

**RCE Capital Berhad**

Registration No: 195301000151 (2444-M)

Incorporated in Malaysia

Interim Financial Report
for 2nd Quarter Ended 30 September 2020**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
1. Revenue	75,921	70,176	140,640	137,114
2. Profit before tax	44,158	36,795	74,744	70,080
3. Profit for the financial period	32,992	27,158	55,816	51,277
4. Profit attributable to ordinary equity holders of the Parent	32,992	27,158	55,816	51,277
5. Basic earnings per ordinary share (sen)	9.27	7.82	15.79	14.86
6. Proposed/Declared dividend per share (sen)	6.00	5.00	6.00	5.00
		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)		2.01		1.92
		INDIVIDUAL QUARTER	CUMULATIVE QUARTER	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
8. Gross interest/profit income	2,741	3,004	7,030	5,811
9. Gross interest expense	71	12	144	25

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	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Interest/profit income	70,195	63,152	131,609	124,719
Other revenue	5,726	7,024	9,031	12,395
Revenue	75,921	70,176	140,640	137,114
Other income	4,811	5,178	10,429	10,014
Interest/profit expense applicable to revenue	(19,595)	(20,238)	(40,589)	(40,591)
Directors' remuneration and staff costs	(5,266)	(5,609)	(10,961)	(13,138)
Allowances for impairment loss on receivables, net	(5,705)	(5,662)	(12,869)	(10,177)
Depreciation of plant and equipment and right-of-use ("ROU") assets	(800)	(439)	(1,570)	(855)
Other expenses	(5,137)	(6,599)	(10,192)	(12,262)
Finance costs	(71)	(12)	(144)	(25)
Profit before tax	44,158	36,795	74,744	70,080
Income tax expense	(11,166)	(9,637)	(18,928)	(18,803)
Total comprehensive income for the financial period	32,992	27,158	55,816	51,277
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:				
Foreign currency translations	4	3	(1)	(1)
Other comprehensive income/(loss) for the financial period, net of tax	4	3	(1)	(1)
Total comprehensive income for the financial period	32,996	27,161	55,815	51,276
Attributable to:				
Owners of the Parent	32,992	27,158	55,816	51,277
Earnings per ordinary share (sen):				
Basic	9.27	7.82	15.79	14.86
Diluted	9.25	7.79	15.74	14.79

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 2020 and the accompanying explanatory notes attached to the interim financial report.

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	AS AT 30.09.2020 RM'000	AS AT 31.03.2020 RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	7,457	7,299
ROU assets	5,217	5,827
Goodwill on consolidation	47,333	47,333
Financing and loans receivables	1,493,714	1,520,055
Deferred tax assets	45,028	45,400
Total Non-Current Assets	1,598,749	1,625,914
Current Assets		
Financing and loans receivables	177,032	169,860
Trade receivables	2,300	3,011
Other receivables, deposits and prepaid expenses	39,679	12,049
Deposits with licensed financial institutions	422,911	360,739
Cash and bank balances	52,523	259,459
Total Current Assets	694,445	805,118
TOTAL ASSETS	2,293,194	2,431,032
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	181,856	172,238
Treasury shares	(25,911)	(25,911)
Reserves	561,517	527,037
Total Equity	717,462	673,364
Non-Current Liabilities		
Payables	780	780
Hire-purchase payables	405	366
Borrowings	1,192,183	1,082,931
Lease liabilities	4,025	4,416
Deferred tax liabilities	1,442	1,476
Total Non-Current Liabilities	1,198,835	1,089,969
Current Liabilities		
Payables and accrued expenses	25,488	30,204
Hire-purchase payables	329	348
Borrowings	342,329	631,467
Lease liabilities	770	749
Tax liabilities	7,981	4,931
Total Current Liabilities	376,897	667,699
Total Liabilities	1,575,732	1,757,668
TOTAL EQUITY AND LIABILITIES	2,293,194	2,431,032
NET ASSETS PER SHARE (RM)	2.01	1.92

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 2020 and the accompanying explanatory notes attached to the interim financial report.

