

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular. Bursa Securities has not perused the contents of this Circular in relation to the Proposed M&A Amendments (as defined herein) prior to the issuance of this Circular.



**RHB CAPITAL BERHAD**

(Company No.: 312952-H)

(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-**

- I. **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES OF RM1.00 EACH IN RHB CAPITAL BERHAD (“RHB CAPITAL”) (“RHB CAPITAL SHARES”) TO RAISE GROSS PROCEEDS OF UP TO RM2.5 BILLION (“PROPOSED RIGHTS ISSUE”);**
- II. **PROPOSED DISTRIBUTION OF THE ENTIRE SHAREHOLDINGS OF RHB CAPITAL IN RHB BANK BERHAD (“RHB BANK”), AFTER THE COMPLETION OF THE PROPOSED RIGHTS ISSUE AND PROPOSED INTERNAL REORGANISATION (AS DEFINED HEREIN), BY WAY OF DISTRIBUTION-IN-SPECIE VIA A REDUCTION OF THE ENTIRE SHARE PREMIUM ACCOUNT OF RHB CAPITAL AND THE PAR VALUE OF ALL THE EXISTING RHB CAPITAL SHARES FROM RM1.00 TO RM0.05 IN ACCORDANCE WITH SECTIONS 60(2) AND 64 OF THE COMPANIES ACT, 1965 AS WELL AS VIA RHB CAPITAL’S RETAINED EARNINGS (“PROPOSED DISTRIBUTION AND CAPITAL REPAYMENT”);**
- III. **PROPOSED TRANSFER OF RHB CAPITAL’S LISTING STATUS ON THE MAIN MARKET OF BURSA SECURITIES TO RHB BANK UPON COMPLETION OF THE PROPOSED RIGHTS ISSUE, PROPOSED INTERNAL REORGANISATION AND PROPOSED DISTRIBUTION AND CAPITAL REPAYMENT (“PROPOSED TRANSFER OF LISTING STATUS”); AND**
- IV. **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF RHB CAPITAL TO FACILITATE THE PROPOSED DISTRIBUTION AND CAPITAL REPAYMENT AND PROPOSED TRANSFER OF LISTING STATUS (“PROPOSED M&A AMENDMENTS”)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser**



**RHB Investment Bank Berhad**

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the Extraordinary General Meeting (“**EGM**”) of RHB Capital which will be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Thursday, 27 August 2015 at 10.30 a.m. or at any adjournment thereof, together with the Form of Proxy are enclosed in this Circular.

You are entitled to vote at the EGM. Should you be unable to attend the EGM, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. In such event, you should complete and deposit the Form of Proxy at our share registrar’s office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the date and time fixed for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 5 August 2015

---

## DEFINITIONS

---

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout this Circular:-

Act	:	Companies Act, 1965
APA	:	The asset purchase agreement to be entered into between RHB Hartanah and RHB Bank pursuant to the Proposed Internal Reorganisation
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of RHB Capital
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CDS Account	:	Central Depository System Account
Circular	:	This circular dated 5 August 2015 in relation to the Proposals
CMSA	:	Capital Markets and Services Act 2007
Code	:	Malaysian Code on Take-Overs and Mergers 2010
Consolidated RHB Bank Shares	:	Ordinary shares of RM1.00 each in RHB Bank after the Proposed Consolidation of RHB Bank Shares
Definitive Agreements	:	Collectively, the SSA and APA
Disposal Consideration	:	The total indicative consideration of approximately RM3.71 billion for the Proposed Internal Reorganisation to be satisfied entirely in cash
Distribution and Capital Repayment Entitled Shareholders	:	Our shareholders whose names appear in our Record of Depositors on the Distribution Entitlement Date
Distribution Entitlement Date	:	A date to be determined and announced later by your Board upon completion of the Proposed Rights Issue and Proposed Internal Reorganisation and the receipt of all relevant approvals for the Proposed Distribution and Capital Repayment, on which the names of our shareholders must appear in our Record of Depositors as at 5.00 p.m. on that date in order to be entitled to the Proposed Distribution and Capital Repayment
EGM	:	Extraordinary general meeting
Entitlement Basis	:	Entitlement basis for the Proposed Rights Issue, which will be determined and announced by your Board at a later date
EPF	:	Employees Provident Fund Board
EPF Undertaking	:	Written irrevocable unconditional undertaking provided by EPF vide its letter dated 3 July 2015 to subscribe in full for its entitlement under the Proposed Rights Issue as at the Rights Issue Entitlement Date and to apply for such number of excess Rights Shares representing up to 2% of the enlarged issued and paid-up share capital of RHB Capital after the Proposed Rights Issue, provided that its application for such excess Rights Shares shall not in any way trigger or otherwise result in a mandatory general offer for the remaining RHB Capital Shares not already owned by EPF
EPS	:	Earnings per share

---

**DEFINITIONS (Cont'd)**

---

FPE	:	Financial period ended/ending, as the case may be
FSA	:	Financial Services Act 2013
FYE	:	Financial year ended/ending, as the case may be
Identified Assets	:	Collectively, the identified assets of RHB Capital, which includes the entire equity interests in, or certain assets and liabilities of our subsidiaries which will be transferred to RHB Bank pursuant to the Proposed Internal Reorganisation as set out in Section 2.2 of this Circular
Intended Gross Proceeds	:	Intended gross proceeds to be raised by our Company under the Proposed Rights Issue of up to RM2.5 billion
Issue Price	:	Issue price of each Rights Share, which will be determined and announced by your Board at a later date
LPD	:	14 July 2015, being the latest practicable date prior to the printing of this Circular
M&A	:	Memorandum and articles of association
Malaysian Trustees	:	Malaysian Trustees Berhad (21666-V), a company which RHB Capital holds 100% effective equity interest in, through its 20% direct shareholding and 80% indirect shareholding through RHB Investment Bank and its wholly-owned subsidiaries
MOF	:	Ministry of Finance, Malaysia
NA	:	Net assets
NBV	:	Net book value
NL	:	Net liabilities
OSKH	:	OSK Holdings Berhad (207075-U)
OSKH Undertaking	:	Written irrevocable unconditional undertaking provided by OSKH vide its letter dated 4 August 2015 to subscribe in full for its entitlement under the Proposed Rights Issue as at the Rights Issue Entitlement Date
Proposals	:	Collectively, the Proposed Rights Issue, Proposed Internal Reorganisation, Proposed Distribution and Capital Repayment, Proposed Transfer of Listing Status and Proposed M&A Amendments
Proposed Capital Injection	:	Proposed injection of the Intended Gross Proceeds into RHB Bank to further capitalise RHB Bank and to finance the working capital requirements of RHB Bank Group
Proposed Consolidation of RHB Bank Shares	:	Proposed consolidation of two (2) RHB Bank Shares into one (1) Consolidated RHB Bank Share
Proposed Distribution and Capital Repayment	:	Proposed distribution of our entire shareholdings in RHB Bank, after the completion of the Proposed Rights Issue and Proposed Internal Reorganisation, by way of distribution-in-specie via a reduction of the entire share premium account of our Company and the par value of all the existing RHB Capital Shares from RM1.00 to RM0.05 in accordance with Sections 60(2) and 64 of the Act as well as via our Company's retained earnings
Proposed Internal Reorganisation	:	Proposed transfer by our Company of the Identified Assets to RHB Bank for the Disposal Consideration

---

**DEFINITIONS (Cont'd)**

---

Proposed M&A Amendments	:	Proposed amendments to the M&A of our Company to facilitate the Proposed Distribution and Capital Repayment and Proposed Transfer of Listing Status
Proposed Rights Issue	:	Proposed renounceable rights issue of the Rights Shares to raise the Intended Gross Proceeds
Proposed Transfer of Listing Status	:	Proposed transfer of our listing status on the Main Market of Bursa Securities to RHB Bank upon completion of the Proposed Rights Issue, Proposed Internal Reorganisation and Proposed Distribution and Capital Repayment
Proposed Winding Up	:	Proposed members' voluntary winding up of our Company in accordance with the Act
Record of Depositors	:	A record of depositors provided by Bursa Depository to RHB Capital under Chapter 24.0 of the Rules of Bursa Depository
Reporting Accountants	:	PricewaterhouseCoopers (AF:1146)
RHB Bank	:	RHB Bank Berhad (6171-M), a wholly-owned subsidiary of RHB Capital
RHB Bank Group	:	Collectively, RHB Bank and its subsidiaries
RHB Bank Shares	:	Ordinary shares of RM0.50 each in RHB Bank
RHB Capital or Company	:	RHB Capital Berhad (312952-H)
RHB Capital Group or Group	:	Collectively, RHB Capital and its subsidiaries
RHB Capital (Jersey)	:	RHB Capital (Jersey) Limited (49210) (incorporated in Jersey, Channel Islands), a wholly-owned subsidiary of RHB Capital
RHB Capital Shares	:	Ordinary shares of RM1.00 each in RHB Capital
RHB Equities	:	RHB Equities Sdn Bhd (173551-M), a wholly-owned subsidiary of RHB Capital
RHBF	:	RHBF Sdn Bhd (8755-V), a wholly-owned subsidiary of RHB Capital
RHB Finexasia.Com	:	RHB Finexasia.Com Sdn Bhd (516248-X), a company which RHB Capital holds 100% effective equity interest in, through its 59.95% direct shareholding and 40.05% indirect shareholding through RHB Investment Bank
RHB Hartanah	:	RHB Hartanah Sdn Bhd (432914-H), a wholly-owned subsidiary of RHB Capital
RHB Insurance	:	RHB Insurance Berhad (38000-U), a 94.70% subsidiary of RHB Capital
RHB Insurance Shares	:	Ordinary shares of RM1.00 each in RHB Insurance
RHB Investment Bank or Principal Adviser	:	RHB Investment Bank Berhad (19663-P), a wholly-owned subsidiary of RHB Capital, being the Principal Adviser for the Proposals
RHB Kawal	:	RHB Kawal Sdn Bhd (198980-D), a wholly-owned subsidiary of RHB Capital

---

**DEFINITIONS (Cont'd)**

---

RHB Trustees	:	RHB Trustees Berhad (573019-U), a company which RHB Capital holds 100% effective equity interest in, through its 20% direct shareholding and 80% indirect shareholding through RHB Investment Bank and its wholly-owned subsidiaries
Rights Issue Entitled Shareholders	:	Our shareholders whose names appear in our Record of Depositors on the Rights Issue Entitlement Date
Rights Issue Entitlement Date	:	A date to be determined and announced later by your Board, on which the names of our shareholders must appear in our Record of Depositors as at 5.00 p.m. on that date in order to be entitled to the Proposed Rights Issue
Rights Share(s)	:	New RHB Capital Shares to be issued under the Proposed Rights Issue
SC	:	Securities Commission Malaysia
SSA	:	The share sale agreement to be entered into between RHB Capital and RHB Bank pursuant to the Proposed Internal Reorganisation
TERP	:	Theoretical ex-rights price
Undertakings	:	Collectively, the EPF Undertaking and OSKH Undertaking
VWAP	:	Volume weighted average market price

**Currencies**

GBP	:	Great British Pound, the legal tender of the United Kingdom
HKD	:	Hong Kong Dollar, the legal tender of Hong Kong Special Administrative Region of the People's Republic of China
IDR	:	Indonesian Rupiah, the legal tender of the Republic of Indonesia
LAK	:	Lao Kip, the legal tender of Laos
PHP	:	Philippine Peso, the legal tender of Philippines
RM and sen	:	Ringgit Malaysia and sen, the legal tender of Malaysia
SGD	:	Singapore Dollar, the legal tender of the Republic of Singapore
THB	:	Thai Baht, the legal tender of the Kingdom of Thailand
USD	:	United States Dollar, the legal tender of the United States of America
VND	:	Vietnamese Dong, the legal tender of Vietnam

References to “**our Company**”, “**we**”, “**us**” and “**ourselves**” in this Circular are to RHB Capital and where the context otherwise requires, shall include our subsidiary companies. References to “**our Group**” are to our Company and our subsidiary companies. All references to “**you**” in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits), be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

---

**DEFINITIONS (Cont'd)**

---

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by RHB Capital, such as quarterly results or annual reports, is due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by your Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that RHB Capital's plans and objectives will be achieved.

**(The rest of this page has been intentionally left blank)**

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS CONTAINING:-</b>	
1. INTRODUCTION.....	1
2. DETAILS OF THE PROPOSALS .....	2
3. RATIONALE FOR THE PROPOSALS .....	18
4. EFFECTS OF THE PROPOSALS .....	19
5. HISTORICAL SHARE PRICES .....	29
6. HISTORICAL OUTLOOK AND PROSPECTS.....	29
7. APPROVALS REQUIRED.....	31
8. INTER-CONDITIONALITY OF THE PROPOSALS.....	33
9. TENTATIVE TIMELINE FOR THE PROPOSALS .....	33
10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION.....	34
11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM .....	35
12. DIRECTORS' RECOMMENDATION.....	35
13. EGM.....	35
14. FURTHER INFORMATION.....	35
 <b>APPENDICES</b>	
I. INFORMATION ON RHB CAPITAL	36
II. INFORMATION ON RHB BANK	46
III. DETAILS OF THE PROPOSED M&A AMENDMENTS	50
IV. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON	57
V. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON	78
VI. FURTHER INFORMATION	95
 <b>NOTICE OF EGM</b>	 <b>ENCLOSED</b>
 <b>FORM OF PROXY</b>	 <b>ENCLOSED</b>



**RHB CAPITAL BERHAD**  
(Company No.: 312952-H)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered office:**  
Level 9, Tower One  
RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur

5 August 2015

## **Board of Directors**

Dato' Mohamed Khadar Merican (*Non-Independent Non-Executive Chairman*)  
Tan Sri Azlan Zainol (*Non-Independent Non-Executive Director*)  
Datuk Haji Faisal Siraj (*Senior Independent Non-Executive Director*)  
Tan Sri Teo Chiang Liang (*Independent Non-Executive Director*)  
Datuk Seri Saw Choo Boon (*Independent Non-Executive Director*)  
Dato' Nik Mohamed Din Datuk Nik Yusoff (*Non-Independent Non-Executive Director*)  
Mohamed Ali Ismaeil Ali AlFahim (*Non-Independent Non-Executive Director*)  
Dato' Khairussaleh Ramli (*Group Managing Director/Group Chief Executive Officer*)

## **To: Our Shareholders**

Dear Sir/Madam,

- (I) **PROPOSED RIGHTS ISSUE;**
- (II) **PROPOSED DISTRIBUTION AND CAPITAL REPAYMENT;**
- (III) **PROPOSED TRANSFER OF LISTING STATUS; AND**
- (IV) **PROPOSED M&A AMENDMENTS**

---

## **1. INTRODUCTION**

On 13 April 2015, RHB Investment Bank had, on behalf of your Board, announced that our Company proposes to undertake the following:-

- (a) Proposed Rights Issue;
- (b) Proposed Internal Reorganisation;
- (c) Proposed Distribution and Capital Repayment; and
- (d) Proposed Transfer of Listing Status.

On 23 July 2015, RHB Investment Bank had, on behalf of your Board, announced that BNM had vide its letter dated 23 July 2015, informed our Company that MOF and/or BNM (as the case may be) have granted their approval for the Proposed Rights Issue, Proposed Internal Reorganisation and the Proposed Distribution and Capital Repayment under the FSA.

On 31 July 2015, RHB Investment Bank had, on behalf of your Board, announced that Bursa Securities had vide its letter dated 30 July 2015 granted its approval for the listing of and quotation for up to 2,500,000,000 Rights Shares on the Main Market of Bursa Securities pursuant to the Proposed Rights Issue, subject to the conditions as set out in Section 7 of this Circular.



For information purposes, it is the intention of our Company to initiate the Proposed Winding Up after the completion of the Proposed Distribution and Capital Repayment. Pursuant to Section 255(6)(b) of the Act, a voluntary winding up shall commence at the time of the passing of the resolution for voluntary winding up by the shareholders of our Company. Hence, the Proposed Winding Up will only be recommended by your Board after the completion of the Proposed Distribution and Capital Repayment for the consideration and approval of the shareholders of our Company at a separate EGM to be convened.

We wish to highlight that the admission of the Consolidated RHB Bank Shares to the Official List of Bursa Securities and the listing of and quotation for the Consolidated RHB Bank Shares on the Main Market of Bursa Securities is conditional upon the approval of the shareholders of our Company for the Proposed Winding Up at a separate EGM to be convened after the completion of the Proposed Distribution and Capital Repayment.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED RIGHTS ISSUE, PROPOSED DISTRIBUTION AND CAPITAL REPAYMENT, PROPOSED TRANSFER OF LISTING STATUS AND PROPOSED M&A AMENDMENTS TO BE TABLED AT THE FORTHCOMING EGM.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED RIGHTS ISSUE, PROPOSED DISTRIBUTION AND CAPITAL REPAYMENT, PROPOSED TRANSFER OF LISTING STATUS AND PROPOSED M&A AMENDMENTS TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Proposed Rights Issue**

Our Company is proposing to undertake a renounceable rights issue of the Rights Shares to the Rights Issue Entitled Shareholders to raise the Intended Gross Proceeds.

The quantum of the Intended Gross Proceeds has been determined upfront while the Entitlement Basis and Issue Price have not been determined at this juncture to provide flexibility to your Board in respect of the pricing of the Rights Shares at a later date.

The Intended Gross Proceeds has been determined upfront to provide an indication to our shareholders with respect to the capital outlay they require to fully subscribe for their respective entitlements under the Proposed Rights Issue, which could be approximated by multiplying the Intended Gross Proceeds with their respective percentage shareholdings in our Company.

For illustration purposes, based on 2,588.48 million RHB Capital Shares in issue as at LPD, the capital outlay required from a shareholder holding 1,000 RHB Capital Shares who wishes to subscribe for his/her entitlement is approximately RM966 (based on the Intended Gross Proceeds of RM2.5 billion). The actual outlay required by the Rights Issue Entitled Shareholders to fully subscribe for their entitlements under the Proposed Rights Issue will depend on the Entitlement Basis and Issue Price to be determined and announced by your Board at a price-fixing date which will be determined later.

The Proposed Rights Issue is renounceable in full or in part. Accordingly, the Rights Issue Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. The Rights Shares which are not taken up or not validly taken up shall be made available for excess applications by the other Rights Issue Entitled Shareholders and/or their renounee(s). It is the intention of your Board to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by your Board and announced later by our Company.

### 2.1.1 Basis and justification for the pricing of the Rights Shares

The Issue Price for the Rights Shares will be determined and announced by your Board at a price-fixing date which will be determined later, after taking into consideration, *inter-alia*, the then prevailing market conditions, market price of RHB Capital Shares as well as the pricing for recent rights issue exercises. In any event, the Issue Price shall be at a discount of between 20% to 30% to the TERP based on the 5-day VWAP of RHB Capital Shares immediately preceding the price-fixing date but shall in no event be lower than the par value of RHB Capital Shares of RM1.00.

The indicative discount range of between 20% to 30% is generally in line with the market discount rates for rights issue exercises in Malaysia.

### 2.1.2 Entitlements to the Rights Shares

The Rights Shares will be provisionally allotted to the Rights Issue Entitled Shareholders. Fractional entitlements of the Rights Shares, if any, will be dealt with in a fair and equitable manner as your Board in its absolute discretion deems fit and in the best interest of our Company.

The Entitlement Basis and the corresponding number of Rights Shares to be issued will be determined and announced by your Board together with the fixing of the Issue Price.

### 2.1.3 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issue rank *pari passu* in all respects with the then existing RHB Capital Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which precedes the date of allotment of the Rights Shares.

### 2.1.4 Irrevocable undertaking and underwriting arrangement

The Proposed Rights Issue is intended to be undertaken on a full subscription basis.

EPF and OSKH, being the substantial shareholders of our Company, have provided their Undertakings for the Proposed Rights Issue. For illustration purposes, the shareholdings of EPF and OSKH in our Company as at LPD, the amount of their respective entitlements under the Proposed Rights Issue and their intended excess applications are set out below:-

	As at LPD		Illustrative entitlement under the Proposed Rights Issue*		Illustrative excess Rights Shares to be applied for pursuant to the Undertakings#	Illustrative total Rights Shares to be subscribed/applied for pursuant to the Undertakings	
	No. of RHB Capital Shares	% ^	RM	%	RM	RM	%
EPF	1,076,295,782	41.58	1,039,505,027	41.58	50,000,000	1,089,505,027	43.58
OSKH	257,980,000	9.97	249,161,533	9.97	-	249,161,533	9.97

**Notes:-**

^ Based on the issued and paid-up share capital of RHB Capital as at LPD amounting to 2,588,481,428 RHB Capital Shares.

\* The illustrative entitlements of EPF and OSKH under the Proposed Rights Issue were computed based on their shareholdings in RHB Capital as at LPD multiplied by the Intended Gross Proceeds.

# *It is the intention of EPF to apply for such number of Rights Shares representing up to 2% of the enlarged issued and paid-up share capital of RHB Capital after the Proposed Rights Issue. Nonetheless, in view that the Issue Price will only be determined later, the enlarged issued and paid-up share capital cannot be determined at this juncture and hence the illustrative excess Rights Shares to be applied by EPF under the Proposed Rights Issue have been illustrated based on 2% of the Intended Gross Proceeds.*

The actual number of Rights Shares and the entitlements of EPF and OSKH under the Proposed Rights Issue can only be determined upon the fixing of the Entitlement Basis and Issue Price.

EPF and OSKH have confirmed via their Undertakings that they have sufficient financial resources to pay for the Rights Shares and will make full payment for the Rights Shares upon subscription/application. RHB Investment Bank has verified the sufficiency of financial resources of EPF and OSKH to subscribe/apply for the Rights Shares.

Underwriting arrangement(s) will be made by our Company for the remaining portion of the Rights Shares for which no written undertakings have been obtained. Such underwriting arrangement(s) are expected to be in place prior to the implementation of the Proposed Rights Issue.

As at LPD, EPF holds 41.58% of the voting shares of our Company. Pursuant to the EPF Undertaking, it is the intention of EPF to apply for such number of excess Rights Shares representing up to 2% of the enlarged issued and paid-up share capital of RHB Capital after the Proposed Rights Issue. Under Part III of the Code, a mandatory offer obligation shall apply where the acquirer has acquired more than 2% of the voting shares or voting rights of a company in any period of six (6) months and that acquirer's holding was more than 33% but not more than 50% of the voting shares or voting rights of the company during that six (6) months period. In this regard, EPF had, amongst others, undertaken that it will apply for excess Rights Shares provided that its application for such excess Rights Shares shall not in any way trigger or otherwise result in a mandatory general offer for the remaining RHB Capital Shares not already owned by EPF.

In view of the above, the Undertakings will not give rise to any consequence of mandatory general offer obligation pursuant to the Code as the Proposed Rights Issue is intended to be undertaken on a full subscription basis and the remaining balance of the Rights Shares will be fully underwritten by the underwriter(s) to be appointed by our Company.

#### **2.1.5 Listing of and quotation for the Rights Shares**

Bursa Securities had vide its letter dated 30 July 2015 granted its approval for the listing of and quotation for up to 2,500,000,000 Rights Shares on the Main Market of Bursa Securities.

#### **2.1.6 Utilisation of proceeds**

It is the intention of our Company to inject the Intended Gross Proceeds to be raised from the Proposed Rights Issue into RHB Bank to further capitalise RHB Bank and to finance the working capital requirements of RHB Bank Group, only if the relevant approvals for the Proposed Internal Reorganisation (as set out in Section 7 of this Circular) are obtained and the Proposed Internal Reorganisation (as set out in Section 2.2 of this Circular) is implemented. Pursuant to the Proposed Capital Injection, RHB Bank will be issuing new Consolidated RHB Bank Shares to our Company at an issue price equivalent to the fair market value of RHB Bank Group, which will be determined based on, amongst others, the price-to-book ratio ("PBR") of comparable financial institution groups listed on Bursa Securities.

Prior to the Proposed Capital Injection, RHB Bank will undertake the Proposed Consolidation of RHB Bank Shares.

In the event that the Proposed Internal Reorganisation is not implemented, the Intended Gross Proceeds shall be utilised to repay the bank borrowings of our Company and/or injected as equity into RHB Bank to further capitalise RHB Bank, if required. As at 31 March 2015, the total bank borrowings of our Company and our Group are as follows:-

Type	Outstanding amount	
	RHB Capital	RHB Capital Group
	RM('000)	RM('000)
<b><u>External borrowings</u></b>		
Borrowings		
(a) Secured		
- Revolving credits	-	536,809
(b) Unsecured		
- Revolving credits	397,060	594,028
- Term loans	1,051,701	1,617,204
(c) Overdrafts	14	14
(d) RM1.1 billion 7 years commercial papers/medium term notes	604,234	604,234
Subordinated obligations	-	6,147,273
Hybrid Tier-1 capital securities	-	597,880
Senior debt securities	-	2,999,854
	<b>2,053,009</b>	<b>13,097,296</b>
<b><u>Internal borrowings</u></b>		
(a) Unsecured		
- Revolving credits	1,070,984	-
	<b>1,070,984</b>	<b>-</b>
<b>TOTAL</b>	<b>3,123,993</b>	<b>13,097,296</b>

In the event that the Intended Gross Proceeds is utilised to repay the bank borrowings of our Company, our Company will firstly repay our external bank borrowings and then followed by repayment of our bank borrowings from RHB Bank. The repayment of our external bank borrowings is expected to result in an annual interest savings of approximately RM88.4 million to our Group, based on the average cost of borrowings of approximately 4.32% per annum.

The estimated expenses relating to the Proposed Rights Issue amounts to approximately RM19.78 million and consist mainly of professional fees, underwriting commission as well as fees payable to the relevant authorities. The estimated expenses are proposed to be funded via our Company's internally generated funds and not from the Intended Gross Proceeds.

The Intended Gross Proceeds, which will be utilised for either the:-

- (i) Proposed Capital Injection (if the relevant approvals for the Proposed Internal Reorganisation are obtained and the Proposed Internal Reorganisation is implemented); or
- (ii) repayment of bank borrowings of our Company and/or injection as equity into RHB Bank to further capitalise RHB Bank, if required (in the event that the Proposed Internal Reorganisation is not implemented),

is estimated to be utilised within three (3) months from the date of completion of the Proposed Rights Issue.

The actual gross proceeds to be raised from the Proposed Rights Issue is dependent on the final Issue Price and the number of Rights Shares to be issued.

Pending utilisation of the proceeds to be raised from the Proposed Rights Issue, such proceeds will be placed in deposits with financial institutions and/or short-term money market instrument(s).

## 2.2 Proposed Internal Reorganisation

The Proposed Internal Reorganisation will entail the transfer by RHB Capital of the Identified Assets to RHB Bank, after the Proposed Rights Issue, for the Disposal Consideration.

The Disposal Consideration was arrived at based on a 'willing-buyer, willing-seller' basis after taking into consideration the audited NA/NL and/or the audited NBV of the Identified Assets as extracted from the audited financial statements of the respective subsidiaries of RHB Capital as at 31 December 2014. The Identified Assets comprise the following:-

No.	Identified Assets	Effective equity interest of RHB Capital (%)	Audited NA/(NL) and/or NBV as at 31 December 2014 RM('000)	Disposal Consideration RM('000)
1.	RHB Investment Bank, its subsidiaries and joint ventures <sup>(1)</sup>	100.00	2,951,088	2,951,088
2.	RHB Insurance	94.70	372,561	335,059 <sup>(2)</sup>
3.	RHB Finexasia.Com <sup>(3)</sup> and its subsidiary, RHB OSK Stock188.Com Sdn Bhd	100.00	22,458	22,458
4.	Other direct wholly-owned subsidiaries of RHB Capital <sup>(4)</sup>	100.0	7,728 <sup>(5)</sup>	7,774 <sup>(5)</sup>
5.	Certain assets and liabilities of RHB Hartanah <sup>(6)</sup> including its subsidiary, RHB Property Management Sdn Bhd	-	298,374	298,374 <sup>(7)</sup>
6.	RHB Capital's other identified assets <sup>(8)</sup>	-	94,219	94,219
	<b>Total</b>		<b>3,746,428</b>	<b>3,708,972</b>

### Notes:-

<sup>(1)</sup> Inclusive of RHB Capital's 20.00% equity interest in both RHB Trustees and Malaysian Trustees respectively.

