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**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL  
PERIOD ENDED 31 MARCH 2011**

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	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>31.03.2011</b>	31.03.2010	<b>31.03.2011</b>	31.03.2010
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
1. Revenue	<b>58,899</b>	65,589	<b>269,586</b>	255,611
2. Profit before tax	<b>22,659</b>	30,012	<b>140,099</b>	109,989
3. Profit for the financial period	<b>16,603</b>	22,768	<b>104,257</b>	81,094
4. Profit attributable to ordinary equity holders of the Company	<b>16,603</b>	22,768	<b>104,257</b>	81,094
5. Basic earnings per share (sen)	<b>2.12</b>	2.91	<b>13.33</b>	10.72
6. Proposed/Declared dividend per share (sen)	<b>1.50</b>	1.75	<b>1.50</b>	1.75
		<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
7. Net assets per share attributable to ordinary equity holders of the Company (RM)		0.57		0.54
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>31.03.2011</b>	31.03.2010	<b>31.03.2011</b>	31.03.2010
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
8. Gross interest income	<b>3,514</b>	1,322	<b>10,432</b>	4,735
9. Gross interest expense	<b>9</b>	7	<b>29</b>	35



**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED	3 MONTHS ENDED	12 MONTHS ENDED	12 MONTHS ENDED
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	58,899	65,589	269,586	255,611
Other income	4,308	2,483	15,523	9,099
Interest expense applicable to revenue	(19,143)	(16,466)	(74,614)	(64,716)
Staff costs and directors' remuneration	(4,924)	(7,872)	(13,716)	(16,154)
Depreciation of plant and equipment and investment properties	(346)	(350)	(1,379)	(1,417)
Other expenses	(16,126)	(13,365)	(55,272)	(72,399)
Finance costs	(9)	(7)	(29)	(35)
<b>Profit before tax</b>	<b>22,659</b>	30,012	<b>140,099</b>	109,989
Taxation	(6,056)	(7,244)	(35,842)	(28,895)
<b>Profit for the financial period</b>	<b>16,603</b>	22,768	<b>104,257</b>	81,094
<b>Other comprehensive income:</b>				
Financial assets available-for-sale ("AFS"):				
- Unrealised net (loss)/gain on revaluation	(675)	-	2,026	-
Other comprehensive income for the financial period, net of tax	(675)	-	2,026	-
<b>Total comprehensive income for the financial period</b>	<b>15,928</b>	22,768	<b>106,283</b>	81,094
<b>Attributable to:</b>				
Equity holders of the Company	16,603	22,768	104,257	81,094
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	2.12	2.91	13.33	10.72
Diluted (sen)	2.12	2.90	13.33	10.69

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 2010 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 4<sup>th</sup> Quarter Ended 31 March 2011

**CONDENSED STATEMENT OF FINANCIAL POSITION**

	AS AT 31.03.2011 RM'000	AS AT 31.03.2010 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	2,679	3,046
Investment properties	2,700	2,786
Goodwill on consolidation	28,677	28,677
Loans and receivables	973,164	992,527
Other investments	-	30,387
AFS financial assets	39,166	-
Deferred tax assets	33,783	5,372
Total Non-Current Assets	1,080,169	1,062,795
<b>Current Assets</b>		
Short term investments	-	4,000
Loans and receivables	112,591	146,081
Trade receivables	37,414	30,789
Other receivables, deposits and prepaid expenses	28,549	5,331
Deposits with licensed financial institutions	512,150	270,935
Cash and bank balances	2,388	18,776
Total Current Assets	693,092	475,912
<b>TOTAL ASSETS</b>	<b>1,773,261</b>	<b>1,538,707</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	78,240	78,207
Reserves	370,142	340,655
<b>Total Equity</b>	<b>448,382</b>	<b>418,862</b>
<b>Non-Current Liabilities</b>		
Hire-purchase payables	580	392
Borrowings	737,379	705,252
Deferred tax liabilities	52,418	26,429
Total Non-Current Liabilities	790,377	732,073
<b>Current Liabilities</b>		
Payables and accrued expenses	89,291	58,487
Hire-purchase payables	172	211
Finance lease payables	-	27
Borrowings	444,715	326,806
Tax liabilities	324	2,241
Total Current Liabilities	534,502	387,772
<b>Total Liabilities</b>	<b>1,324,879</b>	<b>1,119,845</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,773,261</b>	<b>1,538,707</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.57</b>	<b>0.54</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 2010 and the accompanying explanatory notes attached to the interim financial report.



