

**RCE Capital Berhad**

Registration No: 195301000151 (2444-M)

Incorporated in Malaysia

Interim Financial Report
for 2nd Quarter Ended 30 September 2021**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
1. Revenue	69,822	75,921	147,857	140,640
2. Profit before tax	42,203	44,158	89,453	74,744
3. Profit for the financial period	31,545	32,992	66,932	55,816
4. Profit attributable to ordinary equity holders of the Parent	31,545	32,992	66,932	55,816
5. Basic earnings per ordinary share (sen)	8.67	9.27	18.47	15.79
6. Proposed/Declared dividend per share (sen)	7.00	6.00	7.00	6.00
		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)		2.26		2.15
		INDIVIDUAL QUARTER	CUMULATIVE QUARTER	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
8. Gross interest income	50	79	95	633
9. Gross interest expense	68	71	137	144

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	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Profit income	63,700	70,195	135,269	131,609
Other revenue	6,122	5,726	12,588	9,031
Revenue	69,822	75,921	147,857	140,640
Other income	4,564	4,811	9,159	10,429
Profit expense applicable to revenue	(20,402)	(19,595)	(40,237)	(40,589)
Directors' remuneration and staff costs	(5,503)	(5,266)	(11,606)	(10,961)
Allowances for impairment loss on receivables, net	(743)	(5,705)	(3,822)	(12,869)
Depreciation of plant and equipment and right-of-use ("ROU") assets	(872)	(800)	(1,702)	(1,570)
Other expenses	(4,595)	(5,137)	(10,059)	(10,192)
Finance costs	(68)	(71)	(137)	(144)
Profit before tax	42,203	44,158	89,453	74,744
Income tax expense	(10,658)	(11,166)	(22,521)	(18,928)
Total comprehensive income for the financial period	31,545	32,992	66,932	55,816
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:				
Foreign currency translations	-	4	1	(1)
Other comprehensive income/(loss) for the financial period, net of tax	-	4	1	(1)
Total comprehensive income for the financial period	31,545	32,996	66,933	55,815
Attributable to:				
Owners of the Parent	31,545	32,992	66,932	55,816
Earnings per ordinary share (sen):				
Basic	8.67	9.27	18.47	15.79
Diluted	8.65	9.25	18.42	15.74

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 2021 and the accompanying explanatory notes attached to the interim financial report.

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	AS AT 30.09.2021 RM'000	AS AT 31.03.2021 RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	7,466	7,316
ROU assets	4,574	4,793
Goodwill on consolidation	47,333	47,333
Financing receivables	1,535,702	1,535,157
Deferred tax assets	40,369	43,181
Total Non-Current Assets	1,635,444	1,637,780
Current Assets		
Financing receivables	196,119	186,023
Trade receivables	57,303	54,207
Other receivables, deposits and prepaid expenses	14,931	14,795
Deposits with licensed financial institutions	648,212	570,983
Cash and bank balances	15,284	26,918
Total Current Assets	931,849	852,926
TOTAL ASSETS	2,567,293	2,490,706
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	197,839	188,026
Treasury shares	(25,911)	(25,911)
Reserves	653,360	611,916
Total Equity	825,288	774,031
Non-Current Liabilities		
Payables and accrued expenses	1,383	1,695
Hire-purchase payables	447	307
Financing liabilities	1,114,608	1,143,782
Lease liabilities	3,213	3,628
Deferred tax liabilities	1,226	1,221
Total Non-Current Liabilities	1,120,877	1,150,633
Current Liabilities		
Payables and accrued expenses	26,450	29,292
Hire-purchase payables	332	341
Financing liabilities	581,615	526,837
Lease liabilities	816	792
Tax liabilities	11,915	8,780
Total Current Liabilities	621,128	566,042
Total Liabilities	1,742,005	1,716,675
TOTAL EQUITY AND LIABILITIES	2,567,293	2,490,706
NET ASSETS PER SHARE (RM)	2.26	2.15

