

RCE CAPITAL BERHAD (“RCE”)

DISPOSAL OF UNITS IN AMFIRST REAL ESTATE INVESTMENT TRUST ("AMFIRST REIT")

1. INTRODUCTION

Pursuant to Paragraph 10.08(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), RCE wishes to announce that its wholly-owned subsidiary, RCE Synergy Sdn Bhd (“RCES”) had on 1 November 2011 disposed of 9,335,226 units in AmFirst REIT, representing approximately 2.18% in AmFirst REIT to AmInvestment Bank Berhad (“AmInvestment Bank” or “Purchaser”) for a total cash consideration of RM10,735,510, equivalent to RM1.15 per unit (“Disposal”).

The Disposal is deemed to be a related party transaction pursuant to Chapter 10 of the Listing Requirements due to the interests of certain Directors and major shareholders as set out in Section 8 of this announcement.

Following the Disposal, RCE Group has disposed its entire unitholdings in AmFirst REIT.

2. DETAILS OF THE DISPOSAL

2.1 Details of the Disposal

The Disposal was carried out via a direct business transaction on 1 November 2011.

2.2 RCES’s original cost of investment and date of acquiring AmFirst REIT units

The original cost of investment on 21 December 2006 for the 9,335,226 AmFirst REIT units was RM9,335,226 with a net book value of RM8,401,703 arising from a RM0.10 impairment per unit.

Based on the latest audited consolidated financial statements of RCE for the financial year ended 31 March 2011, the net book value for the 9,335,226 units in AmFirst REIT was RM10,828,862 contributing to net profits of RM577,660 to RCE Group.

2.3 Gains on the Disposal

The total proceeds arising from the Disposal is RM10,735,510. This translates into a net gain for RCE Group of approximately RM2,316,503.

2.4 Basis and justification on arriving at the sale consideration

The sale consideration for the Disposal was arrived at on a willing buyer-willing seller basis, and represents a discount of approximately 3 sen to the 5-day volume weighted average market price of AmFirst REIT preceding the Disposal.

2.5 Information on RCES

RCES was incorporated in Malaysia under the Companies Act, 1965 (“Act”) on 12 April 1986 as a private limited company and its registered office is at 2-01, Amcorp Tower, Amcorp Trade Centre, No. 18 Jalan Persiaran Barat 46050 Petaling Jaya, Selangor Darul Ehsan.

The authorised share capital of RCES is RM25,000 comprising 25,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

RCES is a wholly-owned subsidiary of RCE and is an investment holding company.

2.6 Information on the Purchaser in relation to the Disposal

AmInvestment Bank was incorporated in Malaysia under the Act on 5 August 1975. The authorised share capital of AmInvestment Bank is RM2,000,000,000 comprising 2,000,000,000 ordinary shares of RM1.00 each, of which 200,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad (“AHB”). As a licensed investment bank, AmInvestment Bank provides an array of investment banking services which include corporate advisory, debt capital market funding, equity placement, private banking, derivatives products, Islamic capital market financial services, stock and share broking services.

2.7 Information on AMFIRST REIT

AmFirst REIT is one of the 14 real estate investment trust funds listed on Bursa Securities Malaysia Berhad. It was listed on 21 December 2006. Its present approved fund size is RM429,001,000 comprising of 429,001,000 units of RM1.00 each. The total units in circulation are 429,001,000.

AmFirst REIT has an investment portfolio of six properties which are principally office buildings in Klang Valley, with a total net lettable area of 2.3 million sq ft. For the financial year ended 31 March 2011, the net asset value of AmFirst REIT was RM606.0 million while the gross revenue and net realized income were RM88.5 million and RM41.8 million respectively.

2.8 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by the Purchaser arising from the Disposal.

3. PROPOSED UTILISATION OF PROCEEDS

The total net proceeds of RM10,735,510 arising from the Disposal will be utilized for the Group's working capital purposes and is expected to be utilized within 6 months from the date of this announcement.

4. RATIONALE FOR THE DISPOSAL

The Disposal will provide immediate working capital for the RCE Group and the proceeds will allow the Group to focus on its consumer financing business.

