

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

**QUARTERLY REPORT**

**Summary of Key Financial Information for the financial year ended 31 March 2006**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>31/3/2006</b>	<b>31/3/2005</b>	<b>31/3/2006</b>	<b>31/3/2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
1. Revenue	<b>18,974</b>	12,642	<b>57,478</b>	44,596
2. Profit before taxation	<b>7,033</b>	2,892	<b>23,512</b>	18,912
3. Profit after taxation and minority interest	<b>7,346</b>	5,539	<b>19,791</b>	14,888
4. Net profit for the period	<b>7,346</b>	5,539	<b>19,791</b>	14,888
5. Basic earnings per share (sen)	<b>1.80</b>	1.38	<b>4.86</b>	3.71
6. Dividend per share (sen)	-	-	-	-
	<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
7. Net assets per share (RM)		0.20		0.15
8. Net tangible assets per share (RM)		0.14		0.10

**Part A3 : ADDITIONAL INFORMATION**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>31/3/2006</b>	<b>31/3/2005</b>	<b>31/3/2006</b>	<b>31/3/2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
1. Profit from operations	<b>7,664</b>	3,008	<b>25,022</b>	18,127
2. Gross interest income	<b>548</b>	74	<b>786</b>	354
3. Gross interest expense	<b>631</b>	116	<b>1,510</b>	548

Quarterly report on consolidated results of the Group for the fourth financial quarter ended 31 March 2006  
The figures have not been audited.

#### CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31/3/2006 RM'000	31/3/2005 RM'000	31/3/2006 RM'000	31/3/2005 RM'000
Revenue	18,974	12,642	57,478	44,596
Waiver of advances by related company	-	-	1,550	3,940
Other operating income	782	343	1,820	2,194
Staff costs	(673)	(415)	(2,041)	(3,620)
Depreciation of property, plant and equipment	(117)	(87)	(432)	(559)
Other operating expenses	(11,302)	(9,475)	(33,353)	(28,424)
<b>Profit from operations</b>	<b>7,664</b>	<b>3,008</b>	<b>25,022</b>	<b>18,127</b>
Gain on disposal of subsidiary company	-	-	-	1,333
Finance costs	(631)	(116)	(1,510)	(548)
<b>Profit before taxation</b>	<b>7,033</b>	<b>2,892</b>	<b>23,512</b>	<b>18,912</b>
Taxation	1,004	3,350	(1,197)	(1,911)
<b>Profit after taxation</b>	<b>8,037</b>	<b>6,242</b>	<b>22,315</b>	<b>17,001</b>
Minority interests	(691)	(703)	(2,524)	(2,113)
<b>Net profit for the period</b>	<b>7,346</b>	<b>5,539</b>	<b>19,791</b>	<b>14,888</b>
Earnings per share (sen)				
Basic	1.80	1.38	4.86	3.71
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 2005)

**RCE CAPITAL BERHAD**  
**(COMPANY NO. 2444-M)**  
**QUARTERLY REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>AS AT 31/3/2006 RM'000</b>	<b>AS AT 31/3/2005 RM'000</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>3,115</b>	10,079
<b>GOODWILL ON CONSOLIDATION</b>	<b>28,344</b>	19,002
<b>LOANS AND HIRE PURCHASE RECEIVABLES</b>	<b>220,279</b>	59,598
<b>LONG TERM INVESTMENT</b>	<b>61,170</b>	29,199
<b>DEFERRED TAX ASSETS</b>	<b>6,597</b>	4,000
<b>CURRENT ASSETS</b>		
Short Term Investment	<b>4,000</b>	-
Loans and hire-purchase receivables	<b>14,922</b>	10,505
Other receivables and prepaid expenses	<b>8,192</b>	5,762
Fixed deposits with licensed banks	<b>48,573</b>	14,565
Cash and bank balances	<b>7,433</b>	4,187
	<b>83,120</b>	35,019
<b>CURRENT LIABILITIES</b>		
Payables and accrued expenses	<b>19,598</b>	12,753
Hire purchase creditors	<b>67</b>	63
Lease creditor	<b>105</b>	-
Borrowings	<b>16,286</b>	7,780
Taxation	<b>635</b>	2,186
	<b>36,691</b>	22,782
<b>NET CURRENT ASSETS</b>	<b>46,429</b>	12,237
<b>LONG-TERM AND DEFERRED LIABILITIES</b>		
Hire purchase creditors	<b>36</b>	103
Lease creditor	<b>121</b>	-
Borrowings	<b>99,685</b>	2,500
Bonds and commercial papers	<b>53,000</b>	70,000
Medium Term Notes	<b>120,000</b>	-
Deferred taxation	<b>150</b>	11
	<b>(272,992)</b>	(72,614)
<b>MINORITY INTERESTS</b>	-	(3,134)
	<b>92,942</b>	<b>58,367</b>
<b>FINANCED BY:-</b>		
SHARE CAPITAL	<b>46,893</b>	40,151
SHARE PREMIUM	<b>8,042</b>	-
RESERVES	<b>38,007</b>	18,216
<b>SHAREHOLDERS' EQUITY</b>	<b>92,942</b>	<b>58,367</b>
<b>NET ASSETS PER SHARES (RM)</b>	<b>0.20</b>	<b>0.15</b>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.14</b>	<b>0.10</b>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2005)

