



**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD
ENDED 30 JUNE 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
1. Revenue	30,411	38,374	30,411	38,374
2. Profit/(Loss) before tax	8,676	(34,717)	8,676	(34,717)
3. Profit/(Loss) for the financial period	6,876	(27,781)	6,876	(27,781)
4. Profit/(Loss) attributable to ordinary equity holders of the Company	6,876	(27,781)	6,876	(27,781)
5. Basic earnings/(loss) per ordinary share (sen)	0.60	(2.37)	0.60	(2.37)
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 Company (RM)		0.56		0.55
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
8. Gross interest income	1,793	2,909	1,793	2,909
9. Gross interest expense	7	11	7	11



CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED		3 MONTHS ENDED	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	30,411	38,374	30,411	38,374
Other income	3,770	4,493	3,770	4,493
Interest expense applicable to revenue	(8,188)	(10,097)	(8,188)	(10,097)
Staff costs and directors' remuneration	(4,092)	(4,085)	(4,092)	(4,085)
Depreciation of plant and equipment and investment properties	(692)	(478)	(692)	(478)
Other expenses	(12,526)	(62,913)	(12,526)	(62,913)
Finance costs	(7)	(11)	(7)	(11)
Profit/(Loss) before tax	8,676	(34,717)	8,676	(34,717)
Taxation	(1,800)	6,936	(1,800)	6,936
Total comprehensive income/(loss) for the financial period	6,876	(27,781)	6,876	(27,781)
Attributable to:				
Owners of the Company	6,876	(27,781)	6,876	(27,781)
Earnings/(Loss) per ordinary share:				
Basic (sen)	0.60	(2.37)	0.60	(2.37)
Diluted (sen)	0.43	(2.37)	0.43	(2.37)

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 2014 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT 30.06.2014 RM'000	AS AT 31.03.2014 RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	10,402	10,516
Investment properties	2,528	2,543
Goodwill on consolidation	28,677	28,677
Loans and receivables	804,108	786,156
Trade receivables	1,167	1,565
Deferred tax assets	20,292	21,898
Total Non-Current Assets	867,174	851,355
Current Assets		
Loans and receivables	146,232	138,830
Trade receivables	22,409	19,576
Other receivables, deposits and prepaid expenses	19,724	16,355
Deposits with licensed financial institutions	209,554	288,310
Cash and bank balances	2,721	2,771
Total Current Assets	400,640	465,842
TOTAL ASSETS	1,267,814	1,317,197
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital		
- Ordinary shares	117,359	117,359
- Redeemable convertible non-cumulative preference shares ("RCPS")	46,944	46,944
Treasury shares	(10,705)	(4,580)
Reserves	532,403	525,527
Total Equity	686,001	685,250
Non-Current Liabilities		
Hire-purchase payables	344	404
Borrowings	327,365	360,627
Deferred tax liabilities	24,175	30,577
Total Non-Current Liabilities	351,884	391,608
Current Liabilities		
Payables and accrued expenses	17,177	14,065
Hire-purchase payables	236	233
Borrowings	203,566	221,707
Tax liabilities	8,950	4,334
Total Current Liabilities	229,929	240,339
Total Liabilities	581,813	631,947
TOTAL EQUITY AND LIABILITIES	1,267,814	1,317,197
NET ASSETS PER SHARE (RM)	0.56	0.55

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 2014 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital		Total Share Capital RM'000	Treasury Shares RM'000	Reserves			Total Reserves RM'000	Total RM'000
	Ordinary Shares RM'000	RCPS RM'000			Share Premium RM'000	Share Options RM'000	Retained Earnings RM'000		
As at 1 April 2013	117,359	46,944	164,303	(2)	149,570	5,221	385,160	539,951	704,252
Total comprehensive loss	-	-	-	-	-	-	(27,781)	(27,781)	(27,781)
Transactions with owners									
Cancellation of share options	-	-	-	-	-	(46)	46	-	-
Share repurchased	-	-	-	(95)	-	-	-	-	(95)
Total transactions with owners	-	-	-	(95)	-	(46)	46	-	(95)
As at 30 June 2013	117,359	46,944	164,303	(97)	149,570	5,175	357,425	512,170	676,376
As at 1 April 2014	117,359	46,944	164,303	(4,580)	149,570	4,784	371,173	525,527	685,250
Total comprehensive income	-	-	-	-	-	-	6,876	6,876	6,876
Transactions with owners									
Cancellation of share options	-	-	-	-	-	(62)	62	-	-
Share repurchased	-	-	-	(6,125)	-	-	-	-	(6,125)
Total transactions with owners	-	-	-	(6,125)	-	(62)	62	-	(6,125)
As at 30 June 2014	117,359	46,944	164,303	(10,705)	149,570	4,722	378,111	532,403	686,001

