

**RCE Capital Berhad**

Registration No: 195301000151 (2444-M)

Incorporated in Malaysia

Interim Financial Report
for 2nd Quarter Ended 30 September 2022**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
1. Revenue	81,758	69,822	159,419	147,857
2. Profit before tax	48,564	42,203	91,451	89,453
3. Profit for the financial period	36,542	31,545	68,769	66,932
4. Profit attributable to ordinary equity holders of the Parent	36,542	31,545	68,769	66,932
5. Basic earnings per ordinary share (sen)	4.99	4.41*	9.39	9.38*
6. Proposed/Declared dividend per share (sen)	23.00	7.00	23.00	7.00
		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)		1.24		1.19
		INDIVIDUAL QUARTER		CUMULATIVE QUARTER
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
8. Gross interest income	52	50	122	95
9. Gross interest expense	56	68	113	137

* Restated to reflect retrospective adjustment arising from issuance of 351,470,069 bonus shares in accordance with MFRS 133, Earnings Per Share.

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	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Profit income	70,954	63,700	140,181	135,269
Other revenue	10,804	6,122	19,238	12,588
Revenue	81,758	69,822	159,419	147,857
Other income	6,349	4,564	11,960	9,159
Profit expense applicable to revenue	(21,579)	(20,402)	(41,918)	(40,237)
Directors' remuneration and staff costs	(5,654)	(5,503)	(11,732)	(11,606)
Allowances for impairment loss on receivables, net	(6,865)	(743)	(15,062)	(3,822)
Depreciation of plant and equipment and right-of-use ("ROU") assets	(896)	(872)	(1,742)	(1,702)
Other expenses	(4,493)	(4,595)	(9,361)	(10,059)
Finance costs	(56)	(68)	(113)	(137)
Profit before tax	48,564	42,203	91,451	89,453
Income tax expense	(12,022)	(10,658)	(22,682)	(22,521)
Total comprehensive income for the financial period	36,542	31,545	68,769	66,932
Other comprehensive income that may be reclassified subsequently to profit or loss:				
Foreign currency translations	-	-	-	1
Other comprehensive income for the financial period, net of tax	-	-	-	1
Total comprehensive income for the financial period	36,542	31,545	68,769	66,933
Attributable to:				
Owners of the Parent	36,542	31,545	68,769	66,932
Earnings per ordinary share (sen):				
Basic	4.99	4.41*	9.39	9.38*
Diluted	4.98	4.41*	9.38	9.36*

* Restated to reflect retrospective adjustment arising from issuance of 351,470,069 bonus shares in accordance with MFRS 133, Earnings Per Share.

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 2022 and the accompanying explanatory notes attached to the interim financial report.

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	AS AT 30.09.2022 RM'000	AS AT 31.03.2022 RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	6,484	6,354
ROU assets	4,500	4,027
Goodwill on consolidation	47,333	47,333
Financing receivables	1,621,512	1,558,602
Deferred tax assets	38,545	40,684
Total Non-Current Assets	1,718,374	1,657,000
Current Assets		
Financing receivables	215,919	205,471
Trade receivables	55,306	53,970
Other receivables, deposits and prepaid expenses	9,262	8,326
Deposits with licensed financial institutions	725,755	647,587
Cash and bank balances	82,767	152,924
Total Current Assets	1,089,009	1,068,278
TOTAL ASSETS	2,807,383	2,725,278
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	201,385	200,697
Treasury shares	(4,948)	(4,948)
Reserves	715,311	676,319
Total Equity	911,748	872,068
Non-Current Liabilities		
Payables and accrued expenses	780	780
Hire-purchase payables	908	338
Financing liabilities	1,119,093	1,198,929
Lease liabilities	2,422	2,787
Deferred tax liabilities	1,262	1,167
Total Non-Current Liabilities	1,124,465	1,204,001
Current Liabilities		
Payables and accrued expenses	32,675	33,729
Hire-purchase payables	337	246
Financing liabilities	725,170	605,047
Lease liabilities	862	840
Tax liabilities	12,126	9,347
Total Current Liabilities	771,170	649,209
Total Liabilities	1,895,635	1,853,210
TOTAL EQUITY AND LIABILITIES	2,807,383	2,725,278
NET ASSETS PER SHARE (RM)	1.24	1.19

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 2022 and the accompanying explanatory notes attached to the interim financial report.

