



**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD  
ENDED 31 MARCH 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
1. Revenue	<b>63,242</b>	57,254	<b>245,906</b>	223,331
2. Profit before tax	<b>30,073</b>	28,855	<b>117,373</b>	101,490
3. Profit for the financial period	<b>23,022</b>	21,245	<b>88,681</b>	78,949
4. Profit attributable to ordinary equity holders of the Parent	<b>23,022</b>	21,245	<b>88,681</b>	78,949
5. Basic earnings per ordinary share (sen)	<b>6.73</b>	6.35	<b>26.03</b>	23.92
6. Proposed/Declared dividend per share (sen)	<b>4.00</b>	3.00	<b>7.00</b>	3.00
		<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 Parent (RM)		1.52		1.31
		<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>
	<b>31.03.2018</b>	31.03.2017	<b>31.03.2018</b>	31.03.2017
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
8. Gross interest income	<b>1,363</b>	517	<b>5,013</b>	1,776
9. Gross interest expense	<b>16</b>	15	<b>55</b>	33



**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Revenue	63,242	57,254	245,906	223,331
Other income	3,040	2,166	11,715	9,804
Interest expense applicable to revenue	(17,896)	(12,364)	(69,313)	(61,450)
Staff costs and directors' remuneration	(5,735)	(6,973)	(22,265)	(21,376)
Depreciation of plant and equipment	(448)	(1,101)	(3,378)	(3,901)
Other expenses	(12,114)	(10,112)	(45,237)	(44,885)
Finance costs	(16)	(15)	(55)	(33)
<b>Profit before tax</b>	<b>30,073</b>	<b>28,855</b>	<b>117,373</b>	<b>101,490</b>
Taxation	(7,051)	(7,610)	(28,692)	(22,541)
<b>Total comprehensive income for the financial period</b>	<b>23,022</b>	<b>21,245</b>	<b>88,681</b>	<b>78,949</b>
<b>Attributable to:</b>				
Owners of the Parent	23,022	21,245	88,681	78,949
<b>Earnings per ordinary share:</b>				
Basic (sen)	6.73	6.35	26.03	23.92
Diluted (sen)	6.73	6.32	25.98	23.82

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 2017 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED STATEMENT OF FINANCIAL POSITION**

	AS AT 31.03.2018 RM'000	AS AT 31.03.2017 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	6,212	9,311
Goodwill on consolidation	47,333	47,333
Loans and receivables	1,384,993	1,272,513
Deferred tax assets	39,482	38,668
<b>Total Non-Current Assets</b>	<b>1,478,020</b>	<b>1,367,825</b>
<b>Current Assets</b>		
Loans and receivables	139,714	139,048
Trade receivables	3,795	5,556
Other receivables, deposits and prepaid expenses	40,045	30,380
Deposits with licensed financial institutions	169,581	142,563
Cash and bank balances	27,635	16,736
<b>Total Current Assets</b>	<b>380,770</b>	<b>334,283</b>
<b>TOTAL ASSETS</b>	<b>1,858,790</b>	<b>1,702,108</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	44,676	38,064
Treasury shares	(13,353)	(13,353)
Reserves	487,950	416,650
<b>Total Equity</b>	<b>519,273</b>	<b>441,361</b>
<b>Non-Current Liabilities</b>		
Payables	-	8,932
Hire-purchase payables	959	877
Borrowings	981,608	633,815
Deferred tax liabilities	325	618
<b>Total Non-Current Liabilities</b>	<b>982,892</b>	<b>644,242</b>
<b>Current Liabilities</b>		
Payables and accrued expenses	33,019	34,660
Hire-purchase payables	329	308
Borrowings	316,882	579,714
Tax liabilities	6,395	1,823
<b>Total Current Liabilities</b>	<b>356,625</b>	<b>616,505</b>
<b>Total Liabilities</b>	<b>1,339,517</b>	<b>1,260,747</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,858,790</b>	<b>1,702,108</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>1.52</b>	<b>1.31</b>

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 2017 and the accompanying explanatory notes attached to the interim financial report.

