



**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL
PERIOD ENDED 30 JUNE 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
1. Revenue	48,510	60,757	48,510	60,757
2. Profit before tax	17,789	39,810	17,789	39,810
3. Profit for the financial period	13,338	33,226	13,338	33,226
4. Profit attributable to owners of the Company	13,338	33,226	13,338	33,226
5. Basic/diluted earnings per share (sen)	1.70	4.25	1.70	4.25
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 owners of the Company (RM)		0.69		0.68
	INDIVIDUAL QUARTER	CUMULATIVE QUARTER		
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
8. Gross interest income	2,861	3,734	2,861	3,734
9. Gross interest expense	9	9	9	9

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED	3 MONTHS ENDED	3 MONTHS ENDED	3 MONTHS ENDED
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	48,510	60,757	48,510	60,757
Other income	3,811	8,437	3,811	8,437
Interest expense applicable to revenue	(14,237)	(18,221)	(14,237)	(18,221)
Staff costs and directors' remuneration	(3,087)	(3,150)	(3,087)	(3,150)
Depreciation of plant and equipment and investment properties	(379)	(309)	(379)	(309)
Other expenses	(16,820)	(7,695)	(16,820)	(7,695)
Finance costs	(9)	(9)	(9)	(9)
Profit before tax	17,789	39,810	17,789	39,810
Taxation	(4,451)	(6,584)	(4,451)	(6,584)
Profit for the financial period	13,338	33,226	13,338	33,226
Other comprehensive loss:				
Financial assets available-for-sale ("AFS"):				
- Unrealised net gain on revaluation	-	201	-	201
- Reclassification to profit and loss upon disposal	-	(3,950)	-	(3,950)
Other comprehensive loss for the financial period, net of tax	-	(3,749)	-	(3,749)
Total comprehensive income for the financial period	13,338	29,477	13,338	29,477
Attributable to:				
Owners of the Company	13,338	33,226	13,338	33,226
Earnings per share attributable to owners of the Company:				
Basic/Diluted (sen)	1.70	4.25	1.70	4.25

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 2012 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED STATEMENT OF FINANCIAL POSITION**

	AS AT 30.06.2012 RM'000	AS AT 31.03.2012 RM'000	AS AT 01.04.2011 RM'000
ASSETS			
Non-Current Assets			
Plant and equipment	3,730	3,139	2,679
Investment properties	2,649	2,664	2,700
Goodwill on consolidation	28,677	28,677	28,677
Loans and receivables	896,943	879,586	973,164
AFS financial assets	-	-	39,166
Deferred tax assets	20,377	20,792	33,783
Total Non-Current Assets	952,376	934,858	1,080,169
Current Assets			
Loans and receivables	98,983	103,490	112,591
Trade receivables	32,599	34,420	37,414
Other receivables, deposits and prepaid expenses	40,764	32,633	28,549
Deposits with licensed financial institutions	355,065	386,709	512,150
Cash and bank balances	1,376	7,047	2,388
Total Current Assets	528,787	564,299	693,092
TOTAL ASSETS	1,481,163	1,499,157	1,773,261
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	78,240	78,240	78,240
Reserves	464,320	450,982	370,142
Total Equity	542,560	529,222	448,382
Non-Current Liabilities			
Hire-purchase payables	459	512	580
Borrowings	401,451	449,515	737,379
Deferred tax liabilities	34,480	41,420	52,418
Total Non-Current Liabilities	436,390	491,447	790,377
Current Liabilities			
Payables and accrued expenses	61,090	60,598	89,291
Hire-purchase payables	209	206	172
Borrowings	433,790	414,431	444,715
Tax liabilities	7,124	3,253	324
Total Current Liabilities	502,213	478,488	534,502
Total Liabilities	938,603	969,935	1,324,879
TOTAL EQUITY AND LIABILITIES	1,481,163	1,499,157	1,773,261
NET ASSETS PER SHARE (RM)	0.69	0.68	0.57

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 2012 and the accompanying explanatory notes attached to the interim financial report.



