

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 30 June 2004

(Unaudited)

	30 Jun 2004 RM'000	30 Jun 2003 RM'000
<u>ASSETS EMPLOYED</u>		
PROPERTY, PLANT AND EQUIPMENT	31,318	32,379
GOODWILL ON CONSOLIDATION	9,348	9,908
INTANGIBLE ASSET	9	15
INVESTMENT IN ASSOCIATED COMPANY	209	0
PROPERTY DEVELOPMENT EXPENDITURE	28,388	37,837
OTHER INVESTMENTS	9,877	6,971
DEFERRED TAX ASSETS	376	342
CURRENT ASSETS		
Inventories	28,098	24,246
Trade and other receivables	46,909	25,808
Cash and cash equivalents	8,979	4,665
	<u>83,986</u>	<u>54,719</u>
CURRENT LIABILITIES		
Trade and other payables	22,330	18,350
Bank borrowings	38,061	47,342
Taxation	2,529	2,229
	<u>62,920</u>	<u>67,921</u>
NET CURRENT ASSETS/(LIABILITIES)	21,066	(13,202)
	<u>100,591</u>	<u>74,250</u>
<u>FINANCED BY</u>		
SHARE CAPITAL	40,419	40,253
RESERVES	25,649	19,439
SHAREHOLDERS' FUNDS	66,068	59,692
MINORITY INTERESTS	1,134	650
LONG-TERM LIABILITIES		
Bank borrowings	33,202	13,785
Deferred tax liabilities / (assets)	187	123
	<u>100,591</u>	<u>74,250</u>
Net Tangible Assets per Share (sen)	<u>140</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 30 June 2004

(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Jun 2004 RM' 000	Preceding Year Corresponding Quarter 30 Jun 2003 RM' 000	Current Year To-Date 30 Jun 2004 RM' 000	Preceding Year Corresponding Period 30 Jun 2003 RM' 000
Revenue	44,392	22,833	150,498	119,196
Operating expenses	(37,894)	(23,183)	(130,554)	(106,878)
Depreciation and amortisation	(947)	(973)	(4,114)	(3,069)
Other operating income	918	1,797	1,507	2,120
Profit / (loss) from operations	6,469	474	17,337	11,369
Finance costs	(2,016)	(1,325)	(4,855)	(5,504)
Share of results of associated co	(21)	-	(27)	-
Profit / (loss) before taxation	4,432	(851)	12,455	5,865
Taxation	(1,688)	28	(4,489)	(3,380)
Profit / (loss) after taxation	2,744	(823)	7,966	2,485
Minority interest	(279)	(387)	(464)	(140)
Net Profit for the period	2,465	(1,210)	7,502	2,345
Earnings per share (sen) (Note B13)				
- Basic	6.10	(3.01)	18.58	5.84
- Diluted	5.70	(2.96)	17.37	5.76

(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 30 June 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	-	140	7,502	7,642
Dividend paid	-	-	(1,454)	(1,454)
Issue of shares for ESOS	166	22	-	188
As at 30 June 2004	40,419	3,979	21,670	66,068
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	-	52	2,345	2,397
Dividend paid	-	-	(1,449)	(1,449)
Issue of shares for ESOS	253	33	-	286
As at 30 June 2003	40,253	3,817	15,622	59,692

(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)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the period ended 30 June 2004

(Unaudited)

	30 Jun 2004 RM' 000	30 Jun 2003 RM' 000
Cash flows from operating activities		
Profit / (loss) before taxation	12,455	5,865
Adjustments for non-cash flow:		
Non-cash items	4,114	3,096
Share of results of associated company	27	-
Impairment loss of assets	2,959	4,851
Finance costs	4,855	5,498
Operating profit / (loss) before working capital changes	24,410	19,310
Changes in working capital		
Net change in current assets	(24,987)	(1,119)
Net change in current liabilities	4,044	3,281
Cash generated from operations	3,467	21,472
Finance costs	(4,855)	(5,498)
Tax (paid) / refund	(4,286)	(2,671)
Net Cash generated from operations activities	(5,674)	13,303
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,995)	(3,528)
Proceed from disposal of properties	-	1,040
Net change in interest in joint venture	-	2,881
Net change in property development expenditure	9,449	1,996
Acquisition of subsidiary companies	-	(88)
Acquisition of additional shares in a subsidiary company	(100)	(600)
Acquisition of remaining shares in a subsidiary company	-	(857)
Investment in an associated company	(236)	-
Investment in subordinated bonds	(3,000)	-
Placement of fixed deposit pledged	-	(86)
Net cash used in investing activities	1,118	758
Cash flows from financing activities		
Net proceed / (repayment) of bank borrowings	18,647	(7,844)
Dividend paid	(1,454)	(1,449)
Proceeds from issue of shares	188	286
Net cash used in financing activities	17,381	(9,007)
Net (decrease) / increase in cash and cash equivalents	12,825	5,054
Cash and cash equivalents at beginning of period	(12,344)	(17,398)
Cash and cash equivalents at end of period (Note A13)	481	(12,344)