<sup>(2)</sup> Based on the adjusted NA of RHB Insurance after the payment of final dividends for the FYE 31 December 2014.

<sup>(3)</sup> RHB Capital and RHB Investment Bank presently hold 59.95% equity interest and 40.05% equity interest in RHB Finexasia.Com respectively.

<sup>(4)</sup> Comprises our other wholly-owned subsidiaries, namely RHB Equities, RHB Kawal, RHB Capital (Jersey) (including its wholly-owned subsidiary, RHB (Philippines) Inc.) and RHBFB.

<sup>(5)</sup> Represents the aggregate NA/NL of our wholly-owned subsidiaries. For information purposes, the breakdown of the aggregate NA/NL and disposal consideration for the other direct wholly-owned subsidiaries of RHB Capital are as follows:-

	Audited NA/(NL) as at 31 December 2014 RM('000)	Disposal Consideration RM('000)
RHB Equities	(37)	*
RHB Kawal	851	851
RHB Capital (Jersey) (including its wholly-owned subsidiary, RHB (Philippines) Inc.)	6,923	6,923
RHBFB	(9)	*
	<b>7,728</b>	<b>7,774</b>

### Note:-

\* For our subsidiaries which have capital deficiency, a minimum consideration of RM1.00 will be paid.

<sup>(6)</sup> *RHB Hartanah is the registered owner of an office complex known as 'RHB Centre' developed on GRN 71681, Lot No. 512, Section 90, Town and District of Kuala Lumpur and a parcel of vacant commercial land measuring 58,968 square feet identified as GRN 31538, Lot No. 29, Section 90, Town and District of Kuala Lumpur (collectively, the "Properties"). As at LPD, the Properties are unencumbered and are utilised for the purposes of conducting the business of the Group. It is the intention of RHB Bank that the Properties will continue to be utilised for the purposes of conducting the business of the enlarged RHB Bank Group upon the completion of the Proposed Internal Reorganisation. The market value of the Properties, as appraised by Jones Lang Wootton vide its valuation report dated 4 March 2015 amounts to approximately RM438 million. For information purposes, the valuation on the Properties was conducted for internal corporate use only.*

*The dormant subsidiary of RHB Hartanah, namely Positive Properties Sdn Bhd, will not be transferred to RHB Bank.*

<sup>(7)</sup> *The Disposal Consideration for certain assets and liabilities of RHB Hartanah is based on the amounts recorded in the consolidated financial statements of RHB Capital.*

<sup>(8)</sup> *RHB Capital's other identified assets include tax recoverable by RHB Capital ("Tax Recoverable"), the final amount of which can only be determined as at the completion date of the SSA.*

For the avoidance of doubt, certain subsidiaries of RHB Capital which are either dormant or in the process of being liquidated or voluntarily wound up will not be transferred to RHB Bank. For information purposes, the list of Identified Assets set out above is not exhaustive and may be varied as your Board may deem fit until the completion of the Proposed Internal Reorganisation. RHB Bank may also nominate one (1) or more of its subsidiary(ies) to hold the Identified Assets upon completion of the Proposed Internal Reorganisation.

In addition to the above, as at 31 December 2014, our Company holds 55.79% equity interest in RHB OSK Rupiah Liquid Fund ("Fund")<sup>1</sup> and it is the intention of our Company to redeem its investment in the Fund prior to the completion of the Proposed Internal Reorganisation.

Our Company and RHB Hartanah will be entering into the SSA and APA with RHB Bank respectively, upon receipt of all relevant approvals (as set out in Section 7 of this Circular) to give effect to the Proposed Internal Reorganisation. The indicative salient terms of the SSA and APA are set out in Section 2.2.3 of this Circular for information purposes. The Disposal Consideration will be paid by RHB Bank in full upon completion of the Proposed Internal Reorganisation, in the manner to be set out in the Definitive Agreements. For information purposes, the Disposal Consideration, which will be funded using the internally generated funds of RHB Bank, is subject to adjustments in view that the final amount of Tax Recoverable can only be determined as at the completion date of the SSA.

The Disposal Consideration to be received by our Company under the Proposed Internal Reorganisation will be utilised to repay the bank borrowings of our Company as well as to defray expenses relating to the Proposed Internal Reorganisation. Any excess cash after the repayment of all of our Company's bank borrowings and defrayment of expenses relating to the Proposed Internal Reorganisation and after setting aside adequate cash to defray any expenses of our Company will be injected into RHB Bank together with the proceeds from the redemption of the Fund (collectively referred to as the "Excess Cash") as additional capital, in exchange for new Consolidated RHB Bank Shares, which will be issued at the same issue price as the new Consolidated RHB Bank Shares to be issued to our Company pursuant to the Proposed Capital Injection.

For information purposes, as at LPD, RHB Capital holds 94.7% of the voting shares of RHB Insurance, with the remaining 5.3% of the voting shares being held by Kumpulan Syed Kechik Sdn Bhd. Upon completion of the Proposed Internal Reorganisation, RHB Bank will hold more than 33% of the voting shares in RHB Insurance. An exemption will be sought from the SC under Paragraph 20.1 or 21.1 of Practice Note 9 of the Code from the obligation to undertake a mandatory offer for the remaining RHB Insurance Shares not already owned by RHB Bank upon completion of the Proposed Internal Reorganisation ("**RHB Bank SC Exemption Application**").

---

<sup>1</sup> *The Fund is a money market mutual fund managed by PT RHB OSK Asset Management, a 99.62% owned subsidiary of PT RHB OSK Securities Indonesia, which in turn is a 99% owned subsidiary of RHB Investment Bank. As at 31 March 2015, the net asset value of the Fund is IDR1,156.96 (equivalent to approximately RM0.33 based on the exchange rate of 100 IDR: 0.0285 RM as at LPD) per unit with total assets under management amounting to IDR751.56 billion (equivalent to approximately RM0.21 billion based on the exchange rate of 100 IDR: 0.0285 RM as at LPD).*

The corporate and shareholdings structure of our Group before and after the Proposed Internal Reorganisation, based on the direct shareholdings of RHB Capital's substantial shareholders as at LPD, are illustrated in Section 2.2.1 of this Circular.

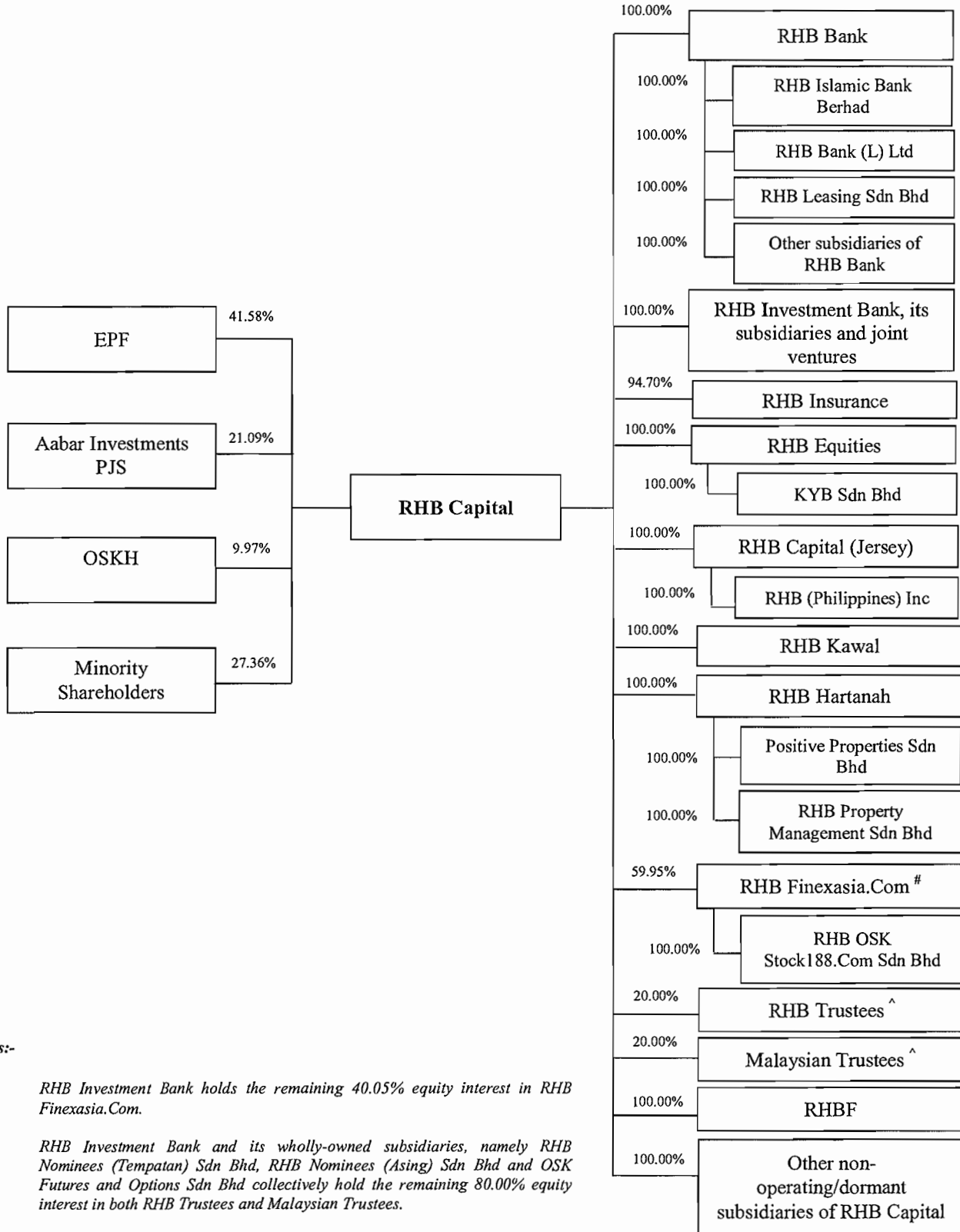
Further information on the Identified Assets are set out in Section 5 of Appendix I of this Circular.

**(The rest of this page has been intentionally left blank)**

**2.2.1 Corporate and shareholdings structure before and after the Proposed Internal Reorganisation**

The corporate and shareholdings structure of our Group before and after the Proposed Internal Reorganisation, based on the direct shareholdings of our substantial shareholders as at LPD, is as follows:-

**Before the Proposed Internal Reorganisation**



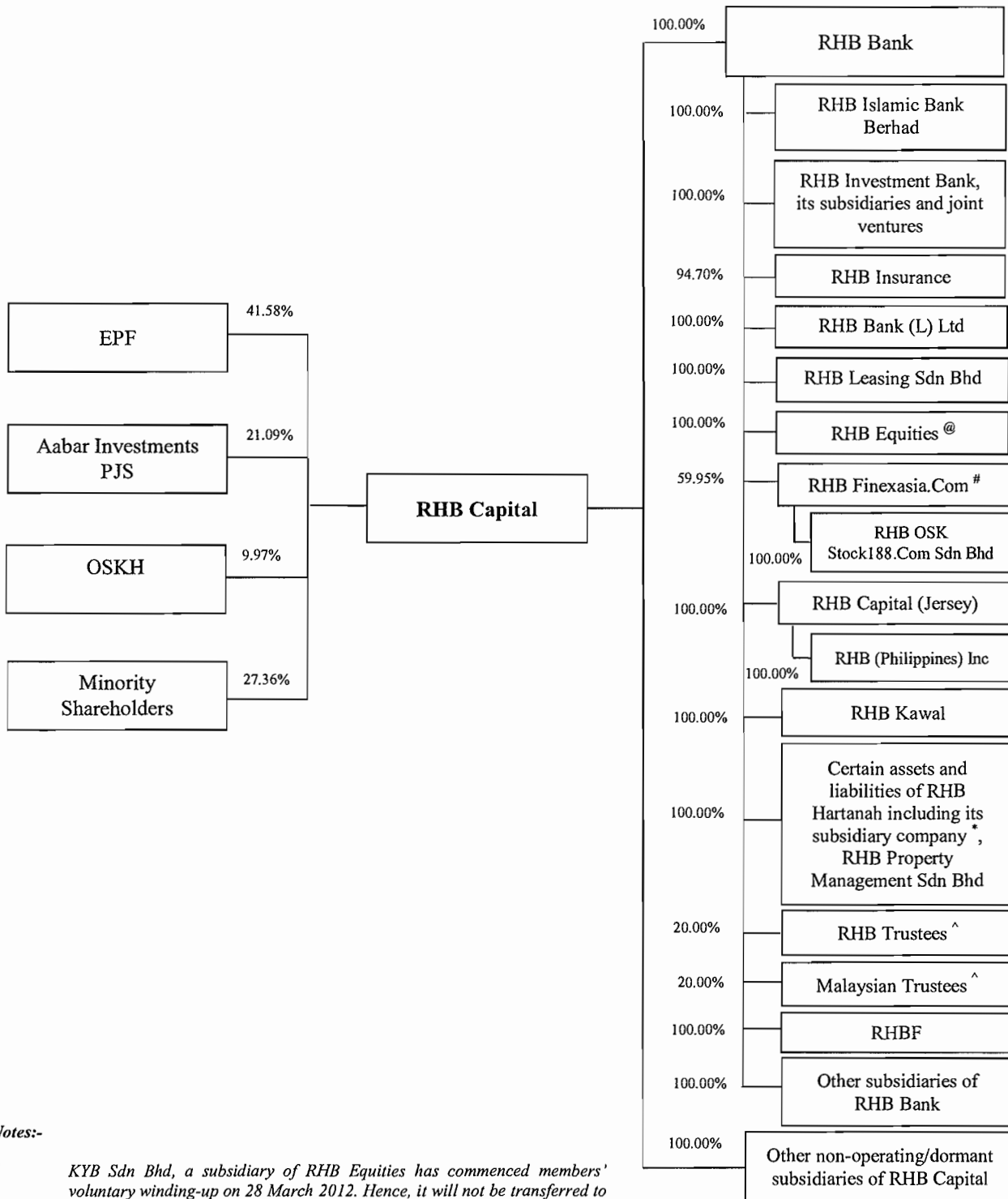
**Notes:-**

# RHB Investment Bank holds the remaining 40.05% equity interest in RHB Finexasia.Com.

^ RHB Investment Bank and its wholly-owned subsidiaries, namely RHB Nominees (Tempatan) Sdn Bhd, RHB Nominees (Asing) Sdn Bhd and OSK Futures and Options Sdn Bhd collectively hold the remaining 80.00% equity interest in both RHB Trustees and Malaysian Trustees.



After the Proposed Internal Reorganisation



Notes:-

@ KYB Sdn Bhd, a subsidiary of RHB Equities has commenced members' voluntary winding-up on 28 March 2012. Hence, it will not be transferred to RHB Bank.

# RHB Investment Bank holds the remaining 40.05% equity interest in RHB Finexasia.Com.

\* Positive Properties Sdn Bhd, a subsidiary of RHB Hartanah is a dormant company. Hence, it will not be transferred to RHB Bank.

^ RHB Investment Bank and its wholly-owned subsidiaries, namely RHB Nominees (Tempatan) Sdn Bhd, RHB Nominees (Asing) Sdn Bhd and OSK Futures and Options Sdn Bhd collectively hold the remaining 80.00% equity interest in both RHB Trustees and Malaysian Trustees.

## 2.2.2 Information on RHB Bank

RHB Bank was incorporated in Malaysia under the Companies Ordinances, 1940 to 1946 on 4 October 1965 as a public limited liability company under the name of Development and Commercial Bank Berhad Limited. Subsequently, on 15 April 1966, it changed its name to Development & Commercial Bank (Limited) Berhad. It then changed its name to Development and Commercial Bank Berhad on 20 September 1982 and to DCB Bank Berhad on 17 December 1994 before assuming its present name on 1 July 1997.

RHB Bank is principally involved in commercial banking and finance business. The principal activities of its subsidiaries are described under Section 5 of Appendix II of this Circular.

As at LPD, RHB Bank has an authorised share capital of RM6.0 billion comprising 8.0 billion RHB Bank Shares and 2.0 billion preference shares of RM1.00 each of which RM3.46 billion comprising 6.92 billion RHB Bank Shares have been issued and fully paid-up.

Further information on RHB Bank is set out in Appendix II of this Circular.

## 2.2.3 Indicative salient terms of the Definitive Agreements

### 2.2.3.1 SSA

#### (i) Purchase Consideration

The consideration for the purchase by RHB Bank of the entire issued and paid up ordinary shares in the share capital of RHB Investment Bank, RHB Insurance, RHB Equities, RHB Kawal, RHB Capital (Jersey), RHBF, RHB Finexasia.Com, RHB Trustees and Malaysian Trustees (collectively “**Target Companies**”) held by RHB Capital (“**Sale Shares**”) and the assumption of Tax Recoverable shall be the aggregate sum of RM3,410,598,000.00, which shall be subject to adjustments in view that the final amount of Tax Recoverable can only be determined as at the completion date of the SSA (“**Sale Shares Purchase Consideration**”). The Sale Shares Purchase Consideration shall be satisfied in whole by payment in cash by RHB Bank to our Company on the completion of the sale and purchase of the Sale Shares.

#### (ii) Conditions Precedent

The agreement to sell and purchase the Sale Shares and completion thereof is conditional upon the satisfaction of the following conditions:-

- (a) approval of RHB Bank’s shareholder being obtained for the acquisition of the Sale Shares;
- (b) the completion of the Proposed Rights Issue;
- (c) the approvals or consents (via resolution), where applicable, from third parties including lenders, noteholders and trustees in respect of debt programmes;
- (d) all approvals necessary for the transaction contemplated having been obtained from the relevant authorities;
- (e) approval from the SC for the RHB Bank SC Exemption Application having been obtained; and
- (f) the execution and fulfilment of the conditions precedent under the APA, save for the condition precedent set out in Section 2.2.3.2(ii)(f) of this Circular.

(iii) Completion

The SSA shall complete within seven (7) business days following fulfilment or waiver of the conditions precedent set out in Section 2.2.3.1(ii) of this Circular, whichever is later (or such other date as the parties may mutually agree in writing).

To the extent permitted by law, the parties may by mutual agreement agree in writing to waive the requirement to obtain any of the approvals or the conditions precedent referred to in Section 2.2.3.1(ii) of this Circular and thereafter the parties may proceed to completion in accordance with this section.

On completion, our Company shall deliver or make available to RHB Bank:-

- (a) evidence of the due fulfilment of the conditions precedent set out in Section 2.2.3.1(ii) of this Circular;
- (b) relevant share transfer forms duly executed by the registered holder of the Sale Shares in favour of RHB Bank (or as it may direct) accompanied by the relative share certificate and stamp duty documents;
- (c) a certified copy of the resolution(s) adopted by your Board authorising the sale of the Sale Shares as well as the registration of RHB Bank as the holder of the Sale Shares in the register of members of each of the Target Companies and the entry into and performance of the SSA; and
- (d) the assignment, novation or other transfer agreement(s) duly executed by the relevant Target Companies and/or their subsidiaries in favour of RHB Bank in respect of the Tax Recoverable.

On completion, RHB Bank shall (subject to any adjustments pursuant to the determination of the Tax Recoverable) pay in cash, the Sale Shares Purchase Consideration to our Company.

(iv) Termination Events

The SSA may be terminated prior to completion upon the occurrence of, amongst others, the following events:-

- (a) by RHB Bank or our Company,
  - 1. if any of the conditions precedent set out in Section 2.2.3.1(ii) of this Circular is not fulfilled within three (3) months from the date of the SSA or such other date as the parties may mutually agree in writing; and/or
  - 2. if the completion obligations set out in Section 2.2.3.1(iii) of this Circular are not fully complied with by RHB Bank or our Company by or on the date set for completion,

- (b) by RHB Bank,
  - 1. if any of the warranties given by our Company was, when given, or will be or would be, at completion (as if they had been given again at completion) not complied with or otherwise untrue or misleading; and/or
  - 2. if prior to completion, our Company breached any of the terms of the SSA.

Our Company may also terminate the SSA, by written notice to RHB Bank, if RHB Bank fails to pay the Sale Shares Purchase Consideration to our Company on completion.

#### 2.2.3.2 APA

##### (i) Purchase Consideration

The consideration for the purchase by RHB Bank of the assets and liabilities of RHB Hartanah which consist of amongst others, the Properties, all the shares and securities of RHB Property Management Sdn Bhd, the benefit of the contracts and all the cash in hand or credited to any account with a bank (“Assets”) shall be the cash sum of RM298,374,000.00.

The shares and securities which RHB Hartanah holds in Positive Properties Sdn Bhd and any amounts due to Positive Properties Sdn Bhd will be excluded from the APA.

##### (ii) Conditions Precedent

The APA is conditional upon the satisfaction of the following conditions:-

- (a) RHB Bank has held a shareholder’s meeting which has passed all necessary resolutions for the acquisition of the Assets, if required;
- (b) RHB Hartanah has held a shareholder’s meeting which has passed all necessary resolutions for the disposal of the Assets, if required;
- (c) completion of the Proposed Rights Issue;
- (d) the approval of any relevant authority whose approval may be required for the proposed acquisition of the Assets and liabilities, if required;
- (e) the execution of, and fulfilment of the conditions precedent under the sale and purchase agreements for the Properties (which will be separately entered into between RHB Bank and RHB Hartanah on the same date as the APA); and
- (f) the execution of, and fulfilment of the conditions precedent under the SSA.

##### (iii) Completion

The APA shall complete within seven (7) business days following fulfilment or waiver of the conditions precedent set out in Section 2.2.3.2(ii) of this Circular, whichever is later (or such other date as the parties may mutually agree in writing).

To the extent permitted by law, the parties may by mutual agreement agree in writing to waive the requirement to obtain any of the approvals or the conditions precedent referred to in Section 2.2.3.2(ii) of this Circular and thereafter the parties may proceed to completion in accordance with this section.

On completion, RHB Hartanah shall deliver or make available to RHB Bank:-

- (a) evidence of the due fulfilment of the conditions precedent set out in Section 2.2.3.2(ii) of this Circular;
- (b) a certified copy of the minutes of a meeting of the directors of RHB Hartanah authorising the execution by RHB Hartanah of the APA and of any documents to be entered into pursuant to or in connection with the APA;
- (c) such conveyances, transfers, assignments and novations (duly executed as a deed by RHB Hartanah, any third party and, if so reasonably required by RHB Hartanah, RHB Bank) together with the relative documents of title and such third party consents as RHB Hartanah may have obtained;
- (d) those Assets which are capable of transfer by delivery;
- (e) in relation to the Properties:-
  - (i) the original architectural drawings or blueprints of the buildings, including as-built drawings in hard-copy as well as electronic form of Properties;
  - (ii) all original permits, licences, consents, registrations, authorisations and approvals obtained in relation to the operations of RHB Centre;
  - (iii) original certificate of completion and compliance that RHB Centre have been constructed and completed in accordance with the Uniform Building By-Laws and approved plans;
  - (iv) original development order and building plan approval issued by the Kuala Lumpur Municipal Council in respect of RHB Centre;
  - (v) certified true copies of the quit rent and the assessment receipts in respect of the Properties for the current year;
  - (vi) the originals of all other agreements and evidence of arrangements relating to the Properties entered into by RHB Hartanah; and
  - (vii) any other document or information in possession of RHB Hartanah relating to the Properties reasonably requested by RHB Bank;
- (f) vacant possession of the Properties; and

(g) releases in respect of any encumbrances affecting any of the Assets.

(iv) Termination Events

The APA may be terminated prior to completion upon the occurrence of, amongst others, the following events:-

(a) by RHB Bank or RHB Hartanah,

1. if any of the conditions precedent set out in Section 2.2.3.2(ii) of this Circular is not fulfilled within three (3) months from the date of the APA or such other date as the parties may mutually agree in writing; and/or
2. if any of the sale and purchase agreement for the Properties (which will be separately entered into between RHB Bank and RHB Hartanah on the same date as the APA) is terminated prior to the completion date,

(b) by RHB Bank,

1. if any of the warranties given by RHB Hartanah was, when given, or will be or would be, at completion (as if they had been given again at completion) not complied with or otherwise untrue or misleading;
2. if the transfer in respect of one or both of the Properties cannot be registered for whatever reasons due to no fault of RHB Hartanah nor RHB Bank and due to a defect which is not rectifiable at the land registry; and/or
3. if prior to completion RHB Hartanah breached any of the terms of the APA.

### **2.3 Proposed Distribution and Capital Repayment**

The Proposed Distribution and Capital Repayment will entail the distribution of the entire shareholdings of our Company in RHB Bank after the Proposed Rights Issue and Proposed Internal Reorganisation to the Distribution and Capital Repayment Entitled Shareholders.

The basis for the Proposed Distribution and Capital Repayment can only be determined upon the completion of the Proposed Rights Issue and the Proposed Internal Reorganisation but prior to the announcement of the Distribution Entitlement Date and will depend on the issued and paid-up share capital of our Company as well as the actual number of Consolidated RHB Bank Shares held by our Company after the Proposed Capital Injection, Proposed Internal Reorganisation and injection of the Excess Cash, if any.

The Proposed Distribution and Capital Repayment will be implemented via a reduction of the entire share premium account of our Company and a reduction in the share capital of our Company in accordance with Sections 60(2) and 64 of the Act, and the remaining balance via a distribution of our Company's retained earnings. For the purposes of the reduction in the share capital of our Company, the par value of all the existing RHB Capital Shares shall be reduced from RM1.00 to RM0.05.

For information purposes, upon completion of the Proposed Distribution and Capital Repayment, our existing shareholders will continue to hold shares in our Company with par value of RM0.05 each, in the proportion of their shareholdings as at the Distribution Entitlement Date. Upon receiving the approval of the shareholders of our Company for the Proposed Winding Up at a separate EGM to be convened later, RHB Capital will appoint a liquidator to liquidate our Company and any surplus cash (after the settlement of all liabilities and defrayment of expenses) thereafter will be returned to our shareholders.

The Consolidated RHB Bank Shares to be distributed to the Distribution and Capital Repayment Entitled Shareholders will be existing issued and paid-up shares in RHB Bank (after the Proposed Internal Reorganisation, Proposed Capital Injection and injection of Excess Cash, if any) and will be distributed free from all encumbrances. However, the said Consolidated RHB Bank Shares shall not entitle their holders to any dividend, right, allotment and/or other distribution, that may be declared, made or paid prior to the date on which the said Consolidated RHB Bank Shares are credited into the CDS Accounts of the Distribution and Capital Repayment Entitled Shareholders.

Fractional entitlements of the Consolidated RHB Bank Shares to be distributed pursuant to the Proposed Distribution and Capital Repayment, if any, shall be dealt with in a fair and equitable manner as your Board shall in their absolute discretion think expedient and in the best interest of our Company.