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 2014 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER 30.06.2014 RM'000	CUMULATIVE QUARTER 30.06.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	8,676	(34,717)
Adjustments for:		
Allowance for impairment loss on receivables, net	5,962	60,810
Loss on early redemption of Asset-Backed Securities ("ABS")	2,596	-
Depreciation of plant and equipment and investment properties	692	478
Amortisation of discount on Fixed Rate Medium Term Notes ("MTNs")	128	169
Finance costs	7	11
Interest income	(1,793)	(2,909)
Gain on disposal of plant and equipment	-	(32)
Operating profit before working capital changes	16,268	23,810
(Increase)/Decrease in working capital:		
Loans and receivables	(31,391)	22,270
Trade receivables	(2,360)	(1,778)
Other receivables, deposits and prepaid expenses	(2,621)	(2,059)
Increase in working capital:		
Payables and accrued expenses	3,117	2,957
Cash (used in)/generated from operations	(16,987)	45,200
Taxes paid	(2,726)	(6,608)
Taxes refunded	-	1
Net cash (used in)/generated from operating activities	(19,713)	38,593
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	1,793	2,909
Proceeds from disposal of plant and equipment	-	67
Additions to plant and equipment	(563)	(386)
Net cash generated from investing activities	1,230	2,590



CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	CUMULATIVE QUARTER 30.06.2014 RM'000	CUMULATIVE QUARTER 30.06.2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Withdrawal of deposits and cash and bank balances, net:		
- assigned in favour of the trustees	67,031	(2,929)
- pledged to licensed financial institutions	817	1,027
Drawdown of revolving credits	47,924	27,100
Drawdown of other borrowings	7,744	12,112
Repayment of revolving credits	(44,200)	(78,380)
Redemption of ABS	(42,596)	(10,000)
Repayment of other borrowings	(10,026)	(14,346)
Redemption of MTNs	(10,000)	(5,000)
Share repurchased	(6,125)	(95)
Repayment of term loans	(2,980)	(5,374)
Repayment of hire-purchase payables	(57)	(118)
Finance costs paid	(7)	(11)
Net cash generated from/(used in) financing activities	<u>7,525</u>	<u>(76,014)</u>
Net change in cash and cash equivalents	(10,958)	(34,831)
Cash and cash equivalents at beginning of financial period	17,749	124,773
Cash and cash equivalents at end of financial period	<u>6,791</u>	<u>89,942</u>

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

Deposits with licensed financial institutions	209,554	381,345
Cash and bank balances	2,721	5,028
	<u>212,275</u>	<u>386,373</u>
Less: Deposits and cash and bank balances		
- assigned in favour of the trustees	(197,229)	(278,557)
- pledged to licensed financial institutions	(8,255)	(17,874)
	<u>6,791</u>	<u>89,942</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 2014 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"). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2014.

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 2014, except for the adoption of the following amendments to published standards, standards and interpretation to existing standards which are effective for the financial period commencing 1 April 2014:

Amendments to:

MFRS 10	:	Consolidated Financial Statements - Investment Entities
MFRS 12	:	Disclosure of Interests in Other Entities - Investment Entities
MFRS 127	:	Separate Financial Statements (2011) - Investment Entities
MFRS 132	:	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
MFRS 136	:	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	:	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting

IC interpretation 21 : Levies

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



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.

7 DEBT AND EQUITY SECURITIES

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

(a) Redemption of the ABS by Tresor Assets Berhad, a subsidiary of the Company, as follows:

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Early redemption of ABS	(30,000)	(30,000)
Redemption of ABS upon maturity	(10,000)	(10,000)



NOTES TO THE INTERIM FINANCIAL REPORT

7 DEBT AND EQUITY SECURITIES (CONT'D)

- (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	<u>(10,000)</u>	<u>(10,000)</u>

- (c) During the financial period, the Company repurchased 19,204,600 of its issued ordinary shares of RM0.10 each from the open market. The total consideration paid including transaction costs of RM6,124,275 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 at a later date. None of the treasury shares repurchased have been sold or cancelled during the financial period.

