

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 30 September 2004

(Unaudited)

	30 Sep 2004 RM'000	30 Jun 2004 RM'000
<u>ASSETS EMPLOYED</u>		
PROPERTY, PLANT AND EQUIPMENT	32,008	31,318
GOODWILL ON CONSOLIDATION	9,208	9,348
INTANGIBLE ASSET	9	9
INVESTMENT IN ASSOCIATED COMPANY	204	209
PROPERTY DEVELOPMENT EXPENDITURE	27,831	28,388
OTHER INVESTMENTS	9,877	9,877
DEFERRED TAX ASSETS	314	314
CURRENT ASSETS		
Inventories	31,111	28,098
Trade and other receivables	53,123	46,719
Cash and cash equivalents	6,713	8,979
	<u>90,947</u>	<u>83,796</u>
CURRENT LIABILITIES		
Trade and other payables	24,398	22,330
Bank borrowings	41,843	38,061
Taxation	2,629	2,331
	<u>68,870</u>	<u>62,722</u>
NET CURRENT ASSETS/(LIABILITIES)	22,077	21,074
	<u>101,528</u>	<u>100,537</u>
<u>FINANCED BY</u>		
SHARE CAPITAL	40,472	40,419
RESERVES	27,223	25,669
SHAREHOLDERS' FUNDS	67,695	66,088
MINORITY INTERESTS	1,322	1,114
LONG-TERM LIABILITIES		
Bank borrowings	32,366	33,202
Deferred tax liabilities / (assets)	145	133
	<u>101,528</u>	<u>100,537</u>
Net Tangible Assets per Share (sen)	<u>144</u>	<u>140</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2004)

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the period ended 30 September 2004

(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sep 2004 RM' 000	Preceding Year Corresponding Quarter 30 Sep 2003 RM' 000	Current Year To-Date 30 Sep 2004 RM' 000	Preceding Year Corresponding Period 30 Sep 2003 RM' 000
Revenue	37,351	28,252	37,351	28,252
Operating expenses	(32,494)	(24,772)	(32,494)	(24,772)
Depreciation and amortisation	(1,061)	(942)	(1,061)	(942)
Other operating income	137	104	137	104
Profit / (loss) from operations	3,933	2,642	3,933	2,642
Finance costs	(1,323)	(1,031)	(1,323)	(1,031)
Share of results of associated co	(5)	-	(5)	-
Profit / (loss) before taxation	2,605	1,611	2,605	1,611
Taxation	(921)	(555)	(921)	(555)
Profit / (loss) after taxation	1,684	1,056	1,684	1,056
Minority interest	(129)	79	(129)	79
Net Profit for the period	1,555	1,135	1,555	1,135
Earnings per share (sen) (Note B13)				
- Basic	3.85	2.81	3.85	2.81
- Diluted	3.83	2.78	3.83	2.78

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2004)

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 30 September 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 2004	40,419	3,999	21,670	66,088
Net profit / (loss) for the period	-	(1)	1,555	1,554
Issue of shares for ESOS	53	-	-	53
As at 30 September 2004	40,472	3,998	23,225	67,695
As at 1 July 2003	40,253	3,817	15,622	59,692
Net profit / (loss) for the period	-	(15)	1,135	1,120
Issue of shares for ESOS	98	13	-	111
As at 30 September 2003	40,351	3,815	16,757	60,923

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2004)

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the period ended 30 September 2004

(Unaudited)

	30 Sep 2004 RM' 000	30 Sep 2003 RM' 000
Cash flows from operating activities		
Profit / (loss) before taxation	2,605	1,611
Adjustments for non-cash flow:		
Non-cash items	1,061	942
Share of results of associated company	5	-
Impairment loss of assets	140	-
Finance costs	1,323	1,031
Operating profit / (loss) before working capital changes	<u>5,134</u>	<u>3,584</u>
Changes in working capital		
Net change in current assets	(9,417)	(3,532)
Net change in current liabilities	2,080	1,677
Cash generated from operations	(2,203)	1,729
Finance costs	(1,323)	(1,031)
Tax (paid) / refund	(623)	(1,037)
Net Cash generated from operations activities	(4,149)	(339)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,673)	(688)
Net change in property development expenditure	557	(2)
Net cash used in investing activities	<u>(1,116)</u>	<u>(690)</u>
Cash flows from financing activities		
Net proceed / (repayment) of bank borrowings	1,633	(3,812)
Proceeds from issue of shares	53	111
Net cash used in financing activities	<u>1,686</u>	<u>(3,701)</u>
Net (decrease) / increase in cash and cash equivalents	(3,579)	(4,730)
Cash and cash equivalents at beginning of period	1,218	(12,344)
Cash and cash equivalents at end of period (Note A13)	(2,361)	(17,074)

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2004)

BONIA CORPORATION BERHAD

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 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 2004.

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 2004.

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 2004.

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 are no other material changes in the estimates during the current quarter under review.

A6. Debts and Equity Securities

During the current quarter ended 30 September 2004, the Company increased its issued and paid up capital to RM40,472,000 by allotment of 53,000 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.

