



**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL  
PERIOD ENDED 31 MARCH 2010**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>		
	<b>31.03.2010</b>	<b>31.03.2009</b>	<b>31.03.2010</b>	<b>31.03.2009</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
1. Revenue	<b>65,589</b>	57,991	<b>255,611</b>	215,400	
2. Profit before tax	<b>30,012</b>	24,559	<b>109,989</b>	92,335	
3. Profit for the period	<b>22,768</b>	18,513	<b>81,094</b>	66,555	
4. Profit attributable to ordinary equity holders of the Company	<b>22,768</b>	18,513	<b>81,094</b>	66,555	
5. Basic earnings per share (sen)	<b>2.91</b>	2.60	<b>10.72</b>	9.37	
6. Proposed/Declared dividend per share (sen)	<b>1.75</b>	1.00	<b>1.75</b>	1.00	
		<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
7. Net assets per share attributable to ordinary equity holders of the Company (RM)		0.54		0.42	
		<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>		
		<b>31.03.2010</b>	<b>31.03.2009</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
8. Gross interest income		<b>1,322</b>	1,311	<b>4,735</b>	6,342
9. Gross interest expense		<b>7 #</b>	11	<b>35</b>	52



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**CONDENSED INCOME STATEMENTS**

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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED	3 MONTHS ENDED	12 MONTHS ENDED	12 MONTHS ENDED
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	65,589	57,991	255,611	215,400
Other income	2,483	1,876	9,099	8,888
Interest expense applicable to revenue	(16,466)	(13,981)	(64,716)	(53,914)
Staff costs and directors' remuneration	(7,872)	(1,636)	(16,154)	(9,483)
Depreciation of plant and equipment and investment properties	(350)	(393)	(1,417)	(1,483)
Writeback/(allowance) for impairment loss in short term investments	-	5	-	(559)
Other expenses	(13,365)	(19,292)	(72,399)	(66,462)
Finance costs	(7)	(11)	(35)	(52)
<b>Profit before tax</b>	<b>30,012</b>	<b>24,559</b>	<b>109,989</b>	<b>92,335</b>
Taxation	(7,244)	(6,046)	(28,895)	(25,780)
<b>Profit for the period</b>	<b>22,768</b>	<b>18,513</b>	<b>81,094</b>	<b>66,555</b>
<b>Attributable to:</b>				
Equity holders of the Company	<b>22,768</b>	<b>18,513</b>	<b>81,094</b>	<b>66,555</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	<b>2.91</b>	<b>2.60</b>	<b>10.72</b>	<b>9.37</b>
Diluted (sen)	<b>2.90</b>	<b>2.60</b>	<b>10.69</b>	<b>9.37</b>

The Condensed Income Statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED BALANCE SHEETS**

	AS AT 31.03.2010 RM'000	AS AT 31.03.2009 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	3,046	3,745
Investment properties	2,786	2,846
Goodwill on consolidation	28,677	28,677
Loan receivables	992,527	839,444
Other investments	30,387	30,387
Deferred tax assets	5,372	2,769
Total Non-Current Assets	<b>1,062,795</b>	<b>907,868</b>
<b>Current Assets</b>		
Short term investments	4,000	4,028
Loan receivables	146,081	112,495
Trade receivables	30,789	34,210
Other receivables, deposits and prepaid expenses	5,561	8,581
Deposits with licensed financial institutions	270,935	204,511
Cash and bank balances	18,776	9,551
Total Current Assets	<b>476,142</b>	<b>373,376</b>
<b>TOTAL ASSETS</b>	<b>1,538,937</b>	<b>1,281,244</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	78,207	71,097
Reserves	340,655	226,962
<b>Total Equity</b>	<b>418,862</b>	<b>298,059</b>
<b>Non-Current Liabilities</b>		
Hire-purchase payables	392	486
Finance lease payables	-	27
Borrowings	705,252	622,304
Deferred tax liabilities	26,429	13,965
Total Non-Current Liabilities	<b>732,073</b>	<b>636,782</b>
<b>Current Liabilities</b>		
Payables and accrued expenses	71,004	46,080
Hire-purchase payables	211	198
Finance lease payables	27	125
Borrowings	314,607	298,357
Taxation	2,153	1,643
Total Current Liabilities	<b>388,002</b>	<b>346,403</b>
<b>Total Liabilities</b>	<b>1,120,075</b>	<b>983,185</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,538,937</b>	<b>1,281,244</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.54</b>	<b>0.42</b>

