

Hing Yiap Knitting Industries Berhad

(22414-V)

(Incorporated in Malaysia)

Introduction

The Board of Directors of Hing Yiap Knitting Industries Berhad is pleased to announce the unaudited financial results of the Group for the financial year ended 30 June 2003.

This interim financial report is prepared in accordance with MASB 26, "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of the Kuala Lumpur Stock Exchange.

This interim financial report is intended to provide an update on the latest complete set of annual financial statements, which was financial year ended 30 June 2002. **Accordingly, this interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2002.**

This report comprised the following:

- Condensed consolidated balance sheets
- Condensed statements of changes in equity
- Condensed consolidated income statements
- Condensed consolidated cash flow statements
- Explanatory notes

Hing Yiap Knitting Industries Berhad
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Condensed Consolidated Balance Sheets
As at 30 June 2003

	30.6.2003	30.6.2002
	RM'000	RM'000
Non current assets		
Property, plant and equipment	21,161	21,502
Investment properties	3,310	3,310
Intangible assets	3,267	3,489
Deferred tax assets	842	649
	<u>28,580</u>	<u>28,950</u>
Current assets		
Inventories	53,106	46,899
Receivables	22,951	21,989
Short term investment	166	166
Bank and cash balances	1,687	1,195
	<u>77,910</u>	<u>70,249</u>
Less: Current liabilities		
Payables	13,986	15,017
Hire purchase payables	1,171	966
Short term borrowings	21,163	16,776
Taxation	319	53
	<u>36,639</u>	<u>32,812</u>
Net current assets	41,271	37,437
Less: Non current liabilities		
Hire purchase payables	1,501	938
Term loans	2,727	3,489
Deferred taxation	565	688
	<u>4,793</u>	<u>5,115</u>
	<u>65,058</u>	<u>61,272</u>
Capital and reserves		
Share capital	41,787	41,787
Reserves	23,271	19,485
Shareholders' funds	<u>65,058</u>	<u>61,272</u>
	RM	RM
Net tangible assets per share	<u>1.48</u>	<u>1.38</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the annual financial statements for the year ended 30 June 2002.

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Condensed Statements of Changes in Equity
For the financial year ended 30 June 2003

	Share capital RM'000	Share premium RM'000	Revaluation surplus RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total RM'000
At 30.6.2001, as previously reported	31,257	1,437	1,701	(204)	20,400	54,591
Prior period adjustments	-	-	(600)	-	804	204
At 30.6.2001, as restated	31,257	1,437	1,101	(204)	21,204	54,795
Net losses not recognised in income statement	-	(131)	-	28	-	(103)
Profit after taxation	-	-	-	-	5,786	5,786
Exercise of options rights	1,391	50	-	-	-	1,441
Bonus issue	9,139	-	-	-	(9,139)	-
Dividend	-	-	-	-	(823)	(823)
Realisation of exchange fluctuation reserve on disposal of subsidiary company	-	-	-	176	-	176
At 30.6.2002	<u>41,787</u>	<u>1,356</u>	<u>1,101</u>	<u>-</u>	<u>17,028</u>	<u>61,272</u>
		Note A	Note A			

	Share capital RM'000	Share premium RM'000	Revaluation surplus RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total RM'000
At 30.6.2002 as previously reported	41,787	1,356	1,701	-	15,736	60,580
Prior period adjustments	-	-	(600)	-	1,292	692
At 30.6.2002 as restated	<u>41,787</u>	<u>1,356</u>	<u>1,101</u>	<u>-</u>	<u>17,028</u>	<u>61,272</u>
Profit after taxation	-	-	-	-	4,839	4,839
Dividend					(1,053)	(1,053)
At 30.6.2003	<u><u>41,787</u></u>	<u><u>1,356</u></u>	<u><u>1,101</u></u>	<u><u>-</u></u>	<u><u>20,814</u></u>	<u><u>65,058</u></u>
		Note A	Note A			

Note A: The share premium and revaluation surplus are not distributable by way of cash dividends.

The Condensed Statements of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 30 June 2002.

