



RCE Capital Berhad (Company No. 2444-M)

Incorporated in Malaysia

Interim Financial Report
for 2nd Quarter Ended 30 September 2012

**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL
PERIOD ENDED 30 SEPTEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
1. Revenue	45,003	58,803	93,513	119,560
2. Profit before tax	20,304	34,782	38,093	74,592
3. Profit for the financial period	15,498	26,882	28,836	60,108
4. Profit attributable to owners of the Company	15,498	26,882	28,836	60,108
5. Basic/diluted earnings per share (sen)	1.32	2.29	2.46	5.12
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 owners of the Company (RM)		0.70		0.68
		INDIVIDUAL QUARTER	CUMULATIVE QUARTER	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
8. Gross interest income	2,675	3,774	5,536	7,508
9. Gross interest expense	8	9	17	18

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED	30.09.2011	6 MONTHS ENDED	30.09.2011
	30.09.2012	RM'000	30.09.2012	RM'000
	RM'000	RM'000	RM'000	RM'000
Revenue	45,003	58,803	93,513	119,560
Other income	4,243	6,960	8,054	15,397
Interest expense applicable to revenue	(14,523)	(17,186)	(28,760)	(35,407)
Staff costs and directors' remuneration	(4,289)	(3,289)	(7,376)	(6,439)
Depreciation of plant and equipment and investment properties	(410)	(337)	(789)	(646)
Other expenses	(9,712)	(10,160)	(26,532)	(17,855)
Finance costs	(8)	(9)	(17)	(18)
Profit before tax	20,304	34,782	38,093	74,592
Taxation	(4,806)	(7,900)	(9,257)	(14,484)
Profit for the financial period	15,498	26,882	28,836	60,108
Other comprehensive loss:				
Financial assets available-for-sale ("AFS"):				
- Unrealised net loss on revaluation	-	(819)	-	(618)
- Reclassification to profit and loss upon disposal	-	(2,157)	-	(6,107)
Other comprehensive loss for the financial period, net of tax	-	(2,976)	-	(6,725)
Total comprehensive income for the financial period	15,498	23,906	28,836	53,383
Attributable to:				
Owners of the Company	15,498	26,882	28,836	60,108
Earnings per share attributable to owners of the Company:				
Basic/Diluted (sen)	1.32	2.29	2.46	5.12

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 2012 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT 30.09.2012 RM'000	AS AT 31.03.2012 RM'000	AS AT 01.04.2011 RM'000
ASSETS			
Non-Current Assets			
Plant and equipment	3,775	3,139	2,679
Investment properties	2,634	2,664	2,700
Goodwill on consolidation	28,677	28,677	28,677
Loans and receivables	938,016	879,586	973,164
AFS financial assets	-	-	39,166
Deferred tax assets	20,810	20,792	33,783
Total Non-Current Assets	993,912	934,858	1,080,169
Current Assets			
Loans and receivables	73,517	103,490	112,591
Trade receivables	33,844	34,420	37,414
Other receivables, deposits and prepaid expenses	45,224	32,633	28,549
Deposits with licensed financial institutions	366,819	386,709	512,150
Cash and bank balances	4,730	7,047	2,388
Total Current Assets	524,134	564,299	693,092
TOTAL ASSETS	1,518,046	1,499,157	1,773,261
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	78,240	78,240	78,240
Reserves	468,082	450,982	370,142
Total Equity	546,322	529,222	448,382
Non-Current Liabilities			
Hire-purchase payables	414	512	580
Borrowings	393,735	449,515	737,379
Deferred tax liabilities	38,943	41,420	52,418
Total Non-Current Liabilities	433,092	491,447	790,377
Current Liabilities			
Payables and accrued expenses	78,297	60,598	89,291
Hire-purchase payables	203	206	172
Borrowings	458,103	414,431	444,715
Tax liabilities	2,029	3,253	324
Total Current Liabilities	538,632	478,488	534,502
Total Liabilities	971,724	969,935	1,324,879
TOTAL EQUITY AND LIABILITIES	1,518,046	1,499,157	1,773,261
NET ASSETS PER SHARE (RM)	0.70	0.68	0.57

