

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 31 March 2004

(Unaudited)

	31 Mar 2004 RM'000	30 Jun 2003 RM'000
<u>ASSETS EMPLOYED</u>		
PROPERTY, PLANT AND EQUIPMENT	33,482	32,379
GOODWILL ON CONSOLIDATION	9,488	9,908
INTANGIBLE ASSET	16	15
INVESTMENT IN ASSOCIATED COMPANY	230	0
PROPERTY DEVELOPMENT EXPENDITURE	38,163	37,837
OTHER INVESTMENTS	6,197	6,971
DEFERRED TAX ASSETS	342	342
CURRENT ASSETS		
Inventories	28,569	24,246
Trade and other receivables	33,795	25,808
Cash and cash equivalents	6,520	4,665
	<u>68,884</u>	<u>54,719</u>
CURRENT LIABILITIES		
Trade and other payables	24,797	18,350
Bank borrowings	56,536	47,342
Taxation	1,565	2,229
	<u>82,898</u>	<u>67,921</u>
NET CURRENT ASSETS/(LIABILITIES)	(14,014)	(13,202)
	<u>73,904</u>	<u>74,250</u>
<u>FINANCED BY</u>		
SHARE CAPITAL	40,419	40,253
RESERVES	23,133	19,439
SHAREHOLDERS' FUNDS	<u>63,552</u>	<u>59,692</u>
MINORITY INTERESTS	981	650
LONG-TERM LIABILITIES		
Bank borrowings	9,272	13,785
Deferred tax liabilities / (assets)	99	123
	<u>73,904</u>	<u>74,250</u>
Net Tangible Assets per Share (sen)	<u>134</u>	<u>124</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2003)

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)
[Incorporated in Malaysia]

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the period ended 31 March 2004

(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2004 RM' 000	Preceding Year Corresponding Quarter 31 Mar 2003 RM' 000	Current Year To-Date 31 Mar 2004 RM' 000	Preceding Year Corresponding Period 31 Mar 2003 RM' 000
Revenue	36,264	29,934	106,106	96,363
Operating expenses	(31,259)	(25,646)	(92,660)	(83,695)
Depreciation and amortisation	(1,134)	(713)	(3,167)	(2,096)
Other operating income	260	153	589	323
Profit / (loss) from operations	4,131	3,728	10,868	10,895
Finance costs	(903)	(1,350)	(2,839)	(4,179)
Share of results of associated co	(6)	-	(6)	-
Profit / (loss) before taxation	3,222	2,378	8,023	6,716
Taxation	(1,278)	(1,299)	(2,801)	(3,408)
Profit / (loss) after taxation	1,944	1,079	5,222	3,308
Minority interest	(157)	216	(185)	247
Net Profit for the period	1,787	1,295	5,037	3,555
Earnings per share (sen) (Note B13)				
- Basic	4.42	3.22	12.48	8.87
- Diluted	4.38	3.17	12.35	8.72

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2003)

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 31 March 2004

(Unaudited)

	Share Capital RM' 000	Non- Distributable Share Premium, Reserves RM' 000	Distributable Retained Profits RM' 000	Total RM' 000
As at 1 July 2003	40,253	3,817	15,622	59,692
Net profit / (loss) for the period	-	89	5,037	5,126
Dividend paid	-	-	(1,454)	(1,454)
Issue of shares for ESOS	166	22	-	188
As at 31 March 2004	40,419	3,928	19,205	63,552
As at 1 July 2002				
- As previously reported	40,000	3,732	14,597	58,329
- MASB 25 adjustment	-	-	129	129
Restated balance	40,000	3,732	14,726	58,458
Net profit / (loss) for the period	-	32	3,426	3,458
Dividend paid	-	-	(1,449)	(1,449)
Issue of shares for ESOS	253	33	-	286
As at 31 March 2003	40,253	3,797	16,703	60,753

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2003)

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the period ended 31 March 2004

(Unaudited)