The Condensed Balance Sheets should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009 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		Distributable Reserve Retained Earnings RM'000	Total Reserves RM'000	Minority Interest RM'000	Total Equity RM'000
		Share Premium RM'000	Share Options RM'000				
<b>As at 1 April 2008</b>	64,634	3,553	-	139,345	142,898	-	207,532
Profit for the year	-	-	-	66,555	66,555	-	66,555
Issuance of private placement shares	6,463	22,945	-	-	22,945	-	29,408
Share issuance expenses recognised directly in equity	-	(104)	-	-	(104)	-	(104)
Dividends	-	-	-	(5,332)	(5,332)	-	(5,332)
<b>As at 31 March 2009</b>	<b>71,097</b>	<b>26,394</b>	<b>-</b>	<b>200,568</b>	<b>226,962</b>	<b>-</b>	<b>298,059</b>
<b>As at 1 April 2009</b>	71,097	26,394	- #	200,568	226,962	-	298,059
Profit for the year	-	-	-	81,094	81,094	-	81,094
Issuance of private placement shares	7,110	32,015	-	-	32,015	-	39,125
Share issuance expenses recognised directly in equity	-	(105)	-	-	(105)	-	(105)
Dividends	-	-	-	(5,866)	(5,866)	-	(5,866)
Share options granted under ESOS	-	-	6,555	-	6,555	-	6,555
<b>As at 31 March 2010</b>	<b>78,207 #</b>	<b>58,304</b>	<b>6,555 #</b>	<b>275,796 #</b>	<b>340,655 #</b>	<b>- #</b>	<b>418,862</b>

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CASH FLOW STATEMENTS**

	<b>CUMULATIVE QUARTER 31.03.2010 RM'000</b>	<b>CUMULATIVE QUARTER 31.03.2009 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	<b>81,094</b>	66,555
Adjustments for:		
Taxation	<b>28,895</b>	25,780
Allowance for doubtful debts, net	<b>27,842</b>	23,899
Share options granted under ESOS	<b>6,555</b>	-
Amortisation of discount on MTNs	<b>2,239</b>	1,614
Loss on early redemption of MTNs	<b>1,755</b>	200
Depreciation of plant and equipment and investment properties	<b>1,417</b>	1,483
Finance costs	<b>35</b>	52
Plant and equipment written off	<b>3</b>	7
Allowance for impairment loss in short term investments	<b>-</b>	559
Interest income	<b>(4,735)</b>	(6,342)
Dividend income	<b>(3,157)</b>	(2,730)
Operating profit before working capital changes	<b>141,943</b>	111,077
Decrease/(Increase) in working capital:		
Short term investments	<b>28</b>	-
Trade receivables	<b>2,294</b>	(15,085)
Loan receivables	<b>(213,384)</b>	(292,020)
Other receivables, deposits and prepaid expenses	<b>1,734</b>	7,589
Increase in working capital:		
Payables and accrued expenses	<b>24,891</b>	6,139
Cash used in operations	<b>(42,494)</b>	(182,300)
Taxes paid	<b>(17,978)</b>	(14,770)
Taxes refunded	<b>740</b>	7,935
Net cash used in operating activities	<b>(59,732)</b>	(189,135)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<b>4,735</b>	6,342
Dividend received	<b>3,157</b>	2,730
Proceeds from disposal of plant and equipment	<b>21</b>	39
Proceeds from disposal of other investments	<b>-</b>	1,170
Additions to plant and equipment	<b>(550)</b>	(1,563)
Acquisition of a subsidiary company, net	<b>-</b>	(1,194)



**RCE Capital Berhad (Company No. 2444-M)**

**Incorporated in Malaysia**

Net cash generated from investing activities

<b>Interim Financial Report</b>	
<b>for 4<sup>th</sup> Quarter Ended 31 March 2010</b>	
<u><b>7,363</b></u>	<u><b>7,524</b></u>

