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**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL  
PERIOD ENDED 30 JUNE 2011**

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|   | INDIVIDUAL QUARTER           |   | CUMULATIVE QUARTER           |   |
|---|------------------------------|---|------------------------------|---|
|   | 30.06.2011<br>RM'000         | 30.06.2010<br>RM'000                        | 30.06.2011<br>RM'000         | 30.06.2010<br>RM'000                              |
| 1. Revenue  | <b>60,757</b>                | 58,884                                      | <b>60,757</b>                | 58,884  |
| 2. Profit before tax  | <b>39,810</b>                | 33,740                                      | <b>39,810</b>                | 33,740  |
| 3. Profit for the period  | <b>33,226</b>                | 23,636                                      | <b>33,226</b>                | 23,636  |
| 4. Profit attributable to ordinary equity holders of the Company                    | <b>33,226</b>                | 23,636                                      | <b>33,226</b>                | 23,636  |
| 5. Basic/diluted earnings per share (sen)   | <b>4.25</b>                  | 3.02  | <b>4.25</b>                  | 3.02  |
| 6. Proposed/Declared dividend per share (sen)                                       | -                            | -   | -                            | -   |
|   |                              | <b>AS AT END OF<br/>CURRENT<br/>QUARTER</b> |                              | <b>AS AT PRECEDING<br/>FINANCIAL<br/>YEAR END</b> |
| 7. Net assets per share attributable to ordinary equity holders of the Company (RM) |                              | 0.61  |                              | 0.57  |
|   |                              | <b>INDIVIDUAL QUARTER</b>                   |                              | <b>CUMULATIVE QUARTER</b>                         |
|   | <b>30.06.2011<br/>RM'000</b> | 30.06.2010<br>RM'000                        | <b>30.06.2011<br/>RM'000</b> | 30.06.2010<br>RM'000                              |
| 8. Gross interest income  | <b>3,734</b>                 | 1,670                                       | <b>3,734</b>                 | 1,670   |
| 9. Gross interest expense   | <b>9</b>                     | 6   | <b>9</b>                     | 6   |



**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

|  | INDIVIDUAL QUARTER |                | CUMULATIVE QUARTER |                |
|--|--------------------|----------------|--------------------|----------------|
|  | 3 MONTHS ENDED     | 3 MONTHS ENDED | 3 MONTHS ENDED     | 3 MONTHS ENDED |
|  | 30.06.2011         | 30.06.2010     | 30.06.2011         | 30.06.2010     |
|  | RM'000             | RM'000         | RM'000             | RM'000         |
| Revenue  | 60,757             | 58,884         | 60,757             | 58,884         |
| Other income   | 8,437              | 2,844          | 8,437              | 2,844          |
| Interest expense applicable to revenue                                       | (18,221)           | (17,156)       | (18,221)           | (17,156)       |
| Staff costs and directors' remuneration                                      | (3,150)            | (2,867)        | (3,150)            | (2,867)        |
| Depreciation of plant and equipment<br>and investment properties             | (309)              | (348)          | (309)              | (348)          |
| Other expenses   | (7,695)            | (7,611)        | (7,695)            | (7,611)        |
| Finance costs  | (9)                | (6)            | (9)                | (6)            |
| <b>Profit before tax</b>   | <b>39,810</b>      | 33,740         | <b>39,810</b>      | 33,740         |
| Taxation   | (6,584)            | (10,104)       | (6,584)            | (10,104)       |
| <b>Profit for the financial period</b>                                       | <b>33,226</b>      | 23,636         | <b>33,226</b>      | 23,636         |
| <b>Other comprehensive income:</b>   |                    |                |                    |                |
| Financial assets available-for-sale<br>("AFS"):                              |                    |                |                    |                |
| - Unrealised net gain on revaluation   | 201                | 2,363          | 201                | 2,363          |
| - Reclassification to profit and loss<br>upon disposal                       | (3,950)            | -              | (3,950)            | -              |
| Other comprehensive income for the<br>financial period, net of tax           | (3,749)            | 2,363          | (3,749)            | 2,363          |
| <b>Total comprehensive income for the<br/>financial period</b>               | <b>29,477</b>      | 25,999         | <b>29,477</b>      | 25,999         |
| <b>Attributable to:</b>  |                    |                |                    |                |
| Equity holders of the Company  | <b>33,226</b>      | 23,636         | <b>33,226</b>      | 23,636         |
| <b>Earnings per share attributable<br/>to equity holders of the Company:</b> |                    |                |                    |                |
| Basic/Diluted (sen)  | <b>4.25</b>        | 3.02           | <b>4.25</b>        | 3.02           |