RCE Capital Berhad (Company No. 2444-M)
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CONDENSED STATEMENT OF CHANGES IN EQUITY

	← Reserves →					Total Reserves RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Share Options RM'000	AFS RM'000	Distributable Retained Earnings RM'000		
As at 1 April 2011	78,240	58,584	5,976	8,779	296,803	370,142	448,382
Total comprehensive (loss)/income	-	-	-	(3,749)	33,226	29,477	29,477
As at 30 June 2011	78,240	58,584	5,976	5,030	330,029	399,619	477,859
As at 1 April 2012	78,240	58,584	5,634	-	386,764	450,982	529,222
Total comprehensive income	-	-	-	-	13,338	13,338	13,338
Transaction with owners							
Cancellation of share options	-	-	(19)	-	19	-	-
Total transaction with owners	-	-	(19)	-	19	-	-
As at 30 June 2012	78,240	58,584	5,615	-	400,121	464,320	542,560

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 2012 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER 30.06.2012 RM'000	CUMULATIVE QUARTER 30.06.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	17,789	39,810
Adjustments for:		
Allowance for impairment loss on receivables, net	8,928	372
Loss on early redemption of:		
- Asset-Backed Securities ("ABS")	3,270	1,443
- Fixed Rate Medium Term Notes ("MTNs")	-	14
Depreciation of plant and equipment and investment properties	379	309
Amortisation of discount on MTNs	220	240
Finance costs	9	9
Interest income	(2,861)	(3,734)
Gain on disposal of AFS financial assets	-	(3,830)
Dividend income	-	(1,668)
Operating profit before working capital changes	<u>27,734</u>	<u>32,965</u>
(Increase)/Decrease in working capital:		
Loans and receivables	(21,783)	102,037
Trade receivables	1,826	(2,943)
Other receivables, deposits and prepaid expenses	(8,233)	(33,951)
Decrease in working capital:		
Payables and accrued expenses	(160)	(7,526)
Cash (used in)/generated from operations	<u>(616)</u>	<u>90,582</u>
Taxes paid	(7,168)	(8,688)
Taxes refunded	84	283
Net cash (used in)/generated from operating activities	<u>(7,700)</u>	<u>82,177</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of AFS financial assets	-	18,050
Interest income	2,861	3,734
Dividend received	-	1,668
Additions to plant and equipment	(955)	(392)
Net cash generated from investing activities	<u>1,906</u>	<u>23,060</u>



CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	CUMULATIVE QUARTER 30.06.2012 RM'000	CUMULATIVE QUARTER 30.06.2011 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	56,000	-
Drawdown of other borrowings	15,726	39,042
Drawdown of revolving credits	15,468	1,734
Redemption of ABS	(73,270)	(92,443)
Repayment of revolving credits	(21,541)	(40,500)
Repayment of other borrowings	(15,705)	(42,133)
Redemption of MTNs	(5,000)	(1,514)
Repayment of term loans	(3,140)	(3,077)
Repayment of hire-purchase payables	(50)	(41)
Finance costs paid	(9)	(9)
Dividends paid	-	(28)
Net cash used in financing activities	(31,521)	(138,969)
Net change in cash and cash equivalents	(37,315)	(33,732)
Cash and cash equivalents at beginning of financial period	393,756	514,538
Cash and cash equivalents at end of financial period	356,441	480,806
CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:		
Deposits with licensed financial institutions	355,065	478,402
Cash and bank balances	1,376	2,404
	356,441	480,806

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 2012 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 ("BMSB"). The interim financial report also complies with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"). For the periods up to and including the financial year ended 31 March 2012, the Group prepared its audited financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2012.

This interim financial report is the Group's first MFRS compliant interim financial report and hence MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The date of transition to the MFRS framework is 1 April 2011. The adoption of the MFRS framework does not result in any significant financial impact on the interim financial report of the Group.

2 AUDITORS' REPORT ON PRECEDING ANNUAL AUDITED FINANCIAL STATEMENTS

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

3 SEASONAL OR CYCLICAL FACTORS

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

NOTES TO THE INTERIM FINANCIAL REPORT

4 UNUSUAL ITEMS

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

5 CHANGES IN ESTIMATES

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

6 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 ABS by Tresor Assets Berhad, a subsidiary of the Company, as follows:

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Early redemption of ABS	(45,000)	(45,000)
Redemption of ABS upon maturity	(25,000)	(25,000)

(b) Redemption of the MTNs by RCE Advance Sdn Bhd, a subsidiary of the Company, as follows:

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Redemption of MTNs upon maturity	(5,000)	(5,000)



NOTES TO THE INTERIM FINANCIAL REPORT

7 DIVIDEND

A final single-tier dividend of 15.0% (1.50 sen) on 782,395,174 ordinary shares, in respect of the financial year ended 31 March 2012 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 2013.

No dividend has been recommended by the directors or paid for the financial period ended 30 June 2012.

