**RCE CAPITAL BERHAD**
(Company No. 2444-M)

**MEDIA RELEASE**

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**4 FOLDS INCREASE IN EARNINGS PER SHARE ("EPS") FOLLOWING SHARE CONSOLIDATION AND CAPITAL REPAYMENT**

- **1QFY17 EPS improved 4 folds arising from Share Consolidation and Capital Repayment**
- **Higher revenue of RM51.9 million on the back of 15.8% loans growth**
- **110.8% increase in profit before tax ("PBT"), with corresponding 153.6% increase in PAT against previous quarter**
- **Successful first issuance of RM155.5 million via Al Dzahab Assets Berhad's ("ADA") Sukuk Murabahah Asset-Backed Securitisation Programme of up to RM900.0 million ("Sukuk Programme")**

**KUALA LUMPUR:** Following the completion of the exercise to reduce RCE Capital Berhad's ("the Group") issued and paid-up share capital from 1,363,809,945 to 340,952,486 ordinary shares, EPS improved 4 folds from a pre-consolidated EPS of 1.35 sen to a post-consolidated EPS of 5.40 sen in 1QFY17.

Against the corresponding period, the adjusted EPS climbed 82.4% from 2.96 sen to 5.40 sen driven by improved earnings. Accordingly, net assets per share increased from RM0.45 a year ago to RM1.16.

Meanwhile, total revenue stood at RM51.9 million, up 38.4% as compared to RM37.5 million a year ago, driven primarily by higher interest income of RM8.2 million against loans growth of 15.8%, as well as a RM6.4 million higher fee-based income arising from improvement in business terms.

Arising thereof, PBT improved from RM11.1 million to RM23.4 million, reflecting a 110.8%, increase against the previous quarter.

Correspondingly, PAT saw a 153.6% jump in 1QFY17, up RM10.6 million, from RM6.9 million in the previous quarter to RM17.5 million.

On the corporate front, the Group established a Sukuk Programme via ADA backed by loan receivables originated by RCE Marketing Sdn Bhd ("RCEM"). ADA, a trust-owned special purpose bankruptcy remote vehicle, successfully launched its first issuance of RM155.5 million on 21 June 2016, making this the Group's fourth venture into the debt capital markets. The Sukuk Programme is expected to increase the capital funds of RCEM for future business growth, thus contributing positively to the earnings of the Group in future years.

Despite the challenging business outlook, the positive momentum in the Group's consumer loan financing segment is expected to continue. Nonetheless, the Group remains focused on quality loans with continued vigilance on managing asset quality and ensuring operational efficiency through process simplification initiatives to enhance competitive advantage with the objective of meeting customers' requirements.