



**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL
PERIOD ENDED 30 JUNE 2008**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------------------------------|---|---|------------------------------|
| | 30/06/2008 RM'000 | 30/06/2007 RM'000 | 30/06/2008 RM'000 | 30/06/2007 RM'000 |
| 1. Revenue | 47,113 | 28,055 | 47,113 | 28,055 |
| 2. Profit before tax | 17,074 | 13,606 | 17,074 | 13,606 |
| 3. Profit for the period | 13,572 | 9,986 | 13,572 | 9,986 |
| 4. Profit attributable to ordinary equity holders of the Company | 13,572 | 9,986 | 13,572 | 9,986 |
| 5. Basic earnings per share (sen) | 1.91 | 1.55 | 1.91 | 1.55 |
| 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) | | 0.35 | | 0.32 |
| | | INDIVIDUAL QUARTER | CUMULATIVE QUARTER | |
| | 30/06/2008 RM'000 | 30/06/2007 RM'000 | 30/06/2008 RM'000 | 30/06/2007 RM'000 |
| 8. Gross interest income | 1,443 | 1,218 | 1,443 | 1,218 |
| 9. Gross interest expense | 15 ## | 9 | 15 | 9 |



CONDENSED INCOME STATEMENTS

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------------------|---------------|--------------------|---------------|
| | 3 MONTHS ENDED | | 3 MONTHS ENDED | |
| | 30/06/2008 | 30/06/2007 | 30/06/2008 | 30/06/2007 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 47,113 | 28,055 | 47,113 | 28,055 |
| Other income | 1,910 | 1,417 | 1,910 | 1,417 |
| Interest applicable to revenue | (12,524) | (9,490) | (12,524) | (9,490) |
| Staff costs and directors' remuneration | (2,332) | (1,530) | (2,332) | (1,530) |
| Depreciation of property, plant and equipment and investment property | (341) | (130) | (341) | (130) |
| Other expenses | (16,737) | (4,707) | (16,737) | (4,707) |
| Finance costs | (15) | (9) | (15) | (9) |
| Profit before taxation | 17,074 | 13,606 | 17,074 | 13,606 |
| Taxation | (3,502) | (3,620) | (3,502) | (3,620) |
| Profit for the period | 13,572 | 9,986 | 13,572 | 9,986 |
| Attributable to: | | | | |
| Equity holders of the Company | 13,572 | 9,986 | 13,572 | 9,986 |
| | 13,572 | 9,986 | 13,572 | 9,986 |
| Earnings per share attributable to equity holders of the Company: | | | | |
| Basic (sen) | 1.91 | 1.55 | 1.91 | 1.55 |
| Diluted (sen) | n/a | n/a | n/a | n/a |

The Condensed Income Statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED BALANCE SHEETS

| | AS AT 30/06/2008 RM'000 | AS AT 31/03/2008 RM'000 |
|---|-------------------------------|-------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 4,012 | 3,463 |
| Investment property | 1,689 | 1,698 |
| Goodwill on consolidation | 28,677 | 28,677 |
| Loan receivables | 672,592 | 609,349 |
| Other investments | 31,557 | 31,557 |
| Deferred tax assets | 2,444 | 2,895 |
| | 740,971 | 677,639 |
| Current assets | | |
| Short term investments | 4,587 | 4,587 |
| Trade receivables | 28,386 | 21,857 |
| Loan receivables | 81,795 | 71,737 |
| Other receivables, deposits and prepayments | 14,725 | 21,314 |
| Deposits with licensed financial institutions | 204,100 | 176,206 |
| Cash and bank balances | 3,761 | 2,787 |
| | 337,354 | 298,488 |
| TOTAL ASSETS | 1,078,325 | 976,127 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 71,097 | 64,634 |
| Reserves | 179,311 | 142,898 |
| Total equity | 250,408 | 207,532 |
| Non-current liabilities | | |
| Hire-purchase payables | 636 | 684 |
| Finance lease payables | 117 | 152 |
| Borrowings | 661,687 | 589,807 |
| Deferred tax liabilities | 10 | 273 |
| | 662,450 | 590,916 |
| Current liabilities | | |
| Other payables and accrued expenses | 39,565 | 39,723 |
| Hire-purchase payables | 191 | 190 |
| Finance lease payables | 172 | 187 |
| Borrowings | 124,977 | 135,917 |
| Taxation | 562 | 1,662 |
| | 165,467 | 177,679 |
| Total liabilities | 827,917 | 768,595 |
| TOTAL EQUITY AND LIABILITIES | 1,078,325 | 976,127 |
| NET ASSETS PER SHARE (RM) | 0.35 | 0.32 |

