



SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
1. Revenue	32,260	44,716	70,634	92,706
2. Profit/(Loss) before tax	13,891	20,304	(20,826)	38,093
3. Profit/(Loss) for the financial period	10,402	15,498	(17,379)	28,836
4. Profit/(Loss) attributable to owners of the Company	10,402	15,498	(17,379)	28,836
5. Basic earnings/(loss) per share (sen)	0.89	1.32	(1.48)	2.46
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)		0.53		0.56
	INDIVIDUAL QUARTER	CUMULATIVE QUARTER	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
8. Gross interest income	2,484	2,675	5,393	5,536
9. Gross interest expense	9	8	20	17



CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	32,260	44,716	70,634	92,706
Other income	4,179	4,243	8,672	8,054
Interest expense applicable to revenue	(11,413)	(14,523)	(21,510)	(28,760)
Staff costs and directors' remuneration	(4,007)	(4,289)	(8,092)	(7,376)
Depreciation of plant and equipment and investment properties	(449)	(410)	(927)	(789)
Other expenses	(6,670)	(9,425)	(69,583)	(25,725)
Finance costs	(9)	(8)	(20)	(17)
Profit/(Loss) before tax	13,891	20,304	(20,826)	38,093
Taxation	(3,489)	(4,806)	3,447	(9,257)
Total comprehensive income/(loss) for the financial period	10,402	15,498	(17,379)	28,836
Attributable to:				
Owners of the Company	10,402	15,498	(17,379)	28,836
Earnings/(Loss) per share attributable to owners of the Company:				
Basic (sen)	0.89	1.32	(1.48)	2.46
Diluted (sen)	0.63	1.32	(1.48)	2.46

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 2013 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT 30.09.2013 RM'000	AS AT 31.03.2013 RM'000	AS AT 01.04.2012 RM'000
ASSETS			
Non-Current Assets			
Plant and equipment	7,788	7,900	3,139
Investment properties	2,573	2,604	2,664
Goodwill on consolidation	28,677	28,677	28,677
Loans and receivables	777,534	841,287	846,497
Trade receivables	2,376	3,206	-
Deferred tax assets	17,017	16,479	20,792
Total Non-Current Assets	835,965	900,153	901,769
Current Assets			
Loans and receivables	101,109	89,699	105,159
Trade receivables	27,374	24,914	34,420
Other receivables, deposits and prepaid expenses	21,628	11,453	27,207
Deposits with licensed financial institutions	286,570	414,281	386,709
Cash and bank balances	5,216	5,021	7,047
Total Current Assets	441,897	545,368	560,542
TOTAL ASSETS	1,277,862	1,445,521	1,462,311
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital			
- Ordinary shares	117,359	117,359	78,240
- Redeemable convertible non-cumulative preference shares ("RCPS")	46,944	46,944	-
Treasury shares	(1,090)	(2)	-
Reserves	505,024	539,951	450,982
Total Equity	668,237	704,252	529,222
Non-Current Liabilities			
Hire-purchase payables	491	652	512
Borrowings	411,695	503,139	449,515
Deferred tax liabilities	29,461	36,557	41,420
Total Non-Current Liabilities	441,647	540,348	491,447
Current Liabilities			
Payables and accrued expenses	40,989	22,195	23,752
Hire-purchase payables	230	243	206
Borrowings	126,108	177,364	414,431
Tax liabilities	651	1,119	3,253
Total Current Liabilities	167,978	200,921	441,642
Total Liabilities	609,625	741,269	933,089
TOTAL EQUITY AND LIABILITIES	1,277,862	1,445,521	1,462,311
NET ASSETS PER SHARE (RM)	0.53	0.56	0.68

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 2013 and the accompanying explanatory notes attached to the interim financial report.



