

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 30 June 2003

(Unaudited)

	30 Jun 2003 RM'000	30 Jun 2002 RM'000 (restated)
<u>ASSETS EMPLOYED</u>		
PROPERTY, PLANT AND EQUIPMENT	32,379	32,861
GOODWILL ON CONSOLIDATION	9,927	10,441
INTANGIBLE ASSET	42	41
PROPERTY DEVELOPMENT EXPENDITURE	37,837	39,833
OTHER INVESTMENTS	6,971	12,204
CURRENT ASSETS		
Inventories	24,246	27,626
Trade and other receivables	25,796	21,297
Cash and cash equivalents	4,665	4,285
	54,707	53,208
CURRENT LIABILITIES		
Trade and other payables	18,339	14,730
Bank borrowings	48,678	51,831
Taxation	2,213	1,693
	69,230	68,254
NET CURRENT ASSETS/(LIABILITIES)	(14,523)	(15,046)
	72,633	80,334
<u>FINANCED BY</u>		
SHARE CAPITAL	40,253	40,000
RESERVES	19,499	18,490
SHAREHOLDERS' FUNDS	59,752	58,490
MINORITY INTERESTS	650	816
LONG-TERM LIABILITIES		
Bank borrowings	12,456	21,132
Deferred tax liabilities / (assets)	(225)	(104)
	72,633	80,334
Net Tangible Assets per Share (sen)	124	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

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the year ended 30 June 2003

(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Jun 2003 RM' 000	Preceding Year Corresponding Quarter 30 Jun 2002 RM' 000 (restated)	Current Year To-Date 30 Jun 2003 RM' 000	Preceding Year Corresponding Period 30 Jun 2002 RM' 000 (restated)
Revenue	22,835	24,717	119,198	93,034
Operating expenses	(23,037)	(22,368)	(106,732)	(81,839)
Depreciation and amortisation	(1,014)	(531)	(3,110)	(2,578)
Other operating income	1,683	(938)	2,006	368
Profit / (loss) from operations	467	880	11,362	8,985
Finance costs	(1,319)	(916)	(5,498)	(4,016)
Interest income	-	-	-	-
Profit / (loss) before taxation	(852)	(36)	5,864	4,969
Taxation	218	(221)	(3,190)	(2,062)
Profit / (loss) after taxation	(634)	(257)	2,674	2,907
Minority interest	(387)	24	(140)	(106)
Net Profit for the period	(1,021)	(233)	2,534	2,801
Earnings per share (sen) (Note B13)				
- Basic	(2.54)	(0.58)	6.31	7.82
- Diluted	(2.50)	NA	6.23	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 year ended 30 June 2003

(Unaudited)

	Share Capital RM' 000	Non- Distributable Share Premium, Reserves RM' 000	Distributable Retained Profits RM' 000	Total RM' 000
As at 1 July 2002				
- As previously reported	40,000	3,732	14,597	58,329
- MASB 25 adjustment	-	-	161	161
Restated balance	40,000	3,732	14,758	58,490
Net profit / (loss) for the period	-	(109)	2,534	2,425
Dividend paid	-	-	(1,449)	(1,449)
Issue of shares for ESOS	253	33	-	286
As at 30 June 2003	40,253	3,656	15,843	59,752
As at 1 July 2001				
	33,300	3,313	11,957	48,570
Net profit / (loss) for the period				
- As previously reported	-	(251)	2,640	2,389
- MASB 25 adjustment	-	-	161	161
Restated balance	-	(251)	2,801	2,550
Issue of shares	6,700	670	-	7,370
As at 30 June 2002	40,000	3,732	14,758	58,490

(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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the year ended 30 June 2003

(Unaudited)

	30 Jun 2003 RM' 000
Cash flows from operating activities	
Profit / (loss) before taxation	5,864
Adjustments for non-cash flow:	
Non-cash items	3,096
Impairment loss of assets	4,851
Finance costs	5,498
Operating profit / (loss) before working capital changes	<u>19,309</u>
Changes in working capital	
Net change in current assets	(1,119)
Net change in current liabilities	3,281
Cash generated from operations	<u>21,471</u>
Finance costs	(5,498)
Tax (paid) / refund	(2,670)
Net Cash generated from operations activities	<u>13,303</u>
Cash flows from investing activities	
Purchase of property, plant and equipment	(3,528)
Proceed from disposal of properties	1,040
Decrease in interest in joint venture	2,881
Decrease in property development expenditure	1,996
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>844</u>
Cash flows from financing activities	
Net proceed / (repayment) of bank borrowings	(7,844)
Dividend paid	(1,449)
Proceeds from issue of shares	286
Net cash used in financing activities	<u>(9,007)</u>
Net (decrease) / increase in cash and cash equivalents	5,140
Cash and cash equivalents at beginning of period	(17,398)
Cash and cash equivalents at end of period (Note A13)	<u>(12,258)</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 30 JUNE 2003 (Unaudited)

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 an impact of RM4.8 Million on profit before taxation for the year under review as disclosed under Note B1 and B2.
- iii) **MASB 24 Financial Instruments : Disclosure and Presentation**
The adoption of this standard has no impact on these interim financial statements.
- iv) **MASB 25 Income Tax**
The adoption of MASB 25, the Group changed its accounting policy with respect to the provision of deferred taxation. In accordance with MASB 25, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. This change in accounting policy has been accounted for retrospectively and the effects of the new accounting policy on the financial statement are shown below:-

	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
For the financial year ended 30 June 2002			
- Tax expense for the year	2,223	(161)	2,062
As at 1 July 2002			
- Goodwill on consolidation	(10,487)	46	(10,441)
- Retained profits	14,597	161	14,758
- Deferred taxation	103	(207)	(104)

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.