Hing Yiap Knitting Industries Berhad

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Condensed Consolidated Income Statements For the financial year ended 30 June 2003

	3 months ended 30.6.2003 RM'000	3 months ended 30.6.2002 RM'000	Year-to- date ended 30.6.2003 RM'000	Year-to- date ended 30.6.2002 RM'000
Revenue	20,378	18,376	115,341	103,280
Other operating income	170	73	650	346
Debt waiver	-	-	(1,930)	-
Impairment of leasehold land	-	-	(900)	-
Doubtful debts recovered (net of doubtful debts allowance)	-	21	460	21
Inventories (writedowns) / writeback	305	(382)	(763)	(382)
Gain on disposal of subsidiary company	-	1,416	-	1,416
Other operating expenses	(19,362)	(18,131)	(103,032)	(94,643)
Profit from operations	<u>1,491</u>	<u>1,373</u>	<u>9,826</u>	<u>10,038</u>
Finance costs	(400)	(373)	(1,671)	(1,670)
Profit/(loss) before taxation	<u>1,091</u>	<u>1,000</u>	<u>8,155</u>	<u>8,368</u>
Taxation	(574)	(336)	(3,316)	(2,582)
Profit/(loss) after taxation	<u><u>517</u></u>	<u><u>664</u></u>	<u><u>4,839</u></u>	<u><u>5,786</u></u>

	3 months ended 30.6.2003 sen	3 months ended 30.6.2002 sen	Year-to- date ended 30.6.2003 sen	Year-to- date ended 30.6.2002 sen
Earnings/(loss) per share:				
- basic	<u>1.237</u>	<u>1.616</u>	<u>11.580</u>	<u>14.085</u>
- diluted	<u>1.237</u>	<u>1.610</u>	<u>11.580</u>	<u>14.054</u>

The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 30 June 2002.

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Condensed Consolidated Cash Flow Statements
For the financial year ended 30 June 2003

	30.6.2003	30.6.2002
	RM'000	RM'000
Cash flow from operating activities		
Profit before tax	8,156	8,368
Adjustments for:		
Interest expenses	1,563	1,549
Interest income	(31)	(34)
Depreciation	2,503	2,477
Amortisation of intangible assets	222	222
Net (profit)/loss on disposal of property, plant and equipment	(146)	(23)
Profit on disposal of subsidiary company	-	(1,416)
Property, plant and equipment written-off	133	91
Property, plant and equipment impaired	900	-
Net allowance for doubtful debts and debt waiver	1,471	-
Inventories write downs	763	382
Unrealised gain on foreign exchange	(1)	(1)
	<hr/>	<hr/>
Operating profit before working capital changes	15,533	11,615
Net change in current assets	(11,119)	(8,190)
Net change in current liabilities	(956)	3,630
	<hr/>	<hr/>
Cash (absorbed by)/generated from operations	3,458	7,055
Tax paid	(1,636)	(2,607)
	<hr/>	<hr/>
Net cash (used in)/from operations	1,822	4,448
Cash flow from investing activities		
Purchase of property, plant and equipment	(1,034)	(587)
Sub-license fee paid	(75)	(150)
Interest received	31	34
Proceeds from disposal of property, plant and equipment	245	46
Disposal of subsidiary company, net of cash and cash equivalent	-	387
	<hr/>	<hr/>
	(833)	(270)
Cash flow from financing activities		
Proceeds from issues of shares	-	1,441
Share issue expenses paid	-	(130)
Interest paid	(1,578)	(1,528)
Dividends paid	(1,051)	(817)

	30.6.2003 RM'000	30.6.2002 RM'000
Net increase/(decrease) in bank borrowings and hire purchase obligations	1,079	(3,667)
	<u>(1,550)</u>	<u>(4,701)</u>
Net increase/(decrease) in cash and cash equivalents	(561)	(523)
Cash and cash equivalents at beginning of period	(408)	115
Cash and cash equivalents at end of period	<u>(969)</u>	<u>(408)</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual financial statements for the year ended 30 June 2002.

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Explanatory Notes

Explanatory notes pursuant to MASB 26, “Interim Financial Reporting”

1. Basis of preparation

This interim financial report is prepared in accordance with MASB 26, “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of the Kuala Lumpur Stock Exchange, and should be read in conjunction with the Company’s financial statements for the financial year ended 30 June 2002.

Save for the application of new applicable approved accounting standards that took effect during the financial period, the accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the financial year ended 30 June 2002.