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	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Reserves Employees' Share Scheme RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total Reserves RM'000	Total RM'000
As at 1 April 2019	154,454	(19,945)	-	-	4,060	1	444,946	449,007	583,516
Total comprehensive income	-	-	-	-	-	(1)	51,277	51,276	51,276
Transactions with owners									
Dividends	-	-	-	-	-	-	(17,440)	(17,440)	(17,440)
Share options granted under Employees' Share Scheme ("ESS")	-	-	-	-	2,326	-	-	2,326	2,326
Issuance of shares pursuant to ESS exercised	11,971	-	-	-	(2,645)	-	2,645	-	11,971
Cancellation of share options	-	-	-	-	(617)	-	617	-	-
Shares repurchased	-	(2,224)	-	-	-	-	-	-	(2,224)
Total transactions with owners	11,971	(2,224)	-	-	(936)	-	(14,178)	(15,114)	(5,367)
As at 30 September 2019	166,425	(22,169)	-	-	3,124	-	482,045	485,169	629,425
As at 1 April 2020	172,238	(25,911)	-	-	2,006	1	525,030	527,037	673,364
Total comprehensive income	-	-	-	-	-	(1)	55,816	55,815	55,815
Transaction with owners									
Dividends	-	-	-	-	-	-	(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 transaction 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

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 2020 and the accompanying explanatory notes attached to the interim financial report.

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	CUMULATIVE QUARTER 30.09.2020 RM'000	CUMULATIVE QUARTER 30.09.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	74,744	70,080
Adjustments for:		
Allowances for impairment loss on receivables, net	12,869	10,177
Depreciation of plant and equipment and ROU assets	1,570	855
Finance costs	144	25
Interest/profit income from deposits with licensed financial institutions	(7,030)	(5,811)
Lease payment incentive	(17)	-
Share options granted under ESS	-	2,326
Net gain on disposal of plant and equipment	-	(1)
Operating profit before working capital changes	<u>82,280</u>	<u>77,651</u>
Decrease/(Increase) in working capital:		
Financing and loans receivables	6,271	(57,756)
Trade receivables	740	361
Other receivables, deposits and prepaid expenses	(25,519)	(302)
Decrease in working capital:		
Payables and accrued expenses	(4,156)	(2,611)
Cash generated from operations	<u>59,616</u>	<u>17,343</u>
Taxes paid	(16,911)	(17,967)
Taxes refunded	-	91
Net cash generated from/(used in) operating activities	<u>42,705</u>	<u>(533)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest/profit income from deposits with licensed financial institutions received	7,030	5,811
Additions to plant and equipment	(1,118)	(747)
Net proceeds from disposal of plant and equipment	-	1
Net cash generated from investing activities	<u>5,912</u>	<u>5,065</u>

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	CUMULATIVE QUARTER 30.09.2020 RM'000	CUMULATIVE QUARTER 30.09.2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credits	252,500	416,000
Issuance of Sukuk Murabahah ("Sukuk")	120,000	100,000
Drawdown of term loans/financing	120,000	30,000
Proceeds from issuance of shares	9,618	11,971
Drawdown of other borrowings	1,220	-
Repayment of revolving credits	(579,500)	(497,000)
(Placements)/withdrawal of deposits, cash and bank balances, net:		
- assigned in favour of the trustees	(67,302)	(2,313)
- pledged to licensed financial institutions	6,581	(1,597)
Repayment of term loans/financing	(54,135)	(76,283)
Redemption of Sukuk	(40,000)	(100,000)
Dividends paid	(21,335)	(17,440)
Shares repurchased	-	(2,224)
Repayments of:		
- other borrowings	(1,220)	-
- lease liabilities	(352)	(7)
- hire-purchase payables	(33)	(184)
Finance costs paid	(144)	(25)
Net cash used in financing activities	<u>(254,102)</u>	<u>(139,102)</u>
Net change in cash and cash equivalents	(205,485)	(134,570)
Cash and cash equivalents at beginning of financial period	212,667	159,751
Cash and cash equivalents at end of financial period	<u>7,182</u>	<u>25,181</u>

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

Deposits with licensed financial institutions	422,911	289,235
Cash and bank balances	<u>52,523</u>	<u>72,483</u>
	475,434	361,718
Less: Deposits, cash and bank balances		
- assigned in favour of the trustees	(421,477)	(286,863)
- pledged to licensed financial institutions	<u>(46,775)</u>	<u>(49,674)</u>
	<u>7,182</u>	<u>25,181</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 2020 and the accompanying explanatory notes attached to the interim financial report.



