

RCE CAPITAL BERHAD
(Formerly known as Rediffusion Berhad)
(COMPANY NO. 2444-M)

QUARTERLY REPORT

Quarterly report on consolidated results of the Group for the fourth financial quarter ended 31 March 2004.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2004 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2003 RM'000	CURRENT YEAR TO DATE 31/03/2004 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2003 RM'000
Revenue	16,161	11,114	54,466	44,873
Other operating income	729	124	17,346	521
Changes in inventories	(3)	(39)	(3)	(26)
Purchases	(2)	-	(39)	-
Staff costs	(3,170)	(2,954)	(10,485)	(11,348)
Amortisation of goodwill on consolidation	(67)	(67)	(269)	(269)
Depreciation of property, plant and equipment	(112)	(737)	(1,694)	(3,282)
Directors' Remuneration	(346)	(527)	(2,135)	(2,262)
Other operating expenses	(6,277)	(8,350)	(26,483)	(27,250)
Profit from operations	6,913	(1,436)	30,704	957
Finance costs	(353)	(127)	(1,633)	(632)
Income from other investment	(604)	11	80	48
Share result of associated company		(2)		(2)
Profit before tax	5,956	(1,554)	29,151	371
Income tax expense	(3,461)	(425)	(5,618)	(1,643)
Profit after tax	2,495	(1,979)	23,533	(1,272)
Minority interests	(454)	458	(1,588)	172
Net profit for the period	2,041	(1,521)	21,945	(1,100)
Earnings per share (sen)				
Basic	5.08	(3.79)	54.66	(2.74)
Fully diluted	n/a	n/a	n/a	n/a

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2003)

RCE CAPITAL BERHAD (Formerly known as Rediffusion Berhad)

(COMPANY NO. 2444-M)

QUARTERLY REPORT**CONDENSED CONSOLIDATED BALANCE SHEETS**

	AS AT PRECEDING FINANCIAL YEAR END 31/03/2004 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/03/2003 RM'000
PROPERTY, PLANT AND EQUIPMENT	14,508	24,356
GOODWILL ON CONSOLIDATION	-	269
LOANS AND HIRE PURCHASE RECEIVABLES	57,203	-
INVESTMENT IN CORPORATE BONDS	5,294	-
CURRENT ASSETS		
Inventories	86	89
Trade receivables	16,170	10,926
Other receivables and prepaid expenses	38,362	5,949
Amount owing by other related parties	95	387
Fixed deposits with licensed banks	3,335	17,386
Cash and bank balances	9,613	1,753
	67,661	36,490
CURRENT LIABILITIES		
Trade payables	2,768	2,181
Other payables and accrued expenses	41,938	30,028
Amount owing to other related companies	138	6
Hire purchase creditors	58	103
Borrowings	3,551	4,136
Provision for taxation	2,844	225
	51,297	36,679
NET CURRENT ASSETS/(LIABILITIES)	16,364	(189)
LONG-TERM AND DEFERRED LIABILITIES		
Hire purchase creditors - non current portion	166	71
Borrowings -non current portion	125	1,519
Deferred tax liabilities	426	1,132
	(717)	(2,722)
MINORITY INTERESTS	(48,145)	(592)
	44,507	21,122
FINANCED BY:-		
SHARE CAPITAL	40,151	18,675
RESERVES	3,158	8,938
RETAINED PROFITS/(ACCUMULATED LOSSES)	1,198	(6,491)
SHAREHOLDERS' EQUITY	44,507	21,122
NET TANGIBLE ASSETS PER SHARE (RM)	1.11	0.52 *

* Adjusted for bonus issue in December 2003

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2003)