- (d) Employees' Share Option Scheme ("ESOS")

Subsequent to the financial period, the Company granted 18,639,000 options to its eligible employees of the Group under the ESOS at a subscription price of RM0.32 per share in accordance to the Bylaws of the ESOS. Each option entitles the option holder to subscribe for 1.5 new ordinary shares of the Company.

8 DIVIDENDS

A final single-tier dividend of 15.0% (1.50 sen) on 1,157,190,595 ordinary shares amounting to RM17,357,859, in respect of the financial year ended 31 March 2014 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 2015.

No dividend has been recommended by the directors or paid for the financial period ended 30 June 2014.



NOTES TO THE INTERIM FINANCIAL REPORT

9 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 & Industrial Hire Purchase RM'000	Group RM'000
Segment Revenue				
Total revenue	29,241	25,111	808	55,160
Inter-segment revenue	-	(24,749)	-	(24,749)
External revenue	29,241	362	808	30,411
Segment Results				
Segment results	10,423	(1,528)	(212)	8,683
Finance costs	(6)	-	(1)	(7)
Profit/Loss before tax	10,417	(1,528)	(213)	8,676
Taxation	(1,875)	79	(4)	(1,800)
Profit/(Loss) for the financial period	8,542	(1,449)	(217)	6,876
Interest income including investment income	31,023	60	533	31,616
Interest expense applicable to revenue	(8,009)	(74)	(105)	(8,188)



NOTES TO THE INTERIM FINANCIAL REPORT

10 PROFIT/(LOSS) BEFORE TAX

	INDIVIDUAL QUARTER 30.06.2014 RM'000	CUMULATIVE QUARTER 30.06.2014 RM'000
Interest income including investment income	31,616	31,616
Allowance for impairment loss on receivables, net	5,962	5,962
Amortisation of discount on MTNs	128	128
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.

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

The Group posted revenue of RM30.4 million for the first quarter ended 30 June 2014 as compared to the corresponding quarter of RM38.4 million. The decline was due to lower interest income by RM7.5 million from the loan financing segment primarily arising from lower early settlements.

Notwithstanding that, the Group recorded a RM43.4 million improvement from a pre-tax loss of RM34.7 million in the corresponding quarter to a pre-tax profit of RM8.7 million in the current quarter. This is mainly attributed to lower operating expenses by RM50.4 million primarily arising from lower loan impairment as a result of close monitoring of our loans portfolio offset with lower interest income by RM7.7 million.

Accordingly, the Group recorded a higher post-tax profit of RM6.9 million as compared to a loss of RM27.8 million in the corresponding quarter.

The performance of the respective operating business segments for the first quarter ended 30 June 2014 as compared to the corresponding quarter is as follows:

Loan financing segment

Pre-tax profit for the segment was RM10.4 million as opposed to a pre-tax loss of RM34.0 million in the corresponding quarter. This was mainly attributable to lower loan impairment by RM54.6 million offset by RM7.5 million lower interest income and RM2.6 million loss incurred on early redemption of ABS bonds.

Investment holding and management services segment

Pre-tax loss for this segment increased from RM0.7 million in the corresponding quarter to RM1.5 million in the current quarter mainly due to higher operating expenses by RM0.8 million.



NOTES TO THE INTERIM FINANCIAL REPORT

13 REVIEW OF PERFORMANCE (CONT'D)

Factoring, confirming and industrial hire purchase segment

This segment recorded a pre-tax loss of RM0.2 million as compared to a pre-tax profit of RM0.02 million in the corresponding quarter. This was mainly due to lower revenue by RM0.4 million primarily arising from lower fee income offset by lower loan impairment by RM0.3 million in the current quarter.

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

The Group recorded a pre-tax profit of RM8.7 million for the current quarter ended 30 June 2014 as compared to the preceding quarter of RM18.6 million. This was mainly due to higher loan impairment by RM6.8 million and loss on early redemption of ABS bonds by RM2.6 million that will lead to savings of future coupon payments.

15 CURRENT YEAR PROSPECTS

The Group continues to focus on serving the niche market for its personal financing segment, including adherence to the guidelines and prudential standards governing the industry. Notwithstanding that, the Group expects to grow at a moderate pace under the current stricter lending environment.

