

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 31 December 2002

	Unaudited As at 31 Dec 2002 RM'000	Audited As at 30 Jun 2002 RM'000
<u>ASSETS EMPLOYED</u>		
PROPERTY, PLANT AND EQUIPMENT	33,554	32,861
INTANGIBLE ASSETS	9,971	10,528
PROPERTY DEVELOPMENT EXPENDITURE	39,866	39,833
OTHER INVESTMENTS	11,708	12,204
CURRENT ASSETS		
Inventories	28,570	27,626
Trade and other receivables	30,345	21,297
Cash and cash equivalents	5,300	4,285
	64,215	53,208
CURRENT LIABILITIES		
Trade and other payables	25,917	14,730
Bank borrowings	50,859	51,831
Taxation	2,595	1,693
	79,371	68,254
NET CURRENT ASSETS/(LIABILITIES)	(15,156)	(15,046)
	79,943	80,380
<u>FINANCED BY</u>		
SHARE CAPITAL	40,135	40,000
RESERVES	20,548	18,329
SHAREHOLDERS' FUNDS	60,683	58,329
MINORITY INTERESTS	864	816
LONG-TERM LIABILITIES		
Borrowings	18,331	21,132
Other deferred liabilities	65	103
	79,943	80,380
Net Tangible Assets per Share (sen)	126	120

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2002)

BONIA CORPORATION BERHAD

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CONDENSED CONSOLIDATED INCOME STATEMENTS

For the quarter ended 31 December 2002

	Individual Quarter		Cumulative Quarter	
	Current Year 31 Dec 2002 RM'000	Preceding Year Corresponding Quarter 31 Dec 2001 RM'000	Current Year To-Date 31 Dec 2002 RM'000	Preceding Year Corresponding Period 31 Dec 2001 RM'000
Revenue	39,396	24,982	66,429	45,504
Operating expenses	(34,398)	(21,495)	(58,049)	(39,915)
Depreciation and amortisation	(704)	(574)	(1,383)	(1,261)
Other operating income	26	231	170	587
Profit / (loss) from operations	4,320	3,144	7,167	4,915
Finance costs	(1,440)	(1,089)	(2,829)	(2,134)
Interest income	-	-	-	-
Profit / (loss) before taxation	2,880	2,055	4,338	2,781
Taxation	(1,660)	(809)	(2,109)	(1,039)
Profit / (loss) after taxation	1,221	1,246	2,229	1,742
Minority interest	(17)	(39)	31	(31)
Net Profit for the period	1,204	1,207	2,260	1,711
Earnings per share (sen)				
- Basic	3.01	3.62	5.65	5.14
- Diluted	2.95	NA	5.55	NA

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2002)

Note : NA denotes "Not Applicable"

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY For the quarter ended 31 December 2002

	Share Capital RM'000	Non- Distributable Share Premium, Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000
Balance as at 30 June 2002	40,000	3,732	14,597	58,329
Net profit / (loss) for the period	-	(59)	2,260	2,201
Issue of shares for ESOS	135	18	-	153
Balance as at 31 December 2002	40,135	3,691	16,857	60,683
Balance as at 30 June 2001	33,300	3,313	11,957	48,570
Net profit for the period	-	(74)	1,711	1,637
Balance as at 30 December 2001	33,300	3,239	13,668	50,207

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2002)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the quarter ended 31 December 2002

	6 Months ended 31 Dec 2002 RM'000
Cash flows from operating activities	
Profit / (loss) before taxation	4,338
Adjustments for non-cash flow:	
Non-cash items	1,347
Impairment loss of assets	1,163
Finance costs	2,829
Operating profit / (loss) before working capital changes	<u>9,677</u>
Changes in working capital	
Net change in current assets	(9,992)
Net change in current liabilities	11,149
Cash generated from operations	<u>10,834</u>
Finance costs	(2,829)
Tax (paid) / refund	(1,207)
Net Cash generated from operations activities	<u>6,798</u>
Cash flows from investing activities	
Purchase of property, plant and equipment	(2,080)
Increase in property development expenditure	(33)
Acquisition of remaining shares in a subsidiary company	(50)
Net cash used in investing activities	<u>(2,163)</u>
Cash flows from financing activities	
Net proceed / (repayment) of bank borrowings	1,147
Proceeds from issue of shares	153
Net cash used in financing activities	<u>1,300</u>
Net (decrease) / increase in cash and cash equivalents	5,935
Cash and cash equivalents at beginning of period	(17,398)
Cash and cash equivalents at end of period (Note A15)	<u>(11,463)</u>

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NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 2002

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with the MASB 26, Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Kuala Lumpur Stock Exchange.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2002.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 30 June 2002.

