

**RCE Capital Berhad**

Registration No: 195301000151 (2444-M)

Incorporated in Malaysia

Interim Financial Report  
for 3<sup>rd</sup> Quarter Ended 31 December 2020**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD  
ENDED 31 DECEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	
1. Revenue	<b>77,855</b>	72,502	<b>218,495</b>	209,616	
2. Profit before tax	<b>46,679</b>	40,975	<b>121,423</b>	111,055	
3. Profit for the financial period	<b>34,756</b>	30,980	<b>90,572</b>	82,257	
4. Profit attributable to ordinary equity holders of the Parent	<b>34,756</b>	30,980	<b>90,572</b>	82,257	
5. Basic earnings per ordinary share (sen)	<b>9.72</b>	8.88	<b>25.52</b>	23.75	
6. Proposed/Declared dividend per share (sen)	-	-	<b>6.00</b>	5.00	
		<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 Parent (RM)		<b>2.05</b>		1.92	
		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	
8. Gross interest/profit income	<b>2,457</b>	2,902	<b>9,487</b>	8,713	
9. Gross interest expense	<b>75</b>	24	<b>219</b>	49	

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for 3<sup>rd</sup> Quarter Ended 31 December 2020**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Interest/profit income	<b>71,626</b>	65,247	<b>203,235</b>	189,966
Other revenue	<b>6,229</b>	7,255	<b>15,260</b>	19,650
Revenue	<b>77,855</b>	72,502	<b>218,495</b>	209,616
Other income	<b>4,346</b>	5,153	<b>14,775</b>	15,167
Interest/profit expense applicable to revenue	<b>(19,876)</b>	(20,320)	<b>(60,465)</b>	(60,911)
Directors' remuneration and staff costs	<b>(8,387)</b>	(5,391)	<b>(19,348)</b>	(18,529)
Allowances for impairment loss on receivables, net	<b>(2,076)</b>	(4,698)	<b>(14,945)</b>	(14,875)
Depreciation of plant and equipment and right-of-use ("ROU") assets	<b>(789)</b>	(523)	<b>(2,359)</b>	(1,378)
Other expenses	<b>(4,319)</b>	(5,724)	<b>(14,511)</b>	(17,986)
Finance costs	<b>(75)</b>	(24)	<b>(219)</b>	(49)
<b>Profit before tax</b>	<b>46,679</b>	40,975	<b>121,423</b>	111,055
Income tax expense	<b>(11,923)</b>	(9,995)	<b>(30,851)</b>	(28,798)
<b>Total comprehensive income for the financial period</b>	<b>34,756</b>	30,980	<b>90,572</b>	82,257
<b>Other comprehensive loss that may be reclassified subsequently to profit or loss:</b>				
Foreign currency translations	<b>(1)</b>	(1)	<b>(2)</b>	(2)
Other comprehensive loss for the financial period, net of tax	<b>(1)</b>	(1)	<b>(2)</b>	(2)
<b>Total comprehensive income for the financial period</b>	<b>34,755</b>	30,979	<b>90,570</b>	82,255
<b>Attributable to:</b>				
Owners of the Parent	<b>34,756</b>	30,980	<b>90,572</b>	82,257
<b>Earnings per ordinary share (sen):</b>				
Basic	<b>9.72</b>	8.88	<b>25.52</b>	23.75
Diluted	<b>9.72</b>	8.84	<b>25.52</b>	23.66