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED STATEMENT OF FINANCIAL POSITION**

|   | AS AT<br>30.06.2011<br>RM'000 | AS AT<br>31.03.2011<br>RM'000 |
|---|-------------------------------|-------------------------------|
| <b>ASSETS</b>   |                               |                               |
| <b>Non-Current Assets</b>                                   |                               |                               |
| Plant and equipment   | 2,777                         | 2,679                         |
| Investment properties                                       | 2,711                         | 2,700                         |
| Goodwill on consolidation                                   | 28,677                        | 28,677                        |
| Loans and receivables                                       | 876,470                       | 973,164                       |
| AFS financial assets  | 21,197                        | 39,166                        |
| Deferred tax assets   | 30,373                        | 33,783                        |
| <b>Total Non-Current Assets</b>                             | <b>962,205</b>                | <b>1,080,169</b>              |
| <b>Current Assets</b>                                       |                               |                               |
| Loans and receivables                                       | 106,876                       | 112,591                       |
| Trade receivables   | 40,357                        | 37,414                        |
| Other receivables, deposits and prepaid expenses            | 71,301                        | 28,549                        |
| Deposits with licensed financial institutions               | 478,402                       | 512,150                       |
| Cash and bank balances                                      | 2,404                         | 2,388                         |
| <b>Total Current Assets</b>                                 | <b>699,340</b>                | <b>693,092</b>                |
| <b>TOTAL ASSETS</b>   | <b>1,661,545</b>              | <b>1,773,261</b>              |
| <b>EQUITY AND LIABILITIES</b>                               |                               |                               |
| <b>Equity attributable to equity holders of the Company</b> |                               |                               |
| Share capital   | 78,240                        | 78,240                        |
| Reserves  | 399,619                       | 370,142                       |
| <b>Total Equity</b>   | <b>477,859</b>                | <b>448,382</b>                |
| <b>Non-Current Liabilities</b>                              |                               |                               |
| Hire-purchase payables                                      | 536                           | 580                           |
| Borrowings  | 634,223                       | 737,379                       |
| Deferred tax liabilities                                    | 47,351                        | 52,418                        |
| <b>Total Non-Current Liabilities</b>                        | <b>682,110</b>                | <b>790,377</b>                |
| <b>Current Liabilities</b>                                  |                               |                               |
| Payables and accrued expenses                               | 83,296                        | 89,291                        |
| Hire-purchase payables                                      | 175                           | 172                           |
| Borrowings  | 409,201                       | 444,715                       |
| Tax liabilities   | 8,904                         | 324                           |
| <b>Total Current Liabilities</b>                            | <b>501,576</b>                | <b>534,502</b>                |
| <b>Total Liabilities</b>                                    | <b>1,183,686</b>              | <b>1,324,879</b>              |
| <b>TOTAL EQUITY AND LIABILITIES</b>                         | <b>1,661,545</b>              | <b>1,773,261</b>              |
| <b>NET ASSETS PER SHARE (RM)</b>                            | <b>0.61</b>                   | <b>0.57</b>                   |

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial report.



