

**RCE Capital Berhad**

Registration No: 195301000151 (2444-M)

Incorporated in Malaysia

Interim Financial Report  
for 2nd Quarter Ended 30 September 2023**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD  
ENDED 30 SEPTEMBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
1. Revenue	<b>87,823</b>	81,758	<b>171,793</b>	159,419
2. Profit before tax	<b>50,888</b>	48,564	<b>99,879</b>	91,451
3. Profit for the financial period	<b>38,248</b>	36,542	<b>75,126</b>	68,769
4. Profit attributable to ordinary equity holders of the Company	<b>38,248</b>	36,542	<b>75,126</b>	68,769
5. Basic earnings per ordinary share (sen)	<b>5.22</b>	4.99	<b>10.25</b>	9.39
6. Proposed/Declared dividend per share (sen)	<b>8.00</b>	23.00	<b>8.00</b>	23.00
		<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>1.13</b>		<b>1.10</b>
		<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>
	<b>30.09.2023</b>	30.09.2022	<b>30.09.2023</b>	30.09.2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
8. Gross interest income	<b>3</b>	52	<b>7</b>	122
9. Gross interest expense	<b>60</b>	56	<b>113</b>	113

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**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS ENDED	30.09.2022	6 MONTHS ENDED	30.09.2022
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Profit income	73,216	70,954	144,299	140,181
Other revenue	14,607	10,804	27,494	19,238
Revenue	87,823	81,758	171,793	159,419
Other income	9,734	6,349	18,256	11,960
Profit expense applicable to revenue	(24,557)	(21,579)	(49,478)	(41,918)
Directors' remuneration and staff costs	(6,889)	(5,654)	(13,982)	(11,732)
Allowances for impairment loss on receivables, net	(6,872)	(6,865)	(11,589)	(15,062)
Depreciation of plant and equipment and right-of-use ("ROU") assets	(901)	(896)	(1,815)	(1,742)
Other expenses	(7,390)	(4,493)	(13,193)	(9,361)
Finance costs	(60)	(56)	(113)	(113)
<b>Profit before tax</b>	<b>50,888</b>	48,564	<b>99,879</b>	91,451
Income tax expense	(12,640)	(12,022)	(24,753)	(22,682)
<b>Total comprehensive income for the financial period</b>	<b>38,248</b>	36,542	<b>75,126</b>	68,769
<b>Attributable to:</b>				
Owners of the Company	38,248	36,542	75,126	68,769
<b>Earnings per ordinary share (sen):</b>				
Basic	5.22	4.99	10.25	9.39
Diluted	5.22	4.98	10.25	9.38

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 2023 and the accompanying explanatory notes attached to the interim financial report.

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	AS AT 30.09.2023 RM'000	AS AT 31.03.2023 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	6,955	7,241
ROU assets	4,103	4,664
Goodwill on consolidation	47,333	47,333
Financing receivables	1,738,198	1,677,871
Deferred tax assets	36,082	38,575
<b>Total Non-Current Assets</b>	<b>1,832,671</b>	<b>1,775,684</b>
<b>Current Assets</b>		
Financing receivables	227,053	221,541
Trade receivables	54,976	53,918
Other receivables, deposits and prepaid expenses	16,644	16,021
Deposits with licensed financial institutions	792,946	799,886
Cash and bank balances	90,175	79,781
<b>Total Current Assets</b>	<b>1,181,794</b>	<b>1,171,147</b>
<b>TOTAL ASSETS</b>	<b>3,014,465</b>	<b>2,946,831</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	201,917	201,917
Treasury shares	(4,948)	(4,948)
Reserves	628,271	608,690
<b>Total Equity</b>	<b>825,240</b>	<b>805,659</b>
<b>Non-Current Liabilities</b>		
Payables and accrued expenses	1,982	780
Hire-purchase payables	986	1,160
Financing liabilities	1,301,164	1,308,538
Lease liabilities	1,549	2,025
Deferred tax liabilities	1,134	1,111
<b>Total Non-Current Liabilities</b>	<b>1,306,815</b>	<b>1,313,614</b>
<b>Current Liabilities</b>		
Payables and accrued expenses	31,249	35,470
Hire-purchase payables	352	379
Financing liabilities	838,772	783,006
Lease liabilities	940	915
Tax liabilities	11,097	7,788
<b>Total Current Liabilities</b>	<b>882,410</b>	<b>827,558</b>
<b>Total Liabilities</b>	<b>2,189,225</b>	<b>2,141,172</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,014,465</b>	<b>2,946,831</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>1.13</b>	<b>1.10</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 2023 and the accompanying explanatory notes attached to the interim financial report.