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 31.12.2020 RM'000	AS AT 31.03.2020 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	7,310	7,299
ROU assets	4,916	5,827
Goodwill on consolidation	47,333	47,333
Financing and loans receivables	1,523,375	1,520,055
Deferred tax assets	44,440	45,400
<b>Total Non-Current Assets</b>	<b>1,627,374</b>	<b>1,625,914</b>
<b>Current Assets</b>		
Financing and loans receivables	181,345	169,860
Trade receivables	53,161	3,011
Other receivables, deposits and prepaid expenses	38,392	12,049
Deposits with licensed financial institutions	514,093	360,739
Cash and bank balances	40,281	259,459
<b>Total Current Assets</b>	<b>827,272</b>	<b>805,118</b>
<b>TOTAL ASSETS</b>	<b>2,454,646</b>	<b>2,431,032</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	182,477	172,238
Treasury shares	(25,911)	(25,911)
Reserves	577,855	527,037
<b>Total Equity</b>	<b>734,421</b>	<b>673,364</b>
<b>Non-Current Liabilities</b>		
Payables	780	780
Hire-purchase payables	276	366
Borrowings	1,252,407	1,082,931
Lease liabilities	3,826	4,416
Deferred tax liabilities	1,345	1,476
<b>Total Non-Current Liabilities</b>	<b>1,258,634</b>	<b>1,089,969</b>
<b>Current Liabilities</b>		
Payables and accrued expenses	26,502	30,204
Hire-purchase payables	322	348
Borrowings	424,623	631,467
Lease liabilities	781	749
Tax liabilities	9,363	4,931
<b>Total Current Liabilities</b>	<b>461,591</b>	<b>667,699</b>
<b>Total Liabilities</b>	<b>1,720,225</b>	<b>1,757,668</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,454,646</b>	<b>2,431,032</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>2.05</b>	<b>1.92</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 2020 and the accompanying explanatory notes attached to the interim financial report.

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	Share Capital RM'000	Treasury Shares RM'000	← Employees' Share Scheme RM'000	Reserves Exchange Translation Reserve RM'000	Retained Earnings RM'000	→ Total Reserves RM'000	Total RM'000
<b>As at 1 April 2019</b>	154,454	(19,945)	4,060	1	444,946	449,007	583,516
<b>Total comprehensive income</b>	-	-	-	(2)	82,257	82,255	82,255
<b>Transactions with owners</b>							
Dividends	-	-	-	-	(34,877)	(34,877)	(34,877)
Share options granted under Employees' Share Scheme ("ESS")	-	-	2,326	-	-	2,326	2,326
Issuance of shares pursuant to ESS exercised	13,428	-	(2,935)	-	2,935	-	13,428
Cancellation of share options	-	-	(628)	-	628	-	-
Shares repurchased	-	(2,657)	-	-	-	-	(2,657)
Total transactions with owners	13,428	(2,657)	(1,237)	-	(31,314)	(32,551)	(21,780)
<b>As at 31 December 2019</b>	167,882	(22,602)	2,823	(1)	495,889	498,711	643,991
<b>As at 1 April 2020</b>	172,238	(25,911)	2,006	1	525,030	527,037	673,364
<b>Total comprehensive income</b>	-	-	-	(2)	90,572	90,570	90,570
<b>Transaction with owners</b>							
Dividends	-	-	-	-	(42,785)	(42,785)	(42,785)
Share options granted under ESS	-	-	3,033	-	-	3,033	3,033
Issuance of shares pursuant to ESS exercised	10,239	-	(1,916)	-	1,916	-	10,239
Cancellation of share options	-	-	(90)	-	90	-	-
Total transaction with owners	10,239	-	1,027	-	(40,779)	(39,752)	(29,513)
<b>As at 31 December 2020</b>	182,477	(25,911)	3,033	(1)	574,823	577,855	734,421

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 31.12.2020 RM'000	CUMULATIVE QUARTER 31.12.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	121,423	111,055
Adjustments for:		
Allowances for impairment loss on receivables, net	14,945	14,875
Share options granted under ESS	3,033	2,326
Depreciation of plant and equipment and ROU assets	2,359	1,378
Finance costs	219	49
Interest/profit income from deposits with licensed financial institutions	(9,487)	(8,713)
Lease payment incentive	(17)	-
Net gain on disposal of plant and equipment	-	(1)
Operating profit before working capital changes	132,475	120,969
(Increase)/Decrease in working capital:		
Financing and loans receivables	(29,784)	(93,700)
Trade receivables	(50,116)	718
Other receivables, deposits and prepaid expenses	(25,558)	(551)
Increase in working capital:		
Payables and accrued expenses	6,102	12,405
Cash generated from operations	33,119	39,841
Taxes paid	(25,656)	(33,600)
Taxes refunded	-	1,689
Net cash generated from operating activities	7,463	7,930
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest/profit income from deposits with licensed financial institutions received	9,487	8,713
Additions to plant and equipment	(1,467)	(2,477)
Net proceeds from disposal of plant and equipment	-	1
Net cash generated from investing activities	8,020	6,237

