



UNIPHONE TELECOMMUNICATIONS BERHAD
(Company No.: 3136-D)
Interim Financial Report for the 6 months ended 31 July 2003

The Directors of Uniphone Telecommunications Berhad (UTB) are pleased to announce the unaudited financial results of the Group for the 6 months ended 31 July 2003

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UNIPHONE TELECOMMUNICATIONS BERHAD (Company No.: 3136-D)
Interim Financial Report for the 6 months ended 31 July 2003
Condensed Consolidated Income Statements

	Individual		Cummulative	
	Quarter Ended 31 July		Year To Date Ended 31 July	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Revenue	2,086	23,048	12,921	44,536
Expenses excluding finance cost	(3,574)	(24,813)	(15,149)	(48,199)
Other operating income	19	3,049	748	4,289
Gain from disposal of a subsidiary	0	-	2,950	-
(Loss)/Profit from operations	(1,469)	1,284	1,470	626
Finance cost	(2,149)	(2,351)	(4,004)	(3,995)
Share of results of associated companies	(17,010)	(4,134)	(16,687)	(3,838)
Loss before taxation	(20,628)	(5,201)	(19,221)	(7,207)
Taxation	(496)	(157)	(832)	(267)
Loss after taxation	(21,124)	(5,358)	(20,053)	(7,474)
Minority interests	0	(93)	(24)	(178)
Net loss for the period	(21,124)	(5,451)	(20,077)	(7,652)
Profit/(loss) per share (sen)				
- basic	(15.13)	(3.90)	(14.38)	(5.48)
- fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Group's Financial Statements for the year ended 31 January 2003

UNIPHONE TELECOMMUNICATIONS BERHAD (Company No.: 3136-D)**Interim Financial Report for the 6 months ended 31 July 2003****Condensed Consolidated Balance Sheet**

	Unaudited	Audited
	As at end of	As at preceding
	current quarter	financial year end
	31.7.2003	31.1.2003
	RM'000	RM'000
NON CURRENT ASSETS		
Property and equipment	186,485	188,921
Associated companies	96,288	113,807
Other investments	-	2
	<u>282,773</u>	<u>302,730</u>
CURRENT ASSETS		
Inventories	-	2,978
Receivables	3,981	14,010
Due from related companies	726	6,466
Due from associated companies	1,171	1,250
Cash and bank balances	-	2,212
	<u>5,878</u>	<u>26,916</u>
CURRENT LIABILITIES		
Short term borrowings	41,576	51,500
Payables	15,040	24,505
Taxation	4,425	4,593
Due to a related company	75	6
	<u>61,116</u>	<u>80,604</u>
NET CURRENT LIABILITIES	(55,238)	(53,688)
	<u>227,535</u>	<u>249,042</u>
FINANCED BY:		
Share capital	139,600	139,600
Reserves	25,163	45,291
Shareholders' equity	164,763	184,891
Minority interest	-	440
	<u>164,763</u>	<u>185,331</u>
Long term liabilities	62,771	63,685
Deferred taxation	-	26
Non current liabilities	62,771	63,711
	<u>227,535</u>	<u>249,042</u>
Net Tangible Assets per share (RM)	1.18	1.32

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's
Financial Statements for the year ended 31 January 2003

UNIPHONE TELECOMMUNICATIONS BERHAD (Company No.: 3136-D)

Interim Financial Report for the 6 months ended 31 July 2003

Condensed Consolidated Statement of Changes in Equity

	Non-distributable				Distributable		TOTAL RM'000
	Share Capital RM'000	Foreign Exchange Reserve RM'000	Revaluation Reserve RM'000	Capital Reserve RM'000	General Reserve RM'000	Retained Profits RM'000	
At 31.1.2003	139,600	2,525	6,222	32,864	1,100	2,580	184,891
Currency translation differences	-	(51)	-	-	-	-	(51)
Realised depreciation transferred to income statement	-	-	-	-	-	-	-
Net loss for the year	-	-	-	-	-	(20,077)	(20,077)
At 31.7.2003	<u>139,600</u>	<u>2,474</u>	<u>6,222</u>	<u>32,864</u>	<u>1,100</u>	<u>(17,497)</u>	<u>164,763</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Financial Statements for the year ended 31 January 2003