RCE Capital Berhad (Company No. 2444-M)

Incorporated in Malaysia

Interim Financial Report
for 2nd Quarter Ended 30 September 2013

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital		Total Share Capital RM'000	Treasury Shares RM'000	Reserves			Total Reserves RM'000	Total RM'000
	Ordinary Shares RM'000	RCPS RM'000			Non-Distributable Share Premium RM'000	Share Options RM'000	Distributable Retained Earnings RM'000		
As at 1 April 2012	78,240	-	78,240	-	58,584	5,634	386,764	450,982	529,222
Total comprehensive income	-	-	-	-	-	-	28,836	28,836	28,836
Transactions with owners									
Dividend	-	-	-	-	-	-	(11,736)	(11,736)	(11,736)
Cancellation of share options	-	-	-	-	-	(88)	88	-	-
Total transactions with owners	-	-	-	-	-	(88)	(11,648)	(11,736)	(11,736)
As at 30 September 2012	78,240	-	78,240	-	58,584	5,546	403,952	468,082	546,322
As at 1 April 2013	117,359	46,944	164,303	(2)	149,570	5,221	385,160	539,951	704,252
Total comprehensive loss	-	-	-	-	-	-	(17,379)	(17,379)	(17,379)
Transactions with owners									
Dividend	-	-	-	-	-	-	(17,548)	(17,548)	(17,548)
Cancellation of share options	-	-	-	-	-	(120)	120	-	-
Share repurchased	-	-	-	(1,088)	-	-	-	-	(1,088)
Total transactions with owners	-	-	-	(1,088)	-	(120)	(17,428)	(17,548)	(18,636)
As at 30 September 2013	117,359	46,944	164,303	(1,090)	149,570	5,101	350,353	505,024	668,237

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 2013 and the accompanying explanatory notes attached to the interim financial report.



CONDENSED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER 30.09.2013 RM'000	CUMULATIVE QUARTER 30.09.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(20,826)	38,093
Adjustments for:		
Allowance for impairment loss on receivables, net	64,554	15,085
Depreciation of plant and equipment and investment properties	927	789
Amortisation of discount on Fixed Rate Medium Term Notes ("MTNs")	338	433
Finance costs	20	17
Loss on early redemption of Asset-Backed Securities ("ABS")	-	3,270
Interest income	(5,393)	(5,536)
Gain on disposal of plant and equipment	(32)	-
Operating profit before working capital changes	<u>39,588</u>	<u>52,151</u>
(Increase)/Decrease in working capital:		
Loans and receivables	(11,832)	(43,541)
Trade receivables	(2,009)	575
Other receivables, deposits and prepaid expenses	(2,364)	(12,587)
Increase in working capital:		
Payables and accrued expenses	139	4,027
Cash generated from operations	<u>23,522</u>	<u>625</u>
Taxes paid	(12,428)	(13,076)
Taxes refunded	1	84
Net cash generated from/(used in) operating activities	<u>11,095</u>	<u>(12,367)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	5,393	5,536
Proceeds from disposal of plant and equipment	67	-
Additions to plant and equipment	(819)	(1,395)
Net cash generated from investing activities	<u>4,641</u>	<u>4,141</u>



CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	CUMULATIVE QUARTER 30.09.2013 RM'000	CUMULATIVE QUARTER 30.09.2012 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credits	64,700	49,578
Drawdown of other borrowings	24,674	34,368
Drawdown of term loans	-	96,000
Repayment of revolving credits	(105,280)	(50,179)
Repayment of term loans	(66,402)	(6,807)
Redemption of ABS	(30,000)	(93,270)
Repayment of other borrowings	(24,662)	(28,553)
Redemption of MTNs	(5,000)	(15,000)
Share repurchased	(1,088)	-
Repayment of hire-purchase payables	(174)	(101)
Finance costs paid	(20)	(17)
Net cash used in financing activities	<u>(143,252)</u>	<u>(13,981)</u>
Net change in cash and cash equivalents	(127,516)	(22,207)
Cash and cash equivalents at beginning of financial period	419,302	393,756
Cash and cash equivalents at end of financial period	<u>291,786</u>	<u>371,549</u>

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

Deposits with licensed financial institutions	286,570	366,819
Cash and bank balances	5,216	4,730
	<u>291,786</u>	<u>371,549</u>

Cash and cash equivalents as at end of financial period assigned in favour of the trustees and pledged to licensed financial institutions comprise the following:

Assigned in favour of the trustees	271,963	321,366
Pledged to licensed financial institutions	9,505	19,672
	<u>281,468</u>	<u>341,038</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 2013 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"). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2013.

