



**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD
ENDED 30 JUNE 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
1. Revenue	63,235	57,102	63,235	57,102
2. Profit before tax	31,110	27,382	31,110	27,382
3. Profit for the financial period	23,199	20,928	23,199	20,928
4. Profit attributable to ordinary equity holders of the Parent	23,199	20,928	23,199	20,928
5. Basic earnings per ordinary share (sen)	6.81	6.18	6.81	6.18
6. Proposed/Declared dividend per share (sen)	-	-	-	-
		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	
7. Net assets per share attributable to ordinary equity holders of the Parent (RM)		1.57	1.52	
		INDIVIDUAL QUARTER	CUMULATIVE QUARTER	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
8. Gross interest income	1,742	1,445	1,742	1,445
9. Gross interest expense	14	13	14	13



CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Revenue	63,235	57,102	63,235	57,102
Other income	3,649	2,866	3,649	2,866
Interest expense applicable to revenue	(18,526)	(17,332)	(18,526)	(17,332)
Staff costs and directors' remuneration	(5,045)	(4,140)	(5,045)	(4,140)
Depreciation of plant and equipment	(733)	(921)	(733)	(921)
Other expenses	(11,456)	(10,180)	(11,456)	(10,180)
Finance costs	(14)	(13)	(14)	(13)
Profit before tax	31,110	27,382	31,110	27,382
Taxation	(7,911)	(6,454)	(7,911)	(6,454)
Total comprehensive income for the financial period	23,199	20,928	23,199	20,928
Attributable to:				
Owners of the Parent	23,199	20,928	23,199	20,928
Earnings per ordinary share:				
Basic (sen)	6.81	6.18	6.81	6.18
Diluted (sen)	6.81	6.14	6.81	6.14

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 2018 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT 30.06.2018 RM'000	AS AT 31.03.2018 RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	5,726	6,212
Goodwill on consolidation	47,333	47,333
Loans and receivables	1,393,520	1,384,993
Deferred tax assets	41,092	39,482
Total Non-Current Assets	1,487,671	1,478,020
Current Assets		
Loans and receivables	142,454	139,714
Trade receivables	3,127	3,795
Other receivables, deposits and prepaid expenses	39,766	40,045
Deposits with licensed financial institutions	279,055	169,581
Cash and bank balances	29,121	27,635
Total Current Assets	493,523	380,770
TOTAL ASSETS	1,981,194	1,858,790
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	44,676	44,676
Treasury shares	(17,596)	(13,353)
Reserves	505,003	487,950
Total Equity	532,083	519,273
Non-Current Liabilities		
Hire-purchase payables	1,021	959
Borrowings	970,600	981,608
Deferred tax liabilities	328	325
Total Non-Current Liabilities	971,949	982,892
Current Liabilities		
Payables and accrued expenses	27,970	33,019
Hire-purchase payables	333	329
Borrowings	441,674	316,882
Tax liabilities	7,185	6,395
Total Current Liabilities	477,162	356,625
Total Liabilities	1,449,111	1,339,517
TOTAL EQUITY AND LIABILITIES	1,981,194	1,858,790
NET ASSETS PER SHARE (RM)	1.57	1.52

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 2018 and the accompanying explanatory notes attached to the interim financial report.



RCE Capital Berhad (Company No. 2444-M)

Incorporated in Malaysia

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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		
As at 1 April 2017	38,064	(13,353)	72,592	30,903	2,127	311,028	416,650	441,361
Total comprehensive income	-	-	-	-	-	20,928	20,928	20,928
Transactions with owners								
Issuance of shares pursuant to Employees' Share Scheme ("ESS") exercised	4,455	-	-	-	(1,142)	1,142	-	4,455
Total transactions with owners	4,455	-	-	-	(1,142)	1,142	-	4,455
As at 30 June 2017	42,519	(13,353)	72,592	30,903	985	333,098	437,578	466,744
As at 1 April 2018	44,676	(13,353)	72,592	30,903	3,476	380,979	487,950	519,273
Effects of adopting MFRS 9	-	-	-	-	-	(6,146)	(6,146)	(6,146)
Restated as at 1 April 2018	44,676	(13,353)	72,592	30,903	3,476	374,833	481,804	513,127
Total comprehensive income	-	-	-	-	-	23,199	23,199	23,199
Transaction with owners								
Cancellation of share options	-	-	-	-	(157)	157	-	-
Shares repurchased	-	(4,243)	-	-	-	-	-	(4,243)
Total transaction with owners	-	(4,243)	-	-	(157)	157	-	(4,243)
As at 30 June 2018	44,676	(17,596)	72,592	30,903	3,319	398,189	505,003	532,083