Apart from the above, the Group is also closely monitoring the conduct of its receivables as well as actively refining its credit criteria driven by system enhancement initiatives undertaken recently. These measures will provide the Group with the scale and leverage to maintain a quality loan portfolio.

As for the factoring, confirming and industrial hire-purchase segment, the Group remains conservative in anticipation of slower growth and margin erosion arising from the recent hike in interest rate.

Barring any unforeseen circumstances, the Group expects the financial performance for the financial year ending 31 March 2015 to be better than last financial year.



NOTES TO THE INTERIM FINANCIAL REPORT

16 PROFIT FORECAST

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

17 TAXATION

	INDIVIDUAL QUARTER 30.06.2014 RM'000	CUMULATIVE QUARTER 30.06.2014 RM'000
Taxation:		
Current period	(6,596)	(6,596)
Deferred taxation:		
Current period	4,796	4,796
	<u>(1,800)</u>	<u>(1,800)</u>

The effective tax rate of the Group in the current quarter and financial period is lower than the statutory tax rate as a result of utilisation of tax losses.

18 STATUS OF CORPORATE PROPOSALS ANNOUNCED

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



NOTES TO THE INTERIM FINANCIAL REPORT

19 GROUP BORROWINGS AND DEBT SECURITIES

Total borrowings and debt securities (all denominated in Ringgit Malaysia) of the Group as at 30 June 2014 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
- Term loans	13,361	198,023	211,384
- Asset-backed securities	32,672	65,000	97,672
- Revolving credits	111,560	-	111,560
- Fixed rate medium term notes	31,453	64,342	95,795
- Bank overdrafts	5,199	-	5,199
	<u>194,245</u>	<u>327,365</u>	<u>521,610</u>
Unsecured:			
- Bankers' acceptances	6,697	-	6,697
- Revolving credits	2,430	-	2,430
- Trust receipts	190	-	190
- Bank overdrafts	4	-	4
	<u>9,321</u>	<u>-</u>	<u>9,321</u>
	<u>203,566</u>	<u>327,365</u>	<u>530,931</u>



NOTES TO THE INTERIM FINANCIAL REPORT

20 CAPITAL COMMITMENTS

30.06.2014
RM'000

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

Approved and contracted for

1,625

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

21 CHANGES IN CONTINGENT LIABILITIES AND ASSETS

There were no contingent liabilities and assets since the last financial year ended 31 March 2014.

22 DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

(a) There were no derivatives as at 30 June 2014.

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

23 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

24 EARNINGS/(LOSS) PER SHARE ("EPS/(LPS)")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2014	30.06.2013	30.06.2014	30.06.2013
(a) Basic EPS/(LPS):					
Profit/(Loss) for the period attributable to owners of the Company	(RM'000)	6,876	(27,781)	6,876	(27,781)
Weighted average number of ordinary shares in issue	(unit'000)	1,145,057	1,173,552	1,145,057	1,173,552
Basic EPS/(LPS)	(sen)	<u>0.60</u>	<u>(2.37)</u>	<u>0.60</u>	<u>(2.37)</u>

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

The computation of the weighted average number of ordinary shares in issue is net of treasury shares.



NOTES TO THE INTERIM FINANCIAL REPORT

24 EPS/(LPS) (CONT'D)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2014	30.06.2013	30.06.2014	30.06.2013
(b) Diluted EPS/(LPS):					
Profit/(Loss) for the period attributable to ordinary equity holders of the Company	(RM'000)	6,876	(27,781)	6,876	(27,781)
Weighted average number of ordinary shares in issue	(unit'000)	1,145,057	1,173,552	1,145,057	1,173,552
Effects of dilution of RCPS	(unit'000)	469,437	-	469,437	-
Adjusted weighted average number of ordinary shares in issue	(unit'000)	1,614,494	1,173,552	1,614,494	1,173,552
Diluted EPS/(LPS)	(sen)	0.43	(2.37)	0.43	(2.37)

Diluted EPS/(LPS) for the current quarter and financial period are calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares adjusted for dilutive effects of RCPS.

The Employees' Share Option Scheme ("ESOS") options are anti-dilutive for the current quarter and financial period as the options exercise price exceeds the average market price of the Company ordinary shares during the period. Accordingly, the options are assumed not to be exercised in the calculation of diluted EPS/(LPS).