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	CUMULATIVE QUARTER 31.12.2020 RM'000	CUMULATIVE QUARTER 31.12.2019 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of revolving credits	495,000	531,000
Issuance of Sukuk Murabahah ("Sukuk")	220,000	220,000
Drawdown of term loans/financing	120,000	40,000
Proceeds from issuance of shares	10,239	13,428
Drawdown of other borrowings	2,436	-
Repayment of revolving credits	(736,500)	(631,500)
(Placements)/withdrawal of deposits, cash and bank balances, net:		
- assigned in favour of the trustees	(155,292)	(70,060)
- pledged to licensed financial institutions	15,158	10,057
Repayment of term loans/financing	(91,386)	(105,895)
Redemption of Sukuk	(55,000)	(100,000)
Dividends paid	(42,785)	(34,877)
Shares repurchased	-	(2,657)
Repayments of:		
- other borrowings	(2,436)	-
- lease liabilities	(540)	(39)
- hire-purchase payables	(116)	(277)
Finance costs paid	(219)	(49)
Net cash used in financing activities	<u>(221,441)</u>	<u>(130,869)</u>
Net change in cash and cash equivalents	(205,958)	(116,702)
Cash and cash equivalents at beginning of financial period	212,667	159,751
Cash and cash equivalents at end of financial period	<u>6,709</u>	<u>43,049</u>
<b>CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:</b>		
Deposits with licensed financial institutions	514,093	399,986
Cash and bank balances	40,281	35,693
	<u>554,374</u>	<u>435,679</u>
Less: Deposits, cash and bank balances		
- assigned in favour of the trustees	(509,467)	(354,610)
- pledged to licensed financial institutions	(38,198)	(38,020)
	<u>6,709</u>	<u>43,049</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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## **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 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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## **NOTES TO THE INTERIM FINANCIAL REPORT**

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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.



**NOTES TO THE INTERIM FINANCIAL REPORT****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:

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Issuance	100,000	220,000
Redemption upon maturity	15,000	25,000

Out of the issuance of RM234.0 million Sukuk, RM14.0 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:

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

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

- (i) the Company granted 9,192,000 options to its eligible employees at an option price of RM2.17 in accordance with the Bylaws of the ESS; and
- (ii) the total number of issued shares of the Company was increased from 372,938,136 to 380,098,136 by way of the issuance of 7,160,000 new ordinary shares pursuant to share options exercised under ESS.

As at 31 December 2020, the number of ordinary shares in issue after deducting in treasury shares is 357,492,911.



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## NOTES TO THE INTERIM FINANCIAL REPORT

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### 8. DIVIDENDS

31.12.2020	31.12.2019
RM'000	RM'000

#### Recognised during the financial period:

- 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
- Interim dividend for 2020: 5.00 sen per ordinary share under single tier system, paid on 5 December 2019 to shareholders whose names appeared in the record of depositors on 26 November 2019	-	17,437
- 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	-
- First interim dividend for 2021: 6.00 sen per ordinary share under single tier system, paid on 7 December 2020 to shareholders whose names appeared in the record of depositors on 25 November 2020	21,450	-
	<u>42,785</u>	<u>34,877</u>



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

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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:

	<b>INDIVIDUAL QUARTER 31.12.2020 RM'000</b>	<b>CUMULATIVE QUARTER 31.12.2020 RM'000</b>
Allowances for impairment loss on receivables, net	2,076	14,945
Profit/interest income including profit/interest income from deposits with licensed financial institutions	74,083	212,722
(Gain)/Loss on foreign exchange, net:		
- Realised	(1)	(2)
- Unrealised	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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## **NOTES TO THE INTERIM FINANCIAL REPORT**