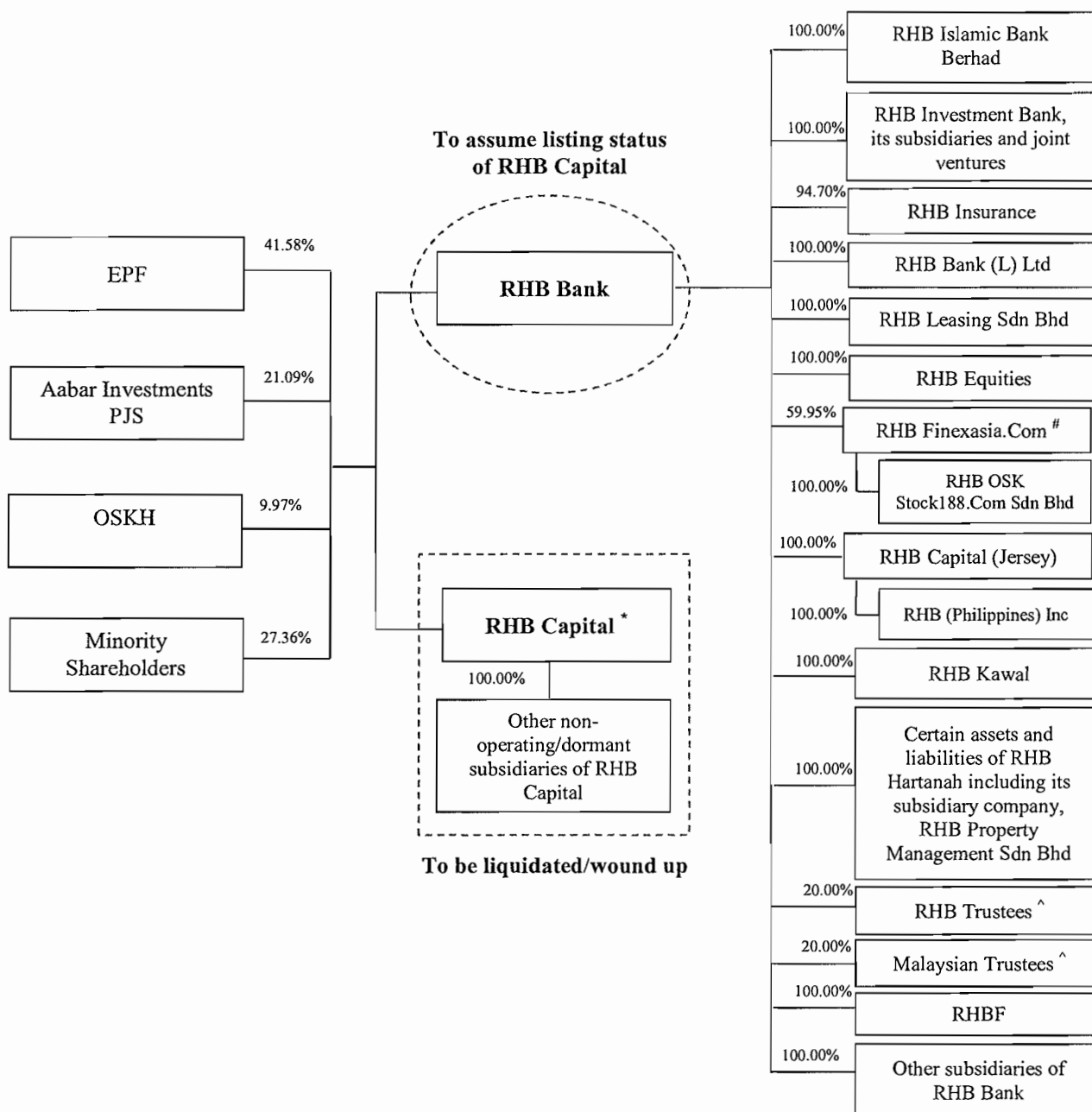
For information purposes, as at LPD, EPF holds 41.58% of the voting shares of our Company. Upon completion of the Proposed Distribution and Capital Repayment, EPF will hold more than 33% of the voting shares in RHB Bank. An exemption will be sought from the SC under Paragraph 21.1 of Practice Note 9 of the Code from the obligation to undertake a mandatory offer for the remaining Consolidated RHB Bank Shares not already owned by EPF upon completion of the Proposed Distribution and Capital Repayment.

Our Company will cease to be a shareholder of RHB Bank upon completion of the Proposed Distribution and Capital Repayment. The effective percentage shareholdings of our shareholders in RHB Bank shall remain unchanged before and after the Proposed Distribution and Capital Repayment.

The corporate and shareholdings structure of our Company after the Proposed Distribution and Capital Repayment are illustrated in Section 2.3.1 of this Circular.

**(The rest of this page has been intentionally left blank)**

### 2.3.1 Corporate and shareholdings structure after the Proposed Distribution and Capital Repayment



**Notes:-**

\* Comprising ordinary shares of nominal par value.

# RHB Investment Bank holds the remaining 40.05% equity interest in RHB Finexasia.Com.

^ RHB Investment Bank and its wholly-owned subsidiaries, namely RHB Nominees (Tempatan) Sdn Bhd, RHB Nominees (Asing) Sdn Bhd and OSK Futures and Options Sdn Bhd collectively hold the remaining 80.00% equity interest in both RHB Trustees and Malaysian Trustees.



## **2.4 Proposed Transfer of Listing Status**

Upon completion of the Proposed Distribution and Capital Repayment, RHB Bank will assume our listing status. Accordingly, it is proposed that RHB Bank be admitted to the Official List of Bursa Securities in place of our Company with the listing of and quotation for the entire issued and paid-up share capital of RHB Bank on the Main Market of Bursa Securities.

## **2.5 Proposed M&A Amendments**

The Proposed M&A Amendments entails the consequential amendments to the M&A of our Company to facilitate the Proposed Distribution and Capital Repayment and Proposed Transfer of Listing Status.

Details of the Proposed M&A Amendments are set out in Appendix III of this Circular.

## **3. RATIONALE FOR THE PROPOSALS**

### **3.1 Rationale for the Proposed Rights Issue**

The Proposed Rights Issue will enable our Company to raise funds to further strengthen the capital position of RHB Bank, via the Proposed Capital Injection, to support the continuous business growth of RHB Bank Group and meeting the requirements of Basel III.

Notwithstanding the above and as set out in Section 2.1.6 of this Circular, in the event that the Proposed Internal Reorganisation is not implemented, the Intended Gross Proceeds shall be utilised to repay the bank borrowings of our Company and/or injected as equity into RHB Bank to further capitalise RHB Bank, if required. As at 31 March 2015, the total bank borrowings of our Company and our Group stood at approximately RM3.12 billion and RM13.10 billion<sup>1</sup> respectively. In the event that the Intended Gross Proceeds is utilised to repay the bank borrowings of our Company, our Company will firstly repay our external bank borrowings and then followed by repayment of our bank borrowings from RHB Bank. The repayment of our external bank borrowings is expected to result in an annual interest savings of approximately RM88.4 million to our Group, based on the average cost of borrowings of approximately 4.32% per annum.

After due consideration of various methods of fund raising as well as the capital structure of our Company, your Board is of the view that the Proposed Rights Issue is the most appropriate means of raising the necessary funds premised on the following reasons:-

- (i) the Proposed Rights Issue will enable our Company to raise the requisite funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing;
- (ii) the Proposed Rights Issue will involve the issuance of new RHB Capital Shares without diluting existing shareholders' percentage shareholdings provided that all the Rights Issue Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue;
- (iii) the Proposed Rights Issue will provide the Rights Issue Entitled Shareholders with an opportunity to further increase their equity participation in our Company and ultimately, participate in the prospects and future growth of RHB Bank Group after the completion of the Proposed Capital Injection and the Proposed Internal Reorganisation; and
- (iv) the Rights Issue Entitled Shareholders will be able to subscribe for the Rights Shares at a discount to both market price and TERP.

---

<sup>1</sup> *Comprises borrowings and senior debt securities, subordinated obligations and Hybrid Tier-1 capital securities.*

### 3.2 Rationale for the Proposed Internal Reorganisation

The Proposed Internal Reorganisation will be undertaken to streamline the businesses of RHB Capital Group under RHB Bank with the aim to achieve greater tax efficiency in view of the change from the two-tier tax system to a single-tier tax system as well as to position RHB Bank to spearhead our Group's future growth.

### 3.3 Rationale for the Proposed Distribution and Capital Repayment and the Proposed Transfer of Listing Status

Your Board is proposing to undertake the Proposed Distribution and Capital Repayment to facilitate the distribution of all of our shareholdings in RHB Bank to the Distribution and Capital Repayment Entitled Shareholders.

Upon completion of the Proposed Distribution and Capital Repayment, your Board is proposing to transfer our listing status to RHB Bank to enable our shareholders to have a direct participation in the equity and envisaged growth of RHB Bank Group.

The Proposed Transfer of Listing Status will also enable RHB Bank Group to gain direct access to the capital markets to raise funds for its continued growth.

Further, the Proposed Transfer of Listing Status will enable the RHB Bank Group to gain recognition and corporate stature through its listing status and further enhance its corporate reputation and assist RHB Bank Group in expanding its customer base.

### 3.4 Rationale for the Proposed M&A Amendments

The Proposed M&A Amendments is to enable our Company to amend the M&A to facilitate the Proposed Distribution and Capital Repayment and Proposed Transfer of Listing Status.

## 4. EFFECTS OF THE PROPOSALS

### 4.1 RHB Capital

The Proposed Transfer of Listing Status and Proposed M&A Amendments will not have any effect on the issued and paid-up capital, consolidated NA per Share and gearing, consolidated EPS and shareholdings of the substantial shareholders of our Company.

For illustration purposes only, the proforma effects of the Proposed Rights Issue, Proposed Internal Reorganisation and Proposed Distribution and Capital Repayment have been prepared after taking into consideration the following:-

- (i) interim cash dividend of 6 sen per RHB Capital Share declared by our Company for the FYE 31 December 2014 ("**2014 Interim Dividend of RHB Capital**") and our Company's dividend reinvestment plan, where shareholders of our Company could elect to reinvest dividends distributed by our Company due to them for new RHB Capital Shares ("**2014 Interim DRP of RHB Capital**") (collectively referred to as the "**2014 Interim Dividend and DRP of RHB Capital**");

The 2014 Interim Dividend and DRP of RHB Capital was completed on 27 April 2015 with the listing of and quotation for 16,024,645 new RHB Capital Shares at an issue price of RM7.03 each, representing a reinvestment rate of 73.01%;

- (ii) the Issue Price for the Rights Shares, entitlement basis, number of Rights Shares to be issued and the estimated expenses in relation to the Proposed Rights Issue are assumed to be as follows:-

Illustrative Issue Price	:	RM5.60 per Rights Share, reflecting approximately 20.55% discount to the TERP of RM7.05 based on the 5-day VWAP of RHB Capital Shares up to and including the LPD of RM7.29
Illustrative entitlement basis	:	One (1) Rights Share for every six (6) RHB Capital Shares held
Illustrative number of Rights Shares to be issued	:	Approximately 431.41 million Rights Shares
Estimated expenses in relation to the Proposed Rights Issue	:	RM19.78 million

- (iii) the Proposed Distribution and Capital Repayment will be effected through:-

- (a) a proposed reduction of the par value of all the existing RHB Capital Shares from RM1.00 to RM0.05 in accordance with Section 64 of the Act, effected through a reduction in share capital of RM2,868.90 million and reduction of the entire share premium reserves of RM7,114.41 million in accordance with Section 60(2) of the Act; and
- (b) a proposed reduction in the retained earnings based on the fair value of our Group's investment in RHB Bank, after taking into consideration the Proposed Internal Reorganisation; and
- (iv) upon completion of the Proposed Distribution and Capital Repayment, the assets, liabilities and reserves of RHB Bank and its subsidiaries are derecognised from the consolidated financial statements of our Company.

#### 4.1.1 Share capital

The Proposed Internal Reorganisation will not have any effect on the share capital of RHB Capital.

The proforma effects of the Proposed Rights Issue and the Proposed Distribution and Capital Repayment on the share capital of our Company are set out below:-

	No. of RHB Capital Shares ( <sup>'000</sup> )	Amount RM( <sup>'000</sup> )
As at LPD	2,588,481	2,588,481
To be issued pursuant to the Proposed Rights Issue	431,414	431,414
	3,019,895	3,019,895
To be cancelled pursuant to the Proposed Distribution and Capital Repayment	-	(2,868,900)
<b>Enlarged issued and paid-up share capital</b>	<b>3,019,895</b>	<b>150,995</b>

#### 4.1.2 NA and gearing

For illustrative purposes only, based on the audited consolidated statement of financial position of our Company as at 31 December 2014, the proforma effects of the Proposed Rights Issue, Proposed Internal Reorganisation and Proposed Distribution and Capital Repayment on the NA and gearing of our Group are set out below, based on the following illustrative scenarios:-

**SCENARIO I: Assuming that the Proposed Internal Reorganisation is implemented**

**SCENARIO II: Assuming that the Proposed Internal Reorganisation is not implemented**

#### SCENARIO I

	(I) Audited as at 31.12.2014 RM('000)	(II) After the 2014 Interim Dividend and DRP of RHB Capital RM('000)	(III) After (I) and the Proposed Rights Issue and the Proposed Internal Reorganisation RM('000)	(IV) After (II) and the Proposed Distribution and Capital Repayment RM('000)
Share capital	2,572,457	2,588,481 <sup>(3)</sup>	3,019,895	150,995 <sup>(8)</sup>
Share premium	5,053,063	5,149,687 <sup>(3)</sup>	7,114,408 <sup>(5)</sup>	-
Statutory reserve	3,817,799	3,817,799	3,817,799	-
Other reserves	28,196	28,196	28,196	-
Available-for-sale reserves	191,619	191,619	191,619	-
Translation reserves	191,334	191,334	191,334	-
Retained profits	6,939,829	6,785,482 <sup>(4)</sup>	6,737,847 <sup>(6)</sup>	7,110 <sup>(9)</sup>
<b>Shareholders' fund/NA</b>	<b>18,794,297</b>	<b>18,752,598</b>	<b>21,101,098</b>	<b>158,105</b>
No. of RHB Capital Shares in issue ('000)	2,572,457	2,588,481	3,019,895	3,019,895
NA per Share (RM)	7.31	7.24	6.99	0.05
Total borrowings <sup>(1)</sup>	12,386,269	12,386,269	10,330,308 <sup>(7)</sup>	-
Gearing (times) <sup>(2)</sup>	0.66	0.66	0.49	-

Notes:-

<sup>(1)</sup> Comprises borrowings and senior debt securities, subordinated obligations and Hybrid Tier-1 capital securities as per RHB Capital's audited financial statements for the FYE 31 December 2014.

<sup>(2)</sup> Calculated as total borrowings divided by shareholders' funds.

<sup>(3)</sup> Based on the issuance of 16,024,645 new RHB Capital Shares at an issue price of RM7.03 per RHB Capital Share pursuant to the 2014 Interim DRP of RHB Capital.

- (4) *After taking into consideration the 2014 Interim Dividend of RHB Capital amounting to approximately RM154.35 million.*
- (5) *Based on the illustrative issue price of RM5.60 per Rights Share and after deducting estimated expenses amounting to approximately RM19.78 million in relation to the Proposed Rights Issue.*
- (6) *After deducting estimated expenses in relation to the Proposals (save for the Proposed Rights Issue) amounting to approximately RM47.63 million which includes advisory fees, taxes, stamp duty and other miscellaneous expenses.*
- (7) *After the repayment of external bank borrowings of our Company amounting to approximately RM2,055.96 million using the proceeds received from the Proposed Internal Reorganisation. The repayment of internal bank borrowings of our Company amounting to approximately RM1,055.47 million using the proceeds received from the Proposed Internal Reorganisation will not have any effect on the proforma consolidated statement of financial position of our Company.*
- (8) *Representing RHB Capital Shares with a par value of RM0.05 per RHB Capital Share after the Proposed Distribution and Capital Repayment. The remaining par value of RM0.05 per RHB Capital Share shall be retained to facilitate the Proposed Winding Up and the liquidation of our Company as well as for the setting aside of adequate cash for any expenses of the Company.*
- (9) *After deducting estimated expenses in relation to the Proposed Distribution and Capital Repayment of approximately RM1.50 million.*

**(The rest of this page has been intentionally left blank)**

## SCENARIO II

	(I)		(II)	
	Audited as at 31.12.2014		After (I) and the Proposed Rights Issue	
	RM('000)		RM('000)	
Share capital	2,572,457	2,588,481 <sup>(3)</sup>	3,019,895	
Share premium	5,053,063	5,149,687 <sup>(3)</sup>	7,114,408 <sup>(5)</sup>	
Statutory reserve	3,817,799	3,817,799	3,817,799	
Other reserves	28,196	28,196	28,196	
Available-for-sale reserves	191,619	191,619	191,619	
Translation reserves	191,334	191,334	191,334	
Retained profits	6,939,829	6,785,482 <sup>(4)</sup>	6,785,482	
<b>Shareholders' fund/NA</b>	<b>18,794,297</b>	<b>18,752,598</b>	<b>21,148,733</b>	
No. of RHB Capital Shares in issue ('000)	2,572,457	2,588,481	3,019,895	
NA per Share (RM)	7.31	7.24	7.00	
Total borrowings <sup>(1)</sup>	12,386,269	12,386,269	10,330,308 <sup>(6)</sup>	
Gearing (times) <sup>(2)</sup>	0.66	0.66	0.49	

### Notes:-

- <sup>(1)</sup> Comprises borrowings and senior debt securities, subordinated obligations and Hybrid Tier-1 capital securities as per RHB Capital's audited financial statements for the FYE 31 December 2014.
- <sup>(2)</sup> Calculated as total borrowings divided by shareholders' funds.
- <sup>(3)</sup> Based on the issuance of 16,024,645 new RHB Capital Shares at an issue price of RM7.03 per RHB Capital Share pursuant to the 2014 Interim DRP of RHB Capital.
- <sup>(4)</sup> After taking into consideration the 2014 Interim Dividend of RHB Capital amounting to approximately RM154.35 million.
- <sup>(5)</sup> Based on the illustrative issue price of RM5.60 per Rights Share and after deducting estimated expenses amounting to approximately RM19.78 million in relation to the Proposed Rights Issue.
- <sup>(6)</sup> After the repayment of external bank borrowings of our Company amounting to approximately RM2,055.96 million using the proceeds to be raised from the Proposed Rights Issue. The repayment of internal bank borrowings of our Company amounting to approximately RM359.96 million using the proceeds to be raised from the Proposed Rights Issue will not have any effect on the proforma consolidated statement of financial position of our Company.

#### 4.1.3 Earnings and EPS

The EPS of our Group is expected to be diluted as a result of the increase in the number of Shares in issue arising from the Proposed Rights Issue.

Notwithstanding the above, the Proposed Capital Injection will further strengthen the statement of financial position as well as working capital of RHB Bank and the future growth of our Group are expected to contribute positively to the future earnings of our Group vis-à-vis the RHB Bank Group.

Upon completion of the Proposed Internal Reorganisation and the Proposed Distribution and Capital Repayment, our Group will cease to consolidate the earnings attributable to the Identified Assets, as the earnings will then be attributable to RHB Bank instead.

**(The rest of this page has been intentionally left blank)**

#### 4.1.4 Substantial shareholders' shareholdings

The Proposed Internal Reorganisation and Proposed Distribution and Capital Repayment will not have any effect on our substantial shareholders' shareholdings in our Company.

The proforma effects of the Proposed Rights Issue on our substantial shareholders' shareholdings in our Company are set out below:-

	As at LPD				(I) After the Proposed Rights Issue <sup>(5)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
EPF <sup>(1)</sup>	1,076,295,782	41.58	-	-	1,255,677,545	41.58	-	-
Aabar Investments PJS	545,787,168	21.09	-	-	636,772,290	21.09	-	-
OSKH	257,980,000	9.97	-	-	300,991,933	9.97	-	-
International Petroleum Investment Company PJSC	-	-	545,787,168 <sup>(2)</sup>	21.09	-	-	636,772,290 <sup>(2)</sup>	21.09
OSK Equity Holdings Sdn Bhd	-	-	257,980,000 <sup>(3)</sup>	9.97	-	-	300,991,933 <sup>(3)</sup>	9.97
Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	-	257,980,000 <sup>(4)</sup>	9.97	-	-	300,991,933 <sup>(4)</sup>	9.97

#### Notes:-

- <sup>(1)</sup> The interest of EPF is held through various fund managers.
- <sup>(2)</sup> Deemed interested pursuant to Section 6A(4)(c) of the Act through control of its subsidiary, Aabar Investments PJS.
- <sup>(3)</sup> Deemed interested pursuant to Section 6A of the Act by virtue of its substantial shareholdings in OSKH.
- <sup>(4)</sup> Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings, via OSK Equity Holdings Sdn Bid, in OSKH.
- <sup>(5)</sup> Assuming that all the shareholders of our Company subscribe in full for their respective entitlements.

As the entire issued and paid-up share capital of RHB Bank will be distributed proportionately to our shareholders pursuant to the Proposed Distribution and Capital Repayment, the shareholding structure of our Company immediately prior to the Distribution Entitlement Date will be reflected in the shareholding structure of RHB Bank (in terms of percentage shareholdings). Shareholders of our Company will continue to hold shares with par value of RM0.05 per share in our Company, in the proportion of their shareholdings as at the Distribution Entitlement Date until the completion of the Proposed Winding Up.



#### 4.1.5 Convertible securities

As at LPD, our Company does not have any option, warrant or convertible security in issue.

#### 4.2 RHB Bank

The Proposed Rights Issue, Proposed Transfer of Listing Status and Proposed M&A Amendments will not have any effect on the issued and paid-up capital, consolidated NA per share and gearing, consolidated EPS and shareholdings of the substantial shareholders of RHB Bank. The Proposed Distribution and Capital Repayment will not have any effect on the issued and paid-up capital, consolidated NA per share and gearing and consolidated EPS of RHB Bank.

For illustration purposes only, the proforma effects of the Proposed Internal Reorganisation and the Proposed Capital Injection have been prepared after taking into consideration the following:-

- (i) second interim cash dividend of RM583.27 million declared by RHB Bank for the FYE 31 December 2014 (“**2014 Second Interim Dividend of RHB Bank**”). The 2014 Second Interim Dividend of RHB Bank was paid on 3 April 2015 and 75% had been recapitalised into new RHB Bank Shares at an issue price of RM2.30 per RHB Bank Share, resulting in the issuance of approximately 190.20 million new RHB Bank Shares; and
- (ii) the estimated Excess Cash amounting to approximately RM530.0 million will be injected into RHB Bank as additional capital, in exchange for new Consolidated RHB Bank Shares (“**Additional Capital Injection**”). For the avoidance of doubt, the Additional Capital Injection is dependent on the actual Excess Cash in RHB Capital.

##### 4.2.1 Share capital

The Proposed Internal Reorganisation will not have any effect on the share capital of RHB Bank.

The proforma effects of the Proposed Capital Injection on the share capital of RHB Bank is set out below:-

	No. of RHB Bank Shares (’000)	Amount RM(’000)
As at LPD	6,921,170	3,460,585
After the Proposed Consolidation of RHB Bank Shares	3,460,585	3,460,585
To be issued pursuant to the Proposed Capital Injection and Additional Capital Injection	507,534 <sup>^</sup>	507,534
<b>Enlarged issued and paid-up share capital</b>	<b>3,968,119</b>	<b>3,968,119</b>

*Note:-*

<sup>^</sup> Calculated as the total Proposed Capital Injection and Additional Capital Injection amounting to approximately RM3.03 billion divided by an illustrative issue price of RM5.97, being the illustrative fair market value of the Consolidated RHB Bank Shares. The basis of arriving at the illustrative fair market value of the Consolidated RHB Bank Shares is set out in Note 5 of Section 4.2.2 of this Circular.

#### 4.2.2 NA and gearing

Based on the audited consolidated statement of financial position of RHB Bank as at 31 December 2014, the proforma effects of the Proposed Internal Reorganisation and Proposed Capital Injection on the NA and gearing of RHB Bank are set out below:-

		(I)	(II)
	Audited as at 31.12.2014	After the 2014 Second Interim Dividend of RHB Bank	After (I) and the Proposed Internal Reorganisation and the Proposed Capital Injection
	RM('000)	RM('000)	RM('000)
Share capital	3,365,486	3,460,585 <sup>(3)</sup>	3,968,119 <sup>(5)</sup>
Share premium	136,162	478,518 <sup>(3)</sup>	3,000,984 <sup>(5)</sup>
Statutory reserve	4,031,903	4,031,903	4,372,856 <sup>(6)</sup>
Other reserves	-	-	25,875 <sup>(6)</sup>
Available-for-sale reserves	190,466	190,466	192,962 <sup>(6)</sup>
Translation reserves	135,471	135,471	171,497 <sup>(6)</sup>
Retained profits	7,575,175	6,991,903 <sup>(4)</sup>	6,831,418 <sup>(7)</sup>
<b>Shareholders' funds/NA</b>	<b>15,434,663</b>	<b>15,288,846</b>	<b>18,563,711</b>
No. of RHB Bank Shares in issue ('000)	6,730,972	6,921,170	3,968,119 <sup>(8)</sup>
NA per Share (RM)	2.29	2.21	4.68
Total borrowings <sup>(1)</sup>	9,637,037	9,637,037	10,330,307 <sup>(9)</sup>
Gearing (times) <sup>(2)</sup>	0.62	0.63	0.56

**Notes:-**

<sup>(1)</sup> Comprises borrowings, subordinated obligations, Hybrid Tier-I capital securities and senior debt securities as per RHB Bank's audited financial statements for the FYE 31 December 2014.

<sup>(2)</sup> Calculated as total borrowings divided by shareholders' funds.

<sup>(3)</sup> 75.0% of the 2014 Second Interim Dividend of RHB Bank had been recapitalised into new RHB Bank Shares at an issue price of RM2.30 per RHB Bank Share, being the net asset value per RHB Bank Share as at 31 December 2014.

<sup>(4)</sup> After taking into consideration the 2014 Second Interim Dividend of RHB Bank amounting to RM583.27 million.

<sup>(5)</sup> After the Proposed Capital Injection and Additional Capital Injection for new Consolidated RHB Bank Shares at an illustrative issue price of RM5.97, being the illustrative fair market value of Consolidated RHB Bank Shares, which was arrived at based on the net asset value per Consolidated RHB Bank Share after the Proposed Internal Reorganisation of RM4.49 multiplied by an illustrative PBR of approximately 1.33 times.

For information purposes, the net asset value per Consolidated RHB Bank Share of RM4.49 was computed based on the enlarged NA of RHB Bank after the Proposed Internal Reorganisation amounting to approximately RM15.53 billion (after the consolidation of the reserves of the Identified Assets and after deducting estimated expenses in relation to the Proposed Internal Reorganisation) divided by the issued and paid-up share capital of RHB Bank after the Proposed Consolidation of RHB Bank Shares amounting to approximately 3.46 billion Consolidated RHB Bank Shares.

The illustrative PBR was arrived at after taking into consideration the range of PBRs of comparable financial institution groups listed on Bursa Securities of approximately 1.33 times to 1.64 times, which was computed based on the six (6) months VWAP of the comparable financial institution groups from 30 September 2014 up to 30 March 2015 (being the latest month prior to the announcement of the Proposals) divided by their respective NA per share for the financial year/financial period ended 31 December 2014.

For the avoidance of doubt, the illustrative issue price of RM5.97 should not be construed as the actual reference price of RHB Bank upon the listing of and quotation for its entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities.

<sup>(6)</sup> After the consolidation of the reserves of the Identified Assets.

<sup>(7)</sup> The Proposed Internal Reorganisation is accounted as business combination under common control of which the assets acquired, liabilities assumed and reserves are stated at the predecessor carrying amounts from the consolidated financial statements of the ultimate holding company of RHB Bank Group. The difference between the Disposal Consideration and the aggregate carrying amounts of the assets, liabilities and reserves amounting to approximately RM152.61 million is recorded as an adjustment to retained profits. In addition, estimated expenses in relation to the Proposed Internal Reorganisation of approximately RM7.88 million have been deducted from retained profits.

<sup>(8)</sup> After the Proposed Consolidation of RHB Bank Shares.

<sup>(9)</sup> Including the borrowings of the Identified Assets amounting to approximately RM693.27 million.

#### 4.2.3 Earnings and EPS

Upon completion of the Proposed Consolidation of RHB Bank Shares, the EPS of RHB Bank Group will correspondingly increase due to the decrease in the number of ordinary shares in issue, assuming that earnings remain constant. Nevertheless, pursuant to MFRS 133 “Earnings Per Share”, the number of ordinary shares in issue will be restated in the comparative period. Hence, the Proposed Consolidation of RHB Bank Shares will not have any effect on the EPS of RHB Bank Group.

The Proposed Capital Injection will further strengthen the statement of financial position as well as working capital of RHB Bank. The Proposed Capital Injection is expected to contribute positively to the earnings of RHB Bank Group for the ensuing financial years when the benefits from the utilisation of the Proposed Capital Injection are realised.

Upon completion of the Proposed Internal Reorganisation, the RHB Bank Group will be able to consolidate the earnings attributable to the Identified Assets.

#### 4.2.4 Substantial shareholders’ shareholdings

Save for the Additional Capital Injection (if applicable), the Proposed Internal Reorganisation will not have any effect on the substantial shareholders’ shareholdings in RHB Bank.

For illustrative purposes only, the proforma effects of the Proposed Capital Injection on the substantial shareholders’ shareholdings in RHB Bank are set out below:-

	As at LPD				After the Proposed Capital Injection			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of RHB Bank Shares ('000)	%	No. of RHB Bank Shares ('000)	%	No. of RHB Bank Shares ('000)	%	No. of RHB Bank Shares ('000)	%
RHB Capital	6,921,170	100.00	-	-	3,968,119 <sup>(1)</sup>	100.00	-	-

Note:-

<sup>(1)</sup> After the Proposed Consolidation of RHB Bank Shares and including the Additional Capital Injection.