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**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	Retained Earnings RM'000		
<b>As at 1 April 2022</b>	200,697	(4,948)	3,467	672,852	676,319	872,068
<b>Total comprehensive income</b>	-	-	-	68,769	68,769	68,769
<b>Transactions with owners</b>						
Dividends	-	-	-	(29,287)	(29,287)	(29,287)
Issuance of shares pursuant to options exercised	688	-	(644)	154	(490)	198
Cancellation of options	-	-	(57)	57	-	-
Total transactions with owners	688	-	(701)	(29,076)	(29,777)	(29,089)
<b>As at 30 September 2022</b>	201,385	(4,948)	2,766	712,545	715,311	911,748
<b>As at 1 April 2023</b>	201,917	(4,948)	1,187	607,503	608,690	805,659
<b>Total comprehensive income</b>	-	-	-	75,126	75,126	75,126
<b>Transactions with owners</b>						
Dividends	-	-	-	(51,300)	(51,300)	(51,300)
Options under ESS exercised	-	-	(1,136)	(3,109)	(4,245)	(4,245)
Total transactions with owners	-	-	(1,136)	(54,409)	(55,545)	(55,545)
<b>As at 30 September 2023</b>	201,917	(4,948)	51	628,220	628,271	825,240

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 2023 and the accompanying explanatory notes attached to the interim financial report.

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	CUMULATIVE QUARTER 30.09.2023 RM'000	CUMULATIVE QUARTER 30.09.2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	99,879	91,451
Adjustments for:		
Allowances for impairment loss on receivables, net	11,589	15,062
Depreciation of plant and equipment and ROU assets	1,815	1,742
Finance costs	113	113
Profit and interest income from deposits with licensed financial institutions	(14,066)	(7,624)
Gain on disposal of plant and equipment	-	(1)
Operating profit before working capital changes	<u>99,330</u>	<u>100,743</u>
(Increase)/Decrease in working capital:		
Financing receivables	(77,448)	(88,410)
Trade receivables	(1,038)	(1,346)
Other receivables, deposits and prepaid expenses	73	43
Decrease in working capital:		
Payables and accrued expenses	(4,497)	(716)
Cash generated from operations	<u>16,420</u>	<u>10,314</u>
Taxes paid	(18,462)	(17,673)
Taxes refunded	17	-
Net cash used in operating activities	<u>(2,025)</u>	<u>(7,359)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Profit and interest income from deposits with licensed financial institutions received	14,066	7,624
Proceeds from disposal of plant and equipment	-	1
Additions to plant and equipment	(974)	(1,316)
Deposit payment for asset under hire-purchase	-	(92)
Net cash generated from investing activities	<u>13,092</u>	<u>6,217</u>

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**CONDENSED STATEMENT OF CASH FLOWS (CONT'D)**