**CONDENSED STATEMENTS OF CHANGES IN EQUITY**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							
	Share Capital RM'000	Reserves			Retained Earnings RM'000	Total Reserves RM'000	Minority Interest RM'000	Total Equity RM'000
		Share Premium RM'000	Share Options RM'000	AFS RM'000				
<b>As at 1 April 2009</b>	71,097	26,394	-	-	200,568	226,962	-	298,059
Profit for the financial year	-	-	-	-	81,094	81,094	-	81,094
Issuance of private placement shares	7,110	32,015	-	-	-	32,015	-	39,125
Share issuance expenses recognised directly in equity	-	(105)	-	-	-	(105)	-	(105)
Dividend	-	-	-	-	(5,866)	(5,866)	-	(5,866)
Share options granted under ESOS	-	-	6,555	-	-	6,555	-	6,555
<b>As at 31 March 2010</b>	<b>78,207</b>	<b>58,304</b>	<b>6,555</b>	<b>-</b>	<b>275,796</b>	<b>340,655</b>	<b>-</b>	<b>418,862</b>
<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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,026</b>	<b>104,257</b>	<b>106,283</b>	<b>-</b>	<b>106,283</b>
<b>Transactions with owners</b>								
Dividend	-	-	-	-	(11,932)	(11,932)	-	(11,932)
Issuance of shares pursuant to ESOS exercised	33	280	(120)	-	-	160	-	193
Cancellation of share options	-	-	(459)	-	459	-	-	-
Total transactions with owners	33	280	(579)	-	(11,473)	(11,772)	-	(11,739)
<b>As at 31 March 2011</b>	<b>78,240</b>	<b>58,584</b>	<b>5,976</b>	<b>8,779</b>	<b>296,803</b>	<b>370,142</b>	<b>-</b>	<b>448,382</b>

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial report.



**CONDENSED STATEMENT OF CASH FLOWS**

	CUMULATIVE QUARTER 31.03.2011 RM'000	CUMULATIVE QUARTER 31.03.2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	104,257	81,094
Adjustments for:		
Taxation	35,842	28,895
Allowance for doubtful debts, net	27,194	27,842
Depreciation of plant and equipment and investment properties	1,379	1,417
Amortisation of discount on MTNs	1,239	2,239
Loss on early redemption of MTNs	211	1,755
Finance costs	29	35
Allowance for impairment loss in investment properties	26	-
Share options granted under ESOS	-	6,555
Property, plant and equipment written off	-	3
Interest income	(10,432)	(4,735)
Dividend income	(6,074)	(3,157)
Capital repayment from investment in REIT	(61)	-
Gain on disposal of plant and equipment	(55)	-
Operating profit before working capital changes	<u>153,555</u>	<u>141,943</u>
(Increase)/Decrease in working capital:		
Loans and receivables	(34,431)	(213,384)
Other receivables, deposits and prepaid expenses	(13,042)	1,734
Trade receivables	(6,878)	2,294
AFS financial assets	-	28
Increase in working capital:		
Payables and accrued expenses	864	24,891
Cash generated from/(used in) operations	<u>100,068</u>	<u>(42,494)</u>
Taxes paid	(28,126)	(17,978)
Taxes refunded	1,323	740
Net cash generated from/(used in) operating activities	<u>73,265</u>	<u>(59,732)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	10,432	4,735
Dividend received	6,074	3,157
Proceeds from disposal of plant and equipment	376	21
Capital repayment from investment in REIT	61	-
Additions to plant and equipment	(692)	(550)
Net cash generated from investing activities	<u>16,251</u>	<u>7,363</u>



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

	CUMULATIVE QUARTER 31.03.2011 RM'000	CUMULATIVE QUARTER 31.03.2010 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of revolving credits	325,430	336,230
Proceeds from issuance of ABS	209,000	150,000
Drawdown of other borrowings	92,716	55,177
Proceeds from issuance of shares	193	-
Drawdown of term loans	-	100,000
Proceeds from issuance of private placement shares	-	39,125
Repayment of revolving credits	(251,583)	(354,775)
Redemption of ABS	(81,000)	(54,000)
Repayment of term loans	(52,279)	(6,693)
Redemption of MTNs	(20,210)	(47,176)
Redemption of CPs	(4,000)	(5,000)
Repayment of other borrowings	(70,545)	(63,559)
Dividends paid	(11,923)	(5,835)
Repayment of hire-purchase payables	(432)	(211)
Repayment of finance lease payables	(27)	(125)
Finance costs paid	(29)	(35)
Redemption of bonds	-	(15,000)
Share issuance expenses	-	(105)
Net cash generated from financing activities	<u>135,311</u>	<u>128,018</u>
Net change in cash and cash equivalents	224,827	75,649
Cash and cash equivalents at beginning of financial year	289,711	214,062
Cash and cash equivalents at end of financial year	<u>514,538</u>	<u>289,711</u>
<b>CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:</b>		
Deposits with licensed financial institutions	512,150	270,935
Cash and bank balances	2,388	18,776
	<u>514,538</u>	<u>289,711</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 2010 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 2010.

