

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

QUARTERLY REPORT

Quarterly report on consolidated results of the Group for the third financial quarter ended 31 December 2003.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2003 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2002 RM'000	CURRENT YEAR TO DATE 31/12/2003 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2002 RM'000
Revenue	13,161	12,236	38,305	33,759
Other operating income	931	265	16,617	397
Changes in inventories	-	9	-	13
Purchases	0	-	(37)	-
Staff costs	(2,128)	(2,831)	(7,315)	(8,394)
Amortisation of goodwill on consolidation	(167)	(67)	(202)	(202)
Depreciation of property, plant and equipment	(423)	(822)	(1,582)	(2,545)
Directors' Remuneration	(514)	(482)	(1,789)	(1,735)
Other operating expenses	(5,395)	(7,119)	(20,206)	(18,900)
Profit from operations	5,465	1,189	23,791	2,393
Finance costs	(500)	(168)	(1,280)	(505)
Income from other investment	35	7	684	37
Profit before tax	5,000	1,028	23,195	1,925
Income tax expense	(1,209)	(479)	(2,156)	(1,218)
Profit after tax	3,791	549	21,039	707
Minority interests	(618)	(194)	(1,134)	(286)
Net profit for the period	3,173	355	19,905	421
Earnings per share (sen)				
Basic	7.90	0.88	49.58	1.05
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 END OF CURRENT QUARTER 31/12/2003 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/03/2003 RM'000
PROPERTY, PLANT AND EQUIPMENT	14,740	24,356
GOODWILL ON CONSOLIDATION	68	270
CURRENT ASSETS		
Inventories	87	89
Trade receivables	75,409	10,926
Other receivables and prepaid expenses	37,616	5,949
Amount owing by other related parties	-	386
Fixed deposits with licensed banks	4,537	17,386
Cash and bank balances	3,824	1,753
	121,473	36,489
CURRENT LIABILITIES		
Trade payables	1,615	2,181
Other payables and accrued expenses	38,901	30,029
Amount owing to associated company	-	6
Hire purchase creditors	237	104
Borrowings	3,934	4,136
Tax liabilities	921	225
	45,608	36,681
NET CURRENT ASSETS/(LIABILITIES)	75,865	(192)
LONG-TERM AND DEFERRED LIABILITIES		
Hire purchase creditors - non current portion	-	71
Borrowings -non current portion	273	1,518
Deferred tax liabilities	94	751
	(367)	(2,340)
MINORITY INTERESTS	(47,466)	(591)
	42,840	21,503
FINANCED BY:-		
SHARE CAPITAL	40,151	18,675
RESERVES	3,531	9,319
ACCUMULATED LOSSES	(842)	(6,491)
SHAREHOLDERS' EQUITY	42,840	21,503

NET TANGIBLE ASSETS PER SHARE (RM)

1.07

0.53 *

* 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
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Non-Distributable Reserves				Exchange Fluctuation Reserve	Distributable Reserves - General Reserve	Retained Profits/ (Accumulated losses)
	Issued Capital	Share Premium	Revaluation Reserve	Reserve on Consolidation			
<u>As at 31 December 2003</u>	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 April, 2003	18,675	5,038	4,185	-	-	96	(6,491)
Acquisition of a subsidiary	-	-	-	1,440	-	-	-
Translation difference	-	-	-	-	(8)	-	-
Net profit for the year	-	-	-	-	-	-	19,905
Capitalisation of bonus issue	21,476	(5,038)	(2,086)	-	-	(96)	(14,256)
Balance as at 31, December 2003	40,151	-	2,099	1,440	(8)	-	(842)
<u>As at 31 December 2002</u>							
Balance as at 1 April, 2002	18,675	5,038	4,185	-	-	96	(5,391)
Net profit for the year	-	-	-	-	-	-	421
Balance as at 31 December, 2002	18,675	5,038	4,185	-	-	96	(4,970)

(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)

Total
RM '000

21,503

1,440

(8)

19,905

-

42,840

22,603

421

23,024

RCE CAPITAL BERHAD (Formerly known as Rediffusion Berhad)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Financial Period Ended 31 December 2003

	9 months ended 31/12/2003 RM'000	9 months ended 31/12/2002 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	23,195	1,925
Adjustment for:		
Depreciation of property, plant and equipment	1,582	2,545
Allowance for doubtful debts	3,388	499
Bad debts written off	0	17
Finance costs	1,280	505
Amortisation of goodwill on consolidation	202	202
Interest income	(684)	(37)
Gain on disposal of property, plant and equipment	(58)	(292)
Gain on disposal of a subsidiary	(14,854)	0
Operating profit before working capital changes	<u>14,051</u>	<u>5,364</u>
(Increase)/Decrease in:		
Inventories	9	13
Trade receivables	(7,092)	(2,167)
Other receivables and prepaid expenses	(87)	(2,363)
Increase/(Decrease) in:		
Trade payables	(717)	(1,198)
Other payables and accrued expenses	(16,516)	4,164
Cash Generated From Operations	<u>(10,352)</u>	<u>3,813</u>
Tax paid	(2,333)	(1,236)
Net Cash Used in Operating Activities	<u>(12,685)</u>	<u>2,577</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(697)	(385)
Interest received	684	37
Amount owing by other related parties	386	27
Proceeds from disposal of property, plant and equipment	58	284
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>709</u>	<u>(37)</u>

RCE CAPITAL BERHAD (Formerly known as Rediffusion Berhad)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Financial Period Ended 31 December 2003

9 months ended	9 months ended
31/12/2003	31/12/2002
RM'000	RM'000

0

RCE CAPITAL BERHAD (Formerly known as Rediffusion Berhad)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Financial Period Ended 31 December 2003