**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		
<b>As at 1 April 2016</b>	136,381	(20,166)	68,112	30,903	-	241,307	340,322	456,537
<b>Total comprehensive income</b>	-	-	-	-	-	78,949	78,949	78,949
<b>Transactions with owners</b>								
Dividend	-	-	-	-	-	(11,477)	(11,477)	(11,477)
Share options granted under Employees' Share Scheme ("ESS")	-	-	-	-	4,376	-	4,376	4,376
Issuance of shares pursuant to ESS exercised	3,969	-	3,870	-	(2,193)	2,193	3,870	7,839
Capital repayment	(102,286)	4,826	-	-	-	-	-	(97,460)
Cancellation of share options	-	-	-	-	(56)	56	-	-
Shares repurchased	-	(12)	-	-	-	-	-	(12)
Resale of treasury shares	-	1,999	610	-	-	-	610	2,609
Total transactions with owners	(98,317)	6,813	4,480	-	2,127	(9,228)	(2,621)	(94,125)
<b>As at 31 March 2017</b>	<b>38,064</b>	<b>(13,353)</b>	<b>72,592</b>	<b>30,903</b>	<b>2,127</b>	<b>311,028</b>	<b>416,650</b>	<b>441,361</b>
<b>As at 1 April 2017</b>	38,064	(13,353)	72,592	30,903	2,127	311,028	416,650	441,361
<b>Total comprehensive income</b>	-	-	-	-	-	88,681	88,681	88,681
<b>Transaction with owners</b>								
Dividend	-	-	-	-	-	(20,488)	(20,488)	(20,488)
Share options granted under ESS	-	-	-	-	3,107	-	3,107	3,107
Issuance of shares pursuant to ESS exercised	6,612	-	-	-	(1,682)	1,682	-	6,612
Cancellation of share options	-	-	-	-	(76)	76	-	-
Total transaction with owners	6,612	-	-	-	1,349	(18,730)	(17,381)	(10,769)
<b>As at 31 March 2018</b>	<b>44,676</b>	<b>(13,353)</b>	<b>72,592</b>	<b>30,903</b>	<b>3,476</b>	<b>380,979</b>	<b>487,950</b>	<b>519,273</b>

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 2017 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED STATEMENT OF CASH FLOWS**

	CUMULATIVE QUARTER 31.03.2018 RM'000	CUMULATIVE QUARTER 31.03.2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	117,373	101,490
Adjustments for:		
Allowance for impairment loss on receivables, net	29,595	27,132
Depreciation of plant and equipment	3,378	3,901
Share options granted	3,107	4,376
Finance costs	55	33
Plant and equipment written off	22	30
Amortisation of discount on Fixed Rate Medium Term Notes ("MTNs")	-	116
Interest income from deposits with licensed financial institutions	(5,013)	(1,776)
Net gain on disposal of:		
- plant and equipment	(141)	-
- investment property	-	(749)
Operating profit before working capital changes	<u>148,376</u>	<u>134,553</u>
(Increase)/Decrease in working capital:		
Loans and receivables	(142,661)	(180,347)
Trade receivables	1,681	4,807
Other receivables, deposits and prepaid expenses	(4,415)	(9,432)
Decrease in working capital:		
Payables and accrued expenses	(11,091)	(2,156)
Cash used in operations	<u>(8,110)</u>	<u>(52,575)</u>
Taxes paid	(30,151)	(46,070)
Taxes refunded	562	-
Net cash used in operating activities	<u>(37,699)</u>	<u>(98,645)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income from deposits with licensed financial institutions	5,013	1,776
Net proceeds from disposal of:		
- plant and equipment	168	-
- investment property	-	1,773
Additions to plant and equipment	(1,305)	(1,314)
Net cash generated from investing activities	<u>3,876</u>	<u>2,235</u>

**CONDENSED STATEMENT OF CASH FLOWS (CONT'D)**

	CUMULATIVE QUARTER 31.03.2018 RM'000	CUMULATIVE QUARTER 31.03.2017 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of revolving credits	697,300	835,200
Issuance of Sukuk Murabahah ("Sukuk")	340,000	430,000
Drawdown of term loans	100,000	-
Proceeds from issuance of shares	6,612	7,839
Drawdown of other borrowings	3,031	9,840
Proceeds from resale of treasury shares	-	2,609
Repayment of revolving credits	(739,800)	(971,200)
Repayment of term loans	(310,870)	(64,810)
Placements of deposits and cash and bank balances, net:		
- assigned in favour of the trustees	(99,530)	(27,189)
- pledged to licensed financial institutions	(10,017)	(496)
Dividends paid	(20,488)	(11,477)
Repayment of other borrowings	(3,643)	(17,164)
Repayment of hire-purchase payables	(347)	(208)
Finance costs paid	(55)	(33)
Capital repayment	-	(97,460)
Redemption of MTNs	-	(35,000)
Shares repurchased	-	(12)
Net cash (used in)/generated from financing activities	<u>(37,807)</u>	<u>60,439</u>
Net change in cash and cash equivalents	(71,630)	(35,971)
Cash and cash equivalents at beginning of financial year	85,834	121,805
Cash and cash equivalents at end of financial year	<u><u>14,204</u></u>	<u><u>85,834</u></u>

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

Deposits with licensed financial institutions	169,581	142,563
Cash and bank balances	27,635	16,736
	<u>197,216</u>	<u>159,299</u>
Less: Deposits and cash and bank balances		
- assigned in favour of the trustees	(144,392)	(44,862)
- pledged to licensed financial institutions	(38,620)	(28,603)
	<u><u>14,204</u></u>	<u><u>85,834</u></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 2017 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 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 2017.

