



**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD  
ENDED 30 JUNE 2017**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
1. Revenue	<b>57,102</b>	51,935	<b>57,102</b>	51,935
2. Profit before tax	<b>27,382</b>	23,430	<b>27,382</b>	23,430
3. Profit for the financial period	<b>20,928</b>	17,528	<b>20,928</b>	17,528
4. Profit attributable to ordinary equity holders of the Parent	<b>20,928</b>	17,528	<b>20,928</b>	17,528
5. Basic earnings per ordinary share (sen)	<b>6.18</b>	5.40	<b>6.18</b>	5.40
6. Proposed/Declared dividend per share (sen)	-	-	-	-
		<b>AS AT END OF</b>	<b>AS AT PRECEDING</b>	
		<b>CURRENT</b>	<b>FINANCIAL</b>	
		<b>QUARTER</b>	<b>YEAR END</b>	
7. Net assets per share attributable to ordinary equity holders of the Parent (RM)		1.37		1.31
		<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
8. Gross interest income	<b>1,445</b>	361	<b>1,445</b>	361
9. Gross interest expense	<b>13</b>	4	<b>13</b>	4



**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Revenue	57,102	51,935	57,102	51,935
Other income	2,866	3,048	2,866	3,048
Interest expense applicable to revenue	(17,332)	(17,107)	(17,332)	(17,107)
Staff costs and directors' remuneration	(4,140)	(4,238)	(4,140)	(4,238)
Depreciation of plant and equipment	(921)	(929)	(921)	(929)
Other expenses	(10,180)	(9,275)	(10,180)	(9,275)
Finance costs	(13)	(4)	(13)	(4)
<b>Profit before tax</b>	<b>27,382</b>	23,430	<b>27,382</b>	23,430
Taxation	(6,454)	(5,902)	(6,454)	(5,902)
<b>Total comprehensive income for the financial period</b>	<b>20,928</b>	17,528	<b>20,928</b>	17,528
<b>Attributable to:</b>				
Owners of the Parent	20,928	17,528	20,928	17,528
<b>Earnings per ordinary share:</b>				
Basic (sen)	6.18	5.40	6.18	5.40
Diluted (sen)	6.14	5.38	6.14	5.38

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 2017 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED STATEMENT OF FINANCIAL POSITION**

	AS AT 30.06.2017 RM'000	AS AT 31.03.2017 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	8,752	9,311
Goodwill on consolidation	47,333	47,333
Loans and receivables	1,293,426	1,272,513
Deferred tax assets	39,250	38,668
<b>Total Non-Current Assets</b>	<b>1,388,761</b>	<b>1,367,825</b>
<b>Current Assets</b>		
Loans and receivables	133,982	139,048
Trade receivables	7,102	5,556
Other receivables, deposits and prepaid expenses	33,333	30,380
Deposits with licensed financial institutions	206,610	142,563
Cash and bank balances	20,429	16,736
<b>Total Current Assets</b>	<b>401,456</b>	<b>334,283</b>
<b>TOTAL ASSETS</b>	<b>1,790,217</b>	<b>1,702,108</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	42,519	38,064
Treasury shares	(13,353)	(13,353)
Reserves	437,578	416,650
<b>Total Equity</b>	<b>466,744</b>	<b>441,361</b>
<b>Non-Current Liabilities</b>		
Payables	8,363	8,932
Hire-purchase payables	810	877
Borrowings	621,299	633,815
Deferred tax liabilities	738	618
<b>Total Non-Current Liabilities</b>	<b>631,210</b>	<b>644,242</b>
<b>Current Liabilities</b>		
Payables and accrued expenses	31,051	34,660
Hire-purchase payables	294	308
Borrowings	658,324	579,714
Tax liabilities	2,594	1,823
<b>Total Current Liabilities</b>	<b>692,263</b>	<b>616,505</b>
<b>Total Liabilities</b>	<b>1,323,473</b>	<b>1,260,747</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,790,217</b>	<b>1,702,108</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>1.37</b>	<b>1.31</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 2017 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 2017

