

# BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

## CONDENSED CONSOLIDATED BALANCE SHEETS

As at 30 June 2006

(Unaudited)

	30 Jun 2006 RM'000	30 Jun 2005 RM'000
<b>ASSETS EMPLOYED</b>		
PROPERTY, PLANT AND EQUIPMENT	46,481	43,952
LAND HELD FOR PROPERTY DEVELOPMENT	4,821	10,343
INVESTMENT IN ASSOCIATED COMPANY	193	180
OTHER INVESTMENTS	11,483	11,801
INTANGIBLE ASSET	2	7
GOODWILL ON CONSOLIDATION	6,363	7,856
DEFERRED TAX ASSETS	297	282
CURRENT ASSETS		
Inventories	38,153	37,782
Trade and other receivables	58,661	56,178
Cash and cash equivalents	22,943	6,386
	119,757	100,346
CURRENT LIABILITIES		
Trade and other payables	20,081	19,220
Bank borrowings	33,640	41,566
Tax liabilities	4,491	3,326
	58,212	64,112
NET CURRENT ASSETS/(LIABILITIES)	61,545	36,234
	131,185	110,655
<b>FINANCED BY</b>		
SHARE CAPITAL	44,780	41,894
WARRANTS	1,900	2,091
RESERVES	43,333	32,343
SHAREHOLDERS' FUNDS	90,013	76,328
MINORITY INTERESTS	1,959	1,138
LONG-TERM LIABILITIES		
Bank borrowings	38,986	32,933
Deferred tax liabilities / (assets)	227	256
	131,185	110,655
Net Tangible Assets per Share (sen)	187	163
Net Assets per Share (sen)	201	182

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005)

# BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

## CONDENSED CONSOLIDATED INCOME STATEMENTS

For the period ended 30 June 2006

(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Jun 2006 RM'000	Preceding Year Corresponding Quarter 30 Jun 2005 RM'000	Current Year To-Date 30 Jun 2006 RM'000	Preceding Year Corresponding Period 30 Jun 2005 RM'000
<b>Revenue</b>	<b>60,249</b>	<b>61,551</b>	<b>221,372</b>	<b>192,037</b>
Operating expenses	(52,473)	(56,248)	(187,815)	(167,529)
Depreciation and amortisation	(2,072)	(2,345)	(7,582)	(5,763)
Other operating income	804	468	1,203	998
<b>Profit from operations</b>	<b>6,508</b>	<b>3,426</b>	<b>27,178</b>	<b>19,743</b>
Finance costs	(1,546)	(1,276)	(5,720)	(5,338)
Share of results of associated co	5	(11)	13	(29)
<b>Profit before taxation</b>	<b>4,967</b>	<b>2,139</b>	<b>21,471</b>	<b>14,376</b>
Taxation	(1,167)	(1,624)	(7,111)	(6,339)
<b>Profit after taxation</b>	<b>3,800</b>	<b>515</b>	<b>14,360</b>	<b>8,037</b>
Minority interest	(36)	483	(590)	58
<b>Net Profit for the period</b>	<b>3,764</b>	<b>998</b>	<b>13,770</b>	<b>8,095</b>
Earnings per share (sen) (Note B13)				
- Basic	8.46	2.45	31.68	19.80
- Diluted	7.76	2.40	29.06	19.39

*(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005)*

# BONIA CORPORATION BERHAD

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

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY For the period ended 30 June 2006 (Unaudited)

