compared with RM3.34 million in 1Q14. In addition, the Group registered higher share of reserves of RHBC group of RM20.97 million in 1Q15, improved by RM20.53 million as compared with RM0.44 million in 1Q14.

The earnings per share for 1Q15 increased by 11% or 0.48 sen to 4.79 sen compared with 4.31 sen in 1Q14. The equity attributable to Owners of the Company as at 31 March 2015 strengthened by RM66.52 million to RM2.77 billion from RM2.71 billion at end of 2014. In line with the positive growth of earnings and equity attributable to Owners of the Company, the net assets per share of the Group improved by 2% or RM0.07 to RM2.92 as at 31 March 2015 compared with RM2.85 as at 31 December 2014.

QUARTERLY REPORT

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

The business segments performance for 1Q15 compared with 1Q14 is analysed as follows:-

Performance analysis of the respective business segments

<u>Business Segments</u>	Current quarter ended 31.3.2015 RM'000	Comparative quarter ended 31.3.2014 RM'000	Current year to date ended 31.3.2015 RM'000	Preceding year to date ended 31.3.2014 RM'000
Investment Holding	40,754	35,639	40,754	35,639
Capital Financing	3,491	6,010	3,491	6,010
Property Investment	3,256	3,211	3,256	3,211
Profit before tax	47,501	44,860	47,501	44,860

For the quarter under review, the Investment Holding segment contributed pre-tax profit of RM40.75 million, up by 14% or RM5.11 million, compared with RM35.64 million posted in 1Q14. The improved earnings was mainly due to higher share of profit of RHBC group by 8% and net gain on investment securities of RM1.12 million compared with net loss of RM1.51 million in 1Q14.

The Capital Financing segment recorded pre-tax profit of RM3.49 million in 1Q15 compared with RM6.01 million in 1Q14, decreased by RM2.52 million mainly due to lower capital market activities and allowance for impairment loss of RM0.30 million in 1Q15 versus write back of RM0.60 million accounted in 1Q14.

The Property Investment segment recorded pre-tax profit of RM3.26 million as compared to RM3.21 million in 1Q14 on the back of higher rental yield.

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

The Group achieved pre-tax profit of RM47.50 million for 1Q15 compared with immediate preceding quarter ("4Q14") of RM57.16 million which was derived from the share of profit of RHBC group of RM41.30 million (4Q14: RM41.93 million); and the pre-tax profit from businesses of RM6.20 million compared with the pre-tax profit in 4Q14 of RM15.23 million including appreciation in investment properties of RM12.00 million and one-off expenses incurred for Proposed Acquisitions of RM3.09 million.

QUARTERLY REPORT**B3. Commentary on current year prospects and progress on previously announced revenue or profit forecast****(a) Current year prospects**

(Commentary for the remaining period to the end of the year)

The Group's Property Investment and Capital Financing activities performed well and are expected to contribute satisfactorily.

Upon the successful completion of the proposed acquisitions, as disclosed in Note B7, the Group's activities will be expanded and contribution of income to the Group will be more diversified.

We expect Malaysian economy to be challenging for the remaining year. However, with the Group's sound financial position, the Board is optimistic that the Group will continue to perform satisfactorily and benefit from business opportunities.

(b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced

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

B5. Profit forecast/profit guarantee previously announced

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

B6. Income tax expense

	Current quarter ended 31.3.2015 RM'000	Current year to date ended 31.3.2015 RM'000
Income tax:		
In respect of current period	(3,782)	(3,782)
Deferred taxation	1,833	1,833
Income tax expense	<u>(1,949)</u>	<u>(1,949)</u>

Excluding share of profit of an associated 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 25 May 2015 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

Multiple proposals for Proposed OSK Property Holdings Berhad ("OSKP") Acquisition, Proposed PJ Development Holdings Berhad ("PJD") Acquisition, Proposed OSKP Offer, Proposed PJD Offer, Proposed Diversification, Proposed Exemption, Proposed Bonus Issue of Warrants, Proposed Special Cash Dividend, Proposed Increase in Authorised Share Capital and Proposed Amendment. (Collectively referred to as the "Proposals")