	31 Mar 2004 RM' 000	31 Mar 2003 RM' 000
Cash flows from operating activities		
Profit / (loss) before taxation	8,023	6,716
Adjustments for non-cash flow:		
Non-cash items	3,167	2,096
Share of results of associated company	6	-
Impairment loss of assets	920	1,163
Finance costs	2,839	4,179
Operating profit / (loss) before working capital changes	14,955	14,154
Changes in working capital		
Net change in current assets	(12,310)	(6,737)
Net change in current liabilities	6,423	3,140
Cash generated from operations	9,068	10,557
Finance costs	(2,839)	(4,179)
Tax (paid) / refund	(3,474)	(3,140)
Net Cash generated from operations activities	2,755	3,238
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,753)	(1,395)
Net change in interest in joint venture	-	1,437
Net change in property development expenditure	(326)	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)
Investment in an associated company	(236)	-
Net cash used in investing activities	(4,315)	96
Cash flows from financing activities		
Net proceed / (repayment) of bank borrowings	5,126	3,095
Dividend paid	(1,454)	(1,449)
Proceeds from issue of shares	188	286
Net cash used in financing activities	3,860	1,932
Net (decrease) / increase in cash and cash equivalents	2,300	5,266
Cash and cash equivalents at beginning of period	(12,344)	(17,398)
Cash and cash equivalents at end of period (Note A13)	(10,044)	(12,132)

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2003)

BONIA CORPORATION BERHAD

(Company No. 223934-T)
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NOTES TO INTERIM FINANCIAL REPORT

31 MARCH 2004

(Unaudited)

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with the MASB 26, Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia's Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2003.

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 2003.

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 2003.

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 9 months ended 31 March 2004, the Company increased its issued and paid up capital to RM40,419,000 by allotment of 166,000 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% per share less tax, totaling RM1,453,572 in respect of the financial year ended 30 June 2003 was paid on 28 February 2004.

BONIA CORPORATION BERHAD

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NOTES TO INTERIM FINANCIAL REPORT

31 MARCH 2004

(Unaudited)

A8. Segmental Reporting

Business segments

9 months ended 31 March 2004

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	105,840	-	264	-	106,104
Inter-segment sales	17,797	5,880	3,121	(26,798)	-
	<u>123,637</u>	<u>5,880</u>	<u>3,385</u>	<u>(26,798)</u>	<u>106,104</u>
Results					
Segment results (external)	10,194	(96)	689	(2,758)	8,029
Share of results of associated company	(6)				(6)
Profit / (loss) before taxation					<u>8,023</u>
Taxation					<u>(2,801)</u>
Profit after taxation					5,222
Minority interest					<u>(185)</u>
Net profit for the period					<u>5,037</u>

9 months ended 31 March 2003

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	95,953	67	343	-	96,363
Inter-segment sales	15,697	5,690	5,890	(27,277)	-
	<u>111,650</u>	<u>5,757</u>	<u>6,233</u>	<u>(27,277)</u>	<u>96,363</u>
Results					
Segment results (external)	11,751	(31)	686	(5,690)	6,716
Share of results of associated company	-				-
Profit / (loss) before taxation					<u>6,716</u>
Taxation					<u>(3,408)</u>
Profit after taxation					3,308
Minority interest					<u>247</u>
Net profit for the period					<u>3,555</u>

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2004 (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

Further to the announcement made on 2 October 2003, the Company had on 16 February 2004 subscribed 24,500 ordinary shares of 100 baht each representing 49% equity interest in BBA International Co., Ltd. ("BBA") for a cash consideration of THB2,450,000.00 (RM235,935). BBA was incorporated in Thailand on 2 October 2003 with its core business in retailing and marketing of fashionable goods and accessories. Its current authorised share capital is 5.0 million baht comprising of 50,000 ordinary shares of 100 baht each and all the shares has been issued and fully paid-up.

