



RCE CAPITAL BERHAD

(Company No. 2444-M)

Embargo until 5pm

MEDIA RELEASE

5 November 2015

RCE GROUP ANNOUNCES HIGHER POST-TAX PROFIT FOR 2QFY16

- **Strong 57.6% growth in 2QFY16 post-tax profit arising from an increase in net revenue**
- **Improved YTD 2QFY16 loans growth of 15.3% driven by market demand**
- **In the midst of securing access to Central Credit Reference Information System (“CCRIS”)**
- **Special Interim and Final Dividend of 105.0% and 15.0% paid on 8 October 2015**
- **Proposed Capital Repayment and Share Consolidation**
- **Cautiously optimistic given the current economic environment**

KUALA LUMPUR: RCE Capital Berhad (“the Group”) today reported a post-tax profit of RM10.2 million for 2QFY16, an increase of RM0.8 million or 8.2% as compared to RM9.4 million in the preceding quarter. The increase is mainly contributed by higher revenue, improved collections and lower allowance for impairment loss on its loans portfolio.

The Group’s personal loan financing segment also strengthened over the corresponding quarter. Against 2QFY15, total loans for 2QFY16 grew by 15.3%, from RM1.132 billion to RM1.305 billion, mainly due to favourable market demand.

For the 6 months financial period ended 30 September 2015, the Group registered RM13.8 million higher revenue of RM76.5 million, 21.9% increase as compared to a year ago. This was mainly backed by higher interest income contributed by its loan

financing segment arising from higher loan base and the introduction of products with improved margins.

As for the post-tax profit, the Group recorded a 56.9% growth from a year ago of RM12.5 million to RM19.7 million, mainly led by higher net interest income of RM6.8 million.

While emphasis is placed in growing the Group's core business in the loan financing segment, managing credit risk remains the priority. Hence, measures to ensure stringent credit criteria and efficient collection are continuously updated and implemented.

In the Group's effort to improve credit quality, the Group is in the midst of securing access to CCRIS, a comprehensive borrower database maintained by Bank Negara Malaysia with the connectivity target to go live before the end of the financial year. The availability of the borrowers' credit information from CCRIS will assist the Group in making informed lending decisions and further enhance the Group's credit risk management.

Meanwhile, for the factoring, confirming and industrial hire-purchase segment, the Group remains vigilant on its financial performance in light of the uncertain economic environment with strong emphasis placed on collection and recovery.

With the aim of continuously delivering sustainable returns to its shareholder, the Group had on 8 October 2015 paid the special interim and final dividend of RM134.7 million and RM19.2 million respectively.

The Group also proposes to undertake a capital repayment exercise, with the intention to effect a proposed estimated payout of up to RM98.3 million or RM0.075 for each ordinary share of RM0.10 each to its shareholders, as well as a share consolidation exercise involving the consolidation of every four (4) ordinary shares of RM0.025 each into one (1) ordinary share of RM0.10 each consolidated shares.

Barring any unforeseen circumstances, the Group is optimistic that the financial performance for the financial year ending 31 March 2016 will be profitable.