8 SEGMENTAL INFORMATION

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

	Loan Financing RM'000	Investment Holding & Mgmt Services RM'000	Factoring & Confirming RM'000	Eliminations RM'000	Group RM'000
Revenue					
External sales	46,797	286	1,427	-	48,510
Intersegment sales	-	26,245	-	(26,245)	-
Total revenue	46,797	26,531	1,427	(26,245)	48,510
Results					
Interest income including investment income	49,655	85	972	-	50,712
Interest expense applicable to revenue	13,883	73	281	-	14,237
Segment results	17,881	(467)	384	-	17,798
Finance costs					(9)
Profit before tax					17,789
Taxation					(4,451)
Profit for the financial period					13,338



NOTES TO THE INTERIM FINANCIAL REPORT

9 PROFIT BEFORE TAX

	INDIVIDUAL QUARTER 30.06.2012 RM'000	CUMULATIVE QUARTER 30.06.2012 RM'000
Interest income including investment income	50,712	50,712
Allowance for impairment loss on receivables, net	8,928	8,928
Gain on foreign exchange, net:		
- Realised	3	3
- Unrealised	-	-

There were no exceptional items, inventories written down and written off, allowance for impairment loss on investment properties and gain or loss on disposal of quoted or unquoted investments or properties for the current quarter and financial period ended 30 June 2012.

10 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.

11 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

12 REVIEW OF PERFORMANCE

The Group's revenue of RM48.5m for the first quarter ended 30 June 2012 was RM12.2m or 20.2% lower as compared to corresponding quarter of RM60.8m. The decline was largely attributable to lower early settlements resulting in a drop in total interest income by RM10.5m.

Following the above, pre-tax profit for the current quarter under review was RM17.8m, lower than the corresponding quarter's pre-tax profit of RM39.8m. Meanwhile, allowance for impairment on receivables also increased by RM8.6m.

The performance of the respective operating business segments for the first quarter ended 30 June 2012 as compared to the corresponding quarter is analysed as follows:

Loan financing segment

Segment pre-tax profit dropped by RM17.6m from RM35.5m in the corresponding quarter to RM17.9m for the current quarter under review. The lower profit was mainly attributable to lower interest income and higher allowances for impairment on loans and receivables.

Investment holding and management services segment

Following the entire disposal of investment in AmFirst REITs in November 2011, pre-tax profit for the segment also decreased by RM4.6m or 111.2%. A gain of RM3.8m in relation to the disposal of 15.8m units of AmFirst REITs was recorded in the corresponding quarter.

Factoring and confirming segment

Pre-tax profit for the factoring and confirming segment increased by RM0.2m to RM0.4m mainly due to lower other operating expenses by RM0.7m.



NOTES TO THE INTERIM FINANCIAL REPORT

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

The Group recorded a pre-tax profit of RM17.8m for the first quarter ended 30 June 2012, RM5.1m or 22.4% lower as compared to a pre-tax profit of RM22.9m in the preceding quarter. This was mainly attributable to higher other operating expenses by RM4.6m of which RM3.3m was incurred on the loss on early redemption of ABS bonds that will lead to savings of future coupon payments.

14 CURRENT YEAR PROSPECTS

The Group continues to be vigilant in rebuilding its personal financing portfolio despite the increasingly challenging operating environment and regulatory controls.

Notwithstanding the above, the Group is seeking new business opportunities and the collaborations with our existing business partners are expected to favourably impact the Group.

Meanwhile, the venture into ar-rahnu business with a business partner is in its infancy stage. The Group will continue to work closely with its business partner in making the ar-rahnu business an additional source of revenue that will deliver meaningful returns to the Group.

Barring any unforeseen circumstances, the Group is cautiously optimistic that it can overcome the challenges and sustain its performance for the financial year ending 31 March 2013.

15 PROFIT FORECAST

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



NOTES TO THE INTERIM FINANCIAL REPORT

16 TAXATION

	INDIVIDUAL QUARTER 30.06.2012 RM'000	CUMULATIVE QUARTER 30.06.2012 RM'000
Taxation:		
Current period	10,939	10,939
Underprovision in prior year	37	37
	<hr/> 10,976 <hr/>	<hr/> 10,976 <hr/>
Deferred taxation:		
Current period	(6,517)	(6,517)
Overprovision in prior year	(8)	(8)
	<hr/> (6,525) <hr/>	<hr/> (6,525) <hr/>
	<hr/> 4,451 <hr/> <hr/>	<hr/> 4,451 <hr/> <hr/>

The effective tax rate of the Group in the current quarter and financial period ended 30 June 2012 approximates the statutory tax rate.