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**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 2020.

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 2020, except for the following amendments to published standards which are effective for the financial period commencing 1 April 2010:

Revised Conceptual Framework for Financial Reporting

Amendments to MFRS 3

Amendments to MFRS 101 and MFRS 108

Definition of a Business

Definition of Material

In addition, the Group has early adopted Amendments to MFRS 16 - *Leases - COVID-19 - Related Rent Concessions* in the current financial year which is effective for the financial period commencing 1 April 2021.

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



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3. AUDITORS' REPORT ON PRECEDING ANNUAL AUDITED FINANCIAL

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

4. SEASONAL OR CYCLICAL FACTORS

The Group's operations were not significantly affected by any seasonal or cyclical factors.

5. UNUSUAL ITEMS

There were no unusual items for the current quarter and financial period.

6. CHANGES IN ESTIMATES

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



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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 follows:

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Issuance	120,000	120,000
Redemption upon maturity	10,000	10,000

Out of the issuance of RM127.0 million Sukuk, RM7.0 million was subscribed internally by a subsidiary of the Company.

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

	CURRENT QUARTER RM'000	CUMULATIVE QUARTER RM'000
Redemption upon maturity	30,000	30,000

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

During the financial period ended 30 September 2020, the total number of issued shares of the Company was increased from 372,938,136 to 379,661,136 by way of the issuance of 6,723,000 new ordinary shares pursuant to share options exercised under ESS.

As at 30 September 2020, the number of ordinary shares in issue after deducting in treasury shares is 357,055,911.



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8. DIVIDENDS

	30.09.2020	30.09.2019
	RM'000	RM'000

Recognised during the financial period:

- 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	-
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- Final dividend for 2019:

5.00 sen per ordinary share under single-tier system, paid on 11 September 2019 to shareholders whose names appeared in the record of depositors on 30 August 2019

	-	17,440
	<u>21,335</u>	<u>17,440</u>

The Board of Directors has declared a first interim single-tier dividend of 6.00 sen per ordinary share ("1st interim dividend"), estimated at RM21,449,575 in respect of financial year ending 31 March 2021, to be paid on 7 December 2020. The entitlement date for the dividend payment is 25 November 2020.

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 25 November 2020 in respect of ordinary transfers; and
- (b) 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 2021.



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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 30.09.2020 RM'000	CUMULATIVE QUARTER 30.09.2020 RM'000
Allowances for impairment loss on receivables, net	5,705	12,869
Profit/interest income including profit/interest income from deposits with licensed financial institutions	72,936	138,639
Loss/(Gain) on foreign exchange, net:		
- Realised	-	(1)
- Unrealised	4	(1)

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.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period.



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13. REVIEW OF PERFORMANCE

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	30.09.2020	30.09.2019	Variance		30.09.2020	30.09.2019	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	75,921	70,176	5,745	8.2	140,640	137,114	3,526	2.6
Profit before tax	44,158	36,795	7,363	20.0	74,744	70,080	4,664	6.7
Profit for the financial period	32,992	27,158	5,834	21.5	55,816	51,277	4,539	8.9
Profit attributable to ordinary equity holders of the Parent	32,992	27,158	5,834	21.5	55,816	51,277	4,539	8.9

The Group's revenue rose to RM75.9 million in the current quarter from RM70.2 million in the corresponding quarter, primarily led by the increase in early settlement income arising from higher refinancing activities by customers.

Meanwhile, the Group's pre-tax profit increased to RM44.2 million in the current quarter as compared to RM36.8 million in the corresponding quarter. Apart from the increase in revenue, the growth in pre-tax profit was contributed by the Group's efforts in keeping its operating costs at a manageable level.

Accordingly, the Group recorded a higher post-tax profit from RM27.2 million in the corresponding quarter to RM33.0 million in the current quarter.

For the 6 months ended 30 September 2020, the Group registered a higher revenue of RM140.6 million, representing an increase of 2.6% as compared to the previous financial period of RM137.1 million.

Correspondingly, the Group recorded an increase of 6.7% in its pre-tax profit from RM70.1 million in the corresponding period to RM74.7 million in the current financial period.