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 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Reserves			Total Reserves RM'000	Total RM'000
			Employees' Share Scheme ("ESS") RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000		
As at 1 April 2020	172,238	(25,911)	2,006	1	525,030	527,037	673,364
Total comprehensive (loss)/income	-	-	-	(1)	55,816	55,815	55,815
Transactions with owners							
Dividend paid	-	-	-	-	(21,335)	(21,335)	(21,335)
Issuance of shares pursuant to ESS exercised	9,618	-	(1,797)	-	1,797	-	9,618
Cancellation of share options	-	-	(3)	-	3	-	-
Total transactions with owners	9,618	-	(1,800)	-	(19,535)	(21,335)	(11,717)
As at 30 September 2020	181,856	(25,911)	206	-	561,311	561,517	717,462
As at 1 April 2021	188,026	(25,911)	2,136	(1)	609,781	611,916	774,031
Total comprehensive income	-	-	-	1	66,932	66,933	66,933
Transaction with owners							
Dividend paid	-	-	-	-	(25,489)	(25,489)	(25,489)
Issuance of shares pursuant to ESS exercised	9,813	-	(1,493)	-	1,493	-	9,813
Cancellation of share options	-	-	(7)	-	7	-	-
Total transaction with owners	9,813	-	(1,500)	-	(23,989)	(25,489)	(15,676)
As at 30 September 2021	197,839	(25,911)	636	-	652,724	653,360	825,288

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 2021 and the accompanying explanatory notes attached to the interim financial report.

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	CUMULATIVE QUARTER 30.09.2021 RM'000	CUMULATIVE QUARTER 30.09.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	89,453	74,744
Adjustments for:		
Allowances for impairment loss on receivables, net	3,822	12,869
Depreciation of plant and equipment and ROU assets	1,702	1,570
Finance costs	137	144
Plant and equipment written off	14	-
Profit and interest income from deposits with licensed financial institutions	(5,718)	(7,030)
Gain on disposal of plant and equipment	(176)	-
Lease payment incentive	-	(17)
Operating profit before working capital changes	89,234	82,280
(Increase)/Decrease in working capital:		
Financing receivables	(14,477)	6,271
Trade receivables	(3,082)	740
Other receivables, deposits and prepaid expenses	587	(25,519)
Increase in working capital:		
Payables and accrued expenses	(1,791)	(4,156)
Cash generated from operations	70,471	59,616
Taxes paid	(16,665)	(16,911)
Taxes refunded	224	-
Net cash generated from operating activities	54,030	42,705
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit and interest income from deposits with licensed financial institutions received	5,718	7,030
Proceeds from disposal of plant and equipment	180	-
Additions to plant and equipment	(1,245)	(1,118)
Additions of ROU assets under hire-purchase	(407)	-
Net cash generated from investing activities	4,246	5,912

CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	CUMULATIVE QUARTER 30.09.2021 RM'000	CUMULATIVE QUARTER 30.09.2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credits	386,000	252,500
Issuance of Sukuk Murabahah ("Sukuk")	100,000	120,000
Proceeds from issuance of shares	9,813	9,618
Drawdown of other financing liabilities	1,780	1,220
Proceeds from hire-purchase payables	320	-
Drawdown of term loans/financing	-	120,000
Repayment of revolving credits	(343,500)	(579,500)
Redemption of Sukuk	(80,000)	(40,000)
(Placements)/withdrawal of deposits, cash and bank balances, net:		
- assigned in favour of the trustees	(69,299)	(67,302)
- pledged to licensed financial institutions	5,312	6,581
Repayment of term financing/loans	(39,108)	(54,135)
Dividends paid	(25,489)	(21,335)
Repayments of:		
- other financing liabilities	(1,780)	(1,220)
- lease liabilities	(391)	(352)
- hire-purchase payables	(189)	(33)
Finance costs paid	(137)	(144)
Net cash used in financing activities	<u>(56,668)</u>	<u>(254,102)</u>
Net change in cash and cash equivalents	1,608	(205,485)
Cash and cash equivalents at beginning of financial period	30,222	212,667
Cash and cash equivalents at end of financial period	<u><u>31,830</u></u>	<u><u>7,182</u></u>