As the entire issued and paid-up share capital of RHB Bank will be distributed proportionately to our shareholders pursuant to the Proposed Distribution and Capital Repayment, RHB Bank will cease to be a wholly-owned subsidiary of our Company and the shareholding structure of our Company immediately prior to the Distribution Entitlement Date will be reflected in the shareholding structure of RHB Bank (in terms of percentage shareholdings).

#### 4.2.5 Convertible securities

As at LPD, RHB Bank does not have any option, warrant or convertible security in issue.

## 5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of RHB Capital Shares traded on the Main Market of Bursa Securities for the past twelve (12) months from August 2014 to July 2015 are as follows:-

	<u>High</u> (RM)	<u>Low</u> (RM)
<b><u>2014</u></b>		
August	9.57	8.91
September	9.24	8.73
October	9.05	8.33
November	8.88	8.11
December	8.18	7.05
<b><u>2015</u></b>		
January	8.34	7.21
February	8.42	7.81
March	8.07	7.64
April	8.30	7.75
May	7.90	7.39
June	7.69	7.11
July	7.67	7.11
Last transacted market price of RHB Capital Shares on 10 April 2015 (being the last full trading day prior to the announcement of the Proposals on 13 April 2015)		8.21
Last transacted market price of RHB Capital Shares as at LPD		7.50

(Source: Bloomberg)

## 6. HISTORICAL OUTLOOK AND PROSPECTS

### 6.1 Outlook and prospects of the Malaysian economy

Global economic activity expanded with divergent growth momentum across economies in the first quarter of 2015. While the United States' economy registered broader improvements, the economic recovery in the Euro area and Japan progressed at a more gradual pace. In Asia, growth was sustained by the continued expansion in domestic demand.

The Malaysian economy registered a growth of 5.6% in the first quarter of 2015 (Fourth quarter ("4Q") 2014: 5.7%), underpinned mainly by the private sector demand. On the supply side, growth was supported by the major economic sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.2% (4Q 2014: 1.8%).

Private sector activity remained the key driver of growth during the quarter. Private consumption expanded at a stronger pace of 8.8% (4Q 2014: 7.6%), supported by stable labour market conditions and higher wage growth. The strong private consumption growth was also contributed by the flood relief efforts early in the year, and the front-loading of household spending prior to the implementation of Goods and Services Tax ("GST"). Private investment recorded a growth of 11.7% (4Q 2014: 11.1%), underpinned by capital expenditure in the manufacturing and services sectors. Growth in public consumption improved by 4.1% in the first quarter (4Q 2014: 2.5%), due to higher growth in supplies and services amid moderate growth in emoluments. Public investment turned around to register a positive growth of 0.5% (4Q 2014: -1.9%) following higher capital spending by the Federal Government.

On the supply side, growth in the first quarter was supported by the major economic sectors. The services sector was underpinned by growth in all sub-sectors, particularly consumption-related sub-sectors. Growth in the manufacturing sector was supported by stronger performance in the export-oriented industries, particularly the electronics and electrical (E&E) cluster. The construction sector was supported mainly by the non-residential and residential sub-sectors, while the mining sector continued to record stronger growth amid higher crude oil production. Meanwhile, the agriculture sector contracted as a result of lower palm oil production, arising from flood-related disruptions.

Moving forward, global economic growth is projected to improve at a moderate pace, but with diverging growth momentum across major economies. Although lower oil prices will have varying impact on economies, overall global growth is expected to benefit from this development. Downside risks to the growth outlook continue to persist arising from the prolonged weakness in domestic demand and low inflation in a number of major economies, concern on the growth prospects of several net commodity-exporting emerging economies and the re-emergence of geopolitical tensions, which could heighten financial market volatility.

The Malaysian economy is expected to remain on a steady growth path. Domestic demand will remain the key driver of growth amid the lower oil prices. Investment activity is projected to remain resilient, with continued capital spending by both the private and public sectors. While private consumption is expected to moderate as households adjust to the introduction of the GST, the steady rise in income and stable labour market conditions would support household spending. The recovery in global growth while remaining moderate, will provide support to manufactured exports, although lower commodity prices will likely weigh down on overall exports.

*(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2015, BNM)*

## **6.2 Outlook and prospects of the financial sector**

The strong capitalisation of the banking system was well-preserved with the common equity tier 1 (CET1) capital ratio, tier 1 capital ratio and total capital ratio remaining well above the minimum regulatory levels at 12.5%, 13.2% and 15.2% respectively. More than 80% of banks' total capital consists of high quality capital-retained earnings, paid-up capital and reserves. The excess total capital buffer for banks was sustained in excess of RM90 billion.

The banking system registered pre-tax profit totalling RM7.1 billion (4Q 2014: RM7.8 billion) in the first quarter. This was due mainly to lower contribution of revenue from dividend income segment. Returns on assets and equity were at 1.2% and 12.4% respectively (4Q 2014: 1.5% and 15.2% respectively).

Competition for deposits eased slightly following BNM's clarification of the Liquidity Coverage Ratio rules, although it remains at an elevated level. Liquidity in the banking system remained ample with liquidity buffers for maturities over the 1-week and 1-month horizons standing well above the minimum regulatory levels under the existing liquidity framework at 16.3% and 16% of total deposits respectively (4Q 2014: 17.4% and 15.8% respectively). In addition, the net interbank placements and reverse repo by banking institutions with BNM, which can be unwound to meet liquidity needs, remained above RM100 billion. In terms of USD liquidity, banks recorded a higher surplus position of RM20 billion in the less than 1-week maturity bucket (4Q 2014: surplus of RM15 billion) following a lower amount of net outflows from maturing foreign exchange derivative contracts payable. For the less than 1-month maturity bucket, banks recorded a surplus of RM2.4 billion compared to a surplus of RM5.5 billion at end-2014.

*(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2015, BNM)*

### 6.3 Outlook and prospects of RHB Capital and the enlarged RHB Bank Group

2015 is expected to remain a challenging year for the Malaysian banking industry, with the industry loan growth showing signs of moderation in tandem with slower economic growth. Domestic demand is expected to be subdued from tightening loan policies that have been implemented in the past two years. Furthermore, the recent implementation of the Goods and Services Tax may cause consumers to slow spending as they adjust to the new tax regime. This is compounded by the sharp fall in crude oil prices which emerged in the latter part of 2014, which may result in a slower-than-expected increase in private investment and government spending. Even after taking into account the positive impact of oil prices on Malaysian exports, we expect real GDP to grow by 5.0% in 2015. This is lower than our earlier projection of 5.3% and compared to 6.0% in 2014.

We also expect uncertainty to prevail on the external front. Despite the lower oil prices providing an impetus for global economic growth, persistent weakness in the Eurozone, China and Japan remains a concern and could pose a downside risk to Malaysia's export growth. Furthermore, the escalation of geopolitical tensions, uncertainty over US interest rate normalisation and policy adjustments in advanced economies continue to weigh on financial markets and global economic recovery.

Notwithstanding these developments, our Group remains determined to execute our planned strategies outlined in IGNITE 2017 to achieve our aspirations of becoming a Leading Multinational Financial Services Group by 2020.

To further strengthen our local and regional competitiveness, plans are underway to launch a host of differentiated capabilities and accelerate the progress of our current initiatives in 2015 through the following measures:-

- Branch sales and service transformation by rolling-out sales tools, redesigning branch model and enhancing customer experience
- Driving significant growth in Singapore
- Winning the affluent segment through a new business model and value propositions
- Redefining our small-and-medium-sized enterprises business model
- Launching next-generation digital offerings
- Transforming end-to-end credit processes
- Transforming our human resource operating model
- Revamping talent management programmes
- Optimising capital utilisation and enhancing capital management capabilities
- Rolling out Customer Relationship Management solutions

*(Source: RHB Capital's Annual Report 2014)*

The Proposed Rights Issue, via the Proposed Capital Injection, will further strengthen the capital position of RHB Bank to support the continuous business growth of the enlarged RHB Bank Group. Aside from achieving greater tax efficiency in view of the change from the two-tier tax system to a single-tier tax system, the Proposed Internal Reorganisation will also position RHB Bank, being the strongest entity of our Group, as the new holding company to better spearhead our Group's future growth. We are optimistic that the RHB Bank Group will be on a firmer footing to reap further growth for years to come.

## 7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:-

- (i) SC for the following:-
  - (a) change of controller of RHB Investment Bank, being a holder of the Capital Markets Services License issued by the SC, pursuant to the Proposed Internal Reorganisation;

- (b) exemption under Paragraph 20.1 or 21.1 of Practice Note 9 of the Code from the obligation to undertake a mandatory offer for the remaining RHB Insurance Shares not already owned by RHB Bank upon completion of the Proposed Internal Reorganisation; and
  - (c) exemption under Paragraph 21.1 of Practice Note 9 of the Code from the obligation to undertake a mandatory offer for the remaining Consolidated RHB Bank Shares not already owned by EPF upon completion of the Proposed Distribution and Capital Repayment,
- (ii) Bursa Securities, which was obtained vide its letter dated 30 July 2015, for the listing of and quotation for up to 2,500,000,000 Rights Shares on the Main Market of Bursa Securities pursuant to the Proposed Rights Issue.

The approval by Bursa Securities is subject to, *inter-alia*, the following conditions:-

	Condition	Status of compliance
1.	RHB Capital and RHB Investment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Rights Issue;	Noted.
2.	RHB Capital and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue; and	To be complied.
3.	RHB Capital to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed.	To be complied.

- (iii) Bursa Securities for the following:-
- (a) withdrawal of the listing status of RHB Capital from the Main Market of Bursa Securities pursuant to the Proposed Transfer of Listing Status; and
  - (b) admission of the Consolidated RHB Bank Shares to the Official List of Bursa Securities and the subsequent listing of and quotation for the Consolidated RHB Bank Shares on the Main Market of Bursa Securities pursuant to the Proposed Transfer of Listing Status.
- (iv) MOF and/or BNM (as the case may be), which was obtained vide BNM's letter dated 23 July 2015, for the Proposed Rights Issue, Proposed Internal Reorganisation and the Proposed Distribution and Capital Repayment;
- (v) Ministry of Home Affairs for the change of shareholder in RHB Kawal pursuant to the Proposed Internal Reorganisation;
- (vi) sanction of the High Court of Malaya pursuant to Sections 60(2) and 64 of the Act for the reduction of RHB Capital's entire share premium account and share capital pursuant to the Proposed Distribution and Capital Repayment;
- (vii) shareholders of our Company at an EGM to be convened for the Proposed Rights Issue, Proposed Distribution and Capital Repayment, Proposed Transfer of Listing Status and Proposed M&A Amendments;

- (viii) shareholder of RHB Bank for the following:-
  - (a) Proposed Consolidation of RHB Bank Shares;
  - (b) issuance of new Consolidated RHB Bank Shares to RHB Capital pursuant to the Proposed Capital Injection and injection of Excess Cash, if any;
  - (c) acquisitions of the Identified Assets pursuant to the Proposed Internal Reorganisation; and
  - (d) proposed amendments to the M&A of RHB Bank to facilitate the Proposed Consolidation of RHB Bank Shares and Proposed Transfer of Listing Status,
- (ix) approvals of the lenders of our Group and Identified Assets, if required;
- (x) approval from the foreign regulators, if required; and
- (xi) approvals, waivers and/or consents of any other relevant authorities and/or parties, if required.

In addition to the above, your Board will only recommend the Proposed Winding Up for the approval of the shareholders of our Company after the completion of the Proposed Distribution and Capital Repayment at a separate EGM to be convened, for the reasons stated in Section 1 of this Circular.

## 8. INTER-CONDITIONALITY OF THE PROPOSALS

The Proposed Rights Issue is not conditional upon any of the other Proposals.

The Proposed Internal Reorganisation is conditional upon the Proposed Rights Issue but is not conditional upon the Proposed Distribution and Capital Repayment and the Proposed Transfer of Listing Status.

The Proposed Distribution and Capital Repayment, Proposed Transfer of Listing Status and Proposed M&A Amendments are inter-conditional upon each other and are also conditional upon the Proposed Internal Reorganisation and Proposed Rights Issue.

For information purposes, the Proposed Transfer of Listing Status can only be effected after the approval of the shareholders of our Company for the Proposed Winding Up have been obtained at a separate EGM to be convened.

Save for the above, the Proposals are not conditional upon any other corporate proposal of our Company.

## 9. TENTATIVE TIMELINE FOR THE PROPOSALS

Barring any unforeseen circumstances and subject to the approvals (as set out in Section 7 of this Circular) being obtained, the tentative timeline in relation to the Proposals is as follows:-

Event	Month
<b>Proposed Rights Issue</b>	
Announcement of the Rights Issue Entitlement Date and price-fixing	Early September 2015
Rights Issue Entitlement Date and the issuance of the Abridged Prospectus together with the notice of provisional allotment of the Rights Shares and the rights subscription form to the Rights Issue Entitled Shareholders	End September 2015
Closing date for the acceptance of and application for the Rights Shares	Early October 2015



Event	Month
Listing of and quotation for the Rights Shares on the Main Market of Bursa Securities	End October 2015
<b><u>Proposed Internal Reorganisation</u></b>	
Fulfilment of all conditions precedent to the SSA and APA	Mid November 2015
Completion of the Proposed Internal Reorganisation	Mid November 2015
<b><u>Proposed Distribution and Capital Repayment</u></b>	
Application to the High Court for the Proposed Distribution and Capital Repayment	Mid November 2015
Grant of order by the High Court for the Proposed Distribution and Capital Repayment	End December 2015
Announcement of the Distribution Entitlement Date and despatch of notice of Distribution Entitlement Date	End December 2015
Distribution Entitlement Date	Early January 2016
<b><u>Proposed Transfer of Listing Status</u></b>	
Listing of the Consolidated RHB Bank Shares	End January 2016
Completion of the Proposals	End January 2016

#### 10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and the proposal disclosed below, there is no other corporate proposal which has been announced on Bursa Securities and is pending completion as at LPD:-

##### **Internal reorganisation exercise involving the proposed acquisition of the entire equity interest in RHB OSK Indochina Securities Limited (“RHBISL”) from RHB Indochina Bank Limited (“RHBIBL”)**

On 2 October 2014, our Company had announced that RHB Investment Bank, a wholly-owned subsidiary of our Company, had on 1 October 2014 entered into a share sale agreement with RHBIBL, a wholly-owned subsidiary of RHB Bank, which in turn is a wholly-owned subsidiary of our Company, for the acquisition of the entire equity interest in RHBISL from RHBIBL for a consideration of USD12,500,000 (“Acquisition”).

RHBISL was incorporated in Cambodia and is registered with the Securities and Exchange Commission of Cambodia (“SECC”) as a licensed security firm undertaking securities underwriting business.

Approvals from BNM, SC, SECC (in principle) and National Bank of Cambodia have been obtained on 25 June 2014, 1 July 2014, 2 March 2015 and 7 May 2015 respectively. The Acquisition is currently pending the formal approval from SECC and registration of the amended Memorandum and Articles of Association of RHBISL at the Ministry of Commerce Cambodia.

Upon completion of the Acquisition, RHBISL will become a wholly-owned subsidiary of RHB Investment Bank.

Barring unforeseen circumstances, the Acquisition is expected to be completed by the fourth quarter of 2015.

**11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of our Directors, major shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposals, save for their respective entitlements as shareholders of our Company pursuant to the Proposed Rights Issue and the Proposed Distribution and Capital Repayment which are also available to all our other shareholders.

**12. DIRECTORS' RECOMMENDATION**

Your Board, having considered, *inter-alia*, the rationale for the Proposals, the proforma effects of the Proposals on the Group and outlook and prospects of the enlarged RHB Bank Group, is of the opinion that the Proposals are in the best interest of our Company.

Accordingly, your Board recommends that you vote in favour of the resolutions pertaining to the Proposed Rights Issue, Proposed Distribution and Capital Repayment, Proposed Transfer of Listing Status and Proposed M&A Amendments to be tabled at the forthcoming EGM.

**13. EGM**

The EGM, the notice of which is enclosed in this Circular, will be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Thursday, 27 August 2015 at 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolutions to give effect to the Proposed Rights Issue, Proposed Distribution and Capital Repayment, Proposed Transfer of Listing Status and Proposed M&A Amendments.

If you are unable to attend and vote in person at the EGM, please complete, sign and send the enclosed Proxy Form in accordance with the instructions therein as soon as possible and in any event so as to arrive at our share registrar's office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time fixed for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

**14. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board  
**RHB CAPITAL BERHAD**

**DATO' MOHAMED KHADAR MERICAN**  
Non-Independent Non-Executive Chairman

---

**INFORMATION ON RHB CAPITAL**


---

**1. BACKGROUND INFORMATION**

RHB Capital was incorporated in Malaysia under the Act on 24 August 1994 as a public limited company under the name of DCB Holdings Berhad. Our Company assumed its present name on 16 June 1997 and was listed on the Main Board of Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities) on 29 December 1994 in place of RHB Bank, which was delisted on the same date. The principal activity of our Company is investment holding whilst the principal activities of our subsidiaries and joint venture companies are set out in Section 5 of this Appendix. Our Company does not have any associate company as at LPD.

**2. SHARE CAPITAL**

As at LPD, the authorised and issued and paid-up share capital of our Company are as follows:-

	No. of RHB Capital Shares	Par value (RM)	Total (RM)
Authorised	5,000,000,000	1.00	5,000,000,000
Issued and paid-up share capital	2,588,481,428	1.00	2,588,481,428

**3. SUBSTANTIAL SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

As at LPD, the substantial shareholders of our Company and their respective shareholdings in our Company are as follows:-

Name	Place of incorporation/ Nationality	<-----Direct----->		<-----Indirect----->	
		No. of RHB Capital Shares	%	No. of RHB Capital Shares	%
EPF <sup>(1)</sup>	Malaysia	1,076,295,782	41.58	-	-
Aabar Investments PJS	United Arab Emirates	545,787,168	21.09	-	-
OSKH	Malaysia	257,980,000	9.97	-	-
International Petroleum Investment Company PJSC	United Arab Emirates	-	-	545,787,168 <sup>(2)</sup>	21.09
OSK Equity Holdings Sdn Bhd	Malaysia	-	-	257,980,000 <sup>(3)</sup>	9.97
Tan Sri Ong Leong Huat @ Wong Joo Hwa	Malaysian	-	-	257,980,000 <sup>(4)</sup>	9.97

**Notes:-**

<sup>(1)</sup> The interest of EPF is held through various fund managers.

<sup>(2)</sup> Deemed interested pursuant to Section 6A(4)(c) of the Act through control of its subsidiary, Aabar Investments PJS.

<sup>(3)</sup> Deemed interested pursuant to Section 6A of the Act by virtue of its substantial shareholdings in OSKH.

<sup>(4)</sup> Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings, via OSK Equity Holdings Sdn Bhd, in OSKH.

---

**INFORMATION ON RHB CAPITAL (Cont'd)**


---

**4. DIRECTORS AND DIRECTORS' SHAREHOLDINGS**

As at LPD, the particulars of our directors and their respective shareholdings in our Company are as follows:-

Name	Nationality	Direct		Indirect	
		No. of RHB Capital Shares	%	No. of RHB Capital Shares	%
Dato' Mohamed Khadar Merican	Malaysian	65,828	*	-	-
Tan Sri Azlan Zainol	Malaysian	-	-	-	-
Datuk Haji Faisal Siraj	Malaysian	-	-	-	-
Datuk Seri Saw Choo Boon	Malaysian	-	-	-	-
Tan Sri Teo Chiang Liang	Malaysian	-	-	5,478 <sup>(1)</sup>	*
Dato' Nik Mohamed Din Datuk Nik Yusoff	Malaysian	-	-	-	-
Mohamed Ali Ismaeil Ali AlFahim	United Arab Emirates	-	-	-	-
Dato' Khairussaleh Ramli	Malaysian	-	-	-	-

Notes:-

\* Negligible.

<sup>(1)</sup> Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in Intereal Corporation Sdn Bhd.

**5. SUBSIDIARIES AND JOINT VENTURES**

Details of the subsidiaries of RHB Capital as at LPD are as follows:-

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Capital (%)	Principal activities
RHB Bank	04.10.1965 Malaysia	3,460,585,030.50	100.00	Commercial banking and finance business
RHB Islamic Bank Berhad	02.02.2005 Malaysia	1,173,424,002	100.00	Islamic banking
RHB Bank (L) Ltd	12.03.1992 Malaysia	USD54,000,000	100.00	Offshore banking
RHB International Trust (L) Ltd	19.12.2003 Malaysia	USD40,000	100.00	Offshore trust company
RHB Corporate Services Sdn Bhd	28.01.1992 Malaysia	150,000 (30,000 ordinary shares of RM10.00 each are partly paid-up at RM5.00 each)	100.00	Corporate secretarial services

## INFORMATION ON RHB CAPITAL (Cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Capital (%)	Principal activities
RHB Indochina Bank Limited	09.07.2008 Cambodia	USD67,000,000	100.00	Commercial banking
RHB OSK Indochina Securities Limited	16.02.2010 Cambodia	USD12,500,000	100.00	Securities underwriting, dealing, brokerage and investment advisory service
RHB Leasing Sdn Bhd	31.01.1981 Malaysia	10,000,000	100.00	Leasing
RHB Capital Nominees (Tempatan) Sdn Bhd	22.12.1975 Malaysia	10,000	100.00	Nominee services for Malaysian beneficial shareholders
RHB Capital Nominees (Asing) Sdn Bhd	02.06.1986 Malaysia	10,000	100.00	Nominee services for foreign beneficial shareholders
RHB Capital Properties Sdn Bhd	04.05.1982 Malaysia	21,800,000	100.00	Property investment
Utama Assets Sdn Bhd	22.04.1983 Malaysia	2,300,000	100.00	Property investment
RHB Bank Nominees Pte Ltd	02.09.1964 Singapore	SGD100,000	100.00	Nominee services
Banfora Pte Ltd	08.08.1996 Singapore	SGD25,000,000	100.00	Property investment and rental
RHB Investment Ltd	16.01.1969 Singapore	SGD19,000,000	100.00	Property investment and rental
RHB Trade Services Limited	06.06.2001 Hong Kong	HKD2	100.00	Processing of letter of credit reissuance favouring Hong Kong beneficiaries
RHB Bank Lao Limited	30.05.2014 Lao PDR	LAK301,500,000,000	100.00	Commercial banking
RHB Investment Bank	05.08.1974 Malaysia	818,646,000	100.00	Merchant banking business, dealing in securities, stock, debt and derivatives, stockbroking business and the business of brokers and dealers in futures and options contracts

## INFORMATION ON RHB CAPITAL (Cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Capital (%)	Principal activities
RHB Merchant Nominees (Tempatan) Sdn Bhd	24.03.1980 Malaysia	10,000	100.00	Nominee services for Malaysian beneficial shareholders
RHB Merchant Nominees (Asing) Sdn Bhd	25.05.1993 Malaysia	10,000	100.00	Nominee services for foreign beneficial shareholders
RHB Nominees Sdn Bhd	31.12.1982 Malaysia	25,000	100.00	Nominee and custodian services
RHB Nominees (Asing) Sdn Bhd	08.03.1993 Malaysia	25,000	100.00	Nominee and custodian services for foreign beneficial shareholders
RHB Nominees (Tempatan) Sdn Bhd	08.03.1993 Malaysia	25,000	100.00	Nominee and custodian services for Malaysian beneficial shareholders
RHB Asset Management Sdn Bhd	04.10.1988 Malaysia	10,000,000	100.00	Rendering of investment management services, management of unit trust funds and private retirement schemes and provision of investment advisory services
RHB Islamic International Asset Management Berhad	17.11.2009 Malaysia	13,000,000	100.00	Rendering of Islamic fund management services and management of Islamic unit trust funds
RHB Research Institute Sdn Bhd	28.01.1992 Malaysia	500,000	100.00	Research services
RHB Private Equity Holdings Sdn Bhd	06.03.1998 Malaysia	55,000,002	100.00	Investment holding
RHB Private Equity Management Ltd	15.09.2006 Malaysia	USD1	100.00	Investment advisor, investment consultant and other ancillary services only for private funds
RHB Private Equity Fund Ltd	29.09.2006 Cayman Islands	USD10,001	100.00	Investment company
RHB OSK International Investments Pte Ltd	30.09.2008 Singapore	SGD9,000,000	100.00	Investment holding
RHB OSK Asset Management Pte Ltd	20.10.2006 Singapore	SGD9,100,000	100.00	Fund management

## INFORMATION ON RHB CAPITAL (Cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Capital (%)	Principal activities
RHB Holdings Hong Kong Limited	18.10.2004 Hong Kong	HKD300,000,000	100.00	Investment holding
RHB OSK Securities Hong Kong Limited	16.12.1996 Hong Kong	HKD340,000,000	100.00	Securities dealing and provision of securities margin financing and advising on securities
RHB OSK Futures Hong Kong Limited	20.04.2005 Hong Kong	HKD35,000,000	100.00	Dealing in futures and options contracts
RHB OSK Finance Hong Kong Limited	15.02.2007 Hong Kong	HKD1	100.00	Money lending
RHB OSK Capital Hong Kong Limited	07.07.1999 Hong Kong	HKD1,000,000 (Voting Class "A" Ordinary)  HKD9,000,000 (Non-Voting Class "C" Preference)  Total share capital of HKD10,000,000	100.00	Provision of corporate finance advisory services and to engage in securities dealing activities incidental to its corporate finance advisory activities
RHB Fundamental Capital Hong Kong Limited <i>(formerly known as RHB OSK Precious Metals Hong Kong Limited)</i>	06.12.2007 Hong Kong	HKD10,000,000	100.00	Investment holding
RHB OSK Asset Management Limited	12.12.2007 Hong Kong	HKD14,000,000	100.00	Dealing in securities, advising on securities and provision of asset management services
RHB OSK Wealth Management Hong Kong Limited	24.04.2008 Hong Kong	HKD5,000,000	100.00	Negotiating or arranging contracts of insurance or advising on matters related to insurance
RHB OSK (China) Investment Advisory Co Ltd	07.05.2008 People's Republic of China	USD2,000,000 (Registered Capital)	100.00	Provision of investment and business advisory and related services
PT RHB OSK Securities Indonesia	06.04.1990 Indonesia	IDR204,082 million	99.00	Securities brokerage and underwriting

## INFORMATION ON RHB CAPITAL (Cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Capital (%)	Principal activities
PT RHB OSK Asset Management	07.04.2003 Indonesia	IDR50,000 million	98.62	Investment manager
RHB Securities Singapore Pte Ltd <i>(formerly known as DMG &amp; Partners Securities Pte Ltd)</i>	25.04.1987 Singapore	SGD75,000,000	100.00	Provision of stock and share broking services and corporate finance advisory services
RHB Research Institute Singapore Pte Ltd <i>(formerly known as DMG &amp; Partners Research Pte Ltd)</i>	05.05.2008 Singapore	SGD175,000	100.00	Financial advisory services
RHB Nominees Singapore Pte Ltd <i>(formerly known as DMG &amp; Partners Nominees Pte Ltd)</i>	12.06.1987 Singapore	SGD2	100.00	Inactive (Nominee company)
Summit Nominees Pte Ltd	24.11.1973 Singapore	SGD2,000	100.00	Inactive (Nominee company)
RHB OSK Securities (Thailand) Public Company Limited	24.08.2004 Thailand	THB819,171,600	99.95	Provision of stock and derivatives broking services
RHB Trustees	06.03.2002 Malaysia	6,000,000 (1,200,000 ordinary shares of RM10.00 each are partly paid-up at RM5.00 each)	100.00	Professional retail trustee services (will writing, estate planning and private trust) and corporate trustee services (collective investment schemes)
Malaysian Trustees	25.01.1975 Malaysia	550,000 (110,000 ordinary shares of RM10.00 each are partly paid-up at RM5.00 each)	100.00	Engage in the business of trustee agents, executors and administrators pursuant to the Trust Companies Act, 1949
RHB-OSK Fideus Asia and Emerging Market Value Fund Limited	25.11.2011 George Town, Cayman Islands	USD100 (100 Management Shares with voting rights)	51.00	A professional mutual fund under the Mutual Fund Law of the Cayman Islands and engages in the business of investing in Asia and emerging market equities