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	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 2021	188,026	(25,911)	2,136	(1)	609,781	611,916	774,031	
Total comprehensive income	-	-	-	1	66,932	66,933	66,933	
Transactions with owners								
Dividends	-	-	-	-	(25,489)	(25,489)	(25,489)	
Issuance of shares pursuant to options exercised	9,813	-	(1,493)	-	1,493	-	9,813	
Cancellation of options	-	-	(7)	-	7	-	-	
Total transactions 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	
As at 1 April 2022	200,697	(4,948)	3,467	-	672,852	676,319	872,068	
Total comprehensive income	-	-	-	-	68,769	68,769	68,769	
Transactions with owners								
Dividends	-	-	-	-	(29,287)	(29,287)	(29,287)	
Issuance of shares pursuant to options exercised	688	-	(644)	-	154	(490)	198	
Cancellation of options	-	-	(57)	-	57	-	-	
Total transactions with owners	688	-	(701)	-	(29,076)	(29,777)	(29,089)	
As at 30 September 2022	201,385	(4,948)	2,766	-	712,545	715,311	911,748	

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 2022 and the accompanying explanatory notes attached to the interim financial report.

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	CUMULATIVE QUARTER 30.09.2022 RM'000	CUMULATIVE QUARTER 30.09.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	91,451	89,453
Adjustments for:		
Allowances for impairment loss on receivables, net	15,062	3,822
Depreciation of plant and equipment and ROU assets	1,742	1,702
Finance costs	113	137
Plant and equipment written off	-	14
Profit and interest income from deposits with licensed financial institutions	(7,624)	(5,718)
Gain on disposal of plant and equipment	(1)	(176)
Operating profit before working capital changes	<u>100,743</u>	<u>89,234</u>
(Increase)/Decrease in working capital:		
Financing receivables	(88,410)	(14,477)
Trade receivables	(1,346)	(3,082)
Other receivables, deposits and prepaid expenses	43	587
Decrease in working capital:		
Payables and accrued expenses	(716)	(1,791)
Cash generated from operations	<u>10,314</u>	<u>70,471</u>
Taxes paid	(17,673)	(16,665)
Taxes refunded	-	224
Net cash (used in)/generated from operating activities	<u>(7,359)</u>	<u>54,030</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit and interest income from deposits with licensed financial institutions received	7,624	5,718
Proceeds from disposal of plant and equipment	1	180
Additions to plant and equipment	(1,316)	(1,245)
Deposit payment for asset under hire-purchase	(92)	(87)
Net cash generated from investing activities	<u>6,217</u>	<u>4,566</u>

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	CUMULATIVE QUARTER 30.09.2022 RM'000	CUMULATIVE QUARTER 30.09.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of:		
- revolving credits	429,528	386,000
- term financing/loans	50,000	-
- other financing liabilities	2,103	1,780
Proceeds from issuance of shares	688	9,813
Issuance of Sukuk Murabahah ("Sukuk")	-	100,000
Repayments of revolving credits	(306,000)	(343,500)
Redemptions of Sukuk	(95,000)	(80,000)
(Placements)/withdrawal of deposits, cash and bank balances, net:		
- assigned in favour of the trustees	(87,138)	(69,299)
- pledged to licensed financial institutions	90,335	5,312
Repayments of term financing/loans	(39,609)	(39,108)
Dividends paid	(29,287)	(25,489)
Repayments of:		
- other financing liabilities	(2,103)	(1,780)
- lease liabilities	(415)	(391)
- hire-purchase payables	(149)	(189)
Cash settlement for ESS	(490)	-
Finance costs paid	(113)	(137)
Net cash generated from/(used in) financing activities	<u>12,350</u>	<u>(56,988)</u>
Net change in cash and cash equivalents	11,208	1,608
Cash and cash equivalents at beginning of financial period	41,001	30,222
Cash and cash equivalents at end of financial period	<u>52,209</u>	<u>31,830</u>

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

Deposits with licensed financial institutions	725,755	648,212
Cash and bank balances	<u>82,767</u>	<u>15,284</u>
	808,522	663,496
Less: Deposits, cash and bank balances		
- assigned in favour of the trustees	(739,197)	(607,170)
- pledged to licensed financial institutions	<u>(17,116)</u>	<u>(24,496)</u>
	<u>52,209</u>	<u>31,830</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 2022 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 2022.