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 2013, except for the adoption of the following standards, amendments to published standards and interpretations to existing standards which are effective for the financial period commencing 1 April 2013:

MFRS 10	:	Consolidated Financial Statements
MFRS 12	:	Disclosure of Interests in Other Entities
MFRS 13	:	Fair Value Measurement
MFRS 119	:	Employee Benefits (2011)
MFRS 127	:	Separate Financial Statements (2011)

Amendments to:

MFRS 7	:	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
MFRS 10	:	Consolidated Financial Statements: Transition Guidance
MFRS 12	:	Disclosure of Interests in Other Entities: Transition Guidance
MFRS 101	:	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

Amendments to MFRSs classified as “Annual Improvements 2009 – 2011 Cycle”



NOTES TO THE INTERIM FINANCIAL REPORT

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The adoption of the above does not give rise to any material financial effects to the Group. However, the adoption of MFRS 13 (Fair Value Measurement) requires fair value disclosures for financial instruments to be included in the interim financial report as disclosed in Note 27. It will also result in more extensive disclosures in the annual financial statements for the financial year ending 31 March 2014.

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 period.

6 CHANGES IN ESTIMATES

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



NOTES TO THE INTERIM FINANCIAL REPORT

7 DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities for the financial 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
Redemption of ABS upon maturity	(20,000)	(30,000)

- (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	-	(5,000)

- (c) During the financial period, the Company repurchased 3,972,900 of its issued ordinary shares of RM0.10 each from the open market. The total consideration paid including transaction costs of RM1,088,047 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 at a later date. None of the treasury shares repurchased have been sold or cancelled during the financial period.



NOTES TO THE INTERIM FINANCIAL REPORT

8 DIVIDEND

30.09.2013 30.09.2012
RM'000 RM'000

Recognised during the financial period:

- Final dividend for 2012:

15.0% (1.50 sen) under single-tier system on
782,395,174 ordinary shares, paid on 10
October 2012

- 11,736

- Final dividend for 2013:

15.0% (1.50 sen) under single-tier system on
1,169,859,595 ordinary shares, paid on 9
October 2013 to shareholders whose names
appear in the record of depositors on 27
September 2013

17,548 -
17,548 11,736

No ordinary share dividend has been recommended by the directors or paid for the financial period ended 30 September 2013.

On 6 November 2013, the Board of Directors approved the payment of preference share dividend of 20% (2 sen) on 469,436,998 redeemable convertible non-cumulative preference shares ("RCPS") payable on 4 December 2013 to its RCPS holders whose names appear in the record of depositors on 27 November 2013.



NOTES TO THE INTERIM FINANCIAL REPORT

9 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 & Industrial Hire Purchase RM'000	Eliminations RM'000	Group RM'000
Segment Revenue					
External sales	67,355	778	2,501	-	70,634
Intersegment sales	-	1,629	-	(1,629)	-
Total revenue	<u>67,355</u>	<u>2,407</u>	<u>2,501</u>	<u>(1,629)</u>	<u>70,634</u>
Segment Results					
Segment results	(19,408)	(1,484)	86	-	(20,806)
Finance costs	(18)	-	(2)	-	(20)
(Loss)/Profit before tax	<u>(19,426)</u>	<u>(1,484)</u>	<u>84</u>	<u>-</u>	<u>(20,826)</u>
Taxation	4,485	(916)	(122)	-	3,447
Loss for the financial period	<u>(14,941)</u>	<u>(2,400)</u>	<u>(38)</u>	<u>-</u>	<u>(17,379)</u>
Interest income including investment income	72,729	137	1,489	-	74,355
Interest expense applicable to revenue	(21,013)	(181)	(316)	-	(21,510)