BONIA CORPORATION BERHAD

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NOTES TO INTERIM FINANCIAL REPORT

30 SEPTEMBER 2004

(Unaudited)

A8. Segmental Reporting

Business segments

3 months ended 30 September 2004

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	37,252	-	99	-	37,351
Inter-segment sales	11,316	2,379	1,349	(15,044)	-
	<u>48,568</u>	<u>2,379</u>	<u>1,448</u>	<u>(15,044)</u>	<u>37,351</u>
Results					
Segment results	3,703	(29)	(336)	(728)	2,610
Share of results of associated Company	(5)				(5)
Profit before tax					<u>2,605</u>
Tax expense					<u>(921)</u>
Profit after tax					1,684
Minority interest					<u>(129)</u>
Net profit for the period					<u>1,555</u>

3 months ended 30 September 2003

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	28,155	0	97	-	28,252
Inter-segment sales	4,753	1,869	509	(7,131)	-
	<u>32,908</u>	<u>1,869</u>	<u>606</u>	<u>(7,131)</u>	<u>28,252</u>
Results					
Segment results	2,152	(65)	(10)	(466)	1,611
Share of results of associated Company	-				-
Profit before tax					<u>1,611</u>
Tax expense					<u>(555)</u>
Profit after tax					1,056
Minority interest					<u>79</u>
Net profit for the period					<u>1,135</u>

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 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 are 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 September 2004 comprised of Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amount to RM94.3 million of which utilised by these subsidiaries amounted to RM40.5 million.

A13. Cash and cash equivalents

	30 Sep 2004	30 Sep 2003
	RM'000	RM'000
Fixed deposits	2,223	2,475
Cash and bank balances	4,490	1,760
Bank overdrafts	(7,424)	(18,922)
	(711)	(14,687)
Less : Fixed deposit pledged	(1,650)	(2,387)
	<u>(2,361)</u>	<u>(17,074)</u>

BONIA CORPORATION BERHAD

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2004 (Unaudited)

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS

B1. Review of Performance of the Company and its Subsidiaries

The Group's revenue for the 3 months ended 30 September 2004 increased by RM9.1 million or 32% over the corresponding cumulative quarter in the preceding year principally due to higher revenue achieved by our retail division.

The Group's profit before tax increased to RM2.6 million from RM1.6 million in the previous corresponding cumulative quarter in tandem with the higher revenue achieved as well as higher profit margin recorded.

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 profit before tax of RM2.6 million as compared to profit before tax of RM4.4 million in the preceding quarter ended 30 June 2004. The higher profit before tax for the preceding quarter was mainly due to contribution from the Taman Connaught project, which made up of RM2.0 million.

B3. Current Year Prospect

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

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

	Current year to-date ended 30 Sep 2004 RM'000	Preceding year to-date ended 30 Sep 2003 RM'000
Current year tax	909	560
Deferred tax	12	(5)
	<u>921</u>	<u>555</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

There were no sales of unquoted investments or properties for the financial period under review.

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2004 (Unaudited)

B7. Quoted Securities

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

B8. Status of Corporate Proposals

Save for those disclosed below, there were no corporate proposals announced but not completed as at the date of this announcement.

On 30 August 2004, the Company made an announcement to propose the following:

- (a) To increase its authorised share capital of the Company from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each to RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each by the creation of 50,000,000 ordinary shares of RM1.00 each.
- (b) A proposed rights issue of up to 23,246,000 3-year warrants 2004/2007 ("Warrants") on the basis of 1 Warrant for every 2 ordinary shares of RM1.00 each in the Company held at an issue price of RM0.10 per Warrant.
- (c) Amendments to its existing ESOS in view of the revised Bursa Malaysia Listing Requirements. The proposed amendments, amongst others, comprise the following:
 - the total number of new shares to be issued by the Company under the ESOS shall not exceed in aggregate 15% of the issued and paid-up share capital of the Company at any one time; and
 - the grant of ESOS to Non-Executive Directors of the Company.
- (d) The above amendments to be made to the Memorandum and Articles of Association of the Company.

The proposals are subject to and conditional upon approvals from the shareholders and relevant regulatory bodies.

B9. Group Borrowings

The total Group borrowings and debts securities as follows:-

	30 Sep 2004		30 Sep 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	3,593	-	7,473	-
Bankers' acceptances / Trust receipts	7,130	-	5,732	-

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2004 (Unaudited)

Revolving credits	4,900	-	4,900	-
Term loans	3,071	-	5,320	12,455
	<u>18,694</u>	<u>-</u>	<u>23,425</u>	<u>12,455</u>
<u>Unsecured</u>				
Bank overdrafts	3,831	-	11,449	-
Bankers' acceptances / Trust receipts	18,142	-	12,858	-
Revolving credits	450	-	450	-
Term loans		31,646	-	-
Hire purchase & lease	726	720	366	612
	<u>23,149</u>	<u>32,366</u>	<u>25,123</u>	<u>612</u>
Total	<u>41,843</u>	<u>32,366</u>	<u>48,548</u>	<u>13,067</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

No interim dividend has been declared for the current quarter 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 30 Sep 2004 RM'000	Preceding year quarter 30 Sep 2003 RM'000	Current year to-date 30 Sep 2004 RM'000	Preceding year period 30 Sep 2003 RM'000
Net profit / (loss) for the period	<u>1,555</u>	<u>1,135</u>	<u>1,555</u>	<u>1,135</u>

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	<u>40,422</u>	<u>40,343</u>	<u>40,422</u>	<u>40,343</u>

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2004 (Unaudited)

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	40,422	40,343	40,422	40,343
Effect of share option	148	518	148	518
Weighted average number of ordinary shares (diluted)	40,570	40,861	40,570	40,861

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK

Finance Director
Kuala Lumpur
17 November 2004