BONIA CORPORATION BERHAD

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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2003 (Unaudited)

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 12 months ended 30 June 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

No dividend has been paid in current quarter under review.

A8. Segmental Reporting

Business segments

	Retailing	Manufac- -turing of carry wear	Rental of Prop- -erties	Property Develop- -ment	Invest- -ment	Elimina- -tion	Conso- -lidation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	118,528	91	579	-	-	-	119,198
Inter-segment sales	20,114	7,237	2,096	-	4,400	(33,847)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	138,642	7,328	2,675	-	4,400	(33,847)	119,198
Results							
Profit / (loss) from operations	13,186	497	(382)	(1,525)	(414)		11,362
Finance cost							(5,498)
Taxation							(3,190)
Profit / (loss) before taxation and minority interest							<hr/>
Minority interest							2,674
							(140)
Net profit / (loss) for the period							<hr/> <hr/>
							2,534

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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2003 (Unaudited)

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.

A12. Changes in Contingent Liabilities

The contingent liabilities of the Group as at 30 June 2003 comprised of Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amount to RM109.6 million of which utilised by these subsidiaries amounted to RM55.1 million.

A13. Cash and cash equivalents

	30 June 2003 RM'000
Fixed deposits	2,469
Cash and bank balances	2,196
Bank overdrafts	(14,622)
	<hr/>
	(9,957)
Less : Fixed deposit pledged	(2,301)
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	(12,258)

ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B1. Review of Performance of the Company and its Subsidiaries

For the twelve months ended 30 June 2003, the Group achieved revenue of RM119.2 million and profit before taxation of RM5.9 million, an increased of 28% and 2% respectively from the previous year corresponding period. The increased in revenue was mainly due to contribution from our newly acquired men apparel business with full year effect for the financial year under review as compared to inclusion of only 3 months results for the previous year comparative figures. The lower than expected profit before tax increase of 2% was attributed to the impairment of assets amounted to RM4.8 million.

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NOTES TO INTERIM FINANCIAL REPORT

30 JUNE 2003

(Unaudited)

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 a marginal loss before taxation of RM0.85 million as compared to a profit before taxation of RM2.4 million for the preceding quarter mainly due the impact of the SARS epidemic in the Asian region, which resulted in lower revenue. Impairment of assets amounted to RM3.7 million under this quarter also contributed to the loss.

B3. Current Year Prospect

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

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

	Current quarter ended 30 June 2003 RM'000	Current year to-date ended 30 June 2003 RM'000
Current year tax	151	3,583
Under / (over) provision of previous years tax	(72)	(72)
Deferred tax	(297)	(321)
	<u>(218)</u>	<u>3,190</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 deferred tax assets are not recognised due to uncertainty in availability of future profit for utilisation, and certain expenses which are not deductible for tax purposes.

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

As at 30 June 2003, the profit and loss on sale of properties for the financial period under review are as follow:-

	RM'000
Under Fixed Assets	
Sales proceeds	505
Cost	<u>474</u>
Profit on sales	<u>31</u>
Under Investment Properties	
Sales proceed	1,310
Cost of investment property	<u>1,484</u>
Profit / (Loss) on sales	<u>(174)</u>

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NOTES TO INTERIM FINANCIAL REPORT

30 JUNE 2003

(Unaudited)

B7. Quoted Securities

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

B8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

B9. Group Borrowings

The total Group borrowings and debts securities as at 30 June 2003 are as follows:-

	Short Term Borrowing RM'000	Long Term Borrowing RM'000
<u>Secured</u>		
Bank overdrafts	6,649	-
Bankers' acceptances / Trust receipts	7,200	-
Revolving credits	4,900	-
Term loans	6,654	11,756
	<u>25,403</u>	<u>11,756</u>
<u>Unsecured</u>		
Bank overdrafts	7,972	-
Bankers' acceptances / Trust receipts	14,485	-
Revolving credits	450	-
Hire purchase & lease	368	700
	<u>23,275</u>	<u>700</u>
Total	<u>48,678</u>	<u>12,456</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.

B11. Material Litigation

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

B12. Dividend

A first and final dividend of 5% per share (less tax of 28%) amounting to RM1,449,108 has been recommended for the financial year ended 30 June 2003.

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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2003 (Unaudited)

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 30 Jun 2003 RM'000	Preceding year quarter 30 Jun 2002 RM'000 (restated)	Current year to-date 30 Jun 2003 RM'000	Preceding year period 30 Jun 2002 RM'000 (restated)
Net profit / (loss) for the period	(1,021)	(233)	2,534	2,801

ii) Number of ordinary shares (basic)

	Current year quarter 30 Jun 2003 RM'000	Preceding year quarter 30 Jun 2002 RM'000	Current year to-date 30 Jun 2003 RM'000	Preceding year period 30 Jun 2002 RM'000
Weighted average number of ordinary shares	40,253	40,000	40,127	35,828

iii) Number of ordinary shares (diluted)

	Current year quarter 30 Jun 2003 RM'000	Preceding year quarter 30 Jun 2002 RM'000	Current year to-date 30 Jun 2003 RM'000	Preceding year period 30 Jun 2002 RM'000
Weighted average number of ordinary shares	40,253	-	40,127	-
Effect of share option	570	-	570	-
Weighted average number of ordinary shares (diluted)	40,823	-	40,697	-

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK
Finance Director
Kuala Lumpur
22 August 2003