5. EFFECTS OF THE DISPOSAL

The Disposal is not expected to have any material effect on the earnings per share, net assets per share and gearing of RCE for the financial year ending 31 March 2012.

The Disposal will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of the Company.

6. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 2.42% based on the latest audited financial statements of RCE for the financial year ended 31 March 2011.

7. APPROVAL REQUIRED

The Disposal does not require the approval of shareholders of RCE or any other relevant authorities.

8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The Disposal is deemed as a related party transaction under the Listing Requirements due to the interests of certain Directors and major shareholders of RCE.

Save as disclosed below, none of the other Directors and/or major shareholders of RCE and/or persons connected with them have any interest, direct or indirect, in the Disposal:

Major shareholders' interest

Cempaka Empayar Sdn Bhd is a major shareholder of RCE holding 43.38% equity interest in RCE as at 31 October 2011. Cempaka Empayar Sdn Bhd is a wholly-owned subsidiary of Amcorp Group Berhad ("Amcorp").

Amcorp is a major shareholder of RCE through its shareholding in Cempaka Empayar Sdn Bhd. Amcorp is also a major shareholder of AHB, holding 16.78% equity interest in AHB. Amcorp is a wholly-owned subsidiary of Clear Goal Sdn Bhd which in turn is 99.99% held by Tan Sri Azman Hashim.

Directors' interest

Tan Sri Azman Hashim ("TSAH") is the Executive Chairman of RCE and Amcorp; and Non-Executive Chairman of AHB, which in turn is the holding company of the Purchaser. TSAH is also a major shareholder of RCE, AHB and Amcorp.

Puan Shalina Azman ("SBA") is a Non-Independent Non-Executive Director of RCE and Deputy Managing Director of Amcorp. She is also the daughter of TSAH.

Encik Shahman Azman ("SAH") is a Non-Independent Non-Executive Director of RCE and a director of Amcorp. He is also the son of TSAH.

Mr. Soo Kim Wai ("SKW") is a Non-Independent Non-Executive Director of RCE, Group Managing Director of Amcorp and a Non-Independent Non-Executive Director of AHB.

TSAH, SBA, SAH and SKW (Collectively referred to as "Interested Directors") are deemed interested in the Disposal. Accordingly, the Interested Directors have abstained from all deliberations and voting in relation to the Disposal.

As at 31 October 2011, the direct and indirect shareholdings of the Interested Directors and interested major shareholders in RCE were as follows:

Name of Directors / Major Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
TSAH	-	-	339,427,169 ⁽¹⁾	43.38
SBA	-	-	-	-
SAH	-	-	-	-
SKW	-	-	-	-
Cempaka Empayar Sdn Bhd	339,427,169	43.38	-	-
Amcorp	-	-	339,427,169 ⁽¹⁾	43.38
Clear Goal Sdn Bhd	-	-	339,427,169 ⁽¹⁾	43.38

Note:

⁽¹⁾ Deemed interested by virtue of Section 6A of the Act through shareholdings in Cempaka Empayar Sdn Bhd.

9. TRANSACTIONS WITH THE RELATED PARTIES WITHIN THE PAST TWELVE MONTHS

Save for the Disposal and the recurrent related party transactions for which the mandates have been sought or are not subject to disclosure pursuant to paragraph 10.09 of the Listing Requirements, there were no other related party transactions transacted with the Purchaser, Interested Directors and interested major shareholders (including persons connected with them) for the preceding twelve (12) months.

10. AUDIT COMMITTEE STATEMENT

The Audit Committee of RCE, after having considered the rationale and all aspects of the Disposal, is of the opinion that the Disposal is:

- (a) in the best interest of RCE;
- (b) fair, reasonable and on normal commercial terms; and
- (c) not detrimental to the interest of the minority shareholders of RCE.

11. DIRECTORS STATEMENT

The Board of Directors of RCE (save for the Interested Directors) having considered all aspects of the Disposal is of the view that the Disposal is in the best interest of RCE Group.

This announcement is dated 1 November 2011.