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 2018 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER 30.06.2018 RM'000	CUMULATIVE QUARTER 30.06.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	31,110	27,382
Adjustments for:		
Allowance for impairment loss on receivables, net	6,301	6,480
Depreciation of plant and equipment	733	921
Finance costs	14	13
Interest income from deposits with licensed financial institutions	(1,742)	(1,445)
Operating profit before working capital changes	36,416	33,351
(Increase)/Decrease in working capital:		
Loans and receivables	(25,725)	(23,812)
Trade receivables	738	(61)
Other receivables, deposits and prepaid expenses	97	1,911
Increase in working capital:		
Payables and accrued expenses	2,661	893
Cash generated from operations	14,187	12,282
Taxes paid	(6,713)	(10,906)
Taxes refunded	-	319
Net cash generated from operating activities	7,474	1,695
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income from deposits with licensed financial institutions	1,742	1,445
Additions to plant and equipment	(100)	(2,887)
Net cash generated from/(used in) investing activities	1,642	(1,442)

CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	CUMULATIVE QUARTER 30.06.2018 RM'000	CUMULATIVE QUARTER 30.06.2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credits	109,100	217,500
Drawdown of term loans	90,000	-
Proceeds from issuance of shares	-	4,455
Drawdown of other borrowings	-	1,316
Repayment of revolving credits	(67,100)	(125,000)
Repayment of term loans	(25,818)	(28,940)
Placements of deposits, cash and bank balances, net:		
- assigned in favour of the trustees	(38,848)	(21,497)
- pledged to licensed financial institutions	(118)	(1,564)
Shares repurchased	(4,243)	-
Repayment of hire-purchase payables	(81)	(81)
Finance costs paid	(14)	(13)
Repayment of other borrowings	-	(1,750)
Net cash generated from financing activities	62,878	44,426
Net change in cash and cash equivalents	71,994	44,679
Cash and cash equivalents at beginning of financial period	14,204	85,834
Cash and cash equivalents at end of financial period	86,198	130,513

CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:

Deposits with licensed financial institutions	279,055	206,610
Cash and bank balances	29,121	20,429
	308,176	227,039
Less: Deposits, cash and bank balances		
- assigned in favour of the trustees	(183,240)	(66,359)
- pledged to licensed financial institutions	(38,738)	(30,167)
	86,198	130,513

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 2018 and the accompanying explanatory notes attached to the interim financial report.



NOTES TO THE INTERIM FINANCIAL REPORT

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. The interim financial report also complies with IAS 34 (Interim Financial Reporting) issued by the International Accounting Standards Board. The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2018.

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 2018, 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 2018:

MFRS 9 Financial Instruments
MFRS 15 Revenue from Contracts with Customers

Amendments to:

MFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment
 Transactions

Clarifications to:

MFRS 15 Revenue from Contracts with Customers

NOTES TO THE INTERIM FINANCIAL REPORT

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The adoption of the above standards and amendments does not give rise to any material financial effects to the Group other than the effects and changes as disclosed below:

(a) MFRS 9, Financial Instruments (“MFRS 9”)

MFRS 9 replaces MFRS 139 and introduces new requirements for classification and measurement of financial instruments, impairment and disclosure requirements. Retrospective application is required, but restatement of comparative information is not compulsory.

(i) Classification and measurement of financial instruments:

MFRS 9 requires financial assets to be classified into three measurement categories: amortised cost, fair value through other comprehensive income and fair value through profit and loss. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instruments.

For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is to be recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The application of the classification and measurement requirements is not expected to have any impact on the financial instruments, other than reclassification of certain financial assets of the Group.

NOTES TO THE INTERIM FINANCIAL REPORT

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) MFRS 9 (Cont'd)****(ii) Impairment:**

For loans and receivables, MFRS 9 requirements are based on changes in the expected credit loss (“ECL”) at each reporting date to reflect the changes in credit risk since initial recognition as opposed to an incurred credit loss model under MFRS 139. Accordingly, the ECL allowances which is more forward looking under MFRS 9 is expected to be higher and more volatile than MFRS 139.

For trade receivables, the Group applies the simplified approach under MFRS 9 which requires expected lifetime losses to be recognised from initial recognition.

