

# BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

## CONDENSED CONSOLIDATED BALANCE SHEETS

As at 31 March 2003

	<b>Unaudited As at 31 Mar 2003 RM'000</b>	<b>Audited As at 30 Jun 2002 RM'000</b>
<b><u>ASSETS EMPLOYED</u></b>		
PROPERTY, PLANT AND EQUIPMENT	33,298	32,861
INTANGIBLE ASSETS	9,999	10,528
PROPERTY DEVELOPMENT EXPENDITURE	38,234	39,833
OTHER INVESTMENTS	10,267	12,204
<b>CURRENT ASSETS</b>		
Inventories	27,106	27,626
Trade and other receivables	28,554	21,297
Cash and cash equivalents	6,152	4,285
	<b>61,812</b>	<b>53,208</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	17,864	14,730
Bank borrowings	54,920	51,831
Taxation	1,961	1,693
	<b>74,745</b>	<b>68,254</b>
NET CURRENT ASSETS/(LIABILITIES)	<b>(12,933)</b>	<b>(15,046)</b>
	<b>78,865</b>	<b>80,380</b>
<b><u>FINANCED BY</u></b>		
SHARE CAPITAL	40,253	40,000
RESERVES	20,500	18,329
SHAREHOLDERS' FUNDS	60,753	58,329
MINORITY INTERESTS	264	816
<b>LONG-TERM LIABILITIES</b>		
Borrowings	17,739	21,132
Other deferred liabilities	109	103
	<b>78,865</b>	<b>80,380</b>
Net Tangible Assets per Share (sen)	<b>126</b>	<b>120</b>

*(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

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

## CONDENSED CONSOLIDATED INCOME STATEMENTS

For the quarter ended 31 March 2003

	Individual Quarter		Cumulative Quarter	
	Current Year 31 Mar 2003 RM' 000	Preceding Year Corresponding Quarter 31 Mar 2002 RM' 000	Current Year To-Date 31 Mar 2003 RM' 000	Preceding Year Corresponding Period 31 Mar 2002 RM' 000
<b>Revenue</b>	<b>29,934</b>	<b>22,813</b>	<b>96,363</b>	<b>68,317</b>
Operating expenses	(25,646)	(19,556)	(83,695)	(59,471)
Depreciation and amortisation	(713)	(786)	(2,096)	(2,047)
Other operating income	153	719	323	1,306
<b>Profit / (loss) from operations</b>	<b>3,728</b>	<b>3,190</b>	<b>10,895</b>	<b>8,105</b>
Finance costs	(1,350)	(966)	(4,179)	(3,100)
Interest income	-	-	-	-
<b>Profit / (loss) before taxation</b>	<b>2,378</b>	<b>2,224</b>	<b>6,716</b>	<b>5,005</b>
Taxation	(1,299)	(802)	(3,408)	(1,841)
<b>Profit / (loss) after taxation</b>	<b>1,079</b>	<b>1,422</b>	<b>3,308</b>	<b>3,164</b>
Minority interest	216	(99)	247	(130)
<b>Net Profit for the period</b>	<b>1,295</b>	<b>1,323</b>	<b>3,555</b>	<b>3,034</b>
Earnings per share (sen) (Note B13)				
- Basic	3.22	3.86	8.87	9.07
- Diluted	3.17	NA	8.72	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"

# BONIA CORPORATION BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY For the quarter ended 31 March 2003

	Share Capital RM' 000	Non- Distributable Share Premium, Reserves RM' 000	Distributable Retained Profits RM' 000	Total RM' 000
<b>Balance as at 30 June 2002</b>	<b>40,000</b>	<b>3,732</b>	<b>14,597</b>	<b>58,329</b>
Net profit / (loss) for the period	-	32	3,555	3,587
Dividend (Note A7)	-	-	(1,449)	(1,449)
Issue of shares for ESOS	253	33	-	286
<b>Balance as at 31 March 2003</b>	<b>40,253</b>	<b>3,797</b>	<b>16,703</b>	<b>60,753</b>
<b>Balance as at 30 June 2001</b>	<b>33,300</b>	<b>3,313</b>	<b>11,957</b>	<b>48,570</b>
Net profit / (loss) for the period	-	(379)	3,034	2,655
Issue of shares	6,700	670	-	7,370
<b>Balance as at 31 March 2002</b>	<b>40,000</b>	<b>3,604</b>	<b>14,991</b>	<b>58,595</b>