NOTES TO THE INTERIM FINANCIAL REPORT

10 PROFIT/(LOSS) BEFORE TAX

	INDIVIDUAL QUARTER 30.09.2013 RM'000	CUMULATIVE QUARTER 30.09.2013 RM'000
Interest income including investment income	33,906	74,355
Allowance for impairment loss on receivables, net	3,744	64,554
Amortisation of discount on MTNs	169	338
Gain on foreign exchange, net:		
- Realised	4	10
- 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.

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 during the financial period.



NOTES TO THE INTERIM FINANCIAL REPORT

13 REVIEW OF PERFORMANCE

For the current quarter under review, the Group's revenue was RM32.3 million, representing a decrease of RM12.5 million or 27.9% as compared to the corresponding quarter. The decrease was primarily due to lower interest income by RM12.4 million from the loan financing segment arising from lower loan base as well as lower early settlements.

As a result, a pre-tax profit of RM13.9 million was recorded, RM6.4 million lower as compared to the corresponding quarter of RM20.3 million.

Notwithstanding the above, the Group registered a pre-tax loss of RM20.8 million for the six month financial period ended 30 September 2013 as compared to a pre-tax profit of RM38.1 million in the corresponding period. This was mainly contributed by higher loan impairment by RM49.5 million coupled with RM15.1 million lower net interest income.

The performance of the respective operating business segment for the six month financial period ended 30 September 2013 as compared to the corresponding period is analysed as follows:

Loan financing segment

This segment posted a pre-tax loss of RM19.4 million as compared to the corresponding period's pre-tax profit of RM38.8 million. This was mainly due to higher loan impairment by RM49.1 million in its continuous efforts to refine and enhance valuation and impairment of non-performing loans ("NPLs") coupled with lower net interest income by RM14.8 million arising from lower loan base and lower early settlements.

Factoring, confirming and industrial hire purchase segment

Pre-tax profit for this segment dropped from RM0.7 million to RM0.1 million primarily due to higher loan impairment by RM0.4 million.

Investment holding and management services segment

Pre-tax loss for this segment increased marginally from RM1.4 million to RM1.5 million mainly due to higher operating expenses.



NOTES TO THE INTERIM FINANCIAL REPORT

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

For the second quarter ended 30 September 2013, the Group posted a pre-tax profit of RM13.9 million as compared to a pre-tax loss of RM34.7 million in the preceding quarter. Included in the preceding quarter was a RM60.6 million loan impairment made on loans and receivables as a result of the continuous efforts to refine and enhance valuation and impairment of NPLs as compared to a RM3.6 million of loan impairment made, offset by lower net interest income by RM7.4 million in the current quarter.

15 CURRENT YEAR PROSPECTS

The disbursements from our personal loan financing segment registered an uptick in the second quarter largely due to higher market demand. However, we expect the Group to register a decline in the coming quarters' disbursements as a result of the steps taken by the Group to comply with the guidelines and prudential standards governing the industry, in line with the implementation of the Financial Services Act 2013. Accordingly, the Group is pursuing its effort actively to capitalise its strength in the underserved niche market segment.

In addition, the Group is increasingly stringent in its credit criteria and evaluation in building a higher quality loans portfolio as well as improving its vigilance in monitoring of NPLs.

Meanwhile, the Group continues to remain conservative on the performance of its factoring, confirming and industrial hire-purchase segment in anticipation of softened loan momentum in the near term.

Barring any unforeseen circumstances, the Group expects the financial performance for the remaining quarters of the financial year ending 31 March 2014 to improve.