### **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 2010, 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 on 1 April 2010:

FRS 7	:	Financial Instruments: Disclosures
FRS 8	:	Operating Segments
FRS 101	:	Presentation of Financial Statements (Revised)
FRS 123	:	Borrowing Costs (Revised)
FRS 139	:	Financial Instruments: Recognition and Measurement

Amendments to:

FRS 2	:	Share-based Payment: Vesting Conditions and Cancellations
FRS 7	:	Financial Instruments: Disclosures
FRS 127	:	Consolidated and Separate Financial Statements: Cost of an Investment in Subsidiary, Jointly Controlled Entity and Associate
FRS 132	:	Financial Instruments: Presentation
IC Interpretation 10	:	Interim Financial Reporting and Impairment
IC Interpretation 11	:	FRS 2 - Group and Treasury Shares Transactions

Amendments to FRSs classified as "Improvements to FRSs (2009)"

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

The adoption of the above standards, amendments to published standards and interpretations does not give rise to any material effects to the Group, other than the effects and changes in accounting policies arising from the adoption of FRS 139 as disclosed below.

**(a) FRS 101: Presentation of financial statements (Revised)**

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented in a single line labelled as total comprehensive income.

The standard also introduces the statement of comprehensive income; presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassifications of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

**(b) FRS 8: Operating Segments**

FRS 8 replaces FRS 114<sub>2004</sub>: Segment reporting and requires a "management approach", under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segment reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. The reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114<sub>2004</sub>. As this is a disclosure standard, there will be no impact on the financial position and results of the Group.

**(c) FRS 139: Financial Instruments: Recognition and Measurement**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and AFS. The classification depends on the nature of the assets and the purpose for which the asset was acquired. Management determines the classification on its financial assets at initial recognition. Set out below are the major changes in classifications of financial assets of the Group.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) FRS 139 : Financial Instruments: Recognition and Measurement (Cont'd)**

(i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity later than 12 months after the reporting date which are classified as non-current.

(ii) Impairment of loans

Under FRS 139, the Group assesses at each reporting period whether there is any objective evidence that loans are impaired as a result of one or more loss events that occurred after the initial recognition of the loan (an incurred "loss event") and that the loss event has an impact on the future estimated cash flows of the loan or the portfolio of loans that can be reliably estimated.

The Group addresses impairment of loans via either collective or individual assessment allowance.

- Collective assessment allowance

Collective allowance is maintained to reduce the carrying amount of portfolio of similar loans to their estimated recoverable amounts at the date of financial report. If it is determined that no objective evidence of impairment exists for an individually assessed loan, the loan is included in a group of loan with similar credit risk characteristics and collectively assessed for impairment.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(ii) Impairment of loans (Cont'd)

- Individual assessment allowance

The Group determines the allowance appropriate for each significant loan on an individual basis. The allowance is established based primarily on estimates of the realisable value of the collateral/s to secure the loan and is measured as the difference between the carrying amount of the loan and the present value of the expected future cash flows discounted at the original EIR of the loan.

(iii) Recognition of interest income/(expense)

Prior to 1 April 2010, interest income/(expense) on loan was recognised at contracted rates. FRS 139 requires interest income/(expense) to be recognised on an EIR basis. The EIR is the rate that exactly discounts the estimated future cash receipts/(payments) through the expected life of the loan or, when appropriate, a shorter period to the net carrying amount of loan.

Prior to the adoption of FRS 139, where a loan receivable becomes non-performing, interest accrued and recognised as income prior to the date the loans are classified as non-performing are reversed out of the statement of comprehensive income and set off against the accrued interest receivable account in the statement of financial position. Subsequently, the interest earned on the non-performing loans are recognised as income on receipt basis.

Upon adoption of FRS 139, once a loan receivable has been classified as impaired, interest income is recognised based on the interest rate used to discount the future estimated cash flows for the purpose of measuring impairment loss.

(iv) Financial assets AFS

Upon adoption of FRS 139, all quoted financial assets are measured at fair value with the changes in fair value recognised as a separate component of equity until the assets are sold, or until the assets are determined to be impaired, at which time the cumulative gain or loss previously reported in equity is transferred to the statement of comprehensive income.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

## (iv) Financial assets AFS (Cont'd)

Financial assets AFS are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss, held-to-maturity or loans and receivables. They include money market instruments.