RCE CAPITAL BERHAD
(Formerly known as Rediffusion Berhad)
(COMPANY NO. 2444-M)
QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Non-Distributable Reserves				Exchange Fluctuation Reserve	Distributable Reserves - General Reserve	Retained Profits/ (Accumulated losses)	Total
	Issued Capital	Share Premium	Revaluation Reserve	Reserve on Consolidation				
<u>As at 31 March 2004</u>	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 April, 2003	18,675	5,038	3,804	-	-	96	(6,491)	21,122
Acquisition of a subsidiary	-	-	-	1,440	-	-	-	1,440
Net profit for the year	-	-	-	-	-	-	21,945	21,945
Capitalisation of bonus issue	21,476	(5,038)	(2,086)	-	-	(96)	(14,256)	-
Balance as at 31 March 2004	40,151	- ##	1,718 ##	1,440 #	-	- ##	1,198 #	44,507
<u>As at 31 March 2003</u>								
Balance as at 1 April, 2002	18,675	5,038	4,185	-	-	96	(5,391)	22,603
Net profit for the year	-	-	-	-	-	-	(1,100)	(1,100)
Prior year adjustment - deferred tax liabilities	-	-	(381)	-	-	-	-	(381)
Balance as at 31 March 2003	18,675	5,038 ##	3,804 ##	- ##	-	96 ##	(6,491)##	21,122

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2003)

RCE CAPITAL BERHAD
(Formerly known as Rediffusion Berhad)
(COMPANY NO. 2444-M)
QUARTERLY REPORT
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Financial Year Ended 31 March 2004

	Year ended 31/03/2004 RM'000	Year ended 31/03/2003 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	29,151	371
Adjustment for:		
Depreciation of property, plant and equipment	1,694	3,282
Allowance for doubtful debts	3,592	584
Bad debts written off	0	0
Finance costs	1,633	632
Amortisation of goodwill on consolidation	269	269
Property plant and equipment written off	0	12
Share in results of associated company	0	0
Interest income	(80)	(107)
Gain on disposal of property, plant and equipment	(94)	(386)
Gain on disposal of a subsidiary	(14,854)	0
Operating profit before working capital changes	<u>21,311</u>	<u>4,657</u>
(Increase)/Decrease in:		
Inventories	10	28
Trade receivables & Loans and hire purchase receivables	(5,056)	442
Other receivables and prepaid expenses	(833)	(2,633)
Increase/(Decrease) in:		
Trade payables	436	(1,243)
Other payables and accrued expenses	(14,706)	19,419
Cash Generated From Operations	<u>1,162</u>	<u>20,670</u>
Tax paid	(2,601)	(1,548)
Net Cash Used in Operating Activities	<u>(1,439)</u>	<u>19,122</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(571)	(441)
Interest received	80	107
Amount owing by other related parties	387	20
Proceeds from disposal of property, plant and equipment	98	461
Proceeds from disposal of a subsidiary company- net of cash	16,259	-
Purchase of a subsidiary company - net of cash	(15,981)	-
Net Cash Generated In Investing Activities	<u>272</u>	<u>147</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from revolving credit	2,000	(1,000)
Investment in Corporate Bonds	(5,294)	-
Proceeds from term loan	950	-

RCE CAPITAL BERHAD
(Formerly known as Rediffusion Berhad)
(COMPANY NO. 2444-M)
QUARTERLY REPORT
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Financial Year Ended 31 March 2004

	Year ended 31/03/2004 RM'000	Year ended 31/03/2003 RM'000
Repayment of term loans	(343)	(1,143)
Repayment of hire-purchase creditors	(119)	(236)
Amount owing to associated company	(6)	6
Interest paid	(1,633)	(632)
Net Cash Generated In Financing Activities	<u>(4,445)</u>	<u>(3,005)</u>
Net decrease in cash and cash equivalents	(5,612)	16,264
Cash and cash equivalents at beginning of financial year	18,023	1,759
Cash and cash equivalents at end of financial year	<u><u>12,411</u></u>	<u><u>18,023</u></u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR COMPRISE THE FOLLOWING:		
Cash and bank balances	9,613	1,753
Fixed Deposit with Licensed Bank	3,335	17,386
Bank overdrafts	(537)	(1,116)
	<u><u>12,411</u></u>	<u><u>18,023</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2003)

Notes

1 BASIS OF PREPARATION

This interim report is unaudited and has been prepared in accordance with MASB 26 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 March 2003.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 March 2003.