17 STATUS OF CORPORATE PROPOSALS ANNOUNCED

On 14 February 2012, Hong Leong Investment Bank Berhad on behalf of the Board of Directors of the Company, announced that the Company proposed to undertake the following:

- (i) proposed bonus issue of up to 399,332,037 new ordinary shares of RM0.10 each in the Company ("Bonus Shares") to be credited as fully paid-up on the basis of 1 Bonus Share for every 2 existing ordinary shares of RM0.10 each held in the Company ("Shares") ("Proposed Bonus Issue");
- (ii) proposed renounceable rights issue of up to 479,198,444 new redeemable convertible non-cumulative preference shares of RM0.10 each in the Company ("RCPS") on the basis of 2 RCPS for every 5 Shares held after the Proposed Bonus Issue ("Proposed Rights Issue");

NOTES TO THE INTERIM FINANCIAL REPORT

17 STATUS OF CORPORATE PROPOSALS ANNOUNCED (CONT'D)

- (iii) proposed exemption to Cempaka Empayar Sdn Bhd ("Cempaka") and persons acting in concert with Cempaka from the obligation to undertake a take-over offer for all the remaining Shares and convertible securities in the Company not already owned by them under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 ("Proposed Exemption");
- (iv) proposed increase in the authorised share capital of the Company from RM200,000,000 comprising 2,000,000,000 Shares to RM400,000,000 comprising 3,000,000,000 Shares and 1,000,000,000 RCPS ("Proposed Increase in Authorised Share Capital");
- (v) proposed amendments to the Memorandum and Articles of Association of the Company in respect of the issuance of RCPS pursuant to the Proposed Rights Issue and Proposed Increase in Authorised Share Capital ("Proposed Amendments I"); and
- (vi) proposed amendments to the Articles of Association of the Company to reflect the amendments made to the Main Market Listing Requirements of BMSB ("Proposed Amendments II").

The Proposed Bonus Issue, Proposed Rights Issue, Proposed Exemption, Proposed Increase in Authorised Share Capital and Proposed Amendments I are collectively referred to as the "Proposals".

The approval of Bank Negara Malaysia ("BNM") for the issuance of RCPS to non-resident shareholders of the Company pursuant to the Proposed Rights Issue was obtained vide its letter dated 24 May 2012, whilst the listing application was approved by BMSB on 5 June 2012.

The Proposals and Proposed Amendments II are subject to approval of the shareholders of the Company at an extraordinary general meeting to be convened.

Barring any unforeseen circumstances, the Proposals and Proposed Amendments II are expected to be completed by the third quarter of the financial year ending 31 March 2013.

Other than the above, there were no other corporate proposals announced but not completed as at the date of this report.



NOTES TO THE INTERIM FINANCIAL REPORT

18 GROUP BORROWINGS AND DEBT SECURITIES

Total borrowings and debt securities (all denominated in Ringgit Malaysia) of the Group as at 30 June 2012 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
- Asset-backed securities	59,865	185,000	244,865
- Term loans	164,721	79,775	244,496
- Fixed rate medium term notes	43,401	132,976	176,377
- Revolving credits	128,669	-	128,669
- Bank overdrafts	2,204	-	2,204
	<u>398,860</u>	<u>397,751</u>	<u>796,611</u>
Unsecured:			
- Revolving credits	20,595	3,700	24,295
- Bankers' acceptances	14,335	-	14,335
	<u>34,930</u>	<u>3,700</u>	<u>38,630</u>
	<u>433,790</u>	<u>401,451</u>	<u>835,241</u>

19 CAPITAL COMMITMENTS

30.06.2012
RM'000

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

Approved and contracted for	669
Approved but not contracted for	<u>3,577</u>
	<u>4,246</u>



NOTES TO THE INTERIM FINANCIAL REPORT

19 CAPITAL COMMITMENTS (CONT'D)

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

20 CHANGES IN CONTINGENT LIABILITIES AND ASSETS

The Group's total letters of credit have increased from RM3.4 million as at 31 March 2012 to RM4.3 million as at 30 June 2012.

Other than as disclosed above, there were no other changes in contingent liabilities and assets since the last financial year ended 31 March 2012.

21 DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

(a) There were no derivatives as at 30 June 2012.

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

22 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

23 EARNINGS PER SHARE ("EPS")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2012	30.06.2011	30.06.2012	30.06.2011
Basic:					
Profit for the period attributable to owners of the Company	(RM'000)	13,338	33,226	13,338	33,226
Weighted average number of ordinary shares in issue	(unit'000)	782,395	782,395	782,395	782,395
Basic EPS	(sen)	1.70	4.25	1.70	4.25

Basic EPS for the quarter is calculated by dividing the net profit attributable to owners of the Company 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 corresponding quarter as there are no dilutive potential ordinary shares.



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24 DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained earnings of the Group as at 30 June 2012, into realised and unrealised profits, pursuant to BMSB's directive dated 20 December 2010, is as follows:

	INDIVIDUAL QUARTER	
	30.06.2012	31.03.2012
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	414,224	407,392
- Unrealised	(14,103)	(20,628)
	<u>400,121</u>	<u>386,764</u>

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
13 August 2012