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM'000	Treasury Shares RM'000	Reserves				Total Reserves RM'000	Total RM'000
			Share Premium RM'000	Capital Redemption Reserve RM'000	Employees' Share Scheme RM'000	Retained Earnings RM'000		
<b>As at 1 April 2016</b>	136,381	(20,166)	68,112	30,903	-	241,307	340,322	456,537
<b>Total comprehensive income</b>	-	-	-	-	-	17,528	17,528	17,528
<b>Transactions with owners</b>								
Share options granted under Employees' Share Scheme ("ESS")	-	-	-	-	1,433	-	1,433	1,433
Capital repayment	(102,286)	4,826	-	-	-	-	-	(97,460)
Total transactions with owners	(102,286)	4,826	-	-	1,433	-	1,433	(96,027)
<b>As at 30 June 2016</b>	34,095	(15,340)	68,112	30,903	1,433	258,835	359,283	378,038
<b>As at 1 April 2017</b>	38,064	(13,353)	72,592	30,903	2,127	311,028	416,650	441,361
<b>Total comprehensive income</b>	-	-	-	-	-	20,928	20,928	20,928
<b>Transaction with owners</b>								
Issuance of shares pursuant to ESS exercised	4,455	-	-	-	(1,142)	1,142	-	4,455
Total transaction with owners	4,455	-	-	-	(1,142)	1,142	-	4,455
<b>As at 30 June 2017</b>	42,519	(13,353)	72,592	30,903	985	333,098	437,578	466,744

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 2017 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED STATEMENT OF CASH FLOWS**

	CUMULATIVE QUARTER 30.06.2017 RM'000	CUMULATIVE QUARTER 30.06.2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	27,382	23,430
Adjustments for:		
Allowance for impairment loss on receivables, net	6,480	4,432
Depreciation of plant and equipment	921	929
Finance costs	13	4
Share options granted	-	1,433
Amortisation of discount on Fixed Rate Medium Term Notes ("MTNs")	-	51
Interest income	(1,445)	(361)
Net gain on disposal of an investment property	-	(749)
Operating profit before working capital changes	<u>33,351</u>	<u>29,169</u>
(Increase)/Decrease in working capital:		
Loans and receivables	(23,812)	(45,799)
Trade receivables	(61)	1,967
Other receivables, deposits and prepaid expenses	1,911	(3,522)
Decrease/(Increase) in working capital:		
Payables and accrued expenses	893	(2,729)
Cash generated from/(used in) operations	<u>12,282</u>	<u>(20,914)</u>
Taxes paid	(10,906)	(5,193)
Taxes refunded	319	-
Net cash generated from/(used in) operating activities	<u>1,695</u>	<u>(26,107)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	1,445	361
Net proceeds from disposal of investment property	-	1,773
Additions to plant and equipment	(2,887)	(159)
Net cash (used in)/generated from investing activities	<u>(1,442)</u>	<u>1,975</u>

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

	CUMULATIVE QUARTER 30.06.2017 RM'000	CUMULATIVE QUARTER 30.06.2016 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of revolving credits	217,500	280,200
Proceeds from issuance of shares	4,455	-
Drawdown of other borrowings	1,316	3,691
Issuance of Sukuk Murabahah ("Sukuk")	-	120,000
Repayment of revolving credits	(125,000)	(316,200)
Repayment of term loans	(28,940)	(15,907)
(Placements)/Withdrawal of deposits and cash and bank balances, net:		
- assigned in favour of the trustees	(21,497)	6,073
- pledged to licensed financial institutions	(1,564)	(7,056)
Repayment of other borrowings	(1,750)	(4,815)
Repayment of hire-purchase payables	(81)	(33)
Finance costs paid	(13)	(4)
Capital repayment	-	(97,460)
Redemption of MTNs	-	(10,000)
Net cash generated from/(used in) financing activities	<u>44,426</u>	<u>(41,511)</u>
Net change in cash and cash equivalents	44,679	(65,643)
Cash and cash equivalents at beginning of financial period	85,834	121,805
Cash and cash equivalents at end of financial period	<u>130,513</u>	<u>56,162</u>
<b>CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:</b>		
Deposits with licensed financial institutions	206,610	79,997
Cash and bank balances	20,429	22,928
	<u>227,039</u>	<u>102,925</u>
Less: Deposits and cash and bank balances		
- assigned in favour of the trustees	(66,359)	(35,163)
- pledged to licensed financial institutions	(30,167)	(11,600)
	<u>130,513</u>	<u>56,162</u>