For the current financial year, the Group changed its accounting policy on the recognition of deferred tax assets and liabilities in compliance with MASB 25, Income Taxes. The accounting change has no significant effect on the Group for the current financial year. The accounting change has also been accounted for retrospectively and the effect on prior year has been taken up as a prior year adjustment. Accordingly, the financial statements restated the Group deferred tax liabilities by an increase of RM381,000 and reserve was reduced by RM381,000 for the prior year ended 31 March 2003.

2 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the Group's annual financial statements for the year ended 31 March 2003 was not subject to any qualification.

3 SEASONALITY OR CYCLICALITY FACTORS

The Group's operations were not materially affected by seasonal or cyclical factors.

4 UNUSUAL ITEMS

There were no items during the period affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

5 CHANGES IN ESTIMATES

There are no changes in estimates of amounts reported in the interim period of prior years that have a material effect in the current interim period.

6 DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayment of either debt and equity securities during the current interim period.

7 DIVIDENDS PAID

There was no dividend paid in year ended 31 March 2004.

Notes

8 SEGMENTAL INFORMATION

Segmental revenue and results for the current financial year were as follows :-

	Advertising media services RM'000	Broadcast RM'000	Investment holding & mgmt services RM'000	General trading, Licensing & merchandising RM'000	Loan Financing RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue:								
Total sales	25,174	3,398	285	7,615	17,994	-	-	54,466
Intersegment sales	-	-	693	-	48	-	(741)	-
	<u>25,174</u>	<u>3,398</u>	<u>978</u>	<u>7,615</u>	<u>18,042</u>	<u>-</u>	<u>-</u>	<u>54,466</u>
Results:								
Profit/(Loss) from operations	5,364	(515)	15,416	(697)	12,042	(14)	(892)	30,704
Finance costs								(1,633)
Income from other investments								80
Profit before tax								29,151
Income tax expense								(5,618)
Profit after tax								<u>23,533</u>
Minority interest								(1,588)
Net profit for the period								<u>21,945</u>
Other Information:								
Depreciation	746	504	178	152	114	-	-	1,694
Amortisation of goodwill								
goodwill	-	-	269	-	-	-	-	269

No geographical segment has been presented as the income is derived wholly in Malaysia.

9 CARRYING AMOUNT OF REVALUED ASSETS

The valuations of land and buildings have been brought forward, without amendment from the Group's Annual Financial Statements for the year ended 31 March 2004 except for the effect of adjustment on deferred tax as mentioned in Note 1.

10 SUBSEQUENT EVENTS

Subsequent to year end, the Company announced that on 7 May 2004, Pintar Utara (M) Sdn Bhd became a wholly owned subsidiary company of RCE Marketing Sdn Bhd.

11 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter under review.

12 CONTINGENT LIABILITIES/ASSETS

There were no contingent liabilities/assets as at 31 March 2004.

13 PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP FOR THE PERIOD

For the year ended 31 March 2004, the Group achieved a profit before tax of RM29.151 million on a revenue of RM54.466 million. Compared to the the preceding year, the Group's revenue increased by RM9.6 million or 21.4% and net profit increased by RM23.0 million or 2,095%. The improved performance of the Group was mainly due to gain on disposal of a subsidiary company amounting to RM14.854 million and contribution from the loan financing division acquired during the year.

Notes

14 CHANGES IN QUARTERLY RESULTS COMPARED TO PRECEDING QUARTER

The Group's profit before tax for the quarter ended 31 March 2004 was RM5.956 million, an increase of 19.2% as compared to the profit before tax recorded in the preceding quarter ended 31 December 2003 of RM5.0 million mainly due to higher loan disbursement by the loan financing division.