(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 30 JUNE 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

Save as disclosed below in this interim financial report, there are no other material changes in the estimates:-

	As previously reported	Changes	As amended
	RM'000	RM'000	RM'000
3 months ended 30 June 2003			
Profit / (loss) before taxation	(852)	1	(851)
Taxation	218	(190)	28
Net profit / (loss)	(1,021)	(189)	(1,210)
	sen	sen	sen
Earning per share			
- basic	(2.54)	(0.47)	(3.01)
- diluted	(2.50)	(0.46)	(2.96)

BONIA CORPORATION BERHAD

(Company No. 223934-T)

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NOTES TO INTERIM FINANCIAL REPORT

30 JUNE 2004

(Unaudited)

	As previously reported	Changes	As amended
	RM'000	RM'000	RM'000
Year-to-date ended 30 June 2003			
Profit before taxation	5,864	1	5,865
Taxation	(3,190)	(190)	(3,380)
Net profit / (loss)	2,534	(189)	2,345
	sen	sen	sen
Earning per share			
- basic	6.31	(0.47)	5.84
- diluted	6.32	(0.56)	5.76

A6. Debts and Equity Securities

During the current 12 months ended 30 June 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

No dividend has been paid in the current quarter under review.

A8. Segmental Reporting

Business segments

12 months ended 30 June 2004

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	138,097	20	12,381	-	150,498
Inter-segment sales	23,754	8,004	3,956	(35,714)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	161,851	8,024	16,337	(35,714)	150,498
Results					
Segment results (external)	14,718	59	(3)	(2,292)	12,482
Share of results of associated company					(27)
Profit / (loss) before taxation					<hr/>
					12,455
Taxation					<hr/>
					(4,489)

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NOTES TO INTERIM FINANCIAL REPORT

30 JUNE 2004

(Unaudited)

Profit after taxation	7,966
Minority interest	(464)
Net profit for the period	7,502

12 months ended 30 June 2003

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	118,528	91	577	-	119,196
Inter-segment sales	21,875	7,237	6,496	(35,608)	-
	140,403	7,328	7,073	(35,608)	119,196
Results					
Segment results (external)	13,758	192	205	(8,290)	5,865
Share of results of associated company	-				-
Profit / (loss) before taxation					5,865
Taxation					(3,380)
Profit after taxation					2,485
Minority interest					(140)
Net profit for the period					2,345

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

Save for those disclosed below, there are no material events subsequent to the current quarter under review up to the date of this report.

On 1 July 2004, Bonia Corporation Berhad acquired the entire equity interest in ARMANI CONTEXT SDN BHD ("ACSB") comprising 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00 only from Cik Nozie Binti Baharom and Ms Yogesri A/P Chandran who were also the Directors of ACSB (the "Acquisition"). The Acquisition has resulted ACSB becoming a wholly-owned subsidiary of Bonia. ACSB is a dormant company and its current authorised share capital is RM100,000 comprising of 100,000 ordinary shares of RM1.00 each and 2 shares have been issued and fully paid-up. The intended principal activities of ACSB will be dealing in interior design, advertising and promotion.

On 5 July 2004, Bonia Corporation Berhad acquired the entire equity interest in DAILY FRONTIER SDN BHD ("DFSB") comprising 2 ordinary shares of RM1.00 each for a total

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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2004 (Unaudited)

cash consideration of RM2.00 only from Puan Noraini Binti Abdullah and Encik Zainudin Bin Koming who were also the Directors of DFSB (the "Acquisition"). The Acquisition has resulted DFSB becoming a wholly owned subsidiary of Bonia. DFSB is a dormant company and its current authorised share capital is RM100,000 comprising of 100,000 ordinary shares of RM1.00 each of which 2 shares have been issued and fully paid-up. The intended principal activities of DFSB are marketing, distribution and export of fashionable goods and accessories.

On 16 August 2004, Bonia Corporation Berhad's wholly owned subsidiary, Dominion Directions Sdn Bhd ("DD") disposed of 37,500 ordinary shares of RM1.00 each representing 5% equity interest in VR Directions Sdn Bhd ("VRD") to the existing substantial shareholder of VRD, Mr Lee Poh Seong for a total cash consideration of RM37,500.00 only ("the Disposal"). Mr Lee Poh Seong is currently holding 5% stake in VRD and also a Director of VRD. DD is currently holding 75% equity interest in VRD and with the Disposal, DD holds only 70% equity interest in VRD. VRD's current authorised share capital is RM1,000,000 comprising of 1,000,000 ordinary shares of RM1.00 each and 750,000 shares have been issued and fully paid-up. Its principal activities are marketing and distribution of men's apparel and accessories. The Disposal is not subject to the approval of the shareholders and any other relevant authority.

