

**RCE Capital Berhad**

Registration No: 195301000151 (2444-M)

Incorporated in Malaysia

Interim Financial Report  
for 4<sup>th</sup> Quarter Ended 31 March 2023**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD  
ENDED 31 MARCH 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
1. Revenue	<b>82,645</b>	74,704	<b>323,632</b>	299,457
2. Profit before tax	<b>46,438</b>	41,427	<b>183,942</b>	177,231
3. Profit for the financial period	<b>34,840</b>	31,537	<b>138,784</b>	133,169
4. Profit attributable to ordinary equity holders of the Company	<b>34,840</b>	31,537	<b>138,784</b>	133,169
5. Basic earnings per ordinary share (sen)	<b>4.75</b>	4.31	<b>18.95</b>	18.25
6. Proposed/Declared dividend per share (sen)	<b>7.00</b>	4.00	<b>30.00</b>	11.00
		<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>
7. Net assets per share attributable to ordinary equity holders of the Company (RM)		<b>1.10</b>		<b>1.19</b>
		<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>
	<b>31.03.2023</b>	31.03.2022	<b>31.03.2023</b>	31.03.2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
8. Gross interest income	<b>8</b>	83	<b>22</b>	294
9. Gross interest expense	<b>59</b>	60	<b>230</b>	263

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for 4<sup>th</sup> Quarter Ended 31 March 2023**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED	3 MONTHS ENDED	12 MONTHS ENDED	12 MONTHS ENDED
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Profit income	70,476	70,370	280,715	274,637
Other revenue	12,169	4,334	42,917	24,820
Revenue	82,645	74,704	323,632	299,457
Other income	8,771	5,742	28,046	20,418
Profit expense applicable to revenue	(25,356)	(20,050)	(90,061)	(80,234)
Directors' remuneration and staff costs	(5,977)	(5,177)	(27,079)	(26,635)
Allowances for impairment loss on receivables, net	(8,153)	(5,859)	(28,688)	(11,544)
Depreciation of plant and equipment and right-of-use ("ROU") assets	(914)	(950)	(3,581)	(3,569)
Other expenses	(4,519)	(6,923)	(18,097)	(20,399)
Finance costs	(59)	(60)	(230)	(263)
<b>Profit before tax</b>	<b>46,438</b>	<b>41,427</b>	<b>183,942</b>	<b>177,231</b>
Income tax expense	(11,598)	(9,890)	(45,158)	(44,062)
<b>Total comprehensive income for the financial period</b>	<b>34,840</b>	<b>31,537</b>	<b>138,784</b>	<b>133,169</b>
<b>Other comprehensive income that may be reclassified subsequently to profit or loss:</b>				
Foreign currency translations	-	-	-	1
Other comprehensive income for the financial period, net of tax	-	-	-	1
<b>Total comprehensive income for the financial period</b>	<b>34,840</b>	<b>31,537</b>	<b>138,784</b>	<b>133,170</b>
<b>Attributable to:</b>				
Owners of the Company	<b>34,840</b>	<b>31,537</b>	<b>138,784</b>	<b>133,169</b>
<b>Earnings per ordinary share (sen):</b>				
Basic	<b>4.75</b>	<b>4.31</b>	<b>18.95</b>	<b>18.25</b>
Diluted	<b>4.74</b>	<b>4.30</b>	<b>18.85</b>	<b>18.19</b>

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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for 4<sup>th</sup> Quarter Ended 31 March 2023**CONDENSED STATEMENT OF FINANCIAL POSITION**

	AS AT 31.03.2023 RM'000	AS AT 31.03.2022 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	7,241	6,354
ROU assets	4,664	4,027
Goodwill on consolidation	47,333	47,333
Financing receivables	1,677,871	1,558,602
Deferred tax assets	38,575	40,684
<b>Total Non-Current Assets</b>	<b>1,775,684</b>	<b>1,657,000</b>
<b>Current Assets</b>		
Financing receivables	221,541	205,471
Trade receivables	53,918	53,970
Other receivables, deposits and prepaid expenses	16,021	8,326
Deposits with licensed financial institutions	799,886	647,587
Cash and bank balances	79,781	152,924
<b>Total Current Assets</b>	<b>1,171,147</b>	<b>1,068,278</b>
<b>TOTAL ASSETS</b>	<b>2,946,831</b>	<b>2,725,278</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	201,917	200,697
Treasury shares	(4,948)	(4,948)
Reserves	608,690	676,319
<b>Total Equity</b>	<b>805,659</b>	<b>872,068</b>
<b>Non-Current Liabilities</b>		
Payables and accrued expenses	780	780
Hire-purchase payables	1,160	338
Financing liabilities	1,308,538	1,198,929
Lease liabilities	2,025	2,787
Deferred tax liabilities	1,111	1,167
<b>Total Non-Current Liabilities</b>	<b>1,313,614</b>	<b>1,204,001</b>
<b>Current Liabilities</b>		
Payables and accrued expenses	35,470	33,729
Hire-purchase payables	379	246
Financing liabilities	783,006	605,047
Lease liabilities	915	840
Tax liabilities	7,788	9,347
<b>Total Current Liabilities</b>	<b>827,558</b>	<b>649,209</b>
<b>Total Liabilities</b>	<b>2,141,172</b>	<b>1,853,210</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,946,831</b>	<b>2,725,278</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>1.10</b>	<b>1.19</b>

