

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

**QUARTERLY REPORT**

Quarterly report on consolidated results of the Group for the first financial quarter ended 30 June 2004.  
The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>30/06/2004</b>	<b>30/06/2003</b>	<b>30/06/2004</b>	<b>30/06/2003</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	<b>13,304</b>	12,483	<b>13,304</b>	12,483
Other operating income	<b>735</b>	15,497	<b>735</b>	15,497
Purchases	-	(7)	-	(7)
Staff costs	<b>(2,289)</b>	(2,941)	<b>(2,289)</b>	(2,941)
Amortisation of goodwill on consolidation	-	(68)	-	(68)
Depreciation of property, plant and equipment	<b>(295)</b>	(787)	<b>(295)</b>	(787)
Directors' Remuneration	<b>(518)</b>	(564)	<b>(518)</b>	(564)
Other operating expenses	<b>(5,305)</b>	(7,026)	<b>(5,305)</b>	(7,026)
<b>Profit from operations</b>	<b>5,632</b>	16,587	<b>5,632</b>	16,587
Finance costs	<b>(457)</b>	(230)	<b>(457)</b>	(230)
Income from other investment	<b>146</b>	86	<b>146</b>	86
<b>Profit before tax</b>	<b>5,321</b>	16,443	<b>5,321</b>	16,443
Income tax expense	<b>(1,608)</b>	(599)	<b>(1,608)</b>	(599)
<b>Profit after tax</b>	<b>3,713</b>	15,844	<b>3,713</b>	15,844
Minority interests	<b>(587)</b>	(206)	<b>(587)</b>	(206)
<b>Net profit for the period</b>	<b>3,126</b>	15,638	<b>3,126</b>	15,638
Earnings per share (sen)				
Basic	<b>0.78</b>	3.89	<b>0.78</b>	3.89
Fully diluted	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2004)

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

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>AS AT 30/6/2004 RM'000</b>	<b>AS AT 31/03/2004 RM'000</b>
PROPERTY, PLANT AND EQUIPMENT	14,479	14,500
LOANS AND HIRE PURCHASE RECEIVABLES	62,293	57,203
INVESTMENT IN CORPORATE BONDS	5,294	5,294
<b>CURRENT ASSETS</b>		
Inventories	86	86
Trade receivables	6,533	5,825
Loans and hire-purchase receivables	9,333	10,353
Other receivables and prepaid expenses	3,152	4,115
Amount owing by other related parties	33,435	32,965
Fixed deposits with licensed banks	4,107	3,335
Cash and bank balances	6,477	9,614
	<b>63,123</b>	66,293
<b>CURRENT LIABILITIES</b>		
Trade payables	1,883	2,779
Other payables and accrued expenses	40,419	41,656
Hire purchase creditors	250	58
Borrowings	3,587	3,551
Provision for taxation	3,044	2,844
	<b>49,183</b>	50,888
<b>NET CURRENT ASSETS</b>	<b>13,940</b>	15,405
<b>LONG-TERM AND DEFERRED LIABILITIES</b>		
Hire purchase creditors - non current portion	128	165
Borrowings -non current portion	42	125
Deferred tax liabilities	426	426
	<b>(596)</b>	(716)
<b>MINORITY INTERESTS</b>	<b>(47,804)</b>	(47,216)
	<b>47,606</b>	44,470
<b>FINANCED BY:-</b>		
SHARE CAPITAL	40,151	40,151
RESERVES	3,155	3,145
RETAINED PROFITS	4,300	1,174
<b>SHAREHOLDERS' EQUITY</b>	<b>47,606</b>	44,470
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>0.12</b>	0.11 *