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

Deposits with licensed financial institutions	648,212	422,911
Cash and bank balances	<u>15,284</u>	<u>52,523</u>
	663,496	475,434
Less: Deposits, cash and bank balances		
- assigned in favour of the trustees	(607,170)	(421,477)
- pledged to licensed financial institutions	<u>(24,496)</u>	<u>(46,775)</u>
	<u><u>31,830</u></u>	<u><u>7,182</u></u>

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.



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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 ("Bursa"). 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 2021.

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group in this interim financial report are consistent with those of the annual audited financial statements for the financial year ended 31 March 2021, except for the following amendments to published standards which are effective for the financial period commencing 1 April 2021:

Amendments to MFRS 16	Interest Rate Benchmark Reform – Phase 2
	COVID-19 – Related Rent Concessions beyond 30 June 2021

The adoption of the above amendments did not have any material effect to the Group.

3. AUDITORS' REPORT ON PRECEDING ANNUAL AUDITED FINANCIAL

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



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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.

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) Issuance and redemption of Sukuk by Zamarad Assets Berhad, an indirect and not a legal subsidiary of the Company, as follow:

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Issuance	100,000	100,000
Redemption upon maturity	15,000	15,000

Out of the issuance of RM124.0 million Sukuk, RM24.0 million was subscribed internally by a subsidiary of the Company.



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7. DEBT AND EQUITY SECURITIES (CONT'D)

- (b) Redemption of Sukuk by Al Dzahab Assets Berhad, an indirect and not a legal subsidiary of the Company, as follow:

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Redemption upon maturity	40,000	65,000

- (c) Issuance of shares pursuant to share options exercised under ESS:

The total number of issued shares of the Company was increased from 382,655,236 to 387,177,636 by way of the issuance of 4,522,400 new ordinary shares pursuant to share options exercised under ESS.

As at 30 September 2021, the number of ordinary shares in issue after deducting treasury shares is 364,572,411.



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8. DIVIDENDS

	30.09.2021	30.09.2020
	RM'000	RM'000

Recognised during the financial period:

- Second interim dividend for 2021: 7.00 sen per ordinary share under single-tier system, paid on 29 July 2021 to shareholders whose names appeared in the record of depositors on 16 July 2021	25,489	-
- Second interim dividend for 2020: 6.00 sen per ordinary share under single-tier system, paid on 27 July 2020 to shareholders whose names appeared in the record of depositors on 16 July 2020	-	21,335
	<u>25,489</u>	<u>21,335</u>

The Board of Directors ("Board") has declared a first interim single-tier dividend of 7.00 sen per ordinary share ("1st interim dividend"), estimated at RM25,557,491 in respect of financial year ending 31 March 2022, to be paid on 6 December 2021. The entitlement date for the dividend payment is 24 November 2021.

A depositor shall qualify for entitlement to the dividend only in respect of:

- shares transferred into the depositor's securities account before 4.30 pm on 24 November 2021 in respect of ordinary transfers; and
- shares bought from Bursa on a cum entitlement basis.

This 1st interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2022.



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8. DIVIDENDS (CONT'D)

In addition, the Board has declared a distribution of up to 18,778,370 treasury shares held by the Company ("Treasury Shares") on the basis of 1 Treasury Share for every 20 ordinary shares ("Shares") held on an entitlement date to be determined ("Entitlement Date").

9. SEGMENT INFORMATION

Segmental reporting is not presented as the Group is primarily engaged in the provision of general consumer financing.

