

# BONIA CORPORATION BERHAD

(Company No. 223934-T)

[Incorporated in Malaysia]

<b>UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007</b>		
<b>CONDENSED CONSOLIDATED BALANCE SHEETS</b>		
	<b>Unaudited As At 31 Dec 2007 RM'000</b>	<b>Audited As At 30 Jun 2007 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	50,496	48,066
PREPAID LEASE PAYMENTS FOR LAND	606	609
INVESTMENTS IN ASSOCIATED COMPANIES	236	186
INVESTMENT PROPERTIES	8,010	7,958
LONG TERM INVESTMENTS	3,572	3,565
INTANGIBLE ASSETS	4,880	4,876
DEFERRED TAX ASSETS	1,641	980
<b>Total non-current assets</b>	<b>69,441</b>	<b>66,240</b>
<b>CURRENT ASSETS</b>		
Inventories	61,927	35,035
Trade and other receivables	70,990	60,234
Cash and cash equivalents	50,800	65,748
<b>Total current assets</b>	<b>183,717</b>	<b>161,017</b>
Non-current asset classified as held for sale	5,133	4,400
	<b>188,850</b>	<b>165,417</b>
<b>TOTAL ASSETS</b>	<b>258,291</b>	<b>231,657</b>
<b>EQUITY AND LIABILITIES</b>		
SHARE CAPITAL	98,977	97,922
WARRANTS	125	195
RESERVES	52,065	38,617
<b>Total equity attributable to the holders of the parent</b>	<b>151,167</b>	<b>136,734</b>
<b>Minority interests</b>	<b>2,717</b>	<b>2,440</b>
<b>Total equity</b>	<b>153,884</b>	<b>139,174</b>
<b>NON-CURRENT LIABILITIES</b>		
Long Term borrowings	38,110	38,516
Deferred tax liabilities	296	241
<b>Total non-current liabilities</b>	<b>38,406</b>	<b>38,757</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	35,891	20,585
Bank borrowings	19,039	26,901
Tax liabilities	11,071	6,240
<b>Total current liabilities</b>	<b>66,001</b>	<b>53,726</b>
<b>Total liabilities</b>	<b>104,407</b>	<b>92,483</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>258,291</b>	<b>231,657</b>
	-	-
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)</b>	<b>0.76</b>	<b>0.70</b>

*(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007)*

# BONIA CORPORATION BERHAD

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

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007

### CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2007 RM'000	Preceding Year Corresponding Quarter 31 Dec 2006 RM'000 (Restated)	Current Year To-Date 31 Dec 2007 RM'000	Preceding Year Corresponding Period 31 Dec 2006 RM'000 (Restated)
<b>Revenue</b>	<b>80,645</b>	<b>69,023</b>	<b>151,270</b>	<b>128,021</b>
Cost of sales	(32,081)	(27,479)	(62,328)	(52,312)
Gross profit	<b>48,564</b>	<b>41,544</b>	<b>88,942</b>	<b>75,709</b>
Marketing and distribution expenses	(19,199)	(13,864)	(33,512)	(27,315)
General and administration expenses	(16,160)	(13,358)	(29,964)	(25,530)
Other operating income	700	421	1,529	586
Other expenses	-	-	-	(1,492)
<b>Profit from operations</b>	<b>13,905</b>	<b>14,743</b>	<b>26,995</b>	<b>21,958</b>
Finance costs	(1,131)	(1,229)	(2,382)	(2,662)
Share of results of associated company	13	21	50	4
<b>Profit before taxation</b>	<b>12,787</b>	<b>13,535</b>	<b>24,663</b>	<b>19,300</b>
Taxation	(3,818)	(3,543)	(6,850)	(5,980)
<b>Net profit for the period</b>	<b>8,969</b>	<b>9,992</b>	<b>17,813</b>	<b>13,320</b>
Attributable to :				
Equity holders of the parent	8,903	9,844	17,514	13,012
Minority interests	66	148	299	308
<b>Profit for the period</b>	<b>8,969</b>	<b>9,992</b>	<b>17,813</b>	<b>13,320</b>
Earnings per share attributable to equity holders of the parent : (Note B13)				
- Basic (sen)	4.50	7.05	8.81	9.31
- Diluted (sen)	4.44	5.97	8.69	7.89