A11. Changes in the Composition of the Group

On 24 May 2004, a wholly-owned subsidiary company, Future Classic Sdn Bhd increased its issued and fully-paid share capital from RM2 to RM100,000 by an allotment of 99,998 ordinary shares of RM1.00 each for the purpose of increasing its working capital. The new shares were fully subscribed by Bonia Corporation Berhad.

A12. Changes in Contingent Liabilities

The contingent liabilities of the Group as at 30 June 2004 comprised of Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amount to RM99.1 million of which utilised by these subsidiaries amounted to RM37.2 million.

A13. Cash and cash equivalents

	30 Jun 2004 RM'000	30 Jun 2003 RM'000
Fixed deposits	5,423	2,469
Cash and bank balances	3,556	2,196
Bank overdrafts	(6,111)	(14,622)
	<u>(2,868)</u>	<u>(9,957)</u>
Less : Fixed deposit pledged	(2,387)	(2,387)
	<u>481</u>	<u>(12,344)</u>

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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2004 (Unaudited)

ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B1. Review of Performance of the Company and its Subsidiaries

The Group's revenue for the financial year ended 30 June 2004 increased by RM31.3 million or 26% over the corresponding cumulative quarter in the preceding year principally due to revenue arises from part realisation of our property project in Taman Connaught, Cheras, Kuala Lumpur amounting to RM11.9 million couple with the strong growth in most of our subsidiaries.

The Group's profit before taxation increased to RM12.4 million from RM5.9 million in the previous corresponding cumulative quarter as a result of contribution from our Taman Connaught Land project amounting to RM2.0 million couple with lower provision for impairment of assets and finance costs after the restructuring of some short-term borrowings.

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 RM44.4 million, an increased of 22.4% as compared to RM36.3 million in the preceding quarter ended 31 March 2004 due to revenue arises from part realisation of our property project in Taman Connaught, Cheras, Kuala Lumpur.

The group achieved a higher profit before taxation of RM4.4 million in this quarter against the preceding quarter mainly due to contribution from Taman Connaught project, better margin and lower finance costs arising from saving in short-term interest.

B3. Current Year Prospect

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

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

	Current year to-date ended 30 Jun 2004 RM'000	Preceding year to-date ended 30 Jun 2003 RM'000
Current year tax	4,399	3,598
(Over)/Under provision in prior year	54	(71)
Deferred tax	36	(147)
	<u>4,489</u>	<u>3,380</u>

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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

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:-

	30 June 2004		30 June 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	2,776	-	6,788	-
Bankers' acceptances / Trust receipts	6,825	-	11,085	-
Revolving credits	4,900	-	4,900	-
Term loans	2,901	-	5,320	13,089
	<u>17,402</u>	<u>-</u>	<u>28,093</u>	<u>13,089</u>
<u>Unsecured</u>				
Bank overdrafts	3,335	-	7,834	-
Bankers' acceptances / Trust receipts	16,507	-	10,599	-
Revolving credits	450	-	450	-
Term loans	-	32,517	-	-
Hire purchase & lease	367	685	366	696
	<u>20,659</u>	<u>33,202</u>	<u>19,249</u>	<u>696</u>
Total	<u>38,061</u>	<u>33,202</u>	<u>47,342</u>	<u>13,785</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 30 JUNE 2004 (Unaudited)

B11. Material Litigation

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

B12. Dividend

The Board of Directors has recommended a first and final dividend of 5% per share, less income tax for the year ended 30 June 2004.

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 2004 RM'000	Preceding year quarter 30 Jun 2003 RM'000	Current year to-date 30 Jun 2004 RM'000	Preceding year period 30 Jun 2003 RM'000
Net profit / (loss) for the period	2,465	(1,210)	7,502	2,345

ii) Number of ordinary shares (basic)

	Current year quarter 30 Jun 2004 '000	Preceding year quarter 30 Jun 2003 '000	Current year to-date 30 Jun 2004 '000	Preceding year period 30 Jun 2003 '000
Weighted average number of ordinary shares	40,419	40,253	40,385	40,127

iii) Number of ordinary shares (diluted)

	Current year quarter 30 Jun 2004 '000	Preceding year quarter 30 Jun 2003 '000	Current year to-date 30 Jun 2004 '000	Preceding year period 30 Jun 2003 '000
Weighted average number of ordinary shares	40,419	40,253	40,385	40,127
Effect of share option	2,805	570	2,805	570
Weighted average number of ordinary shares (diluted)	43,224	40,823	43,190	40,697

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK
Finance Director
Kuala Lumpur
30 August 2004