



**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD
ENDED 30 JUNE 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
1. Revenue	66,938	63,235	66,938	63,235
2. Profit before tax	33,285	31,110	33,285	31,110
3. Profit for the financial period	24,119	23,199	24,119	23,199
4. Profit attributable to ordinary equity holders of the Parent	24,119	23,199	24,119	23,199
5. Basic earnings per ordinary share (sen)	7.03	6.81	7.03	6.81
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 Parent (RM)		1.78		1.71
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
8. Gross interest income	2,807	1,742	2,807	1,742
9. Gross interest expense	13	14	13	14



CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
Interest income	61,567	56,439	61,567	56,439
Other revenue	5,371	6,796	5,371	6,796
Revenue	66,938	63,235	66,938	63,235
Other income	4,836	3,649	4,836	3,649
Interest expense applicable to revenue	(20,353)	(18,526)	(20,353)	(18,526)
Directors' remuneration and staff costs	(7,529)	(5,045)	(7,529)	(5,045)
Allowances for impairment loss on receivables, net	(4,515)	(6,301)	(4,515)	(6,301)
Depreciation of plant and equipment and right-of-use ("ROU") asset	(416)	(733)	(416)	(733)
Other expenses	(5,663)	(5,155)	(5,663)	(5,155)
Finance costs	(13)	(14)	(13)	(14)
Profit before tax	33,285	31,110	33,285	31,110
Taxation	(9,166)	(7,911)	(9,166)	(7,911)
Total comprehensive income for the financial period	24,119	23,199	24,119	23,199
Other comprehensive income that may be reclassified subsequently to profit or loss:				
Foreign currency translations	(4)	-	(4)	-
Other comprehensive income for the financial period, net of tax	(4)	-	(4)	-
Total comprehensive income for the financial period	24,115	23,199	24,115	23,199
Attributable to:				
Owners of the Parent	24,119	23,199	24,119	23,199
Earnings per ordinary share (sen):				
Basic	7.03	6.81	7.03	6.81
Diluted	7.00	6.81	7.00	6.81

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 2019 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT 30.06.2019 RM'000	AS AT 31.03.2019 RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	4,368	4,543
ROU asset	71	-
Goodwill on consolidation	47,333	47,333
Loans and receivables	1,465,571	1,447,009
Deferred tax assets	41,100	41,977
Total Non-Current Assets	1,558,443	1,540,862
Current Assets		
Loans and receivables	156,924	151,698
Trade receivables	3,465	3,669
Other receivables, deposits and prepaid expenses	36,637	37,536
Deposits with licensed financial institutions	309,347	275,808
Cash and bank balances	44,389	216,570
Total Current Assets	550,762	685,281
TOTAL ASSETS	2,109,205	2,226,143
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	160,033	154,454
Treasury shares	(21,561)	(19,945)
Reserves	475,448	449,007
Total Equity	613,920	583,516
Non-Current Liabilities		
Payables	780	718
Hire-purchase payables	619	714
Borrowings	1,010,040	1,029,203
Deferred tax liabilities	311	164
Lease liability	58	-
Total Non-Current Liabilities	1,011,808	1,030,799
Current Liabilities		
Payables and accrued expenses	20,877	26,257
Hire-purchase payables	376	372
Lease liability	13	-
Borrowings	453,625	575,657
Tax liabilities	8,586	9,542
Total Current Liabilities	483,477	611,828
Total Liabilities	1,495,285	1,642,627
TOTAL EQUITY AND LIABILITIES	2,109,205	2,226,143
NET ASSETS PER SHARE (RM)	1.78	1.71