RCE Capital Berhad (Company No. 2444-M)  
Incorporated in Malaysia

Interim Financial Report  
for 1<sup>st</sup> Quarter Ended 30 June 2011

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

**ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY**

|                                     | Reserves                   |                            |                            |               | Retained<br>Earnings<br>RM'000 | Total<br>Reserves<br>RM'000 | Minority<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|-------------------------------------|----------------------------|----------------------------|----------------------------|---------------|--------------------------------|-----------------------------|--------------------------------|---------------------------|
|                                     | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Share<br>Options<br>RM'000 | AFS<br>RM'000 |                                |                             |                                |                           |
| <b>As at 1 April 2010</b>           | 78,207                     | 58,304                     | 6,555                      | -             | 275,796                        | 340,655                     | -                              | 418,862                   |
| Effects of adopting FRS 139         | -                          | -                          | -                          | 6,753         | (71,777)                       | (65,024)                    | -                              | (65,024)                  |
| Restated as at 1 April 2010         | 78,207                     | 58,304                     | 6,555                      | 6,753         | 204,019                        | 275,631                     | -                              | 353,838                   |
| <b>Total comprehensive income</b>   | -                          | -                          | -                          | 2,363         | 23,636                         | 25,999                      | -                              | 25,999                    |
| <b>Transaction with owners</b>      |                            |                            |                            |               |                                |                             |                                |                           |
| Cancellation of share options       | -                          | -                          | (101)                      | -             | 101                            | -                           | -                              | -                         |
| Purchase of shares pursuant to ESOS | 33                         | 280                        | (120)                      | -             | -                              | 160                         | -                              | 193                       |
| Total transaction with owners       | 33                         | 280                        | (221)                      | -             | 101                            | 160                         | -                              | 193                       |
| <b>As at 30 June 2010</b>           | 78,240                     | 58,584                     | 6,334                      | 9,116         | 227,756                        | 301,790                     | -                              | 380,030                   |
| <b>As at 1 April 2011</b>           | 78,240                     | 58,584                     | 5,976                      | 8,779         | 296,803                        | 370,142                     | -                              | 448,382                   |
| <b>Total comprehensive income</b>   | -                          | -                          | -                          | (3,749)       | 33,226                         | 29,477                      | -                              | 29,477                    |
| <b>As at 30 June 2011</b>           | 78,240                     | 58,584                     | 5,976                      | 5,030         | 330,029                        | 399,619                     | -                              | 477,859                   |

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial report.



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**CONDENSED STATEMENT OF CASH FLOWS**

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|  | <b>CUMULATIVE<br/>QUARTER<br/>30.06.2011<br/>RM'000</b> | <b>CUMULATIVE<br/>QUARTER<br/>30.06.2010<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |   |   |
| Profit for the financial period                                  | <b>33,226</b>   | 23,636  |
| Adjustments for:   |   |   |
| Taxation   | <b>6,584</b>  | 10,104  |
| Loss on early redemption of ABS                                  | <b>1,443</b>  | -   |
| Allowance for doubtful debts, net                                | <b>372</b>  | 4,370   |
| Depreciation of plant and equipment<br>and investment properties | <b>309</b>  | 348   |
| Amortisation of discount on MTNs                                 | <b>240</b>  | 280   |
| Loss on early redemption of MTNs                                 | <b>14</b>   | -   |
| Finance costs  | <b>9</b>  | 6   |
| Gain of disposal of AFS financial assets                         | <b>(3,830)</b>  | -   |
| Interest income  | <b>(3,734)</b>  | (1,670)   |
| Dividend income  | <b>(1,668)</b>  | (1,648)   |
| Operating profit before working capital changes                  | <b>32,965</b>   | 35,426  |
| Decrease/(Increase) in working capital:                          |   |   |
| Loans and receivables  | <b>102,037</b>  | (31,070)  |
| Other receivables, deposits and prepaid expenses                 | <b>(33,951)</b>   | (12,729)  |
| Trade receivables  | <b>(2,943)</b>  | (4,250)   |
| Increase/(Decrease) in working capital:                          |   |   |
| Payables and accrued expenses                                    | <b>(7,526)</b>  | 10,212  |
| Cash generated from/(used in) operations                         | <b>90,582</b>   | (2,411)   |
| Taxes paid   | <b>(8,688)</b>  | (5,102)   |
| Taxes refunded   | <b>283</b>  | -   |
| Net cash generated from/(used in) operating activities           | <b>82,177</b>   | (7,513)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |   |   |
| Proceeds from disposal of AFS financial assets                   | <b>18,050</b>   | -   |
| Interest income  | <b>3,734</b>  | 1,670   |
| Dividend received  | <b>1,668</b>  | 1,648   |
| Additions to plant and equipment                                 | <b>(392)</b>  | (199)   |
| Net cash generated from investing activities                     | <b>23,060</b>   | 3,119   |