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 2017 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 2017**

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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 Malaysian Financial Reporting Standard ("MFRS") 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 ("BMSB"). The interim financial report also complies with IAS 34 (Interim Financial Reporting) issued by the International Accounting Standards Board ("IASB"). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2017.

### **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 2017, except for the adoption of the following standards, amendments to published standards and interpretation to existing standards which are effective for the financial period commencing 1 April 2017:

Amendments to:

MFRS 107 Statement of Cash Flows - Disclosure Initiative

MFRS 112 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to MFRSs classified as "Annual Improvements to MFRSs 2014 - 2016 Cycle"

The adoption of the above does not give rise to any material financial effects to the Group.

### **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.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**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.

**7 DEBT AND EQUITY SECURITIES**

There were no issuance, repurchase and repayment of debt and equity securities for the financial period except for the issuance of shares pursuant to ESS exercised.

During the financial period ended 30 June 2017, the total number of issued shares of the Company was increased from 350,712,636 to 354,350,636 by way of the issuance of 3,638,000 new ordinary shares pursuant to share options exercised.

Subsequent to the financial period, the Company granted 9,137,000 options to its eligible employees of the Group at an option price of RM1.48 in accordance with the Bylaws of the ESS.

**8 DIVIDEND**

A final single-tier dividend of 3.00 sen per ordinary share, amounting to RM10,102,197 in respect of the financial year ended 31 March 2017 is 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 2018.

No dividend has been recommended by the directors or paid for the financial period ended 30 June 2017.





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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**9 SEGMENT INFORMATION**

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

	Consumer Financing RM'000	Investment Holding, Management Services & Others RM'000	Group RM'000
<b>Segment Revenue</b>			
Total revenue	56,842	379	57,221
Inter-segment revenue	-	(119)	(119)
External revenue	<u>56,842</u>	<u>260</u>	<u>57,102</u>
<b>Segment Results</b>			
Segment results	26,101	1,294	27,395
Finance costs	(13)	-	(13)
Profit before tax	<u>26,088</u>	<u>1,294</u>	<u>27,382</u>
Taxation	(5,960)	(494)	(6,454)
Profit for the financial period	<u>20,128</u>	<u>800</u>	<u>20,928</u>
Interest income including investment income	52,970	207	53,177
Interest expense applicable to revenue	17,328	4	17,332
<b>Segment assets</b>	<u>1,732,470</u>	<u>57,747</u>	<u>1,790,217</u>
<b>Segment liabilities</b>	<u>1,322,287</u>	<u>1,186</u>	<u>1,323,473</u>



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**10 PROFIT BEFORE TAX**

	<b>INDIVIDUAL QUARTER 30.06.2017 RM'000</b>	<b>CUMULATIVE QUARTER 30.06.2017 RM'000</b>
Interest income including investment income	53,177	53,177
Allowance for impairment loss on receivables, net	6,480	6,480
Gain on foreign exchange, net:		
- Realised	1	1
- Unrealised	-	-

There were no exceptional items, amortisation, inventories written down and written off, allowance for impairment loss on investment properties, gain or loss on disposal of quoted or unquoted investments or properties and gain or loss on derivatives for the current quarter and financial period.

**11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

As at the date of this announcement, there were no material events subsequent to the end of the interim period that affect the results of the Group.

**12 CHANGES IN THE COMPOSITION OF THE GROUP**

On 16 May 2017, Tresor Assets Berhad, a dormant indirect subsidiary of the Company was dissolved pursuant to Section 272(5) of the Companies Act, 1965.