*(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)*

# BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the quarter ended 31 March 2003

6 Months ended  
31 Mar 2003  
RM' 000

<b>Cash flows from operating activities</b>	
Profit / (loss) before taxation	6,716
Adjustments for non-cash flow:	
Non-cash items	2,096
Impairment loss of assets	1,163
Finance costs	4,179
Operating profit / (loss) before working capital changes	<u>14,154</u>
Changes in working capital	
Net change in current assets	(6,737)
Net change in current liabilities	3,140
<b>Cash generated from operations</b>	<u><b>10,557</b></u>
Finance costs	(4,179)
Tax (paid) / refund	(3,140)
<b>Net Cash generated from operations activities</b>	<u><b>3,238</b></u>
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment	(1,395)
Decrease in interest in joint venture	1,437
Decrease in property development expenditure	1,599
Acquisition of subsidiary companies	(88)
Acquisition of additional shares in a subsidiary company	(600)
Acquisition of remaining shares in a subsidiary company	(857)
Net cash used in investing activities	<u>96</u>
<b>Cash flows from financing activities</b>	
Net proceed / (repayment) of bank borrowings	3,095
Dividend paid	(1,449)
Proceeds from issue of shares	286
Net cash used in financing activities	<u>1,932</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>5,266</b>
<b>Cash and cash equivalents at beginning of period</b>	(17,398)
<b>Cash and cash equivalents at end of period (Note A13)</b>	<u><b>(12,132)</b></u>

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

# BONIA CORPORATION BERHAD

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## NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2003

### 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 except for the adoption of the following MASB standards:-

- i) MASB 22 Segment Reporting  
The adoption of this standard has no impact on the Income Statement and the Balance Sheet. The segmental information is presented to comply with this standard.
- ii) MASB 23 Impairment of Assets  
The adoption of this standard has no impact on these interim financial statements.
- iii) MASB 24 Financial Instruments : Disclosure and Presentation  
The adoption of this standard has no impact on these interim financial statements.

### 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.

# BONIA CORPORATION BERHAD

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## NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2003

### A6. Debts and Equity Securities

During the current 9 months ended 31 March 2003, the Company increased its issued and paid up capital from RM40,000,000 to RM40,253,000 by allotment of 253,000 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

A final dividend of 5% less income tax, amounting to RM1,449,000 in respect of the previous financial year ended 30 June 2002 was paid on 28 February 2003.

### A8. Segmental Reporting

#### i) Business segments

	Retailing	Manufac- -turing of carry wear	Rental of Propert- ies	Property Develop- ment	Invest- ment	Elimina- tion	Conso- lidation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
External sales	95,953	67	343	-	-	-	96,363
Inter-segment sales	15,697	5,690	1,490	-	4,400	(27,277)	-
	<u>111,650</u>	<u>5,757</u>	<u>1,833</u>	<u>-</u>	<u>4,400</u>	<u>(27,277)</u>	<u>96,363</u>
<b>Results</b>							
Segment results (external)	12,543	187	(275)	(1,560)	-	-	10,895
Unallocated corporate expenses							-
Profit / (loss) from operations							<u>10,895</u>
Finance cost							(4,179)
Taxation							(3,408)
Profit / (loss) before taxation and minority interest							<u>3,308</u>
Minority interest							247
Net profit / (loss) for the period							<u><u>3,555</u></u>

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## NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2003

### ii) Geographical segments

	Revenue	Total assets	Capital expenditure
	RM'000	RM'000	RM'000
Malaysia	78,823	143,075	1,517
Singapore	14,463	536	142
Other Asian countries	3,077	-	-
	<u>96,363</u>	<u>143,611</u>	<u>1,659</u>

### 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.

### 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 (a), (b) and (c).

### A12. Changes in Contingent Liabilities

The contingent liabilities of the Group as at 31 March 2003 comprising of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amount to RM110.6 million of which utilised by these subsidiaries amounted to RM67.8 million.