	Share Capital RM'000	Warrants RM'000	Non- Distributable Share Premium, Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000
<b>Balance as at 30 June 2005</b>	41,894	2,091	4,040	28,303	76,328
Issue of shares pursuant to the exercise of :					
- ESOS	976		40		1,016
- Warrants	1,910	(191)	191		1,910
Accretion of equity interest in a subsidiary company			37		37
Translation gain	-	-	125	-	125
Net gain not recognised in the income statement			125		125
Net profit / (loss) for the period				13,770	13,770
Dividends paid			-	(3,173)	(3,173)
<b>Balance as at 30 June 2006</b>	<b>44,780</b>	<b>1,900</b>	<b>4,433</b>	<b>38,900</b>	<b>90,013</b>
<b>Balance as at 30 June 2004</b>	40,419	-	3,999	21,670	66,088
Issue of shares pursuant to the exercise of :					
- ESOS	1,448		12		1,460
- Warrants	27	(3)	3		27
Issue of warrants		2,094			2,094
Translation gain	-	-	26	-	26
Net gain not recognised in the income statement			26		26
Net profit / (loss) for the period				8,095	8,095
Dividends paid				(1,462)	(1,462)
<b>Balance as at 30 June 2005</b>	<b>41,894</b>	<b>2,091</b>	<b>4,040</b>	<b>28,303</b>	<b>76,328</b>

*(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005)*

**BONIA CORPORATION BERHAD**

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

For the period ended 30 June 2006

(Unaudited)

	30 Jun 2006 RM'000	30 Jun 2005 RM'000
<b>Cash flows from operating activities</b>		
Profit / (loss) before taxation	21,471	14,376
Adjustments for non-cash flow:		
Non-cash items	7,582	7,828
Amortisation of trademarks	4	5
Share of results of associated company	(13)	29
Impairment loss on assets	2,481	1,759
Finance costs	5,720	4,748
Interest income	(119)	(110)
Operating profit / (loss) before working capital changes	37,126	28,635
Changes in working capital		
Net change in property development expenditure	5,522	18,045
Net change in current assets	(2,014)	(20,747)
Net change in current liabilities	943	(3,240)
<b>Cash generated from operations</b>	<b>41,577</b>	<b>22,693</b>
Preliminary expenses paid	-	(2)
Tax (paid) / refund	(6,800)	(5,367)
<b>Net Cash generated from operations activities</b>	<b>34,777</b>	<b>17,324</b>
<b>Cash flows from investing activities</b>		
Interest received	119	110
Purchase of property, plant and equipment	(10,111)	(16,736)
Placement of fixed deposits pledged	(52)	(465)
Investment in properties	(743)	(1,996)
Acquisition of subsidiary companies net of cash acquired	-	34
Other Investment	72	(2)
Net cash used in investing activities	(10,715)	(19,055)
<b>Cash flows from financing activities</b>		
Finance costs	(5,720)	(4,748)
Net proceed / (repayment) of bank borrowings	2,595	1,340
Advance to an associated company	(1)	(1)
Dividend paid	(3,173)	(1,462)
Dividend paid by a subsidiary company to minority shareholders	(16)	-
Proceeds from issue of shares to minority shareholders	300	-
Proceeds from disposal of investment in a subsidiary company	-	37
Proceeds from issue of warrants	-	2,094
Proceeds from issue of shares	2,926	1,487
Net cash used in financing activities	(3,089)	(1,253)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>20,973</b>	<b>(2,984)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>(1,766)</b>	<b>1,218</b>
<b>Cash and cash equivalents at end of period (Note A13)</b>	<b>19,207</b>	<b>(1,766)</b>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005)

# BONIA CORPORATION BERHAD

(Company No. 223934-T)  
[Incorporated in Malaysia]

## NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2006

*(Unaudited)*

### A1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134, (formerly known as MASB 26) Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2005.

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 financial year ended 30 June 2005.

### A2. Declaration of audit qualification

There was no qualified report issued by the auditors in the financial statements of the Group for the financial year ended 30 June 2005.

### 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
<b>3 months ended 30 June 2005</b>			
Profit before taxation	2,135	4	2,139
Taxation	(1,494)	(130)	(1,624)
Net profit after taxation	641	(126)	515
Minority interest	483	-	483
Net profit after Minority interest	1,124	(126)	998
	sen	sen	sen
Earning per share			
- basic	(2.76)	(0.31)	(2.45)
- diluted	(2.75)	(0.35)	(2.40)

# BONIA CORPORATION BERHAD

(Company No. 223934-T)  
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## NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2006

(Unaudited)