NOTES TO THE INTERIM FINANCIAL REPORT

25 DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained earnings of the Group as at 30 June 2014, into realised and unrealised profits, pursuant to BMSB's directive dated 20 December 2010, is as follows:

	INDIVIDUAL QUARTER	
	30.06.2014	31.03.2014
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	381,994	379,852
- Unrealised	(3,883)	(8,679)
	<u>378,111</u>	<u>371,173</u>

26 DISCLOSURE PURSUANT TO MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2010 ("CODE")

As announced on 2 October 2012, the Securities Commission Malaysia has, vide its letter dated 1 October 2012, approved the exemption for Cempaka Empayar Sdn Bhd ("Cempaka") and persons acting in concert with Cempaka ("PACs") 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(c) of Practice Note 9 of the Code ("Exemption").

The following are the relevant disclosures made in compliance with Paragraph 16.13(b) of Practice Note 9 of the Code:

- (i) The validity period for the Exemption is from 1 October 2012 up to 27 November 2019;



NOTES TO THE INTERIM FINANCIAL REPORT

26 DISCLOSURE PURSUANT TO MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2010 ("CODE") (CONT'D)

(ii) The number and percentage of voting shares or voting rights and the conversion or subscription rights or options in the Company held by Cempaka and PACs as at 30 June 2014 are as follows:

	Number of Ordinary Shares		Number of RCPS		Number of ESOS		Number of ESOS Option Shares	
	(Direct)	% ⁽¹⁾	(Direct)	% ⁽²⁾	Options	% ⁽³⁾	Shares	% ⁽⁴⁾
Cempaka	509,140,753	44.74	451,024,881	96.08	-	-	-	-
Ancorp Group								
Berhad	-	-	-	-	-	-	-	-
Clear Goal								
Sdn Bhd	-	-	-	-	-	-	-	-
Tan Sri Azman								
Hashim	-	-	-	-	2,000,000	15.56	3,000,000	15.56
Soo Kim Wai	-	-	-	-	1,500,000	11.67	2,250,000	11.67
Shalina								
Azman	-	-	-	-	1,200,000	9.34	1,800,000	9.34
Shahman								
Azman	-	-	-	-	900,000	7.00	1,350,000	7.00
Total	509,140,753	44.74	451,024,881	96.08	5,600,000	43.57	8,400,000	43.57

Notes:

- (1) Based on the issued and paid-up share capital of the Company of 1,137,985,995 ordinary shares (excluding a total of 35,606,500 treasury shares) as at 30 June 2014.
- (2) Based on the total of 469,436,998 RCPS outstanding as at 30 June 2014.
- (3) Based on the total of 12,852,700 ESOS options outstanding as at 30 June 2014.
- (4) Based on 1.5 times subscription rights per ESOS option, resulting in a total of 19,279,050 ESOS option shares as at 30 June 2014.



NOTES TO THE INTERIM FINANCIAL REPORT

26 DISCLOSURE PURSUANT TO MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2010 ("CODE") (CONT'D)

- (iii) The maximum potential voting shares of Cempaka and PACs in the Company, if only Cempaka and PACs (but not other holders) exercise the conversion of RCPS or options in full is 968,565,634 shares representing 60.63% of the resulting enlarged issued and paid-up share capital of the Company;
- (iv) Cempaka and PACs shall not undertake the acquisition of voting shares or voting rights or acquisition of the conversion of RCPS or subscription rights or options of the Company (excluding issuance of new shares following the exercise of the conversion or subscription rights or options, or where all shareholders of the Company are entitled to new shares, rights, conversion or subscription rights or options on a pro-rata basis) throughout the validity period of the Exemption; and
- (v) A mandatory offer obligation by Cempaka and PACs to acquire all the remaining shares and convertible securities in the Company not already owned by them will not arise following the full conversion of RCPS and the exercise of existing ESOS options by Cempaka and PACs as the Exemption has been granted.



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

Interim Financial Report
for 1st Quarter Ended 30 June 2014

NOTES TO THE INTERIM FINANCIAL REPORT

27 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:

	30.06.2014	
	Carrying amount RM'000	Fair value RM'000
Financial liabilities		
Borrowings		
- MTNs	95,795	100,036
- ABS	97,672	100,517
	<u>97,672</u>	<u>100,517</u>

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
11 August 2014