**RCE CAPITAL BERHAD**  
**(COMPANY NO. 2444-M)**  
**QUARTERLY REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Share Capital RM '000</b>	<b>Share Premium RM '000</b>	<b>Revaluation Reserve RM '000</b>	<b>Reserve on Consolidation RM '000</b>	<b>Translation Reserve RM '000</b>	<b>Retained Profits RM '000</b>	<b>Total RM '000</b>
<b><u>As at 31 March 2006</u></b>							
Balance as at 1 April, 2005	40,151	-	-	2,155	-	16,061	58,367
Net profit for the period	-	-	-	-	-	19,791	19,791
New shares issued	6,742	8,042	-	-	-	-	14,784
Balance as at 31 March 2006	<b>46,893</b>	<b>8,042</b>	<b>-</b>	<b>2,155 #</b>	<b>-</b>	<b>35,852</b>	<b>92,942</b>
<b><u>As at 31 March 2005</u></b>							
Balance as at 1 April, 2004	40,151	-	1,718	1,440	(13)	1,173	44,469
Net profit for the period	-	-	-	-	-	14,888	14,888
Acquisition of a subsidiary	-	-	-	715	-	-	715
Foreign exchange translation difference	-	-	-	-	13	-	13
Reversal of deferred tax liabilities on revaluation reserve	-	-	381	-	-	-	381
Set-off of impairment loss against revaluation reserve	-	-	(2,099)	-	-	-	(2,099)
Balance as at 31 March 2005	<b>40,151</b>	<b>-</b>	<b>-</b>	<b>2,155</b>	<b>-</b>	<b>16,061</b>	<b>58,367</b>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2005)

**RCE CAPITAL BERHAD**  
**(COMPANY NO. 2444-M)**  
**QUARTERLY REPORT**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>CUMULATIVE QUARTER 31/3/2006 RM'000</b>	<b>CUMULATIVE QUARTER 31/3/2005 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	23,512	18,912
Adjustment for:		
Allowance for doubtful debts	16,426	12,932
Finance costs	9,902	4,440
Depreciation of property, plant and equipment	432	559
Impairment loss of freehold land	-	384
Property, plant and equipment written off	-	10
Waiver of advances by a related company	(1,550)	(3,940)
Interest income	(786)	(1,339)
Gain on disposal of a subsidiary company	-	(1,333)
Dividend income	(3,638)	(1,168)
Gain on disposal of property, plant and equipment	(111)	-
Gain on disposal of corporate bonds	-	(39)
Operating profit before working capital changes	<u>44,187</u>	<u>29,418</u>
(Increase)/Decrease in:		
Loan and hire purchase receivables	(181,524)	(15,413)
Trade receivables	227	(2,049)
Other receivables and prepaid expenses	(214)	(2,543)
Increase/(Decrease) in:		
Payables and accrued expenses	8,928	(25,696)
Cash Used In Operations	<u>(128,396)</u>	<u>(16,283)</u>
Interest received	-	1,024
Finance costs paid	(8,392)	(3,892)
Tax paid	(7,649)	(6,208)
Net Cash Used In Operating Activities	<u>(144,437)</u>	<u>(25,359)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in amount owing by other related party	-	32,965
Proceeds from disposal of corporate bonds	-	5,333
Disposal of subsidiary company	-	5,188
Dividend received	3,445	857
Interest received	786	315
Purchase of property trust units	(31,971)	-
Subscription of corporate bonds	(4,000)	-
Addition to property, plant and equipment	(1,186)	(317)
Proceeds from disposal of property, plant and equipment	7,829	-
Net Cash From / (Used In) Investing Activities	<u>(25,097)</u>	<u>44,341</u>