**CONDENSED STATEMENT OF CASH FLOWS (CONT'D)**

|  | <b>CUMULATIVE<br/>QUARTER<br/>30.06.2011<br/>RM'000</b> | <b>CUMULATIVE<br/>QUARTER<br/>30.06.2010<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |   |   |
| Drawdown of other borrowings   | <b>39,042</b>   | 19,971  |
| Drawdown of revolving credits  | <b>1,734</b>  | 69,169  |
| Proceeds from issuance of ABS  | -   | 72,000  |
| Proceeds from issuance of shares   | -   | 193   |
| Redemption of ABS  | <b>(92,443)</b>   | (25,000)  |
| Repayment of other borrowings  | <b>(42,133)</b>   | (11,754)  |
| Repayment of revolving credits   | <b>(40,500)</b>   | (84,763)  |
| Repayment of term loans  | <b>(3,077)</b>  | (3,068)   |
| Redemption of MTNs   | <b>(1,514)</b>  | -   |
| Repayment of hire-purchase payables  | <b>(41)</b>   | (55)  |
| Redemption of CPs  | -   | (3,000)   |
| Repayment of finance lease payables  | -   | (17)  |
| Dividends paid   | <b>(28)</b>   | (28)  |
| Finance costs paid   | <b>(9)</b>  | (6)   |
| Net cash (used in)/generated from financing activities                                     | <b>(138,969)</b>  | 33,642  |
| Net change in cash and cash equivalents  | <b>(33,732)</b>   | 29,248  |
| Cash and cash equivalents at beginning of financial period                                 | <b>514,538</b>  | 289,711   |
| Cash and cash equivalents at end of financial period                                       | <b>480,806</b>  | 318,959   |
| <b>CASH AND CASH EQUIVALENTS AS AT END OF<br/>FINANCIAL PERIOD COMPRISE THE FOLLOWING:</b> |   |   |
| Deposits with licensed financial institutions  | <b>478,402</b>  | 308,077   |
| Cash and bank balances   | <b>2,404</b>  | 10,882  |
|  | <b>480,806</b>  | 318,959   |

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial report.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**1 BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2011.

**2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 March 2011, except for the adoption of the following standards, amendments to published standards and interpretations to existing standards which are effective for the financial period commencing 1 April 2011:

|                     |   |  |
|---------------------|---|--|
| FRS 3               | : | Business Combinations (Revised)                          |
| FRS 127             | : | Consolidated and Separate Financial Statements (Revised) |
| IC Interpretation 4 | : | Determining Whether an Arrangement Contains a Lease      |

Amendments to:

|                     |   |  |
|---------------------|---|--|
| FRS 2               | : | Share-based Payment  |
| FRS 5               | : | Non-current Assets Held for Sale and Discontinued Operations |
| FRS 7               | : | Financial Instruments: Disclosures                           |
| FRS 138             | : | Intangible Assets  |
| IC Interpretation 9 | : | Reassessment of Embedded Derivatives                         |

Amendments to FRSs classified as "Improvements to FRSs (2010)"

The adoption of the above standards, amendments to published standards and interpretations does not give rise to any material effects to the Group.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**3 AUDITORS' REPORT ON PRECEDING ANNUAL AUDITED FINANCIAL STATEMENTS**

The auditors' report on the preceding annual audited financial statements was not subject to any qualification.

**4 SEASONAL OR CYCLICAL FACTORS**

The Group's operations were not significantly affected by any seasonal or cyclical factors.

**5 UNUSUAL ITEMS**

There were no unusual items for the current quarter and financial period.

**6 CHANGES IN ESTIMATES**

There were no changes in estimates that have a material effect for the current quarter and financial period.





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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**7 DEBT AND EQUITY SECURITIES**

There were no issuance, repurchase and repayment of debt and equity securities for the financial period except for the following:

- (a) Redemption of the Asset-Backed Securities ("ABS") by Tresor Assets Berhad, a subsidiary of the Company, as follows:

|                                 | <b>CURRENT<br/>QUARTER<br/>RM'000</b> | <b>CUMULATIVE<br/>QUARTER<br/>RM'000</b> |
|---------------------------------|---------------------------------------|--|
| Early redemption of ABS         | (52,000)                              | (52,000)                                 |
| Redemption of ABS upon maturity | (39,000)                              | (39,000)                                 |