## INFORMATION ON RHB CAPITAL (Cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Capital (%)	Principal activities
RHB Finexasia.Com	07.06.2000 Malaysia	11,361,111	100.00	Investment holding, development of products and provision of services related to information technology
RHB Insurance	07.03.1978 Malaysia	100,000,000	94.70	General insurance
RHB Kawal	08.06.1990 Malaysia	1,500,000	100.00	Security services
RHB Capital (Jersey)	18.01.1991 Jersey, Channel Islands	GBP4,012	100.00	Investment holding
RHB Hartanah	27.05.1997 Malaysia	100,000	100.00	Property investment
RHB Property Management Sdn. Bhd.	29.05.1989 Malaysia	500,000	100.00	Property management
Straits Asset Holdings Sdn Bhd	04.10.1995 Malaysia	48,240,000	100.00	Investment holding
<b>RHB Capital's dormant subsidiaries</b>				
RHB (Philippines) Inc.	06.10.1994 Philippines	PHP180,000,000	100.00	Dormant
RHB Equities	01.09.1988 Malaysia	20,000,000	100.00	Dormant
RHBF	12.11.1969 Malaysia	148,145,176	100.00	Dormant
SFSB Services (Melaka) Sdn Bhd	04.10.1995 Malaysia	5,000,000	100.00	Dormant
SSSB Services (Melaka) Sdn Bhd (In members' voluntary winding up)	11.08.1981 Malaysia	40,000,000	100.00	Dormant
KYB Sdn Bhd (In members' voluntary winding up)	15.07.1913 Malaysia	1,735,137,489	100.00	Dormant
RHB Venture Capital Sdn Bhd	13.12.1985 Malaysia	2	100.00	Dormant
OSKIB Sdn Bhd	05.04.1973 Malaysia	660,000,000	100.00	Dormant

## INFORMATION ON RHB CAPITAL (Cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Capital (%)	Principal activities
OSK Investment Bank (Labuan) Limited	26.11.2002 Malaysia	USD4,811,000	100.00	Dormant
RHB OSK Stock 188.Com Sdn Bhd	27.04.2000 Malaysia	480,000	100.00	Dormant
Positive Properties Sdn Bhd	17.07.1992 Malaysia	23,192,000	100.00	Dormant
<b>RHB Bank's dormant subsidiaries</b>				
UMBC Sdn Bhd	02.04.1959 Malaysia	499,999,818	100.00	Dormant
RHB Delta Sdn Bhd (In members' voluntary winding up)	25.08.1967 Malaysia	175,000,000	100.00	Dormant
Utama Gilang Sdn Bhd (In members' voluntary winding up)	26.05.1976 Malaysia	800,000,000	100.00	Dormant
<b>RHB Investment Bank's dormant subsidiaries</b>				
RHB Excel Sdn Bhd (In members' voluntary winding up)	31.12.1982 Malaysia	200,000,000	100.00	Dormant
RHB Progressive Sdn Bhd (In members' voluntary winding up)	08.01.1991 Malaysia	13,500,000	100.00	Dormant
RHB Marketing Services Sdn Bhd (In members' voluntary winding up)	22.07.1994 Malaysia	100,000	100.00	Dormant
RHB Unit Trust Management Berhad (In members' voluntary winding up)	27.02.1987 Malaysia	5,000,000	100.00	Dormant
OSK Futures and Options Sdn Bhd	27.06.1995 Malaysia	10,000,000	100.00	Dormant
OSK Research Sdn Bhd	19.10.1990 Malaysia	500,000	100.00	Dormant

## INFORMATION ON RHB CAPITAL (Cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Capital (%)	Principal activities
RHB OSK International Asset Management Sdn Bhd	11.10.1983 Malaysia	7,000,000	100.00	Dormant
OSK Nominees (Tempatan) Sdn Berhad	10.06.1965 Malaysia	3,670,000	100.00	Dormant
OSK Nominees (Asing) Sdn Berhad	02.02.1993 Malaysia	2,670,000	100.00	Dormant
RHB Islamic Asset Management Sdn Bhd	11.10.2010 Malaysia	4,000,000	100.00	Dormant
OSK Investment Management Berhad	16.08.1995 Malaysia	10,000,000	100.00	Dormant
RHB OSK Nominees Hong Kong Limited	14.10.2005 Hong Kong	HKD1	100.00	Provision of nominee services
TCL Nominees (Tempatan) Sdn Bhd	18.01.1974 Malaysia	644,000	100.00	Dormant
TCL Nominees (Asing) Sdn Bhd	11.12.1997 Malaysia	4,000	100.00	Dormant
KE-ZAN Nominees (Tempatan) Sdn Bhd	14.12.1982 Malaysia	650,000	100.00	Dormant
KE-ZAN Nominees (Asing) Sdn Bhd	10.02.1993 Malaysia	10,000	100.00	Dormant

Details of the joint ventures of RHB Capital (held through its 100% shareholding in RHB Investment Bank) as at LPD are as follows:-

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Capital (%)	Principal activities
Vietnam Securities Corporation	27.11.2006 Vietnam	VND135 billion	49.00	Securities brokerage, securities investment, corporate finance and self-trading
RHB OSK GC-Millennium Capital Pte Ltd	05.12.2011 Singapore	SGD10,000	40.00	Investment activities

---

**INFORMATION ON RHB CAPITAL (Cont'd)**


---

**6. SUMMARY OF FINANCIAL INFORMATION**

The audited consolidated financial information of our Company for the past three (3) FYEs 31 December 2012 to 31 December 2014 are as set out below:-

	----- Audited ----->		
	FYE 31 December 2012	FYE 31 December 2013	FYE 31 December 2014
	RM('000)	RM('000)	RM('000)
Net income	4,829,592	5,950,763	6,234,879
Profit before taxation	2,384,623	2,470,767	2,735,053
Taxation	(594,854)	(627,229)	(671,589)
Profit after taxation	1,789,769	1,843,538	2,063,464
Attributable to:-			
- Equity holders of our Company	1,784,742	1,831,190	2,038,000
- Non-controlling interests	5,027	12,348	25,464
Gross EPS (RM) <sup>(1)</sup>	0.96	0.97	1.06
Net EPS (RM) <sup>(2)</sup>	0.72	0.72	0.79
Share capital ('000)	2,494,208	2,546,910	2,572,457
Shareholders' funds/NA	15,117,215	16,739,071	18,794,297
NA per share (RM) <sup>(3)</sup>	6.06	6.57	7.31
Total borrowings <sup>(4)</sup>	10,495,440	9,728,993	12,386,269
Gearing ratio (times) <sup>(5)</sup>	0.69	0.58	0.66

**Notes:-**

- <sup>(1)</sup> Calculated based on profit before taxation over number of RHB Capital Shares as at the respective financial year ends.
- <sup>(2)</sup> Calculated based on profit attributable to equity holders of our Company over number of RHB Capital Shares as at the respective financial year ends.
- <sup>(3)</sup> Calculated based on NA over number of RHB Capital Shares as at the respective financial year ends.
- <sup>(4)</sup> Comprises borrowings and senior debt securities, subordinated obligations and Hybrid Tier-1 capital securities as per our audited financial statements as at the respective financial year ends.
- <sup>(5)</sup> Calculated as total borrowings divided by shareholders' funds.

RHB Capital has not adopted any accounting policy which is peculiar to the nature of the business and industry in which it is involved in.

There is no audit qualification for the financial statements of RHB Capital for the FYEs 31 December 2012 to 31 December 2014.

**(The rest of this page has been intentionally left blank)**

---

**INFORMATION ON RHB BANK**


---

**1. BACKGROUND INFORMATION**

RHB Bank was incorporated in Malaysia under the Companies Ordinances, 1940 to 1946 on 4 October 1965 as a public limited liability company under the name of Development and Commercial Bank Berhad Limited. Subsequently, on 15 April 1966, it changed its name to Development & Commercial Bank (Limited) Berhad. It then changed its name to Development and Commercial Bank Berhad on 20 September 1982 and to DCB Bank Berhad on 17 December 1994 before assuming its present name on 1 July 1997.

The principal activities of RHB Bank are commercial banking and finance business whilst the principal activities of its subsidiaries are set out in Section 5 of this Appendix. RHB Bank does not have any associate and joint venture companies as at LPD.

**2. SHARE CAPITAL**

As at LPD, the authorised and issued and paid-up share capital of RHB Bank are as follows:-

	<b>No. of RHB Bank Shares</b>	<b>Par value (RM)</b>	<b>Total (RM)</b>
Authorised:-			
- Ordinary shares	8,000,000,000	0.50	4,000,000,000
- Preference shares	2,000,000,000	1.00	2,000,000,000
Issued and paid-up share capital	6,921,170,061	0.50	3,460,585,030.50

**3. SUBSTANTIAL SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

As at LPD, RHB Bank is a wholly-owned subsidiary of RHB Capital.

**(The rest of this page has been intentionally left blank)**

---

**INFORMATION ON RHB BANK (Cont'd)**


---

**4. DIRECTORS AND DIRECTORS' SHAREHOLDINGS**

As at LPD, the particulars of the directors and their respective shareholdings in RHB Bank are as follows:-

Name	Nationality	Direct		Indirect	
		No. of RHB Bank Shares	%	No. of RHB Bank Shares	%
Tan Sri Azlan Zainol	Malaysian	-	-	-	-
Tuan Haji Khairuddin Ahmad	Malaysian	-	-	-	-
Ong Seng Pheow	Malaysian	-	-	-	-
Abdul Aziz Peru Mohamed	Malaysian	-	-	-	-
Dato' Mohamed Khadar Merican	Malaysian	-	-	-	-
Tan Sri Ong Leong Huat @ Wong Joo Hwa	Malaysian	-	-	-	-
Mohamed Ali Ismaeil Ali AlFahim	United Arab Emirates	-	-	-	-
Chin Yoong Kheong	Malaysian	-	-	-	-
Dato' Khairussaleh Ramli	Malaysian	-	-	-	-

**5. SUBSIDIARIES**

Details of the subsidiaries of RHB Bank as at LPD are as follows:-

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest of RHB Bank (%)	Principal activities
RHB Islamic Bank Berhad	02.02.2005 Malaysia	1,173,424,002	100.00	Islamic banking
RHB Bank (L) Ltd	12.03.1992 Malaysia	USD54,000,000	100.00	Offshore banking
RHB International Trust (L) Ltd	19.12.2003 Malaysia	USD40,000	100.00	Offshore trust company
RHB Corporate Services Sdn Bhd	28.01.1992 Malaysia	150,000 (30,000 ordinary shares of RM10.00 each are partly paid-up at RM5.00 each)	100.00	Corporate secretarial services
RHB Indochina Bank Limited	09.07.2008 Cambodia	USD67,000,000	100.00	Commercial banking
RHB OSK Indochina Securities Limited	16.02.2010 Cambodia	USD12,500,000	100.00	Securities underwriting, dealing, brokerage and investment advisory service

## INFORMATION ON RHB BANK (Cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest of RHB Bank (%)	Principal activities
RHB Leasing Sdn Bhd	31.01.1981 Malaysia	RM (unless stated otherwise) 10,000,000	100.00	Leasing
RHB Capital Nominees (Tempatan) Sdn Bhd	22.12.1975 Malaysia	10,000	100.00	Nominee services for Malaysian beneficial shareholders
RHB Capital Nominees (Asing) Sdn Bhd	02.06.1986 Malaysia	10,000	100.00	Nominee services for foreign beneficial shareholders
RHB Capital Properties Sdn Bhd	04.05.1982 Malaysia	21,800,000	100.00	Property investment
Utama Assets Sdn Bhd	22.04.1983 Malaysia	2,300,000	100.00	Property investment
RHB Bank Nominees Pte Ltd	02.09.1964 Singapore	SGD100,000	100.00	Nominee services
Banfora Pte Ltd	08.08.1996 Singapore	SGD25,000,000	100.00	Property investment and rental
RHB Investment Ltd	16.01.1969 Singapore	SGD19,000,000	100.00	Property investment and rental
RHB Trade Services Limited	06.06.2001 Hong Kong	HKD2	100.00	Processing of letters of credit reissuance favouring Hong Kong beneficiaries
RHB Bank Lao Limited	30.05.2014 Lao PDR	LAK301,500,000,000	100.00	Commercial banking
<b>RHB Bank's dormant subsidiaries</b>				
UMBC Sdn Bhd	02.04.1959 Malaysia	499,999,818	100.00	Dormant
RHB Delta Sdn Bhd (In members' voluntary winding up)	25.08.1967 Malaysia	175,000,000	100.00	Dormant
Utama Gilang Sdn Bhd (In members' voluntary winding up)	26.05.1976 Malaysia	800,000,000	100.00	Dormant

## INFORMATION ON RHB BANK (Cont'd)

## 6. SUMMARY OF FINANCIAL INFORMATION

The audited consolidated financial information of RHB Bank for the past three (3) FYEs 31 December 2012 to 31 December 2014 are as set out below:-

	----- Audited ----->		
	FYE 31 December 2012	FYE 31 December 2013	FYE 31 December 2014
	RM('000)	RM('000)	RM('000)
Net income	4,494,158	4,869,772	4,984,860
Profit before taxation	2,398,820	2,339,480	2,455,072
Taxation	(590,861)	(575,467)	(588,402)
Profit after taxation	1,807,959	1,764,013	1,866,670
Gross EPS (RM) <sup>(1)</sup>	0.36	0.35	0.36
Net EPS (RM) <sup>(2)</sup>	0.27	0.27	0.28
Share capital ('000)	6,636,170	6,636,170	6,730,972
Shareholders' funds/NA	12,037,300	13,412,096	15,434,663
NA per share (RM) <sup>(3)</sup>	1.81	2.02	2.29
Total borrowings <sup>(4)</sup>	6,873,213	6,846,766	9,637,037
Gearing ratio (times) <sup>(5)</sup>	0.57	0.51	0.62

**Notes:-**

- <sup>(1)</sup> Calculated based on profit before taxation over number of RHB Bank Shares as at the respective financial year ends.
- <sup>(2)</sup> Calculated based on profit after taxation over number of RHB Bank Shares as at the respective financial year ends.
- <sup>(3)</sup> Calculated based on NA over number of RHB Bank Shares as at the respective financial year ends.
- <sup>(4)</sup> Comprises borrowings, subordinated obligations, Hybrid Tier-1 capital securities and senior debt securities as per RHB Bank's audited financial statements as at the respective financial year ends.
- <sup>(5)</sup> Calculated as total borrowings divided by shareholders' funds.

RHB Bank has not adopted any accounting policy which is peculiar to the nature of the business and industry in which it is involved in.

There is no audit qualification for the financial statements of RHB Bank for the FYEs 31 December 2012 to 31 December 2014.

**(The rest of this page has been intentionally left blank)**



---

**DETAILS OF THE PROPOSED M&A AMENDMENTS**


---

Details of the Proposed M&A Amendments are as follows:-

**Part A- Amendments to the Memorandum of Association of our Company pursuant to the Proposed Distribution and Capital Repayment**

(1) *The existing Clause 5 of the Memorandum of Association shall be amended as follows:-*

<i>Existing Memorandum</i>	<i>Proposed Amendments to Memorandum</i>
5. The authorised capital of the Company is RM5,000,000,000/- (Malaysian Ringgit Five Thousand Million) divided into 5,000,000,000 ordinary shares of RM1/- each. The ordinary shares in the original or any increased capital may divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions, or restrictions as to dividends, capital, voting or otherwise.	5. The authorised capital of the Company is RM5,000,000,000/- (Malaysian Ringgit Five Thousand Million) <del>divided into 5,000,000,000 ordinary shares of RM1/- each.</del> <u>RM250,000,000/- (Malaysian Ringgit Two Hundred And Fifty Million) divided into 5,000,000,000 ordinary shares of RM0.05 each.</u> The ordinary shares in the original or any increased capital may divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions, or restrictions as to dividends, capital, voting or otherwise.

**Part B- Amendments to the Articles of Association of our Company pursuant to the Proposed Transfer of Listing Status**

(1) *The existing definition of "Listing Requirements" appearing in Article 2 of the Articles of Association shall be deleted in its entirety, as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
" <b>Listing Requirements</b> – Listing Requirements of the Stock Exchange including any amendment to the Listing Requirements that may be made from time to time."	<del>"Listing Requirements – Listing Requirements of the Stock Exchange including any amendment to the Listing Requirements that may be made from time to time."</del> (Deleted)

(2) *The existing definition of "Market Day" appearing in Article 2 of the Articles of Association shall be deleted in its entirety, as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
" <b>Market Day</b> – A day on which the stock market of the Stock Exchange is open for trading in securities."	<del>"Market Day – A day on which the stock market of the Stock Exchange is open for trading in securities."</del> (Deleted)

(3) *The existing definition of "Stock Exchange" appearing in Article 2 of the Articles of Association shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
" <b>Stock Exchange</b> – Bursa Malaysia Securities Berhad and/or other stock exchange on which the Securities of the Company are quoted."	" <b>Stock Exchange</b> – Bursa Malaysia Securities Berhad and/or other stock exchange on which the Securities of the Company are quoted <u>and/or were previously quoted.</u> "

---

**DETAILS OF THE PROPOSED M&A AMENDMENTS (Cont'd)**


---

(4) The existing Article 11(d) shall be amended as follows:-

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
“11. (d) Subject to any conditions imposed by the Stock Exchange and/or other relevant authorities, no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person or corporation without the prior approval of the Members of the Company in general meeting;”	“11. (d) Subject to any conditions imposed by <del>the Stock Exchange and/or other</del> any relevant authorities, no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person or corporation without the prior approval of the Members of the Company in general meeting;”

(5) The existing Article 11(f)(ii) shall be amended as follows:-

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
“11. (f) (ii) Subject to the Listing Requirements, the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, the Company shall not issue any shares or convertible securities if the nominal value of the those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the Members in general meeting of the precise terms and conditions of the issue.”	“11. (f) (ii) Subject to <del>the Listing Requirements,</del> the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, the Company shall not issue any shares or convertible securities if the nominal value of the those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the Members in general meeting of the precise terms and conditions of the issue.”

(6) The existing Article 11(g) shall be deleted in its entirety as follows:-

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
“11. (g) The Company must allot and issue shares or securities, and despatch notices of allotment to the allottees and make an application for the quotation of such shares or securities within such periods as may be prescribed by the Stock Exchange.”	“11. (g) <del>The Company must allot and issue shares or securities, and despatch notices of allotment to the allottees and make an application for the quotation of such shares or securities within such periods as may be prescribed by the Stock Exchange.”</del>  (Deleted)

(7) The existing Article 11(h) shall be amended as follows:-

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
“11. (h) The Company shall duly observe and comply with the provisions of the Act and the Listing Requirements from time to time prescribed by the Stock Exchange applicable to any allotment of its securities.”	“11. <del>(h)</del> (g) The Company shall duly observe and comply with the provisions of the Act <del>and the Listing Requirements from time to time prescribed by the Stock Exchange</del> applicable to any allotment of its securities.”

---

**DETAILS OF THE PROPOSED M&A AMENDMENTS (Cont'd)**


---

(8) *The existing Article 13(1) shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
<p>“13. (1) The Registrar of the Company shall only issue jumbo certificates in respect of shares or securities in favour of Malaysian Central Depository Nominees Sdn Bhd as he may be directed by the Securities Commission pending the crediting of shares or securities into the Securities Account of the person entitled to such shares or securities or as may be prescribed by the Central Depositories Act and the Rules.”</p>	<p>“13. (1) The Registrar of the Company shall only issue jumbo certificates in respect of shares or securities in favour of <del>Malaysian Central</del> <u>Bursa Malaysia</u> Depository Nominees Sdn Bhd as he may be directed by the Securities Commission pending the crediting of shares or securities into the Securities Account of the person entitled to such shares or securities or as may be prescribed by the Central Depositories Act and the Rules.”</p>

(9) *The existing Article 13(3) shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
<p>“13. (3) Subject to the provision of the Act, the Central Depositories Act and the Rules, if any share certificate shall be defaced, worn out, damaged, destroyed, lost or stolen, it may be renewed on evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member company of the Stock Exchange or on behalf of its/their client/s as the Directors of the Company shall require and (in case of defacement, wearing out or damage) on delivery up of the old certificate, and in any case on payment of such sum not exceeding Ringgit Malaysia Three (RM3.00) per certificate as the Directors may determine from time to time or be permitted by the Stock Exchange plus the amount of proper duty with which each such certificate is chargeable under the law for the time being in force relating to stamps. In the case of the destruction, loss or theft of a share certificate, a shareholder or a person entitled to whom a renewed certificate is given shall in addition pay all expenses incidental to the investigation by the Company of such destruction, loss or theft and the cost of obtaining all evidence in connection therewith and shall bear any loss that may be incurred by the Company as a result of the Company issuing such renewed certificate to such person.”</p>	<p>“13. (3) Subject to the provision of the Act, the Central Depositories Act and the Rules, if any share certificate shall be defaced, worn out, damaged, destroyed, lost or stolen, it may be renewed on evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member company of the Stock Exchange or on behalf of its/their client/s as the Directors of the Company shall require and (in case of defacement, wearing out or damage) on delivery up of the old certificate, and in any case on payment of such sum not exceeding Ringgit Malaysia Three (RM3.00) per certificate as the Directors may determine from time to time <del>or be permitted by the Stock Exchange</del> plus the amount of proper duty with which each such certificate is chargeable under the law for the time being in force relating to stamps. In the case of the destruction, loss or theft of a share certificate, a shareholder or a person entitled to whom a renewed certificate is given shall in addition pay all expenses incidental to the investigation by the Company of such destruction, loss or theft and the cost of obtaining all evidence in connection therewith and shall bear any loss that may be incurred by the Company as a result of the Company issuing such renewed certificate to such person.”</p>

---

**DETAILS OF THE PROPOSED M&A AMENDMENTS (Cont'd)**


---

(10) *The existing Article 29(2) shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
<p>"29. (2) Notwithstanding Article 29(1) but subject to the Central Depositories Act, the Listing Requirements and the Rules, any holder of shares which are not deposited into a Securities Account shall not have any rights to deal with such shares in any manner whatsoever until and unless such shares have been credited into the Securities Account of such holder. For the avoidance of doubt, pending the crediting of the shares into the Securities Account of such holder, such holder shall have no right to vote and attend any general meeting exercise any rights to accept a rights issue offer, receive notice or reports from the Company or deal with such shares in any manner until the Depository has credited such shares into the Securities Accounts of such holder."</p>	<p>"29. (2) Notwithstanding Article 29(1) but subject to the Central Depositories Act, <del>the Listing Requirements</del> and the Rules, any holder of shares which are not deposited into a Securities Account shall not have any rights to deal with such shares in any manner whatsoever until and unless such shares have been credited into the Securities Account of such holder. For the avoidance of doubt, pending the crediting of the shares into the Securities Account of such holder, such holder shall have no right to vote and attend any general meeting exercise any rights to accept a rights issue offer, receive notice or reports from the Company or deal with such shares in any manner until the Depository has credited such shares into the Securities Accounts of such holder."</p>

(11) *The existing Article 29(3) shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
<p>"29. (3) Subject to the Act, the Central Depositories Act, the Listing Requirements and the Rules, the Registrar of the Company shall have no power to deal with the shares referred to in Article 29(2) in any manner whatsoever except to comply with all the directives or orders issued by the Securities Commission, Stock Exchange or Depository."</p>	<p>"29. (3) Subject to the Act, the Central Depositories Act, <del>the Listing Requirements</del> and the Rules, the Registrar of the Company shall have no power to deal with the shares referred to in Article 29(2) in any manner whatsoever except to comply with all the directives or orders issued by the Securities Commission, <del>Stock Exchange</del> or Depository."</p>

(12) *The existing Article 29(4) shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
<p>"29. (4) Without prejudice to Article 29(1) but subject to the Central Depositories Act and the Rules, any holder of a Security that is not a Deposited Security may transfer all or any of his Security that is not a Deposited Security by instrument in writing in the form prescribed and approved by the Act, the Central Depositories Act, the Listing Requirements or the Rules and if no such form is prescribed then in such form as may be prescribed by the Company, the instrument of transfer of any such Security that is not a Deposited Security shall be executed by or on behalf of the transferor and the transferee and left at the Office or such other place as the Directors may appoint accompanied by the certificate or certificates of such Security that is not a Deposited Security to be transferred and such other evidence (if any) as the Directors may require to prove the title of the intending transferee and that the intending transferee is a qualified person viz, not an infant, bankrupt or person of unsound mind."</p>	<p>"29. (4) Without prejudice to Article 29(1) but subject to the Central Depositories Act and the Rules, any holder of a Security that is not a Deposited Security may transfer all or any of his Security that is not a Deposited Security by instrument in writing in the form prescribed and approved by the Act, the Central Depositories Act, <del>the Listing Requirements</del> or the Rules and if no such form is prescribed then in such form as may be prescribed by the Company, the instrument of transfer of any such Security that is not a Deposited Security shall be executed by or on behalf of the transferor and the transferee and left at the Office or such other place as the Directors may appoint accompanied by the certificate or certificates of such Security that is not a Deposited Security to be transferred and such other evidence (if any) as the Directors may require to prove the title of the intending transferee and that the intending transferee is a qualified person viz, not an infant, bankrupt or person of unsound mind."</p>

---

**DETAILS OF THE PROPOSED M&A AMENDMENTS (Cont'd)**


---

(13) *The existing Article 29(5) shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
“29. (5) The instrument of transfer shall be in such form as may be prescribed by the Central Depositories Act, the Rules, the Listing Requirements or the Act, as the case may be from time to time.”	“29. (5) The instrument of transfer shall be in such form as may be prescribed by the Central Depositories Act, the Rules, <del>the Listing Requirements</del> or the Act, as the case may be from time to time.”

(14) *The existing Article 29(8)(a) shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
“29. (8) (a) the instrument of transfer is duly stamped in accordance with the law in regard to the payment of stamp duty for the time being in force and such fee not exceeding Ringgit Malaysia Three (RM3.00) only per transfer is paid to the Company in respect thereof or such sum as the Company may be permitted by law and by the Stock Exchange governing the registration of transfer of securities;”	“29. (8) (a) the instrument of transfer is duly stamped in accordance with the law in regard to the payment of stamp duty for the time being in force and such fee not exceeding Ringgit Malaysia Three (RM3.00) only per transfer is paid to the Company in respect thereof or such sum as the Company may be permitted by law <del>and by the Stock Exchange</del> governing the registration of transfer of securities;”

(15) *The existing Article 29(9) shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
“29. (9) The Register of Transfers and Register may be closed and for such period as the Directors may from time to time determine provided always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix the books closing date and the reason therefore shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Stock Exchange; such notice shall state the books closing date, which shall be at least ten (10) market days after the date of notification to the Stock Exchange, and the address of share registry at which documents will be accepted for registration. The said notice shall also state the purpose or purposes for which the Register is being closed. At least three (3) market days prior notice shall be given to the Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions at least seven (7) market days prior notice shall be given to the Depository.”	“29. (9) The Register of Transfers and Register may be closed and for such period as the Directors may from time to time determine provided always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix the books closing date and the reason therefore shall be published in a daily newspaper circulating in Malaysia <del>and shall also be given to the Stock Exchange</del> ; such notice shall state the books closing date, <del>which shall be at least ten (10) market days after the date of notification to the Stock Exchange</del> , and the address of share registry at which documents will be accepted for registration. The said notice shall also state the purpose or purposes for which the Register is being closed. At least three (3) market days prior notice shall be given to the Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions at least seven (7) market days prior notice shall be given to the Depository.”

(16) *The existing Article 34(b) shall be deleted in its entirety as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
“34. (b) Any residue of the proceeds of sale of shares which are forfeited and sold or disposed of, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses, shall be paid to the person entitled to the shares immediately before the forfeiture thereof or his executors, administrators or assignees or as he directs.”	“34. (b) <del>Any residue of the proceeds of sale of shares which are forfeited and sold or disposed of, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses, shall be paid to the person entitled to the shares immediately before the forfeiture thereof or his executors, administrators or assignees or as he directs.”</del>  (Deleted)

---

**DETAILS OF THE PROPOSED M&A AMENDMENTS (Cont'd)**


---

(17) The existing Article 34(c) shall be amended as follows:-

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
"34. (c) The provisions of Articles 19 to 22 inclusive shall apply to any sale made in pursuance of the provisions of this Article."	"34. (e)(b)The provisions of Articles 19 to 22 inclusive shall apply to any sale made in pursuance of the provisions of this Article."