**RCE CAPITAL BERHAD**  
**(COMPANY NO. 2444-M)**  
**QUARTERLY REPORT**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>CUMULATIVE QUARTER 31/3/2006 RM'000</b>	<b>CUMULATIVE QUARTER 31/3/2005 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance / (Redemption) of commercial papers	(10,000)	32,000
Drawdown of bonds	-	45,000
Drawdown of medium term notes	<b>120,000</b>	-
Drawdown of borrowings	<b>101,971</b>	-
Repayment of borrowings	<b>(2,500)</b>	(29,320)
Redemption of preference shares	-	(60,497)
Share issuance expenses	<b>(216)</b>	-
Repayment of hire-purchase creditors	<b>(63)</b>	(58)
Repayment of lease creditor	<b>(113)</b>	-
Finance costs paid	<b>(1,510)</b>	(548)
Net Cash From / (Used In) Financing Activities	<u><b>207,569</b></u>	<u><b>(13,423)</b></u>
Net increase in cash and cash equivalents	<b>38,035</b>	5,559
Cash and cash equivalents at beginning of financial period	<b>17,971</b>	12,412
Cash and cash equivalents at end of financial period	<u><b>56,006</b></u>	<u><b>17,971</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:</b>		
Cash and bank balances	<b>7,433</b>	4,187
Fixed deposit with licensed banks	<b>48,573</b>	14,565
Bank overdrafts	-	(781)
	<u><b>56,006</b></u>	<u><b>17,971</b></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2005)

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

**NOTES**

**1. BASIS OF PREPARATION**

This interim report is unaudited and has been prepared in accordance with FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 March 2005.

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 2005.

**2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors’ report on the preceding annual financial statements was not subject to any qualification.

**3. SEASONALITY AND CYCLICALITY FACTORS**

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

**4. UNUSUAL ITEMS**

There were no unusual items in the quarterly financial statement under review.

**5. CHANGES IN ESTIMATES**

There was no significant change in estimates of amounts reported in prior interim periods of the current financial year or in previous financial year.



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

**NOTES**

**6. DEBT AND EQUITY SECURITIES**

There were no issuance, cancellations, repurchases, resale and repayment of equity security during the financial year ended 31 March 2006 except for the following:-

- a) Issuance and repayment of the Underwritten Commercial Papers (“CPs”) by RCE Premier Sdn Bhd, a subsidiary of the Company, as follow:-

	<b>CURRENT QUARTER RM’000</b>	<b>CUMULATIVE QUARTER RM’000</b>
Issuance of CPs	-	10,000
Redemption of CPs upon maturity for rollover	3,000	20,000

- b) Issuance of Fixed Rate Medium Term Notes (“MTNs”) by RCE Advance Sdn Bhd (formerly known as Perfect Aspiration Sdn Bhd), a subsidiary of the Company as follow:-

	<b>CURRENT QUARTER RM’000</b>	<b>CUMULATIVE QUARTER RM’000</b>
Issuance of MTNs	70,000	140,000

Out of the RM140 million MTNs issued, RM20 million was taken up internally by a subsidiary of the Company.

**7. DIVIDEND**

No dividend has been recommended by the Directors or paid for the financial year ended 31 March 2006.

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

**NOTES**

**8. SEGMENTAL INFORMATION**

Segmental revenue and results for the financial year ended 31 March 2006 were as follows:

	Investment holding & mgmt services RM'000	Loan Financing RM'000	Others RM'000	Eliminations RM'000	Group RM'000
<b>Revenue</b>					
Total turnover	3,901	53,808	-	-	57,709
Intersegment turnover	3,032	-	-	(3,032)	-
	<u>6,933</u>	<u>53,808</u>	<u>-</u>	<u>(3,032)</u>	<u>57,709</u>
<b>Results</b>					
Profit/(loss) from operations	11,319	22,165	1,540	(10,002)	25,022
Finance costs					<u>(1,510)</u>
Profit before taxation					23,512
Taxation					<u>(1,197)</u>
Profit after taxation					22,315
Minority interests					<u>(2,524)</u>
Net profit for the period					<u>19,791</u>
<b>Other Information:</b>					
Depreciation	120	312	-	-	432

**9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The valuation of property, plants and equipments have been brought forward, without amendment from the previous annual financial statements.

**10. MATERIAL SUBSEQUENT EVENTS**

As at the date of this report, there were no events subsequent to the end of the period reported that materially affect the results of the Group for the financial year ended 31 March 2006.

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

**NOTES**

**11. CHANGES IN THE COMPOSITION OF THE GROUP**

On 1 July 2005, RCE Marketing Sdn Bhd, a subsidiary of the Company, acquired the entire issued and paid-up capital of RCE Advance Sdn Bhd (formerly known as Perfect Aspiration Sdn Bhd) comprising two (2) ordinary shares of RM1.00 each, for cash consideration of RM2.00.