Upon initial adoption of MFRS 9 on 1 April 2018, an adjustment of RM6.1 million was made to the opening retained earnings of the Group, thereby decreasing the equity and net assets of the Group.

The Group applies a three-stage approach to measure ECL on financial assets measured at amortised cost. Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

- Stage 1: 12-months ECL - not credit impaired

For financial assets where there have not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

NOTES TO THE INTERIM FINANCIAL REPORT

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) MFRS 9 (Cont'd)

(ii) Impairment (Cont'd):

- Stage 2: Lifetime ECL - not credit impaired

For financial assets where there have been a significant increase in credit risk since initial recognition but that are not credit impaired and not originated credit-impaired financial assets, a lifetime ECL is recognised.

- Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired but not originated credit-impaired financial assets, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

(iii) Disclosure:

MFRS 9 requires more extensive disclosures and therefore will change the nature and extent of the financial instruments' disclosures of the Group.



NOTES TO THE INTERIM FINANCIAL REPORT

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) MFRS 9 (Cont'd)

As at 1 April 2018, there were no changes to the classification and measurement of financial assets and liabilities except for the following:

Financial assets	Original measurement category under MFRS 139	New measurement category under MFRS 9
Loans and receivables	Loans and receivables	Amortised cost
Trade receivables	Loans and receivables	Amortised cost

The following table summarises the financial effects as at 1 April 2018:

	As at 1 April 2018 RM'000	Effects of MFRS 9 adoption Reclassification and remeasurement RM'000	Impairment RM'000	Restated as at 1 April 2018 RM'000
Effects on:				
Loans and receivables	1,524,707	-	(8,019)	1,516,688
Trade receivables	3,795	-	(68)	3,727
Deferred tax assets	39,482	-	1,941	41,423
Effects on:				
Retained earnings	380,979	-	(6,146)	374,833



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NOTES TO THE INTERIM FINANCIAL REPORT

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.

NOTES TO THE INTERIM FINANCIAL REPORT

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) Treasury shares

During the financial period ended 30 June 2018, the Company repurchased 3,143,200 of its issued ordinary shares from the open market. The total consideration paid of RM4,242,858 (including transaction costs) was financed by internally generated funds and the shares repurchased were held as treasury shares. The Company has the right to cancel, resell and/or distribute the treasury shares as dividends and/or transfer the treasury shares for the purpose of an ESS or as purchase consideration at a later date.

None of the treasury shares repurchased have been sold, cancelled or transferred during the financial period.

(b) ESS

Subsequent to the financial period, the Company has granted 8,516,000 options to its eligible employees of the Group at an option price of RM1.37 per share in accordance with the Bylaws of the ESS.

As at 30 June 2018, the number of ordinary shares in issue after the share buy-back is 338,878,711 shares.

8 DIVIDENDS

As announced on 28 May 2018, a final single-tier dividend of 4.00 sen per ordinary share, amounting to RM13,680,876 in respect of the financial year ended 31 March 2018 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 2019.

No dividend has been recommended by the directors or paid for the financial period ended 30 June 2018.



NOTES TO THE INTERIM FINANCIAL REPORT

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
Segment Revenue			
Total revenue	63,068	295	63,363
Inter-segment revenue	-	(128)	(128)
External revenue	63,068	167	63,235
Segment Results			
Segment results	31,148	(24)	31,124
Finance costs	(14)	-	(14)
Profit/(loss) before tax	31,134	(24)	31,110
Taxation	(7,723)	(188)	(7,911)
Profit/(loss) for the financial period	23,411	(212)	23,199
Interest income including interest income from deposits with licensed financial institutions	58,026	155	58,181
Interest expense applicable to revenue	18,526	-	18,526
Segment assets	1,926,872	54,322	1,981,194
Segment liabilities	1,448,243	868	1,449,111



NOTES TO THE INTERIM FINANCIAL REPORT

10 PROFIT BEFORE TAX

	INDIVIDUAL QUARTER 30.06.2018 RM'000	CUMULATIVE QUARTER 30.06.2018 RM'000
Interest income including interest income from deposits with licensed financial institutions	58,181	58,181
Allowance for impairment loss on receivables, net	6,301	6,301
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

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



NOTES TO THE INTERIM FINANCIAL REPORT

13 REVIEW OF PERFORMANCE

	INDIVIDUAL/ CUMULATIVE QUARTER		Variance	
	30.06.2018 RM'000	30.06.2017 RM'000	RM'000	%
Revenue	63,235	57,102	6,133	10.7
Profit before tax	31,110	27,382	3,728	13.6
Profit for the financial period	23,199	20,928	2,271	10.9
Profit attributable to ordinary equity holders of the Parent	23,199	20,928	2,271	10.9

For the first quarter ended 30 June 2018, the Group's revenue rose by RM6.1 million from RM57.1 million in the corresponding quarter to RM63.2 million, mainly contributed by higher interest income arising from steady loans growth in its consumer financing segment. Year-on-year, its loan base grew by 8.1%, from RM1.5 billion to RM1.7 billion.