The Condensed Balance Sheets should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2008 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 | Non- Distributable Reserves - Share Premium RM'000 | Distributable Reserve - Retained Earnings RM'000 | Total Reserves RM'000 | Minority Interest RM'000 | Total Equity RM'000 |
|--|----------------------------|---|--|-----------------------------|--------------------------------|---------------------------|
| As at 1 April 2007 | 64,634 | 3,563 | 93,539 | 97,102 | - | 161,736 |
| Profit for the period | - | - | 9,986 | 9,986 | - | 9,986 |
| As at 30 June 2007 | 64,634 | 3,563 | 103,525 | 107,088 | - | 171,722 |
| As at 1 April 2008 | 64,634 | 3,553 | 139,345 | 142,898 | - | 207,532 |
| Profit for the period | - | - | 13,572 | 13,572 | - | 13,572 |
| Issuance of private placement shares | 6,463 | 22,945 | - | 22,945 | - | 29,408 |
| Share issuance expenses recognised directly in equity | - | (104) | - | (104) | - | (104) |
| As at 30 June 2008 | 71,097 # | 26,394 # | 152,917 # | 179,311 # | - # | 250,408 |

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 2008 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED CASH FLOW STATEMENTS

| | CUMULATIVE QUARTER 30/06/2008 RM'000 | CUMULATIVE QUARTER 30/06/2007 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit for the year | 13,572 | 9,986 |
| Adjustment for: | | |
| Interest expense applicable to revenue | 12,524 | 9,490 |
| Allowance for doubtful debts, net | 7,286 | 697 |
| Income tax expense | 3,502 | 3,620 |
| Amortisation of discount on medium term notes | 367 | 367 |
| Depreciation of property, plant and equipment and investment property | 341 | 130 |
| Finance costs | 15 | 9 |
| Property, plant and equipment written off | 3 | - |
| Interest income | (1,443) | (1,218) |
| Dividend income | (1,289) | (682) |
| Gain on disposal of short term investments | - | (119) |
| Gain on disposal of property, plant and equipment | - | (5) |
| Operating profit before working capital changes | <u>34,878</u> | <u>22,275</u> |
| (Increase)/Decrease in working capital: | | |
| Loan receivables | (78,485) | (52,076) |
| Trade receivables | (8,631) | (3,613) |
| Other receivables, deposits and prepaid expenses | 6,363 | (552) |
| Other payables and accrued expenses | (158) | 1,589 |
| Cash used in operations | <u>(46,033)</u> | <u>(32,377)</u> |
| Interest expense applicable to revenue paid | (12,524) | (9,490) |
| Taxes paid | (4,414) | (4,483) |
| Taxes refunded | 226 | 312 |
| Net cash used in operating activities | <u>(62,745)</u> | <u>(46,038)</u> |