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 30.09.2013 RM'000	CUMULATIVE QUARTER 30.09.2013 RM'000
Taxation:		
Current period	3,279	3,937
Underprovision in prior year	-	250
	<hr/> 3,279	<hr/> 4,187
Deferred taxation:		
Current period	210	(9,225)
Underprovision in prior year	-	1,591
	<hr/> 210	<hr/> (7,634)
	<hr/> 3,489	<hr/> (3,447)

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



NOTES TO THE INTERIM FINANCIAL REPORT

18 STATUS OF CORPORATE PROPOSALS ANNOUNCED

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

19 GROUP BORROWINGS AND DEBT SECURITIES

Total borrowings and debt securities (all denominated in Ringgit Malaysia) of the Group as at 30 September 2013 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
- Term loans	12,250	207,805	220,055
- Asset-backed securities	32,436	115,000	147,436
- Fixed rate medium term notes	47,428	88,890	136,318
- Revolving credits	15,089	-	15,089
- Bank overdrafts	5,368	-	5,368
	<u>112,571</u>	<u>411,695</u>	<u>524,266</u>
Unsecured:			
- Bankers' acceptances	12,168	-	12,168
- Revolving credits	1,003	-	1,003
- Trust receipts	366	-	366
	<u>13,537</u>	<u>-</u>	<u>13,537</u>
	<u>126,108</u>	<u>411,695</u>	<u>537,803</u>



NOTES TO THE INTERIM FINANCIAL REPORT

20 CAPITAL COMMITMENTS

30.09.2013
RM'000

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

Approved and contracted for

5,508

Approved but not contracted for

-

5,508

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

21 CHANGES IN CONTINGENT LIABILITIES AND ASSETS

There were no contingent liabilities and assets since the last financial year ended 31 March 2013.

22 DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

(a) There were no derivatives as at 30 September 2013.

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

23 CHANGES IN MATERIAL LITIGATION

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



NOTES TO THE INTERIM FINANCIAL REPORT

24 EARNINGS/(LOSS) PER SHARE ("EPS/(LPS)")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2013	30.09.2012	30.09.2013	30.09.2012
(a) Basic EPS/(LPS):					
Profit/(Loss) for the period attributable to owners of the Company	(RM'000)	10,402	15,498	(17,379)	28,836
Weighted average number of ordinary shares in issue	(unit'000)	1,171,517	1,173,592	1,172,529	1,173,592
Basic EPS/(LPS)	(sen)	<u>0.89</u>	<u>1.32</u>	<u>(1.48)</u>	<u>2.46</u>

Basic EPS/(LPS) for the current quarter and financial period are calculated by dividing the net profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

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

The weighted average number of ordinary shares in issue for the corresponding 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.



NOTES TO THE INTERIM FINANCIAL REPORT

24 EARNINGS/(LOSS) PER SHARE ("EPS/(LPS)") (CONT'D)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2013	30.09.2012	30.09.2013	30.09.2012
(b) Diluted EPS/(LPS):					
Profit/(Loss) for the period attributable to owners of the Company	(RM'000)	10,402	15,498	(17,379)	28,836
Weighted average number of ordinary shares in issue	(unit'000)	1,171,517	1,173,592	1,172,529	1,173,592
Effects of dilution of RCPS	(unit'000)	469,437	-	-	-
Adjusted weighted average number of ordinary shares in issue	(unit'000)	1,640,954	1,173,592	1,172,529	1,173,592
Diluted EPS/(LPS)	(sen)	0.63	1.32	(1.48)	2.46

Diluted EPS/(LPS) for the current quarter and financial period are calculated by dividing the net profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares adjusted for dilutive effects of RCPS.

The incremental shares from assumed conversions of the RCPS are not included in the calculation of diluted LPS for the financial period ended 30 September 2013 as they are anti-dilutive.

The Employees' Share Option Scheme ("ESOS") options were anti-dilutive for the current quarter and financial period 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/(LPS).