As a result, the Group's post-tax profit of RM55.8 million for the financial period ended 30 September 2020 was 8.9% higher as compared to RM51.3 million in the corresponding period.



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

	INDIVIDUAL QUARTER			%
	30.09.2020	30.06.2020	Variance	
	RM'000	RM'000	RM'000	
Revenue	75,921	64,719	11,202	17.3
Profit before tax	44,158	30,586	13,572	44.4
Profit for the financial period	32,992	22,824	10,168	44.5
Profit attributable to ordinary equity holders of the Parent	32,992	22,824	10,168	44.5

The Group recorded a higher revenue of RM75.9 million as compared to RM64.7 million in the preceding quarter. This was mainly due to higher early settlement as well as fee income arising from higher disbursements in the current quarter.

The Group posted a higher pre-tax profit of RM44.2 million in the current quarter, an increase of 44.4% as compared to preceding quarter of RM30.6 million. This was substantially led by higher revenue and lower allowance for impairment loss on receivables in the current quarter.

Arising thereof, the Group registered a solid increase of 44.5% in its post-tax profit of RM33.0 million as compared to RM22.8 million in the preceding quarter.

15. CURRENT YEAR PROSPECTS

The Group is now better prepared to face the uncertainties arising from the COVID-19 pandemic, notwithstanding the reintroduction of the Conditional Movement Control Order recently to ensure sustainability of its core business.

The Group continues to calibrate its business strategy and operations with on-going sales campaigns, close monitoring of collections and active cost management with customers and employees' safety in mind. Accordingly, for the financial year ending 31 March 2021 we will be 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 30.09.2020 RM'000	CUMULATIVE QUARTER 30.09.2020 RM'000
Income tax payable:		
Current period	11,951	18,590
Deferred tax:		
Current period	(785)	338
	<u>11,166</u>	<u>18,928</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 PROPOSAL

There were no corporate proposal announced or pending completion as at the date of this report except for the following:

(a) on 16 June 2020, the Company announced its proposal to establish a new ESS comprising:

- i) an employees' share option scheme which will entitle eligible persons, upon exercise, to subscribe for new and/or existing ordinary shares in RCE ("Shares") at a specified future date at a pre-determined price; and
- ii) a restricted share grant plan which entitles eligible persons to receive new and/or existing Shares at no consideration and/or the equivalent cash value of such Shares or combination thereof, based on certain vesting conditions or performance targets to be met

collectively, of up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) at any point of time.

On 13 August 2020, Bursa granted its approval for the listing and quotation for up to fifteen percent (15%) of the total number of issued ordinary shares of RCE (excluding treasury shares) to be issued pursuant to Proposed ESS, subject to the conditions as stated in the announcement dated 14 August 2020.

The resolution on the Proposed ESS was duly passed by the shareholders at the Company's Annual General Meeting held on 22 September 2020.

Subsequently, on 20 October 2020, the 2015 ESS was terminated by the Company and replaced by the new ESS.

Accordingly, the effective date for the implementation of the new ESS is on 20 October 2020, which is the date of full compliance with Paragraph 6.43(1) of the Listing Requirements.

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	← As at 30.09.2020 →		
	← Receivables →		
	Financing	Loans	Total
	RM'000	RM'000	RM'000
At amortised cost, gross	1,763,302	38,883	1,802,185
Less: Allowances for impairment	(122,424)	(9,015)	(131,439)
	<u>1,640,878</u>	<u>29,868</u>	<u>1,670,746</u>
Amount receivable within one year	(165,948)	(11,084)	(177,032)
Non-current portion	<u>1,474,930</u>	<u>18,784</u>	<u>1,493,714</u>

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

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 2020	49,546	5,397	75,269	130,212
Changes in the ECL:				
- Transfer to Stage 1	284	(697)	(2,425)	(2,838)
- Transfer to Stage 2	(388)	1,758	(969)	401
- Transfer to Stage 3	(715)	(1,230)	19,467	17,522
Net adjustment of allowances for impairment	<u>(819)</u>	<u>(169)</u>	<u>16,073</u>	<u>15,085</u>
New financial assets originated or purchased	3,591	-	-	3,591
Financial assets derecognised	(1,172)	(149)	(2,038)	(3,359)
Changes in risk parameters	95	(167)	(2,347)	(2,419)
Written off	-	-	(11,671)	(11,671)
Balance as at 30 September 2020	<u>51,241</u>	<u>4,912</u>	<u>75,286</u>	<u>131,439</u>