**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 2017, 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 2017:

Amendments to:

MFRS 107 Statement of Cash Flows - Disclosure Initiative

MFRS 112 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to MFRSs classified as "Annual Improvements to MFRSs 2014 - 2016 Cycle"

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

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

In addition, the Group will apply certain new standards, amendments and interpretations when they become effective from the financial year beginning on/after 1 April 2018. The adoption will not result in any significant financial impact on the financial statements of the Group other than as discussed 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 flows 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 recorded in other comprehensive income rather than profit or loss, unless this creates 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.



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**2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(a) MFRS 9 (Cont'd)**

(ii) Impairment:

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 than MFRS 139.

Upon initial adoption of MFRS 9, which will only take effect from 1 April 2018 onwards, an adjustment of approximately RM6.2 million is expected to be made to the opening retained earnings of the Group, thereby decreasing the equity and net assets of the Group. This impact is disclosed based on the assessment undertaken to-date and is subject to change arising from further detailed analysis and supportable information being made available to the Group.

(iii) Disclosure

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



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**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.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**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 of the Sukuk by Al Dzahab Assets Berhad ("ADA"), a subsidiary of the Company, via a Sukuk Murabahah Asset-Backed Securitisation Programme ("Sukuk Programme") as follows:

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Issuance of Sukuk	<u>180,000</u>	<u>340,000</u>

Out of the issuance of RM386.5 million Sukuk, RM46.5 million was subscribed internally by a subsidiary of the Company.

Following the above, ADA has fully utilised its RM900.0 million Sukuk Programme since its establishment in June 2016.

- (b) ESS and issuance of shares pursuant to ESS exercised:
- (i) the Company granted 9,137,000 options to its eligible employees of the Group at an option price of RM1.48 in accordance with the Bylaws of the ESS; and
- (ii) the total number of issued shares of the Company was increased from 350,712,636 to 355,994,636 by way of the issuance of 5,282,000 new ordinary shares pursuant to share options exercised.

As at 31 March 2018, the number of ordinary shares in issue after the share buy-back is 342,021,911 shares.

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**8 DIVIDENDS**

	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>RM'000</b>	<b>RM'000</b>

**Recognised during the financial year:****- Final dividend for 2016:**

3.50 sen per ordinary share under single-tier system, paid on 15 September 2016 to shareholders whose names appeared in the record of depositors on 30 August 2016

-	11,477
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**- Final dividend for 2017:**

3.00 sen per ordinary share under single-tier system, paid on 20 September 2017 to shareholders whose names appeared in the record of depositors on 7 September 2017

10,228	-
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**- Interim dividend for 2018:**

3.00 sen per ordinary share under single-tier system, paid on 30 January 2018 to shareholders whose names appeared in the record of depositors on 17 January 2018

10,260	-
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<u>20,488</u>	<u>11,477</u>
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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 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 2019.



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**9 SEGMENT INFORMATION**

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

	Consumer Financing RM'000	Investment Holding, Management Services & Others RM'000	Group RM'000
<b>Segment Revenue</b>			
Total revenue	244,793	21,479	266,272
Inter-segment revenue	-	(20,366)	(20,366)
External revenue	244,793	1,113	245,906
<b>Segment Results</b>			
Segment results	118,496	(1,068)	117,428
Finance costs	(55)	-	(55)
Profit/(loss) before tax	118,441	(1,068)	117,373
Taxation	(28,184)	(508)	(28,692)
Profit/(loss) for the financial year	90,257	(1,576)	88,681
Interest income including interest income from deposits with licensed financial institutions	217,657	891	218,548
Interest expense applicable to revenue	69,287	26	69,313
<b>Segment assets</b>	1,803,316	55,474	1,858,790
<b>Segment liabilities</b>	1,338,668	849	1,339,517



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**10 PROFIT BEFORE TAX**

	<b>INDIVIDUAL QUARTER 31.03.2018 RM'000</b>	<b>CUMULATIVE QUARTER 31.03.2018 RM'000</b>
Interest income including interest income from deposits with licensed financial institutions	56,565	218,548
Allowance for impairment loss on receivables, net	7,689	29,595
Gain on foreign exchange, net:		
- Realised	2	6
- 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 year.