	As previously reported	Changes	As amended
	RM'000	RM'000	RM'000
<b>Year-to-date ended 30 June 2005</b>			
Profit before taxation	14,372	4	14,376
Taxation	(6,209)	(130)	(6,339)
Net profit after taxation	8,163	(126)	8,037
Minority interest	58	-	58
Net profit after minority interest	8,221	(126)	8,095
	<b>sen</b>	<b>sen</b>	<b>sen</b>
Earning per share			
- basic	20.09	(0.29)	19.80
- diluted	19.89	(0.50)	19.39

### A6. Debts and Equity Securities

During the current quarter ended 30 June 2006, the Company increased its issued and paid-up share capital from 44,290,000 to RM44,780,000 by way of issue of 490,000 new ordinary shares of RM1.00 each for cash at option prices ranging from RM1.00 to RM1.10 per share, by virtue of the exercise of share options pursuant to the Company's 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 JUNE 2006

(Unaudited)

### A8. Segmental Reporting

Business segments

12 months ended 30 June 2006

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>					
External sales	213,885	7	7,480	-	221,372
Inter-segment sales	46,301	10,747	27,062	(84,110)	-
	<u>260,186</u>	<u>10,754</u>	<u>34,542</u>	<u>(84,110)</u>	<u>221,372</u>
<b>Results</b>					
Segment results	26,568	14	14,221	(19,345)	21,458
Share of results of associated Company	13				13
Profit before tax					<u>21,471</u>
Tax expense					<u>(7,111)</u>
Profit after tax					14,360
Minority interest					<u>(590)</u>
Net profit for the period					<u>13,770</u>

12 months ended 30 June 2005

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>					
External sales	171,449	3	20,585	-	192,037
Inter-segment sales	29,396	7,461	7,956	(44,813)	-
	<u>200,845</u>	<u>7,464</u>	<u>28,541</u>	<u>(44,813)</u>	<u>192,037</u>
<b>Results</b>					
Segment results	20,203	(544)	(1,998)	(3,256)	14,405
Share of results of associated Company	(29)				(29)
Profit before tax					<u>14,376</u>
Tax expense					<u>(6,339)</u>
Profit after tax					8,037
Minority interest					<u>58</u>
Net profit for the period					<u>8,095</u>

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## NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2006

*(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**

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 August 2006, Bonia Corporation Berhad acquired the entire interest in the following Companies :-

1. SBL Marketing Sdn Bhd ("SBLM");
2. SB Boutique Sdn Bhd ("SBB");
3. SBFW Marketing Sdn Bhd ("SBFW");
4. CRF Marketing Sdn Bhd ("CRFM");
5. CRL Marketing Sdn Bhd ("CRLM");
6. CR Boutique Sdn Bhd ("CRB");

for a cash consideration of RM2.00 each ("the Acquisition"). The Directors and shareholders of SBLM, SBB, SBFW, CRFM, CRLM and CRB are Ms Jasmine Thiang Chui Ming and Ms Ling Chui Shee.

SBLM, SBB, SBFW, CRFM, CRLM and CRB are currently dormant. The intended principal activities of SBLM, SBFW, CRFM and CRLM are marketing, retailing and distribution of fashionable goods. The intended principal activity of SBB and CRB is boutique management. The current authorized share capital for each of the above mentioned companies is RM100,000.00 comprising of 100,000 ordinary shares of RM1.00 each, of which 2 shares have been issued and fully paid-up.

### **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 2006 comprised of Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amounted to RM107.0 million of which utilised by these subsidiaries amounted to RM41.8 million.



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## NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2006

*(Unaudited)*

### A13. Cash and cash equivalents

	<b>30 June 2006 RM'000</b>	<b>30 June 2005 RM'000</b>
Fixed deposits	9,132	2,115
Cash and bank balances	13,811	4,271
Bank overdrafts	(1,569)	(6,037)
	<u>21,374</u>	<u>349</u>
Less : Fixed deposit pledged	(2,167)	(2,115)
	<u><u>19,207</u></u>	<u><u>(1,766)</u></u>

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## NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2006

(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 12 months ended 30 June 2006 increased by RM29.3 million or 15.27% over the corresponding cumulative quarter in the preceding year mainly due to higher revenue achieved by our retail division.