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 2012 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Reserves			Retained Earnings RM'000	Total Reserves RM'000	Total RM'000
		Share Premium RM'000	Share Options RM'000	AFS RM'000			
As at 1 April 2011	78,240	58,584	5,976	8,779	296,803	370,142	448,382
Total comprehensive (loss)/income	-	-	-	(6,725)	60,108	53,383	53,383
Transactions with owners							
Dividend	-	-	-	-	(11,736)	(11,736)	(11,736)
Cancellation of share options	-	-	(141)	-	141	-	-
Total transactions with owners	-	-	(141)	-	(11,595)	(11,736)	(11,736)
As at 30 September 2011	78,240	58,584	5,835	2,054	345,316	411,789	490,029
As at 1 April 2012	78,240	58,584	5,634	-	386,764	450,982	529,222
Total comprehensive income	-	-	-	-	28,836	28,836	28,836
Transaction with owners							
Dividend	-	-	-	-	(11,736)	(11,736)	(11,736)
Cancellation of share options	-	-	(88)	-	88	-	-
Total transaction with owners	-	-	(88)	-	(11,648)	(11,736)	(11,736)
As at 30 September 2012	78,240	58,584	5,546	-	403,952	468,082	546,322

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 2012 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER 30.09.2012 RM'000	CUMULATIVE QUARTER 30.09.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	38,093	74,592
Adjustments for:		
Allowance for impairment loss on receivables, net	15,085	2,680
Loss on early redemption of:		
- Asset-Backed Securities ("ABS")	3,270	3,284
- Fixed Rate Medium Term Notes ("MTNs")	-	14
Depreciation of plant and equipment and investment properties	789	646
Amortisation of discount on MTNs	433	479
Finance costs	17	18
Plant and equipment written off	-	2
Interest income	(5,536)	(7,508)
Gain on disposal of AFS financial assets	-	(5,921)
Dividend income	-	(1,668)
Gain on disposal of plant and equipment	-	(112)
Operating profit before working capital changes	<u>52,151</u>	<u>66,506</u>
(Increase)/Decrease in working capital:		
Loans and receivables	(43,541)	120,276
Trade receivables	575	2,643
Other receivables, deposits and prepaid expenses	(12,587)	5,014
Increase/(Decrease) in working capital:		
Payables and accrued expenses	4,027	(17,014)
Cash generated from operations	<u>625</u>	<u>177,425</u>
Taxes paid	(13,076)	(13,076)
Taxes refunded	84	283
Net cash (used in)/generated from operating activities	<u>(12,367)</u>	<u>164,632</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	5,536	7,508
Proceeds from disposal of AFS financial assets	-	27,907
Dividend received	-	1,668
Proceeds from disposal of plant and equipment	-	112
Additions to plant and equipment	(1,395)	(933)
Net cash generated from investing activities	<u>4,141</u>	<u>36,262</u>



CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	CUMULATIVE QUARTER 30.09.2012 RM'000	CUMULATIVE QUARTER 30.09.2011 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	96,000	-
Drawdown of revolving credits	49,578	27,383
Drawdown of other borrowings	34,368	57,454
Redemption of ABS	(93,270)	(177,284)
Repayment of revolving credits	(50,179)	(74,148)
Repayment of other borrowings	(28,553)	(69,185)
Redemption of MTNs	(15,000)	(6,514)
Repayment of term loans	(6,807)	(6,170)
Repayment of hire-purchase payables	(101)	(84)
Finance costs paid	(17)	(18)
Dividends paid	-	(11,765)
Net cash used in financing activities	(13,981)	(260,331)
Net change in cash and cash equivalents	(22,207)	(59,437)
Cash and cash equivalents at beginning of financial period	393,756	514,538
Cash and cash equivalents at end of financial period	371,549	455,101
CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:		
Deposits with licensed financial institutions	366,819	449,146
Cash and bank balances	4,730	5,955
	371,549	455,101

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 2012 and the accompanying explanatory notes attached to the interim financial report.



NOTES TO THE INTERIM FINANCIAL REPORT

1 BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). The interim financial report also complies with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"). For the periods up to and including the financial year ended 31 March 2012, the Group prepared its audited financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2012.