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CONDENSED CASH FLOW STATEMENTS (CONT'D)

| | CUMULATIVE QUARTER 30/06/2008 RM'000 | CUMULATIVE QUARTER 30/06/2007 RM'000 |
|---|---|---|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 1,443 | 1,218 |
| Dividend received | 1,289 | 682 |
| Proceeds from disposal of property, plant and equipment | 35 | 145 |
| Proceeds from disposal of short term investments | - | 274 |
| Additions to property, plant and equipment | (919) | (223) |
| Net cash generated from investing activities | <u>1,848</u> | <u>2,096</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of bonds | 92,000 | - |
| Drawdown of revolving credit | 83,000 | 52,179 |
| Drawdown of other borrowings | 15,948 | - |
| Proceeds from issuance of private placement shares | 29,408 | - |
| Additions to hire-purchase payables | - | 936 |
| Repayment of other borrowings | (128,375) | (4,319) |
| Redemption of bonds and commercial papers | (2,000) | (2,000) |
| Share issuance expenses | (104) | - |
| Repayment of finance lease payables | (50) | (50) |
| Repayment of hire-purchase payables | (47) | (19) |
| Finance costs paid | (15) | (9) |
| Net cash generated from financing activities | <u>89,765</u> | <u>46,718</u> |
| Net change in cash and cash equivalents | 28,868 | 2,776 |
| Cash and cash equivalents at beginning of financial period | 178,993 | 167,982 |
| Cash and cash equivalents at end of financial period | <u>207,861</u> | <u>170,758</u> |
| CASH AND CASH EQUIVALENTS AS AT END OF QUARTER COMPRISE THE FOLLOWING: | | |
| Deposits with licensed financial institutions | 204,100 | 162,279 |
| Cash and bank balances | 3,761 | 8,479 |
| | <u>207,861</u> | <u>170,758</u> |

The Condensed Cash Flow Statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2008 and the accompanying



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explanatory notes attached to the interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT

1 BASIS OF PREPARATION

This interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the 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 2008.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the year ended 31 March 2008. In the current financial year, the Group adopted the following applicable new/revised Financial Reporting Standard ("FRS") effective for the financial period commencing on 1 April 2008:

FRS 107: Cash Flow Statements

FRS 112: Income Taxes

FRS 118: Revenue

Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

FRS 134: Interim Financial Reporting

FRS 137: Provisions, Contingent Liabilities and Contingent Asset

The adoption of the above FRSs and Amendment does not have any significant financial impact on the financial statements of the Group.

3 AUDITORS' REPORT ON PRECEDING ANNUAL AUDITED FINANCIAL STATEMENTS

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



NOTES TO THE INTERIM FINANCIAL REPORT

4 SEASONAL OR CYCLICAL FACTORS

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

5 UNUSUAL ITEMS

There were no unusual items in the current quarter and financial period to-date.

6 CHANGES IN ESTIMATES

There were no significant changes in estimates that have a material effect in the current quarter and financial period to-date.

7 DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the interim period under review except for the following:

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

| | CURRENT QUARTER RM'000 | CUMULATIVE QUARTER RM'000 |
|-----------------|---------------------------------------|--|
| Issuance of ABS | 92,000 | 92,000 |

Out of the issuance of RM100.0 million ABS, RM8.0 million was subscribed internally by a subsidiary of the Company.



NOTES TO THE INTERIM FINANCIAL REPORT

7 DEBT AND EQUITY SECURITIES (CONT'D)

- b. Repayment of the Underwritten Commercial Papers ("CPs") by RCE Premier Sdn Bhd, a subsidiary of the Company, as follows:

| | CURRENT QUARTER RM'000 | CUMULATIVE QUARTER RM'000 |
|---------------------------------|---------------------------------------|--|
| Redemption of CPs upon maturity | 2,000 | 2,000 |

8 DIVIDEND

No dividend has been recommended by the directors or paid for the financial period ended 30 June 2008.