(18) The existing Article 47(a) shall be amended as follows:-

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
"47. (a) The notices convening meeting shall be given to all Members (other than those who are not entitled to receive notices of general meetings of the Company under the provisions of these Articles or the terms of issue of the shares held by them) and to the Company's Auditors at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. The length of notice in every case shall be calculated exclusive of the day on which the notice is served or deemed to be served and the day for which it is given. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by way of advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Stock Exchange."	"47. (a) The notices convening meeting shall be given to all Members (other than those who are not entitled to receive notices of general meetings of the Company under the provisions of these Articles or the terms of issue of the shares held by them) and to the Company's Auditors at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. The length of notice in every case shall be calculated exclusive of the day on which the notice is served or deemed to be served and the day for which it is given. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by way of advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Stock Exchange."

(19) The existing Article 101(c) shall be amended as follows:-

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
"101. (c) If he is ineligible to be a Director by reason of any of the provisions of Section 56 of the Banking and Financial Institutions Act, 1989 and any modifications thereof for the time being in force and any guidelines issued by Bank Negara Malaysia that are applicable to the Company;"	"101. (c) If he is ineligible to be a Director by reason of any of the provisions of Section 596 of the <u>Banking and Financial Services Institutions Act, 1989</u> <u>2013</u> , <u>Section 68 of the Islamic Financial Services Act, 2013</u> and any modifications thereof for the time being in force and any guidelines issued by Bank Negara Malaysia that are applicable to the Company;"

(20) The existing Article 122(b) shall be amended as follows:-

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
"122. (b) Subject to compliance with the requirements of the Stock Exchange and other relevant authorities, if any, the Company may issue its annual report in CD-ROM or in such other form of electronic media through which images, data, information or other material may be viewed whether electronically or howsoever."	"122. (b) Subject to compliance with the requirements of the <del>Stock Exchange and other</del> <u>any</u> relevant authorities, if any, the Company may issue its annual report in CD-ROM or in such other form of electronic media through which images, data, information or other material may be viewed whether electronically or howsoever."

**DETAILS OF THE PROPOSED M&A AMENDMENTS (Cont'd)**

(21) *The existing Article 134 shall be deleted in its entirety as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
<p>"134. (a) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.</p> <p>(b) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.</p> <p>(c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be.</p> <p>(d) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.</p> <p>(e) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.</p> <p>(f) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency."</p>	<p><del>"134. (a) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.</del></p> <p><del>(b) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.</del></p> <p><del>(c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be.</del></p> <p><del>(d) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.</del></p> <p><del>(e) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.</del></p> <p><del>(f) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency."</del></p> <p>(Deleted)</p>

(22) *The existing Article 135 shall be amended as follows:-*

<i>Existing Article</i>	<i>Proposed Amendments to Articles</i>
<p>"135. These Articles have been drafted in a manner to incorporate the requirements of the relevant governing Statutes, regulations and guidelines. Without prejudice to any provisions in the Act or under these Articles pertaining to the amendments of the Articles, in the event the applicable provisions of any relevant governing Statutes, regulations and guidelines are from time to time amended, modified or varied, such amendments, modifications or variations shall be deemed inserted herein whereupon these Articles shall be read and construed subject to and in accordance with the amended, modified or varied Statutes, regulations and guidelines. The Company shall comply with the provisions of the relevant governing Statutes, regulations and/or guidelines as may be amended, modified or varied from time to time and any other applicable directives or requirements imposed by the Stock Exchange and/or any other regulatory authorities, to the extent required by law, notwithstanding any provisions in these Articles to the contrary."</p>	<p><del>"135</del>134. These Articles have been drafted in a manner to incorporate the requirements of the relevant governing Statutes, regulations and guidelines. Without prejudice to any provisions in the Act or under these Articles pertaining to the amendments of the Articles, in the event the applicable provisions of any relevant governing Statutes, regulations and guidelines are from time to time amended, modified or varied, such amendments, modifications or variations shall be deemed inserted herein whereupon these Articles shall be read and construed subject to and in accordance with the amended, modified or varied Statutes, regulations and guidelines. The Company shall comply with the provisions of the relevant governing Statutes, regulations and/or guidelines as may be amended, modified or varied from time to time and any other applicable directives <del>or requirements imposed by the Stock Exchange</del> and/or any other regulatory authorities, to the extent required by law, notwithstanding any provisions in these Articles to the contrary."</p>

---

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**

---



The Board of Directors  
 RHB Capital Berhad  
 Level 9, Tower One  
 RHB Centre  
 Jalan Tun Razak  
 50400 Kuala Lumpur

31 July 2015

PwC/EN/ST/sw/0286B5

Dear Sirs,

**RHB Capital Berhad**  
**Reports on the Pro Forma Consolidated Statements of Financial Position as at 31 December 2014**

- 1 We have completed our assurance engagement to report on the Pro Forma Consolidated Statements of Financial Position of RHB Capital Berhad (“RHB Capital” or “the Company”) and its subsidiaries (“the Group”) as at 31 December 2014. The Pro Forma Consolidated Statements of Financial Position which is set out in the Appendix (which we have stamped for the purpose of identification), have been compiled by the Directors of the Company, for inclusion in the Circular to Shareholders of RHB Capital, in connection with the:
- (i) Proposed renounceable rights issue of new ordinary shares of RM1.00 each in RHB Capital (“RHB Capital Shares”) to raise gross proceeds of up to RM2.5 billion (“Proposed Rights Issue”);
  - (ii) Proposed distribution of the entire shareholdings of RHB Capital in RHB Bank, after the completion of the Proposed Rights Issue and Proposed Internal Reorganisation (as set out in Note 3.2 of the Appendix) (“Proposed Internal Reorganisation”), by way of distribution-in-specie via a reduction of the entire share premium account of the Company and the par value of all the existing RHB Capital Shares from RM1.00 to RM0.05 in accordance with Sections 60(2) and 64 of the Companies Act, 1965 (“Act”) as well as via the Company’s retained earnings (“Proposed Distribution and Capital Repayment”);
  - (iii) Proposed transfer of the Company’s listing status on the Main Market of Bursa Securities to RHB Bank upon completion of the Proposed Rights Issue, Proposed Internal Reorganisation and Proposed Distribution and Capital Repayment (“Proposed Transfer of Listing Status”); and
  - (iv) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Distribution and Capital Repayment and Proposed Transfer of Listing Status (“Proposed M&A Amendments”).

---

*PricewaterhouseCoopers (AF 1146), Chartered Accountants,  
 Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
 T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*



---

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

---



**The Board of Directors  
RHB Capital Berhad  
PwC/EN/ST/sw/0286B5  
31 July 2015**

(The Proposed Rights Issue, Proposed Internal Reorganisation, Proposed Distribution and Capital Repayment, Proposed Transfer of Listing Status and Proposed M&A Amendments are collectively referred to as the "Proposals").

- 2 The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in the Notes thereon of the Appendix.
- 3 The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors, for illustrative purposes only, to show the effects of the Completed Event and the Proposals on the audited Consolidated Statement of Financial Position of the Group as at 31 December 2014 had the Completed Event and the Proposals been effected on that date. As part of this process, information about the Consolidated Statement of Financial Position has been extracted by the Directors from the Company's audited Consolidated Statement of Financial Position as at 31 December 2014.

**The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position**

- 4 The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis set out in the Notes thereon of the Appendix.

**Our Responsibilities**

- 5 Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis set out in the Notes thereon of the Appendix.
- 6 We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in the Notes thereon of the Appendix.
- 7 For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

---

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS  
AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER  
THEREON (*Cont'd*)

---



**The Board of Directors**  
**RHB Capital Berhad**  
**PwC/EN/ST/sw/0286B5**  
**31 July 2015**

**Our Responsibilities (continued)**

- 8 The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Circular to Shareholder is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.
- 9 A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
- The related Pro Forma adjustments give appropriate effect to those criteria; and
  - The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.
- 10 The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company and its subsidiaries, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances. The engagement also involved evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.
- 11 We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

- 12 In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in the Notes thereon of the Appendix.

---

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS  
AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER  
THEREON (Cont'd)

---



**The Board of Directors**  
**RHB Capital Berhad**  
**PwC/EN/ST/sw/0286B5**  
**31 July 2015**

**Other Matters**

- 13 This report is issued for the sole purpose of inclusion in the Circular to Shareholders in connection with the Proposals and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the Proposals.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', followed by a horizontal line extending to the right.

PricewaterhouseCoopers  
(No. AF: 1146)  
Chartered Accountants

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**APPENDIX  
Page 1**

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON**

**1 Introduction**

- 1.1 The Pro Forma Consolidated Statements of Financial Position of RHB Capital Berhad ("RHB Capital" or "the Company") and its subsidiaries ("RHB Capital Group") as at 31 December 2014 together with the notes thereon, for which the Directors of RHB Capital are solely responsible, have been prepared for illustrative purposes only in connection with the Completed Event and the Proposals as set out in Notes 2 and 3 respectively.

**2 Completed event**

- 2.1 An interim cash dividend of 6 sen per RHB Capital Share amounting to RM154.35 million declared by the Company for the financial year ended 31 December 2014 ("2014 Interim Dividend of RHB Capital") and the Company's dividend reinvestment plan, where shareholders of RHB Capital could elect to reinvest dividends distributed by RHB Capital due to them for new RHB Capital Shares ("2014 Interim DRP of RHB Capital") ("collectively referred to as the "2014 Interim Dividend and DRP of RHB Capital").

The 2014 Interim Dividend and DRP of RHB Capital was completed on 27 April 2015 with the listing of and quotation for approximately 16.0 million new RHB Capital Shares at an issue price of RM7.03 each, representing a reinvestment rate of 73.01%.

**3 The Proposals**

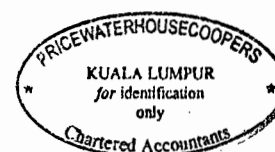
**3.1 Proposed Rights Issue**

RHB Capital is proposing to undertake a renounceable rights issue of new ordinary shares of RM1.00 each in RHB Capital ("Rights Shares") to raise gross proceeds of up to RM2.5 billion ("Intended Gross Proceeds") ("Proposed Rights Issue"). The quantum of the Proposed Rights Issue has been determined upfront while the entitlement basis and issue price have not been determined at this juncture to provide flexibility to the Board of Directors of RHB Capital ("the Board") in respect of the pricing of the Rights Shares at a later date.

It is the intention of the Company to inject the Intended Gross Proceeds to be raised from the Proposed Rights Issue into RHB Bank Berhad ("RHB Bank"), a wholly owned subsidiary of RHB Capital, to further capitalise RHB Bank and to finance the working capital requirements of RHB Bank and its subsidiaries ("RHB Bank Group") ("Proposed Capital Injection"), only if the relevant approvals for the Proposed Internal Reorganisation (as set out in Note 3.2) are obtained and the Proposed Internal Reorganisation is implemented. Pursuant to the Proposed Capital Injection, RHB Bank will be issuing new ordinary shares of RM1.00 each in RHB Bank ("new Consolidated RHB Bank Shares") to RHB Capital at an issue price equivalent to the fair market value of RHB Bank Group, which will be determined based on, amongst others, the price-to-book ratio of comparable financial institution groups listed on Bursa Malaysia Securities Berhad.

Prior to the Proposed Capital Injection, RHB Bank will undertake the proposed consolidation of two (2) ordinary shares of RM0.50 each into one (1) new ordinary share of RM1.00 each ("Proposed Consolidation of RHB Bank Shares").

In the event that the Proposed Internal Reorganisation is not implemented, the Intended Gross Proceeds shall be utilised to repay the bank borrowings of the Company and/or injected as equity into RHB Bank to further capitalise RHB Bank, if required. If the Intended Gross Proceeds is utilised to repay the bank borrowings of the Company, the Company will firstly repay external bank borrowings and then followed by repayment of the Company's bank borrowings from RHB Bank.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX

Page 2

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**3 The Proposals (continued)**

**3.1 Proposed Rights Issue (continued)**

The estimated expenses relating to the Proposed Rights Issue amounts to approximately RM19.78 million and consist mainly of professional fees, underwriting commission as well as fees payable to the relevant authorities. The estimated expenses are proposed to be funded via the Company's internally generated funds and not from the Intended Gross Proceeds.

**3.2 Proposed Internal Reorganisation**

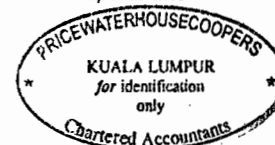
The Proposed Internal Reorganisation will entail the transfer by RHB Capital of its identified assets, which includes its entire equity interests in, or certain assets and liabilities of its subsidiaries ("Identified Assets") to RHB Bank, after the Proposed Rights Issue, for a total indicative consideration of RM3.71 billion, to be satisfied entirely in cash ("Disposal Consideration").

The Disposal Consideration was arrived at based on a 'willing-buyer, willing-seller' basis after taking into consideration the audited net assets ("NA") or net liabilities ("NL") and/or the audited net book value ("NBV") of the Identified Assets as extracted from the audited financial statements of the respective subsidiaries of RHB Capital at 31 December 2014. The Identified Assets comprise the following:

No.	Identified Assets	Effective equity interest of RHB Capital (%)	Audited NA/(NL) and/or NBV as at 31 December 2014 RM'000	Disposal Consideration RM'000
1.	RHB Investment Bank Berhad, its subsidiaries and joint ventures <sup>(1)</sup>	100.00	2,951,088	2,951,088
2.	RHB Insurance Berhad	94.70	372,561	335,059 <sup>(2)</sup>
3.	RHB Finexasia.Com Sdn Bhd <sup>(3)</sup> and its subsidiary, RHB OSK Stock188.Com Sdn Bhd	100.00	22,458	22,458
4.	Other direct wholly-owned subsidiaries of RHB Capital <sup>(4)</sup>	100.0	7,728 <sup>(5)</sup>	7,774 <sup>(5)</sup>
5.	Certain assets and liabilities of RHB Hartanah Sdn Bhd including its subsidiary, RHB Property Management Sdn Bhd	-	298,374	298,374 <sup>(6)</sup>
6.	RHB Capital's other identified assets <sup>(7)</sup>	-	94,219	94,219
		<b>Total</b>	<b>3,746,428</b>	<b>3,708,972</b>

**Notes:-**

- (1) Inclusive of RHB Capital's 20.00% equity interest in both RHB Trustees Berhad and Malaysian Trustees Berhad respectively.
- (2) Based on the adjusted NA of RHB Insurance Berhad after the payment of final dividends for the financial year ended 31 December 2014.
- (3) RHB Capital and RHB Investment Bank Berhad presently hold 59.95% equity interest and 40.05% equity interest in RHB Finexasia.Com Sdn Bhd respectively.
- (4) Comprises other wholly-owned subsidiaries of RHB Capital, namely RHB Equities Sdn Bhd, RHB Kawal Sdn Bhd, RHB Capital (Jersey) Limited (including its wholly-owned subsidiary, RHB (Philippines) Inc.) and RHB Sdn Bhd.
- (5) Represents the aggregate NA/NL of RHB Capital's wholly-owned subsidiaries. For subsidiaries which have capital deficiency, a minimum consideration of RM1.00 will be paid.
- (6) The Disposal Consideration for certain assets and liabilities of RHB Hartanah is based on the amounts recorded in the consolidated financial statements of RHB Capital.
- (7) RHB Capital's other identified assets include tax recoverable by RHB Capital ("Tax Recoverable"), the final amount of which can only be determined as at the completion date of the share sale agreement in relation to the Proposed Internal Reorganisation.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**APPENDIX  
Page 3**

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**3. The Proposals (continued)**

**3.2 Proposed Internal Reorganisation (continued)**

For the avoidance of doubt, certain subsidiaries of RHB Capital which are either dormant or in the process of being liquidated or voluntarily wound up will not be transferred to RHB Bank. For information purposes, the list of Identified Assets is not exhaustive and may be varied as the Board may deem fit until the completion of the Proposed Internal Reorganisation.

In addition to the above, as at 31 December 2014, RHB Capital holds 55.79% equity interest in RHB OSK Rupiah Liquid Fund ("Fund"). It is the intention of the Company to redeem its investment in the Fund prior to the completion of the Proposed Internal Reorganisation.

RHB Capital and RHB Hartanah Sdn Bhd will be entering into a share sale agreement and asset purchase agreement with RHB Bank respectively ("Definitive Agreements"), upon receipt of all relevant approvals, to give effect to the Proposed Internal Reorganisation. The Disposal Consideration will be paid by RHB Bank in full upon completion of the Proposed Internal Reorganisation, in the manner to be set out in the Definitive Agreements. The Disposal Consideration, which will be funded using the internally generated funds of RHB Bank, is subject to adjustments in view that the final amount of Tax Recoverable can only be determined as at the completion date of the share sale agreement.

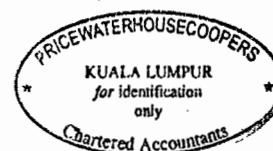
The Disposal Consideration to be received by RHB Capital under the Proposed Internal Reorganisation will be utilised to repay the bank borrowings of the Company as well as to defray expenses relating to the Proposed Internal Reorganisation. Any excess cash after the repayment of all of the Company's bank borrowings and defrayment of expenses relating to the Proposed Internal Reorganisation and after setting aside adequate cash to defray any expenses of RHB Capital will be injected into RHB Bank together with the proceeds from the redemption of the Fund (collectively referred to as the "Excess Cash") as additional capital, in exchange for new Consolidated RHB Bank Shares, which will be issued at the same issue price as the new Consolidated RHB Bank Shares to be issued to the Company pursuant to the Proposed Capital Injection.

**3.3 Proposed Distribution and Capital Repayment**

The Proposed Distribution and Capital Repayment will entail the distribution of the entire shareholdings of the Company in RHB Bank after the Proposed Rights Issue and Proposed Internal Reorganisation to the shareholder(s) whose name(s) appear in the Record of Depositors on an entitlement date to be determined and announced later by the Board ("Distribution Entitlement Date") ("Distribution and Capital Repayment Entitled Shareholders").

The basis for the Proposed Distribution and Capital Repayment can only be determined upon the completion of the Proposed Rights Issue and the Proposed Internal Reorganisation but prior to the announcement of the Distribution Entitlement Date and will depend on the issued and paid-up share capital of RHB Capital as well as the actual number of Consolidated RHB Bank Shares held by RHB Capital after the Proposed Capital Injection, Proposed Internal Reorganisation and injection of the Excess Cash, if any.

The Proposed Distribution and Capital Repayment will be implemented via a reduction of the entire share premium account of RHB Capital and the reduction in the share capital of the Company in accordance with Sections 60(2) and 64 of the Act, and the remaining balance via a distribution of the Company's retained earnings. For the purposes of the reduction in the share capital of the Company, the par value of all the existing RHB Capital Shares shall be reduced from RM1.00 to RM0.05.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 4

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**3. The Proposals (continued)**

**3.3 Proposed Distribution and Capital Repayment (continued)**

For information purposes, upon completion of the Proposed Distribution and Capital Repayment, the existing shareholders will continue to hold shares in RHB Capital with par value of RM0.05 each, in the proportion of their shareholdings as at the Distribution Entitlement Date. RHB Capital will then appoint a liquidator to liquidate the Company and any surplus cash (after the settlement of all liabilities and defrayment of expenses) thereafter will be returned to the shareholders.

The Consolidated RHB Bank Shares to be distributed to the Distribution and Capital Repayment Entitled Shareholders will be existing issued and paid-up shares in RHB Bank (after the Proposed Internal Reorganisation, Proposed Capital Injection and injection of Excess Cash, if any) and will be distributed free from all encumbrances. However, the said Consolidated RHB Bank Shares shall not entitle their holders to any dividend, right, allotment and/or other distribution, that may be declared, made or paid prior to the date on which the said Consolidated RHB Bank Shares are credited into the CDS Accounts of the Distribution and Capital Repayment Entitled Shareholders.

Fractional entitlements of the Consolidated RHB Bank Shares to be distributed pursuant to the Proposed Distribution and Capital Repayment, if any, shall be dealt with in a fair and equitable manner as the Board shall in their absolute discretion think expedient and in the best interest of the Company.

3.4 The Proposals set out in Notes 3.1 to 3.3 are only amongst other Proposals listed in the Circular to Shareholders that have been included for illustrative purposes in compiling the Pro Forma Consolidated Statements of Financial Position. The other Proposals not set out here do not have any financial implications on the Pro Forma Consolidated Statements of Financial Position.

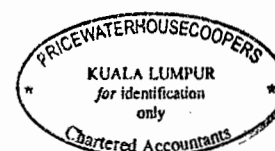
**3.5 Inter-conditionality of the Proposals**

The Proposed Rights Issue is not conditional upon any of the other Proposals.

The Proposed Internal Reorganisation is conditional upon the Proposed Rights Issue but is not conditional upon the Proposed Distribution and Capital Repayment and the Proposed Transfer of Listing Status.

The Proposed Distribution and Capital Repayment, Proposed Transfer of Listing Status and Proposed M&A Amendments are inter-conditional upon each other and are also conditional upon the Proposed Internal Reorganisation and Proposed Rights Issue.

Save for the above, the Proposals are not conditional upon any other corporate proposal of the Company.



---

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

---

APPENDIX  
Page 5**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)****4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014**

The Pro Forma Consolidated Statements of Financial Position of RHB Capital as set out below have been prepared solely for illustrative purposes to show the effects on the audited Consolidated Statement of Financial Position of RHB Capital Group as at 31 December 2014 had the Completed Event and the Proposals as set out in Notes 2 and 3, have been effected on that date.

For illustrative purpose, the effects of the Proposals have been prepared based on the following scenarios:

Scenario 1: Assuming that the Proposed Internal Reorganisation is implemented

Scenario 2: Assuming that the Proposed Internal Reorganisation is not implemented





**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 6

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

Scenario 1: Assuming that the Proposed Internal Reorganisation is implemented

	Audited 31.12.2014 RM'000	Proforma I After Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proforma II After Proforma I, the Proposed Rights Issue and the Proposed Internal Reorganisation RM'000	Proforma III After Proforma II and the Proposed Distribution and Capital Repayment RM'000
<b>ASSETS</b>				
Cash and short term funds	16,236,908	16,195,209	16,487,748	170,505
Securities purchased under resale agreements	491,510	491,510	491,510	-
Deposits and placements with banks and other financial institutions	2,298,588	2,298,588	2,298,588	1,017
Financial assets held-for-trading	2,930,681	2,930,681	2,930,681	-
Financial investments available-for-sale	19,602,176	19,602,176	19,602,176	-
Financial investments held-to-maturity	20,469,831	20,469,831	20,469,831	-
Loans, advances and financing	140,693,003	140,693,003	140,693,003	-
Clients' and brokers' balances	1,525,147	1,525,147	1,525,147	-
Reinsurance assets	332,113	332,113	332,113	-
Other assets	1,541,989	1,541,989	1,541,989	69
Derivatives assets	1,285,230	1,285,230	1,285,230	-
Statutory deposits	5,421,007	5,421,007	5,421,007	-
Tax recoverable	162,181	162,181	162,181	55
Deferred tax assets	38,465	38,465	38,465	-
Investment in joint ventures	21,021	21,021	21,021	-
Property, plant and equipment	1,030,681	1,030,681	1,030,681	322
Goodwill and intangible assets	5,273,905	5,273,905	5,273,905	-
<b>Total assets</b>	<b>219,354,436</b>	<b>219,312,737</b>	<b>219,605,276</b>	<b>171,968</b>



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

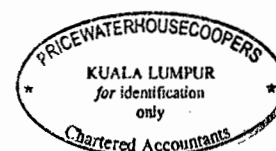
APPENDIX  
Page 7

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

Scenario 1: Assuming that the Proposed Internal Reorganisation is implemented

	Audited 31.12.2014 RM'000	Proforma I After Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proforma II After Proforma I, the Proposed Rights Issue and the Proposed Internal Reorganisation RM'000	Proforma III After Proforma II and the Proposed Distribution and Capital Repayment RM'000
<b>LIABILITIES AND EQUITY</b>				
Deposits from customers	157,133,993	157,133,993	157,133,993	-
Deposits and placements of banks and other financial institutions	21,349,618	21,349,618	21,349,618	-
Obligations on securities sold under repurchase agreements	508,416	508,416	508,416	-
Obligations on securities borrowed	113,780	113,780	113,780	-
Bills and acceptances payable	614,031	614,031	614,031	-
Clients' and brokers' balances	1,214,065	1,214,065	1,214,065	-
General insurance contract liabilities	775,699	775,699	775,699	-
Other liabilities	1,714,098	1,714,098	1,714,098	13,842
Derivative liabilities	1,224,684	1,224,684	1,224,684	-
Recourse obligation on loans sold to Cagamas Berhad	3,315,335	3,315,335	3,315,335	-
Tax liabilities	57,321	57,321	57,321	-
Deferred tax liabilities	53,041	53,041	53,041	21
Borrowings and senior debt securities	5,685,352	5,685,352	3,629,391	-
Subordinated obligations	6,099,402	6,099,402	6,099,402	-
Hybrid Tier-1 Capital Securities	601,515	601,515	601,515	-
<b>Total liabilities</b>	<b>200,460,350</b>	<b>200,460,350</b>	<b>198,404,389</b>	<b>13,863</b>



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 8

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

Scenario 1: Assuming that the Proposed Internal Reorganisation is implemented

	Audited 31.12.2014 RM'000	Proforma I After Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proforma II After Proforma I, the Proposed Rights Issue and the Proposed Internal Reorganisation RM'000	Proforma III After Proforma II and the Proposed Distribution and Capital Repayment RM'000
<b>LIABILITIES AND EQUITY</b>				
Share capital	2,572,457	2,588,481	3,019,895	150,995
Reserves	16,221,840	16,164,117	18,081,203	7,110
	<u>18,794,297</u>	<u>18,752,598</u>	<u>21,101,098</u>	<u>158,105</u>
Non-controlling interests	99,789	99,789	99,789	-
Total equity	<u>18,894,086</u>	<u>18,852,387</u>	<u>21,200,887</u>	<u>158,105</u>
Total liabilities and equity	<u>219,354,436</u>	<u>219,312,737</u>	<u>219,605,276</u>	<u>171,968</u>
No of RHB Capital Shares in issue ('000)	2,572,457	2,588,481	3,019,895	3,019,895
Net assets attributable to equity holders of the Company per share (RM)	7.31	7.24	6.99	0.05
Gearing (times)	0.66	0.66	0.49	-

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**APPENDIX**  
Page 9

**RHB CAPITAL BERHAD**  
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

Scenario 2: Assuming that the Proposed Internal Reorganisation is not implemented

	Audited 31.12.2014 RM'000	Proforma I After Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proforma II After Proforma I and the Proposed Rights Issue RM'000
<b>ASSETS</b>			
Cash and short term funds	16,236,908	16,195,209	16,535,383
Securities purchased under resale agreements	491,510	491,510	491,510
Deposits and placements with banks and other financial institutions	2,298,588	2,298,588	2,298,588
Financial assets held-for-trading	2,930,681	2,930,681	2,930,681
Financial investments available-for-sale	19,602,176	19,602,176	19,602,176
Financial investments held-to-maturity	20,469,831	20,469,831	20,469,831
Loans, advances and financing	140,693,003	140,693,003	140,693,003
Clients' and brokers' balances	1,525,147	1,525,147	1,525,147
Reinsurance assets	332,113	332,113	332,113
Other assets	1,541,989	1,541,989	1,541,989
Derivatives assets	1,285,230	1,285,230	1,285,230
Statutory deposits	5,421,007	5,421,007	5,421,007
Tax recoverable	162,181	162,181	162,181
Deferred tax assets	38,465	38,465	38,465
Investment in joint ventures	21,021	21,021	21,021
Property, plant and equipment	1,030,681	1,030,681	1,030,681
Goodwill and intangible assets	5,273,905	5,273,905	5,273,905
<b>Total assets</b>	<b>219,354,436</b>	<b>219,312,737</b>	<b>219,652,911</b>



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

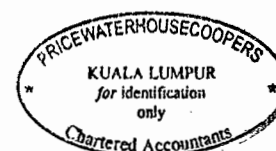
APPENDIX  
Page 10

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

Scenario 2: Assuming that the Proposed Internal Reorganisation is not implemented

	Audited 31.12.2014 RM'000	Proforma I After Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proforma II After Proforma I and the Proposed Rights Issue RM'000
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	157,133,993	157,133,993	157,133,993
Deposits and placements of banks and other financial institutions	21,349,618	21,349,618	21,349,618
Obligations on securities sold under repurchase agreements	508,416	508,416	508,416
Obligations on securities borrowed	113,780	113,780	113,780
Bills and acceptances payable	614,031	614,031	614,031
Clients' and brokers' balances	1,214,065	1,214,065	1,214,065
General insurance contract liabilities	775,699	775,699	775,699
Other liabilities	1,714,098	1,714,098	1,714,098
Derivative liabilities	1,224,684	1,224,684	1,224,684
Recourse obligation on loans sold to Cagamas Berhad	3,315,335	3,315,335	3,315,335
Tax liabilities	57,321	57,321	57,321
Deferred tax liabilities	53,041	53,041	53,041
Borrowings and senior debt securities	5,685,352	5,685,352	3,629,391
Subordinated obligations	6,099,402	6,099,402	6,099,402
Hybrid Tier-1 Capital Securities	601,515	601,515	601,515
<b>Total liabilities</b>	<b>200,460,350</b>	<b>200,460,350</b>	<b>198,404,389</b>



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 11

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

Scenario 2: Assuming that the Proposed Internal Reorganisation is not implemented

	Audited 31.12.2014 RM'000	Proforma I After Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proforma II After Proforma I and the Proposed Rights Issue RM'000
<b>LIABILITIES AND EQUITY</b>			
Share capital	2,572,457	2,588,481	3,019,895
Reserves	16,221,840	16,164,117	18,128,838
	<u>18,794,297</u>	<u>18,752,598</u>	<u>21,148,733</u>
Non-controlling interests	99,789	99,789	99,789
Total equity	<u>18,894,086</u>	<u>18,852,387</u>	<u>21,248,522</u>
Total liabilities and equity	<u>219,354,436</u>	<u>219,312,737</u>	<u>219,652,911</u>
No of RHB Capital Shares in issue ('000)	2,572,457	2,588,481	3,019,895
Net assets attributable to equity holders of the Company per share (RM)	7.31	7.24	7.00
Gearing (times)	0.66	0.66	0.49

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**APPENDIX  
Page 12**

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

The Pro Forma Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

**4.1 Basis of preparation**

The Pro Forma Consolidated Statements of Financial Position of RHB Capital Group have been prepared based on the audited consolidated financial statements of RHB Capital for the financial year ended 31 December 2014 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting standards and in a manner consistent with both the format of the audited consolidated financial statements and the accounting policies adopted by RHB Capital for the financial year ended 31 December 2014, except for the adoption of the following new accounting policy which will be adopted by the Board in the financial year ending 31 December 2015:

Distribution-in-specie

The Group and Company measure the liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. At the end of each reporting period and at the date of settlement, the Group and Company review and adjust the carrying amount of the dividend payable, with any changes in the carrying amount of the dividend payable recognised in equity as adjustments to the amount of the distribution.