Previously, deferred tax debits/assets are not accounted for in the financial statements unless there is a reasonable expectation of their realisation. Following the implementation of MASB 25, “Income Taxes”, such deferred tax debits/assets are now recognised. Under the same accounting standard, deferred tax is required to be calculated on surpluses arising from revaluation of assets. The change in accounting policy has been applied retrospectively.

The change in accounting policy has the effect of increasing net profit for the financial year ended 30 June 2003 by RM 938,000. The other effects of the change in accounting policy are, as follows:

	As previously reported RM'000	Effect of change RM'000	As restated RM'000
At 30.6.2002			
Balance sheet			
Deferred tax assets	-	649	649
Deferred tax liabilities	731	(43)	688
Revaluation surplus	1,701	(600)	1,101
Retained profits	15,736	1,292	17,028
Financial year ended 30.6.2002			
Income statement			
Income tax	3,367	-	3,367
Deferred tax	(72)	(489)	(561)
Profit/(loss) after tax	5,297	489	5,786

2. Audit qualification in respect of the audit report of the Company for the preceding financial statements and current status of the matter(s) giving rise to the qualification

The audit report in respect of the financial statements of the Company for the financial year ended 30 June 2002 was not qualified.

3. Explanatory comments about the seasonality or cyclicity of interim operations

The Group's products are catered for the consumer market and business is influenced by the seasonality and cyclical effect of promotional sales and festive seasons. The Group's business for Quarters 2 and 3 are generally better than Quarters 1 and 4 due to the positive effect of festive sales such as Christmas, Hari Raya Puasa and Chinese New Year.

4. The nature and amount of items affecting assets, liabilities, equity, net income, or cash flow that are unusual because of their nature, size or incidence

Save for the information disclosed in this interim financial report, there are no other unusual items affecting assets, liabilities, equity, net income or cash flow.

5. The nature and amount of material changes in estimates of amounts reported in prior interim periods of the current financial year or material changes in estimates of amounts reported in prior financial year

There are no material changes in estimates except for the effect of change in accounting for income taxes and deferred tax and under accruals of tax charge in respect of previous quarter of the current financial year, as disclosed in this interim financial report.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

The Company did not issue, cancel, repurchase, resell or repay any debt or equity securities during the reporting quarter.

7. The amount of dividends paid (aggregate or per share)

During the financial year ended 30 June 2003, dividends paid by the Company amounted to RM 1,051,000.

8. Segmental reporting for business segment, being the Company's basis of segment reporting

	Manufac- turing RM'000	Trading RM'000	Elimina- tions RM'000	Group RM'000
12 months ended 30.6.2003				
Segment revenue				
External revenue	6,588	108,753	-	115,341
Intersegment revenue	67,464	3,026	(70,490)	-
Total revenue	<u>74,052</u>	<u>111,779</u>	<u>(70,490)</u>	<u>115,341</u>
Segment result	<u>3,552</u>	<u>7,532</u>	<u>22</u>	11,106
Unallocated income				650
Unallocated expense - debt waiver				(1,930)
Profit from operations				<u>9,826</u>

12 months ended 30.6.2002

Segment revenue				
External revenue	9,264	94,016	-	103,280
Intersegment revenue	54,625	4,876	(59,501)	-
Total revenue	<u>63,889</u>	<u>98,892</u>	<u>(59,501)</u>	<u>103,280</u>
Segment result	<u>3,316</u>	<u>4,679</u>	<u>281</u>	8,276
Unallocated income				346
Profit on disposal of a subsidiary company				1,416
Profit from operations				<u>10,038</u>

9. Status of valuation of property, plant and equipment

The Company adopted the transitional provision of MASB 15, "Property, Plant and Equipment" whereby a valuation in respect of a freehold land and building that was revalued at RM 3.9 million on 7 October 1995 by a firm of independent professional appraisers has not been updated or amended from the value disclosed in the previous financial statements, save for depreciation charge determined since the financial year ended 30 June 2002.

10. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period

Save for the material subsequent events disclosed in this interim financial report, there are no events subsequent to the end of the interim period that have not been reflected in the financial statements for the current interim period.