A2. Declaration of audit qualification

There was no qualified report issued by the auditors in the financial statements of the Group for the year ended 30 June 2002.

A3. Seasonality or Cyclicity of Interim Operations

The business operations of the Group are generally dependent on the Malaysian economy, consumer confidence and Government support, as well as major festive seasons.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A5. Material Changes in Estimates

There were no changes in the estimates of amounts, which give a material effect in prior interim periods of the current financial year or in prior financial year.

A6. Debts and Equity Securities

During the current 6 months ended 31 December 2002, the Company increased its issued and paid up capital from RM40,000,000 to RM40,135,000 by allotment of 135,000 new ordinary shares of RM1.00 each under the Executives' Share Option Scheme.

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for current quarter under review.

A7. Dividend Paid

No dividend has been paid for current quarter under review.

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NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 2002

A8. Segmental Reporting

The segmental analysis for the Group for the current quarter under review are as follows:-

	Revenue	Profit/(loss) before taxation	Total Assets Employed
	RM'000	RM'000	RM'000
<u>Major segment by industry</u>			
Retailing	66,146	6,327	62,627
Manufacturing	56	(110)	5,876
Investment and property development	227	(1,879)	90,811
	<hr/> 66,429	<hr/> 4,338	<hr/> 159,314
<u>Major segment by geographical Region</u>			
Malaysia	56,115	3,861	149,929
Singapore	10,314	477	9,385
	<hr/> 66,429	<hr/> 4,338	<hr/> 159,314

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment if any, have been brought forward without amendment from the previous annual financial statements.

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current quarter under review up to the date of this report other than as disclosed under Note A8 (a) and (c).

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review other than as disclosed under Note B8 (b).

A12. Changes in Contingent Liabilities

The contingent liabilities of the Group as at 31 December 2002 comprising of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amount to RM109.2 million of which utilised by these subsidiaries amounted to RM63.4 million.

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NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 2002

A13. Cash and cash equivalents

	31 Dec 2002
	RM'000
Fixed deposits	2,337
Cash and bank balances	2,963
Bank overdrafts	(14,462)
	<hr/>
	(9,162)
Less : Fixed deposit pledged	(2,301)
	<hr/>
	(11,463)

ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B1. Review of Performance of the Company and its Subsidiaries

For the six months ended 31 December 2002, the Group achieved revenue of RM66.4 million and profit before taxation of RM4.3 million, an increased of 46% and 56% respectively from the previous year corresponding quarter. The increased in profit before taxation is mainly due to the increased in revenue and contribution from our men apparel business, which was not included in our previous year comparative figures. The year-end major festivals also contributed significantly to the increase.

B2. Comments on Material Changes in the Profit Before Taxation for the Quarter under Review as Compared with Immediate Preceding Quarter

For the quarter under review, the Group recorded profit before taxation of RM2.9 million as compared to a profit before taxation of RM1.5 million for the preceding quarter. The improvement was mainly attributed to higher revenue during the year-end festive seasons.

B3. Current Year Prospect

Barring any unforeseen circumstance and assuming the present business sentiment continues, the Board of Directors expects the current year performance to continue to be profitable.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

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NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 2002

B5. Taxation

	Current quarter ended 31 Dec 2002 RM'000	Current year to-date ended 31 Dec 2002 RM'000
Current year tax	1,660	2,109
Deferred tax	-	-
	<u>1,660</u>	<u>2,109</u>

The tax charge for the Group reflects an effective tax rate which is higher than the statutory tax rate due mainly to tax losses of certain subsidiary companies for which no Group relief is available, and certain expenses which are not deductible for tax purposes.

B6. Profit / (Loss) on Sale of Unquoted Investments and/or Properties

There was no profit on sale of investments and/or properties for the financial period under review.

B7. Quoted Securities

There were no purchases or disposals of quoted securities for the financial period under review.

