



RCE CAPITAL BERHAD
(Company No. 2444-M)

Embargo until 5pm

MEDIA RELEASE

25 May 2011

- **RCE GROUP'S PRE-TAX PROFIT ROSE 27.4% TO RM140.1 MILLION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011**
- **FINAL DIVIDEND OF 1.5 SEN PER SHARE**

KUALA LUMPUR: For the twelve (12) months ended 31 March 2011, RCE Group (“the Group”) continues to record growth by achieving a pre-tax profit (“PBT”) of RM140.1 million, representing a 27.4% growth over the previous financial year of RM110.0 million. The growth is mainly contributed by higher revenue of 5.5% to RM269.6 million from RM255.6 million coupled with lower other expenses by 23.7% to RM55.3 million from RM72.4 million as compared to the previous financial year.

Earnings per share (“EPS”) was 13.33 sen against 10.72 sen in the previous financial year, an increase of 24.3% as a result of the Group’s continued improvement in performance.

For the fourth quarter ended 31 March 2011, the Group’s revenue fell by 10.2% to RM58.9 million from RM65.6 million in the previous year’s corresponding period, mainly due to lower disbursements by the loan financing division. Meanwhile, the Group recorded a net profit of RM16.6 million, a drop of 27.1% from RM22.8 million in the previous year’s corresponding quarter. The drop is primarily arising from lower revenue by RM6.7 million.

Following the Group's announcement dated 26 November 2010, the Group continues to work closely with its major business partner to ensure regulatory compliance is met. Meanwhile, our business partner is currently awaiting for the relevant authority's approval to obtain external funding from the Group.

Arising from the above, for the next financial year, if approval is obtained, loan financing activities will resume. However, if approval is not obtained, the Group's profitability will be affected. Nevertheless, we expect to remain profitable and the Group is confident of meeting its existing debt obligations.

Notwithstanding the above, the Board recommends that a final dividend of 15.0% (1.5 sen) on 782,395,174 ordinary shares, tax exempt under the single-tier tax system, in respect of the financial year ended 31 March 2011 be proposed for shareholders' approval. Such dividend, if approved by the shareholders, will be accounted for in equity as appropriation of retained earnings in the financial year ending 31 March 2012.

About RCE Group

RCE is involved in the provision of personal loans and consumer-financing services to public and private sector employees, factoring and investment in a real-estate trust.