This is the Group's interim financial report for part of the period covered by first MFRS framework annual financial statements for the year ending 31 March 2013 and hence MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The date of transition to the MFRS framework is 1 April 2011. The adoption of the MFRS framework does not result in any significant financial impact on the interim financial report of the Group.

2 AUDITORS' REPORT ON PRECEDING ANNUAL AUDITED FINANCIAL STATEMENTS

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

3 SEASONAL OR CYCLICAL FACTORS

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

NOTES TO THE INTERIM FINANCIAL REPORT

4 UNUSUAL ITEMS

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

5 CHANGES IN ESTIMATES

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

6 DEBT AND EQUITY SECURITIES

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

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

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Early redemption of ABS	-	(45,000)
Redemption of ABS upon maturity	(20,000)	(45,000)

(b) Redemption of the MTNs by RCE Advance Sdn Bhd, a subsidiary of the Company, as follows:

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Redemption of MTNs upon maturity	(10,000)	(15,000)



NOTES TO THE INTERIM FINANCIAL REPORT

7 DIVIDEND

The directors declared and paid a final single-tier dividend in respect of the financial year ended 31 March 2012 of 15% (1.50 sen) on 782,395,174 ordinary shares, amounting to RM11,735,925 on 10 October 2012.

No dividend has been recommended by the directors or paid for the financial period ended 30 September 2012.

8 SEGMENTAL INFORMATION

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

	Loan Financing RM'000	Investment Holding & Mgmt Services RM'000	Factoring & Confirming RM'000	Eliminations RM'000	Group RM'000
Segment Revenue					
External sales	90,047	642	2,824	-	93,513
Intersegment sales	-	28,596	-	(28,596)	-
Total revenue	90,047	29,238	2,824	(28,596)	93,513
Segment Results					
Segment results	38,835	(1,442)	717	-	38,110
Finance costs	(13)	-	(4)	-	(17)
Profit before tax	38,822	(1,442)	713	-	38,093
Taxation	(8,179)	(1,086)	8	-	(9,257)
Profit for the financial period	30,643	(2,528)	721	-	28,836
Interest income					
including investment income	95,572	166	1,949	-	97,687
Interest expense					
applicable to revenue	(28,066)	(167)	(527)	-	(28,760)



NOTES TO THE INTERIM FINANCIAL REPORT

9 PROFIT BEFORE TAX

	INDIVIDUAL QUARTER 30.09.2012 RM'000	CUMULATIVE QUARTER 30.09.2012 RM'000
Interest income including investment income	46,975	97,687
Allowance for impairment loss on receivables, net	6,157	15,085
Gain on foreign exchange, net:		
- Realised	5	8
- Unrealised	-	-

There were no exceptional items, inventories written down and written off, allowance for impairment loss on investment properties and gain or loss on disposal of quoted or unquoted investments or properties for the current quarter and financial period ended 30 September 2012.

10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

On 1 November 2012, a total of 391,197,321 new ordinary shares of RM0.10 each arising from the bonus issue were listed and quoted on the Main Market of BMSB.

Save for the above, 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.

11 CHANGES IN THE COMPOSITION OF THE GROUP

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

NOTES TO THE INTERIM FINANCIAL REPORT

12 REVIEW OF PERFORMANCE

The Group recorded a revenue of RM45.0 million for the second quarter ended 30 September 2012, which was RM13.8 million or 23.5% lower as compared to corresponding quarter of RM58.8 million. This was mainly due to the drop in earnings from the existing loan base as well as lower early settlements leading to lower interest income by RM13.8 million from the loan financing segment.

This translates into a lower pre-tax profit of RM20.3 million for the current quarter under review, a decrease of RM14.5 million or 41.6% as compared to RM34.8 million in the corresponding quarter.

Following the above, pre-tax profit for the 6 months ended 30 September 2012 was RM38.1 million as compared to RM74.6 million in the corresponding period, which included a RM5.9 million gain arising from the disposal of 24.4 million units of AmFirst Real Estate Investment Trust ("AmFirst REITs"). As a result, the decrease was mainly attributable to lower revenue by RM26.0 million coupled with higher impairment on receivables.