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 2019 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	Share Premium RM'000	Capital Redemption Reserve RM'000	Reserves Employees' Share Scheme RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total Reserves RM'000	Total RM'000
As at 1 April 2018	44,676	(13,353)	72,592	30,903	3,476	-	380,979	487,950	519,273
Effects of adopting MFRS 9	-	-	-	-	-	-	(6,146)	(6,146)	(6,146)
Restated as at 1 April 2018	44,676	(13,353)	72,592	30,903	3,476	-	374,833	481,804	513,127
Total comprehensive income	-	-	-	-	-	-	23,199	23,199	23,199
Transactions with owners									
Cancellation of share options	-	-	-	-	(157)	-	157	-	-
Shares repurchased	-	(4,243)	-	-	-	-	-	-	(4,243)
Total transactions with owners	-	(4,243)	-	-	(157)	-	157	-	(4,243)
As at 30 June 2018	44,676	(17,596)	72,592	30,903	3,319	-	398,189	505,003	532,083
As at 1 April 2019	154,454	(19,945)	-	-	4,060	1	444,946	449,007	583,516
Total comprehensive income	-	-	-	-	-	(4)	24,119	24,115	24,115
Transaction with owners									
Share options granted under Employees' Share Scheme ("ESS")	-	-	-	-	2,326	-	-	2,326	2,326
Issuance of shares pursuant to ESS exercised	5,579	-	-	-	(1,259)	-	1,259	-	5,579
Cancellation of share options	-	-	-	-	(34)	-	34	-	-
Shares repurchased	-	(1,616)	-	-	-	-	-	-	(1,616)
Total transaction with owners	5,579	(1,616)	-	-	1,033	-	1,293	2,326	6,289
As at 30 June 2019	160,033	(21,561)	-	-	5,093	(3)	470,358	475,448	613,920

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 2019 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER 30.06.2019 RM'000	CUMULATIVE QUARTER 30.06.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	33,285	31,110
Adjustments for:		
Allowances for impairment loss on receivables, net	4,515	6,301
Share options granted	2,326	-
Depreciation of plant and equipment and ROU asset	416	733
Finance costs	13	14
Interest income from deposits with licensed financial institutions	(2,807)	(1,742)
Net gain on disposal of plant and equipment	(1)	-
Operating profit before working capital changes	<u>37,747</u>	<u>36,416</u>
(Increase)/Decrease in working capital:		
Loans and receivables	(28,303)	(25,725)
Trade receivables	204	738
Other receivables, deposits and prepaid expenses	1,650	97
Decrease in working capital:		
Payables and accrued expenses	3,556	2,661
Cash generated from operations	<u>14,854</u>	<u>14,187</u>
Taxes paid	(9,212)	(6,713)
Taxes refunded	91	-
Net cash generated from operating activities	<u>5,733</u>	<u>7,474</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income from deposits with licensed financial institutions	2,807	1,742
Net proceeds from disposal of plant and equipment	1	-
Additions to plant and equipment	(315)	(100)
Net cash generated from investing activities	<u>2,493</u>	<u>1,642</u>

CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	CUMULATIVE QUARTER 30.06.2019 RM'000	CUMULATIVE QUARTER 30.06.2018 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credits	194,500	109,100
Drawdown of term loans	11,500	90,000
Proceeds from issuance of shares	5,579	-
Repayment of revolving credits	(272,500)	(67,100)
Redemption of Sukuk Murabahah ("Sukuk")	(50,000)	-
Repayment of term loans	(34,223)	(25,818)
Placements of deposits, cash and bank balances, net:		
- assigned in favour of the trustees	(8,406)	(38,848)
- pledged to licensed financial institutions	6,001	(118)
Shares repurchased	(1,616)	(4,243)
Repayment of hire-purchase payables	(91)	(81)
Finance costs paid	(13)	(14)
Repayment of lease liability	(4)	-
Net cash (used in)/generated from financing activities	(149,273)	62,878
Net change in cash and cash equivalents	(141,047)	71,994
Cash and cash equivalents at beginning of financial period	159,751	14,204
Cash and cash equivalents at end of financial period	18,704	86,198

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

Deposits with licensed financial institutions	309,347	279,055
Cash and bank balances	44,389	29,121
	353,736	308,176
Less: Deposits, cash and bank balances		
- assigned in favour of the trustees	(292,956)	(183,240)
- pledged to licensed financial institutions	(42,076)	(38,738)
	18,704	86,198

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 2019 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. It also complies with IAS 34 (Interim Financial Reporting) issued by the International Accounting Standards Board and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2019.