\* Adjusted for share split in May 2004

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2004)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	← Non-Distributable Reserves →					Distributable Reserves - General Reserve RM '000	Retained Profits/ (Accumulated losses) RM '000
	Issued Capital RM '000	Share Premium RM '000	Revaluation Reserve RM '000	Reserve on Consolidation RM '000	Translation Reserve RM '000		
<b><u>As at 30 June 2004</u></b>							
Balance as at 1 April, 2004	40,151	-	1,718	1,440	(13)	-	1,174
Net profit for the period	-	-	-	-	-	-	3,126
Foreign exchange translation difference	-	-	-	-	10	-	-
Balance as at 30 June 2004	<u>40,151</u>	<u>-</u>	<u>1,718</u>	<u>1,440</u> <sup>#</sup>	<u>(3)</u>	<u>-</u>	<u>4,300</u>
<b><u>As at 30 June 2003</u></b>							
Balance as at 1 April, 2003	18,675	5,038	4,185	-	-	96	(6,491)
Prior years' adjustment	-	-	(381)	-	-	-	-
As restated	<u>18,675</u>	<u>5,038</u>	<u>3,804</u>	<u>-</u>	<u>-</u>	<u>96</u>	<u>(6,491)</u>
Acquisition of a subsidiary	-	-	-	1,440	-	-	-
Net profit for the period	-	-	-	-	-	-	15,638
Balance as at 30 June 2003	<u>18,675</u>	<u>5,038</u>	<u>3,804</u>	<u>1,440</u> <sup>#</sup>	<u>-</u>	<u>96</u>	<u>9,147</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 March 2004)

**Total**  
**RM '000**

44,470  
3,126  
10

---

47,606

21,503  
(381)

---

21,122  
1,440  
15,638

---

38,200

**RCE CAPITAL BERHAD**  
**(Formerly known as Rediffusion Berhad)**  
**(COMPANY NO. 2444-M)**  
**QUARTERLY REPORT**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

CUMULATIVE  
 QUARTER  
 30/06/2004  
 RM'000

**CASH FLOW FROM OPERATING ACTIVITIES**

Profit before tax	5,321
Adjustment for:	
Depreciation of property, plant and equipment	295
Allowance for doubtful debts	3
Finance costs	457
Amortisation of goodwill on consolidation	-
Interest income	(615)
Gain on disposal of property, plant and equipment	(60)
Gain on disposal of a subsidiary	-
Bad debts recovered	(177)
Operating profit before working capital changes	<u>5,224</u>
(Increase)/Decrease in:	
Inventories	-
Trade receivables	(708)
Other receivables and prepaid expenses	1,150
Hire purchase receivables	(2,636)
Increase/(Decrease) in:	
Trade payables	(896)
Other payables and accrued expenses	(1,238)
Cash Generated From Operations	<u>896</u>
Interest paid	(50)
Tax paid	(1,627)
Net Cash Used in Operating Activities	<u>(781)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Additions to property, plant and equipment	(48)
Interest received	259
Amount owing by associates companies	-
Amount owing by other related parties	(470)
Proceeds from disposal of property, plant and equipment	60
Proceeds from disposal of a subsidiary company- net of cash	-
Purchase of a subsidiary company - net of cash	-
Net Cash Generated In Investing Activities	<u>(199)</u>

**RCE CAPITAL BERHAD**  
**(Formerly known as Rediffusion Berhad)**  
**(COMPANY NO. 2444-M)**  
**QUARTERLY REPORT**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

CUMULATIVE  
 QUARTER  
 30/06/2004  
 RM'000

4

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from revolving credit	-
Proceeds from term loan	-
Repayment of term loans	(1,434)
Repayment of hire-purchase creditors	(26)
Amount owing to associated company	-
Interest paid	-
Net Cash Generated In Financing Activities	<u>(1,460)</u>
Net decrease in cash and cash equivalents	(2,440)
Cash and cash equivalents at beginning of financial period	12,412
Cash and cash equivalents at end of financial period	<u><u>9,972</u></u>

**CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:**

Cash and bank balances	6,477
Fixed Deposit with Licensed Bank	4,107
Bank overdrafts	(612)
	<u><u>9,972</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with Financial Report for the Year Ended 31 March 2004)

CUMULATIVE  
QUARTER  
30/06/2003  
RM'000

16,443

787

-

230

68

(86)

-

(14,854)

-

---

2,588

7

(247)

304

(2,491)

(422)

(14,005)

---

(14,266)

(230)

(449)

---

(14,945)

(495)

86

(86)

386

-

16,259

(15,981)

---

169

CUMULATIVE  
QUARTER  
30/06/2003  
RM'000

2,000
950
-
(44)
(6)
(230)
<hr/>
2,670
<hr/>
(12,106)
18,023
<hr/>
5,917
<hr/>

≡

5,271
705
(59)
<hr/>
5,917
<hr/>

th the Annual



**RCE CAPITAL BERHAD (formerly known as Rediffusion Berhad)  
(Company No. 2444-M)  
QUARTERLY REPORT**

**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 Securities Berhad, and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 March 2004.