This gives rise to a double-digit growth rate in its pre-tax profit of RM31.1 million in the current quarter from RM27.4 million in the corresponding quarter.

Accordingly, the Group's post-tax profit increased from RM20.9 million in the corresponding quarter to RM23.2 million in the current quarter, representing an increase of 10.9%.

The performance of the respective operating business segments for the financial period ended 30 June 2018 as compared to corresponding period was as follows:

Consumer financing segment

This segment recorded a pre-tax profit of RM31.1 million, representing an increase of 19.2% as compared to RM26.1 million in the corresponding quarter. This was primarily due to RM4.9 million higher interest income, backed by the expanded loan base of RM1.7 billion.



NOTES TO THE INTERIM FINANCIAL REPORT

13 REVIEW OF PERFORMANCE (CONT'D)

Investment holding, management services and others segment

This segment recorded a marginal pre-tax loss of RM0.02 million in the current quarter as compared to pre-tax profit of RM1.3 million in the corresponding quarter, which took into account of a RM1.3 million net write back of allowance for impairment loss on receivables in relation to a factoring business.

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

	INDIVIDUAL QUARTER			
	30.06.2018	31.03.2018	Variance	
	RM'000	RM'000	RM'000	%
Revenue	63,235	63,242	(7)	(0.0)
Profit before tax	31,110	30,073	1,037	3.4
Profit for the financial period	23,199	23,022	177	0.8
Profit attributable to ordinary equity holders of the Parent	23,199	23,022	177	0.8

The Group recorded a higher pre-tax profit of RM31.1 million in the current quarter from RM30.1 million in the preceding quarter arising from higher net interest income by RM0.6 million and lower operating expenses by RM0.5 million.



NOTES TO THE INTERIM FINANCIAL REPORT

15 CURRENT YEAR PROSPECTS

Following the upward revision in the Overnight Policy Rate to 3.25% in January 2018 and pending the abolition of the Goods and Services Tax and the implementation of the sales and service tax in September 2018, the Group remains vigilant and cautious of its potential growth in the current financial year.

Notwithstanding the above, in the absence of any unanticipated circumstances, the Group expects the financial year ending 31 March 2019 to be profitable in its pursuit to sustain the solid revenue stream from its quality loans portfolio.

16 PROFIT FORECAST

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

17 TAXATION

	INDIVIDUAL QUARTER 30.06.2018 RM'000	CUMULATIVE QUARTER 30.06.2018 RM'000
Taxation:		
Current period	7,577	7,577
Deferred taxation:		
Current period	334	334
	<hr/> <hr/> 7,911	<hr/> <hr/> 7,911

The effective tax rate of the Group in the current quarter and financial period is higher than the statutory tax rate due to non-deductibility of certain expenses for taxation purposes.



NOTES TO THE INTERIM FINANCIAL REPORT

18 STATUS OF CORPORATE PROPOSAL

There was no corporate proposal announced or pending completion as at the date of this report.

19 LOANS AND RECEIVABLES

	30.06.2018
	RM'000
Loans and receivables, gross	1,664,653
Less: Allowance for impairment	<u>(128,679)</u>
Loans and receivables, net	1,535,974
Amount receivable within one year	<u>(142,454)</u>
Non-current portion	<u><u>1,393,520</u></u>

The profile of loans and receivables of the Group is as follows:

	30.06.2018
	RM'000
Performing	1,234,300
1 to 150 days past due but performing	360,675
Non-performing	<u>69,678</u>
	<u><u>1,664,653</u></u>



NOTES TO THE INTERIM FINANCIAL REPORT

19 LOANS AND RECEIVABLES (CONT'D)

Loans and receivables that are performing

Loans and receivables that are performing are neither past due nor impaired, are newly disbursed and/or having months-in-arrear less than a month.

None of these have been renegotiated during the financial period.