	CUMULATIVE QUARTER 30.09.2023 RM'000	CUMULATIVE QUARTER 30.09.2022 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of:		
- revolving credits	369,914	429,528
- term financing/loans	100,000	50,000
- other financing liabilities	1,886	2,103
Issuance of Sukuk Murabahah ("Sukuk")	205,000	-
Proceeds from issuance of shares	-	688
Repayments of revolving credits	(416,426)	(306,000)
Redemptions of Sukuk	(140,000)	(95,000)
Repayments of term financing/loans	(69,831)	(39,609)
Dividends paid	(51,300)	(29,287)
Withdrawal/(Placements) of deposits, cash and bank balances, net:		
- assigned in favour of the trustees	2,608	(87,138)
- pledged to licensed financial institutions	(8,146)	90,335
Cash settlement for ESS	(5,228)	(490)
Repayments of:		
- other financing liabilities	(874)	(2,103)
- lease liabilities	(451)	(415)
- hire-purchase payables	(201)	(149)
Finance costs paid	(102)	(113)
Net cash (used in)/generated from financing activities	<u>(13,151)</u>	<u>12,350</u>
Net change in cash and cash equivalents	(2,084)	11,208
Cash and cash equivalents at beginning of financial period	39,497	41,001
Cash and cash equivalents at end of financial period	<u>37,413</u>	<u>52,209</u>

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

Deposits with licensed financial institutions	792,946	725,755
Cash and bank balances	90,175	82,767
	<u>883,121</u>	<u>808,522</u>
Less: Deposits, cash and bank balances		
- assigned in favour of the trustees	(809,271)	(739,197)
- pledged to licensed financial institutions	(36,437)	(17,116)
	<u>37,413</u>	<u>52,209</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 2023 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 2023.

### **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 2023, except for the following amendments to published standards which are effective for the financial period commencing 1 April 2023:

Amendments to:

MFRS 101	Classification of Liabilities as Current or Non-Current Disclosure of Accounting Policies
MFRS 108	Definition of Accounting Estimates
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 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:

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Issuance	205,000	205,000
Redemption upon maturity	30,000	30,000





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**7. DEBT AND EQUITY SECURITIES (CONT'D)**

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

	<b>CURRENT QUARTER RM'000</b>	<b>CUMULATIVE QUARTER RM'000</b>
Early redemption of Sukuk	35,000	60,000
Redemption upon maturity	30,000	50,000

- (c) Subsequent to the financial period, the Company has granted 19,111,000 options to the eligible employees at an option price of RM2.28 in accordance with the By-Laws of the ESS.

As at 30 September 2023, the number of ordinary shares, net of treasury shares is 732,850,571.

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### NOTES TO THE INTERIM FINANCIAL REPORT

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#### 8. DIVIDENDS

30.09.2023	30.09.2022
RM'000	RM'000

##### Recognised during the financial period:

- Second interim dividend for 2022: 4.00 sen per ordinary share, paid on 30 June 2022 to shareholders whose names appeared in the record of depositors on 17 June 2022	-	29,287
- Second interim dividend for 2023: 7.00 sen per ordinary share, paid on 28 June 2023 to shareholders whose names appeared in the record of depositors on 15 June 2023	51,300	-
	<u>51,300</u>	<u>29,287</u>

The Board of Directors ("Board") has declared a first interim dividend of 8.00 sen per ordinary share ("1st interim dividend"), estimated at RM58,628,046 in respect of financial year ending 31 March 2024, to be paid on 28 December 2023.

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

- shares transferred into the depositor's securities account before 4.30 pm on 14 December 2023 in respect of ordinary transfers; and
- 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 2024.



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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 shariah-compliant and conventional financing services.

### 10. PROFIT BEFORE TAX

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

	<b>INDIVIDUAL QUARTER 30.09.2023 RM'000</b>	<b>CUMULATIVE QUARTER 30.09.2023 RM'000</b>
Allowances for impairment loss on receivables, net	6,872	11,589
Income from deposits with licensed financial institutions:		
- profit income	(7,382)	(14,059)
- interest income	(3)	(7)
	(7,385)	(14,066)
Gain on foreign exchange, net:		
- realised	1	2
- unrealised	-	-

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



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## NOTES TO THE INTERIM FINANCIAL REPORT

### 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 was no change in the composition of the Group during the financial period.

### 13. REVIEW OF PERFORMANCE

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	30.09.2023	30.09.2022	Variance		30.09.2023	30.09.2022	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	87,823	81,758	6,065	7.4	171,793	159,419	12,374	7.8
Profit before tax	50,888	48,564	2,324	4.8	99,879	91,451	8,428	9.2
Profit for the financial period	38,248	36,542	1,706	4.7	75,216	68,769	6,447	9.4
Profit attributable to ordinary equity holders of the Parent	38,248	36,542	1,706	4.7	75,216	68,769	6,447	9.4

For the current quarter, the Group recorded an increase in revenue of RM87.8 million as compared to corresponding quarter of RM81.8 million. This was primarily derived from higher profit and fee income.