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 2004.

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

The auditors’ report on the Group’s annual financial statements for the year ended 31 March 2004 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 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 or equity securities during the current interim period.

**7. DIVIDENDS PAID**

There was no dividend paid in the current interim period.

**RCE CAPITAL BERHAD (formerly known as Rediffusion Berhad)**  
**(Company No. 2444-M)**  
**QUARTERLY REPORT**

**NOTES**

**8. SEGMENTAL INFORMATION**

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

	Advertising media services 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
<b>Revenue :</b>							
Total sales	6,307	12	1,896	5,089	-	-	13,304
Intersegment sales	-	215	-	-	-	(215)	-
	<u>6,307</u>	<u>227</u>	<u>1,896</u>	<u>5,089</u>	<u>-</u>	<u>(215)</u>	<u>13,304</u>
<b>Results:</b>							
Profit/(Loss) from operations	1,114	(46)	(115)	4,704	(10)	(15)	5,632
Finance costs							(457)
Income from other investments							<u>146</u>
Profit before tax							5,321
Income tax expense							<u>(1,608)</u>
Profit after tax							3,713
Minority interest							<u>(587)</u>
Net profit for the period							<u>3,126</u>
<b>Other Information:</b>							
Depreciation	180	47	31	37	-	-	295

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

**RCE CAPITAL BERHAD (formerly known as Rediffusion Berhad)  
(Company No. 2444-M)  
QUARTERLY REPORT**

**NOTES**

**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.

**10. MATERIAL SUBSEQUENT EVENTS**

Subsequent to current interim period: -

- (a) The Company completed the disposal of its 70% equity interest in POS AD Sdn Bhd on 16 July 2004 which resulted in a gain of RM1.336 million to the Group.
- (b) On 6 July 2004, the Securities Commission approved the proposed issuance of RM45 million Fixed Rate Serial Bonds and up to RM50 million Underwritten Commercial Papers Programme via its newly acquired indirect subsidiary, RCE Premier Sdn Bhd (formerly known as Pintar Utara (M) Sdn Bhd).
- (c) The Company acquired the entire issued and paid-up share capital comprising two ordinary shares of RM1.00 in Taifab Sdn Bhd (TSB) for a cash consideration of RM2.00 on 13 August 2004. TSB is an investment holding company whose principal asset is its indirect investment in 29,199,074 units of AmFirst Property Trust Berhad through its wholly-owned subsidiary, Verbundsoft Sdn Bhd.

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

During the quarter under review, the Group acquired two ordinary shares of RM1.00 representing the entire issued and paid-up capital of RCE Premier Sdn Bhd (formerly known as Pintar Utara Sdn Bhd) for a cash consideration of RM2.00 via its 87.5% owned subsidiary company, RCE Marketing Sdn Bhd.

**12. CONTINGENT LIABILITIES/ASSETS**

There were no contingent liabilities/assets as at 30 June 2004.

**RCE CAPITAL BERHAD (formerly known as Rediffusion Berhad)  
(Company No. 2444-M)  
QUARTERLY REPORT**

**NOTES**

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

For the 3 months ended 30 June 2004, the Group achieved a profit before tax of RM5.321 million on a revenue of RM13.304 million. Compared to the 3 months' period of the preceding year, the Group's revenue increased by RM821K or 6.6% due mainly to the contributions from loan financing division which generated revenue of RM5.089 million for the quarter under review. However, profit before taxation decreased by RM11.122 million or 67%. The reduction in the Group's performance was mainly due to gain on disposal of a subsidiary company amounting to RM14.854 million in preceding year. Netting off the effect on the gain on disposal, the Group's net profit before taxation improved by RM3.7 million or 235% due mainly to the contribution from the loan financing division which was acquired on 10 June 2003.