A12. Changes in Contingent Liabilities

The contingent liabilities of the Group as at 31 March 2004 comprised of Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amount to RM113.4 million of which utilised by these subsidiaries amounted to RM61.3 million.

A13. Cash and cash equivalents

	31 Mar 2004	31 Mar 2003
	RM'000	RM'000
Fixed deposits	2,333	2,337
Cash and bank balances	4,187	3,815
Bank overdrafts	(14,177)	(15,983)
	(7,657)	(9,831)
Less : Fixed deposit pledged	(2,387)	(2,301)
	<u>(10,044)</u>	<u>(12,132)</u>

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2004 (Unaudited)

ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B1. Review of Performance of the Company and its Subsidiaries

Group revenue for the 9 months ended 31 March 2004 increased by RM9.7 million or 10% over the corresponding cumulative quarter in the preceding year principally due to higher sales volume arises from the March's mega sales carnival and from overseas outlets.

Group profit before taxation increased to RM8.0 million from RM6.7 million in the previous corresponding cumulative quarter as a result of lower provision for impairment of assets and finance costs.

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 revenue of RM36.3 million, a decreased of 13% as compared to RM41.6 million in the preceding quarter ended 31 December 2003 due to lower revenue as lesser major festive seasons were recorded in this quarter.

The group achieved a comparable profit before taxation of RM3.2 million in this quarter against the preceding quarter mainly due to better margin and lower finance costs arising from saving in term loan interest.

B3. Current Year Prospect

Barring any unforeseen circumstance and assuming the present business sentiment continues, the Board of Directors expects the coming quarters performance to be satisfactory.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

	Current year to-date ended 31 Mar 2004 RM'000	Preceding year to-date ended 31 Mar 2003 RM'000
Current year tax	2,806	3,432
Deferred tax	(5)	(24)
	<u>2,801</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 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.

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2004 (Unaudited)

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

There were no sales of unquoted investments 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

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 follows:-

	31 March 2004		31 March 2003	
	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Short Term Borrowing RM'000	Long Term Borrowing RM'000
<u>Secured</u>				
Bank overdrafts	1,312	-	350	-
Bankers' acceptances / Trust receipts	7,788	-	7,790	-
Revolving credits	4,900	-	4,900	-
Term loans	7,249	8,741	6,488	16,988
	<u>21,249</u>	<u>8,741</u>	<u>19,528</u>	<u>16,988</u>
<u>Unsecured</u>				
Bank overdrafts	12,865	-	15,633	-
Bankers' acceptances / Trust receipts	21,511	-	19,134	-
Revolving credits	450	-	450	-
Hire purchase & lease	461	531	175	751
	<u>35,287</u>	<u>531</u>	<u>35,392</u>	<u>751</u>
Total	<u>56,536</u>	<u>9,272</u>	<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.

B11. Material Litigation

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

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2004 (Unaudited)

B12. Dividend

No interim dividend has been declared for the period under review.

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 2004 RM'000	Preceding year quarter 31 Mar 2003 RM'000	Current year to-date 31 Mar 2004 RM'000	Preceding year period 31 Mar 2003 RM'000
Net profit / (loss) for the period	1,787	1,295	5,037	3,555

ii) Number of ordinary shares (basic)

	Current year quarter 31 Mar 2004 '000	Preceding year quarter 31 Mar 2003 '000	Current year to-date 31 Mar 2004 '000	Preceding year period 31 Mar 2003 '000
Weighted average number of ordinary shares	40,400	40,238	40,373	40,085

iii) Number of ordinary shares (diluted)

	Current year quarter 31 Mar 2004 '000	Preceding year quarter 31 Mar 2003 '000	Current year to-date 31 Mar 2004 '000	Preceding year period 31 Mar 2003 '000
Weighted average number of ordinary shares	40,400	40,238	40,373	40,085
Effect of share option	414	675	414	675
Weighted average number of ordinary shares (diluted)	40,814	40,913	40,787	40,760

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK
Finance Director
Kuala Lumpur
18 May 2004