**4.2 Pro Forma I**

4.2.1 Pro Forma I incorporates the effects of Completed Event detailed in Note 2.

**4.3 Pro Forma II (Scenario 1)**

4.3.1 Pro Forma II (Scenario 1) incorporates the effects of Pro Forma I, the Proposed Rights Issue and the Proposed Internal Reorganisation as detailed in Notes 3.1 and 3.2.

4.3.2 For illustrative purposes, Pro Forma II (Scenario 1) assumes that:

(i) the issue price for the Rights Shares, entitlement basis and number of Rights Shares to be issued in relation to the Proposed Rights Issue are assumed to be as follows:

Illustrative Issue Price : RM5.60 per Rights Share, reflecting approximately 20.55% discount to the theoretical ex-rights price of RM7.05 based on the 5-day volume weighted average market price of RHB Capital Shares up to and including the latest practicable date of RM7.29

Illustrative entitlement basis : One (1) Rights Share for every six (6) RHB Capital Shares held

Illustrative number of Rights Shares to be issued : 431.41 million Rights Shares

(ii) the Intended Gross Proceeds of RM2,415.92 million will be injected into RHB Bank as additional capital, in exchange for new Consolidated RHB Bank shares, which is assumed to be issued at RM5.97 per RHB Bank Share.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**APPENDIX**  
**Page 13**

**RHB CAPITAL BERHAD**  
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

**4.3 Pro Forma II (Scenario 1) (continued)**

4.3.2 For illustrative purposes, Pro Forma II (Scenario 1) assumes that (continued):

- (iii) The estimated expenses in relation to the Proposed Rights Issue of RM19.78 million are debited against share premium account and to be funded via internally generated fund.
- (iv) The Disposal Consideration arising from the Proposed Internal Reorganisation will be utilised to repay external bank borrowings of the Company amounting to RM2,055.96 million and bank borrowings from RHB Bank of RM1,055.47 million as at 31 December 2014, as well as to defray expenses relating to the Proposed Internal Reorganisation. The repayment of bank borrowings from RHB Bank has no effect to the Pro Forma Consolidated Statement of Financial Position of RHB Capital.
- (v) The estimated expenses relating to the Proposals (save for the Proposed Rights Issue) amounting to approximately RM47.63 million, which includes advisory fees, taxes, stamp duty and other miscellaneous expenses are charged out as an expense in profit and loss.

**4.4 Pro Forma II (Scenario 2)**

4.4.1 Pro Forma II (Scenario 2) incorporates the effects of Pro Forma I and the Proposed Rights Issue as detailed in Note 3.1.

4.4.2 For illustrative purposes, Pro Forma II (Scenario 2) assumes that:

- (i) the Issue Price for the Rights Shares, entitlement basis and number of Rights Shares to be issued in relation to the Proposed Rights Issue are assumed to be as follows:

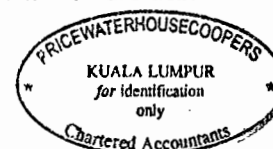
Illustrative Issue Price : RM5.60 per Rights Share, reflecting approximately 20.55% discount to the theoretical ex-rights price of RM7.05 based on the 5-day Volume weighted average market price of RHB Capital Shares up to and including the latest practicable date of RM7.29

Illustrative entitlement basis : One (1) Rights Share for every six (6) RHB Capital Shares held

Illustrative number of Rights Shares to be issued : 431.41 million Rights Shares

- (ii) The Intended Gross Proceeds of RM2,415.92 million is to be utilised to repay the external bank borrowings of the Company amounting to RM2,055.96 million and bank borrowings from RHB Bank of RM359.96 million. The repayment of bank borrowings from RHB Bank has no effect to the Pro Forma Consolidated Statement of Financial Position of RHB Capital.

- (iii) The estimated expenses in relation to the Proposed Rights Issue of RM19.78 million are debited against share premium and to be funded via internally generated fund.





---

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

---

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**APPENDIX  
Page 14**

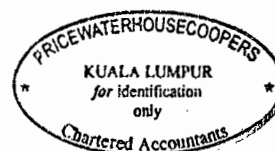
**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

**4.5 Pro Forma III**

4.5.1 Pro Forma III incorporates the effects of Pro Forma II (Scenario 1) and the Proposed Distribution and Capital Repayment detailed in Note 3.3.

4.5.2 For illustrative purposes,

- (i) the Proposed Distribution and Capital Repayment will be effected through:
  - (a) a proposed reduction of the par value of all the existing RHB Capital Shares from RM1.00 to RM0.05 in accordance with Section 64 of the Act, effected through a reduction in share capital of RM2,868.90 million and reduction of the entire share premium reserves of RM7,114.41 million in accordance with Section 60(2) of the Act; and
  - (b) a proposed reduction in the retained earnings based on the fair value of the Group's investment in RHB Bank, after taking into consideration the Proposed Internal Reorganisation
- (ii) upon completion of the Proposed Distribution and Capital Repayment, the assets, liabilities and reserves of RHB Bank and its subsidiaries are derecognised from the consolidated financial statements of RHB Capital.
- (iii) the estimated expenses in relation to the Proposed Distribution and Capital Repayment of approximately RM1.50 million are funded via internally generated fund and are charged out as an expense in profit or loss.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 15

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**5 Total Equity**

The summary of adjustments made in Total Equity, as shown in Pro Forma I, Pro Forma II and Pro Forma III are as follows:

Scenario 1

	Audited as at 31.12.2014 RM'000	Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proforma I After Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proposed Rights Issue and the Proposed Internal Reorganisation RM'000	Proforma II After Proforma I, the Proposed Rights Issue and the Proposed Internal Reorganisation RM'000	Proposed Distribution and Capital Repayment RM'000	Proforma III After Proforma II and the Proposed Distribution and Capital Repayment RM'000
Share Capital	2,572,457	16,024	2,588,481	431,414	3,019,895	(2,868,900)	150,995
Share premium	5,053,063	96,624	5,149,687	1,964,721	7,114,408	(7,114,408)	-
Statutory reserve	3,817,799	-	3,817,799	-	3,817,799	(3,817,799)	-
Other reserves	28,196	-	28,196	-	28,196	(28,196)	-
Available-for-sale reserves	191,619	-	191,619	-	191,619	(191,619)	-
Translation reserves	191,334	-	191,334	-	191,334	(191,334)	-
Retained profits	6,939,829	(154,347)	6,785,482	(47,635)	6,737,847	(6,730,737)	7,110
	18,794,297	(41,699)	18,752,598	2,348,500	21,101,098	(20,942,993)	158,105
Non-controlling interests	99,789	-	99,789	-	99,789	(99,789)	-
Total Equity	18,894,086	(41,699)	18,852,387	2,348,500	21,200,887	(21,042,782)	158,105



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 16

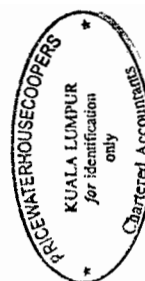
**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**5 Total Equity (continued)**

The summary of adjustments made in Total Equity, as shown in Pro Forma I, Pro Forma II and Pro Forma III are as follows:

Scenario 2

	Audited as at 31.12.2014 RM'000	Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proforma I After Completed Event of 2014 Interim Dividend and DRP of RHB Capital RM'000	Proposed Rights Issue RM'000	After Proforma I and the Proposed Rights Issue RM'000	Proforma II
Share Capital	2,572,457	16,024	2,588,481	431,414	3,019,895	
Share premium	5,053,063	96,624	5,149,687	1,964,721	7,114,408	
Statutory reserve	3,817,799	-	3,817,799	-	3,817,799	
Other reserves	28,196	-	28,196	-	28,196	
Available-for-sale reserves	191,619	-	191,619	-	191,619	
Translation reserves	191,334	-	191,334	-	191,334	
Retained profits	6,939,829	(154,347)	6,785,482	-	6,785,482	
	18,794,297	(41,699)	18,752,598	2,396,135	21,148,733	
Non-controlling interests	99,789	-	99,789	-	99,789	
<b>Total Equity</b>	<b>18,894,086</b>	<b>(41,699)</b>	<b>18,852,387</b>	<b>2,396,135</b>	<b>21,248,522</b>	



---

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

---

**RHB CAPITAL BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**APPENDIX  
Page 17**

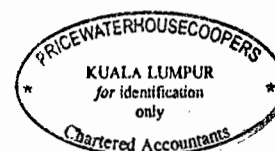
**APPROVAL BY THE BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of RHB Capital Berhad in accordance with a resolution dated 30 July 2015.



---

**DATO' KHAIRUSSALEH RAMLI  
GROUP MANAGING DIRECTOR**



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**



The Board of Directors  
RHB Capital Berhad  
Level 9, Tower One  
RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur

31 July 2015

PwC/EN/ST/sw/o284B5

Dear Sirs,

**RHB Bank Berhad**

**Report on the Pro Forma Consolidated Statements of Financial Position as at 31 December 2014**

- 1 We have completed our assurance engagement to report on the Pro Forma Consolidated Statements of Financial Position of RHB Bank Berhad (“RHB Bank” or “the Bank”) and its subsidiaries (“the Group”), a wholly owned subsidiary of RHB Capital Berhad (“RHB Capital”) as at 31 December 2014. The Pro Forma Consolidated Statements of Financial Position which is set out in the Appendix (which we have stamped for the purpose of identification), have been compiled by the Directors, for inclusion in the Circular to Shareholders of RHB Capital, in connection with RHB Capital’s proposals as set out below:
- (i) Proposed renounceable rights issue of new ordinary shares of RM1.00 each in RHB Capital (“RHB Capital Shares”) to raise gross proceeds of up to RM2.5 billion (“Proposed Rights Issue”);
  - (ii) Proposed distribution of the entire shareholdings of RHB Capital in RHB Bank, after the completion of the Proposed Rights Issue and Proposed Internal Reorganisation (as set out in Note 3.2 of the Appendix) (“Proposed Internal Reorganisation”), by way of distribution-in-specie via a reduction of the entire share premium account of RHB Capital and the par value of all the existing RHB Capital Shares from RM1.00 to RM0.05 in accordance with Sections 60(2) and 64 of the Companies Act, 1965 (“Act”) as well as via RHB Capital’s retained earnings (“Proposed Distribution and Capital Repayment”);

.....  
*PricewaterhouseCoopers (AF 1146), Chartered Accountants,  
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**  
(Cont'd)



**The Board of Directors**  
**RHB Capital Berhad**  
**PwC/EN/ST/sw/0284B5**  
**31 July 2015**

- (iii) Proposed transfer of RHB Capital's listing status on the Main Market of Bursa Securities to RHB Bank upon completion of the Proposed Rights Issue, Proposed Internal Reorganisation and Proposed Distribution and Capital Repayment ("Proposed Transfer of Listing Status"); and
- (iv) Proposed amendments to the Memorandum and Articles of Association of RHB Capital to facilitate the Proposed Distribution and Capital Repayment and Proposed Transfer of Listing Status ("Proposed M&A Amendments").

(The Proposed Rights Issue, Proposed Internal Reorganisation, Proposed Distribution and Capital Repayment, Proposed Transfer of Listing Status and Proposed M&A Amendments are collectively referred to as the "Proposals").

- 2 The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in the Notes thereon of the Appendix.
- 3 The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors, for illustrative purposes only, to show the effects of the Completed Event and the Proposals on the audited Consolidated Statement of Financial Position of the Group as at 31 December 2014 had the Completed Event and the Proposals been effected on that date. As part of this process, information about the Consolidated Statement of Financial Position has been extracted by the Directors from the Bank's audited Consolidated Statement of Financial Position as at 31 December 2014.

**The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position**

- 4 The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis set out in the Notes thereon of the Appendix.

**Our Responsibilities**

- 5 Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis set out in the Notes thereon of the Appendix.
- 6 We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in the Notes thereon of the Appendix.

---

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

---



**The Board of Directors  
RHB Capital Berhad  
PwC/EN/ST/sw/0284B5  
31 July 2015**

**Our Responsibilities (continued)**

- 7 For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.
- 8 The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Circular to Shareholders of RHB Capital is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.
- 9 A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
- The related Pro Forma adjustments give appropriate effect to those criteria; and
  - The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.
- 10 The procedures selected depend on our judgment, having regard to our understanding of the nature of the Bank and its subsidiaries, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances. The engagement also involved evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.
- 11 We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

- 12 In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in the Notes thereon of the Appendix.

---

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT  
31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON  
(Cont'd)**

---



**The Board of Directors  
RHB Capital Berhad  
PwC/EN/ST/sw/0284B5  
31 July 2015**

**Other Matters**

- 13 This report is issued for the sole purpose of inclusion in the Circular to Shareholders of RHB Capital in connection with the Proposals and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the Proposals.

Yours faithfully,

  
PricewaterhouseCoopers  
(No. AF: 1146)  
Chartered Accountants



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**  
(Cont'd)

**RHB BANK BERHAD**  
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014 AND THE NOTES THEREON**

**1 Introduction**

- 1.1 The Pro Forma Consolidated Statements of Financial Position of RHB Bank Berhad ("RHB Bank" or "the Bank") and its subsidiaries ("RHB Bank Group"), a wholly owned subsidiary of RHB Capital Berhad ("RHB Capital") as at 31 December 2014 together with the notes thereon, for which the Directors of RHB Capital are solely responsible, have been prepared for illustrative purposes only in connection with the Completed Event and the Proposals of RHB Capital as set out in Notes 2 and 3 respectively.

**2 Completed event**

- 2.1 A single-tier 2nd interim dividend of 8.665 sen amounting to RM583.27 million in respect of the financial year ended 31 December 2014. The 2nd interim dividend was approved by the Board of Directors on 29 January 2015 and 75% of the 2nd interim dividend amounting to RM437.46 million has been recapitalised into the Bank to preserve its capital adequacy for business growth purposes on 3 April 2015 via the issuance of approximately 190.20 million new RHB Bank shares at an issue price of RM2.30 per share.

**3 The Proposals**

- 3.1 **Proposed Rights Issue by RHB Capital and Capital Injection into RHB Bank ("Proposed Capital Injection")**

RHB Capital is proposing to undertake a renounceable rights issue of new ordinary shares of RM1.00 each in RHB Capital ("Rights Shares") to raise gross proceeds of up to RM2.5 billion ("Intended Gross Proceeds") ("Proposed Rights Issue"). The quantum of the Proposed Rights Issue has been determined upfront while the entitlement basis and issue price have not been determined at this juncture to provide flexibility to the Board of Directors of RHB Capital in respect of the pricing of the Rights Shares at a later date.

It is the intention of RHB Capital to inject the Intended Gross Proceeds to be raised from the Proposed Rights Issue of RHB Capital into RHB Bank, to further capitalise RHB Bank and to finance the working capital requirements of RHB Bank Group ("Proposed Capital Injection"), only if the relevant approvals for the Proposed Internal Reorganisation (as set out in Note 3.2) are obtained and the Proposed Internal Reorganisation is implemented. Pursuant to the Proposed Capital Injection, RHB Bank will be issuing new ordinary shares of RM1.00 each in RHB Bank ("new Consolidated RHB Bank Shares") to RHB Capital at an issue price equivalent to the fair market value of RHB Bank Group, which will be determined based on, amongst others, the price-to-book ratio of comparable financial institution groups listed on Bursa Malaysia Securities Berhad.

Prior to the Proposed Capital Injection, RHB Bank will undertake the proposed consolidation of two (2) ordinary shares of RM0.50 each ("RHB Bank Shares") into one (1) new ordinary share of RM1.00 each ("Proposed Consolidation of RHB Bank Shares").

- 3.2 **Proposed Internal Reorganisation**

The Proposed Internal Reorganisation will entail the transfer by RHB Capital of its identified assets, which includes its entire equity interests in, or certain assets and liabilities of its subsidiaries ("Identified Assets") to RHB Bank, after the Proposed Rights Issue, for a total indicative consideration of RM3.71 billion, to be satisfied entirely in cash ("Purchase Consideration").



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 2

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**3 The Proposals (continued)**

**3.2 Proposed Internal Reorganisation (continued)**

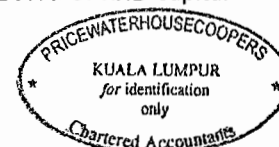
The Purchase Consideration was arrived at based on a 'willing-buyer, willing-seller' basis after taking into consideration the audited net assets ("NA") or net liabilities ("NL") and/or the audited net book value ("NBV") of the Identified Assets as extracted from the audited financial statements of the respective subsidiaries of RHB Capital as at 31 December 2014. The Identified Assets comprise the following:

No.	Identified Assets	Effective equity interest of RHB Capital Berhad (%)	Audited NA/(NL) and/or NBV as at 31 December 2014 RM'000	Purchase Consideration RM'000
1.	RHB Investment Bank Berhad, its subsidiaries and joint ventures <sup>(1)</sup>	100.00	2,951,088	2,951,088
2.	RHB Insurance Berhad	94.70	372,561	335,059 <sup>(2)</sup>
3.	RHB Finexasia.Com Sdn Bhd <sup>(3)</sup> and its subsidiary, RHB OSK Stock188.Com Sdn Bhd	100.00	22,458	22,458
4.	Other direct wholly-owned subsidiaries of RHB Capital <sup>(4)</sup>	100.0	7,728 <sup>(5)</sup>	7,774 <sup>(5)</sup>
5.	Certain assets and liabilities of RHB Hartanah Sdn Bhd including its subsidiary, RHB Property Management Sdn Bhd	-	298,374	298,374 <sup>(6)</sup>
6.	RHB Capital's other identified assets <sup>(7)</sup>	-	94,219	94,219
	<b>Total</b>		<b>3,746,428</b>	<b>3,708,972</b>

**Notes:-**

- (1) Inclusive of RHB Capital's 20.00% equity interest in both RHB Trustees Berhad and Malaysian Trustees Berhad respectively.
- (2) Based on the adjusted NA of RHB Insurance Berhad after the payment of final dividends for the financial year ended 31 December 2014.
- (3) RHB Capital and RHB Investment Bank Berhad presently hold 59.95% equity interest and 40.05% equity interest in RHB Finexasia.Com Sdn Bhd respectively.
- (4) Comprises other wholly-owned subsidiaries of RHB Capital, namely RHB Equities Sdn Bhd, RHB Kawal Sdn Bhd, RHB Capital (Jersey) Limited (including its wholly-owned subsidiary, RHB (Philippines) Inc.) and RHB Sdn Bhd.
- (5) Represents the aggregate NA/NL of RHB Capital's wholly-owned subsidiaries. For subsidiaries which have capital deficiency, a minimum consideration of RM1.00 will be paid.
- (6) The Purchase Consideration for certain assets and liabilities of RHB Hartanah is based on the amounts recorded in the consolidated financial statements of RHB Capital.
- (7) RHB Capital's other identified assets include tax recoverable by RHB Capital ("Tax Recoverable"), the final amount of which can only be determined as at the completion date of the share sale agreement in relation to the Proposed Internal Reorganisation.

For the avoidance of doubt, certain subsidiaries of RHB Capital which are either dormant or in the process of being liquidated or voluntarily wound up will not be transferred to RHB Bank. For information purposes, the list of Identified Assets is not exhaustive and may be varied as the Board of RHB Capital may deem fit until the completion of the Proposed Internal Reorganisation.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 3

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**3 The Proposals (continued)**

**3.2 Proposed Internal Reorganisation (continued)**

In addition to the above, as at 31 December 2014, RHB Capital holds 55.79% equity interest in RHB OSK Rupiah Liquid Fund ("Fund"). It is the intention of RHB Capital to redeem its investment in the Fund prior to the completion of the Proposed Internal Reorganisation.

RHB Capital and RHB Hartanah Sdn Bhd will be entering into a share sale agreement and asset purchase agreement with RHB Bank respectively ("Definitive Agreements"), upon receipt of all relevant approvals, to give effect to the Proposed Internal Reorganisation. The Purchase Consideration will be paid by RHB Bank in full upon completion of the Proposed Internal Reorganisation, in the manner to be set out in the Definitive Agreements. The Purchase Consideration, which will be funded using the internally generated funds of RHB Bank, is subject to adjustments in view that the final amount of Tax Recoverable can only be determined as at the completion date of the share sale agreement.

The Purchase Consideration to be received by RHB Capital under the Proposed Internal Reorganisation will be utilised to repay the bank borrowings of RHB Capital as well as to defray expenses relating to the Proposed Internal Reorganisation. Any excess cash after the repayment of all of RHB Capital's bank borrowings and defrayment of expenses relating to the Proposed Internal Reorganisation and after setting aside adequate cash to defray any expenses of RHB Capital will be injected into RHB Bank together with the proceeds from the redemption of the Fund (collectively referred to as the "Excess Cash") as additional capital, in exchange for new Consolidated RHB Bank Shares, which will be issued at the same issue price as the new Consolidated RHB Bank Shares to be issued to RHB Capital pursuant to the Proposed Capital Injection.

3.3 The Proposals set out in Notes 3.1 to 3.2 are only amongst other Proposals listed in the Circular to Shareholders that have been included for illustrative purposes in compiling the Pro Forma Consolidated Statements of Financial Position of RHB Bank. The other Proposals not set out here do not have any financial implications on the Pro Forma Consolidated Statements of Financial Position of RHB Bank.

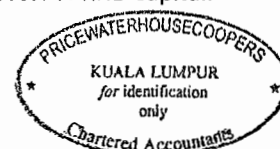
**3.4 Inter-conditionality of the Proposals**

The Proposed Rights Issue of RHB Capital is not conditional upon any of the other Proposals.

The Proposed Internal Reorganisation is conditional upon the Proposed Rights Issue of RHB Capital but is not conditional upon the Proposed Distribution and Capital Repayment and the Proposed Transfer of Listing Status of RHB Capital.

The Proposed Distribution and Capital Repayment, Proposed Transfer of Listing Status and Proposed M&A Amendments of RHB Capital are inter-conditional upon each other and are also conditional upon the Proposed Internal Reorganisation and Proposed Rights Issue.

Save for the above, the Proposals are not conditional upon any other corporate proposal of RHB Capital.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

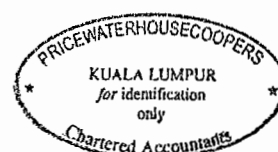
APPENDIX  
Page 4

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014**

The Pro Forma Consolidated Statements of Financial Position of RHB Bank as set out below have been prepared solely for illustrative purposes to show the effects on the audited Consolidated Statement of Financial Position of RHB Bank Group as at 31 December 2014 had the Completed Event and the Proposals as set out in Notes 2 and 3, have been effected on that date.

	Audited 31.12.2014 RM'000	Proforma I After Completed Event of Single- Tier Second Interim Dividend RM'000	Proforma II After Proforma I, the Proposed Capital Injection and the Proposed Internal Reorganisation RM'000
<b>ASSETS</b>			
Cash and short term funds	15,536,640	15,390,823	16,440,856
Securities purchased under resale agreements	376,418	376,418	491,510
Deposits and placements with banks and other financial institutions	2,045,284	2,045,284	2,195,982
Financial assets held-for-trading	2,043,302	2,043,302	2,857,204
Financial investments available-for-sale	15,783,001	15,783,001	19,601,471
Financial investments held-to-maturity	19,698,097	19,698,097	20,469,830
Loans, advances and financing	139,544,308	139,544,308	140,685,153
Clients' and brokers' balances	-	-	1,525,147
Reinsurance assets	-	-	332,113
Other assets	1,071,882	1,071,882	1,505,956
Derivatives assets	1,283,855	1,283,855	1,285,230
Statutory deposits	5,201,170	5,201,170	5,421,007
Tax recoverable	59,792	59,792	159,685
Deferred tax assets	9,956	9,956	40,965
Investment in joint ventures	-	-	21,021
Property, plant and equipment	666,426	666,426	1,036,050
Goodwill and intangible assets	1,316,923	1,316,923	2,910,910
<b>Total assets</b>	<b>204,637,054</b>	<b>204,491,237</b>	<b>216,980,090</b>



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 5

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)

	Audited 31.12.2014 RM'000	Proforma I After Completed Event of Single- Tier Second Interim Dividend RM'000	Proforma II After Proforma I, the Proposed Capital Injection and the Proposed Internal Reorganisation RM'000
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	154,856,511	154,856,511	157,133,993
Deposits and placements of banks and other financial institutions	17,956,370	17,956,370	21,349,618
Obligations on securities sold under repurchase agreements	489,506	489,506	508,416
Obligations on securities borrowed	-	-	113,780
Bills and acceptances payable	476,322	476,322	614,031
Clients' and brokers' balances	-	-	1,214,065
General insurance contract liabilities	-	-	775,699
Other liabilities	1,214,536	1,214,536	1,707,683
Derivative liabilities	1,193,538	1,193,538	1,224,684
Recourse obligation on loans sold to Cagamas Berhad	3,315,335	3,315,335	3,315,335
Tax liabilities	22,418	22,418	57,216
Deferred tax liabilities	40,818	40,818	51,076
Borrowings and senior debt securities	3,480,547	3,480,547	3,629,390
Subordinated obligations	5,549,961	5,549,961	6,099,402
Hybrid Tier-1 Capital Securities	606,529	606,529	601,515
<b>Total liabilities</b>	<b>189,202,391</b>	<b>189,202,391</b>	<b>198,395,903</b>

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 6

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)

	Audited 31.12.2014 RM'000	Proforma I After Completed Event of Single- Tier Second Interim Dividend RM'000	Proforma II After Proforma I, the Proposed Capital Injection and the Proposed Internal Reorganisation RM'000
Share capital	3,365,486	3,460,585	3,968,119
Reserves	12,069,177	11,828,261	14,595,592
	15,434,663	15,288,846	18,563,711
Minority interests	-	-	20,476
Total equity	<u>15,434,663</u>	<u>15,288,846</u>	<u>18,584,187</u>
Total liabilities and equity	<u>204,637,054</u>	<u>204,491,237</u>	<u>216,980,090</u>
No of RHB Bank Shares in issue ('000)	6,730,972	6,921,170	3,968,119
Net assets attributable to equity holders of the Bank per share (RM)	2.29	2.21	4.68
Gearing (times)	0.62	0.63	0.56



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**  
*(Cont'd)*

**RHB BANK BERHAD**  
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

The Pro Forma Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

**4.1 Basis of preparation**

The Pro Forma Consolidated Statements of Financial Position of RHB Bank Group have been prepared based on the audited consolidated financial statements of RHB Bank for the financial year ended 31 December 2014 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and in a manner consistent with both the format of the audited consolidated financial statements and accounting policies adopted by RHB Bank for the financial year ended 31 December 2014, except for the adoption of the following new accounting policies:

**4.1.1 General Insurance**

Insurance contracts are those contracts that transfer significant insurance risk. An insurance contract is a contract under which the insurance subsidiary (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

The general insurance underwriting results are determined for each class of business after taking into account, reinsurances, commissions, unearned premiums and claims incurred.