The above winding up has no material financial effect to the Group.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**13 REVIEW OF PERFORMANCE**

	INDIVIDUAL/ CUMULATIVE QUARTER		Variance	
	30.06.2017 RM'000	30.06.2016 RM'000	RM'000	%
Revenue	57,102	51,935	5,167	9.9
Profit before tax	27,382	23,430	3,952	16.9
Profit for the financial period	20,928	17,528	3,400	19.4
Profit attributable to ordinary equity holders of the Parent	20,928	17,528	3,400	19.4

The Group registered an improvement of 9.9% in its revenue, from RM51.9 million in the corresponding quarter to RM57.1 million in the current quarter ended 30 June 2017. The increase was primarily contributed by higher interest income from the consumer financing segment's expanded loan base with a year-on-year growth of 9.6%.

The Group's pre-tax profit increased from RM23.4 million in the corresponding quarter to RM27.4 million in the current quarter under review, representing an increase of 16.9%. This was mainly attributed to higher net interest income from the consumer financing segment as well as relatively stable loan impairment.

Accordingly, the Group's post-tax profit grew by 19.4% from RM17.5 million in the corresponding quarter to RM20.9 million in the current quarter.

**NOTES TO THE INTERIM FINANCIAL REPORT****13 REVIEW OF PERFORMANCE (CONT'D)**

The performance of the respective operating business segments for the financial period ended 30 June 2017 as compared to corresponding period was as follows:

Consumer financing segment

Pre-tax profit rose 17.6% from RM22.2 million in the corresponding quarter to RM26.1 million in the current quarter. This was largely arising from higher net interest income as well as relatively stable loan impairment.

Investment holding, management services and others segment

This segment recorded a slightly higher pre-tax profit of RM1.3 million as compared to RM1.2 million in the corresponding quarter due to lower interest expense incurred for the current quarter.

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

	INDIVIDUAL QUARTER		Variance	
	30.06.2017 RM'000	31.03.2017 RM'000	RM'000	%
Revenue	57,102	57,254	(152)	(0.3)
Profit before tax	27,382	28,855	(1,473)	(5.1)
Profit for the financial period	20,928	21,245	(317)	(1.5)
Profit attributable to ordinary equity holders of the Parent	20,928	21,245	(317)	(1.5)

The Group posted a pre-tax profit of RM27.4 million against the preceding quarter of RM28.9 million. This was mainly attributed to RM1.3 million lower fee income by the consumer financing segment.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**15 CURRENT YEAR PROSPECTS**

The Group continues to focus on streamlining its operational, channel management and risk management infrastructure. Prudent credit criteria and collection systems are further refined to maintain quality receivables portfolio. Meanwhile, technological enhancement and process simplification initiatives to elevate operational efficiencies continue.

Despite challenges in the business landscape, the Group expects to report modest growth in its consumer financing segment as it continues to embrace industry's best practices.

In the absence of any unexpected circumstances, the Group is optimistic that the performance for the remaining quarters of the financial year ending 31 March 2018 remains profitable.

**16 PROFIT FORECAST**

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

**17 TAXATION**

	<b>INDIVIDUAL QUARTER 30.06.2017 RM'000</b>	<b>CUMULATIVE QUARTER 30.06.2017 RM'000</b>
Taxation:		
Current period	6,916	6,916
Deferred taxation:		
Current period	(462)	(462)
	<u>6,454</u>	<u>6,454</u>

The effective tax rate of the Group in the current quarter and financial period approximates the statutory tax rate.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**18 STATUS OF CORPORATE PROPOSALS**

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

**19 GROUP BORROWINGS AND DEBT SECURITIES**

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

	← As at 30.06.2017 →		
	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>			
Secured:			
- Term loans	290,301	194,986	485,287
- Sukuk	3,948	426,313	430,261
- Revolving credits	363,898	-	363,898
	<u>658,147</u>	<u>621,299</u>	<u>1,279,446</u>
Unsecured:			
- Bankers' acceptances	177	-	177
	<u>658,324</u>	<u>621,299</u>	<u>1,279,623</u>



**NOTES TO THE INTERIM FINANCIAL REPORT**

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

← As at 30.06.2016 →

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>			
Secured:			
- Term loans	78,880	483,638	562,518
- Revolving credits	371,574	-	371,574
- Sukuk	-	117,728	117,728
- Fixed rate medium term notes	25,450	-	25,450
- Bank overdrafts	5,483	-	5,483
	<u>481,387</u>	<u>601,366</u>	<u>1,082,753</u>
Unsecured:			
- Bankers' acceptances	1,327	-	1,327
	<u>482,714</u>	<u>601,366</u>	<u>1,084,080</u>

The weighted average interest rate of the Group borrowing categories as at 30 June 2017 ranges from 4.5% to 6.0% (30.06.2016: 4.2% to 10.3%) per annum.