9 SEGMENTAL INFORMATION

Segmental revenue and results for the financial period ended 30 June 2008 were as follows:

| | Loan Financing RM'000 | Factoring RM'000 | Investment Holding & Mgmt Services RM'000 | Others RM'000 | Eliminations RM'000 | Group RM'000 |
|--------------------|-----------------------------|---------------------|---|------------------|------------------------|-----------------|
| Revenue | | | | | | |
| External sales | 44,738 | 1,023 | 1,352 | - | - | 47,113 |
| Intersegment sales | 2,942 | - | 1,177 | - | (4,119) | - |
| Total revenue | 47,680 | 1,023 | 2,529 | - | (4,119) | 47,113 |



NOTES TO THE INTERIM FINANCIAL REPORT

9 SEGMENTAL INFORMATION (CONT'D)

| | Loan | | Investment | | | | |
|------------------------|-----------|-----------|------------|----------|--------|--------------|---------|
| | Financing | Factoring | Holding & | Services | Others | Eliminations | Group |
| | RM'000 | RM'000 | Mgmt | RM'000 | RM'000 | RM'000 | RM'000 |
| | | | | | | | |
| Results | | | | | | | |
| Segment results | 17,414 | (1,533) | | 1,438 | (2) | (228) | 17,089 |
| Finance costs | | | | | | | (15) |
| Profit before taxation | | | | | | | 17,074 |
| Taxation | | | | | | | (3,502) |
| Profit for the period | | | | | | | 13,572 |

10 MATERIAL SUBSEQUENT EVENTS

As at the date of this report, there were no events subsequent to the end of the period reported that materially affect the results of the Group for the financial period ended 30 June 2008.

11 CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group during the financial period ended 30 June 2008.



NOTES TO THE INTERIM FINANCIAL REPORT

12 PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP FOR THE PERIOD

For the current financial period ended 30 June 2008, the Group's net loan receivables grew by 10.8% or RM73.3 million compared to the previous year's corresponding period. Revenue also grew from RM28.1 million to RM47.1 million, an increase of 67.9%. The significant improvement in the Group's loan financing business was mainly due to the growth in demand for its personal loan financing products.

The Group recorded a net profit of RM13.6 million for the current financial period ended 30 June 2008. This is an improvement of 35.9% compared to the previous year's corresponding period, attributed mainly to the improved performance of its loan financing business.

13 MATERIAL CHANGE IN PROFIT BEFORE TAXATION FOR CURRENT QUARTER COMPARED WITH PRECEDING QUARTER

For the current quarter under review, the Group recorded a revenue of RM47.1 million, an increase of 30.5%, as compared to RM36.1 million in the preceding quarter. The increase in revenue was mainly attributed to the growth in loan receivables from its loan financing business.

Profit before tax for the current quarter was RM17.1 million, lower than the preceding quarter of RM18.8 million mainly due to higher operating expenses as the Group continues to expand its branch network and intensify its marketing efforts.

14 CURRENT YEAR PROSPECTS

Various initiatives have been put in place to further boost the demand for the Group's personal loan products and improve the turnaround time for loan disbursements. Barring any unforeseen circumstances, the Group therefore remains confident of improving its performance in the coming quarters for financial year ending 31 March 2009.



NOTES TO THE INTERIM FINANCIAL REPORT

15 PROFIT FORECAST

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

16 TAXATION

| | INDIVIDUAL QUARTER 30/06/2008 RM'000 | CUMULATIVE QUARTER 30/06/2008 RM'000 |
|--------------------|---|---|
| Taxation: | | |
| Current period | 3,314 | 3,314 |
| Deferred taxation: | | |
| Current period | 188 | 188 |
| | <hr/> 3,502 | <hr/> 3,502 |

The effective tax rate of the Group in the current quarter is lower than the statutory tax rate as a result of certain income which is not taxable for tax purposes.

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 period to-date.