**(a) Premium income**

Premium income is recognised on the date of assumption of risk. Premium in respect of risks incepted for which policies have not been raised as of the date of statements of financial position are accrued.

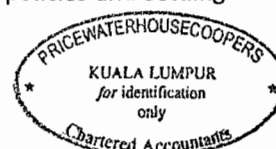
Premiums, claims and other transactions of inward treaty business are accounted for in the income statements as and when the statements of account are received.

Outward reinsurance premium are recognised in the same accounting period as the original policies to which the reinsurance relate.

**(b) Premium liabilities**

Premium liabilities refer to the higher of:

- (i) The aggregate of the unearned premium reserves; or
- (ii) The best estimate value of the insurer's unexpired risk reserves at the valuation date and the Provision of Risk Margin for Adverse Deviation calculated at the overall company level of the insurance subsidiary. The best estimate value is a prospective estimate of the expected future payments arising from future events insured under policies in force as at the valuation date and also includes allowance for the insurer's expense including overheads and cost of reinsurance, expected to be incurred during the unexpired period in administering these policies and settling the relevant claims, and shall allow for expected future premium refunds.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

**4.1 Basis of preparation (continued)**

(c) Claim liabilities

A liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance. The amount of claim liabilities is the best estimate of the expenditure required together with related expenses less recoveries to settle the present obligations at the date of statements of financial position. These include provision for claims reported, claim incurred but not reported, claims incurred but not enough reserve and direct and indirect claims-related expenses such as investigation fees, loss adjustment fees, legal fees, sue and labour charges and the expected internal costs that the insurer expects to incur when settling these claims.

(d) Acquisition costs and deferred acquisition costs ('DAC')

The gross cost of acquiring and renewing insurance policies net of income derived from ceding reinsurance premium is recognised as incurred and properly allocated to the periods in which it is probable they give rise to income.

Those costs are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognised as an expense when incurred.

Subsequent to initial recognition, these costs are amortised on a straight-line basis based on the term of expected future premiums. Amortisation is recognised in income statements.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in these assets are accounted for by changing the amortisation period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in income statements. DAC is also considered in the liability adequacy test for each accounting period.

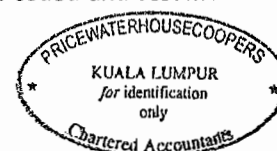
DAC is de-recognised when the related contracts are either settled or disposed of.

For presentation purposes, DAC is net off against premium liabilities in the financial statements.

(e) Reinsurance

The insurance subsidiary cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contracts.

Ceded reinsurance arrangements do not relieve the insurance subsidiary from its obligations to policyholders. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.





**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

APPENDIX  
Page 9

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

**4.1 Basis of preparation (continued)**

(e) Reinsurance (continued)

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the insurer may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the insurer will receive from the reinsurer. The impairment loss is recorded in the income statements.

Gains or losses on buying reinsurance are recognised in the income statements immediately at the date of purchase and are not amortised.

The Group also assumes reinsurance risk in the normal course of business for general insurance contracts when applicable.

Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

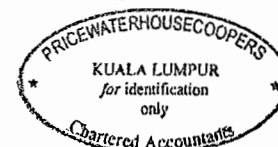
Reinsurance assets or liabilities are de-recognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statements of financial position. These are deposit assets or financial liabilities that are recognised based on the consideration paid or received less any explicit identified premiums or fees to be retained by the reinsured. Investment income on these contracts is accounted for using the effective yield method when accrued.

(f) Insurance contract liabilities

General insurance contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities comprise claims liabilities and premium liabilities.

Outstanding claims provision are based on the estimated ultimate cost of all claims incurred but not settled at the date of statements of financial position, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these claims cannot be known with certainty at the date of statements of financial position. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the contract expires, is discharged or is cancelled. The provision for unearned premiums represents premiums received for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognised as premium income.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

**4 Pro Forma Consolidated Statements of Financial Position as at 31 December 2014 (continued)**

**4.1 Basis of preparation (continued)**

(g) Insurance contract liabilities (continued)

At each reporting date, the Group reviews its unexpired risks and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows (taking into consideration current loss ratios) after taking account of the investment return expected to arise on assets relating to the relevant general insurance technical provisions. If these estimates show that the carrying amount of the unearned premium less related deferred acquisition costs is inadequate, the deficiency is recognised in income statements by setting up a provision for liability adequacy.

**4.1.2 Joint ventures**

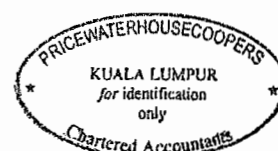
A joint venture is a joint arrangement whereby the joint ventures have rights to the net asset of the arrangement. The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where necessary, in applying the equity method, adjustments are made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

**4.2 Pro Forma I**

**4.2.1 Pro Forma I incorporates the effects of Completed Event detailed in Note 2.**



---

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**  
*(Cont'd)*

---

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)****4.3 Pro Forma II**

4.3.1 Pro Forma II incorporates the effects of Proforma I, the Proposed Capital Injection and the Proposed Internal Reorganisation as detailed in Notes 3.1 and 3.2.

4.3.2 For illustrative purposes, Proforma II assumes that:

- (i) the Intended Gross Proceeds and Excess Cash after the repayment of RHB Capital's bank borrowings and defrayment of expenses relating to the Proposed Internal Reorganisation and after setting aside adequate cash to defray any additional expenses arising from any of the Proposals totaling RM3.03 billion will be injected into RHB Bank as additional capital, in exchange for new Consolidated RHB Bank Shares, which assumed to be issued at RM5.97 per RHB Bank Share.
- (ii) the Proposed Internal Reorganisation is accounted as business combination under common control of which assets acquired, liabilities assumed and reserves are stated at the predecessor carrying amounts from the consolidated financial statements of the ultimate holding company of the Group. The difference between consideration given and the aggregate carrying amounts of the assets, liabilities and reserves of RM152.61 million is recorded as an adjustment to retained profits.
- (iii) the estimated expenses in relation to the Proposed Internal Reorganisation of approximately RM7.88 million are funded via internally generated fund and are charged out as an expense in profit or loss.

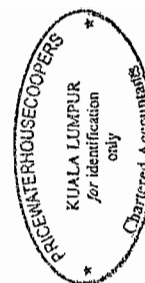
**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**RHB BANK BERHAD  
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

5 **Total Equity**

The summary of adjustments made in Total Equity, as shown in Pro Forma I and Pro Forma II are as follows:

	Audited as at 31.12.2014 RM'000	Completed Event of single- tier interim dividend RM'000	Proforma I After Completed Event of Single- Tier Second Interim Dividend RM'000	Proposed Capital Injection and the Proposed Internal Reorganisation RM'000	Proforma II After Proforma I, the Proposed Capital Injection and the Proposed Internal Reorganisation RM'000
Share Capital	3,365,486	95,099	3,460,585	507,534	3,968,119
Share premium	136,162	342,356	478,518	2,522,466	3,000,984
Statutory reserve	4,031,903	-	4,031,903	340,953	4,372,856
Other reserves	-	-	-	25,875	25,875
Available-for-sale reserves	190,466	-	190,466	2,496	192,962
Translation reserves	135,471	-	135,471	36,026	171,497
Retained profits	7,575,175	(583,272)	6,991,903	(160,485)	6,831,418
	15,434,663	(145,817)	15,288,846	3,274,865	18,563,711
Non-controlling interests	-	-	-	20,476	20,476
<b>Total Equity</b>	<b>15,434,663</b>	<b>(145,817)</b>	<b>15,288,846</b>	<b>3,295,341</b>	<b>18,584,187</b>



---

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF RHB BANK AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

---

**APPENDIX  
Page 13**

**RHB BANK BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014 AND THE NOTES THEREON (CONTINUED)**

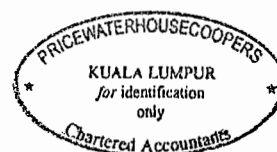
**APPROVAL BY THE BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of RHB Capital Berhad in accordance with a resolution dated 30 July 2015.



---

**DATO' KHAIRUSSALEH RAMLI  
GROUP MANAGING DIRECTOR**



---

**FURTHER INFORMATION**

---

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by your Board and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

**2. CONSENTS****2.1 RHB Investment Bank**

RHB Investment Bank, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in this Circular in the form and context in which they appear.

**2.2 PricewaterhouseCoopers**

PricewaterhouseCoopers, being the Reporting Accountants for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name, letter and all references thereto in this Circular in the form and context in which they appear.

**3. CONFLICT OF INTEREST****3.1 RHB Investment Bank**

RHB Investment Bank is our wholly-owned subsidiary and is deemed to be a related corporation. As such, there is deemed to be a conflict of interest in respect of RHB Investment Bank's role as Principal Adviser for the implementation of the Proposals. Notwithstanding this, RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser to us pursuant to the Proposals is conducted in the ordinary course of its business. The conduct of RHB Investment Bank is strictly regulated by FSA, the CMSA and its own internal controls, policies and procedures. For the avoidance of doubt, it is not within RHB Investment Bank's scope as Principal Adviser to advise on the financial aspects of the Proposals (including the Disposal Consideration). Save for the professional fees charged in relation to its role as the Principal Adviser and co-ordinator for the Proposals as well as fees from underwriting arrangements for the Proposed Rights Issue, if applicable, RHB Investment Bank will not be deriving any other monetary benefit from the Proposals.

**3.2 PricewaterhouseCoopers**

PricewaterhouseCoopers has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Reporting Accountants in respect of the Proposals.

(The rest of this page has been intentionally left blank)

---

**FURTHER INFORMATION (Cont'd)**


---

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

Save as disclosed below, as at 31 March 2015, your Board is not aware of any other material commitments and contingent liabilities incurred or known to be incurred by our Group/Company which upon becoming enforceable may have a material impact on the financial position of our Group/Company:-

**4.1 Commitments and contingencies**

Group	As at 31 March 2015		
	Principle amount	Credit equivalent amount *	Risk weighted amount
	RM('000)	RM('000)	RM('000)
Direct credit substitutes	2,388,509	2,358,537	1,485,371
Transaction-related contingent items	4,654,375	2,301,243	1,292,751
Short term self-liquidating trade-related contingencies	1,915,158	380,727	171,420
Obligations under underwriting agreements	13,350	6,675	6,675
Lending of banking subsidiaries' securities or the posting of securities as collateral by banking subsidiaries, including instances where these arise out of repo-style transactions	1,563,663	1,563,663	16,656
Irrevocable commitments to extend credit			
- maturity not exceeding one year	2,957,928	411,013	151,369
- maturity exceeding one year	30,490,643	13,929,355	9,883,911
Foreign exchange related contracts ^			
- less than one year	35,366,498	1,211,081	701,667
- one year to less than five years	11,357,884	1,974,592	836,391
- more than five years	475,304	133,070	92,439
Equity related contracts ^			
- less than one year	16,429	5,475	5,475
Interest rate related contracts ^			
- less than one year	6,781,666	16,054	5,614
- one year to less than five years	28,790,327	853,590	300,541
- more than five years	920,773	77,224	37,707
Any commitments that are unconditionally cancelled at any time by the banking subsidiaries without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	15,329,699	601,158	240,349
	<b>143,022,206</b>	<b>25,823,457</b>	<b>15,228,336</b>

**Notes:-**

\* The credit equivalent amount is arrived at using the credit conversion factors as per the relevant guidelines of BNM. Foreign exchange, equity and interest rate related contracts are subject to market risk and credit risk.

^ These derivatives are revalued on gross position basis and the unrealised gains or losses has been reflected in the income statements and statements of financial position as derivative assets or derivative liabilities.

**4.2 Capital commitments**

Group	As at 31 March 2015
	RM('000)
Capital expenditure for property, plant and equipment:	
- authorised and contracted for	92,848
- authorised but not contracted for	213,271
	<b>306,119</b>

**FURTHER INFORMATION (Cont'd)****4.3 Guarantees issued by our Group**

	<b>As at 31 March 2015</b>
	<b>RM('000)</b>
Corporate guarantee in favour of client's trading facilities granted by a subsidiary	68,000

**4.4 Guarantees issued by our Company**

	<b>As at 31 March 2015</b>
	<b>RM('000)</b>
Corporate guarantee provided to licensed banks for credit facilities granted to subsidiaries	226,944
Corporate guarantee in favour of client's trading facilities granted by a subsidiary	68,000
Letter of undertaking in favour of Monetary Authority of Singapore provided for a subsidiary	134,680
	<b>429,624</b>

**5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

Save as disclosed below, as at LPD, our Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and we are not aware of any proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of our Group:-

**Serlow Travels Sdn Bhd v RHB Bank (Kuala Lumpur High Court Suit No.: S-22-853-2010/ Court of Appeal Civil Appeal No.: W-02-2054-09/2013)**

RHB Bank granted banking facilities on 7 July 1989 to the Plaintiff, Serlow Travels Sdn Bhd to finance the purchase of a property held under PN 4462, Lot No. 386, Section 32, Bandar Petaling Jaya ("Property"). A charge was created over the Property as security.

Upon default by the Plaintiff, RHB Bank had obtained summary judgment against the Plaintiff and an order for sale against the Property on 8 November 1993. The Property was subsequently auctioned off to satisfy the Plaintiff's indebtedness to RHB Bank.

The Plaintiff on 8 September 2010 filed a suit alleging, amongst other things, that:-

- (a) RHB Bank has fraudulently and wrongly obtained summary judgment against the Plaintiff;
- (b) the order for sale and the auction conducted thereon were done fraudulently and maliciously;
- (c) the auction conducted for the Property was time barred;
- (d) RHB Bank to refund all surplus which were charged into the Plaintiff's loan account;
- (e) RHB Bank to pay to the Plaintiff the present market price of the Property;
- (f) special and general damages to be assessed before a Senior Assistant Registrar; and
- (g) RHB Bank was not entitled to interest after six (6) years from the date of the order for sale.



---

**FURTHER INFORMATION (Cont'd)**

---

The special and general damages sought by the Plaintiff was estimated in excess of approximately RM257 million. Trial was held on 23 August 2013 where the High Court of Malaya (“**High Court**”) dismissed the Plaintiff’s claim with costs of RM20,000 after full trial.

The Plaintiff appealed to the Court of Appeal against the decision of the High Court and contended that the High Court erred in its decision. Hearing of the appeal was fixed for 16 January 2014. The matter was struck out by the Court of Appeal and the Plaintiff subsequently appealed to the Court of Appeal to reinstate the appeal. The hearing of the appeal was fixed for 29 April 2014.

On 29 April 2014, an extension of time was allowed by the Court of Appeal and no date has been fixed by the Court of Appeal for the next hearing. The matter came up for case management at the Court of Appeal on 29 August 2014 where the Appellant was asked to re-file the record of appeal before the hearing date for the motion for extension of time can be fixed. The Registrar further directed the Appellant to file a motion for extension of time to file the supplementary record of appeal to include the Grounds of Judgment.

The appeal was heard on 30 July 2015 where the Court of Appeal dismissed the appeal with costs of RM15,000 to be paid to RHB Bank.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at Level 9, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (i) the M&A of RHB Capital;
- (ii) audited consolidated financial statements of RHB Capital for the past two (2) FYE 31 December 2013 to 2014 and the latest unaudited consolidated financial statements for the three (3) months FPE 31 March 2015;
- (iii) audited consolidated financial statements of RHB Bank for the past two (2) FYE 31 December 2013 to 2014 and the latest unaudited consolidated financial statements for the three (3) months FPE 31 March 2015;
- (iv) the proforma consolidated statements of financial position of our Company as at 31 December 2014 together with the Reporting Accountants’ letter thereon referred to in Appendix IV;
- (v) the proforma consolidated statements of financial position of RHB Bank as at 31 December 2014 together with the Reporting Accountants’ letter thereon referred to in Appendix V;
- (vi) the letters of consent referred to in Section 2 above; and
- (vii) the relevant cause papers in respect of the material litigation referred to in Section 5 above.



## RHB CAPITAL BERHAD

(Company No.: 312952-H)

(Incorporated in Malaysia under the Companies Act, 1965)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of RHB Capital Berhad (“RHB Capital” or “Company”) will be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Thursday, 27 August 2015 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, to pass with or without modifications the following resolutions:-

#### ORDINARY RESOLUTION 1

#### **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES OF RM1.00 EACH IN RHB CAPITAL (“RHB CAPITAL SHARES”) TO RAISE GROSS PROCEEDS OF UP TO RM2.5 BILLION (“PROPOSED RIGHTS ISSUE”)**

“THAT, subject to all approvals being obtained from the relevant authorities and/or relevant parties, authority be and is hereby given to the Board of Directors of the Company (“Board”) to:-

- (i) provisionally allot and issue new RHB Capital Shares by way of a renounceable rights issue (“Rights Shares”) to the shareholders of the Company whose names appear in the Record of Depositors of RHB Capital on an entitlement date to be determined by the Board on an entitlement basis and at an issue price to be determined at the Board’s discretion and announced later and that the Rights Shares shall, upon allotment and issue, be of the same class and rank *pari passu* in all respects with the then existing RHB Capital Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which precedes the date of allotment of the Rights Shares. For the purposes hereof, entitlement date means the date as at the close of business on which shareholders of the Company must be registered in the Record of Depositors in order to participate in any dividends, rights, allotments or other distributions;
- (ii) deal with any fractional entitlements of the Rights Shares, if any, in a fair and equitable manner as the Board in its absolute discretion deems fit and in the best interest of the Company;
- (iii) firstly make available for excess shares application such Rights Shares which are not taken up or validly taken up or which are not allotted for any reason whatsoever;
- (iv) utilise the proceeds from the Proposed Rights Issue for such purposes and in such manner as set out in Section 2.1.6 of the Circular to Shareholders of the Company dated 5 August 2015 (“Circular”) and the Board be authorised to revise the utilisation of proceeds as it may deem fit or expedient, if necessary; and
- (v) enter into any underwriting arrangement(s) for the underwriting of any part of the open portion of the Rights Shares and all other documents, agreement and/or arrangements in connection with the underwriting of the Rights Shares with such parties and upon such terms and conditions as the Board may deem fit;

AND THAT the Group Managing Director or the Group Chief Financial Officer or the Group Chief Governance Officer be and is hereby authorised to do or procure to be done all acts, deeds and things and to execute, sign or deliver, for and on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to give full effect to and complete the Proposed Rights Issue with full power to make and/or assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit in connection with the Proposed Rights Issue.”

## **ORDINARY RESOLUTION 2**

**PROPOSED TRANSFER OF RHB CAPITAL'S LISTING STATUS ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") TO RHB BANK BERHAD ("RHB BANK") UPON COMPLETION OF THE PROPOSED RIGHTS ISSUE, PROPOSED INTERNAL REORGANISATION (AS SET OUT IN SECTION 2.2 OF THE CIRCULAR) AND PROPOSED DISTRIBUTION AND CAPITAL REPAYMENT (AS DEFINED HEREIN) ("PROPOSED TRANSFER OF LISTING STATUS")**

"THAT subject to the passing of Ordinary Resolution 1, Special Resolution 1 and Special Resolution 2 and the approvals being obtained from the relevant authorities and/or relevant parties and passing of the special resolution by the members of the Company for the proposed members' voluntary winding up in accordance with Section 254(1)(b) of the Companies Act, 1965 ("Act") at a separate EGM to be convened, as well as the completion of the Proposed Rights Issue, Proposed Internal Reorganisation (as set out in Section 2.2 of the Circular) and Proposed Distribution and Capital Repayment, approval be and is hereby given for the Company to transfer its listing status on the Main Market of Bursa Securities to RHB Bank and as a consequence of which, RHB Bank will be listed and quoted on the Main Market of Bursa Securities in place of the Company;

AND THAT the Group Managing Director or the Group Chief Financial Officer or the Group Chief Governance Officer be and are hereby authorised to give effect to the above with (to the extent permitted by the Articles of Association of the Company) full powers to assent to or make any modification, variation and/or amendment to the Proposed Transfer of Listing Status as may be required by the relevant authorities or deemed necessary by the Board and to take all steps and to enter into all such agreements, deeds, arrangements, undertakings, indemnities, transfers, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalised and give full effect to the Proposed Transfer of Listing Status."

## **SPECIAL RESOLUTION 1**

**PROPOSED DISTRIBUTION OF THE ENTIRE SHAREHOLDINGS OF RHB CAPITAL IN RHB BANK, AFTER THE COMPLETION OF THE PROPOSED RIGHTS ISSUE AND PROPOSED INTERNAL REORGANISATION (AS SET OUT IN SECTION 2.2 OF THE CIRCULAR), BY WAY OF DISTRIBUTION-IN-SPECIE VIA A REDUCTION OF THE ENTIRE SHARE PREMIUM ACCOUNT OF THE COMPANY AND THE PAR VALUE OF ALL THE EXISTING RHB CAPITAL SHARES FROM RM1.00 TO RM0.05 IN ACCORDANCE WITH SECTIONS 60(2) AND 64 OF THE ACT AS WELL AS VIA THE COMPANY'S RETAINED EARNINGS ("PROPOSED DISTRIBUTION AND CAPITAL REPAYMENT")**

"THAT, subject to the passing of Ordinary Resolution 1, Ordinary Resolution 2 and Special Resolution 2 and the approvals being obtained from the relevant authorities and/or relevant parties and confirmation by the High Court of Malaya being obtained as well as the completion of the Proposed Rights Issue and Proposed Internal Reorganisation (as set out in Section 2.2 of the Circular), approval be and is hereby given to RHB Capital to effect the distribution of the entire shareholdings of the Company in RHB Bank to the shareholders of the Company after the Proposed Rights Issue and Proposed Internal Reorganisation whose names appear in the Record of Depositors of the Company at an entitlement date to be determined and announced later upon the receipt of all relevant approvals for the Proposed Distribution and Capital Repayment by way of a capital reduction pursuant to and in accordance with Sections 60(2) and 64 of the Act via a reduction of the entire share premium account of the Company and reduction in the par value of all the existing RHB Capital Shares from RM1.00 to RM0.05 and the remaining balance via the retained earnings of the Company;

AND THAT any fractional entitlements of the Consolidated RHB Bank Shares to be distributed pursuant to the Proposed Distribution and Capital Repayment shall be dealt with in a fair and equitable manner as the Board in its absolute discretion think expedient and in the best interest of the Company;

AND THAT in order to implement, complete and give full effect to the Proposed Distribution and Capital Repayment, the Group Managing Director or the Group Chief Financial Officer or the Group Chief Governance Officer be and is hereby authorised to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, for and on behalf of the Company, all relevant documents with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant regulatory authorities or as a consequence of any such requirements or as he/she may in his/her absolute discretion deem fit, necessary, expedient and/or appropriate in connection with the Proposed Distribution and Capital Repayment and in the best interest of the Company.”

## **SPECIAL RESOLUTION 2**

### **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION (“M&A”) OF THE COMPANY TO FACILITATE THE PROPOSED DISTRIBUTION AND CAPITAL REPAYMENT AND PROPOSED TRANSFER OF LISTING STATUS (“PROPOSED M&A AMENDMENTS”)**

“THAT, subject to the passing of Ordinary Resolution 1, Ordinary Resolution 2 and Special Resolution 1 and the approvals being obtained from the relevant authorities and/or relevant parties as well as the completion of the Proposed Internal Reorganisation (as set out in Section 2.2 of the Circular) and the Proposed Distribution and Capital Repayment, the proposed amendments to the Memorandum of Association of the Company as set out in Part A of Appendix III of the Circular be and are hereby approved and adopted and take effect on the date immediately after the date of completion of the Proposed Distribution and Capital Repayment or such later date as the Board may determine;

AND THAT subject to the completion of the Proposed Transfer of Listing Status, the proposed amendments to the Articles of Association of the Company as set out in Part B of Appendix III of the Circular be and are hereby approved and adopted and take effect on the date immediately after the date of completion of the Proposed Transfer of Listing Status or such later date as the Board may determine;

AND THAT the Board and the Secretary of the Company be and are hereby authorised to do all acts, deeds and things and execute all necessary documents with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authorities and to take all steps as they may deem necessary and expedient in order to implement, finalise and give full effect to the Proposed M&A Amendments.”

## **BY ORDER OF THE BOARD**

**Azman Shah Md Yaman (LS 0006901)**  
**Ivy Chin So Ching (MAICSA No. 7028292)**  
Company Secretaries

Kuala Lumpur  
5 August 2015

### ***Notes:-***

- 1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 August 2015 (Extraordinary General Meeting (“EGM”) Record of Depositors) shall be entitled to attend, speak and vote at this EGM.*
- 2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint up to two (2) proxies to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
- 3. The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.*
- 4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.*
- 5. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account which is credited with ordinary shares of the Company.*
- 6. The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.*

# Proxy Form



**RHB Capital Berhad**

(Company No. 312952-H)

(Incorporated in Malaysia under the Companies Act, 1965)

No. of Ordinary Shares held
-----------------------------

CDS Account No
----------------

I/We \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_  
(Name in block letters)

of \_\_\_\_\_  
(Full address)

being a member of **RHB CAPITAL BERHAD** hereby appoint:-

(Name & NRIC No.) \_\_\_\_\_ of \_\_\_\_\_

and/or\*

(Name & NRIC No.) \_\_\_\_\_ of \_\_\_\_\_

or failing him/her, the CHAIRMAN OF THE MEETING, as my/our\* proxy to vote for me/us\* and on my/our\* behalf at the Extraordinary General Meeting of the Company to be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Thursday, 27 August 2015 at 10.30 a.m. or at any adjournment thereof.

The proportion of my/our\* holding to be represented by my/our\* proxies are as follows:-

First Proxy (1)  Second Proxy (2)

My/Our proxy\* is to vote as indicated below:-

	Resolutions	For	Against
Ordinary Resolution 1	Proposed Rights Issue		
Ordinary Resolution 2	Proposed Transfer of Listing Status		
Special Resolution 1	Proposed Distribution and Capital Repayment		
Special Resolution 2	Proposed M&A Amendments		

(Please indicate with an "X" in the spaces provided above as to how you wish to cast your vote. If no specific directions as to voting are given, the proxy shall vote or abstain from voting at his/her full discretion.)

Dated \_\_\_\_\_, 2015

\_\_\_\_\_  
Signature  
(If shareholder is a corporation, this part should be executed under the seal)

\* Delete if not applicable

#### Notes:-

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 August 2015 (Extraordinary General Meeting ("EGM") Record of Depositors) shall be entitled to attend, speak and vote at this EGM.
- A member of the Company entitled to attend and vote at the EGM is entitled to appoint up to two (2) proxies to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
- If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
- The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- The registration counter will be opened from 8.00 a.m. to 10.30 a.m. on the meeting day to facilitate shareholders/proxies registration.



Fold this flap for sealing

---

Then fold here

---

AFFIX  
STAMP

The Share Registrar of **RHB CAPITAL BERHAD**  
**SYMPHONY SHARE REGISTRARS SDN BHD**  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor

1st fold here

---