- (b) Redemption of the Fixed Rate Medium Term Notes ("MTNs") by RCE Advance Sdn Bhd, a subsidiary of the Company, as follows:

|                          | <b>CURRENT<br/>QUARTER<br/>RM'000</b> | <b>CUMULATIVE<br/>QUARTER<br/>RM'000</b> |
|--------------------------|---------------------------------------|--|
| Early redemption of MTNs | (1,500)                               | (1,500)                                  |

**8 DIVIDEND**

A final dividend of 15.0% (1.50 sen) on 782,395,174 ordinary shares, tax exempt under the single-tier tax system, in respect of the financial year ended 31 March 2011 will be proposed for shareholders' approval. Such dividend, if approved by the shareholders, will be accounted for in equity as appropriation of retained earnings in the financial year ending 31 March 2012.

No dividend has been recommended by the directors or paid for the financial period ended 30 June 2011.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**9 SEGMENTAL INFORMATION**

Segmental revenue and results for the financial period were as follows:

|                                 | Loan<br>Financing<br>RM'000 | Investment<br>Holding &<br>Mgmt Services<br>RM'000 | Factoring &<br>Confirming<br>RM'000 | Eliminations<br>RM'000 | Group<br>RM'000      |
|---------------------------------|-----------------------------|--|-------------------------------------|------------------------|----------------------|
| <b>Revenue</b>                  |                             |  |                                     |                        |                      |
| External sales                  | 57,287                      | 1,786  | 1,684                               | -                      | 60,757               |
| Intersegment sales              | -                           | 18,601   | -                                   | (18,601)               | -                    |
| Total revenue                   | <u>57,287</u>               | <u>20,387</u>                                      | <u>1,684</u>                        | <u>(18,601)</u>        | <u>60,757</u>        |
| <b>Results</b>                  |                             |  |                                     |                        |                      |
| Interest income                 | 3,731                       | 1  | 2                                   | -                      | 3,734                |
| Segment results                 | 35,535                      | 4,130  | 154                                 | -                      | 39,819               |
| Finance costs                   |                             |  |                                     |                        | <u>(9)</u>           |
| Profit before tax               |                             |  |                                     |                        | 39,810               |
| Taxation                        |                             |  |                                     |                        | <u>(6,584)</u>       |
| Profit for the financial period |                             |  |                                     |                        | <u><u>33,226</u></u> |

**10 MATERIAL EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

As at the date of this announcement, there were no material events subsequent to the balance sheet date that affect the results of the Group for the financial period.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**11 CHANGES IN THE COMPOSITION OF THE GROUP**

The Group had on 13 April 2011 received notifications from Companies Commission of Malaysia ("CCM") that the applications for voluntary striking-off pursuant to Section 308 of the Companies Act, 1965 made by its wholly-owned subsidiaries, RCE Resources Sdn Bhd ("RRSB") and RCE Enterprise Sdn Bhd ("RESB") have been completed and that RRSB and RESB have been struck-off from the register of CCM.

The above strike-offs have no material financial effect to the Group.

**12 REVIEW OF PERFORMANCE**

Despite the 7.6% reduction in the Group's loans and receivables from RM1.1 billion to RM983.3 million over the previous year's corresponding quarter, the Group recorded a 40.6% increase in its net profit from RM23.6 million to RM33.2 million in the current quarter. This is mainly contributed by higher interest income generated from the early settlement of loans and receivables, fund placement activities and a RM3.8 million gain arising from a disposal of investment in AmFirst REITs.

Excluding the effect of the gain on disposal of its investment in AmFirst REITs, the Group registered a net profit of RM29.4 million, a 24.4% growth.

**13 MATERIAL CHANGE IN RESULTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER**

The Group's pre-tax profit increased from RM22.7 million to RM39.8 million for the current quarter ended 30 June 2011, registering a 75.7% or RM17.1 million increase as compared to the preceding quarter. This was due to the effects from early settlement of loans and receivables, RM3.8 million gain arising from disposal of investment in AmFirst REITs and lower operating expenses.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**14 CURRENT YEAR PROSPECTS**

Following the Company's announcement dated 9 June 2011, the Group's major business partner, Koperasi Wawasan Pekerja-Pekerja Berhad ("KOWAJA") has received a conditional approval from Suruhanjaya Koperasi Malaysia ("SKM") to obtain funding of up to RM200 million from RCE Marketing Sdn Bhd ("RCEM"), a wholly-owned subsidiary of the Company.