**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 except for the following:

- (a) Tresor Assets Berhad, a dormant indirect subsidiary of the Company was dissolved pursuant to Section 272(5) of the Companies Act, 1965 on 16 May 2017; and
- (b) RCE Advance Sdn Bhd, a dormant indirect subsidiary of the Company commenced member's voluntary winding up pursuant to Section 439(1)(b) of the Companies Act, 2016 on 6 November 2017. The winding up has no material financial effect to the Group.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**13 REVIEW OF PERFORMANCE**

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	31.03.2018	31.03.2017	Variance		31.03.2018	31.03.2017	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	63,242	57,254	5,988	10.5	245,906	223,331	22,575	10.1
Profit before tax	30,073	28,855	1,218	4.2	117,373	101,490	15,883	15.6
Profit for the financial period	23,022	21,245	1,777	8.4	88,681	78,949	9,732	12.3
Profit attributable to ordinary equity holders of the Parent	23,022	21,245	1,777	8.4	88,681	78,949	9,732	12.3

For the fourth quarter ended 31 March 2018, the Group's revenue rose from RM57.3 million in the corresponding quarter to RM63.2 million in the current quarter, primarily led by higher interest and fee income backed by the expanded loan base from its consumer financing segment.

Correspondingly, this led to a higher pre-tax profit of RM30.1 million in the current quarter as compared to RM28.9 million in the corresponding quarter. Arising thereof, the Group continued to report higher pre-tax profit for four consecutive quarters, evidenced by the increase in its pre-tax profit from RM101.5 million in the previous financial year to RM117.4 million in the current financial year, representing an improvement of 15.6%.

Similarly, the Group also recorded double digit growth of 12.3% in its post-tax profit from RM78.9 million in the previous financial year to RM88.7 million in the current financial year.

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**13 REVIEW OF PERFORMANCE (CONT'D)**

The performance of the respective operating business segments for the financial year ended 31 March 2018 as compared to previous financial year was as follows:

Consumer financing segment

The pre-tax profit of this segment rose 18.3% from RM100.1 million in the previous financial year to RM118.4 million in the current financial year. This was mainly contributed by higher net interest income of RM15.7 million, backed by the expanded loan base to RM1.6 billion from RM1.5 billion a year ago.

Investment holding, management services and others segment

This segment recorded a pre-tax loss of RM1.1 million in the current financial year as compared to a pre-tax profit of RM1.4 million, after taking into account of a RM2.1 million write back of allowance for impairment loss on receivables in the previous financial year.

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

	INDIVIDUAL QUARTER			%
	31.03.2018	31.12.2017	Variance	
	RM'000	RM'000	RM'000	
Revenue	63,242	63,997	(755)	(1.2)
Profit before tax	30,073	29,987	86	0.3
Profit for the financial period	23,022	22,916	106	0.5
Profit attributable to ordinary equity holders of the Parent	23,022	22,916	106	0.5

The Group registered a pre-tax profit of RM30.1 million in the current quarter, which approximates the preceding quarter.





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

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### **15 CURRENT YEAR PROSPECTS**

Amidst moderating growth of household debts in 2017 and the upward revision in the Overnight Policy Rate by 25 basis points to 3.25%, the active asset quality and cost management had contributed to another profitable financial year for the Group. These were also complemented by a robust credit scoring model and a risk-based pricing approach employed in the product design in its pursuit for better yield and return, including its commitment to swift service delivery for its consumer financing segment.

The Group will maintain its vigilant stance in a cautious environment arising from economic uncertainties and digital transformation by staying true to its creed to ensure quality growth in its loans and receivables for solid revenue streams, thereby to sustain, if not further improve its financial performance for the next financial year.

### **16 PROFIT FORECAST**

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



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**17 TAXATION**

	<b>INDIVIDUAL QUARTER 31.03.2018 RM'000</b>	<b>CUMULATIVE QUARTER 31.03.2018 RM'000</b>
Taxation:		
Current period	7,699	29,943
Over provision in prior year	-	(144)
	<hr/> 7,699	<hr/> 29,799
Deferred taxation:		
Current period	(648)	(1,101)
Over provision in prior year	-	(6)
	<hr/> (648)	<hr/> (1,107)
	<hr/> <hr/> 7,051	<hr/> <hr/> 28,692

The effective tax rate of the Group in the current quarter is lower than the statutory tax rate due to certain income not subject to tax. Meanwhile, effective tax rate for the financial year is higher than the statutory tax rate due to non-deductibility of certain expenses for taxation purposes.