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 2019, 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 2019:

MFRS 16	Leases
IC interpretation 23	Uncertainty over Income Tax Treatments

Amendments to:

MFRS 9	Financial Instruments - Prepayments Features with Negative Compensation
--------	---

Amendments to MFRSs classified as "Annual Improvements to MFRSs 2015 - 2017 Cycle"



NOTES TO THE INTERIM FINANCIAL REPORT

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The adoption of the above standards, amendments and interpretation does not give rise to any material financial effects to the Group other than as disclosed below:

(a) MFRS 16, Leases (“MFRS 16”)

MFRS 16 replaces MFRS 117, Leases and its related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 introduces a single accounting model for a lessee and eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The ROU assets are initially measured at cost and subsequently measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The ROU assets are recognised at an amount equal to the lease liabilities at the date of initial application for leases previously recognised as an operating lease.

ROU assets are depreciated throughout the lease period in accordance with the depreciation requirements of MFRS 116, Property, Plant and Equipment whereas lease liabilities are accreted to reflect interest expense on a straight-line basis over the lease term and are reduced to reflect lease payments made.

The Group applied MFRS 16 using modified retrospective approach and measured the ROU assets equals to the lease liabilities as at 1 April 2019 with no restatement of comparatives as permitted by MFRS 16.



NOTES TO THE INTERIM FINANCIAL REPORT

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) MFRS 16 (Cont'd)**

The following table summarises the financial effects arising from adoption of MFRS 16:

	As at 1 April 2019 RM'000	Recognition under MFRS 16 RM'000	Restated as at 1 April 2019 RM'000
The Group:			
Statement of financial position			
Current Assets			
ROU asset	-	75	75
Non-Current Liabilities			
Lease liability	-	(61)	(61)
Current Liabilities			
Lease liability	-	(14)	(14)

3 AUDITORS' REPORT ON PRECEDING ANNUAL AUDITED FINANCIAL

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.



NOTES TO THE INTERIM FINANCIAL REPORT

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 Sukuk by Al Dzahab Assets Berhad, an indirect and not a legal subsidiary of the Company, as follows:

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Redemption of Sukuk upon maturity	50,000	50,000

- (b) ESS and issuance of shares pursuant to ESS exercised:

- (i) the Company granted 8,947,000 options to its eligible employees of the Group at an option price of RM1.45 per share in accordance with the Bylaws of the ESS; and
- (ii) the total number of issued shares of the Company was increased from 360,555,536 to 364,393,936 by way of the issuance of 3,838,400 new ordinary shares pursuant to share options exercised.



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

Interim Financial Report
for 1st Quarter Ended 30 June 2019

NOTES TO THE INTERIM FINANCIAL REPORT

7 DEBT AND EQUITY SECURITIES (CONT'D)

(c) Treasury shares

During the financial period ended 30 June 2019, the Company repurchased 983,000 of its issued ordinary shares from the open market. The total consideration paid, including transaction costs, of RM1,616,645 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 and/or transfer the treasury shares for the purpose of an ESS or as purchase consideration at a later date.

None of the treasury shares repurchased have been sold, cancelled or transferred during the financial period.

As at 30 June 2019, the number of ordinary shares in issue after new ordinary shares issued and deducting the treasury shares is 344,763,711 shares.

8 DIVIDENDS

No dividend has been recommended by the directors or paid for the financial period ended 30 June 2019.



NOTES TO THE INTERIM FINANCIAL REPORT

9 SEGMENT INFORMATION

In the previous financial period, the Group had two reportable operating segments. These were organised into business segment based on their services as follow:

(i) Consumer financing

This segment is engaged in the provision of general consumer loan financing.

(ii) Investment holding, management services and others ("IHMSO")

This segment is engaged in investment activities, provision of management services and factoring and confirming.

In the current quarter under review, IHMSO is not disclosed as a reportable segment as it no longer meets the reporting threshold under MFRS 8, Operating Segments. Accordingly, segment information is not presented as the Group is primarily engaged in the provision of general consumer loan financing.



NOTES TO THE INTERIM FINANCIAL REPORT

10 PROFIT BEFORE TAX

The following items have been charged/(credited) in arriving at the profit before tax:

	INDIVIDUAL QUARTER 30.06.2019 RM'000	CUMULATIVE QUARTER 30.06.2019 RM'000
Allowances for impairment loss on receivables, net	4,515	4,515
Interest income including interest income from deposits with licensed financial institutions	(64,374)	(64,374)
Gain on foreign exchange, net:		
- Realised	(1)	(1)
- 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 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

On 26 June 2019, the Company announced that RCE Advance Sdn Bhd, a dormant indirect subsidiary of the Company has been dissolved. The dissolution has no material financial effect to the Group.



