

BONIA CORPORATION BERHAD

(Company No. 223934-T)

[Incorporated in Malaysia]

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007		
CONDENSED CONSOLIDATED BALANCE SHEETS		
	Unaudited As At 30 Sep 2007 RM'000	Audited As At 30 Jun 2007 RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	48,931	48,066
PREPAID LEASE PAYMENTS FOR LAND	608	609
INVESTMENTS IN ASSOCIATED COMPANIES	223	186
INVESTMENT PROPERTIES	8,010	7,958
LONG TERM INVESTMENTS	3,571	3,565
INTANGIBLE ASSETS	4,880	4,876
DEFERRED TAX ASSETS	1,369	980
Total non-current assets	67,592	66,240
CURRENT ASSETS		
Inventories	47,328	35,035
Trade and other receivables	69,112	60,234
Cash and cash equivalents	47,254	65,748
Total current assets	163,694	161,017
Non-current asset classified as held for sale	4,400	4,400
	168,094	165,417
TOTAL ASSETS	235,686	231,657
EQUITY AND LIABILITIES		
SHARE CAPITAL	98,730	97,922
WARRANTS	141	195
RESERVES	47,526	38,617
Total equity attributable to the holders of the parent	146,397	136,734
Minority interests	2,673	2,440
Total equity	149,070	139,174
NON-CURRENT LIABILITIES		
Long Term borrowings	38,336	38,516
Deferred tax liabilities	303	241
Total non-current liabilities	38,639	38,757
CURRENT LIABILITIES		
Trade and other payables	26,283	20,585
Bank borrowings	13,186	26,901
Tax liabilities	8,508	6,240
Total current liabilities	47,977	53,726
Total liabilities	86,616	92,483
TOTAL EQUITY AND LIABILITIES	235,686	231,657
	-	-
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)	0.74	0.70

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sep 2007 RM'000	Preceding Year Corresponding Quarter 30 Sep 2006 RM'000 (Restated)	Current Year To-Date 30 Sep 2007 RM'000	Preceding Year Corresponding Period 30 Sep 2006 RM'000 (Restated)
Revenue	70,625	58,998	70,625	58,998
Cost of sales	(30,247)	(24,833)	(30,247)	(24,833)
Gross profit	40,378	34,165	40,378	34,165
Marketing and distribution expenses	(14,313)	(13,451)	(14,313)	(13,451)
General and administration expenses	(13,804)	(12,172)	(13,804)	(12,172)
Other operating income	829	165	829	165
Other expenses	-	(1,492)	-	(1,492)
Profit from operations	13,090	7,215	13,090	7,215
Finance costs	(1,251)	(1,433)	(1,251)	(1,433)
Share of results of associated company	37	(17)	37	(17)
Profit before taxation	11,876	5,765	11,876	5,765
Taxation	(3,032)	(2,437)	(3,032)	(2,437)
Net profit for the period	8,844	3,328	8,844	3,328
Attributable to :				
Equity holders of the parent	8,611	3,168	8,611	3,168
Minority interests	233	160	233	160
Profit for the period	8,844	3,328	8,844	3,328
Earnings per share attributable to equity holders of the parent : (Note B13)				
- Basic (sen)	4.37	2.36	4.37	2.36
- Diluted (sen)	4.30	2.09	4.30	2.09

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 Share Premium, Other Reserves RM'000	Distributable Retained Profits RM'000	Sub-total RM'000		
At 1 July 2007	97,922	195	1,632	36,985	136,734	2,440	139,174
Issue of ordinary shares pursuant to the exercise of :							
- Warrants	808	(54)	54	-	808	-	808
Translation gain	-	-	244	-	244		244
Net gain not recognised in the income statement	-	-	244	-	244	-	244
Net profit for the period	-	-	-	8,611	8,611	233	8,844
At 30 September 2007	98,730	141	1,930	45,596	146,397	2,673	149,070
At 1 July 2006							
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	192	-	12	-	204	-	204
- Warrants	-	-	-	-	-	-	-
Translation gain	-	-	201	-	201	-	201
Net gain not recognised in the income statement	-	-	201	-	201	-	201
Net profit for the period	-	-	-	3,168	3,168	160	3,328
At 30 September 2006	44,972	1,900	3,998	42,778	93,648	2,120	95,768