Subsequent to 30 June 2003, the issued and fully-paid share capital of a wholly-owned subsidiary company, B.U.M. Marketing (Malaysia) Sdn Bhd was increased from RM 250,000 to RM 500,000. The increase was fully subscribed by the Company.

On 21 August 2003, the Company entered into a Sale and Purchase Agreement with Lim Eng Kiat, Lim Eng Sing, Lim Kian Kiong and Lim Kian Wah for the acquisition of a piece of freehold land and building held under title no. H.S.(D) 87324, Lot no. 48, Mukim Batu, District of Kuala Lumpur, State of Federal Territory for a total cash consideration of RM 2,500,000. This acquisition is pending completion.

11. Effect of changes in the composition of the Company during the interim period, including business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings, and discontinuing operations

Save for the commencement of operations of Bumcity Sdn Bhd (formerly known as Netax Work Wear World Sdn Bhd) during the financial year, the Group did not embark in any activity that may result in changes in its composition.

12. Changes in contingent liabilities or contingent assets since the last annual balance sheet date

The Company's contingent liabilities in respect of corporate guarantees granted to third parties for banking and financing facilities of the subsidiary companies increased from RM 29,578,000 as at 30 June 2002 to RM 30,997,000 as at 30 June 2003 due to additional hire purchase facilities and other credit facilities granted to certain subsidiary companies.

Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements of the Kuala Lumpur Stock Exchange

13. Review of performance of the Company and principal subsidiaries, setting-out material factors affecting earnings and/or revenue of the Company and Group for the current quarter and financial year-to-date

Performance review for the quarter

Group revenue for the current quarter increased by RM 2.002 million or 10.89% to RM 20.378 million as compared to revenue of RM 18.376 million recorded during the quarter ended 30 June 2002. The Group placed significant effort to generate

sales despite the effect of the Severe Acute Respiratory Syndrome (“SARS”) virus during the current reporting quarter.

The Group achieved a pre-tax profit of RM 1.091 million during the current quarter as compared to a pre-tax profit of RM 1.0 million recorded during the quarter ended 30 June 2002. The prior year quarter includes an exceptional gain of RM 1.416 million arising from the disposal of a foreign subsidiary company. The significant improvement was achieved on the back of increased sales of merchandise with better margins, and improvement in inventory and other cost management.

Performance review for the financial year-to-date

The Group registered revenue and pre-tax profit of RM 115.341 million and RM 8.155 million respectively, for the year ended 30 June 2003. This marked an improvement of approximately RM 12.061 million or 11.68% for revenue. Revenue grew from sales of higher priced merchandise and a new retailing source under a new subsidiary company, Bumcity Sdn Bhd.

Pre-tax profits, however, reduced marginally by RM 0.213 million or 2.55% over the preceding year ended 30 June 2002. Group management had taken the opportunity to review the quality of the Group’s assets during the year and this review culminated in the writedown of RM 0.9 million in the value of two (2) pieces of industrial properties and a higher writedowns in the value of inventories. The Company had also taken a one-time charge of RM 1.93 million on the outstanding debts due from a former foreign subsidiary company following the completion of the terms of disposal. Excluding the one-time charge of RM 1.93 million, Group pre-tax earnings would have been RM 10.085 million.

On the back of uncertain economic conditions resulting from a slowing US and global economy and the war in Iraq together with the impact of SARS in the country, which in turn affects consumer confidence, the performance of the Group was achieved on the back of a resilient domestic economy, publicity generated by the government to encourage domestic spending and benefits from aggressive sales and promotional activities undertaken by the Group.

14. Material changes in the profit before taxation for the current quarter as compared with that of the immediate preceding quarter

Profit before tax for the quarter ended 30 June 2003 of RM 1.091 million was RM 0.842 million higher than the pre-tax profit of RM 0.249 million recorded during the quarter ended 31 March 2003.

The Company took a charge of approximately RM 0.693 million in the immediate preceding quarter following the review of the quality of the Group’s assets. Excluding this exceptional charge, the pre-tax earnings for both quarters were almost similar.

15. Current year prospects

The government has announced a stimulus package to mitigate the negative impact of a slowing economy as a result of SARS and global events. The effect of this

initiative has been felt by the Group and should continue into the financial year ending 30 June 2004. Based on the performance for the quarter ended 30 June 2003, the Company is optimistic that this performance can be maintained into the new financial year. The Group will see additional source of revenue from the opening of several new stores managed by a new operating unit, Bumcity Sdn Bhd.