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### **13. REVIEW OF PERFORMANCE**

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	31.12.2020	31.12.2019	Variance		31.12.2020	31.12.2019	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	77,855	72,502	5,353	7.4	218,495	209,616	8,879	4.2
Profit before tax	46,679	40,975	5,704	13.9	121,423	111,055	10,368	9.3
Profit for the financial period	34,756	30,980	3,776	12.2	90,572	82,257	8,315	10.1
Profit attributable to ordinary equity holders of the Parent	34,756	30,980	3,776	12.2	90,572	82,257	8,315	10.1

For the third quarter ended 31 December 2020, the Group's revenue continued to grow from RM72.5 million in the corresponding quarter to RM77.9 million in the current quarter. This was primarily contributed by higher early settlement income arising from higher refinancing activities by customers.

Meanwhile, the Group's pre-tax profit rose from RM41.0 million in the corresponding quarter to RM46.7 million in the current quarter, mainly led by higher early settlement income and lower allowances for impairment loss on receivables, offset by ESS expense incurred.

Accordingly, the Group registered an increase of 12.2% in its post-tax profit of RM34.8 million for the current quarter.

For the 9 months period ended 31 December 2020, the Group posted a higher revenue of RM218.5 million as compared to RM209.6 million in the corresponding period mainly due to higher early settlement income.

In line with the growth in revenue, the Group registered an increase in its pre-tax profit from RM111.1 million in the corresponding period to RM121.4 million in the current financial period.

As a result, the Group recorded a commendable growth in its post-tax profit from RM82.3 million in the corresponding period to RM90.6 million in the current financial period.



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## NOTES TO THE INTERIM FINANCIAL REPORT

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

	INDIVIDUAL QUARTER			
	31.12.2020	30.09.2020	Variance	
	RM'000	RM'000	RM'000	%
Revenue	77,855	75,921	1,934	2.5
Profit before tax	46,679	44,158	2,521	5.7
Profit for the financial period	34,756	32,992	1,764	5.3
Profit attributable to ordinary equity holders of the Parent	34,756	32,992	1,764	5.3

The Group registered a higher revenue of RM77.9 million in current quarter, an increase of RM1.9 million from RM75.9 million in the preceding quarter mainly attributed to higher financing profit and fee income.

The above gave rise to a higher pre-tax profit of RM46.7 million in the current quarter as compared to RM44.2 million in the preceding quarter, coupled with lower allowances for impairment loss on receivables and offset by ESS expense incurred.

Following the above, the Group continued to record a higher post-tax profit of RM34.8 million in the current quarter as compared to RM33.0 million in the preceding quarter.

### 15. CURRENT YEAR PROSPECTS

The Group's core business remains operational with on-going sales campaigns, active management of costs and close monitoring on collections despite recommencement of Movement Control Order 2.0 since 13 January 2021. Due to increasing number of COVID-19 cases, employee safety remains a priority with strict adherence to Standard Operating Procedures along with a significant portion of our workforce working from home.

Following the initiatives undertaken by the Group and barring any unforeseen circumstances, financial year ending 31 March 2021 will be profitable.



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

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### **16. PROFIT FORECAST**

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

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

	<b>INDIVIDUAL QUARTER 31.12.2020 RM'000</b>	<b>CUMULATIVE QUARTER 31.12.2020 RM'000</b>
Income tax payable:		
Current period	11,781	30,371
Over provision in prior years	(349)	(349)
	<hr/>	<hr/>
	11,432	30,022
Deferred tax:		
Current period	451	789
Under provision in prior years	40	40
	<hr/>	<hr/>
	491	829
	<hr/>	<hr/>
	11,923	30,851

The effective tax rate of the Group in the current quarter and financial period is higher than the statutory tax rate due to non-deductibility of certain expenses for taxation purposes.