NOTES TO THE INTERIM FINANCIAL REPORT

18 QUOTED SECURITIES

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-----------------------|------------|-----------------------|------------|
| | 30/06/2008 | 30/06/2007 | 30/06/2008 | 30/06/2007 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Included within short term investments: | | | | |
| Purchase consideration | - | - | - | - |
| Sales proceeds | - | 274 | - | 274 |
| Gain on disposal | - | 119 | - | 119 |

b. Investment in quoted real estate investment trust units as at 30 June 2008:

| | CUMULATIVE QUARTER RM'000 |
|------------------------------------|---------------------------------|
| Included within other investments: | |
| At cost | 35,063 |
| At carrying/book value | 31,557 |
| At market value | <u>30,856</u> |

c. Investments in quoted securities as at 30 June 2008:

| | CUMULATIVE QUARTER RM'000 |
|---|---------------------------------|
| Included within short term investments: | |
| At cost | 29 |
| At carrying/book value | 29 |
| At market value | <u>37</u> |



NOTES TO THE INTERIM FINANCIAL REPORT

19 STATUS OF CORPORATE PROPOSALS ANNOUNCED

Proposed Joint Venture in Vietnam

On 11 September 2007, RCE entered into a Memorandum of Understanding with Southern Bank Vietnam ("SBV") to form a joint venture company to apply for licences to establish a finance company in Vietnam.

After completion of the due diligence by RCE, both parties could not enter into definitive agreements for the joint venture company due to recent changes in the regulatory and operating environment.

On 10 July 2008, RCE announced that it has decided not to pursue the setting up of a finance company in Vietnam.

20 BORROWINGS

Total borrowings (all denominated in Ringgit Malaysia) of the Group as at 30 June 2008 are as follows:

| | Short Term RM'000 | Long Term RM'000 | Total RM'000 |
|---------------------------------|----------------------------------|---------------------------------|-------------------------|
| Secured: | | | |
| -Fixed rate medium term notes | 29,990 | 312,418 | 342,408 |
| -Asset-backed securities | 30,000 | 246,000 | 276,000 |
| -Revolving credit | 38,000 | - | 38,000 |
| -Fixed rate serial bonds | 10,000 | 15,000 | 25,000 |
| -Term loans | 1,985 | 8,269 | 10,254 |
| -Underwritten commercial papers | 8,000 | - | 8,000 |
| | <u>117,975</u> | <u>581,687</u> | <u>699,662</u> |



NOTES TO THE INTERIM FINANCIAL REPORT

20 BORROWINGS (CONT'D)

| | Short Term RM'000 | Long Term RM'000 | Total RM'000 |
|-----------------------|----------------------------------|---------------------------------|-------------------------|
| Unsecured: | | | |
| -Fixed rate term loan | - | 80,000 | 80,000 |
| -Bankers' acceptance | 6,001 | - | 6,001 |
| -Revolving credit | 1,000 | - | 1,000 |
| -Overdraft | 1 | - | 1 |
| | <u>7,002</u> | <u>80,000</u> | <u>87,002</u> |
| | <u>124,977</u> | <u>661,687</u> | <u>786,664</u> |

21 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities since the last annual audited balance sheet as at 31 March 2008.

22 OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

There were no material off-balance sheet financial instruments as at the date of this report.

23 MATERIAL LITIGATIONS

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



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NOTES TO THE INTERIM FINANCIAL REPORT

24 EARNINGS PER SHARE

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-------------------------------|-------------------|-------------------------------|-------------------|
| | 30/06/2008 | 30/06/2007 | 30/06/2008 | 30/06/2007 |
| Basic earnings per share: | | | | |
| Profit for the period attributable to equity holders of the Company (RM'000) | 13,572 | 9,986 | 13,572 | 9,986 |
| Weighted average number of ordinary shares in issue (unit'000) | 709,535 | 646,338 | 709,535 | 646,338 |
| Basic earnings per share (sen) | <u>1.91</u> | <u>1.55</u> | <u>1.91</u> | <u>1.55</u> |

Basic earnings per share 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.

The Company does not have in issue any financial instruments or other contract that may entitle its holder to ordinary shares and therefore dilutive to its basic earnings per share.

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
Date: 27 August 2008