**12. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP FOR THE PERIOD**

For the current financial year ended 31 March 2006, the Group's revenue grew by 28.9% or RM12.8 million compared to the previous financial year. This significant improvement was mainly attributed to better contribution from its loan financing operations and higher dividend income received from its investment in AmFirst Property Trust. In addition, the revenue for the previous financial year includes a RM9.5 million contribution from Pos Ad Sdn Bhd, a subsidiary which has since been disposed of.

The Group recorded a net profit of RM19.8 million for the current financial year ended 31 March 2006. This is an improvement of 32.9% compared to previous financial year and was mainly attributed to better performance achieved by its loan financing operations, favorable dividend income received and lower staff cost following the disposal of Pos Ad Sdn Bhd.

**13. CHANGES IN QUARTERLY RESULTS COMPARED TO PRECEDING QUARTER**

For the current quarter under review, the Group recorded a higher revenue of RM18.9 million compared to RM14.7 million in the preceding quarter. The increase was mainly attributed to greater interest income earned from loans disbursed in earlier quarters and dividend income received from its investment in AmFirst Property Trust.

Net profit for the current quarter was RM7.3 million, higher than the preceding quarter of RM3.5 million. The improvement was mainly due to better contribution from its loan financing operations and dividend income received. In addition, a higher professional fee was incurred in the preceding quarter due to additional borrowings secured.

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

**NOTES**

**14. CURRENT YEAR PROSPECTS**

With the continued expansion of the Group's personal financing business and barring any unforeseen circumstances, the Groups is expected to show a further improvement in its performance for the next financial year ending 31 March 2007.

In addition, pursuant to the proposed restructuring and rebranding exercise ("Proposals") announced by AmFirst Property Trust ("AMFPT") on 28 March 2006, which involves the establishment of a new Real Estate Investment Trust ("REIT") to be known as AmFIRST REIT, the Group is expected to record a gain of approximately RM20.4 million from its investment in AMFPT should the Proposals be implemented as announced.

**15. PROFIT FORECAST**

There were no profit forecast prepared and profit guarantee made by the Group.

**16. TAXATION**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>31/3/2006</b>	<b>31/3/2005</b>	<b>31/3/2006</b>	<b>31/3/2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Taxation:				
Current year	(262)	(652)	(4,739)	(5,913)
Over provision in prior year	1,084	13	1,084	13
Deferred taxation:				
Current year	182	1,865	2,458	1,865
Over provision in prior year	-	2,124	-	2,124
	<u>1,004</u>	<u>3,350</u>	<u>(1,197)</u>	<u>(1,911)</u>

The effective tax rate of the Group is lower than the statutory income tax rate for both the current quarter and financial year ended 31 March 2006 mainly due to recognition of deferred tax assets.

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

**NOTES**

**17. UNQUOTED INVESTMENTS AND PROPERTIES**

On 16 February 2006, Effusion.Com Sdn.Bhd (“ECSB”), a wholly owned subsidiary of the company, completed the disposal of its freehold land measuring approximately 30,870 sq feet in the Town and District of Kuala Lumpur to ABI’s Land and Properties Sdn.Bhd, for a cash consideration of RM7, 717,500. There were no gain or loss arising from the proposal.

Other than the above, there were no sale of any unquoted investment and / or properties by the Group for the current quarter and financial year ended 31 March 2006

**18. QUOTED SECURITIES**

- a) Purchase of quoted property trust units in the current quarter and current financial year ended 31 March 2006 by the Group are as follows:-

	<b>CURRENT QUARTER RM’000</b>	<b>CUMULATIVE QUARTER RM’000</b>
Total purchases	-	31,971

- b) Investment in quoted property trust units as at 31 March 2006:-

	<b>CUMULATIVE QUARTER RM’000</b>
Investment at cost	61,170
Investment at carrying / book value	61,170
Investment at market value	75,743

- c) There were no investment in quoted shares as at 31 March 2006.

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

**NOTES**

**19. STATUS OF CORPORATE PROPOSAL ANNOUNCED**

- a) On 11 November 2005, the Company entered into a Sale and Purchase Agreement (“SPA”) with Meridian Mode Sdn Bhd (“MMSB”) to acquire 10,000 ordinary shares of RM1.00 each representing the remaining 12.5% of the equity interest in RCE Enterprise Sdn Bhd (formerly known as E-Drama Sdn Bhd) (“RCEE”) not owned by the Company for a purchase consideration of RM15.0 million to be wholly satisfied via the issuance of 67,415,730 RCE shares (“New RCE Shares”) of RM0.10 each at an issue price of RM0.2225 per share (“Acquisition”).

