

**RCE Capital Berhad**

Registration No: 195301000151 (2444-M)

Incorporated in Malaysia

Interim Financial Report
for 3rd Quarter Ended 31 December 2022**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD
ENDED 31 DECEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
1. Revenue	81,568	76,896	240,987	224,753
2. Profit before tax	46,053	46,351	137,504	135,804
3. Profit for the financial period	35,175	34,700	103,944	101,632
4. Profit attributable to ordinary equity holders of the Parent	35,175	34,700	103,944	101,632
5. Basic earnings per ordinary share (sen)	4.80	4.84*	14.19	14.22*
6. Proposed/Declared dividend per share (sen)	-	-	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)		1.05		1.19
		INDIVIDUAL QUARTER		CUMULATIVE QUARTER
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
8. Gross interest income	8	116	14	211
9. Gross interest expense	58	66	171	203

* 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 9 MONTHS ENDED	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Profit income	70,058	68,998	210,239	204,267
Other revenue	11,510	7,898	30,748	20,486
Revenue	81,568	76,896	240,987	224,753
Other income	7,315	5,517	19,275	14,676
Profit expense applicable to revenue	(22,787)	(19,947)	(64,705)	(60,184)
Directors' remuneration and staff costs	(9,370)	(9,852)	(21,102)	(21,458)
Allowances for impairment loss on receivables, net	(5,473)	(1,863)	(20,535)	(5,685)
Depreciation of plant and equipment and right-of-use ("ROU") assets	(925)	(917)	(2,667)	(2,619)
Other expenses	(4,217)	(3,417)	(13,578)	(13,476)
Finance costs	(58)	(66)	(171)	(203)
Profit before tax	46,053	46,351	137,504	135,804
Income tax expense	(10,878)	(11,651)	(33,560)	(34,172)
Total comprehensive income for the financial period	35,175	34,700	103,944	101,632
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	35,175	34,700	103,944	101,633
Attributable to:				
Owners of the Parent	35,175	34,700	103,944	101,632
Earnings per ordinary share (sen):				
Basic	4.80	4.84*	14.19	14.22*
Diluted	4.76	4.83*	14.11	14.19*

* 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 31.12.2022 RM'000	AS AT 31.03.2022 RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	6,793	6,354
ROU assets	4,230	4,027
Goodwill on consolidation	47,333	47,333
Financing receivables	1,639,669	1,558,602
Deferred tax assets	37,836	40,684
Total Non-Current Assets	1,735,861	1,657,000
Current Assets		
Financing receivables	219,304	205,471
Trade receivables	53,754	53,970
Other receivables, deposits and prepaid expenses	17,195	8,326
Deposits with licensed financial institutions	793,830	647,587
Cash and bank balances	88,797	152,924
Total Current Assets	1,172,880	1,068,278
TOTAL ASSETS	2,908,741	2,725,278
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	201,917	200,697
Treasury shares	(4,948)	(4,948)
Reserves	574,801	676,319
Total Equity	771,770	872,068
Non-Current Liabilities		
Payables and accrued expenses	780	780
Hire-purchase payables	839	338
Financing liabilities	1,348,044	1,198,929
Lease liabilities	2,199	2,787
Deferred tax liabilities	1,241	1,167
Total Non-Current Liabilities	1,353,103	1,204,001
Current Liabilities		
Payables and accrued expenses	33,580	33,729
Hire-purchase payables	315	246
Financing liabilities	738,078	605,047
Lease liabilities	874	840
Tax liabilities	11,021	9,347
Total Current Liabilities	783,868	649,209
Total Liabilities	2,136,971	1,853,210
TOTAL EQUITY AND LIABILITIES	2,908,741	2,725,278
NET ASSETS PER SHARE (RM)	1.05	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.

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 2021	188,026	(25,911)	2,136	(1)	609,781	611,916	774,031
Total comprehensive income	-	-	-	1	101,632	101,633	101,633
Transactions with owners							
Dividends	-	-	-	-	(51,069)	(51,069)	(51,069)
Options under ESS:							
- Granted	-	-	3,355	-	-	3,355	3,355
- Exercised	-	-	(1,919)	-	1,919	-	-
Issuance of shares pursuant to options exercised	12,618	-	-	-	-	-	12,618
Cancellation of options	-	-	(7)	-	7	-	-
Total transactions with owners	12,618	-	1,429	-	(49,143)	(47,714)	(35,096)
As at 31 December 2021	200,644	(25,911)	3,565	-	662,270	665,835	840,568
As at 1 April 2022	200,697	(4,948)	3,467	-	672,852	676,319	872,068
Total comprehensive income	-	-	-	-	103,944	103,944	103,944
Transactions with owners							
Dividends	-	-	-	-	(197,843)	(197,843)	(197,843)
Options under ESS:							
- Granted	-	-	2,867	-	-	2,867	2,867
- Exercised	-	-	(4,710)	-	(5,776)	(10,486)	(10,486)
Issuance of shares pursuant to options exercised	1,220	-	-	-	-	-	1,220
Cancellation of options	-	-	(111)	-	111	-	-
Total transactions with owners	1,220	-	(1,954)	-	(203,508)	(205,462)	(204,242)
As at 31 December 2022	201,917	(4,948)	1,513	-	573,288	574,801	771,770