The performance of the respective operating business segments for the period ended 30 September 2012 as compared to the corresponding period is analysed as follows:

Loan financing segment

Pre-tax profit for the segment was RM38.8 million, RM35.5 million lower as compared to corresponding period's pre-tax profit of RM74.3 million. This was mainly contributed by lower interest income by RM24.3 million and higher impairment on loans and receivables.

Investment holding and management services segment

Subsequent to the Group's disposal of 24.4 million units in AmFirst REITs resulting in a RM5.9 million gain, pre-tax profit for the segment decreased by RM6.3 million to a pre-tax loss of RM1.4 million.



NOTES TO THE INTERIM FINANCIAL REPORT

12 REVIEW OF PERFORMANCE (CONT'D)

Factoring and confirming segment

Factoring and confirming segment recorded a pre-tax profit of RM0.7 million, an increase of RM5.3 million as compared to corresponding period. The improved performance was mainly due to lower impairment on receivables.

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

The Group recorded a pre-tax profit of RM20.3 million for the current quarter ended 30 September 2012, 14.1% or RM2.5 million higher than that of the preceding quarter's pre-tax profit of RM17.8 million.

This was mainly due to lower operating expenses by RM5.9 million offset by lower interest income by RM3.5 million.

14 CURRENT YEAR PROSPECTS

In anticipation of a tougher operating environment, loan momentum is expected to be challenging for the financial year ending 31 March 2013. Meanwhile, the Group remains conservative on the factoring and confirming activities given the weaker pace for business loans.

Notwithstanding the above, the Group remains mindful of the challenges ahead and will continuously strive to improve its financial performance.

15 PROFIT FORECAST

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



NOTES TO THE INTERIM FINANCIAL REPORT

16 TAXATION

	INDIVIDUAL QUARTER 30.09.2012 RM'000	CUMULATIVE QUARTER 30.09.2012 RM'000
Taxation:		
Current period	776	11,715
Underprovision in prior year	-	37
	<hr/> 776	<hr/> 11,752
Deferred taxation:		
Current period	3,075	(3,442)
Underprovision in prior year	955	947
	<hr/> 4,030	<hr/> (2,495)
	<hr/> 4,806	<hr/> 9,257

The effective tax rate of the Group in the current quarter and financial period ended 30 September 2012 is lower than the statutory tax rate as a result of utilisation of tax losses and the recognition of deferred tax assets arising from temporary difference.

17 STATUS OF CORPORATE PROPOSALS ANNOUNCED

Save as disclosed below, there are no other corporate proposals which have been announced but not completed as at 1 November 2012, being the latest practicable date which is not earlier than 7 days from the date of issuance of this report ("LPD"):

- (a) On 14 February 2012, Hong Leong Investment Bank Berhad ("HLIBB") on behalf of the Board of Directors of the Company, announced that the Company proposed to undertake the following:
- (i) proposed bonus issue of up to 399,332,037 new ordinary shares of RM0.10 each in the Company ("Bonus Shares") to be credited as fully paid-up on the basis of 1 Bonus Share for every 2 existing ordinary shares of RM0.10 each held in the Company ("Shares") ("Proposed Bonus Issue");



NOTES TO THE INTERIM FINANCIAL REPORT

17 STATUS OF CORPORATE PROPOSALS ANNOUNCED (CONT'D)

- (ii) proposed renounceable rights issue of up to 479,198,444 new redeemable convertible non-cumulative preference shares of RM0.10 each in the Company ("RCPS") on the basis of 2 RCPS for every 5 Shares held after the Proposed Bonus Issue ("Proposed Rights Issue");
- (iii) proposed exemption for Cempaka Empayar Sdn Bhd ("Cempaka") and persons acting in concert with Cempaka ("PACs") from the obligation to undertake a take-over offer for all the remaining Shares and convertible securities in the Company not already owned by them under Paragraph 16.1(c) of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 ("Proposed Exemption");
- (iv) proposed increase in the authorised share capital of the Company from RM200,000,000 comprising 2,000,000,000 Shares to RM400,000,000 comprising 3,000,000,000 Shares and 1,000,000,000 RCPS ("Proposed Increase in Authorised Share Capital");
- (v) proposed amendments to the Memorandum and Articles of Association of the Company in respect of the issuance of RCPS pursuant to the Proposed Rights Issue and Proposed Increase in Authorised Share Capital ("Proposed Amendments I"); and
- (vi) proposed amendments to the Articles of Association of the Company in respect of the amendments made to the BMSB's Main Market Listing Requirements ("Proposed Amendments II").

