



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

Interim Financial Report
for 3rd Quarter Ended 31 December 2012

**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD
ENDED 31 DECEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
1. Revenue	40,632	61,110	134,145	180,670
2. Profit before tax	18,293	30,645	56,386	105,237
3. Profit for the financial period	9,403	24,776	38,239	84,884
4. Profit attributable to owners of the Company	9,403	24,776	38,239	84,884
5. Basic earnings per share (sen)	0.80	2.11	3.26	7.23
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)		0.58		0.68
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
8. Gross interest income	3,031	3,411	8,567	10,919
9. Gross interest expense	9	9	26	27



CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue	40,632	61,110	134,145	180,670
Other income	5,234	6,308	13,288	21,705
Interest expense applicable to revenue	(13,304)	(14,157)	(42,064)	(49,564)
Staff costs and directors' remuneration	(3,514)	(3,283)	(10,890)	(9,722)
Depreciation of plant and equipment and investment properties	(425)	(330)	(1,214)	(976)
Other expenses	(10,321)	(18,994)	(36,853)	(36,849)
Finance costs	(9)	(9)	(26)	(27)
Profit before tax	18,293	30,645	56,386	105,237
Taxation	(8,890)	(5,869)	(18,147)	(20,353)
Profit for the financial period	9,403	24,776	38,239	84,884
Other comprehensive loss:				
Financial assets available-for-sale ("AFS"):				
- Unrealised net gain/(loss) on revaluation	-	280	-	(338)
- Reclassification to profit and loss upon disposal	-	(2,334)	-	(8,441)
Other comprehensive loss for the financial period, net of tax	-	(2,054)	-	(8,779)
Total comprehensive income for the financial period	9,403	22,722	38,239	76,105
Attributable to:				
Owners of the Company	9,403	24,776	38,239	84,884
Earnings per share attributable to owners of the Company:				
Basic (sen)	0.80	2.11	3.26	7.23
Diluted (sen)	0.70	2.11	3.10	7.23

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 31.12.2012 RM'000	AS AT 31.03.2012 RM'000	AS AT 01.04.2011 RM'000
ASSETS			
Non-Current Assets			
Plant and equipment	4,006	3,139	2,679
Investment properties	2,619	2,664	2,700
Goodwill on consolidation	28,677	28,677	28,677
Loans and receivables	850,363	819,136	899,330
AFS financial assets	-	-	39,166
Deferred tax assets	18,981	20,792	33,783
Total Non-Current Assets	904,646	874,408	1,006,335
Current Assets			
Loans and receivables	164,377	163,940	186,425
Trade receivables	30,909	34,420	37,414
Other receivables, deposits and prepaid expenses	21,099	32,633	28,549
Deposits with licensed financial institutions	382,769	386,709	512,150
Cash and bank balances	4,525	7,047	2,388
Total Current Assets	603,679	624,749	766,926
TOTAL ASSETS	1,508,325	1,499,157	1,773,261
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital			
- Ordinary shares	117,359	78,240	78,240
- Redeemable convertible non-cumulative preference shares ("RCPS")	46,944	-	-
Reserves	568,677	450,982	370,142
Total Equity	732,980	529,222	448,382
Non-Current Liabilities			
Hire-purchase payables	591	512	580
Borrowings	408,072	449,515	737,379
Deferred tax liabilities	33,979	41,420	52,418
Total Non-Current Liabilities	442,642	491,447	790,377
Current Liabilities			
Payables and accrued expenses	63,374	60,598	89,291
Hire-purchase payables	249	206	172
Borrowings	263,918	414,431	444,715
Tax liabilities	5,162	3,253	324
Total Current Liabilities	332,703	478,488	534,502
Total Liabilities	775,345	969,935	1,324,879
TOTAL EQUITY AND LIABILITIES	1,508,325	1,499,157	1,773,261
NET ASSETS PER SHARE (RM)	0.58	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.



CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital		Total Share Capital RM'000	Reserves			Distributable Retained Earnings RM'000	Total Reserves RM'000	Total RM'000
	Ordinary Shares RM'000	RCPS RM'000		Non-Distributable		AFS RM'000			
				Share Premium RM'000	Share Options RM'000				
As at 1 April 2011	78,240	-	78,240	58,584	5,976	8,779	296,803	370,142	448,382
Total comprehensive (loss)/income	-	-	-	-	-	(8,779)	84,884	76,105	76,105
Transactions with owners									
Dividend	-	-	-	-	-	-	(11,736)	(11,736)	(11,736)
Cancellation of share options	-	-	-	-	(237)	-	237	-	-
Total transactions with owners	-	-	-	-	(237)	-	(11,499)	(11,736)	(11,736)
As at 31 December 2011	78,240	-	78,240	58,584	5,739	-	370,188	434,511	512,751
As at 1 April 2012	78,240	-	78,240	58,584	5,634	-	386,764	450,982	529,222
Total comprehensive income	-	-	-	-	-	-	38,239	38,239	38,239
Transactions with owners									
Issuance of RCPS	-	46,944	46,944	131,442	-	-	-	131,442	178,386
Issuance of bonus shares	39,119	-	39,119	(39,119)	-	-	-	(39,119)	-
Dividend	-	-	-	-	-	-	(11,736)	(11,736)	(11,736)
Cancellation of share options	-	-	-	-	(110)	-	110	-	-
Share issuance expense	-	-	-	(1,131)	-	-	-	(1,131)	(1,131)
Total transactions with owners	39,119	46,944	86,063	91,192	(110)	-	(11,626)	79,456	165,519
As at 31 December 2012	117,359	46,944	164,303	149,776	5,524	-	413,377	568,677	732,980

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 31.12.2012 RM'000	CUMULATIVE QUARTER 31.12.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	56,386	105,237
Adjustments for:		
Allowance for impairment loss on receivables, net	17,501	13,404
Loss on early redemption of:		
- Asset-Backed Securities ("ABS")	5,594	6,597
- Fixed Rate Medium Term Notes ("MTNs")	-	14
Depreciation of plant and equipment and investment properties	1,214	976
Amortisation of discount on MTNs	638	711
Finance costs	26	27
Plant and equipment written off	-	2
Interest income	(8,567)	(10,919)
Gain on disposal of plant and equipment	(102)	(112)
Gain on disposal of AFS financial assets	-	(8,238)
Dividend income	-	(1,668)
Operating profit before working capital changes	72,690	106,031
(Increase)/Decrease in working capital:		
Loans and receivables	(49,129)	129,562
Trade receivables	3,475	5,059
Other receivables, deposits and prepaid expenses	5,148	245
Increase/(Decrease) in working capital:		
Payables and accrued expenses	1,315	(31,567)
Cash generated from operations	33,499	209,330
Taxes paid	(18,547)	(16,885)
Taxes refunded	3,094	454
Net cash generated from operating activities	18,046	192,899
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	8,567	10,919
Proceeds from disposal of plant and equipment	103	120
Proceeds from disposal of AFS financial assets	-	38,625
Dividend received	-	1,668
Additions to plant and equipment	(1,728)	(1,188)
Net cash generated from investing activities	6,942	50,144



CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	CUMULATIVE QUARTER 31.12.2012 RM'000	CUMULATIVE QUARTER 31.12.2011 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of RCPS	178,386	-
Drawdown of term loans	166,000	-
Drawdown of revolving credits	56,024	61,901
Drawdown of other borrowings	48,009	76,797
Repayment of term loans	(190,824)	(9,295)
Redemption of ABS	(125,594)	(255,597)
Repayment of revolving credits	(77,437)	(117,965)
Repayment of other borrowings	(47,934)	(90,972)
Redemption of MTNs	(25,000)	(21,514)
Dividends paid	(11,736)	(11,765)
Share issuance expenses	(1,131)	-
Repayment of hire-purchase payables	(187)	(128)
Finance costs paid	(26)	(27)
Net cash used in financing activities	(31,450)	(368,565)
Net change in cash and cash equivalents	(6,462)	(125,522)
Cash and cash equivalents at beginning of financial period	393,756	514,538
Cash and cash equivalents at end of financial period	387,294	389,016
CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:		
Deposits with licensed financial institutions	382,769	385,256
Cash and bank balances	4,525	3,760
	387,294	389,016