On 15 October 2014, the Company ("OSKH") had entered into the following agreements:

- (i) A conditional share sale agreement ("SSA") with Tan Sri Ong Leong Huat @ Wong Joo Hwa ("Tan Sri Ong"), Land Management Sdn Bhd and the parties acting in concert with them ("PAC") to acquire a total of their 177,642,601 ordinary shares of RM1.00 each in OSKP ("OSKP Share(s)", representing approximately 73.6% of the issued and paid-up share capital of OSKP (excluding 3,172,800 treasury shares) for a total purchase consideration of RM355,285,202 or RM2.00 per OSKP Share to be satisfied entirely by the issuance of 177,642,601 new ordinary shares of RM1.00 each in the Company ("Consideration Share(s)") at an issue price of RM2.00 per Consideration Share ("Proposed OSKP Acquisition"); and
- (ii) A conditional SSA with Dindings Consolidated Sdn Bhd, Puan Sri Khor Chai Moi and the PAC to acquire a total of their 143,356,849 ordinary shares of RM1.00 each in PJD ("PJD Share(s)", representing approximately 31.7% of the issued and paid-up share capital of PJD (excluding 4,778,300 treasury shares) for a total purchase consideration of RM229,370,958 or RM1.60 per PJD Share to be satisfied entirely by the issuance of 114,685,479 new Consideration Shares at an issue price of RM2.00 per Consideration Share ("Proposed PJD Acquisition").

The Proposed OSKP Acquisition, the Proposed PJD Acquisition, the Proposed OSKP Offer and the Proposed PJD Offer would result in a significant change in the business direction or policy of OSKH pursuant to Chapter 7 of the Securities Commission Malaysia's Equity Guidelines. In addition, the Proposed OSKP Acquisition and the Proposed PJD Acquisition are deemed as related party transactions under Paragraph 10.08 of the Main Market Listing Requirements of Bursa Securities.

B7. Status of corporate proposals and utilisation of proceeds (Cont'd)**(a) Status of corporate proposals announced but not completed as at 25 May 2015 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report) (Cont'd)**The Proposals (Cont'd)

In conjunction with the Proposed OSKP Acquisition and the Proposed PJD Acquisition, the Company has also resolved to undertake the following:-

- (i) Proposed mandatory take-over offer by the Company to acquire the remaining 63,559,672 OSKP Shares, representing approximately 26.4% of the issued and paid-up share capital of OSKP (excluding 3,172,800 treasury shares) at an offer price of RM2.00 per OSKP Offer Share to be satisfied either for a cash consideration or for a share exchange offer of Company Shares issued at an issue price of RM2.00 per Share based on an exchange ratio of one (1) Company Share for every one (1) OSKP Offer Share held and the remaining 105,471,442 OSKP Warrants C 2012/ 2017 at an offer price of RM1.00 per OSKP Offer Warrant to be satisfied entirely by cash ("Proposed OSKP Offer");
- (ii) Proposed voluntary take-over offer by the Company to acquire the remaining 308,351,543 PJD shares, representing approximately 68.3% of the issued and paid-up share capital of PJD (excluding 4,778,300 treasury shares) at an offer price of RM1.60 per PJD Offer Share to be satisfied either for a cash consideration or for a share exchange offer of Company Shares issued at an issue price of RM2.00 per Share based on an exchange ratio of four (4) Company Shares for every five (5) PJD Offer Shares held and the remaining 213,458,972 PJD Warrants C 2010/ 2020 at an offer price of RM0.60 per PJD Offer Warrant to be satisfied entirely by cash ("Proposed PJD Offer");
- (iii) Proposed diversification of the businesses of the Group to include property development and construction, manufacturing and trading of cables and building materials as well as hotel and leisure arising from the Proposed OSKP Acquisition and the Proposed PJD Acquisition ("Proposed Diversification");
- (iv) Proposed exemption to Tan Sri Ong and his PAC, under Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010, from the obligation to undertake a mandatory take-over offer for the remaining Company Shares not already held by them pursuant to the Proposed OSKP Acquisition, the Proposed PJD Acquisition, the Proposed OSKP Offer and the Proposed PJD Offer ("Proposed Exemption");
- (v) Proposed bonus issue of up to 237,740,204 warrants to existing shareholders of the Company on the basis of one (1) free Warrant for every four (4) existing Company Shares held on an entitlement date to be determined later ("Proposed Bonus Issue of Warrants");