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

	INDIVIDUAL QUARTER	
	30/6/2004	31/3/2004
	RM'000	RM'000
Revenue	13,304	16,328
Profit before taxation	5,321	5,930

The Group revenue and profit before tax for the quarter ended 30 June 2004 was RM13.304 million and RM5.321 million respectively, a decrease of 18% and 10.3% as compared to revenue and profit before tax of RM16.328 million and RM5.930 million in the preceding quarter ended 31 Mar 2004. The decrease is mainly due to lower revenue generated by the loan financing division this quarter.

**15. CURRENT YEAR PROSPECTS**

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.

**RCE CAPITAL BERHAD (formerly known as Rediffusion Berhad)**  
**(Company No. 2444-M)**  
**QUARTERLY REPORT**

**NOTES**

**16. PROFIT FORECAST**

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

**17. TAXATION**

Taxation included:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	30/06/2004	30/06/2003	30/06/2004	30/06/2003
	RM'000	RM'000	RM'000	RM'000
Current year income tax	1,608	599	1,608	599

The effective tax rate of the Group is higher than the statutory income tax rate for the current financial period and financial year-to-date principally due to certain non-deductible expenses and losses of the Company and certain subsidiary companies which cannot be set-off against the taxable profits of other subsidiary companies.

**18. UNQUOTED INVESTMENTS AND PROPERTIES**

There were no acquisition nor sale of unquoted investment and properties by the Group for the financial period under review.

**19. QUOTED INVESTMENT**

There were no investment in quoted securities as at 30 June 2004.

**RCE CAPITAL BERHAD (formerly known as Rediffusion Berhad)  
(Company No. 2444-M)  
QUARTERLY REPORT**

**NOTES**

**20. STATUS OF CORPORATE PROPOSALS ANNOUNCED**

- (a) On 9 July 2004, the Company announced that Bursa Malaysia Securities Berhad had on 6 July 2004, granted the Company an extension of time up to 31 December 2004 to comply with its public shareholding spread requirement pursuant to paragraph 8.15(1) of the listing requirements of 1,000 public shareholders. The Company's public shareholding spread as at 14 June 2004 was 906.
- (b) On 12 July 2004, the Company announced the proposed issuance of RM45 million Fixed Rate Serial Bonds and up to RM50 million Underwritten Commercial Papers Programme ("Proposed finance facilities") by its indirect subsidiary company, RCE Premier Sdn Bhd (formerly known as Pintar Utara (M) Sdn Bhd). However, the said Proposed finance facilities have yet to be executed nor utilised as at 19 August 2004 (being a date not earlier than 7 days from the date of this report).

**21. GROUP BORROWINGS**

Total bank borrowings of the Group as at 30 June 2004 are as follows:

	RM'000
Long Term Bank Borrowings	
Secured - Term Loan	42
Short Term Bank Borrowings	
Secured - Term Loan	475
- Revolving Loans	2,000
- Bank Overdrafts	612
	<u>3,087</u>
Unsecured - Revolving Loans	500
Total Short Term Bank Borrowings	<u>3,587</u>

**22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

**RCE CAPITAL BERHAD (formerly known as Rediffusion Berhad)  
(Company No. 2444-M)  
QUARTERLY REPORT**

**NOTES**

**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 period.

**25. EARNINGS PER SHARE**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	30/06/2004 RM'000	30/06/2003 RM'000	30/06/2004 RM'000	30/06/2003 RM'000
<b>Basic Earnings per share:</b>				
Net profit for the period	3,126	15,638	3,126	15,638
Weighted average number of ordinary shares in issue	401,513	401,513	401,513	401,513
Basic earnings per share (sen)	0.78	3.89	0.78	3.89

Comparative basic earnings per share were calculated using the enlarged ordinary share capital of 401,512,500 after the sub-division of the issued and paid-up share capital of 40,151,250 ordinary shares of RM1.00 each into 401,512,500 ordinary shares of RM0.10 each in the first quarter ended 30 June 2004.

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.

**RCE CAPITAL BERHAD (formerly known as Rediffusion Berhad)  
(Company No. 2444-M)  
QUARTERLY REPORT**

**BY ORDER OF THE BOARD**

**BERNIE OOI CHIN KHOON  
SELENA LEONG  
Company Secretaries  
Date: 26 August 2004**