10. PROFIT BEFORE TAX

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

	INDIVIDUAL QUARTER 30.09.2021 RM'000	CUMULATIVE QUARTER 30.09.2021 RM'000
Allowances for impairment loss on receivables, net	743	3,822
Profit income including income from deposits with licensed financial institutions:		
- profit income	(65,588)	(138,701)
- interest income	(1,106)	(2,286)
	(66,694)	(140,987)
Gain on foreign exchange, net:		
- realised	(1)	(1)
- unrealised	-	-



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10. PROFIT BEFORE TAX (CONT'D)

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 except as disclosed in Note 18(b).

12. CHANGES IN THE COMPOSITION OF THE GROUP

- (a) RCE Credit Pte. Ltd., a dormant direct subsidiary of the Company has been struck off and de-registered from the Register of Companies pursuant to Section 344A, Chapter 50 of the Singapore Companies Act on 8 April 2021; and
- (b) Strategi Interaksi Sdn. Bhd., a dormant direct subsidiary company of the Company has been struck off and de-registered from the Companies Commission of Malaysia pursuant to Section 551(1) of the Companies Act 2016 on 21 July 2021.

The above have no material financial effects to the Group.



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13. REVIEW OF PERFORMANCE

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	30.09.2021	30.09.2020	Variance		30.09.2021	30.09.2020	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	69,822	75,921	(6,099)	(8.0)	147,857	140,640	7,217	5.1
Profit before tax	42,203	44,158	(1,955)	(4.4)	89,453	74,744	14,709	19.7
Profit for the financial period	31,545	32,992	(1,447)	(4.4)	66,932	55,816	11,116	19.9
Profit attributable to ordinary equity holders of the Parent	31,545	32,992	(1,447)	(4.4)	66,932	55,816	11,116	19.9

In the current quarter, the Group's revenue was RM69.8 million as compared to corresponding quarter of RM75.9 million. The lower revenue in the current quarter was mainly due to restricted business activities arising from Full Movement Control Order ("FMCO"), which took effect nationwide from 1 June 2021 onwards.

Meanwhile, the Group recorded pre-tax profit of RM42.2 million in the current quarter as compared to RM44.2 million in the corresponding quarter. This was mainly due to lower net profit income arising from lower refinancing activities by customers, offset with lower allowances for impairment loss on receivables and other expenses.

Accordingly, the Group posted a lower post-tax profit of RM31.5 million in the current quarter as compared to RM33.0 million in the corresponding quarter.

For the 6 months ended 30 September 2021, the Group's revenue increased to RM147.9 million, representing an increase of 5.1% from RM140.6 million in the previous financial period. This was primarily contributed by higher profit and net fee income.

The Group recorded a double digit growth of 19.7% in its pre-tax profit from RM74.7 million in the corresponding period to RM89.5 million in the current financial period. This was mainly led by higher net profit income and lower allowances for impairment loss on receivables.

Arising thereof, the Group's post-tax profit of RM66.9 million for the financial period ended 30 September 2021 was RM11.1 million higher as compared to RM55.8 million in the corresponding period.



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

	INDIVIDUAL QUARTER			%
	30.09.2021	30.06.2021	Variance	
	RM'000	RM'000	RM'000	
Revenue	69,822	78,035	(8,213)	(10.5)
Profit before tax	42,203	47,250	(5,047)	(10.7)
Profit for the financial period	31,545	35,387	(3,842)	(10.9)
Profit attributable to ordinary equity holders of the Parent	31,545	35,387	(3,842)	(10.9)

The Group recorded a lower revenue of RM69.8 million in the current quarter as compared to RM78.0 million in the preceding quarter. This was mainly due to lower profit income as a result of implementation of FMCO with restricted business activities nationwide.

Notwithstanding the above, the Group registered lower allowances for impairment loss on receivables in the current quarter as compared to preceding quarter.

Correspondingly, the Group's pre-tax profit decreased from RM47.3 million in the preceding quarter to RM42.2 million in the current quarter.