The Group continues to work closely with KOWAJA on the operational and funding requirements of SKM and disbursement has resumed in July 2011.

Barring any unforeseen circumstances, the Group is expected to maintain its performance for the financial year ending 31 March 2012.

**15 PROFIT FORECAST**

There were no profit forecast prepared or profit guarantee made by the Group.

**16 TAXATION**

|                             | <b>INDIVIDUAL<br/>QUARTER<br/>30.06.2011<br/>RM'000</b> | <b>CUMULATIVE<br/>QUARTER<br/>30.06.2011<br/>RM'000</b> |
|-----------------------------|---|---|
| Taxation:                   |   |   |
| Current period              | 8,241   | 8,241   |
| Deferred taxation:          |   |   |
| Current period              | 87  | 87  |
| Overprovision in prior year | (1,744)   | (1,744)   |
|                             | <hr/> <b>6,584</b>                                      | <hr/> <b>6,584</b>                                      |



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**16 TAXATION (CONT'D)**

The effective tax rate of the Group in the current quarter is lower than the statutory tax rate as a result of certain income which is not taxable and utilisation of unabsorbed business losses brought forward.

**17 UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There were no sales of any unquoted investments and/or properties by the Group during the current quarter and financial period.

**18 QUOTED SECURITIES**

(a) Details of purchases and disposals of quoted securities are as follows:

|                                       | <b>INDIVIDUAL<br/>QUARTER</b> |                   | <b>CUMULATIVE<br/>QUARTER</b> |                   |
|---------------------------------------|-------------------------------|-------------------|-------------------------------|-------------------|
|                                       | <b>30.06.2011</b>             | <b>30.06.2010</b> | <b>30.06.2011</b>             | <b>30.06.2010</b> |
|                                       | <b>RM'000</b>                 | <b>RM'000</b>     | <b>RM'000</b>                 | <b>RM'000</b>     |
| Included within financial assets AFS: |                               |                   |                               |                   |
| Non-current assets:                   |                               |                   |                               |                   |
| Purchase consideration                | -                             | -                 | -                             | -                 |
| Sales proceeds                        | 18,170                        | -                 | 18,170                        | -                 |
| Gain on disposal                      | 3,830                         | -                 | 3,830                         | -                 |
| <hr/>                                 |                               |                   |                               |                   |
| Current assets:                       |                               |                   |                               |                   |
| Purchase consideration                | -                             | -                 | -                             | -                 |
| Sales proceeds                        | -                             | -                 | -                             | -                 |
| Gain on disposal                      | -                             | -                 | -                             | -                 |
| <hr/>                                 |                               |                   |                               |                   |



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**18 QUOTED SECURITIES (CONT'D)**

(b) Investment in quoted real estate investment trust units as at 30 June 2011:

|                                       | <b>CUMULATIVE<br/>QUARTER<br/>RM'000</b> |
|---------------------------------------|--|
| Included within financial assets AFS: |  |
| At cost                               | 17,964                                   |
| At carrying/book value                | 21,197                                   |
| At market value                       | <u>21,197</u>                            |

**19 STATUS OF CORPORATE PROPOSALS ANNOUNCED**

There were no corporate proposals announced or pending completion as at the date of this report.

**20 GROUP BORROWINGS AND DEBT SECURITIES**

Total borrowings and debt securities (all denominated in Ringgit Malaysia) of the Group as at 30 June 2011 are as follows:

|                                | <b>Short<br/>Term<br/>RM'000</b> | <b>Long<br/>Term<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--------------------------------|----------------------------------|---------------------------------|-------------------------|
| <b>At amortised cost</b>       |                                  |                                 |                         |
| Secured:                       |                                  |                                 |                         |
| - Asset-backed securities      | 115,181                          | 371,000                         | 486,181                 |
| - Fixed rate medium term notes | 35,680                           | 171,989                         | 207,669                 |
| - Revolving credits            | 155,210                          | -                               | 155,210                 |
| - Term loans                   | 12,444                           | 74,334                          | 86,778                  |
| - Bank overdrafts              | 5                                | -                               | 5                       |
|                                | <u>318,520</u>                   | <u>617,323</u>                  | <u>935,843</u>          |