NOTES TO THE INTERIM FINANCIAL REPORT**19. FINANCING AND LOANS RECEIVABLES (CONT'D)**

Forward looking adjustment incorporated into ECL:

The Group applied the latest economic scenarios to reflect an unbiased probability-weighted range of possible future outcome and contraction of forecasted RGDP, a forward looking variable used for the ECL calculation. Accordingly, the ECL as at the end of the financial period has been adjusted to reflect the unfavourable impact and uncertainties arising from COVID-19.

20. GROUP BORROWINGS AND DEBT SECURITIES

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

	← As at 30.09.2020 →		
	Short Term RM'000	Long Term RM'000	Total RM'000
At amortised cost			
Secured:			
Conventional			
- Revolving credits	65,130	-	65,130
- Term loans	31,054	16,364	47,418
	96,184	16,364	112,548
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
	342,329	1,192,183	1,534,512

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	← As at 30.09.2019 →		
	Short	Long	
	Term	Term	Total
	RM'000	RM'000	RM'000
At amortised cost			
Secured:			
Conventional			
- Revolving credits	149,598	-	149,598
- Term loans	51,960	51,316	103,276
	201,558	51,316	252,874
Shariah			
- Sukuk	113,713	892,480	1,006,193
- Term financing	47,489	122,725	170,214
- Revolving credits	49,016	-	49,016
	210,218	1,015,205	1,225,423
	411,776	1,066,521	1,478,297

The weighted average interest rate of the Group borrowing categories as at 30 September 2020 ranges from 4.2% to 5.2% (30.09.2019: 4.6% to 5.9%) per annum.

The Group borrowings consist of:

	30.09.2020	30.09.2019
	RM'000	RM'000
Fixed rate	1,140,110	1,006,193
Floating rate	394,402	472,104
	1,534,512	1,478,297

As at 30 September 2020, Group borrowings stood at RM1.53 billion, an increase of RM56.2 million as compared to RM1.48 billion a year ago. The increase was primarily due to additional issuances of Sukuk amounting to RM240.0 million, partially offset with RM110.0 million redemptions upon maturity and RM77.7 million net repayments in other borrowings.



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21. CAPITAL COMMITMENTS

	30.09.2020
	RM'000
Capital expenditure approved and contracted for	<u>1,850</u>

22. CHANGES IN CONTINGENT LIABILITIES AND ASSETS

As at 30 September 2020, there was no letter of credit, representing a decrease of RM1.2 million as compared to 31 March 2020.

Other than disclosed above, there were no other changes in contingent liabilities or assets since the last financial year ended 31 March 2020.

23. DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

- (a) There were no derivatives as at 30 September 2020.
- (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	
		30.09.2020	30.09.2019	30.09.2020	30.09.2019
(a) Basic EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	32,992	27,158	55,816	51,277
Weighted average number of ordinary shares in issue	(unit'000)	355,996	347,270	353,547	345,129
Basic EPS	(sen)	<u>9.27</u>	<u>7.82</u>	<u>15.79</u>	<u>14.86</u>

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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		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2020	30.09.2019	30.09.2020	30.09.2019
(b) Diluted EPS:					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	32,992	27,158	55,816	51,277
Weighted average number of ordinary shares in issue	(unit'000)	355,996	347,270	353,547	345,129
Effects of dilution of ESS	(unit'000)	482	1,377	973	1,541
Adjusted weighted average number of ordinary shares in issue	(unit'000)	356,478	348,647	354,520	346,670
Diluted EPS	(sen)	9.25	7.79	15.74	14.79

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:

	30.09.2020	
	Carrying amount RM'000	Fair value RM'000
Financial assets		
Financing and loans receivables	<u>1,670,746</u>	<u>1,695,944</u>
Financial liabilities		
Borrowings - Sukuk	<u>1,140,110</u>	<u>1,234,682</u>

BY ORDER OF THE BOARD
JOHNSON YAP CHOON SENG
Company Secretary
10 November 2020