**CONDENSED CASH FLOW STATEMENTS (CONT'D)**

	<b>CUMULATIVE QUARTER 31.03.2010 RM'000</b>	<b>CUMULATIVE QUARTER 31.03.2009 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of revolving credits	336,230	451,232
Proceeds from issuance of ABS	150,000	181,000
Drawdown of term loans	100,000	9,000
Drawdown of other borrowings	55,177	67,772
Proceeds from issuance of private placement shares	39,125	29,408
Proceeds from issuance of CPs	-	3,000
Repayment of revolving credits	(354,775)	(349,332)
Repayment of other borrowings	(63,559)	(49,338)
Redemption of MTNs	(47,176)	(75,200)
Redemption of ABS	(54,000)	(20,000)
Redemption of bonds	(15,000)	(10,000)
Repayment of term loans	(6,693)	(11,011)
Dividends paid	(5,835)	(5,318)
Redemption of CPs	(5,000)	(4,000)
Repayment of hire-purchase payables	(211)	(190)
Repayment of finance lease payables	(125)	(187)
Share issuance expenses	(105)	(104)
Finance costs paid	(35)	(52)
Net cash generated from financing activities	<u>128,018</u>	<u>216,680</u>
Net change in cash and cash equivalents	75,649	35,069
Cash and cash equivalents at beginning of financial year	214,062	178,993
Cash and cash equivalents at end of financial year	<u><u>289,711</u></u>	<u><u>214,062</u></u>
<b>CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL YEAR COMPRISE THE FOLLOWING:</b>		
Deposits with licensed financial institutions	270,935	204,511
Cash and bank balances	18,776	9,551
	<u><u>289,711</u></u>	<u><u>214,062</u></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 2009 and the accompanying explanatory notes attached to the interim financial report.



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## **NOTES TO THE INTERIM FINANCIAL REPORT**

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### **1 BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009.

### **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 2009.

### **3 AUDITORS' REPORT ON PRECEDING ANNUAL AUDITED FINANCIAL STATEMENTS**

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

### **4 SEASONAL OR CYCLICAL FACTORS**

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

### **5 UNUSUAL ITEMS**

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

### **6 CHANGES IN ESTIMATES**

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



**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 year except for the following:

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

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Issuance of ABS	75,000	150,000
Redemption of ABS upon maturity	(15,000)	(54,000)

Out of the issuance of RM196.9 million ABS, RM46.9 million was subscribed internally by a subsidiary of the Company.

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

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Redemption of bonds upon maturity	-	(15,000)
Redemption of CPs upon maturity	-	(5,000)

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

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Redemption of MTNs upon maturity	(10,000)	(25,000)
Early redemption of MTNs	(10,000)	(30,000)

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



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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d. Issuance of Employees' Share Option Scheme ("ESOS"):

The ESOS of the Company was established on 15 September 2009. In the current quarter, the Company has granted 17,843,900 share options to its eligible directors and employees of the Group.

**8 DIVIDEND**

The directors declared and paid a final dividend in respect of the financial year ended 31 March 2009 of 10% (1 sen), less 25% tax on 782,068,474 ordinary shares, amounting to RM5,865,517 on 18 September 2009. The dividend has been accounted for in the equity as an appropriation of retained earnings in the financial year ended 31 March 2010.

A final dividend in respect of the financial year ended 31 March 2010 of 17.5% (1.75 sen) on 782,395,174 ordinary shares will be proposed for shareholders' approval as below:

	<b>RM'000</b>
(a) 9.0% (0.90 sen), less 25% tax	5,281
(b) 8.5% (0.85 sen) under single-tier system, tax exempt	6,650
	<u>11,931</u>

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 2011.



## NOTES TO THE INTERIM FINANCIAL REPORT

### 9 SEGMENTAL INFORMATION

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

	Loan Financing RM'000	Investment Holding & Mgmt Services RM'000	Factoring & Confirming RM'000	Others RM'000	Eliminations RM'000	Group RM'000
<b>Revenue</b>						
External sales	237,323	13,641	4,647	-	-	255,611
Intersegment sales	9,802	31,373	-	-	(41,175)	-
Total revenue	<u>247,125</u>	<u>45,014</u>	<u>4,647</u>	<u>-</u>	<u>(41,175)</u>	<u>255,611</u>
<b>Results</b>						
Segment results	114,152 †	(4,813)	685	-	-	110,024
Finance costs						(35)
Profit before tax						<u>109,989</u>
Taxation						<u>(28,895)</u>
Profit for the year						<u>81,094</u>

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

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

### 11 CHANGES IN THE COMPOSITION OF THE GROUP

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



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## **NOTES TO THE INTERIM FINANCIAL REPORT**

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### **12 REVIEW OF PERFORMANCE**

For the fourth quarter ended 31 March 2010, the Group's revenue grew by 13.1% from RM58.0 million to RM65.6 million compared to the previous year's corresponding quarter. This is due to the continuous growth in the loan financing business.

As at 31 March 2010, net loan receivables for the Group increased by 19.6% or RM186.7 million from RM951.9 million to RM1.1 billion compared to the previous year's corresponding quarter. The healthy growth was attributed to the introduction of marketing programmes to attract new and existing customers.

The Group's net profit also grew by 23.2%, registering RM22.8 million in the current quarter compared to RM18.5 million in the previous year's corresponding quarter.

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

The Group introduced its inaugural ESOS in the current quarter, resulting in a RM6.6 million ESOS expense incurred. Despite that, the Group recorded a profit before tax of RM30.0 million which was similar to that of the preceding quarter.