The Group registered a pre-tax profit of RM50.9 million, an increase of RM2.3 million as compared to corresponding quarter of RM48.6 million. This was mainly due to higher revenue and profit income from deposit placements with licensed financial institutions, offset with higher operating and profit expense.

Accordingly, the Group's post-tax profit rose to RM38.2 million in the current quarter from RM36.5 million in the corresponding quarter.



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

For the 6 months ended 30 September 2023, the Group recorded an increase in revenue of RM171.8 million as compared to RM159.4 million a year ago. This was mainly contributed by higher profit and fee income.

The Group registered a pre-tax profit of RM99.9 million, an increase of RM8.4 million as compared to RM91.5 million a year ago. This was mainly due to higher revenue and profit income from deposit placements as well as lower allowances for impairment loss on receivables, offset with higher operating and profit expense.

All-in-all, the Group recorded a growth of 9.4% in its post-tax profit of RM75.1 million as compared to RM68.8 million in the corresponding period.

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

	INDIVIDUAL QUARTER			
	30.09.2023	30.06.2023	Variance	
	RM'000	RM'000	RM'000	%
Revenue	87,823	83,970	3,853	4.6
Profit before tax	50,888	48,991	1,897	3.9
Profit for the financial period	38,248	36,878	1,370	3.7
Profit attributable to ordinary equity holders of the Company	38,248	36,878	1,370	3.7

The Group's revenue increased to RM87.8 million in the current quarter mainly led by higher early settlement profit and fee income.

The increase in revenue gave rise to a higher pre-tax profit of RM50.9 million, after accounting for higher allowances for impairment loss on receivables.

Correspondingly, the Group registered an increase in post-tax profit of RM38.2 million as compared to RM36.9 million in the preceding quarter.



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### NOTES TO THE INTERIM FINANCIAL REPORT

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#### 15. CURRENT YEAR PROSPECTS

The Group will continuously pursue various marketing initiatives to improve sales, guided by quality financing.

Amidst macroeconomic headwinds, the Group is committed on environmental, social and governance ("ESG") integration to ensure business sustainability. In addition, technological enhancements are rolled out periodically to support the Group's ESG initiatives and managing related risks.

The Group expects to remain profitable for the financial year ending 31 March 2024.

#### 16. PROFIT FORECAST

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

#### 17. INCOME TAX EXPENSE

	<b>INDIVIDUAL QUARTER 30.09.2023 RM'000</b>	<b>CUMULATIVE QUARTER 30.09.2023 RM'000</b>
Income tax payable:		
Current period	12,480	22,236
Deferred tax:		
Current period	160	2,517
	<u>12,640</u>	<u>24,753</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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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**18. STATUS OF CORPORATE PROPOSALS**

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

**19. FINANCING RECEIVABLES**

	←———— As at 30.09.2023 —————→		
	←———— 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	2,076,941	9,671	2,086,612
Less: Allowances for impairment	(118,299)	(3,062)	(121,361)
	1,958,642	6,609	1,965,251
Amount receivable within one year	(224,091)	(2,962)	(227,053)
Non-current portion	1,734,551	3,647	1,738,198

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

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

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 2023	42,321	2,190	77,018	121,529
Changes in the expected credit loss ("ECL"):				
- Transfer to Stage 1	212	(306)	(3,854)	(3,948)
- Transfer to Stage 2	(86)	725	(1,212)	(573)
- Transfer to Stage 3	(503)	(220)	22,845	22,122
Net adjustment of allowances for impairment	(377)	199	17,779	17,601
New financial assets originated or purchased	6,418	-	-	6,418
Financial assets derecognised	(1,223)	(68)	(2,409)	(3,700)
Changes in risk parameters	(5,676)	(323)	(2,711)	(8,710)
Written off	-	-	(11,777)	(11,777)
Balance as at 30 September 2023	41,463	1,998	77,900	121,361

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 period has been adjusted to reflect the impact of latest economic conditions.