## (v) Financial liabilities

All financial liabilities are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

In line with the transitional provisions under Para 103AA of FRS 139, the changes of the above accounting policies arising from the initial adoption of FRS 139 have been applied prospectively and resulted in the following adjustments against the opening balances:

	As at 1 April 2010 RM'000	Effects of adoption of FRS 139 RM'000	Restated as at 1 April 2010 RM'000
<b>Group</b>			
Effects on:			
Deferred tax assets	5,372	23,611	28,983
Other investments	30,387	(30,387)	-
Financial assets AFS	-	37,140	37,140
Short term investments	4,000	(4,000)	-
Loans and receivables	1,138,608	(60,688)	1,077,920
Trade receivables	30,789	345	31,134
Deferred tax liabilities	26,429	14	26,443
Payables and accrued expenses	58,487	31,031	89,518
Effects on:			
Retained earnings	275,796	(71,777)	204,019
Effects on:			
AFS reserve	-	6,753	6,753



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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 year.

**6 CHANGES IN ESTIMATES**

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

**7 DEBT AND EQUITY SECURITIES**

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

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

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Issuance of ABS	-	209,000
Redemption of ABS upon maturity	(26,000)	(81,000)



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**7 DEBT AND EQUITY SECURITIES (CONT'D)**

- (a) Out of the issuance of RM283.8 million ABS, RM74.8 million was subscribed internally by a subsidiary of the Company.
- (b) Redemption of the Underwritten Commercial Papers ("CPs") by RCE Premier Sdn Bhd, a subsidiary of the Company, as follows:

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Redemption of CPs upon maturity	-	(4,000)

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

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Redemption of MTNs upon maturity	(5,000)	(10,000)
Early redemption of MTNs	(5,000)	(10,000)

**8 DIVIDEND**

The directors declared a final dividend in respect of the financial year ended 31 March 2010 of 17.5% (1.75 sen) on 782,395,174 ordinary shares as follows:

	<b>RM'000</b>
(a) 9.0% (0.90 sen), less 25% tax	5,281
(b) 8.5% (0.85 sen) under single-tier system, tax exempt	6,651
	<u>11,932</u>

Such dividend was paid on 28 September 2010 and has been accounted for in the equity as appropriation of retained earnings in the financial year ended 31 March 2011.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**8 DIVIDEND (CONT'D)**

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.

**9 SEGMENTAL INFORMATION**

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

	Loan Financing RM'000	Investment Holding & Mgmt Services RM'000	Factoring & Confirming RM'000	Eliminations RM'000	Group RM'000
<b>Revenue</b>					
External sales	256,512	6,541	6,533	-	269,586
Intersegment sales	720	13,005	-	(13,725)	-
Total revenue	<u>257,232</u>	<u>19,546</u>	<u>6,533</u>	<u>(13,725)</u>	<u>269,586</u>
<b>Results</b>					
Interest income	10,423	3	6	-	10,432
Segment results	136,510	512	3,106	-	140,128
Finance costs					<u>(29)</u>
Profit before tax					140,099
Taxation					<u>(35,842)</u>
Profit for the financial year					<u>104,257</u>



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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

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

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

There were no changes in the composition of the Group during the financial year.

**12 REVIEW OF PERFORMANCE**

The Group's revenue for the fourth quarter ended 31 March 2011 was RM58.9 million as compared to RM65.6 million in the previous year's corresponding quarter, a decrease of 10.2% mainly due to lower disbursements by the loan financing division.

Meanwhile, the Group recorded a net profit of RM16.6 million for the current quarter, a drop of 27.1% as compared to the previous year's corresponding quarter of RM22.8 million. The decline in performance is primarily due to lower revenue by RM6.7 million as compared to previous year's corresponding quarter.

Notwithstanding the above, the Group registered an overall 28.6% growth in its net profit of RM104.3 million as compared to RM81.1 million a year ago.

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

The Group achieved a pre-tax profit of RM22.7 million for the current quarter ended 31 March 2011, 46.6% or RM19.7 million lower than that of the preceding quarter of RM42.4 million. The lower profit was mainly attributable to lower revenue by 23.7% or RM18.3 million.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**14 CURRENT YEAR PROSPECTS**

Following the Company's announcement dated 26 November 2010, the Group continues to work closely with its major business partner to ensure regulatory compliance. Meanwhile, the latter has applied and is currently awaiting for the relevant authority's approval to obtain external funding.

Arising from the above, if the approval is not obtained, the profitability of the Group in the next financial year will be less favourable. Notwithstanding that, the Group will still remain profitable and able to meet its existing debt obligations. If approval is obtained, business activities will recommence and therefore, the Group will be able to maintain if not further improve its profitability in the next financial year.