UNIPHONE TELECOMMUNICATIONS BERHAD (Company No.: 3136-D)
Interim Financial Report for the 6 months ended 31 July 2003
Condensed Consolidated Cash Flow Statement

	As at end of current quarter 31.7.2003
	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(19,221)
Adjustments for:	
Non-cash items	<u>20,412</u>
Operating profit before working capital changes	1,191
Net change in current assets	2,596
Net change in current liabilities	<u>7,461</u>
Cash generated from operations	11,248
Non-operating items	<u>(4,202)</u>
Net cash generated from operating activities	<u>7,046</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash generated from investing activities	<u>(977)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net cash used in financing activities	<u>(7,586)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,517)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>(11,952)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>(13,469)</u>
Cash and cash equivalents comprise:	
Cash and bank balances	-
Bank overdraft	<u>(13,469)</u>
	<u>(13,469)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's Financial Statements for the year ended 31 January 2003

UNIPHONE TELECOMMUNICATIONS BERHAD (Company No.: 3136-D)
Interim Financial Report for the 6 months ended 31 July 2003
Notes to the Financial Information

1 BASIS OF PREPARATION

The Interim Financial Report is unaudited and prepared in accordance with MASB 26 "Interim Financial Reporting" and paragraph 9.22 of the Kuala Lumpur Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 January 2003.

The accounting policies and presentation adopted for the Interim Financial Report are consistent with those adopted for the annual financial statements for the year ended 31 January 2003.

2 STATUS OF AUDIT QUALIFICATION

The preceding audited annual financial statements were not subject to any qualification.

3 SEASONAL OR CYCLICAL FACTORS

The Group's operations are not affected by seasonal or cyclical fluctuations.

4 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

5 CHANGES IN ESTIMATES

There is no material changes in estimates in respect of amounts reported in prior quarters of the current financial year or prior financial years.

6 CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities.

7 SEGMENTAL INFORMATION

Analysis by Activity:

	<u>Current financial year to date</u>	
	<u>Revenue</u>	<u>Loss</u>
	<u>RM'000</u>	<u>before tax</u>
		<u>RM'000</u>
Investment holding	4,278	(2,594)
Trading	8,643	60
Others	-	-
	<u>12,921</u>	<u>(2,534)</u>
Group's share of associated companies' results and total assets	-	(16,687)
	<u>12,921</u>	<u>(19,221)</u>
Consolidation adjustments	-	-
	<u>12,921</u>	<u>(19,221)</u>

Analysis by Geographical Location:

	<u>Current financial year to date</u>	
	<u>Revenue</u>	<u>Profit/(loss)</u>
	<u>RM'000</u>	<u>before tax</u>
		<u>RM'000</u>
Malaysia	4,278	(2,594)
Singapore	8,643	60
Others	-	-
	<u>12,921</u>	<u>(2,534)</u>
Group's share of associated companies' results and total assets	-	(16,687)
	<u>12,921</u>	<u>(19,221)</u>
Consolidation adjustments	-	-
	<u>12,921</u>	<u>(19,221)</u>

8 PROPERTY & EQUIPMENT

The valuations of property and equipment have been brought forward without amendment from the previous financial statements.

9 SUBSEQUENT EVENTS

There were no material events between 31 July 2003 and the date of this announcement that have not been reflected in the Interim Financial Report.

10 CHANGES IN COMPOSITION

There were no changes in the composition of the Company for the current quarter.