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	(30,000)	(75,000)
Redemption of ABS upon maturity	-	(45,000)
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(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)	(25,000)
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NOTES TO THE INTERIM FINANCIAL REPORT

6 DEBT AND EQUITY SECURITIES (CONT'D)

- (c) On 1 November 2012, the Company issued 391,197,321 new ordinary shares of RM0.10 each arising from the bonus issue on the basis of one (1) bonus share for every two (2) existing ordinary shares.
- (d) On 28 November 2012, the Company issued 469,436,998 RCPS of RM0.10 each at an issue price of RM0.38 each. There were no redemption and conversion of RCPS to new ordinary shares for the financial period ended 31 December 2012.

7 DIVIDEND

	CUMULATIVE QUARTER	
	31.12.2012	31.12.2011
	RM'000	RM'000
In respect of financial year ended 31 March 2012		
- Final single-tier dividend of 15% (1.50 sen) on 782,395,174 ordinary shares, paid on 10 October 2012	11,736	-
In respect of financial year ended 31 March 2011		
- Final single-tier dividend of 15% (1.50 sen) on 782,395,174 ordinary shares, paid on 23 September 2011	<u>-</u>	<u>11,736</u>

No dividend has been recommended by the directors for the financial period ended 31 December 2012.



NOTES TO THE INTERIM FINANCIAL REPORT

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	129,177	998	3,970	-	134,145
Intersegment sales	-	52,461	-	(52,461)	-
Total revenue	<u>129,177</u>	<u>53,459</u>	<u>3,970</u>	<u>(52,461)</u>	<u>134,145</u>
Segment Results					
Segment results	57,959	(2,276)	729	-	56,412
Finance costs	(21)	-	(5)	-	(26)
Profit before tax	<u>57,938</u>	<u>(2,276)</u>	<u>724</u>	<u>-</u>	<u>56,386</u>
Taxation	(17,265)	(1,763)	881	-	(18,147)
Profit for the financial period	<u>40,673</u>	<u>(4,039)</u>	<u>1,605</u>	<u>-</u>	<u>38,239</u>
Interest income including investment income	137,651	323	2,791	-	140,765
Interest expense applicable to revenue	(41,005)	(263)	(796)	-	(42,064)



NOTES TO THE INTERIM FINANCIAL REPORT

9 PROFIT BEFORE TAX

	INDIVIDUAL QUARTER 31.12.2012 RM'000	CUMULATIVE QUARTER 31.12.2012 RM'000
Interest income including investment income	43,078	140,765
Allowance for impairment loss on receivables, net	2,416	17,501
Gain on foreign exchange, net:		
- Realised	4	12
- 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 31 December 2012.

10 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.

11 CHANGES IN THE COMPOSITION OF THE GROUP

The Group had on 26 November 2012 received notification from Companies Commission of Malaysia ("CCM") that the application for voluntary striking-off pursuant to Section 308 of the Companies Act, 1965 made by RCE Premier Sdn Bhd ("RPSB"), a dormant sub-subsidiary of the Group has been completed and that RPSB has been struck-off from the register of CCM.

The above strike-off has no material financial effect to the Group.



NOTES TO THE INTERIM FINANCIAL REPORT

12 REVIEW OF PERFORMANCE

For the third quarter ended 31 December 2012, Group revenue was RM40.6 million, where it was RM20.5 million or 33.5% lower than the corresponding quarter of RM61.1 million. This is mainly contributed by lower earnings from the existing loans portfolio as well as the higher rebates granted for early settlements.

As a result, a lower pre-tax profit of RM18.3 million was registered for the current quarter under review, representing RM12.4 million reduction as compared to RM30.6 million in the corresponding quarter.

Meanwhile, pre-tax profit for the 9 months ended 31 December 2012 was RM56.4 million as compared to RM105.2 million in the corresponding period. The decrease was mainly due to lower interest income as well as higher loan impairment made on loans and receivables. However, these are offset by reduction in interest expense and other operating expenses arising from improved cost management. Included in the corresponding period were also RM1.7 million dividend income and RM8.2 million gain arising from the disposal of the entire 33.8 million units of AmFirst Real Estate Investment Trust ("AmFirst REITs").