*(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007)*

# BONIA CORPORATION BERHAD

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to equity holders of the parent →						Minority interests RM'000	Total Equity RM'000
	Share Capital RM'000	Warrants RM'000	← Non-Distributable →		Distributable Retained Profits RM'000	Sub-total RM'000		
			Share Premium, Other Reserves RM'000	Share Option Reserves RM'000				
<b>At 1 July 2007</b>	97,922	195	1,632	-	36,985	136,734	2,440	139,174
Issue of ordinary shares pursuant to the exercise of : - Warrants	1,055	(70)	70	-	-	1,055	-	1,055
Translation gain	-	-	197	-	-	197	-	197
Net gain not recognised in the income statement	-	-	197	-	-	197	-	197
Net profit for the period	-	-	-	-	17,514	17,514	299	17,813
Dividend	-	-	-	-	(4,333)	(4,333)	(22)	(4,355)
<b>At 31 December 2007</b>	<b>98,977</b>	<b>125</b>	<b>1,899</b>	<b>-</b>	<b>50,166</b>	<b>151,167</b>	<b>2,717</b>	<b>153,884</b>
<b>At 1 July 2006</b>								
As previously stated	44,780	1,900	4,434	-	38,961	90,075	1,960	92,035
Effect of adopting FRS 3	-	-	(649)	-	649	-	-	-
Restated balance	44,780	1,900	3,785	-	39,610	90,075	1,960	92,035
Issue of ordinary shares pursuant to the exercise of : - ESOS	2,520	-	194	-	-	2,714	-	2,714
- Warrants	632	(64)	64	-	-	632	-	632
Share options granted under ESOS	-	-	-	73	-	73	-	73
Translation gain	-	-	61	-	-	61	-	61
Net gain not recognised in the income statement	-	-	61	-	-	61	-	61
Net profit for the period	-	-	-	-	13,012	13,012	308	13,320
<b>At 31 December 2006</b>	<b>47,932</b>	<b>1,836</b>	<b>4,104</b>	<b>73</b>	<b>52,622</b>	<b>106,567</b>	<b>2,268</b>	<b>108,835</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 2007)

**BONIA CORPORATION BERHAD**

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007  
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	31 Dec 2007 RM'000	31 Dec 2006 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	24,663	19,300
Adjustments for non-cash flow:		
Non-cash items	4,570	4,050
Share of results of associated companies	(50)	(4)
Impairment loss on assets	-	1,492
Allowance for doubtful debts	-	187
Interest expense	1,835	2,662
Interest income	(546)	(226)
Operating profit before changes in working capital	30,472	27,461
Changes in working capital		
Net change in property development expenditure	-	(35)
Net change in current assets	(39,305)	(10,399)
Net change in current liabilities	15,503	6,564
<b>Cash (used in)/generated from operations</b>	<b>6,670</b>	<b>23,591</b>
Tax paid	(972)	(3,363)
<b>Net cash (used in)/from operating activities</b>	<b>5,698</b>	<b>20,228</b>
<b>Cash flows from investing activities</b>		
Interest received	546	226
Purchase of property, plant and equipment	(7,782)	(3,799)
Other Investments	(7)	1
Net cash used in investing activities	(7,243)	(3,572)
<b>Cash flows from financing activities</b>		
Interest expense	(1,835)	(2,662)
Net proceed / (repayment) of bank borrowings	(17,800)	(358)
Dividend paid	(4,333)	-
Dividends paid to minority shareholders	(22)	-
Proceeds from issue of shares	1,055	3,345
Net cash used in financing activities	(22,935)	325
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(24,480)</b>	<b>16,981</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>62,501</b>	<b>19,302</b>
<b>Cash and cash equivalents at end of period (Note A13)</b>	<b>38,021</b>	<b>36,283</b>

*(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007)*

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## NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 2007

*(Unaudited)*

### **A1. Accounting Policies**

The interim financial statements are unaudited and have been prepared in accordance with the requirement of Financial Reporting Standard (“FRS”) 134 : “Interim Financial Reporting” and Chapter 9 paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 30 June 2007.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2007.

#### **1.1 Changes In Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2007 except for the changes arising from the adoption of the following new and revised Financial Reporting Standards (“FRS”) issued by the MASB that are effective for the financial period beginning 1 July 2007 :-

FRS 124	Related Party Disclosures
Amendment to FRS 119 2004	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of the above FRSs do not result in significant changes in accounting policies of the Group.

### **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 2007.

### **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 exceptional items or unusual events affecting assets, liabilities, equity, net income or cash flow of the Group in the quarterly financial statements under review.

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(Unaudited)

### A5. Material Changes in Estimates

There were no unusual items in the quarterly financial statements under review.

### A6. Debts and Equity Securities

During the current quarter ended 31 December 2007, the Company increased its issued and paid-up share capital from RM98,730,000 to RM98,976,750 by way of issuance of 493,500 new ordinary shares of RM0.50 each for cash at an exercise price of RM0.50 per share, by virtue of the exercise of Warrants 2005/2008.

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

#### 6 months ended 31 December 2007

	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>					
External sales	151,016	5	249	-	151,270
Inter-segment sales	-	8,327	3,957	(12,284)	-
	151,016	8,332	4,206	(12,284)	151,270
<b>Results</b>					
Segment results	31,582	193	(2,048)	(5,114)	24,613
Share of results of associated Company					50
Profit before tax					24,663
Tax expense					(6,850)
Net profit for the period					17,813
Attributable to :					
Equity holders of the parent					17,514
Minority interests					299

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## NOTES TO INTERIM FINANCIAL REPORT 31 DECEMBER 2007

(Unaudited)

### 6 months ended 31 December 2006

	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>					
External sales	127,801	-	220	-	128,021
Inter-segment sales	-	6,698	3,595	(10,293)	-
	<u>127,801</u>	<u>6,698</u>	<u>3,815</u>	<u>(10,293)</u>	<u>128,021</u>
<b>Results</b>					
Segment results	26,446	53	(2,339)	(4,864)	19,296
Share of results of associated Company					4
Profit before tax					<u>19,300</u>
Tax expense					<u>(5,980)</u>
Net profit for the period					<u>13,320</u>
Attributable to :					
Equity holders of the parent					<u>13,012</u>
Minority interests					<u>308</u>

#### 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 11 January 2008, Bonia Corporation Berhad incorporated a wholly-owned subsidiary, Kin Sheng Group Limited ("KSGL") in Hong Kong, with an authorized share capital of HKD10,000,000.00 comprising of 10,000,000 ordinary shares of HKD1.00 each, of which 1 share has been issued and fully paid-up.