NOTES TO THE INTERIM FINANCIAL REPORT

13 REVIEW OF PERFORMANCE

	INDIVIDUAL/ CUMULATIVE QUARTER		Variance RM'000	%
	30.06.2019 RM'000	30.06.2018 RM'000		
Revenue	66,938	63,235	3,703	5.9
Profit before tax	33,285	31,110	2,175	7.0
Profit for the financial period	24,119	23,199	920	4.0
Profit attributable to ordinary equity holders of the Parent	24,119	23,199	920	4.0

The Group posted a higher revenue of RM66.9 million for the first quarter ended 30 June 2019 as compared to RM63.2 million in the corresponding quarter. This was mainly contributed by RM5.1 million higher interest income backed by RM1.8 billion quality loan base, moderated by RM1.6 million lower fee income.

Meanwhile, the Group's pre-tax profit grew by 7.0% or RM2.2 million from RM31.1 million in the corresponding quarter to RM33.3 million in the current quarter. The improvement was largely due to higher RM3.3 million net interest income and RM1.1 million interest income from deposits with licensed financial institutions, partially offset by higher ESS expense of RM2.3 million incurred in the current quarter.

Accordingly, the Group registered a 4.0% increase in its post-tax profit, up from RM23.2 million in the corresponding quarter to RM24.1 million in the current quarter.



NOTES TO THE INTERIM FINANCIAL REPORT

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

	INDIVIDUAL QUARTER			
	30.06.2019	31.03.2019	Variance	
	RM'000	RM'000	RM'000	%
Revenue	66,938	67,395	(457)	(0.7)
Profit before tax	33,285	33,248	37	0.1
Profit for the financial period	24,119	23,727	392	1.7
Profit attributable to ordinary equity holders of the Parent	24,119	23,727	392	1.7

The Group's revenue for the current quarter of RM66.9 million was marginally lower than preceding quarter of RM67.4 million, mainly attributed to RM1.9 million lower fee income offset with RM1.4 million higher interest income.

Notwithstanding the above, the Group continued to sustain its pre-tax profit by registering RM33.3 million in the current quarter.

In addition, the Group's post-tax profit fared at RM24.1 million in the current quarter, representing an increase of 1.7% from the preceding quarter of RM23.7 million. This was mainly because of the lower tax expense due to lower non-deductible expenses in the current quarter.

15 CURRENT YEAR PROSPECTS

As we constantly adapt and position ourselves to comply with the current regulatory and market requirements, and adjust to the changes in the landscape of the consumer financing industry, responsible lending and quality financing remain the Group's priority.

As such, based on the above and the current business trajectory, we expect the Group to be profitable for the financial year ending 31 March 2020.



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 30.06.2019 RM'000	CUMULATIVE QUARTER 30.06.2019 RM'000
Taxation:		
Current period	8,142	8,142
Deferred taxation:		
Current period	1,024	1,024
	<u>9,166</u>	<u>9,166</u>

The effective tax rate of the Group in the current quarter and financial period 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.



NOTES TO THE INTERIM FINANCIAL REPORT

19 LOANS AND RECEIVABLES

	30.06.2019
	RM'000
Loans and receivables, gross	1,752,639
Less: Allowance for impairment	(130,144)
Loans and receivables, net	<u>1,622,495</u>
Amount receivable within one year	(156,924)
Non-current portion	<u><u>1,465,571</u></u>

During the financial period, there was no transaction with related parties in relation to the Group's loans and receivables.