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**20 GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)**

|                        | <b>Short<br/>Term<br/>RM'000</b> | <b>Long<br/>Term<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------|----------------------------------|---------------------------------|-------------------------|
| Unsecured:             |                                  |                                 |                         |
| - Term loans           | 41,230                           | -                               | 41,230                  |
| - Revolving credits    | 17,345                           | 16,900                          | 34,245                  |
| - Bankers' acceptances | 12,845                           | -                               | 12,845                  |
| - Bank overdrafts      | 10,269                           | -                               | 10,269                  |
| - Trust receipts       | 8,992                            | -                               | 8,992                   |
|                        | <u>90,681</u>                    | <u>16,900</u>                   | <u>107,581</u>          |
|                        | <u>409,201</u>                   | <u>634,223</u>                  | <u>1,043,424</u>        |

**21 CAPITAL COMMITMENTS**

**30.06.2011**  
**RM'000**

Capital expenditure in respect of  
plant and equipment:

Approved, contracted but not provided for

595

Other than as disclosed in this report, there were no other material capital commitments as at the date of this report.

**22 CHANGES IN CONTINGENT LIABILITIES AND ASSETS**

The Group's total letters of credit have decreased from RM4.2 million as at 31 March 2011 to RM1.7 million as at 30 June 2011.

Other than as disclosed above, there were no other changes in contingent liabilities and assets since the last financial year ended 31 March 2011.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**23 DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

(a) There were no derivatives as at 30 June 2011.

(b) There were no fair value gain/(loss) on fair value changes of financial liabilities as all financial liabilities were measured at amortised cost.

**24 CHANGES IN MATERIAL LITIGATION**

There were no pending material litigation for the Group as at the date of this report.

**25 EARNINGS PER SHARE ("EPS")**

|   |            | <b>INDIVIDUAL<br/>QUARTER</b> |                   | <b>CUMULATIVE<br/>QUARTER</b> |                   |
|---|------------|-------------------------------|-------------------|-------------------------------|-------------------|
|   |            | <b>30.06.2011</b>             | <b>30.06.2010</b> | <b>30.06.2011</b>             | <b>30.06.2010</b> |
| <b>Basic:</b>   |            |                               |                   |                               |                   |
| Profit for the period<br>attributable to equity<br>holders of the Company | (RM'000)   | 33,226                        | 23,636            | 33,226                        | 23,636            |
| Weighted average<br>number of ordinary<br>shares in issue                 | (unit'000) | 782,395                       | 782,248           | 782,395                       | 782,248           |
| Basic EPS   | (sen)      | <u>4.25</u>                   | <u>3.02</u>       | <u>4.25</u>                   | <u>3.02</u>       |

Basic EPS for the quarter is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period.

**Diluted:**

The Group has no dilution in its EPS in the current quarter and the previous year's corresponding quarter as there are no dilutive potential ordinary shares.





**RCE Capital Berhad (Company No. 2444-M)**  
**Incorporated in Malaysia**

**Interim Financial Report**  
**for 1<sup>st</sup> Quarter Ended 30 June 2011**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**26 DISCLOSURE OF REALISED AND UNREALISED PROFITS**

The breakdown of the retained earnings of the Group as at 30 June 2011, into realised and unrealised profits, pursuant to Bursa Malaysia Securities Berhad's directive dated 20 December 2010, is as follows:

|                                       | <b>INDIVIDUAL QUARTER</b> |                   |
|---------------------------------------|---------------------------|-------------------|
|                                       | <b>30.06.2011</b>         | <b>31.03.2011</b> |
|                                       | <b>RM'000</b>             | <b>RM'000</b>     |
| Total retained earnings of the Group: |                           |                   |
| - Realised                            | 347,007                   | 315,438           |
| - Unrealised                          | (16,978)                  | (18,635)          |
|                                       | <u>330,029</u>            | <u>296,803</u>    |

**BY ORDER OF THE BOARD**  
**JOHNSON YAP CHOON SENG**  
**Company Secretary**  
**9 August 2011**