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		
<b>As at 1 April 2021</b>	188,026	(25,911)	2,136	(1)	609,781	611,916	774,031
<b>Total comprehensive income</b>	-	-	-	1	133,169	133,170	133,170
<b>Transactions with owners</b>							
Dividends	-	-	-	-	(51,069)	(51,069)	(51,069)
Share dividend	-	20,963	-	-	(20,963)	(20,963)	-
Options under ESS:							
- Granted	-	-	3,326	-	-	3,326	3,326
- Exercised	-	-	(1,988)	-	1,927	(61)	(61)
Issuance of shares pursuant to □ options exercised	12,671	-	-	-	-	-	12,671
Cancellation of options	-	-	(7)	-	7	-	-
<b>Total transactions with owners</b>	<b>12,671</b>	<b>20,963</b>	<b>1,331</b>	<b>-</b>	<b>(70,098)</b>	<b>(68,767)</b>	<b>(35,133)</b>
<b>As at 31 March 2022</b>	<b>200,697</b>	<b>(4,948)</b>	<b>3,467</b>	<b>-</b>	<b>672,852</b>	<b>676,319</b>	<b>872,068</b>
<b>As at 1 April 2022</b>	200,697	(4,948)	3,467	-	672,852	676,319	872,068
<b>Total comprehensive income</b>	-	-	-	-	138,784	138,784	138,784
<b>Transactions with owners</b>							
Dividends	-	-	-	-	(197,843)	(197,843)	(197,843)
Options under ESS:							
- Granted	-	-	2,867	-	-	2,867	2,867
- Exercised	-	-	(5,036)	-	(6,401)	(11,437)	(11,437)
Issuance of shares pursuant to □ options exercised	1,220	-	-	-	-	-	1,220
Cancellation of options	-	-	(111)	-	111	-	-
<b>Total transactions with owners</b>	<b>1,220</b>	<b>-</b>	<b>(2,280)</b>	<b>-</b>	<b>(204,133)</b>	<b>(206,413)</b>	<b>(205,193)</b>
<b>As at 31 March 2023</b>	<b>201,917</b>	<b>(4,948)</b>	<b>1,187</b>	<b>-</b>	<b>607,503</b>	<b>608,690</b>	<b>805,659</b>

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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for 4<sup>th</sup> Quarter Ended 31 March 2023**CONDENSED STATEMENT OF CASH FLOWS**

	CUMULATIVE QUARTER 31.03.2023 RM'000	CUMULATIVE QUARTER 31.03.2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	183,942	177,231
Adjustments for:		
Allowances for impairment loss on receivables, net	28,688	11,544
Depreciation of plant and equipment and ROU assets	3,581	3,569
Options granted under ESS	2,867	3,326
Finance costs	230	263
Plant and equipment written off	-	2
Profit and interest income from deposits with licensed financial institutions	(19,010)	(12,239)
Gain on disposal of plant and equipment	(207)	(176)
Operating profit before working capital changes	<u>200,091</u>	<u>183,520</u>
(Increase)/Decrease in working capital:		
Financing receivables	(163,960)	(54,449)
Trade receivables	(15)	249
Other receivables, deposits and prepaid expenses	(8,450)	7,092
Increase in working capital:		
Payables and accrued expenses	5,721	6,515
Cash generated from operations	<u>33,387</u>	<u>142,927</u>
Taxes paid	(42,849)	(41,153)
Taxes refunded	-	229
Net cash (used in)/generated from operating activities	<u>(9,462)</u>	<u>102,003</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Profit and interest income from deposits with licensed financial institutions received	19,010	12,239
Proceeds from disposal of plant and equipment	207	180
Additions to plant and equipment	(2,525)	(2,169)
Deposit payment for assets under hire-purchase	(251)	(87)
Net cash generated from investing activities	<u>16,441</u>	<u>10,163</u>