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 2022, except for the following amendments to published standards which are effective for the financial period commencing 1 April 2022:

Amendments to:

MFRS 3	Reference to the Conceptual Framework
MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract
MFRSs	Annual Improvements to MFRSs 2018-2020 Cycle

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

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.



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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) 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
Redemption upon maturity	40,000	40,000



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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	55,000	55,000

- (c) ESS and issuance of shares pursuant to options exercised under ESS:

- (i) the total number of issued shares of the Company was increased from 739,987,032 to 740,596,392 by way of the issuance of 609,360 new ordinary shares pursuant to options exercised; and
- (ii) subsequent to the financial period, the Company has granted 19,112,000 options to the eligible employees at an option price of RM1.38 in accordance with the By-Laws of the ESS.

As at 30 September 2022, the number of ordinary shares, net of treasury shares is 732,380,196.

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8. DIVIDENDS

30.09.2022	30.09.2021
RM'000	RM'000

Recognised during the financial period:

- Second interim dividend for 2022: 4.00 sen per ordinary share, paid on 30 June 2022 to shareholders whose names appeared in the record of depositors on 17 June 2022	29,287	-
- Second interim dividend for 2021: 7.00 sen per ordinary share, paid on 29 July 2021 to shareholders whose names appeared in the record of depositors on 16 July 2021	-	25,489
	<u>29,287</u>	<u>25,489</u>

The Board of Directors ("Board") has declared the following in respect of financial year ending 31 March 2023, to be paid on 30 December 2022:

- a first interim dividend of 5.00 sen per ordinary share ("1st interim dividend"), estimated at RM36,639,791; and
- a special interim dividend of 18.00 sen per ordinary share ("special interim dividend"), estimated at RM131,903,246

based on the latest number of ordinary shares, net of treasury shares.

The entitlement date for the 1st and special interim dividend payments is 19 December 2022.



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8. DIVIDENDS (CONT'D)

A depositor shall qualify for entitlement to the 1st and special interim dividend only in respect of:

- (a) shares transferred into the depositor's securities account before 4.30 pm on 19 December 2022 in respect of ordinary transfers; and
- (b) shares bought from Bursa on a cum entitlement basis.

The 1st and special interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2023.

9. SEGMENT INFORMATION

Segmental reporting is not presented as the Group is primarily engaged in the provision of shariah-compliant and conventional financing services.

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10. PROFIT BEFORE TAX

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

	INDIVIDUAL QUARTER 30.09.2022 RM'000	CUMULATIVE QUARTER 30.09.2022 RM'000
Allowances for impairment loss on receivables, net	6,865	15,062
Income from deposits with licensed financial institutions:		
- profit income	(4,022)	(7,502)
- interest income	(52)	(122)
	(4,074)	(7,624)
Gain on foreign exchange, net:		
- realised	-	(2)
- unrealised	-	-

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

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

As at the date of this announcement, there were no material events subsequent to the end of the interim period that affect the results of the Group.



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12. CHANGES IN THE COMPOSITION OF THE GROUP

On 11 July 2022, RCE Commerce Sdn. Bhd., a dormant indirect subsidiary of the Company has been struck off and de-registered from the Companies Commission of Malaysia pursuant to Section 551(3) of the Companies Act 2016.

The above has no material financial effects to the Group.

13. REVIEW OF PERFORMANCE

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	30.09.2022	30.09.2021	Variance		30.09.2022	30.09.2021	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	81,758	69,822	11,936	17.1	159,419	147,857	11,562	7.8
Profit before tax	48,564	42,203	6,361	15.1	91,451	89,453	1,998	2.2
Profit for the financial period	36,542	31,545	4,997	15.8	68,769	66,932	1,837	2.7
Profit attributable to ordinary equity holders of the Parent	36,542	31,545	4,997	15.8	68,769	66,932	1,837	2.7

The Group recorded a higher revenue of RM81.8 million in the current quarter as compared to RM69.8 million in the corresponding quarter. This was mainly due to higher early settlement and fee income arising from increased refinancing activities by customers and sales campaigns launched.