15 CURRENT YEAR PROSPECTS

With the disposal of Pos Ad Sdn Bhd as mentioned in Note 20 and barring any unforeseen circumstances, the Group's loan financing division is expected to improve on its performance for the financial year ending 31 March 2005.

16 PROFIT FORECAST

There were no profit forecast prepared and profit guaranteed by the Group.

17 TAXATION

Taxation included :-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/03/2004 RM'000	Preceding Year Corresponding Quarter 31/03/2003 RM'000	Current Year To Date 31/03/2004 RM'000	Preceding Year Corresponding Period 31/03/2003 RM'000
Current year income tax	3,461	425	5,618	1,643

The effective tax rate of the Group is lower than the statutory income tax rate for the financial year due mainly to capital gain on disposal of a subsidiary company which is not taxable.

18 UNQUOTED INVESTMENTS AND PROPERTIES

There were no acquisition nor sale of unquoted investment and properties by the Group for the financial year other than the investment in Am Finance Berhad Sub-Debts Bonds amounting to RM5.294 million on 25 February 2004.

19 QUOTED INVESTMENTS

There were no investments in quoted securities as at 31 March 2004.

20 STATUS OF CORPORATE PROPOSALS ANNOUNCED

On February 2004, the Company announced the following:

- (a) Proposed disposal of its entire 70% equity interest in Pos Ad Sdn Bhd ("Pos Ad") comprising 10,269,000 ordinary shares of RM1.00 each in Pos Ad for a total cash consideration of RM11.0 million.

The said disposal has been duly approved by its shareholders at an Extraordinary General Meeting held on 7 May 2004 and is currently pending approval from the Foreign Investment Committee.

- (b) Proposed Share Split of each ordinary share of RM1.00 in the Company into ten (10) new ordinary shares of RM0.10 each and amendments to the Memorandum of Association of the Company to facilitate the share split thereof.

The approval from all relevant parties had been obtained and the share split is currently in progress.

RCE CAPITAL BERHAD (formerly known as Rediffusion Berhad)
(COMPANY NO. 2444-M)
QUARTERLY REPORT

Notes

21 GROUP BORROWINGS

Total Group borrowings as at 31 March 2004 are as follows:-

		RM'000
Long Term Bank Borrowings		
Unsecured	- Term Loans	<u>125</u>
Short Term Bank Borrowings		
Secured	- Term Loans	514
	- Revolving Loan	2,000
	- Bank Overdrafts	<u>537</u>
		<u>3,051</u>
Unsecured	- Revolving Loan	500
	- Bank Overdrafts	<u>500</u>
		<u>500</u>
Total Short Term Bank Borrowings		<u>3,551</u>

22 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no financial instruments with material off balance sheet risk at the date of this report.

23 MATERIAL LITIGATIONS

There is no pending material litigation for the Group at the date of this report.

24 DIVIDENDS

The directors did not recommend any dividend payment in respect of the current financial year.

25 EARNINGS PER ORDINARY SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/03/2004	Preceding Year Corresponding Quarter 31/03/2003	Current Year To Date 31/03/2004	Preceding Year Corresponding Period 31/03/2003
Basic Earnings per share				
Net profit for the period (RM'000)	2,041	(1,521)	21,945	(1,100)
Weighted average number of ordinary shares in issue ('000)	40,151	40,151	40,151	40,151
Basic earnings per share (sen)	5.08	(3.79)	54.66 *	(2.74)

Comparative basic earnings per share information were calculated using an enlarged weighted average number of ordinary shares of 40,151,250 after the capitalisation of bonus issue in the third financial quarter ended 31 December 2003.

The Company does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

* Upon completion of the share split as mentioned in Note 20(b), the earnings per share based on the enlarged share capital of 401,512,500 at RM0.10 each for the current financial year shall be 5.4 sen.

BY ORDER OF THE BOARD

BERNIE OOI CHIN KHOON
Company Secretary

Dated : 31 May 2004