The Group borrowings consist of:

	<b>30.06.2017 RM'000</b>	<b>30.06.2016 RM'000</b>
Fixed rate	692,418	440,156
Floating rate	587,205	643,924
	<u>1,279,623</u>	<u>1,084,080</u>

As at 30 June 2017, the Group borrowings stood at RM1.3 billion, which included additional two Sukuk issuances amounting to RM310.0 million.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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

The proceeds from the Sukuk issuances were mainly utilised for working capital purpose and repayment of short term borrowings. In addition, the Sukuk issuances complements the Group's plan to improve its asset-liability management.

**20 CAPITAL COMMITMENTS**

**30.06.2017**  
**RM'000**

Capital expenditure in respect of plant  
and equipment not provided for:

Approved and contracted for

7,733

**21 CHANGES IN CONTINGENT LIABILITIES AND ASSETS**

There were no changes in contingent liabilities and assets since the last financial year ended 31 March 2017.

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

- (a) There were no derivatives as at 30 June 2017.
- (b) There were no fair value gain/(loss) on fair value changes of financial liabilities as all financial liabilities were measured at amortised cost.





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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**23 CHANGES IN MATERIAL LITIGATION**

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

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
<b>(a) Basic EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	20,928	17,528	20,928	17,528
Weighted average number of ordinary shares in issue	(unit'000)	338,532	324,865	338,532	324,865
Basic EPS	(sen)	<u>6.18</u>	<u>5.40</u>	<u>6.18</u>	<u>5.40</u>

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

The weighted average number of ordinary shares in issue for the corresponding quarter and financial period take into account the effects of share consolidation completed on 26 April 2016 and net of treasury shares.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**24 EPS (CONT'D)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
<b>(b) Diluted EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	20,928	17,528	20,928	17,528
Weighted average number of ordinary shares in issue	(unit'000)	338,532	324,865	338,532	324,865
Effects of dilution of ESS	(unit'000)	<u>2,356</u>	<u>698</u>	<u>2,356</u>	<u>698</u>
Adjusted weighted average number of ordinary shares in issue	(unit'000)	<u>340,888</u>	<u>325,563</u>	<u>340,888</u>	<u>325,563</u>
Diluted EPS	(sen)	<u><u>6.14</u></u>	<u><u>5.38</u></u>	<u><u>6.14</u></u>	<u><u>5.38</u></u>

Diluted EPS are calculated by dividing the net profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares adjusted for dilutive effects of ESS.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**25 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying amount of financial assets and liabilities of the Group for the financial period approximate their fair values except for the following:

	<b>30.06.2017</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>Financial assets</b>		
Loans and receivables	<u>1,427,408</u>	<u>1,442,473</u>
<b>Financial liabilities</b>		
Borrowings - Sukuk	<u>430,261</u>	<u>450,325</u>

**26 DISCLOSURE OF REALISED AND UNREALISED PROFITS**

The breakdown of the retained earnings of the Group as at 30 June 2017 pursuant to BMSB's directive dated 20 December 2010, is as follows:

	<b>INDIVIDUAL QUARTER</b>	
	<b>30.06.2017 RM'000</b>	<b>31.03.2017 RM'000</b>
Total retained earnings of the Group:		
- Realised	294,586	272,978
- Unrealised	38,512	38,050
	<u>333,098</u>	<u>311,028</u>

**BY ORDER OF THE BOARD**  
**JOHNSON YAP CHOON SENG**  
Company Secretary  
22 August 2017