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**NOTES TO THE INTERIM FINANCIAL REPORT****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 30.09.2023 →		
	<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	304,491	1,049,173	1,353,664
- Term financing	88,299	89,374	177,673
- Revolving credits	82,532	-	82,532
	<u>475,322</u>	<u>1,138,547</u>	<u>1,613,869</u>
Conventional			
- Revolving credits	231,994	-	231,994
- Term loans	61,315	162,617	223,932
	<u>293,309</u>	<u>162,617</u>	<u>455,926</u>
	<u>768,631</u>	<u>1,301,164</u>	<u>2,069,795</u>
<i>Unsecured:</i>			
Shariah			
- Revolving credits	62,132	-	62,132
Conventional			
- Revolving credits	8,009	-	8,009
	<u>838,772</u>	<u>1,301,164</u>	<u>2,139,936</u>

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**NOTES TO THE INTERIM FINANCIAL REPORT****20. GROUP FINANCING LIABILITIES AND DEBT SECURITIES (CONT'D)**

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

As at 30 September 2023, the Group's weighted average profit rate by categories of financing liabilities ranges from 4.4% to 5.2% (30.09.2022: 3.2% to 5.1%) per annum.

The Group's financing liabilities consist of:

	30.09.2023 RM'000	30.09.2022 RM'000
Fixed rate	1,353,664	1,217,000
Floating rate	786,272	627,263
	<u>2,139,936</u>	<u>1,844,263</u>



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

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

The Group's financing liabilities increased from RM1.84 billion a year ago to RM2.14 billion, representing an increase of RM295.7 million. The increase was primarily due to RM380.0 million issuance of Sukuk and RM159.5 million net drawdown of other financing liabilities, offset with RM245.0 million redemptions of Sukuk upon maturity and early redemption.

### **21. CAPITAL COMMITMENTS**

	<b>30.09.2023</b>
	<b>RM'000</b>
Capital expenditure approved and contracted for	<u>2,094</u>

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

As at 30 September 2023, the letter of credit stood at RM0.7 million, representing an increase of RM0.2 million as compared to 30 June 2023.

Other than disclosed above, there were no other changes in contingent liabilities or assets since the last financial year ended 31 March 2023.

### **23. DERIVATIVES AND FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

- (a) There were no derivatives as at 30 September 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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**NOTES TO THE INTERIM FINANCIAL REPORT**

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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")**

		<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
		<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
<b>(a) Basic EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Company	(RM'000)	38,248	36,542	75,126	68,769
Weighted average number of ordinary shares in issue	(unit'000)	732,851	732,279	732,851	732,109
Basic EPS	(sen)	<u>5.22</u>	<u>4.99</u>	<u>10.25</u>	<u>9.39</u>

Basic EPS for the current quarter and financial period 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.

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**NOTES TO THE INTERIM FINANCIAL REPORT****25. EPS (CONT'D)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
<b>(b) Diluted EPS:</b>					
Profit for the period attributable to ordinary equity holders of the Company	(RM'000)	38,248	36,542	75,126	68,769
Weighted average number of ordinary shares in issue	(unit'000)	732,851	732,279	732,851	732,109
Effects of dilution of ESS	(unit'000)	173	813	372	1,414
Adjusted weighted average number of ordinary shares in issue	(unit'000)	733,024	733,092	733,223	733,523
Diluted EPS	(sen)	5.22	4.98	10.25	9.38

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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**NOTES TO THE INTERIM FINANCIAL REPORT**

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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>30.09.2023</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>Financial assets</b>		
Financing receivables	<u>1,965,251</u>	<u>1,993,092</u>
<b>Financial liabilities</b>		
Sukuk	<u>1,353,664</u>	<u>1,372,563</u>

**BY ORDER OF THE BOARD**  
**JOHNSON YAP CHOON SENG**  
Company Secretary  
22 November 2023