NOTES TO THE INTERIM FINANCIAL REPORT

25 DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained earnings of the Group as at 30 September 2013, into realised and unrealised profits, pursuant to BMSB's directive dated 20 December 2010, is as follows:

	INDIVIDUAL QUARTER	
	30.09.2013	31.03.2013
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	362,797	405,238
- Unrealised	(12,444)	(20,078)
	<u>350,353</u>	<u>385,160</u>

26 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;



NOTES TO THE INTERIM FINANCIAL REPORT

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

(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 30 September 2013 are as follows:

	Number of Ordinary Shares		Number of RCPS		Number of ESOS Options		Number of ESOS Option Shares	
	(Direct)	% ⁽¹⁾	(Direct)	% ⁽²⁾		% ⁽³⁾		% ⁽⁴⁾
Cempaka	509,140,753	43.53	451,024,881	96.08	-	-	-	-
Ancorp Group								
Berhad	-	-	-	-	-	-	-	-
Clear Goal								
Sdn Bhd	-	-	-	-	-	-	-	-
Tan Sri Azman								
Hashim	-	-	-	-	2,000,000	14.41	3,000,000	14.41
Soo Kim Wai	-	-	-	-	1,500,000	10.80	2,250,000	10.80
Shalina								
Azman	-	-	-	-	1,200,000	8.64	1,800,000	8.64
Shahman								
Azman	-	-	-	-	900,000	6.48	1,350,000	6.48
Total	509,140,753	43.53	451,024,881	96.08	5,600,000	40.33	8,400,000	40.33

Notes:

- (1) Based on the issued and paid-up share capital of the Company of 1,169,609,595 ordinary shares (excluding a total of 3,982,900 treasury shares) as at 30 September 2013.
- (2) Based on the total of 469,436,998 RCPS outstanding as at 30 September 2013.
- (3) Based on the total of 13,886,400 ESOS options outstanding as at 30 September 2013.
- (4) Based on 1.5 times subscription rights per ESOS option, resulting in a total of 20,829,600 ESOS option shares as at 30 September 2013.



NOTES TO THE INTERIM FINANCIAL REPORT

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

- (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 59.46% 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.

27 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:

	30.09.2013	
	Carrying amount RM'000	Fair value RM'000
Financial liabilities		
Borrowings		
- MTNs	136,318	143,163
- ABS	147,436	153,715



NOTES TO THE INTERIM FINANCIAL REPORT

28 RECLASSIFICATION OF PRIOR YEAR COMPARATIVES

Certain comparative figures have been reclassified for consistency with current year's presentation:

(i) Statement of Comprehensive Income for the financial period ended 30 September 2012

	Previously Stated RM'000	Reclassification RM'000	After Reclassification RM'000
Individual Quarter			
Revenue	45,003	(287)	44,716
Other expenses	(9,712)	287	(9,425)
Cumulative Quarter			
Revenue	93,513	(807)	92,706
Other expenses	(26,532)	807	(25,725)

(ii) Statement of Financial Position

	Previously Stated RM'000	Reclassification RM'000	After Reclassification RM'000
As at 31 March 2013			
Non-Current Assets			
Loans and receivables	860,877	(19,590)	841,287
Current Assets			
Loans and receivables	94,368	(4,669)	89,699
Other receivables, deposits and prepaid expenses	25,339	(13,886)	11,453



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

Interim Financial Report
for 2nd Quarter Ended 30 September 2013

NOTES TO THE INTERIM FINANCIAL REPORT

28 RECLASSIFICATION OF PRIOR YEAR COMPARATIVES (CONT'D)

	Previously Stated RM'000	Reclassification RM'000	After Reclassification RM'000
As at 31 March 2013 (Cont'd)			
Current Liabilities			
Payables and accrued expenses	60,340	(38,145)	22,195
As at 1 April 2012			
Non-Current Assets			
Loans and receivables	877,209	(30,712)	846,497
Current Assets			
Loans and receivables	105,867	(708)	105,159
Other receivables, deposits and prepaid expenses	32,633	(5,426)	27,207
Current Liabilities			
Payables and accrued expenses	60,598	(36,846)	23,752

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
15 November 2013