Following the above, the Group's pre-tax profit rose to RM48.6 million in the current quarter from RM42.2 million in the corresponding quarter after taking into account higher allowances for impairment loss on receivables.

The Group registered a double digit growth of 15.8% in its post-tax profit of RM36.5 million in the current quarter.



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13. REVIEW OF PERFORMANCE (CONT'D)

For the 6 months ended 30 September 2022, the Group's revenue increased to RM159.4 million in the current financial period from RM147.9 million in the corresponding financial period. This was mainly contributed by higher early settlement and fee income.

The increase in revenue offset with a higher allowances for impairment loss on receivables gave rise to a higher pre-tax profit of RM91.5 million in the current financial period.

Overall, the Group recorded a post-tax profit of RM68.8 million in the current financial period.

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

	INDIVIDUAL QUARTER			%
	30.09.2022	30.06.2022	Variance	
	RM'000	RM'000	RM'000	
Revenue	81,758	77,661	4,097	5.3
Profit before tax	48,564	42,887	5,677	13.2
Profit for the financial period	36,542	32,227	4,315	13.4
Profit attributable to ordinary equity holders of the Parent	36,542	32,227	4,315	13.4

The Group's revenue of RM81.8 million in the current quarter, representing an increase of 5.3% from RM77.7 million in the preceding quarter was primarily due to higher early settlement and fee income.

Meanwhile, the Group recorded a lower allowances for impairment loss on receivables of RM6.9 million in the current quarter as compared to RM8.2 million in the preceding quarter.

The above led to a higher pre-tax profit of RM48.6 million in the current quarter, an increase of RM5.7 million from RM42.9 million in the preceding quarter.

Accordingly, the Group registered a steady growth of RM36.5 million post-tax profit in the current quarter.



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15. CURRENT YEAR PROSPECTS

Despite inflation and recent hikes in Overnight Policy Rate by Bank Negara Malaysia driving up the cost of living, the Group remains cautiously optimistic that business will gradually improve and grow beyond the pre-pandemic level.

Additionally, to cater for the evolving needs of customers, the Group continues to enhance its Customer Onboarding application. Various campaigns are also launched to onboard more customers.

The Group is committed in staying profitable for the financial year ending 31 March 2023.

16. PROFIT FORECAST

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

17. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER 30.09.2022 RM'000	CUMULATIVE QUARTER 30.09.2022 RM'000
Income tax payable:		
Current period	11,649	20,448
Deferred tax:		
Current period	373	2,234
	12,022	22,682

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.



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18. STATUS OF CORPORATE PROPOSALS

There was no corporate proposal announced or pending completion as at the date of this report.

19. FINANCING RECEIVABLES

	←———— As at 30.09.2022 —————→		
	←———— Receivables —————→		
	Financing	Loans	Total
	RM'000	RM'000	RM'000
At amortised cost, gross	1,940,475	17,133	1,957,608
Less: Allowances for impairment	(115,993)	(4,184)	(120,177)
	<u>1,824,482</u>	<u>12,949</u>	<u>1,837,431</u>
Amount receivable within one year	(209,420)	(6,499)	(215,919)
Non-current portion	<u>1,615,062</u>	<u>6,450</u>	<u>1,621,512</u>

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

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Movement in allowances for impairment:

	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2022	41,585	2,797	70,725	115,107
Changes in the ECL:				
- Transfer to Stage 1	198	(460)	(2,986)	(3,248)
- Transfer to Stage 2	(108)	715	(992)	(385)
- Transfer to Stage 3	(661)	(499)	26,350	25,190
Net adjustment of allowances for impairment	(571)	(244)	22,372	21,557
New financial assets originated or purchased	6,259	-	-	6,259
Financial assets derecognised	(1,372)	(78)	(2,289)	(3,739)
Changes in risk parameters	(5,800)	(412)	(2,813)	(9,025)
Written off	-	-	(9,982)	(9,982)
Balance as at 30 September 2022	40,101	2,063	78,013	120,177