The Proposed Bonus Issue, Proposed Rights Issue, Proposed Exemption, Proposed Increase in Authorised Share Capital and Proposed Amendments I are collectively referred to as the "Proposals".

Pursuant to the circular to shareholders of the Company dated 30 August 2012 in relation to the Proposals and Proposed Amendments II ("Circular"), the maximum number of Bonus Shares and RCPS to be issued have been revised downwards from 399,332,037 Bonus Shares to 398,746,687 Bonus Shares and from 479,198,444 RCPS to 478,496,024 RCPS respectively due to the decrease in the number of outstanding Employees' Share Option Scheme ("ESOS") options as at 31 July 2012, being the latest practicable date prior to the printing of the Circular, as a result of cancellation of ESOS options.



NOTES TO THE INTERIM FINANCIAL REPORT

17 STATUS OF CORPORATE PROPOSALS ANNOUNCED (CONT'D)

All necessary/relevant approvals for the Proposals have been obtained from the following:

- (i) Bank Negara Malaysia ("BNM") on 24 May 2012;
- (ii) BMSB on 5 June 2012;
- (iii) Shareholders of RCE at the Extraordinary General Meeting ("EGM") held on 21 September 2012; and
- (iv) Securities Commission Malaysia ("SC") on 1 October 2012.

The Proposed Amendments II was completed on 21 September 2012 upon shareholders' approval at the EGM. On 1 November 2012, the Proposed Bonus Issue was completed following the listing of and quotation for 391,197,321 Bonus Shares on the Main Market of BMSB.

Barring any unforeseen circumstances, the Proposals are expected to be fully completed by the third quarter of the financial year ending 31 March 2013.

- (b) On 14 August 2012, the Company announced that it had on 13 August 2012 entered into various share sale agreements with the vendors to acquire 100% equity interest in Urusan Ihsan Sdn Bhd ("UISB") comprising a total of 1,800,000 ordinary shares of RM1.00 each for a total cash consideration of RM18,000,000 ("Acquisition").

Further, on 2 November 2012, the Company announced that the Company and the vendors of UISB have mutually agreed to terminate the Acquisition and rescind the respective share sale agreements executed on 13 August 2012 ("Rescission").

The Rescission is not expected to have any material effect on the earnings per share and net assets of the Group for the financial year ending 31 March 2013.



NOTES TO THE INTERIM FINANCIAL REPORT

18 GROUP BORROWINGS AND DEBT SECURITIES

Total borrowings and debt securities (all denominated in Ringgit Malaysia) of the Group as at 30 September 2012 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
- Term loans	185,050	95,590	280,640
- Asset-backed securities	58,665	165,000	223,665
- Fixed rate medium term notes	33,512	133,145	166,657
- Revolving credits	142,404	-	142,404
- Bank overdrafts	5,225	-	5,225
	<u>424,856</u>	<u>393,735</u>	<u>818,591</u>
Unsecured:			
- Revolving credits	16,065	-	16,065
- Bankers' acceptances	13,784	-	13,784
- Trust receipts	3,398	-	3,398
	<u>33,247</u>	<u>-</u>	<u>33,247</u>
	<u>458,103</u>	<u>393,735</u>	<u>851,838</u>



NOTES TO THE INTERIM FINANCIAL REPORT

19 CAPITAL COMMITMENTS

30.09.2012
RM'000

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

Approved and contracted for	530
Approved but not contracted for	3,577
	<u>4,107</u>

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

20 CHANGES IN CONTINGENT LIABILITIES AND ASSETS

The Group's total letters of credit have increased from RM3.4 million as at 31 March 2012 to RM4.8 million as at 30 September 2012.

Other than as disclosed above, there were no other changes in contingent liabilities and assets since the last financial year ended 31 March 2012.