The Acquisition was completed and the New RCE Shares were listed on the second Board of Bursa Malaysia Securities Berhad on 30 March 2006.

- b) On 19 May 2006, the Company proposed to undertake the following proposals:
- 1) Proposed special issue of up to 21,100,000 new ordinary shares of RM0.10 each in RCE (“Placement Shares”) to Bumiputra investor(s) (“Proposed Special Issue”);
  - 2) Proposed bonus issue of up to 161,576,076 new ordinary shares of RM0.10 each in RCE (“Bonus Shares”) to be credited as fully paid up, on the basis of one (1) bonus share for every three (3) existing ordinary shares held in RCE on an entitlement date to be determined later (“Proposed Bonus Issue”);
  - 3) Proposed transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of RCE after the Proposed Bonus Issue from the Second Board to the Main Board of Bursa Malaysia Securities Berhad (“Proposed Transfer of Listing”); and
  - 4) Proposed increase in the authorized share capital of RCE from RM50,000,000 divided into 500,000,000 ordinary shares of RM0.10 each to RM200,000,000 divided into 2,000,000,000 ordinary shares of RM0.10 each by the creation of an additional 1,500,000,000 ordinary shares of RM0.10 (“Proposed Increase in Authorised Share Capital”); and

(Collectively referred as the “Proposals”)

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

**NOTES**

**19. STATUS OF CORPORATE PROPOSAL ANNOUNCED (CON'T)**

The Proposals are conditional upon approval being obtained from the following parties:-

- 1) the Securities Commission for the Proposed Special Issue and the Proposed Transfer of Listing;
- 2) the shareholders of RCE at an Extraordinary General Meeting to be convened for the Proposed Special Issue, Proposed Bonus Issue and Proposed Increase in Authorized Share Capital; and
- 3) the Bursa Malaysia Securities Berhad (“Bursa Securities”) for the following:-
  - i) the listing of and quotation for the Bonus Shares and Placement Shares pursuant to the Proposed Bonus Issue and Proposed Special Issue; and
  - ii) the transfer of the listing of and the quotation for the entire enlarged issued and paid up share capital of RCE after the Proposed Bonus Issue and Proposed Special Issue from the Second Board to the Main Board of Bursa Securities.

The Proposed Special Issue is not conditional upon the Proposed Bonus Issue, Proposed Transfer of Listing or Proposed Increase in Authorised Share Capital. The Proposed Bonus Issue is only conditional upon the Proposed Increase in Authorised Share Capital.

The Proposed Transfer of Listing is only conditional upon the Proposed Bonus Issue and Proposed Increase in Authorised Share Capital. The Proposed Increase in Authorised Share Capital is only conditional upon the Proposed Bonus Issue.

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

**NOTES**

**20. GROUP BORROWINGS**

Total borrowings (all denominated in Ringgit Malaysia) of the Group as at 31 March 2006 are as follows:

	Long Term RM'000	Short Term RM'000
Borrowings – Secured		
- Fixed Rate Medium Term Notes	120,000	-
- Fixed Rate Serial Bonds	35,000	10,000
- Underwritten Commercial Papers	18,000	4,000
- Term Loan	29,685	2,286-
- Revolving Credit	30,000	-
 Borrowings – Unsecured		
- Fixed Rate Term Loan	<u>40,000</u>	<u>-</u>
	<u>272,685</u>	<u>16,286</u>

**21. CONTINGENT LIABILITIES**

There were no changes in contingent liabilities since the last annual balance sheet as at 31 March 2005 except for the following:-

- a) Corporate Guarantee given to financial institutions for bank loan and facility totaling RM62 million granted to certain subsidiaries.
- b) Corporate Guarantee given to the trustee of the RM420, 000,000 Fixed Rate Medium Term Notes Facility granted to a subsidiary.

**22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There is no off balance sheet financial instrument at the date of this report.

**23. MATERIAL LITIGATION**

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



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

**NOTES**

**24. EARNINGS PER SHARE**

	<b>INDIVIDUAL QUARTER CUMULATIVE QUARTER</b>			
	<b>31/3/06</b>	<b>31/3/05</b>	<b>31/3/06</b>	<b>31/3/05</b>
<b>Basic earnings per share:</b>				
Net profit for the period (RM'000)	7,346	5,539	19,791	14,888
Number of ordinary shares in issue ('000) (weighted)	407,131	401,513	407,131	401,513
Basic earnings per share (sen)	1.80	1.38	4.86	3.71

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

**BY ORDER OF THE BOARD**  
**JOHNSON YAP CHOON SENG**  
Company Secretary  
Date: 15 May 2006