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 30.09.2022 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
<i>Secured:</i>			
Shariah			
- Sukuk	197,538	1,019,462	1,217,000
- Term financing	60,090	95,156	155,246
- Revolving credits	150,000	-	150,000
	407,628	1,114,618	1,522,246
Conventional			
- Revolving credits	275,979	-	275,979
- Term loans	5,946	4,475	10,421
	281,925	4,475	286,400
	689,553	1,119,093	1,808,646
<i>Unsecured:</i>			
Shariah			
- Revolving credits	35,087	-	35,087
Conventional			
- Revolving credits	530	-	530
	35,617	-	35,617
	725,170	1,119,093	1,844,263

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for 2nd Quarter Ended 30 September 2022**NOTES TO THE INTERIM FINANCIAL REPORT****20. GROUP FINANCING LIABILITIES AND DEBT SECURITIES (CONT'D)**

	← As at 30.09.2021 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
<i>Secured:</i>			
Shariah			
- Sukuk	215,654	993,742	1,209,396
- Term financing	69,399	110,449	179,848
- Revolving credits	98,426	-	98,426
	383,479	1,104,191	1,487,670
Conventional			
- Revolving credits	157,168	-	157,168
- Term loans	5,953	10,417	16,370
	163,121	10,417	173,538
	546,600	1,114,608	1,661,208
<i>Unsecured:</i>			
Shariah			
- Revolving credits	35,015	-	35,015
	581,615	1,114,608	1,696,223

As at 30 September 2022, the Group's weighted average profit rate by categories of financing liabilities ranges from 3.2% to 5.1% (30.09.2021: 3.4% to 5.1%) per annum.

The Group financing liabilities consist of:

	30.09.2022 RM'000	30.09.2021 RM'000
Fixed rate	1,217,000	1,209,396
Floating rate	627,263	486,827
	1,844,263	1,696,223



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20. GROUP FINANCING LIABILITIES AND DEBT SECURITIES (CONT'D)

The Group's financing liabilities increased to RM1.84 billion from RM1.70 billion a year ago. The increase of RM148.0 million was primarily due to RM210.0 million issuance of Sukuk and RM140.4 million net drawdown in other financing liabilities, offset with RM205.0 million redemptions of Sukuk upon maturity.

21. CAPITAL COMMITMENTS

	30.09.2022
	RM'000
Capital expenditure approved and contracted for	<u>1,055</u>

22. CHANGES IN CONTINGENT LIABILITIES AND ASSETS

As at 30 September 2022, the letter of credit stood at RM0.5 million, representing a decrease of RM0.1 million as compared to 31 March 2022.

Other than disclosed above, there were no other changes in contingent liabilities or assets since the last financial year ended 31 March 2022.

23. DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

- (a) There were no derivatives as at 30 September 2022.
- (b) There were no fair value gain/(loss) on fair value changes of financial liabilities as all financial liabilities were measured at amortised cost.



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24. CHANGES IN MATERIAL LITIGATION

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

25. EARNINGS PER SHARE ("EPS")

The weighted average number of ordinary shares in issue for the corresponding quarter and financial period have been restated to reflect the retrospective adjustment arising from the bonus shares issuance in accordance with MFRS 133, Earnings per Share.

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2022	30.09.2021	30.09.2022	30.09.2021
(a) Basic EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	36,542	31,545	68,769	66,932
Weighted average number of ordinary shares in issue	(unit'000)	732,279	715,396	732,109	713,878
Basic EPS	(sen)	4.99	4.41	9.39	9.38

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.

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for 2nd Quarter Ended 30 September 2022**NOTES TO THE INTERIM FINANCIAL REPORT****25. EPS (CONT'D)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2022	30.09.2021	30.09.2022	30.09.2021
(b) Diluted EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	36,542	31,545	68,769	66,932
Weighted average number of ordinary shares in issue	(unit'000)	732,279	715,396	732,109	713,878
Effects of dilution of ESS	(unit'000)	813	645	1,414	936
Adjusted weighted average number of ordinary shares in issue	(unit'000)	733,092	716,041	733,523	714,814
Diluted EPS	(sen)	4.98	4.41	9.38	9.36

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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NOTES TO THE INTERIM FINANCIAL REPORT

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of financial assets and liabilities of the Group for the financial period approximate their fair values except for the following:

	30.09.2022	
	Carrying amount RM'000	Fair value RM'000
Financial assets		
Financing receivables	<u>1,837,431</u>	<u>1,852,844</u>
Financial liabilities		
Sukuk	<u>1,217,000</u>	<u>1,232,862</u>

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
21 November 2022