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	CUMULATIVE QUARTER 31.03.2023 RM'000	CUMULATIVE QUARTER 31.03.2022 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of:		
- revolving credits	743,028	583,500
- term financing/loans	300,000	-
Issuance of Sukuk Murabahah ("Sukuk")	175,000	310,000
Drawdown of other financing liabilities	3,626	3,506
Proceeds from issuance of shares	1,220	12,671
Repayments of revolving credits	(651,528)	(494,000)
Redemptions of Sukuk	(200,000)	(190,000)
Dividends paid	(197,843)	(51,069)
(Placements)/withdrawal of deposits, cash and bank balances, net:		
- assigned in favour of the trustees	(159,820)	(114,188)
- pledged to licensed financial institutions	79,160	(77,643)
Repayments of:		
- term financing/loans	(82,757)	(79,157)
- other financing liabilities	(3,626)	(3,506)
- lease liabilities	(840)	(793)
- hire-purchase payables	(355)	(384)
Cash settlement for ESS	(13,518)	(61)
Finance costs paid	(230)	(263)
Net cash used in financing activities	<u>(8,483)</u>	<u>(101,387)</u>
Net change in cash and cash equivalents	(1,504)	10,779
Cash and cash equivalents at beginning of financial year	41,001	30,222
Cash and cash equivalents at end of financial year	<u>39,497</u>	<u>41,001</u>

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

Deposits with licensed financial institutions	799,886	647,587
Cash and bank balances	<u>79,781</u>	<u>152,924</u>
	879,667	800,511
Less: Deposits, cash and bank balances		
- assigned in favour of the trustees	(811,879)	(652,059)
- pledged to licensed financial institutions	<u>(28,291)</u>	<u>(107,451)</u>
	<u>39,497</u>	<u>41,001</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**

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### **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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## **NOTES TO THE INTERIM FINANCIAL REPORT**

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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 year.

### **6. CHANGES IN ESTIMATES**

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

### **7. DEBT AND EQUITY SECURITIES**

There were no issuance, repurchase and repayment of debt and equity securities for the financial year 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:

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Issuance	-	175,000
Redemption upon maturity	30,000	100,000

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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**NOTES TO THE INTERIM FINANCIAL REPORT**

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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:

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Redemption upon maturity	45,000	100,000

- (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 15.1 and 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 March 2023, the number of ordinary shares, net of treasury shares is 732,850,571.

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 8. DIVIDENDS

31.03.2023	31.03.2022
RM'000	RM'000

##### Recognised during the financial year:

- 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
- 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	-
	<u>197,843</u>	<u>51,069</u>
- Distribution of 18,291,722 treasury shares as share dividend on the basis of one (1) treasury share for every twenty (20) ordinary shares held on 5 January 2022 and credited on 17 January 2022	-	20,963
	<u>197,843</u>	<u>72,032</u>



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### **8. DIVIDENDS (CONT'D)**

The Board of Directors ("Board") has declared a second interim dividend of 7.00 sen per ordinary share ("2nd interim dividend") in respect of financial year ended 31 March 2023, to be paid on 28 June 2023. The dividend payable is estimated at RM51,299,540 based on the latest number of ordinary shares, net of treasury shares.

The entitlement date for the dividend payment is 15 June 2023.

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

- (a) shares transferred into the depositor's securities account before 4.30 pm on 15 June 2023 in respect of ordinary transfers; and
- (b) shares bought from Bursa on a cum entitlement basis.

This 2nd interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2024.

Total dividend declared in respect of the financial year ended 31 March 2023 is 30.00 sen. This translates to a dividend payout ratio of 158.4%.

The Board does not recommend any final dividend for the financial year ended 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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## NOTES TO THE INTERIM FINANCIAL REPORT

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### 10. PROFIT BEFORE TAX

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

	INDIVIDUAL QUARTER 31.03.2023 RM'000	CUMULATIVE QUARTER 31.03.2023 RM'000
Allowances for impairment loss on receivables, net	8,153	28,688
Income from deposits with licensed financial institutions:		
- profit income	(6,207)	(18,988)
- interest income	(8)	(22)
	(6,215)	(19,010)
Gain on foreign exchange, net:		
- realised	-	(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 year.