B8. Status of Corporate Proposals

a) On 8 November 2002, the Board of Directors of Bonia Corporation Berhad announced that the Company, Lee Chong Eng and Tiew Hong Teck had on 8 November 2002 entered into two separate Sale and Purchase Agreement as follows:

i) a Sale and Purchase Agreement to acquire 300,000 ordinary shares of S\$1.00 each representing 30% equity interest in Active World Pte Ltd for a total cash consideration of RM857,265 (equivalent to S\$403,419).

ii) a Sale and Purchase Agreement to acquire 10,002 ordinary shares of S\$1.00 each representing entire equity interest in Jetbest Enterprise Pte Ltd for a total cash consideration of RM88,037 (equivalent to S\$41,429).

(Collectively referred to as the "Proposed Acquisitions")

The Proposed Acquisitions have been approved on 9 January 2003 by the relevant authority.

b) On 22 November 2002, the Board of Directors of Bonia Corporation Berhad announced that the Company had acquired 50,000 shares of RM1.00 each representing 10% equity interest in BCB Properties Sdn

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Bhd from Mr Tan Chin Han for a total cash consideration of RM50,000 only.

BCB Properties Sdn Bhd is currently a 90% subsidiary of Bonia Corporation Berhad. With the above acquisition, BCB Properties Sdn Bhd has become a wholly owned subsidiary of Bonia Corporation Berhad.

- c) On 9 January 2003, the Board of Directors of Bonia Corporation Berhad announced that the Company had acquired the entire equity interest in Mcore Sdn Bhd comprising 2 ordinary shares of RM1 each for a total cash consideration of RM2 only. Also on the same date, the Company increases the issued and paid-up share capital of Mcore Sdn Bhd from RM2 to RM100 via a subscription of 98 ordinary shares of RM1 each for cash by the following parties :-

<u>Name of shareholder</u>	<u>No. of shares</u>
Bonia Corporation Berhad	58
Oscan Corporation Sdn Bhd	40

With the above subscription of shares, Mcore Sdn Bhd has become a 60% subsidiary of Bonia Corporation Berhad. The acquisition and subscription of shares are not subjected to the approval of the shareholders' and any other relevant authority (ies).

B9. Group Borrowings

The total Group borrowings and debts securities as at 31 December 2002 are as follows:-

	Short Term Borrowing RM'000	Long Term Borrowing RM'000
<u>Secured</u>		
Bank overdrafts	1,603	-
Bankers' acceptances / Trust receipts	7,762	-
Revolving credits	4,900	-
Term loans	6,489	17,679
	<u>20,754</u>	<u>17,679</u>
<u>Unsecured</u>		
Bank overdrafts	12,859	-
Bankers' acceptances / Trust receipts	16,613	-
Revolving credits	450	-
Hire purchase & lease	183	652
	<u>30,105</u>	<u>652</u>
Total	<u>50,859</u>	<u>18,331</u>

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NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 2002

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

B11. Material Litigation

There was no material litigation pending at the date of this report.

B12. Dividend

No interim dividend has been recommended for the current quarter ended 31 December 2002.

B13. Earnings Per Share

The basic and diluted earnings per share has been calculated by dividing the Group's net profit/(loss) for the period by the number of ordinary shares in issue during the period.

i) Net Profit / (loss) for the period (basic & diluted)

	Current year quarter 31 Dec 2002 RM'000	Preceding year quarter 30 Dec 2001 RM'000	Current year to-date 31 Dec 2002 RM'000	Preceding year period 30 Dec 2001 RM'000
Net profit / (loss) for the period	1,204	1,207	2,260	1,711

ii) Number of ordinary shares (basic)

	Current year quarter 31 Dec 2002 '000	Preceding year quarter 30 Dec 2001 '000	Current year to-date 31 Dec 2002 '000	Preceding year period 30 Dec 2001 '000
Weighted average number of ordinary shares	40,020	33,300	40,010	33,300

iii) Number of ordinary shares (diluted)

	Current year quarter 31 Dec 2002 '000	Preceding year quarter 30 Dec 2001 '000	Current year to-date 31 Dec 2002 '000	Preceding year period 30 Dec 2001 '000
Weighted average number of ordinary shares	40,020	-	40,010	-
Effect of share option	726	-	726	-
Weighted average number of ordinary shares (diluted)	40,746	-	40,736	-

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK

Finance Director

Kuala Lumpur

24 February 2003