21 DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

(a) There were no derivatives as at 30 September 2012.

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



NOTES TO THE INTERIM FINANCIAL REPORT

22 CHANGES IN MATERIAL LITIGATION

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

23 EARNINGS PER SHARE ("EPS")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2012	30.09.2011	30.09.2012	30.09.2011
Basic:					
Profit for the period attributable to owners of the Company	(RM'000)	15,498	26,882	28,836	60,108
Weighted average number of ordinary shares in issue	(unit'000)	1,173,592	1,173,592	1,173,592	1,173,592
Basic EPS	(sen)	<u>1.32</u>	<u>2.29</u>	<u>2.46</u>	<u>5.12</u>

Basic EPS for the quarter is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

The weighted average number of ordinary shares in issue for the current quarter and financial period ended 30 September 2012 take into account the weighted average effect of shares issued pursuant to the Bonus Issue which was completed on 1 November 2012.

The weighted average number of ordinary shares in issue for the corresponding quarter and period have been restated to reflect the retrospective adjustments arising from the Bonus Issue as mentioned above in accordance with MFRS 133, Earnings per Share.



NOTES TO THE INTERIM FINANCIAL REPORT

23 EARNINGS PER SHARE ("EPS") (CONT'D)**Diluted:**

The Group has no dilution in its EPS in the current quarter and the corresponding quarter as there are no dilutive potential ordinary shares.

24 DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained earnings of the Group as at 30 September 2012, into realised and unrealised profits, pursuant to BMSB's directive dated 20 December 2010, is as follows:

	INDIVIDUAL QUARTER	
	30.09.2012	31.03.2012
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	422,085	407,392
- Unrealised	(18,133)	(20,628)
	<u>403,952</u>	<u>386,764</u>

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

Reference is made to the Company's announcement dated 2 October 2012 in relation to the Proposals.

The SC has approved the Proposed Exemption vide its letter dated 1 October 2012. The approval is subject to the Company complying with the requirements under Paragraph 16.13(b) of Practice Note 9 of the Code.

NOTES TO THE INTERIM FINANCIAL REPORT

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

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

- (i) The validity period for the Exemption is from 1 October 2012 up to the expiry of the RCPS tenure of 7 years;
- (ii) The number and percentage of voting shares or voting rights and the conversion or subscription rights or options in the Company held by Cempaka and PACs as at the LPD are as follows:

	Number of Shares (Direct)	% ⁽¹⁾	Number of ESOS options	% ⁽²⁾
Cempaka	509,140,753	43.38	-	-
Amcorp Group Berhad	-	-	-	-
Clear Goal Sdn Bhd	-	-	-	-
Tan Sri Azman Hashim	-	-	2,000,000	13.25
Soo Kim Wai	-	-	1,500,000	9.93
Shalina Azman	-	-	1,200,000	7.95
Shahman Azman	-	-	900,000	5.96
Total	509,140,753	43.38	5,600,000	37.09

Notes:

(1) Based on the issued and paid-up share capital of the Company of 1,173,592,495 Shares as at the LPD.

(2) Based on the total of 15,098,200 ESOS options outstanding as at the LPD.

- (iii) As at the LPD, the Proposed Rights Issue is still ongoing and hence, the total number of RCPS to be subscribed by Cempaka can only be determined later.



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

Interim Financial Report
for 2nd Quarter Ended 30 September 2012

NOTES TO THE INTERIM FINANCIAL REPORT

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

- (iv) Cempaka and PACs shall not undertake the acquisition of voting shares or voting rights or acquisition of the conversion of RCPS or subscription rights or options of the Company (excluding issuance of new shares following the exercise of the conversion or subscription rights or options, or where all shareholders of the Company are entitled to new shares, rights, conversion or subscription rights or options on a pro-rata basis) throughout the validity period of the Exemption; and

- (v) A mandatory offer obligation by Cempaka and PACs to acquire all the remaining Shares and convertible securities in the Company not already owned by them will not arise following the full conversion of RCPS and the exercise of existing ESOS options by Cempaka and PACs as the Proposed Exemption has been granted.

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
6 November 2012