

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 31 December 2004

(Unaudited)

	31 Dec 2004 RM'000	30 Jun 2004 RM'000
<u>ASSETS EMPLOYED</u>		
PROPERTY, PLANT AND EQUIPMENT	32,888	31,318
GOODWILL ON CONSOLIDATION	9,068	9,348
INTANGIBLE ASSET	9	9
INVESTMENT IN ASSOCIATED COMPANY	191	209
PROPERTY DEVELOPMENT EXPENDITURE	27,601	28,388
OTHER INVESTMENTS	9,877	9,877
DEFERRED TAX ASSETS	314	314
CURRENT ASSETS		
Inventories	35,931	28,098
Trade and other receivables	56,569	46,719
Cash and cash equivalents	9,703	8,979
	<u>102,203</u>	<u>83,796</u>
CURRENT LIABILITIES		
Trade and other payables	26,896	22,330
Bank borrowings	43,743	38,061
Taxation	3,867	2,331
	<u>74,506</u>	<u>62,722</u>
NET CURRENT ASSETS/(LIABILITIES)	27,697	21,074
	<u>107,645</u>	<u>100,537</u>
<u>FINANCED BY</u>		
SHARE CAPITAL	40,615	40,419
RESERVES	31,768	25,669
SHAREHOLDERS' FUNDS	72,383	66,088
MINORITY INTERESTS	1,385	1,114
LONG-TERM LIABILITIES		
Bank borrowings	33,658	33,202
Deferred tax liabilities / (assets)	219	133
	<u>107,645</u>	<u>100,537</u>
Net Tangible Assets per Share (sen)	<u>156</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 31 December 2004

(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2004 RM' 000	Preceding Year Corresponding Quarter 31 Dec 2003 RM' 000	Current Year To-Date 31 Dec 2004 RM' 000	Preceding Year Corresponding Period 31 Dec 2003 RM' 000
Revenue	48,578	41,590	85,929	69,842
Operating expenses	(39,086)	(36,629)	(71,580)	(61,401)
Depreciation and amortisation	(1,373)	(1,091)	(2,434)	(2,033)
Other operating income	(85)	225	52	329
Profit / (loss) from operations	8,034	4,095	11,967	6,737
Finance costs	(1,325)	(905)	(2,648)	(1,936)
Share of results of associated co	(13)	-	(18)	-
Profit / (loss) before taxation	6,696	3,190	9,301	4,801
Taxation	(2,032)	(968)	(2,953)	(1,523)
Profit / (loss) after taxation	4,664	2,222	6,348	3,278
Minority interest	(58)	(107)	(187)	(28)
Net Profit for the period	4,606	2,115	6,161	3,250
Earnings per share (sen) (Note B13)				
- Basic	11.39	5.24	15.23	8.05
- Diluted	11.25	5.18	15.05	7.96

(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

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[Incorporated in Malaysia]

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 31 December 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	-	(62)	6,161	6,099
Issue of shares for ESOS	196	-	-	196
As at 31 December 2004	40,615	3,937	27,831	72,383
As at 1 July 2003	40,253	3,817	15,622	59,692
Net profit / (loss) for the period	-	110	3,250	3,360
Issue of shares for ESOS	124	16	-	140
As at 31 December 2003	40,377	3,943	18,872	63,192

(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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the period ended 31 December 2004

(Unaudited)

	31 Dec 2004 RM' 000	31 Dec 2003 RM' 000
Cash flows from operating activities		
Profit / (loss) before taxation	9,301	4,801
Adjustments for non-cash flow:		
Non-cash items	2,434	2,033
Share of results of associated company	18	-
Impairment loss of assets	280	780
Finance costs	2,648	1,936
Operating profit / (loss) before working capital changes	14,681	9,550
Changes in working capital		
Net change in current assets	(17,683)	(21,012)
Net change in current liabilities	4,652	13,498
Cash generated from operations	1,650	2,036
Finance costs	(2,648)	(1,936)
Tax (paid) / refund	(1,417)	(1,672)
Net Cash generated from operations activities	(2,415)	(1,572)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,982)	(2,825)
Net change in property development expenditure	787	(325)
Net cash used in investing activities	(3,195)	(3,150)
Cash flows from financing activities		
Net proceed / (repayment) of bank borrowings	5,510	4,068
Proceeds from issue of shares	196	140
Net cash used in financing activities	5,706	4,208
Net (decrease) / increase in cash and cash equivalents	96	(514)
Cash and cash equivalents at beginning of period	1,218	(12,344)
Cash and cash equivalents at end of period (Note A13)	1,314	(12,858)

(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

31 DECEMBER 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 six months ended 31 December 2004, the Company increased its issued and paid up capital to RM40,615,000 by allotment of 196,000 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.