The Group's profit before tax increased to RM21.5 million from RM14.4 million in the previous corresponding cumulative quarter in tandem with the higher revenue achieved as well as improvement in gross profit margin.

**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 RM4.97 million as compared to profit before tax of RM4.99 million in the preceding quarter ended 31 March 2006. The marginal decreased in profit before tax for the current quarter under review was mainly due to higher provision for impairment of assets.

**B3. Current Year Prospect**

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

**B4. Variance of Actual Profit from Forecast Profit**

Not applicable.

**B5. Taxation**

	<b>Current year to-date ended 30 June 2006 RM'000</b>	<b>Preceding year to-date ended 30 June 2005 RM'000</b>
Current year tax	7,108	5,899
(Over)/Under provision in prior year	61	285
Deferred tax	(58)	155
	<u>7,111</u>	<u>6,339</u>

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(Unaudited)

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 2006		30 June 2005	
	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	993	-	2,217	-
Bankers' acceptances / Trust receipts	5,621	-	5,457	-
Revolving credits	4,000	-	4,000	-
Term loans	1,487	7,373	1,482	1,779
	<u>12,101</u>	<u>7,373</u>	<u>13,156</u>	<u>1,779</u>
<u>Unsecured</u>				
Bank overdrafts	576	-	3,820	-
Bankers' acceptances / Trust receipts	19,875	-	23,646	-
Revolving credits	450	-	450	-
Term loans	-	30,000	-	30,000
Hire purchase & lease	638	1,613	494	1,154
	<u>21,539</u>	<u>31,613</u>	<u>28,410</u>	<u>31,154</u>
Total	<u>33,640</u>	<u>38,986</u>	<u>41,566</u>	<u>32,933</u>

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## NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2006

(Unaudited)

The above include borrowings denominated in foreign currency as follows :-

	30 June 2006		30 June 2005	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<u>Singapore Dollar</u>				
<u>Secured</u>				
Term Loan	721	1,664	-	-
<u>Unsecured</u>				
Trust Receipt	645	1,489	354	815
Total	1,366	3,153	354	815

### 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

The Board of Directors has recommended a first and final dividend of 8 sen less 28% tax and special dividend of 2 sen less 28% tax per ordinary share for the financial year ended 30.06.06 (30 June 2005 : 8 sen per ordinary share less 28% tax and special dividend of 2 sen per ordinary share less 28% tax) which will be proposed for shareholders' approval in the forthcoming AGM. The entitlement date and payment date for the proposed final dividend will be determined and announced at a later date.

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## NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2006

(Unaudited)

### B13. Earnings Per Share

The basic and diluted earnings per share has been calculated by dividing the Group's net profit for the period by the number of ordinary shares in issue during the period.

#### i) Net Profit for the period (basic & diluted)

	Current year quarter 30 June 2006 RM'000	Preceding year quarter 30 June 2005 RM'000	Current year to-date 30 June 2006 RM'000	Preceding year period 30 June 2005 RM'000
Net profit / (loss) for the period	3,764	998	13,770	8,095

#### ii) Number of ordinary shares (basic)

	Current year quarter 30 June 2006 '000	Preceding year quarter 30 June 2005 '000	Current year to-date 30 June 2006 '000	Preceding year period 30 June 2005 '000
Weighted average number of ordinary shares	44,484	40,778	43,471	40,875

#### iii) Number of ordinary shares (diluted)

	Current year quarter 30 June 2006 '000	Preceding year quarter 30 June 2005 '000	Current year to-date 30 June 2006 '000	Preceding year period 30 June 2005 '000
Weighted average number of ordinary shares	44,484	40,778	43,471	40,875
Effect of share option	453	406	361	406
Effect of warrants	3,548	466	3,548	466
Weighted average number of ordinary shares (diluted)	48,485	41,650	47,380	41,747

By Order of the Board,  
**BONIA CORPORATION BERHAD**

**CHONG CHIN LOOK**  
Finance Director  
Kuala Lumpur  
29 August 2006