B7. Status of corporate proposals and utilisation of proceeds (Cont'd)

(a) Status of corporate proposals announced but not completed as at 25 May 2015 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report) (Cont'd)

The Proposals (Cont'd)

- (vi) Proposed declaration and payment of a special cash dividend of RM0.15 for every one (1) existing Company Share held on an entitlement date to be determined later ("Proposed Special Cash Dividend");
- (vii) Proposed increase in the authorised share capital of the Company from RM1,500,000,000 comprising 1,500,000,000 Shares to RM3,000,000,000 comprising 3,000,000,000 Shares ("Proposed Increase in Authorised Share Capital"); and
- (viii) Proposed amendments to the Memorandum and Articles of Association of the Company ("Proposed Amendments").

The conditionality of the Proposals is set out below:-

- (i) The Proposed OSKP Acquisition, the Proposed PJD Acquisition, the Proposed OSKP Offer (the Company is obliged to undertake a mandatory take-over offer on OSKP upon completion of the Proposed OSKP Acquisition), the Proposed Diversification, the Proposed Exemption, the Proposed Bonus Issue of Warrants, the Proposed Special Cash Dividend, the Proposed Increase in Authorised Share Capital and the Proposed Amendments are inter-conditional upon each other; and
- (ii) The Proposed PJD Offer is conditional upon the Proposed PJD Acquisition.

The Board is of the view that the additional source of income stream from the Proposed OSKP Acquisition and the Proposed PJD Acquisition are expected to enhance the Group's earnings and improve the financial position of the Group while the Proposed Diversification will enable the Group to expand into property development and construction, manufacturing and trading of cables and building materials as well as hotel and leisure businesses.

On 8 December 2014, the Company announced that the Bank Negara Malaysia ("BNM") had, vide its letter dated 5 December 2014, approved Tan Sri Ong and his PAC to hold in aggregate of 5% or more of effective interest in shares in RHBC, RHB Bank Berhad, RHB Investment Bank Berhad and RHB Islamic Bank Berhad, in the event that the Proposals involving three listed companies controlled by Tan Sri Ong materialise. However, the potential increase of effective interest shall not exceed the permissible 10% holding limit by an individual.

B7. Status of corporate proposals and utilisation of proceeds (Cont'd)

- (a) Status of corporate proposals announced but not completed as at 25 May 2015 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report) (Cont'd)**

The Proposals (Cont'd)

On 20 April 2015, the Company announced that, subsequent to the following events:

- (i) the approval of shareholders of the Company on the single-tier final dividend of 5.0 sen per share for the FYE 31 December 2014 obtained on 17 April 2015;
- (ii) the approval of shareholders of OSKP on the single-tier final dividend of 5.0 sen per OSKP Share for the FYE 31 December 2014 obtained on 17 April 2015; and
- (iii) the announcement of the declaration of interim dividend of 4.0 sen per PJD Share for the financial year ending 30 June 2015 dated 13 February 2015,

the purchase consideration have been adjusted from RM2.00 to RM1.95 for the OSKP Shares and from RM1.60 to RM1.56 for the PJD Shares and the issue price of the Consideration Shares have been adjusted from RM2.00 to RM1.95 accordingly ("Dividend Adjustment"). The Dividend Adjustment will not result in a reduction in the cash consideration for the OSKP Offer Warrants and the PJD Offer Warrants, respectively.

On 12 May 2015, the Securities Commission Malaysia had, vide its letter dated 11 May 2015, approved the application for the Proposals which would result in a significant change in the business direction or policy of the Company. In addition, the application for the Proposals has also been approved under the equity requirement for public companies.