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 31.12.2022 RM'000	CUMULATIVE QUARTER 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	137,504	135,804
Adjustments for:		
Allowances for impairment loss on receivables, net	20,535	5,685
Options granted under ESS	2,867	3,355
Depreciation of plant and equipment and ROU assets	2,667	2,619
Finance costs	171	203
Plant and equipment written off	-	2
Profit and interest income from deposits with licensed financial institutions	(12,795)	(8,820)
Gain on disposal of plant and equipment	(207)	(176)
Operating profit before working capital changes	<u>150,742</u>	<u>138,672</u>
(Increase)/Decrease in working capital:		
Financing receivables	(115,429)	(31,467)
Trade receivables	210	941
Other receivables, deposits and prepaid expenses	(8,341)	2,410
Increase in working capital:		
Payables and accrued expenses	11,099	6,882
Cash generated from operations	<u>38,281</u>	<u>117,438</u>
Taxes paid	(28,473)	(27,986)
Taxes refunded	-	224
Net cash generated from operating activities	<u>9,808</u>	<u>89,676</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit and interest income from deposits with licensed financial institutions received	12,795	8,820
Proceeds from disposal of plant and equipment	207	180
Additions to plant and equipment	(2,281)	(1,805)
Deposit payment for asset under hire-purchase	(92)	(87)
Net cash generated from investing activities	<u>10,629</u>	<u>7,108</u>

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	CUMULATIVE QUARTER 31.12.2022 RM'000	CUMULATIVE QUARTER 31.12.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of:		
- revolving credits	603,528	489,000
- term financing	200,000	-
Issuance of Sukuk Murabahah ("Sukuk")	175,000	100,000
Drawdown of other financing liabilities	3,094	2,934
Proceeds from issuance of shares	1,220	12,618
Repayments of revolving credits	(524,528)	(359,500)
Dividends paid	(197,843)	(51,069)
(Placements)/withdrawal of deposits, cash and bank balances, net:		
- assigned in favour of the trustees	(155,665)	(131,696)
- pledged to licensed financial institutions	83,396	10,482
Redemptions of Sukuk	(125,000)	(95,000)
Repayments of:		
- term financing/loans	(57,292)	(65,186)
- other financing liabilities	(3,094)	(2,934)
- lease liabilities	(626)	(590)
- hire-purchase payables	(240)	(291)
Cash settlement for ESS	(12,369)	-
Finance costs paid	(171)	(203)
Net cash used in financing activities	<u>(10,590)</u>	<u>(91,435)</u>
Net change in cash and cash equivalents	9,847	5,349
Cash and cash equivalents at beginning of financial period	41,001	30,222
Cash and cash equivalents at end of financial period	<u><u>50,848</u></u>	<u><u>35,571</u></u>

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

Deposits with licensed financial institutions	793,830	700,192
Cash and bank balances	88,797	24,272
	<u>882,627</u>	<u>724,464</u>
Less: Deposits, cash and bank balances		
- assigned in favour of the trustees	(807,724)	(669,567)
- pledged to licensed financial institutions	(24,055)	(19,326)
	<u><u>50,848</u></u>	<u><u>35,571</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 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) 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	175,000	175,000
Redemption upon maturity	30,000	70,000

Out of the issuance of RM219.0 million Sukuk, RM44.0 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	-	55,000

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

- (i) 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. The option price was subsequently adjusted to RM1.19 in accordance with By-Laws 15.5(c) arising from dividends distribution; and
- (ii) the total number of issued shares of the Company increased from 739,987,032 to 741,066,767 by way of the issuance of 1,079,735 new ordinary shares pursuant to options exercised.

As at 31 December 2022, the number of ordinary shares, net of treasury shares is 732,850,571.