Overall, the Group posted a lower post-tax profit of RM31.5 million in the current quarter as compared to RM35.4 million in the preceding quarter.

15. CURRENT YEAR PROSPECTS

Following the gradual easing of movement restrictions, more sales campaigns are in the pipeline to bring customers onboard, complemented by our digital transformation initiatives.

The Group will continue to be prudent in its portfolio quality management and expects financial year ending 31 March 2022 to remain profitable.



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16. PROFIT FORECAST

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

17. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER 30.09.2021 RM'000	CUMULATIVE QUARTER 30.09.2021 RM'000
Income tax payable:		
Current period	8,937	19,704
Deferred tax:		
Current period	1,721	2,817
	<u>10,658</u>	<u>22,521</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

- (a) On 30 June 2021, the Company joined a consortium led by Paramount Corporation Berhad which has submitted an application to Bank Negara Malaysia for a digital banking license pursuant to the Licensing Framework for Digital Banks And Application Procedures For New Licences under Financial Services Act 2013.

The Company will enter into a definitive agreement that sets out the obligations of the consortium partners in due course.

NOTES TO THE INTERIM FINANCIAL REPORT**18. STATUS OF CORPORATE PROPOSAL (CONT'D)**

(b) On 9 November 2021, AmInvestment Bank Berhad has on behalf of the Board announced that the Company is undertaking the following:

- (i) a distribution of up to 18,778,370 Treasury Shares on the basis of 1 Treasury Share for every 20 Shares held on the Entitlement Date as disclosed in Note 8; and
- (ii) proposed bonus issue of up to 360,251,432 new shares ("Bonus Shares") on the basis of 19 Bonus Shares for every 21 Shares held on the Entitlement Date ("Proposed Bonus Issue").

The above will be implemented concurrently with a single Entitlement Date, whereby the Treasury Shares shall be distributed to shareholders whose names appear in the Record of Depositors of the Company on the Entitlement Date ("Entitled Shareholders") before the Proposed Bonus Issue. Hence, the entitlement to the Proposed Bonus Issue will be based on the increased number of Shares held by Entitled Shareholders after the distribution of Treasury Shares.

Other than the above, there were no other corporate proposals announced but not completed as at the date of this report.

19. FINANCING RECEIVABLES

	← As at 30.09.2021 →		
	← Receivables →		
	Financing	Loans	Total
	RM'000	RM'000	RM'000
At amortised cost, gross	1,824,904	27,193	1,852,097
Less: Allowances for impairment	(113,772)	(6,504)	(120,276)
	<u>1,711,132</u>	<u>20,689</u>	<u>1,731,821</u>
Amount receivable within one year	(188,472)	(7,647)	(196,119)
Non-current portion	<u>1,522,660</u>	<u>13,042</u>	<u>1,535,702</u>



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19. FINANCING RECEIVABLES (CONT'D)

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

Movement in allowances for impairment:

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Balance as at 1 April 2021	46,402	4,030	73,703	124,135
Changes in the ECL:				
- Transfer to Stage 1	186	(514)	(2,003)	(2,331)
- Transfer to Stage 2	(153)	889	(1,052)	(316)
- Transfer to Stage 3	(517)	(660)	16,559	15,382
Net adjustment of allowances for impairment	(484)	(285)	13,504	12,735
New financial assets originated or purchased	4,058	-	-	4,058
Financial assets derecognised	(1,066)	(87)	(2,131)	(3,284)
Changes in risk parameters	(6,466)	(510)	(2,696)	(9,672)
Written off	-	-	(7,696)	(7,696)
Balance as at 30 September 2021	42,444	3,148	74,684	120,276

The Group applied the latest economic scenarios to reflect an unbiased probability-weighted range of possible future outcome and factor in forecasted Real Gross Domestic Product, a forward looking element used for the expected credit loss ("ECL") calculation. Accordingly, the ECL during the financial period has been adjusted to reflect the impact of latest economic conditions.