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NOTES TO INTERIM FINANCIAL REPORT

31 DECEMBER 2004

(Unaudited)

A8. Segmental Reporting

Business segments

6 months ended 31 December 2004

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	85,708	55	166	-	85,929
Inter-segment sales	19,898	4,426	4,825	(29,149)	-
	105,606	4,481	4,991	(29,149)	85,929
Results					
Segment results	11,362	(266)	1,975	(3,752)	9,319
Share of results of associated Company	(18)				(18)
Profit before tax					9,301
Tax expense					(2,953)
Profit after tax					6,348
Minority interest					(187)
Net profit for the period					6,161

6 months ended 31 December 2003

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	69,662	-	180	-	69,842
Inter-segment sales	11,922	4,214	1,041	(17,177)	-
	81,584	4,214	1,221	(17,177)	69,842
Results					
Segment results	6,236	183	(768)	(850)	4,801
Share of results of associated Company	-				-
Profit before tax					4,801
Tax expense					(1,523)
Profit after tax					3,278
Minority interest					(28)
Net profit for the period					3,250

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NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 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 31 December 2004 comprised of Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amount to RM90.2 million of which utilised by these subsidiaries amounted to RM44.3 million.

A13. Cash and cash equivalents

	31 Dec 2004	31 Dec 2003
	RM'000	RM'000
Fixed deposits	3,207	2,333
Cash and bank balances	6,496	2,169
Bank overdrafts	(6,739)	(14,973)
	<u>2,964</u>	<u>(10,471)</u>
Less : Fixed deposit pledged	(1,650)	(2,387)
	<u>1,314</u>	<u>(12,858)</u>

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NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 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 6 months ended 31 December 2004 increased by RM16.1 million or 23% over the corresponding cumulative quarter in the preceding year principally due to higher revenue achieved due to the year-end festive seasons.

The Group's profit before tax increased to RM9.3 million from RM4.8 million in the previous corresponding cumulative quarter in tandem with the higher revenue achieved and improved 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 RM6.7 million as compared to profit before tax of RM2.6 million in the preceding quarter ended 30 September 2004. The higher profit before tax for the current quarter was mainly due to higher revenue achieved.

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 31 Dec 2004 RM'000	Preceding year to-date ended 31 Dec 2003 RM'000
Current year tax	2,867	1,527
Deferred tax	86	(4)
	<u>2,953</u>	<u>1,523</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 31 DECEMBER 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.

On 17 November 2004, the Company announced that Bank Negara Malaysia has vide its letter dated 4 November 2004 (which was received on 10 November 2004), approved the Proposed Rights Issue of Warrants as announced on 30 August 2004 without any conditions attached.

Further to the announcements dated 30 August 2004 and 17 November 2004, the Securities Commission ("SC") has vide its letter dated 8 December 2004 approved the Proposed Rights Issue of Warrants.

The approval of the SC is subject to the following conditions:

- (i) The Company should comply with the requirements stipulated in the Issue/Offer of Securities Guidelines issued by the SC in relation to the Proposed Rights Issue of Warrants;

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- (ii) The Company should increase its Bumiputera equity by 6.09% (i.e. Bumiputera equity after full exercise of the outstanding Warrants) of the enlarged issued and paid-up share capital within two (2) years from the date of the implementation of the Proposed Rights Issue of Warrants; and
- (iii) Hwang-DBS Securities Sdn Bhd/The Company should inform SC upon completion of Proposed Rights Issue of Warrants.

B9. Group Borrowings

The total Group borrowings and debts securities as follows:-

	31 Dec 2004		31 Dec 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	2,519	-	1,683	-
Bankers' acceptances / Trust receipts	9,577	-	7,004	-
Revolving credits	4,900	-	4,900	-
Term loans	1,088	2,897	7,298	9,489
	<u>18,084</u>	<u>2,897</u>	<u>20,885</u>	<u>9,489</u>
<u>Unsecured</u>				
Bank overdrafts	4,220	-	13,290	-
Bankers' acceptances / Trust receipts	20,368	-	20,518	-
Revolving credits	450	-	450	-
Term loans		30,000	-	-
Hire purchase & lease	621	761	468	446
	<u>25,659</u>	<u>30,791</u>	<u>34,726</u>	<u>446</u>
Total	<u>43,743</u>	<u>33,658</u>	<u>55,611</u>	<u>9,935</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.

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NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 2004 (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 31 Dec 2004 RM'000	Preceding year quarter 31 Dec 2003 RM'000	Current year to-date 31 Dec 2004 RM'000	Preceding year period 31 Dec 2003 RM'000
Net profit / (loss) for the period	4,606	2,115	6,161	3,250

ii) Number of ordinary shares (basic)

	Current year quarter 31 Dec 2004 '000	Preceding year quarter 31 Dec 2003 '000	Current year to-date 31 Dec 2004 '000	Preceding year period 31 Dec 2003 '000
Weighted average number of ordinary shares	40,447	40,343	40,442	40,343

iii) Number of ordinary shares (diluted)

	Current year quarter 31 Dec 2004 '000	Preceding year quarter 31 Dec 2003 '000	Current year to-date 31 Dec 2004 '000	Preceding year period 31 Dec 2003 '000
Weighted average number of ordinary shares	40,447	40,343	40,442	40,343
Effect of share option	485	518	481	518
Weighted average number of ordinary shares (diluted)	40,932	40,861	40,923	40,861

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK
Finance Director
Kuala Lumpur
24 February 2005