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8. DIVIDENDS

31.12.2022	31.12.2021
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	-
- First interim dividend for 2023: 5.00 sen per ordinary share, paid on 30 December 2022 to shareholders whose names appeared in the record of depositors on 19 December 2022	36,643	-
- Special interim dividend for 2023: 18.00 sen per ordinary share, paid on 30 December 2022 to shareholders whose names appeared in the record of depositors on 19 December 2022	131,913	-
- 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
- First interim dividend for 2022: 7.00 sen per ordinary share, paid on 6 December 2021 to shareholders whose names appeared in the record of depositors on 24 November 2021	-	25,580
	<u>197,843</u>	<u>51,069</u>



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9. SEGMENT INFORMATION

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

10. PROFIT BEFORE TAX

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

	INDIVIDUAL QUARTER 31.12.2022 RM'000	CUMULATIVE QUARTER 31.12.2022 RM'000
Allowances for impairment loss on receivables, net	5,473	20,535
Income from deposits with licensed financial institutions:		
- profit income	(5,163)	(12,781)
- interest income	(8)	(14)
	(5,171)	(12,795)
Gain on foreign exchange, net:		
- realised	(2)	(4)
- 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			
	31.12.2022	31.12.2021	Variance		31.12.2022	31.12.2021	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	81,568	76,896	4,672	6.1	240,987	224,753	16,234	7.2
Profit before tax	46,053	46,351	(298)	(0.6)	137,504	135,804	1,700	1.3
Profit for the financial period	35,175	34,700	475	1.4	103,944	101,632	2,312	2.3
Profit attributable to ordinary equity holders of the Parent	35,175	34,700	475	1.4	103,944	101,632	2,312	2.3

The Group posted a higher revenue of RM81.6 million in the current quarter, up from RM76.9 million in the corresponding quarter. This was primarily driven by on-going sales campaign and higher early settlement income arising from increased refinancing activities by customers.

Additionally, the Group generated higher profit income from deposits placed with licensed financial institutions in line with the rise in deposit rates.

Following the above, the Group steadily maintained its pre-tax profit for the current quarter, after taking into account higher allowances for impairment loss on receivables and profit expense.

Overall, the Group registered a marginally higher post-tax profit of RM35.2 million with lower income tax expense in the current quarter.



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13. REVIEW OF PERFORMANCE (CONT'D)

For the 9 months ended 31 December 2022, the Group's revenue rose to RM241.0 million mainly contributed by higher fee and early settlement income. This led to a higher pre-tax profit of RM137.5 million in the current financial period despite higher allowances for impairment loss on receivables.

Accordingly, the Group recorded a growth of 2.3% in its post-tax profit of RM103.9 million in the current financial period.

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

	INDIVIDUAL QUARTER			%
	31.12.2022	30.09.2022	Variance	
	RM'000	RM'000	RM'000	
Revenue	81,568	81,758	(190)	(0.2)
Profit before tax	46,053	48,564	(2,511)	(5.2)
Profit for the financial period	35,175	36,542	(1,367)	(3.7)
Profit attributable to ordinary equity holders of the Parent	35,175	36,542	(1,367)	(3.7)

The Group's revenue of RM81.6 million dropped slightly due to lower early settlement income arising from lower refinancing activities by customers in the current quarter.

The Group registered a lower pre-tax profit of RM46.1 million primarily due to higher staff costs in relation to ESS expense incurred, offset with lower allowances for impairment loss as receivables' quality position remained stable in the current quarter.

Correspondingly, the Group posted a lower post-tax profit of RM35.2 million in the current quarter.



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15. CURRENT YEAR PROSPECTS

With improving economic outlook, we anticipate positive momentum in disbursements boosted by increasing business activities in Malaysia amidst concerns of recession and persistent challenging environment.

The Group continues to enhance digital transformation across all platforms in its business operations to onboard more customers on a timely basis, including on-going sales campaign.

The Group expects to remain 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 31.12.2022 RM'000	CUMULATIVE QUARTER 31.12.2022 RM'000
Income tax payable:		
Current period	10,677	31,125
Over provision in prior years	(487)	(487)
	<u>10,190</u>	<u>30,638</u>
Deferred tax:		
Current period	618	2,852
Under provision in prior years	70	70
	<u>688</u>	<u>2,922</u>
	<u>10,878</u>	<u>33,560</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.