11 CONTINGENT LIABILITIES

Changes in contingent liabilities of the Company since the last annual balance sheet date are as shown below:

	<u>As at</u>	<u>Audited</u>
	<u>31.07.2003</u>	<u>31.1.2003</u>
	<u>RM'000</u>	<u>RM'000</u>
Guarantee given to a bank in respect of facilities granted to a subsidiary	-	30,638

12 CAPITAL COMMITMENTS

	<u>RM'000</u>
Authorised and contracted for	<u>0</u>

13 REVIEW OF PERFORMANCE

The Group recorded a loss before taxation of RM19.221 million for the current financial year to date.

Contributory factors are the share of loss in an associate company, Sapura Telecommunications Berhad (STB) resulting from the goodwill written off on the acquisition of a few subsidiaries during the financial year to date.

14 QUARTERLY RESULTS COMPARISON

The Group recorded a pretax loss of RM20.628 million for the current quarter as opposed to a pretax profit of RM1.407 million in the immediate preceeding quarter mainly due to share of losses in STB, as mentioned in Note 13 above.

15 CURRENT YEAR PROSPECTS

The core business will remain as investment and property holdings. As announced on 28 March 2003, the proposed acquisition of 100% equity interest in APIIT Sdn Bhd from STB shall enable the Group to diversify its business into IT education services.

16 PROFIT FORECAST/PROFIT GUARANTEE

There are no profit forecast/profit guarantee issued by the Company.

17 TAXATION

	6 months ended
	31.07.2003
	RM'000
Taxation charge for the year	-
Share of taxation of associated companies	832
	<u>832</u>

18 UNQUOTED INVESTMENTS AND PROPERTIES

There was no sale of unquoted investments and/or properties for the current quarter and financial year to date.

19 QUOTED SECURITIES

There were no purchase and disposal of quoted securities for the current quarter and financial year to date.

	As at
	31.07.2003
	RM'000
Investments in quoted securities as at the reporting period:	
At carrying value (net of post acquisition results)	85,468
At market value	202,844

20 CORPORATE PROPOSALS

With reference to the Corporate Restructuring Exercise as announced by the Company on 28 March 2003, approval from Securities Commission and Ministry of Education were obtained on 12 August 2003 and 24 July 2003 respectively. The approval from the shareholders will be sought at an Extraordinary General Meeting, the details of which will be announced in due course.

21 BORROWINGS

Details of Group's borrowings as at 31 July 2003 are as shown below:

	Balance Outstanding RM'000	Details of security
Short term borrowings		
Overdraft (*)	13,469	Negative pledge and charge on landed property
Revolving credit	20,000	Negative pledge
Current portion of term loan	8,107	Charge on landed property
	<u>41,576</u>	
Long term borrowings		
Hire purchase	38	
Term loan	62,733	Charge on landed property
	<u>62,771</u>	

22 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk as at the date of announcement.

23 MATERIAL LITIGATION

Details of material litigation pending as at the date of announcement:

Case 1

On 9 April 2001, the Company was served with a writ of summons in respect of a claim by Bridgecon Engineering Sdn Bhd and Fujita Corporation (M) Sdn Bhd (collectively, "BFJV") in respect of retention sums payable for the construction of Uniphone's HQ known as Sapura@Mines. BFJV filed an application for summary judgement pursuant to their claim, whereof the said application was dismissed with costs on 25 October 2002. BFJV has filed a Notice of Appeal against the said dismissal, the hearing date has been fixed for 20 January 2004.

The Company's solicitors are defending the claim and the said application and are further pursuing with counter claim against BFJV in respect of costs and rectification of defects of the said HQ and damages..

24 DIVIDENDS

No dividend was declared by the Company for the current financial year to date.

No dividend was paid by the Company for the current financial year to date.

25 PROFIT PER SHARE

The profit per share have been calculated based on the Group's loss after taxation and minority interests of RM20.077 million and on the number of shares in issue during the period of 139,600,000.

BY ORDER OF THE BOARD

Liyana Lee Bt Abdullah (MIA 10293)

Company Secretary