Loans and receivables that are past due but performing

All loans and receivables that are past due but performing are loans that are under the salary deduction scheme and subject to administrative/technical delay due to logistic considerations.

Loans and receivables that are non-performing

The Group's loans and receivables that are non-performing are as follows:

	30.06.2018
	RM'000
Loans and receivables, non-performing	69,678
Less: Allowance for impairment	(69,678)
	<u><u>-</u></u>

There are no loans and receivables arising from transaction with related parties during the financial period.



NOTES TO THE INTERIM FINANCIAL REPORT

19 LOANS AND RECEIVABLES (CONT'D)

Movement in allowance for impairment:

	Stage 1	Stage 2	Stage 3	Collective	Individual	Total
	RM'000	RM'000	RM'000	assessment	assessment	RM'000
				RM'000	RM'000	
Balance as at 1 April 2018	-	-	-	52,003	66,679	118,682
Restated for adoption of MFRS 9	46,904	5,099	66,679	(52,003)	(66,679)	-
Effects of adopting MFRS 9	4,022	3,997	-	-	-	8,019
Restated as at 1 April 2018	50,926	9,096	66,679	-	-	126,701
Changes in the ECL:						
- Transfer to stage 1	386	(970)	(2,943)	-	-	(3,527)
- Transfer to stage 2	(186)	1,122	(1,123)	-	-	(187)
- Transfer to stage 3	(504)	(756)	13,006	-	-	11,746
Net adjustment of allowance for impairment	(304)	(604)	8,940	-	-	8,032
New financial assets originated or purchased	1,799	-	-	-	-	1,799
Financial assets derecognised	(112)	(36)	(361)	-	-	(509)
Changes in risk parameters	(1,242)	(522)	(1,119)	-	-	(2,883)
Written off	-	-	(4,461)	-	-	(4,461)
Balance as at 30 June 2018	51,067	7,934	69,678	-	-	128,679



NOTES TO THE INTERIM FINANCIAL REPORT

20 GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)

The weighted average interest rate of the Group borrowing categories as at 30 June 2018 ranges from 5.1% to 6.2% (30.06.2017: 4.5% to 6.0%) per annum.

The Group borrowings consist of:

	30.06.2018	30.06.2017
	RM'000	RM'000
Fixed rate	794,374	692,418
Floating rate	617,900	587,205
	<u>1,412,274</u>	<u>1,279,623</u>

As at 30 June 2018, the Group borrowings stood at RM1.4 billion, which included the entire five Sukuk issuances amounting to RM770.0 million, comprising 54.5% of its total facilities drawn.

The proceeds from the Sukuk issuances were mainly utilised for working capital purposes and repayment of short term borrowings.



NOTES TO THE INTERIM FINANCIAL REPORT

21 CAPITAL COMMITMENTS

30.06.2018
RM'000

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

Approved and contracted for

4,888

22 CHANGES IN CONTINGENT LIABILITIES AND ASSETS

There were no changes in contingent liabilities and assets since the last financial year ended 31 March 2018.

23 DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

(a) There were no derivatives as at 30 June 2018.

(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.



NOTES TO THE INTERIM FINANCIAL REPORT

25 EARNINGS PER SHARE ("EPS")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2018	30.06.2017	30.06.2018	30.06.2017
(a) Basic EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	23,199	20,928	23,199	20,928
Weighted average number of ordinary shares in issue	(unit'000)	340,452	338,532	340,452	338,532
Basic EPS	(sen)	<u>6.81</u>	<u>6.18</u>	<u>6.81</u>	<u>6.18</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 computation of the weighted average number of ordinary shares in issue is net of treasury shares.



NOTES TO THE INTERIM FINANCIAL REPORT

25 EPS (CONT'D)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2018	30.06.2017	30.06.2018	30.06.2017
(b) Diluted EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	23,199	20,928	23,199	20,928
Weighted average number of ordinary shares in issue	(unit'000)	340,452	338,532	340,452	338,532
Effects of dilution of ESS	(unit'000)	88	2,356	88	2,356
Adjusted weighted average number of ordinary shares in issue	(unit'000)	340,540	340,888	340,540	340,888
Diluted EPS	(sen)	6.81	6.14	6.81	6.14

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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26 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:

	30.06.2018	
	Carrying amount RM'000	Fair value RM'000
Financial assets		
Loans and receivables	<u>1,535,974</u>	<u>1,560,506</u>
Financial liabilities		
Borrowings - Sukuk	<u>774,458</u>	<u>809,858</u>

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
23 August 2018