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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 31.12.2022 —————→		
	←———— Receivables —————→		
	Financing	Loans	Total
	RM'000	RM'000	RM'000
At amortised cost, gross	1,963,426	15,114	1,978,540
Less: Allowances for impairment	(115,783)	(3,784)	(119,567)
	<u>1,847,643</u>	<u>11,330</u>	<u>1,858,973</u>
Amount receivable within one year	(213,303)	(6,001)	(219,304)
Non-current portion	<u>1,634,340</u>	<u>5,329</u>	<u>1,639,669</u>

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

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19. FINANCING RECEIVABLES (CONT'D)

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 2022	41,585	2,797	70,725	115,107
Changes in the ECL:				
- Transfer to Stage 1	292	(592)	(5,143)	(5,443)
- Transfer to Stage 2	(143)	1,200	(2,089)	(1,032)
- Transfer to Stage 3	(910)	(587)	38,004	36,507
Net adjustment of allowances for impairment	(761)	21	30,772	30,032
New financial assets originated or purchased	8,936	-	-	8,936
Financial assets derecognised	(1,988)	(106)	(3,439)	(5,533)
Changes in risk parameters	(8,088)	(598)	(4,220)	(12,906)
Written off	-	-	(16,069)	(16,069)
Balance as at 31 December 2022	39,684	2,114	77,769	119,567

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 31.12.2022 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
<i>Secured:</i>			
Shariah			
- Sukuk	218,039	1,153,840	1,371,879
- Term financing	76,963	112,343	189,306
- Revolving credits	79,900	-	79,900
	374,902	1,266,183	1,641,085
Conventional			
- Revolving credits	244,125	-	244,125
- Term loans	25,959	81,861	107,820
	270,084	81,861	351,945
	644,986	1,348,044	1,993,030
<i>Unsecured:</i>			
Shariah			
- Revolving credits	85,087	-	85,087
Conventional			
- Revolving credits	8,005	-	8,005
	93,092	-	93,092
	738,078	1,348,044	2,086,122

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for 3rd Quarter Ended 31 December 2022**NOTES TO THE INTERIM FINANCIAL REPORT****20. GROUP FINANCING LIABILITIES AND DEBT SECURITIES (CONT'D)**

	← As at 31.12.2021 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
<i>Secured:</i>			
Shariah			
- Sukuk	240,401	964,243	1,204,644
- Term financing	55,704	98,916	154,620
- Revolving credits	114,099	-	114,099
	410,204	1,063,159	1,473,363
Conventional			
- Revolving credits	228,623	-	228,623
- Term loans	5,953	8,931	14,884
	234,576	8,931	243,507
	644,780	1,072,090	1,716,870
<i>Unsecured:</i>			
Shariah			
- Revolving credits	35,026	-	35,026
	679,806	1,072,090	1,751,896

As at 31 December 2022, the Group's weighted average profit rate by categories of financing liabilities ranges from 3.6% to 4.8% (31.12.2021: 3.1% to 5.1%) per annum.

The Group financing liabilities consist of:

	31.12.2022 RM'000	31.12.2021 RM'000
Fixed rate	1,371,879	1,204,644
Floating rate	714,243	547,252
	2,086,122	1,751,896



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

The Group's financing liabilities increased from RM1.75 billion a year ago to RM2.09 billion, representing an increase of RM334.2 million. This was mainly due to issuance of two tranches of Sukuk amounting to RM385.0 million and RM167.0 million net drawdown of other financing liabilities, offset with RM220.0 million redemptions of Sukuk upon maturity.

21. CAPITAL COMMITMENTS

	31.12.2022
	RM'000
Capital expenditure approved and contracted for	<u>1,224</u>

22. CHANGES IN CONTINGENT LIABILITIES AND ASSETS

As at 31 December 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 31 December 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	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
(a) Basic EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	35,175	34,700	103,944	101,632
Weighted average number of ordinary shares in issue	(unit'000)	732,633	716,768	732,284	714,845
Basic EPS	(sen)	4.80	4.84	14.19	14.22

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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		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
(b) Diluted EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	35,175	34,700	103,944	101,632
Weighted average number of ordinary shares in issue	(unit'000)	732,633	716,768	732,284	714,845
Effects of dilution of ESS	(unit'000)	6,409	1,717	4,167	1,338
Adjusted weighted average number of ordinary shares in issue	(unit'000)	739,042	718,485	736,451	716,183
Diluted EPS	(sen)	4.76	4.83	14.11	14.19

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:

	31.12.2022	
	Carrying amount RM'000	Fair value RM'000
Financial assets		
Financing receivables	<u>1,858,973</u>	<u>1,876,090</u>
Financial liabilities		
Sukuk	<u>1,371,879</u>	<u>1,390,453</u>

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
15 February 2023