	9 months ended 31/12/2003 RM'000	9 months ended 31/12/2002 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from revolving credit	2,000	-
Proceeds from term loan	950	-
Repayment of term loans	(202)	(1,139)
Repayment of hire-purchase creditors	(107)	(197)
Amount owing to associated company	(6)	-
Interest paid	(1,280)	(505)
Net Cash Generated In Financing Activities	<u>1,355</u>	<u>(1,841)</u>
Net decrease in cash and cash equivalents	(10,621)	699
Cash and cash equivalents at beginning of financial period	18,023	1,759
Cash and cash equivalents at end of financial period	<u><u>7,402</u></u>	<u><u>2,458</u></u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD COMPRISE THE FOLLOWING:		
Cash and bank balances	3,824	1,624
Fixed Deposit with Licensed Bank	4,537	2,120
Bank overdrafts	(959)	(1,286)
	<u><u>7,402</u></u>	<u><u>2,458</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)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Financial Period Ended 31 December 2003

9 months ended	9 months ended
31/12/2003	31/12/2002
RM'000	RM'000

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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 Malaysia Securities Exchange Berhad (formerly known as Kuala Lumpur Stock Exchange) Listing Requirements, 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.

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 the nine months ended 31 December 2003.

8 SEGMENTAL INFORMATION

Segmental revenue and results for the current financial period 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	18,992	3,398	0	5,597	10,318	-	-	38,305
Intersegment sales	-	-	467	-	48	-	(515)	-
	<u>18,992</u>	<u>3,398</u>	<u>467</u>	<u>5,597</u>	<u>10,366</u>	<u>-</u>		<u>38,305</u>
Results:								
Profit/(Loss) from operations	3,920	(515)	15,475	(523)	6,361	(3)	(924)	23,791
Finance costs								(1,280)
Income from other investments								684
								<u>23,195</u>
Profit before tax								23,195
Income tax expense								(2,156)
Profit after tax								<u>21,039</u>
Minority interest								(1,134)
Net profit for the period								<u>19,905</u>

Other Information:

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Notes

Depreciation	723	504	132	124	100	-	-	1,582
Amortisation of goodwill	-	-	202	-	-	-	-	202

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

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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 2003.

10 MATERIAL SUBSEQUENT EVENTS

There are no events subsequent to the end of the interim period under review that materially affects the results of the Group for the interim period.

11 CHANGES IN THE COMPOSITION OF THE GROUP

During the quarter under review, Pos Ad Sdn Bhd, a 70% owned subsidiary of the company increased its investment in one of its associated companies namely Jump Licensing (S) Pte Ltd from 50% to 99%, effectively becoming a 69.3% owned subsidiary company of the Group.

12 CONTINGENT LIABILITIES/ASSETS

There were no contingent liabilities/assets as at 31 December 2003.

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

For the 9 months ended 31 December 2003, the Group achieved a profit before tax of RM23.195 million on a revenue of RM38.305 million. Compared to the 9 months period of the preceding year, the Group's revenue increased by RM4.5 million or 13.5% and net profit increased by RM19.5 million or 4,628%. The improved performance of the Group was mainly due to gain on disposal of a subsidiary company amounting to RM14.854 million.

14 CHANGES IN QUARTERLY RESULTS COMPARED TO PRECEDING QUARTER

The Group's profit before tax for the quarter ended 31 December 2003 was RM5 million, an increase of 185% as compared to the profit before tax recorded in the preceding quarter ended 30 September 2003 of RM1.752million. This was due mainly to lower provision for doubtful debts made during the quarter under review as compared to previous quarter by the loan financing division.

15 CURRENT YEAR PROSPECTS

Barring unforeseen circumstances, the Group expects to improve its profitability for the financial year ending 31 March 2004 with advertising media services and loan financing division being the major contributors to the Group's profitability.

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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/12/2003	31/12/2002	31/12/2003	31/12/2002
	RM'000	RM'000	RM'000	RM'000
Current year income tax	1,209	479	2,156	1,218

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

18 UNQUOTED INVESTMENTS AND PROPERTIES

There were no sale of unquoted investment and properties, respectively for financial period.

19 QUOTED SECURITIES

There were no investments in quoted securities as at 31 December 2003.

Notes

20 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals outstanding as at the date of this report.

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21 GROUP BORROWINGS

Total Group borrowings as at 31 December 2003 are as follows:-

	RM'000
Long Term Bank Borrowings	
Unsecured - Term Loans	<u>273</u>
Short Term Bank Borrowings	
Secured - Term Loans	475
- Revolving Loan	2,000
- Bank Overdrafts	<u>883</u>
	<u>3,358</u>
Unsecured - Revolving Loan	500
- Bank Overdrafts	<u>76</u>
	<u>576</u>
Total Short Term Bank Borrowings	<u><u>3,934</u></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 period.

25 EARNINGS PER ORDINARY SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2003	Preceding Year Corresponding Quarter 31/12/2002	Current Year To Date 31/12/2003	Preceding Year Corresponding Period 31/12/2002
Basic Earnings per share				
Net profit for the period (RM'000)	3,173	355	19,905	421
Weighted average number of ordinary shares in issue ('000)	40,151	40,151	40,151	40,151
Basic earnings per share (sen)	7.90	0.88	49.58	1.05

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.

BY ORDER OF THE BOARD

**RCE CAPITAL BERHAD (Formerly known as Rediffusion Berhad)
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Notes

**BERNIE OOI CHIN KHOON
Company Secretary**

Dated : 24 February 2004