Save for any circumstances or events that are not within the control of the Group, the Group's results for the year ending 30 June 2003 are expected to be comparable to that achieved in the previous financial year.

16. Status of profit forecast or profit guarantee

This is not applicable to the Group.

17. Details of tax charge and an explanation of the variance between the effective and statutory tax rate for the current quarter and financial year-to-date

The tax charge comprised:

	3 months ended 30.6.2003 RM'000	3 months ended 30.6.2002 RM'000	Year-to-date ended 30.6.2003 RM'000	Year-to-date ended 30.6.2002 RM'000
Income tax	221	403	3,983	3,368
Deferred tax	269	(67)	(316)	(561)
Over accrual in respect of prior years of assessment	-	-	(351)	(225)
Under accrual in respect of preceding quarters	84	-	-	-
	<u>574</u>	<u>336</u>	<u>3,316</u>	<u>2,582</u>

The effective tax rates for the periods presented above are higher than the statutory tax rate due to losses of certain subsidiary companies that are not available for set-off against taxable profits of profitable companies and non-availability of tax deduction for debt waiver of RM 1.9 million, impairment charges of RM 0.9 million and other certain expenses.

18. Profits or losses from the sale of unquoted investments and/or properties for the current quarter and financial year-to-date

The Group did not dispose any unquoted investments or properties during the current reporting period.

19. Details of purchase or disposal of quoted securities other than securities in existing subsidiary companies and associated companies

The Group did not purchase or dispose any quoted securities during the current reporting period.

20. Status, of not earlier than 7 days from the date of this report, of corporate proposals announced but not completed

On 21 July 2003, the Company announced that the Proposed Employees' Share Option Scheme which was approved by the Securities Commission vide its letter dated 22 January 2003 has lapsed as the deadline for implementing the Proposed ESOS was on 21 July 2003.

21. Group borrowings and debt securities as at the end of the reporting period

Details of borrowings and debt securities as at the end of the reporting period are as follows:

	30.6.2003 RM'000
Short term borrowings	
Secured	
Term loans	762
Unsecured	
Bank overdrafts	2,656
Bankers' acceptances	17,745
Trust receipts	-
	20,401
Total short term borrowings	21,163
Long term borrowings	
Secured	
Term loans	2,727

The Group does not have any borrowings that are denominated in foreign currency.

22. Summary of off-balance sheet financial instruments, which is not earlier than 7 days from the date of this report

The Group has not entered into any arrangements involving financial instruments.

23. Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date, which is not earlier than 7 days from the date of this report

(i) Suit No. D2-22-58-2002 against Apcott PP (M) Sdn Bhd (“Apcott”) and Diesel S.p.A.

On 11 January 2002 Bontton Sdn Bhd and Diesel Marketing Sdn Bhd (the Plaintiffs) filed a suit against Apcott, based on passing off and claiming an injunction to restrain Apcott from importing, offering for sale, selling or otherwise dealing with bags and other fashion goods including wearing apparel, sunglasses and costume jewellery bearing the mark “DIESEL”, damages and delivery up of the infringing goods.

Diesel S.p.A. an Italian company, intervened in the proceedings and was joint as a Second Defendant on 4 October 2002. Pursuant thereto on 23 October 2002, the Plaintiffs filed an Amended Writ and Statement of Claim which included a claim for Rectification of the Register of Trade Marks to expunge Diesel S.p.A.’s registrations for the mark “DIESEL” and to vary Diesel S.p.A.’s registration for the “Diesel and Red Indian Device” by removing the word “DIESEL” therefrom.

On 15 November 2002 an interim injunction was entered against Apcott restraining Apcott, until the disposal of the main suit, from carrying on the business of manufacturing, distributing, selling or otherwise dealing by way of trade in fashion goods namely handbags, suitcases, trunks, knapsacks, travelling bags, vanity cases sold empty, purses, billfolds, attache cases, wallets, briefcases, belts, key cases, passport cases, business and credit card cases and umbrellas using the trade mark “DIESEL”. Apcott has also given an undertaking to Court that they have never carried on the business of importing, distributing, selling or otherwise dealing in the course of trade with wearing apparel using the trade mark “DIESEL” and will not do so until the final disposal of this suit.