Movement in allowance for impairment:

	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2019	48,273	6,364	75,753	130,390
Changes in the ECL:				
- Transfer to Stage 1	157	(517)	(784)	(1,144)
- Transfer to Stage 2	(170)	759	(567)	22
- Transfer to Stage 3	(288)	(557)	9,758	8,913
Net adjustment of allowance for impairment	(301)	(315)	8,407	7,791
New financial assets originated or purchased	1,974	-	-	1,974
Financial assets derecognised	(299)	(31)	(816)	(1,146)
Changes in risk parameters	(2,582)	(250)	(1,272)	(4,104)
Written off	-	-	(4,761)	(4,761)
Balance as at 30 June 2019	<u><u>47,065</u></u>	<u><u>5,768</u></u>	<u><u>77,311</u></u>	<u><u>130,144</u></u>



NOTES TO THE INTERIM FINANCIAL REPORT

20 GROUP BORROWINGS AND DEBT SECURITIES

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

	← As at 30.06.2019 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
- Sukuk	133,218	832,684	965,902
- Term loans	118,747	177,356	296,103
- Revolving credits	201,660	-	201,660
	<u>453,625</u>	<u>1,010,040</u>	<u>1,463,665</u>

	← As at 30.06.2018 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
- Sukuk	59,594	714,864	774,458
- Term loans	110,755	255,736	366,491
- Revolving credits	271,325	-	271,325
	<u>441,674</u>	<u>970,600</u>	<u>1,412,274</u>



NOTES TO THE INTERIM FINANCIAL REPORT

20 GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)

The weighted average interest rate of the Group borrowing categories as at 30 June 2019 ranges from 4.8% to 6.0% (30.06.2018: 5.1% to 6.2%) per annum.

The Group borrowings consist of:

	30.06.2019	30.06.2018
	RM'000	RM'000
Fixed rate	983,710	794,374
Floating rate	479,955	617,900
	<u>1,463,665</u>	<u>1,412,274</u>

The Group borrowings rose from RM1.41 billion a year ago to RM1.46 billion, representing an increase of 3.6% or RM51.4 million. The increase was primarily due to inclusion of first tranche of Sukuk issued via the Group's RM2.0 billion Sukuk Murabahah Asset-Backed Securitisation Programme ("Sukuk Programme") amounting to RM240.0 million, offset with RM140.0 million net repayments made in relation to banking facilities and RM50.0 million redemption of Sukuk from the Group's RM900.0 million Sukuk Programme upon maturity.

21 CAPITAL COMMITMENTS

	30.06.2019
	RM'000
Capital expenditure approved and contracted for	<u>1,162</u>

22 CHANGES IN CONTINGENT LIABILITIES AND ASSETS

The contingent liabilities as at 30 June 2019 stood at RM1.2 million arising from the increase in letter of credit by RM0.6 million.

Other than disclosed above, there were no other changes in contingent liabilities or assets since the last financial year ended 31 March 2019.



NOTES TO THE INTERIM FINANCIAL REPORT

23 DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

- (a) There were no derivatives as at 30 June 2019.
- (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.

25 EARNINGS PER SHARE ("EPS")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2019	30.06.2018	30.06.2019	30.06.2018
(a) Basic EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	24,119	23,199	24,119	23,199
Weighted average number of ordinary shares in issue	(unit'000)	342,966	340,452	342,966	340,452
Basic EPS	(sen)	<u>7.03</u>	<u>6.81</u>	<u>7.03</u>	<u>6.81</u>

Basic EPS for the current quarter and financial period 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 financial period.

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

NOTES TO THE INTERIM FINANCIAL REPORT**25 EPS (CONT'D)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2019	30.06.2018	30.06.2019	30.06.2018
(b) Diluted EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	24,119	23,199	24,119	23,199
Weighted average number of ordinary shares in issue	(unit'000)	342,966	340,452	342,966	340,452
Effects of dilution of ESS	(unit'000)	1,820	88	1,820	88
Adjusted weighted average number of ordinary shares in issue	(unit'000)	344,786	340,540	344,786	340,540
Diluted EPS	(sen)	7.00	6.81	7.00	6.81

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 1st Quarter Ended 30 June 2019

NOTES TO THE INTERIM FINANCIAL REPORT

26 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:

	30.06.2019	
	Carrying amount RM'000	Fair value RM'000
Financial assets		
Loans and receivables	<u>1,622,495</u>	<u>1,643,385</u>
Financial liabilities		
Borrowings - Sukuk	<u>965,902</u>	<u>1,021,554</u>

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
21 August 2019