



RCE CAPITAL BERHAD

(Company No. 2444-M)

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MEDIA RELEASE

9 August 2011

RCE GROUP – 18% GROWTH IN EARNINGS FOR FIRST QUARTER OF 2012

- **Pre-tax profit (“PBT”) increased by 18% to RM39.8 million**
- **Earnings per share increased by 41% to 4.25 sen**
- **Early redemption of Asset-Backed Securities (“ABS”) amounting to RM52.0 million**
- **Conditional approval obtained for funding up to RM200 million to business partner**

KUALA LUMPUR: RCE Group (“the Group”) achieved a strong start for financial year ending 2012 with a PBT of RM39.8 million in its first quarter, an increase of RM6.1 million or 18% as compared to previous year’s corresponding quarter of RM33.7 million, despite the 7.6% reduction in the Group’s loan and receivables from RM1.1 billion to RM983.3 million. The increase is mainly contributed by higher interest income generated from the early settlement of loans and receivables, fund placement activities and a RM3.8 million gain arising from a disposal of its 15.8 million units of investment in AmFirst REITs.

The Group also posted a stronger growth in PBT over the preceding quarter, an increase of 76% from RM22.7 million. The growth is mainly due to the effects from early settlement of loans and receivables, RM3.8 million gain arising from disposal of investment in AmFirst REITs and lower operating expenses.

Earnings per share for the current quarter was 4.25 sen, 41% higher than the previous financial year’s corresponding quarter of 3.02 sen.

The Group has to-date issued 9 tranches of ABS amounting to RM900.0 million out of its existing RM1.5 billion ABS Programme, which is backed by the loans and receivables. As part of cost savings initiatives, bondholders' approval was obtained via an EGM to use all monies in the sinking fund accounts in each respective ABS tranche for early redemption purposes. In May 2011, the Group early redeemed the balance outstanding in the first tranche of ABS amounting to RM52.0 million.

From the business front, the Group has on 9 June 2011 announced that its major business partner, Koperasi Wawasan Pekerja-Pekerja Berhad ("KOWAJA") has received a conditional approval from Suruhanjaya Koperasi Malaysia ("SKM") to obtain funding of up to RM200 million from the Group.

The Group continues to work closely with KOWAJA on the operational and funding requirements of SKM and disbursement resumed in July 2011.

Barring any unforeseen circumstances, the Group is expected to maintain its performance for 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.