On 11 April 2003 Apcott filed their Defence and Counter-Claim. The Counter-Claim is a claim for damages arising from alleged infringement of Diesel S.p.A.’s “DIESEL” mark by the Plaintiffs. On 31 July 2003 Diesel S.p.A. filed their Defence and Counter-Claim. The Counter-Claim is a claim for injunction and damages arising from alleged infringement of Diesel S.p.A.’s “DIESEL” and “DIESEL Device” marks in Class 18 and passing off of Diesel S.p.A.’s “DIESEL” marks in Class 25 as well as application for rectification of Bontton Sdn Bhd’s registration for the “DIESEL” mark in Class 25.

The Plaintiffs will now file their Reply and Defence to Counter-Claim after which the matter will be set down for trial.

(ii) Suits against F.O.S. Clothing Co. Sdn Bhd, Orifocus Sdn Bhd and Popular Gateway Sdn Bhd

On 17 January 2003, Bontton Sdn Bhd and Diesel Marketing Sdn Bhd (the Plaintiffs) filed three (3) civil suits against F.O.S. Clothing Co. Sdn Bhd, Orifocus Sdn Bhd and Popular Gateway Sdn Bhd (the 3 Defendants) based on infringement of the Plaintiff’s “DIESEL” trade marks and claiming an injunction, damages and delivery up of the infringing goods. The Plaintiffs also filed applications for an interim injunction against each of the 3 Defendants to restrain infringement of their “DIESEL” mark pending disposal of the main suit.

On 5 March 2003 the 3 Defendants each filed their Defence and Counter-Claim. The Counter-Claim is for Rectification of the Register of Trade Marks to expunge the Plaintiff's trade mark registration No. 85/02483 for the mark "DIESEL" in Class 25. On 18 March 2003 the Plaintiffs obtained an interim injunction against each of the 3 Defendants restraining each of the 3 Defendants from carrying on the business of importing, manufacturing, distributing, selling or otherwise dealing with clothing or other fashion goods bearing the trade mark "DIESEL" or any mark comprising the word "DIESEL" pending the final disposal of the main suit.

On 6 May 2003 the Plaintiffs filed their Reply and Defence to Counter-Claim in respect of each of the three suits. On 19 May 2003 upon the Plaintiffs' application the three suits were consolidated to proceed henceforth as one suit.

The Plaintiffs have applied to set the matter down for trial and the matter is currently fixed for pre-trial case management on 17 November 2003.

24. Dividends

Subject to the approval of the shareholders in a general meeting which shall be convened at a date to be announced, the Directors recommend the payment of a first and final dividend of 3.5 sen per share, less income tax.

25. Basis and methods of calculating earnings per share

Basic earnings per share:

The basic earnings per share is calculated by dividing the profit or loss after taxation by the weighted average number of ordinary shares in issue during the period.

	3 months ended 30.6.2003	3 months ended 30.6.2002	Year-to-date ended 30.6.2003	Year-to-date ended 30.6.2002
Profit/(loss) after taxation (RM'000)	517	664	4,839	5,786
Weighted average number of ordinary shares in issue ('000)	41,787	41,080	41,787	41,080
Basic earnings/(loss) per share (sen)	1.237	1.616	11.580	14.085

Diluted earnings per share:

The diluted earnings per share is calculated by dividing the profit or loss after taxation by the weighted average number of ordinary shares that would be in issue at the end of the period had all the exercisable share options as at the end of the period under the ESOS (which expired on 28 January 2003) been exercised.

	3 months ended 30.6.2003	3 months ended 30.6.2002	Year-to-date ended 30.6.2003	Year-to-date ended 30.6.2002
Profit/(loss) after taxation (RM'000)	517	664	4,839	5,786
Weighted average number of ordinary shares in issue ('000)	41,787	41,080	41,787	41,080
Adjustment for share options (‘000)	-	152	-	90
Weighted average number of ordinary shares for diluted earnings per share ('000)	41,787	41,232	41,787	41,170
Diluted earnings/(loss) per share (sen)	1.237	1.610	11.580	14.054

By order of the Board

Khoo Henn Kuan
Chief Executive Officer

Kuala Lumpur
28 August 2003