### 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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### NOTES TO THE INTERIM FINANCIAL REPORT

#### 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			
	31.03.2023	31.03.2022	Variance		31.03.2023	31.03.2022	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	82,645	74,704	7,941	10.6	323,632	299,457	24,175	8.1
Profit before tax	46,438	41,427	5,011	12.1	183,942	177,231	6,711	3.8
Profit for the financial period	34,840	31,537	3,303	10.5	138,784	133,169	5,615	4.2
Profit attributable to ordinary equity holders of the Company	34,840	31,537	3,303	10.5	138,784	133,169	5,615	4.2

The Group generated a higher revenue of RM82.6 million in the current quarter as compared to RM74.7 million in the corresponding quarter, primarily contributed by the surge in fee income as disbursements were higher arising from sales campaigns launched.

Other income was also higher mainly due to the increase in income earned from deposits placed with licensed financial institutions while other expenses were lower in the current quarter.

Following the above, the Group recorded a higher pre-tax profit of RM46.4 million or 12.1% growth as compared to corresponding quarter of RM41.4 million, after taking into account higher profit expense and allowances for impairment loss on receivables.

Overall, the Group's post-tax profit rose by 10.5% to RM34.8 million in the current quarter.



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## **NOTES TO THE INTERIM FINANCIAL REPORT**

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### **13. REVIEW OF PERFORMANCE (CONT'D)**

For the current financial year, the Group registered an increase in revenue of RM323.6 million with a 8.1% year-on-year growth. This was mainly due to various sales campaigns launched and higher early settlement income arising from increased refinancing activities by customers.

The Group also recorded an increase in other income and lower other expenses, which gave rise to a higher pre-tax profit of RM183.9 million at the back of higher allowances for impairment loss on receivables and profit expense.

As a whole, the Group delivered a commendable results with a 4.2% increase in post-tax profit to RM138.8 million in the current financial year.

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

	<b>INDIVIDUAL QUARTER</b>			
	<b>31.03.2023</b>	<b>31.12.2022</b>	<b>Variance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	82,645	81,568	1,077	1.3
Profit before tax	46,438	46,053	385	0.8
Profit for the financial period	34,840	35,175	(335)	(1.0)
Profit attributable to ordinary equity holders of the Company	34,840	35,175	(335)	(1.0)

The Group's revenue increased moderately from RM81.6 million in the preceding quarter to RM82.6 million in the current quarter, mainly contributed by higher fee income.

Accordingly, the Group's pre-tax and post-tax profit remained stable at RM46.4 million and RM34.8 million respectively.



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### **15. CURRENT YEAR PROSPECTS**

While the economic backdrop remains challenging, the Group expects a steady momentum in disbursements supported by heightened vigilance in the ever competitive market landscape and products that cater for customers' needs.

The Group continues to focus on digitalisation and technological innovation across all business platforms and safeguarding cybersecurity threats continues to be a priority.

Accordingly, we are optimistic to remain profitable for the next financial year.

### **16. PROFIT FORECAST**

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

### **17. INCOME TAX EXPENSE**

	<b>INDIVIDUAL QUARTER 31.03.2023 RM'000</b>	<b>CUMULATIVE QUARTER 31.03.2023 RM'000</b>
Income tax payable:		
Current period	12,467	43,592
Over provision in prior years	-	(487)
	<hr/> 12,467	<hr/> 43,105
Deferred tax:		
Current period	(869)	1,983
Under provision in prior years	-	70
	<hr/> (869)	<hr/> 2,053
	<hr/> 11,598	<hr/> 45,158

The effective tax rate of the Group in the current quarter and financial year 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 31.03.2023 —————→		
	←———— Receivables —————→		
	<b>Financing</b>	<b>Loans</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At amortised cost, gross	2,007,666	13,275	2,020,941
Less: Allowances for impairment	(117,966)	(3,563)	(121,529)
	1,889,700	9,712	1,899,412
Amount receivable within one year	(216,307)	(5,234)	(221,541)
Non-current portion	1,673,393	4,478	1,677,871

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

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Movement in allowances for impairment:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 April 2022	41,585	2,797	70,725	115,107
Changes in the expected credit loss ("ECL"):				
- Transfer to Stage 1	427	(811)	(7,603)	(7,987)
- Transfer to Stage 2	(189)	1,702	(3,233)	(1,720)
- Transfer to Stage 3	(1,175)	(712)	49,779	47,892
Net adjustment of allowances for impairment	(937)	179	38,943	38,185
New financial assets originated or purchased	12,385	-	-	12,385
Financial assets derecognised	(2,591)	(146)	(4,906)	(7,643)
Changes in risk parameters	(8,121)	(640)	(5,545)	(14,306)
Written off	-	-	(22,199)	(22,199)
Balance as at 31 March 2023	42,321	2,190	77,018	121,529

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 ECL calculation. Accordingly, the ECL during the financial year has been adjusted to reflect the impact of latest economic conditions.