### A13. Cash and cash equivalents

	31 Mar 2003
	RM'000
Fixed deposits	2,337
Cash and bank balances	3,815
Bank overdrafts	<u>(15,983)</u>
	(9,831)
Less : Fixed deposit pledged	<u>(2,301)</u>
	<u>(12,132)</u>

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## NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2003

### ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

#### B1. Review of Performance of the Company and its Subsidiaries

For the nine months ended 31 March 2003, the Group achieved revenue of RM96.4 million and profit before taxation of RM6.7 million, an increased of 41% and 34% 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 annual Mega Sales Carnival this quarter 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 RM2.4 million as compared to a profit before taxation of RM2.9 million for the preceding quarter. The lower profit before taxation mainly attributed to lower revenue during the quarter under reviewed and higher expenses incurred by our property division.

#### 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.

#### B5. Taxation

	Current quarter ended 31 Mar 2003 RM'000	Current year to-date ended 31 Mar 2003 RM'000
Current year tax	1,323	3,432
Deferred tax	(24)	(24)
	<u>1,299</u>	<u>3,408</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.



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## NOTES TO INTERIM FINANCIAL REPORT

31 MARCH 2003

### 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 by the relevant authority and completed on 9 January 2003.

b) 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).

c) On 31 March 2003, the Board of Directors of the Company announced that Mcore Sdn Bhd, the subsidiary of the Company has increased its authorised share capital from RM100,000 to RM1,000,000 divided into

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## NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2003

1,000,000 ordinary shares of RM1.00 each by the creation of an additional 900,000 ordinary shares of RM1.00 each with effect from 31 March 2003. Its Paid-up Share Capital has also been increased from RM100 to RM1,000,000 by an allotment of 999,900 ordinary shares of RM1.00 each for the purpose of increasing its working capital. The shareholdings structure of Mcore Sdn Bhd before and after the increase in share capital is as follows:

Shareholder	Existing Shareholdings	Allotment of Shares	After Allotment of Shares	Shareholdings (%)
Bonia Corporation Berhad	60	599,940	600,000	60%
Oscan Corporation Sdn Bhd	40	399,960	400,000	40%
<b>Total</b>	<b>100</b>	<b>999,900</b>	<b>1,000,000</b>	<b>100%</b>

The above increase in share capital has no material effect on the earnings per share, net tangible assets per share, share capital and the substantial shareholdings of the Company for the financial year ending 30 June 2003.

### B9. Group Borrowings

The total Group borrowings and debts securities as at 31 March 2003 are as follows:-

	Short Term Borrowing RM'000	Long Term Borrowing RM'000
<u>Secured</u>		
Bank overdrafts	350	-
Bankers' acceptances / Trust receipts	7,790	-
Revolving credits	4,900	-
Term loans	6,488	16,988
	<u>19,528</u>	<u>16,988</u>
<u>Unsecured</u>		
Bank overdrafts	15,633	-
Bankers' acceptances / Trust receipts	19,134	-
Revolving credits	450	-
Hire purchase & lease	175	751
	<u>35,392</u>	<u>751</u>
Total	<u>54,920</u>	<u>17,739</u>

### 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.

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## NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2003

### 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 March 2003.

### 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 Mar 2003 RM'000	Preceding year quarter 31 Mar 2002 RM'000	Current year to-date 31 Mar 2003 RM'000	Preceding year period 31 Mar 2002 RM'000
Net profit / (loss) for the period	1,295	1,323	3,555	3,034

#### ii) Number of ordinary shares (basic)

	Current year quarter 31 Mar 2003 RM'000	Preceding year quarter 31 Mar 2002 RM'000	Current year to-date 31 Mar 2003 RM'000	Preceding year period 31 Mar 2002 RM'000
Weighted average number of ordinary shares	40,238	34,322	40,085	33,434

#### iii) Number of ordinary shares (diluted)

	Current year quarter 31 Mar 2003 RM'000	Preceding year quarter 31 Mar 2002 RM'000	Current year to-date 31 Mar 2003 RM'000	Preceding year period 31 Mar 2002 RM'000
Weighted average number of ordinary shares	40,238	-	40,085	-
Effect of share option	675	-	675	-
Weighted average number of ordinary shares (diluted)	40,913	-	40,760	-

By Order of the Board,  
**BONIA CORPORATION BERHAD**

### CHONG CHIN LOOK

Finance Director  
Kuala Lumpur  
19 May 2003