**18 STATUS OF CORPORATE PROPOSAL**

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



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**19 LOANS AND RECEIVABLES**

	<b>31.03.2018</b>
	<b>RM'000</b>
Loans and receivables, gross	1,643,389
Less: Allowance for impairment	
- Individual assessment	(66,679)
- Collective assessment	(52,003)
	(118,682)
Loans and receivables, net	1,524,707
Amount receivable within one year	(139,714)
Non-current portion	1,384,993

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

	<b>31.03.2018</b>
	<b>RM'000</b>
Performing	1,195,708
1 to 150 days past due but performing	381,002
Non-performing	66,679
	1,643,389

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**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 year.

*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:

	<b>31.03.2018</b>
	<b>RM'000</b>
Loans and receivables, non-performing	66,679
Less: Allowance for impairment	
- Individual assessment	(66,679)
	<u>          </u>
	<u>          </u>

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



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**20 GROUP BORROWINGS AND DEBT SECURITIES**

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

	← As at 31.03.2018 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
<b>At amortised cost</b>			
Secured:			
- Sukuk	2,412	764,515	766,927
- Term loans	85,371	217,093	302,464
- Revolving credits	229,099	-	229,099
	<u>316,882</u>	<u>981,608</u>	<u>1,298,490</u>
	← As at 31.03.2017 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
<b>At amortised cost</b>			
Secured:			
- Term loans	306,430	207,686	514,116
- Revolving credits	271,322	-	271,322
- Sukuk	1,351	426,129	427,480
	<u>579,103</u>	<u>633,815</u>	<u>1,212,918</u>
Unsecured:			
- Bankers' acceptances	611	-	611
	<u>579,714</u>	<u>633,815</u>	<u>1,213,529</u>

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**20 GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)**

The weighted average interest rate of the Group borrowing categories as at 31 March 2018 ranges from 5.1% to 6.2% (31.03.2017: 4.7% to 6.0%) per annum.

The Group borrowings consist of:

	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate	787,332	707,516
Floating rate	511,158	506,013
	<u>1,298,490</u>	<u>1,213,529</u>

As at 31 March 2018, the Group borrowings stood at RM1.3 billion, which included the entire five Sukuk issuances amounting to RM770.0 million, comprising 59.3% of its total facilities drawn.

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

The Sukuk issuances also complement the Group's plan to improve its liquidity risk management. Accordingly, the Group has steadily turned around from a net current liabilities position of RM282.2 million as at 31 March 2017 to a net current assets position of RM24.1 million as at 31 March 2018.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**21 CAPITAL COMMITMENTS**

**31.03.2018**  
**RM'000**

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

Approved and contracted for

4,587

**22 CHANGES IN CONTINGENT LIABILITIES AND ASSETS**

There were no changes in contingent liabilities and assets since the last financial year ended 31 March 2017.

**23 DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

(a) There were no derivatives as at 31 March 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.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**25 EARNINGS PER SHARE ("EPS")**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>(a) Basic EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	23,022	21,245	88,681	78,949
Weighted average number of ordinary shares in issue	(unit'000)	341,970	334,637	340,703	330,111
Basic EPS	(sen)	<u>6.73</u>	<u>6.35</u>	<u>26.03</u>	<u>23.92</u>

Basic EPS for the current quarter and financial year 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 period.

The weighted average number of ordinary shares in issue for the corresponding quarter and previous financial year take into account the effects of share consolidation completed on 26 April 2016 and net of treasury shares.





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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**25 EPS (CONT'D)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>(b) Diluted EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	23,022	21,245	88,681	78,949
Weighted average number of ordinary shares in issue	(unit'000)	341,970	334,637	340,703	330,111
Effects of dilution of ESS	(unit'000)	164	1,386	672	1,279
Adjusted weighted average number of ordinary shares in issue	(unit'000)	342,134	336,023	341,375	331,390
Diluted EPS	(sen)	6.73	6.32	25.98	23.82

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.



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

**Interim Financial Report**  
**for 4<sup>th</sup> Quarter Ended 31 March 2018**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**26 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying amount of financial assets and liabilities of the Group for the financial year approximate their fair values except for the following:

	<b>31.03.2018</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>Financial assets</b>		
Loans and receivables	<u>1,524,707</u>	<u>1,540,589</u>
<b>Financial liabilities</b>		
Borrowings - Sukuk	<u>766,927</u>	<u>802,883</u>

**BY ORDER OF THE BOARD**  
**JOHNSON YAP CHOON SENG**  
**Company Secretary**  
**28 May 2018**