The intended principal activity of KSGL is investment holdings.

#### A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

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### A12. Changes in Contingent Liabilities

The contingent liabilities of the Group as at 31 December 2007 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amounted to RM95.79 million of which utilised by these subsidiaries amounted to RM25.58 million.

### A13. Capital Commitments

The amount of capital commitments as at 31 December 2007 is as follows :

	<b>RM'000</b>
Authorised and contracted for :	
Properties under construction	<u>12,726</u>

### A14. Cash and cash equivalents

	<b>31 Dec 2007 RM'000</b>	<b>31 Dec 2006 RM'000</b>
Fixed deposits	22,825	33,275
Cash and bank balances	27,975	8,570
Bank overdrafts	<u>(11,335)</u>	<u>(3,435)</u>
	39,465	38,410
Less : Fixed deposit pledged	<u>(1,444)</u>	<u>(2,127)</u>
	<u>38,021</u>	<u>36,283</u>



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### 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 2007 increased by RM23.25 million or 18.16% over the corresponding cumulative quarter in the preceding year. The growth was mainly attributed to higher sales achieved from our nationwide Mega Sales, Hari Raya, and Christmas festive seasons during the first half of the financial year under review.

The Group's profit before tax increased to RM24.66 million from RM19.30 million in the previous year in tandem with the higher revenue achieved.

#### 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 RM12.79 million as compared to profit before tax of RM11.88 million in the preceding quarter ended 30 September 2007. The lower rate of growth in the profit before tax as compared to the growth in revenue of 14% for the current quarter under review is mainly due to higher operating expenses incurred during the festive seasons.

#### 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 December 2007 RM'000	Preceding year to-date ended 31 December 2006 RM'000
Current year tax	7,591	6,567
(Over)/Under provision in prior year	(143)	3
Deferred tax	(598)	(590)
	<u>6,850</u>	<u>5,980</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:-

	31 December 2007		31 December 2006	
	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	63	-	445	-
Bankers' acceptances	1,018	-	8,301	-
Term loans	507	6,477	607	7,032
	<u>1,588</u>	<u>6,477</u>	<u>9,353</u>	<u>7,032</u>
<u>Unsecured</u>				
Bank overdrafts	11,272	-	2,990	-
Bankers' acceptances	5,496	-	22,611	-
Term loans	-	30,000	-	30,000
Hire purchase & lease	683	1,633	628	1,520
	<u>17,451</u>	<u>31,633</u>	<u>26,229</u>	<u>31,520</u>
Total	<u>19,039</u>	<u>38,110</u>	<u>35,582</u>	<u>38,552</u>

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

	31 December 2007		31 December 2006	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<u>Singapore Dollar</u>				
<u>Secured</u>				
Term Loan	692	1,587	711	1,634
<u>Unsecured</u>				
Trust Receipt	99	227	182	420
Hire purchase	332	762	151	347
	431	989	333	767
Total	1,123	2,576	1,044	2,401

### 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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### 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 31 Dec 2007 RM'000	Preceding year quarter 31 Dec 2006 RM'000	Current year to-date 31 Dec 2007 RM'000	Preceding year period 31 Dec 2006 RM'000
Net Profit attributable to shareholders	8,903	9,844	17,514	13,012

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

	Current year quarter 31 Dec 2007 '000	Preceding year quarter 31 Dec 2006 '000	Current year to-date 31 Dec 2007 '000	Preceding year period 31 Dec 2006 '000
Weighted average number of ordinary shares	197,660	46,543	198,736	46,583
Effect of bonus issue*	-	23,272	-	23,291
Effect of shares split*	-	69,815	-	69,874
Weighted average number of Ordinary shares	197,660	139,630	198,736	139,748

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*(Unaudited)*

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

	Current year quarter 31 Dec 2007 '000	Preceding year quarter 31 Dec 2006 '000	Current year to-date 31 Dec 2007 '000	Preceding year period 31 Dec 2006 '000
Weighted average number of ordinary shares	197,660	139,630	198,736	139,748
Effects of ESOS	-	1,443	-	1,443
Effects of Warrants	2,848	23,721	2,848	23,721
Weighted average number of Ordinary shares (diluted)	200,508	164,794	201,584	164,912

The comparative basic and diluted earnings per share have been restated to take into account the effects of bonus issue and share split.

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

**CHONG CHIN LOOK**  
Group Finance Director  
Kuala Lumpur  
20 February 2008