### **14 CURRENT YEAR PROSPECTS**

Despite the increasingly competitive operating environment of the loan financing business, the Group remains focused on further improving its product delivery and customer retention programmes as well as the introduction of new products to penetrate into untapped market segments.

Barring any unforeseen circumstances, the Group expects to improve on its performance for the coming financial year.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**15 PROFIT FORECAST**

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

**16 TAXATION**

	<b>INDIVIDUAL QUARTER 31.03.2010 RM'000</b>	<b>CUMULATIVE QUARTER 31.03.2010 RM'000</b>
Taxation:		
Current period	4,235	17,472
Underprovision in prior year	-	1,562
	<hr/> 4,235	<hr/> 19,034
Deferred taxation:		
Current period	3,009	9,861
	<hr/> 7,244	<hr/> 28,895

The effective tax rate of the Group in the current quarter is lower than the statutory tax rate due to utilisation of unabsorbed business losses.

**17 UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There were no sales of any unquoted investments and/or properties by the Group during the current quarter and financial year.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**18 QUOTED SECURITIES**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Included within other investments:				
Purchase consideration	-	-	-	-
Sales proceeds	-	-	-	1,170
Gain on disposal	-	-	-	-
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Included within short term investments:				
Purchase consideration	-	-	-	-
Sales proceeds	51	-	10,051	-
Gain on disposal	23	-	23	-
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- b. Investment in quoted real estate investment trust units as at 31 March 2010:

	CUMULATIVE QUARTER RM'000
Included within other investments:	
At cost	33,763
At carrying/book value	30,387
At market value	<u>37,140</u>

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**19 STATUS OF CORPORATE PROPOSALS ANNOUNCED**

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

**20 GROUP BORROWINGS AND DEBT SECURITIES**

Total borrowings and debt securities (all denominated in Ringgit Malaysia) of the Group as at 31 March 2010 are as follows:

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured:			
- Asset-backed securities	81,000	360,000	441,000
- Fixed rate medium term notes	9,963	215,510	225,473
- Revolving credits	147,700	-	147,700
- Term loans	12,305	89,742	102,047
- Underwritten commercial papers	4,000	-	4,000
	<u>254,968</u>	<u>665,252</u>	<u>920,220</u>
Unsecured:			
- Fixed rate term loans	40,000	40,000	80,000
- Bankers' acceptances	11,724	-	11,724
- Revolving credits	6,655	-	6,655
- Trust receipts	1,260	-	1,260
	<u>59,639</u>	<u>40,000</u>	<u>99,639</u>
	<u>314,607</u>	<u>705,252</u>	<u>1,019,859</u>

**21 CAPITAL COMMITMENTS**

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



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**22 CHANGES IN CONTINGENT LIABILITIES AND ASSETS**

The Group's total letters of credit have increased from RM2.0 million as at 31 December 2009 to RM2.7 million as at 31 March 2010.

Other than as disclosed above, there were no other changes in contingent liabilities and assets since the last financial year ended 31 March 2009.

**23 OFF-BALANCE SHEET FINANCIAL INSTRUMENTS**

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

**24 CHANGES IN MATERIAL LITIGATION**

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

**25 EARNINGS PER SHARE**

(a) Basic earnings per share:

		<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
		<b>31.03.2010</b>	<b>31.03.2009</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
Profit for the period attributable to equity holders of the Company	(RM'000)	22,768	18,513	81,094	66,555
Weighted average number of ordinary shares in issue	(unit'000)	782,068	710,971	756,551	710,440
Basic earnings per share	(sen)	<u>2.91</u>	<u>2.60</u>	<u>10.72</u>	<u>9.37</u>





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**NOTES TO THE INTERIM FINANCIAL REPORT**

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

## (a) Basic earnings per share (Cont'd):

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.

## (b) Dilutive earnings per share:

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
Profit for the period attributable to equity holders of the Company	(RM'000)	22,768	18,513	81,094	66,555
Weighted average number of ordinary shares in issue	(unit'000)	782,068	710,971	756,551	710,440
Effects of dilution	(unit'000)	1,953	-	1,953	-
Adjusted weighted average number of ordinary shares in issue		<u>784,021</u>	<u>710,971</u>	<u>758,504</u>	<u>710,440</u>
Dilutive earnings per share	(sen)	<u>2.90</u>	<u>2.60</u>	<u>10.69</u>	<u>9.37</u>

Dilutive 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 adjusted for dilutive effects of the share options granted to its eligible directors and employees of the Group.

**BY ORDER OF THE BOARD**  
**JOHNSON YAP CHOON SENG**  
Company Secretary  
26 May 2010