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**20. GROUP FINANCING LIABILITIES AND DEBT SECURITIES**

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

	← As at 31.03.2023 →		
	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>			
<i>Secured:</i>			
Shariah			
- Sukuk	226,466	1,064,404	1,290,870
- Term financing	74,040	95,783	169,823
- Revolving credits	148,041	-	148,041
	<u>448,547</u>	<u>1,160,187</u>	<u>1,608,734</u>
Conventional			
- Term loans	52,722	148,351	201,073
- Revolving credits	196,636	-	196,636
	<u>249,358</u>	<u>148,351</u>	<u>397,709</u>
	<u>697,905</u>	<u>1,308,538</u>	<u>2,006,443</u>
<i>Unsecured:</i>			
Shariah			
- Revolving credits	85,101	-	85,101
	<u>783,006</u>	<u>1,308,538</u>	<u>2,091,544</u>

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	←———— As at 31.03.2022 —————→		
	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>			
<i>Secured:</i>			
Shariah			
- Sukuk	211,617	1,098,381	1,309,998
- Term financing	49,669	93,103	142,772
- Revolving credits	46,054	-	46,054
	307,340	1,191,484	1,498,824
Conventional			
- Revolving credits	248,714	-	248,714
- Term loans	5,951	7,445	13,396
	254,665	7,445	262,110
	562,005	1,198,929	1,760,934
<i>Unsecured:</i>			
Shariah			
- Revolving credits	35,026	-	35,026
Conventional			
- Revolving credits	8,016	-	8,016
	43,042	-	43,042
	605,047	1,198,929	1,803,976

As at 31 March 2023, the Group's weighted average profit rate by categories of financing liabilities ranges from 3.8% to 5.0% (31.03.2022: 3.6% to 4.9%) per annum.

The Group financing liabilities consist of:

	<b>31.03.2023 RM'000</b>	<b>31.03.2022 RM'000</b>
Fixed rate	1,290,870	1,309,998
Floating rate	800,674	493,978
	2,091,544	1,803,976



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

The Group's financing liabilities stood at RM2.09 billion, representing an increase of RM287.6 million as compared to RM1.80 billion a year ago. This was mainly due to RM308.7 million net drawdown of other financing liabilities and issuance of Sukuk amounting to RM175.0 million, offset with RM200.0 million redemptions of Sukuk upon maturity.

### **21. CAPITAL COMMITMENTS**

	<b>31.03.2023</b>
	<b>RM'000</b>
Capital expenditure approved and contracted for	<u>2,016</u>

### **22. CHANGES IN CONTINGENT LIABILITIES AND ASSETS**

As at 31 March 2023, the letter of credit stood at RM0.4 million, representing a decrease of RM0.2 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 March 2023.
- (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")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>(a) Basic EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Company	(RM'000)	34,840	31,537	138,784	133,169
Weighted average number of ordinary shares in issue	(unit'000)	732,851	731,742	732,424	729,852
Basic EPS	(sen)	<u>4.75</u>	<u>4.31</u>	<u>18.95</u>	<u>18.25</u>

Basic EPS for the current quarter and financial year are calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

In the corresponding quarter and financial year, the weighted average number of ordinary shares in issue took into account the effects of the distribution of bonus and treasury shares.



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**25. EPS (CONT'D)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>(b) Diluted EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Company	(RM'000)	34,840	31,537	138,784	133,169
Weighted average number of ordinary shares in issue	(unit'000)	732,851	731,742	732,424	729,852
Effects of dilution of ESS	(unit'000)	2,009	2,266	3,721	2,386
Adjusted weighted average number of ordinary shares in issue	(unit'000)	734,860	734,008	736,145	732,238
Diluted EPS	(sen)	4.74	4.30	18.85	18.19

Diluted EPS are calculated by dividing the net profit attributable to ordinary equity holders of the Company 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 year approximate their fair values except for the following:

	<b>31.03.2023</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>Financial assets</b>		
Financing receivables	<u>1,899,412</u>	<u>1,922,536</u>
<b>Financial liabilities</b>		
Sukuk	<u>1,290,870</u>	<u>1,315,696</u>

**BY ORDER OF THE BOARD**  
**JOHNSON YAP CHOON SENG**  
Company Secretary  
23 May 2023