The performance of the respective operating business segment for the period ended 31 December 2012 as compared to the corresponding period is analysed as follows:

Loan financing segment

Pre-tax profit for the segment was RM57.9 million, RM46.5 million or 44.5% lower than corresponding period's pre-tax profit of RM104.4 million. This was mainly attributable to lower interest income coupled with higher rebates granted for early settlements.

Investment holding and management services segment

Pre-tax profit for the segment decreased by RM8.1 million to a pre-tax loss of RM2.3 million. Included in the corresponding period's pre-tax profit of this segment was a RM8.2 million gain arising from disposal of 33.8 million units in AmFirst REITs.

Factoring and confirming segment

This segment recorded a pre-tax profit of RM0.7 million, an increase of RM5.7 million as compared to corresponding period where a RM7.1 million of impairment on receivables was made.



NOTES TO THE INTERIM FINANCIAL REPORT

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

The Group recorded a pre-tax profit of RM18.3 million for the current quarter ended 31 December 2012 as compared to RM20.3 million in the preceding quarter, representing a decrease of RM2.0 million or 10.0%.

This was mainly due to lower net interest income arising from lower earnings from the existing loans portfolio as well as the effects of higher rebates granted for early settlements.

14 CURRENT YEAR PROSPECTS

The Group continues to remain mindful of the tougher operating environment and intense competition in respect of its loan financing segment. Accordingly, the Group has actively introduced more products and promotional plans to boost its lending activities in order to strengthen its loans portfolio without compromising on its quality.

Meanwhile, the Group is also anticipating a slower loan growth for its factoring and confirming segment for the financial year ending 31 March 2013 due to tightened credit criteria.

The Group remains cautious on the outlook and will continue to embark on marketing opportunities including development of competitive products to sustain its financial performance for the remaining of this financial year.

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 31.12.2012 RM'000	CUMULATIVE QUARTER 31.12.2012 RM'000
Taxation:		
Current period	8,699	20,414
Underprovision in prior year	3,326	3,363
	<hr/> 12,025	<hr/> 23,777
Deferred taxation:		
Current period	(6,194)	(9,636)
Underprovision in prior year	3,059	4,006
	<hr/> (3,135)	<hr/> (5,630)
	<hr/> <hr/> 8,890	<hr/> <hr/> 18,147

The effective tax rate of the Group in the current quarter and financial period ended 31 December 2012 is lower than the statutory tax rate as a result of utilisation of tax losses and recognition of deferred tax assets.



NOTES TO THE INTERIM FINANCIAL REPORT

17 STATUS OF CORPORATE PROPOSALS ANNOUNCED

- (a) There were no corporate proposals announced or pending completion as at the date of this report.
- (b) The status of utilisation of proceeds raised from the issuance of RCPS as at 31 December 2012 are as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Utilisation*	Deviation RM'000	%	Explanation
Repayment of borrowings	150,000	150,000	-	within 6 months	-	-	
Working capital	27,186	11,843	15,343	within 12 months	-	-	Not fully utilised. As such, deviation is not computed.
Estimated expenses	1,200	1,131	69	within 6 months	-	-	
	<u>178,386</u>	<u>162,974</u>	<u>15,412</u>		<u>-</u>	<u>-</u>	

* from the date of listing of RCPS as at 30 November 2012.