### **18. STATUS OF CORPORATE PROPOSAL**

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

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for 3<sup>rd</sup> Quarter Ended 31 December 2020**NOTES TO THE INTERIM FINANCIAL REPORT****19. FINANCING AND LOANS RECEIVABLES**

	← As at 31.12.2020 →		
	← 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	1,797,151	35,682	1,832,833
Less: Allowances for impairment	(119,575)	(8,538)	(128,113)
	<u>1,677,576</u>	<u>27,144</u>	<u>1,704,720</u>
Amount receivable within one year	(171,401)	(9,944)	(181,345)
Non-current portion	<u>1,506,175</u>	<u>17,200</u>	<u>1,523,375</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:

	<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 2020	49,546	5,397	75,269	130,212
Changes in the ECL:				
- Transfer to Stage 1	414	(983)	(3,691)	(4,260)
- Transfer to Stage 2	(477)	2,331	(1,606)	248
- Transfer to Stage 3	(998)	(1,575)	27,859	25,286
Net adjustment of allowances for impairment	<u>(1,061)</u>	<u>(227)</u>	<u>22,562</u>	<u>21,274</u>
New financial assets originated or purchased	6,739	-	-	6,739
Financial assets derecognised	(2,052)	(209)	(3,340)	(5,601)
Changes in risk parameters	(3,430)	(359)	(3,643)	(7,432)
Written off	-	-	(17,079)	(17,079)
Balance as at 31 December 2020	<u>49,742</u>	<u>4,602</u>	<u>73,769</u>	<u>128,113</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 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 31.12.2020 →		
	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>			
Secured:			
Conventional			
- Revolving credits	142,171	-	142,171
- Term loans	18,509	14,877	33,386
	160,680	14,877	175,557
Shariah			
- Sukuk	151,598	1,083,653	1,235,251
- Term financing	73,018	153,877	226,895
- Revolving credits	34,813	-	34,813
	259,429	1,237,530	1,496,959
Unsecured:			
Conventional			
- Revolving credits	4,514	-	4,514
	424,623	1,252,407	1,677,030





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**20. GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)**

	←	As at 31.12.2019	→
	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>			
Secured:			
Conventional			
- Revolving credits	100,030	-	100,030
- Term loans	56,005	33,328	89,333
	156,035	33,328	189,363
Shariah			
- Sukuk	140,722	997,183	1,137,905
- Term financing	49,149	114,741	163,890
- Revolving credits	79,081	-	79,081
	268,952	1,111,924	1,380,876
	424,987	1,145,252	1,570,239

The weighted average interest rate of the Group borrowing categories as at 31 December 2020 ranges from 3.0% to 5.8% (31.12.2019: 4.7% to 5.8%) per annum.

The Group borrowings consist of:

	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate	1,235,251	1,137,905
Floating rate	441,779	432,334
	1,677,030	1,570,239

Group's borrowings increased by RM106.8 million, from RM1.57 billion a year ago to RM1.68 billion. The increase was primarily due to additional two Sukuk issuances amounting to RM220.0 million, partially offset with RM125.0 million redemptions upon maturity.



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### **21. CAPITAL COMMITMENTS**

	<b>31.12.2020</b>
	<b>RM'000</b>
Capital expenditure approved and contracted for	<u>1,536</u>

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

As at 31 December 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 31 December 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	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>(a) Basic EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	34,756	30,980	90,572	82,257
Weighted average number of ordinary shares in issue	(unit'000)	357,415	348,917	354,841	346,396
Basic EPS	(sen)	9.72	8.88	25.52	23.75

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>(b) Diluted EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Parent	(RM'000)	34,756	30,980	90,572	82,257
Weighted average number of ordinary shares in issue	(unit'000)	357,415	348,917	354,841	346,396
Effects of dilution of ESS	(unit'000)	274	1,344	92	1,311
Adjusted weighted average number of ordinary shares in issue	(unit'000)	357,689	350,261	354,933	347,707
Diluted EPS	(sen)	9.72	8.84	25.52	23.66

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:

	<b>31.12.2020</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>Financial assets</b>		
Financing and loans receivables	<u>1,704,720</u>	<u>1,728,266</u>
<b>Financial liabilities</b>		
Borrowings - Sukuk	<u>1,235,251</u>	<u>1,325,603</u>

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