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Total financing liabilities and debt securities (all denominated in Ringgit Malaysia) of the Group are as follow:

	← As at 30.09.2021 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
Shariah			
- Sukuk	215,654	993,742	1,209,396
- Term financing	69,399	110,449	179,848
- Revolving credits	98,426	-	98,426
	<u>383,479</u>	<u>1,104,191</u>	<u>1,487,670</u>
Unsecured:			
Shariah			
- Revolving credits	35,015	-	35,015
	<u>418,494</u>	<u>1,104,191</u>	<u>1,522,685</u>
Conventional			
Secured:			
- Revolving credits	157,168	-	157,168
- Term loans	5,953	10,417	16,370
	<u>163,121</u>	<u>10,417</u>	<u>173,538</u>
	<u>581,615</u>	<u>1,114,608</u>	<u>1,696,223</u>

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for 2nd Quarter Ended 30 September 2021**NOTES TO THE INTERIM FINANCIAL REPORT****20. GROUP FINANCING LIABILITIES AND DEBT SECURITIES (CONT'D)**

	← As at 30.09.2020 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
Shariah			
- Sukuk	142,179	997,931	1,140,110
- Term financing	73,210	177,888	251,098
- Revolving credits	30,756	-	30,756
	246,145	1,175,819	1,421,964
Conventional			
- Revolving credits	65,130	-	65,130
- Term loans	31,054	16,364	47,418
	96,184	16,364	112,548
	342,329	1,192,183	1,534,512

As at 30 September 2021, the Group's weighted average profit rate by categories of financing liabilities ranges from 3.4% to 5.1% (30.09.2020: 4.2% to 5.2%) per annum.

The Group financing liabilities consist of:

	30.09.2021 RM'000	30.09.2020 RM'000
Fixed rate	1,209,396	1,140,110
Floating rate	486,827	394,402
	1,696,223	1,534,512

The Group's financing liabilities stood at RM1.70 billion, representing an increase of RM161.7 million as compared to RM1.53 billion a year ago. This was mainly due to issuances of two tranches of Sukuk amounting to RM200.0 million and RM92.4 million net drawdown of other financing liabilities, offset with RM135.0 million redemptions of Sukuk upon maturity.



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21. CAPITAL COMMITMENTS

30.09.2021

RM'000

Capital expenditure approved and contracted for

1,458

22. CHANGES IN CONTINGENT LIABILITIES AND ASSETS

As at 30 September 2021, there was no letter of credit, representing a decrease of RM0.6 million as compared to 31 March 2021.

Other than disclosed above, there were no other changes in contingent liabilities or assets since the last financial year ended 31 March 2021.

23. DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

(a) There were no derivatives as at 30 September 2021.

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

24. CHANGES IN MATERIAL LITIGATION

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



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25. EARNINGS PER SHARE ("EPS")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
(a) Basic EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	31,545	32,992	66,932	55,816
Weighted average number of ordinary shares in issue	(unit'000)	363,926	355,996	362,408	353,547
Basic EPS	(sen)	8.67	9.27	18.47	15.79

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.

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for 2nd Quarter Ended 30 September 2021**NOTES TO THE INTERIM FINANCIAL REPORT****25. EPS (CONT'D)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
(b) Diluted EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	31,545	32,992	66,932	55,816
Weighted average number of ordinary shares in issue	(unit'000)	363,926	355,996	362,408	353,547
Effects of dilution of ESS	(unit'000)	645	482	936	973
Adjusted weighted average number of ordinary shares in issue	(unit'000)	364,571	356,478	363,344	354,520
Diluted EPS	(sen)	8.65	9.25	18.42	15.74

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.



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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:

	30.09.2021	
	Carrying amount RM'000	Fair value RM'000
Financial assets		
Financing receivables	<u>1,731,821</u>	<u>1,760,304</u>
Financial liabilities		
Financing liabilities - Sukuk	<u>1,209,396</u>	<u>1,274,914</u>

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
9 November 2021