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 31 December 2012 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
- Asset-backed securities	49,529	145,000	194,529
- Term loans	17,024	149,670	166,694
- Fixed rate medium term notes	43,093	113,402	156,495
- Revolving credits	123,083	-	123,083
- Bank overdrafts	5,249	-	5,249
	<u>237,978</u>	<u>408,072</u>	<u>646,050</u>
Unsecured:			
- Revolving credits	14,518	-	14,518
- Bankers' acceptances	9,742	-	9,742
- Trust receipts	1,680	-	1,680
	<u>25,940</u>	<u>-</u>	<u>25,940</u>
	<u>263,918</u>	<u>408,072</u>	<u>671,990</u>



NOTES TO THE INTERIM FINANCIAL REPORT

19 CAPITAL COMMITMENTS

31.12.2012
RM'000

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

Approved and contracted for	586
Approved but not contracted for	3,788
	<u>4,374</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 decreased from RM3.4 million as at 31 March 2012 to RM1.8 million as at 31 December 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 31 December 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	
		31.12.2012	31.12.2011	31.12.2012	31.12.2011
(a) Basic EPS:					
Profit for the period attributable to owners of the Company	(RM'000)	9,403	24,776	38,239	84,884
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)	0.80	2.11	3.26	7.23

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 31 December 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)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.12.2012	31.12.2011	31.12.2012	31.12.2011
(b) Diluted EPS:					
Profit for the period attributable to owners of the Company	(RM'000)	9,403	24,776	38,239	84,884
Weighted average number of ordinary shares in issue	(unit'000)	1,173,592	1,173,592	1,173,592	1,173,592
Effects of dilution of RCPS	(unit'000)	173,488	-	58,039	-
Adjusted weighted average number of ordinary shares in issue	(unit'000)	1,347,080	1,173,592	1,231,631	1,173,592
Diluted EPS	(sen)	0.70	2.11	3.10	7.23

Diluted 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 adjusted for dilutive effects of RCPS.

The Employees' Share Option Scheme ("ESOS") options were anti-dilutive for the current quarter and financial period ended 31 December 2012 as the options exercise price exceeds the average market price of the Company ordinary shares during the period. Accordingly, the options were assumed not to be exercised in the calculation of diluted EPS.



NOTES TO THE INTERIM FINANCIAL REPORT

24 DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained earnings of the Group as at 31 December 2012, into realised and unrealised profits, pursuant to BMSB's directive dated 20 December 2010, is as follows:

	INDIVIDUAL QUARTER	
	31.12.2012	31.03.2012
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	428,375	407,392
- Unrealised	(14,998)	(20,628)
	<u>413,377</u>	<u>386,764</u>

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

As announced on 2 October 2012, the Securities Commission Malaysia has, vide its letter dated 1 October 2012, approved the 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 Code ("Exemption").

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 27 November 2019;



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(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 31 December 2012 are as follows:

	Number of Ordinary Shares		Number of RCPS		Number of ESOS		Number of ESOS Option	
	(Direct)	% ⁽¹⁾	(Direct)	% ⁽²⁾	Options	% ⁽³⁾	Shares	% ⁽⁴⁾
Cempaka	509,140,753	43.38	451,024,881	96.08	-	-	-	-
Ancorp Group								
Berhad	-	-	-	-	-	-	-	-
Clear Goal								
Sdn Bhd	-	-	-	-	-	-	-	-
Tan Sri Azman								
Hashim	-	-	-	-	2,000,000	13.30	3,000,000	13.30
Soo Kim Wai	-	-	-	-	1,500,000	9.97	2,250,000	9.97
Shalina								
Azman	-	-	-	-	1,200,000	7.98	1,800,000	7.98
Shahman								
Azman	-	-	-	-	900,000	5.98	1,350,000	5.98
Total	509,140,753	43.38	451,024,881	96.08	5,600,000	37.23	8,400,000	37.23

Notes:

- (1) Based on the issued and paid-up share capital of the Company of 1,173,592,495 ordinary shares as at 31 December 2012.
- (2) Based on the total of 469,436,998 RCPS outstanding as at 31 December 2012.
- (3) Based on the total of 15,038,200 ESOS options outstanding as at 31 December 2012.
- (4) Based on 1.5 times subscription rights per ESOS option, resulting into a total of 22,557,300 ESOS option shares as at 31 December 2012.



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- (iii) The maximum potential voting shares of Cempaka and PACs in the Company, if only Cempaka and PACs (but not other holders) exercise the conversion of RCPS or options in full is 968,565,634 shares representing 59.31% of the resulting enlarged issued and paid-up share capital of the Company;
- (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 Exemption has been granted.

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
21 February 2013