**15 PROFIT FORECAST**

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

**16 TAXATION**

	<b>INDIVIDUAL QUARTER 31.03.2011 RM'000</b>	<b>CUMULATIVE QUARTER 31.03.2011 RM'000</b>
Taxation:		
Current period	(3,397)	14,240
Underprovision in prior year	196	426
	<hr/> (3,201) <hr/>	<hr/> 14,666 <hr/>
Deferred taxation:		
Current period	9,142	20,405
Underprovision in prior year	115	771
	<hr/> 9,257 <hr/>	<hr/> 21,176 <hr/>
	<hr/> <hr/> 6,056	<hr/> <hr/> 35,842

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



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**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 year.

**18 QUOTED SECURITIES**

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>31.03.2011</b>	<b>31.03.2010</b>	<b>31.03.2011</b>	<b>31.03.2010</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	-	-	-	-
Gain on disposal	-	-	-	-
Current assets:				
Purchase consideration	-	-	-	-
Sales proceeds	-	51	-	10,051
Gain on disposal	-	23	-	23

(b) Investment in quoted real estate investment trust units as at 31 March 2011:

	<b>CUMULATIVE QUARTER RM'000</b>
Included within financial assets AFS:	
At cost	33,763
At carrying/book value	39,166
At market value	39,166



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**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 31 March 2011 are as follows:

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>			
Secured:			
- Asset-backed securities	115,913	463,000	578,913
- Fixed rate medium term notes	32,594	176,762	209,356
- Revolving credits	190,135	-	190,135
- Term loans	12,452	77,417	89,869
- Bank overdrafts	5,399	-	5,399
	<u>356,493</u>	<u>717,179</u>	<u>1,073,672</u>
Unsecured:			
- Term loans	40,433	-	40,433
- Revolving credits	17,901	20,200	38,101
- Bankers' acceptances	10,897	-	10,897
- Bank overdrafts	9,937	-	9,937
- Trust receipts	9,054	-	9,054
	<u>88,222</u>	<u>20,200</u>	<u>108,422</u>
	<u>444,715</u>	<u>737,379</u>	<u>1,182,094</u>

The above were measured at amortised cost in compliance with FRS139, hence there were no fair value changes arising from its adoption.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**21 CAPITAL COMMITMENTS**

**31.03.2011**  
**RM'000**

Capital expenditure in respect of  
plant and equipment:

Approved, contracted but not provided for

903

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 increased from RM2.6 million as at 31 March 2010 to RM4.2 million as at 31 March 2011.

Other than as disclosed above, there were no other changes in contingent liabilities and assets since the last financial year ended 31 March 2010.

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

(a) There were no derivatives as at 31 March 2011.

(b) There were no fair value gain/(loss) on fair value changes of financial liabilities as all financial liabilities are 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.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
(a) Basic EPS:					
Profit for the period attributable to equity holders of the Company	(RM'000)	16,603	22,768	104,257	81,094
Weighted average number of ordinary shares in issue	(unit'000)	782,395	782,068	782,358	756,551
Basic EPS	(sen)	<u>2.12</u>	<u>2.91</u>	<u>13.33</u>	<u>10.72</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.

**(b) Dilutive EPS:**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
Profit for the period attributable to equity holders of the Company	(RM'000)	16,603	22,768	104,257	81,094
Weighted average number of ordinary shares in issue	(unit'000)	782,395	782,068	782,358	756,551
Effects of dilution	(unit'000)	-	1,953	-	1,953
Adjusted weighted average number of ordinary shares in issue	(unit'000)	<u>782,395</u>	<u>784,021</u>	<u>782,358</u>	<u>758,504</u>
Dilutive EPS	(sen)	<u>2.12</u>	<u>2.90</u>	<u>13.33</u>	<u>10.69</u>



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**25 EARNINGS PER SHARE ("EPS") (CONT'D)**

(b) Dilutive EPS (Cont'd):

Dilutive EPS for the quarter is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares adjusted for dilutive effects of the share options granted to its eligible directors and employees of the Group.

**26 DISCLOSURE OF REALISED AND UNREALISED PROFITS**

The breakdown of the retained earnings of the Group as at 31 March 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>31.03.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Group:		
- Realised	315,438	292,439
- Unrealised	<u>(18,635)</u>	<u>(10,901)</u>
	<u>296,803</u>	<u>281,538</u>

**BY ORDER OF THE BOARD**  
**JOHNSON YAP CHOON SENG**  
**Company Secretary**  
**25 May 2011**