On 13 May 2015, the Company submitted the following application to Bursa Securities:-

- (a) Listing of and quotation for the Consideration Shares to be issued pursuant to the Proposed OSKP Acquisition, the Proposed PJD Acquisition, the Proposed OSKP Offer and the Proposed PJD Offer;
- (b) Admission of the Warrants to the official list of Bursa Securities; and
- (c) Listing of and quotation for the Warrants and the new OSKH Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities;

As at 25 May 2015, the Proposals are still subject to the following approvals:

- (i) Bursa Securities on application submitted on 13 May 2015;
- (ii) The shareholders of the Company for the Proposals (save for the Proposed OSKP Offer) at an extraordinary general meeting to be convened (by way of poll); and
- (iii) Any other relevant authorities, if required.

- (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**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:-

	RM'000
Short term borrowings - Unsecured	
Revolving credits	<u>313,893</u>

B9. Changes in material litigation

As at 25 May 2015 (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

No dividend has been declared or paid for the current year to date ended 31 March 2015 (1Q14: Nil).

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

	Current quarter ended 31.3.2015	Comparative quarter ended 31.3.2014	Current year to date ended 31.3.2015	Preceding year to date ended 31.3.2014
Profit attributable to Owners of the Company (RM'000)	45,552	41,681	45,552	41,681
Weighted average number of ordinary shares in issue ('000 shares)	950,961	966,833	950,961	966,833
Basic / Dilutive EPS (sen)	4.79	4.31	4.79	4.31

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

	Current quarter ended 31.3.2015 RM'000	Comparative quarter ended 31.3.2014 RM'000	Current year to date ended 31.3.2015 RM'000	Preceding year to date ended 31.3.2014 RM'000
Profit before taxation is arrived at after (charging)/crediting:				
(i) Revenue				
- Interest income	8,251	7,668	8,251	7,668
- Rental income	4,356	4,264	4,356	4,264
(ii) Direct cost				
- Interest expense	(2,819)	(2,276)	(2,819)	(2,276)
(iii) Other income				
- Fund distribution income	441	-	441	-
- Gain on disposal of quoted securities	11,279	-	11,279	-
- Realised gain from foreign exchange translations of securities	-	472	-	472
- Unrealised gain from foreign exchange translations of securities	5	-	5	-
- Write back of impairment losses on capital financing:				
- Collective assessment	40	48	40	48
- Individual assessment	-	552	-	552
(iv) Administrative expenses				
- Depreciation and amortisation	(305)	(193)	(305)	(193)
(v) Other items of expense				
- Allowance for impairment losses on capital financing:				
- Individual assessment	(341)	-	(341)	-
- Loss on disposal of quoted securities	-	(1,409)	-	(1,409)
- Unrealised loss from foreign exchange translations	-	(449)	-	(449)
- Unrealised loss on revaluation of securities at fair value through profit or loss	(10,168)	(122)	(10,168)	(122)
(vi) Finance costs				
- Interest expense	(990)	(537)	(990)	(537)

QUARTERLY REPORT

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

Allowance for and write off of inventories and exceptional items are not applicable to the Group. Items for other comprehensive income are disclosed in the Statement of Comprehensive Income. There were no gain or loss on disposal of unquoted investments or properties and gain or loss on derivatives for the current year to date. There were no impairment of assets other than disclosed above.

B14. Realised and Unrealised Profits

On 25 March 2010, Bursa Malaysia Securities Berhad 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 Securities 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.

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

The disclosure of realised and unrealised profits below is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities 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 31.3.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiary companies		
- Realised	1,435,294	1,422,554
- Unrealised	102,123	110,454
	1,537,417	1,533,008
Total share of retained profit from associated company		
- Realised	392,668	351,525
	1,930,085	1,884,533
Less : Consolidation adjustments	(213,885)	(213,885)
	1,716,200	1,670,648

By Order of the Board

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

Kuala Lumpur
29 May 2015