(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)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	30 Sep 2007 RM'000	30 Sep 2006 RM'000
Cash flows from operating activities		
Profit before taxation	11,876	5,765
Adjustments for non-cash flow:		
Non-cash items	2,209	1,950
Share of results of associated companies	(37)	17
Impairment loss on assets	-	1,492
Allowance for doubtful debts	-	187
Interest expense	905	1,433
Interest income	(291)	(94)
Operating profit before changes in working capital	14,662	10,750
Changes in working capital		
Net change in property development expenditure	-	(35)
Net change in current assets	(22,110)	199
Net change in current liabilities	5,942	6,936
Cash (used in)/generated from operations	(1,506)	17,850
Tax paid	(156)	(1,766)
Net cash (used in)/from operating activities	(1,662)	16,084
Cash flows from investing activities		
Interest received	291	94
Purchase of property, plant and equipment	(3,125)	(2,046)
Other Investments	(6)	(3)
Net cash used in investing activities	(2,840)	(1,955)
Cash flows from financing activities		
Interest expense	(905)	(1,433)
Net proceed / (repayment) of bank borrowings	(14,682)	(8,134)
Proceeds from issue of shares	808	205
Net cash used in financing activities	(14,779)	(9,362)
Net (decrease)/increase in cash and cash equivalents	(19,281)	4,767
Cash and cash equivalents at beginning of period	62,501	19,302
Cash and cash equivalents at end of period (Note A13)	43,220	24,069

(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 30 SEPTEMBER 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 30 September 2007, the Company increased its issued and paid-up share capital from RM97,922,000 to RM98,730,000 by way of issuance of 1,616,000 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

3 months ended 30 September 2007

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	70,495	-	130	-	70,625
Inter-segment sales	-	4,348	2,102	(6,450)	-
	70,495	4,348	2,232	(6,450)	70,625
Results					
Segment results	13,940	101	(567)	(1,635)	11,839
Share of results of associated Company					37
Profit before tax					11,876
Tax expense					(3,032)
Net profit for the period					8,844
Attributable to :					
Equity holders of the parent					8,611
Minority interests					233

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2007

(Unaudited)

3 months ended 30 September 2006

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	58,890	-	108	-	58,998
Inter-segment sales	-	3,410	2,113	(5,523)	-
	<u>58,890</u>	<u>3,410</u>	<u>2,221</u>	<u>(5,523)</u>	<u>58,998</u>
Results					
Segment results	10,482	(74)	(1,164)	(3,462)	5,782
Share of results of associated Company					(17)
Profit before tax					<u>5,765</u>
Tax expense					<u>(2,437)</u>
Net profit for the period					<u>3,328</u>
Attributable to :					
Equity holders of the parent					<u>3,168</u>
Minority interests					<u>160</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

There were no material events subsequent to the end of 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 2007 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amounted to RM96.5 million of which utilised by these subsidiaries amounted to RM20.0 million.

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2007

(Unaudited)

A13. Capital Commitments

The amount of capital commitments as at 30 September 2007 is as follows :

	RM'000
Authorised and contracted for :	
Properties under construction	13,100
Properties, plant and equipment	227
	<u>13,327</u>

A14. Cash and cash equivalents

	30 Sept 2007 RM'000	30 Sept 2006 RM'000
Fixed deposits	33,642	21,957
Cash and bank balances	13,612	6,984
Bank overdrafts	<u>(2,590)</u>	<u>(2,739)</u>
	44,664	26,202
Less : Fixed deposit pledged	<u>(1,444)</u>	<u>(2,133)</u>
	<u>43,220</u>	<u>24,069</u>

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(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 2007 increased by RM11.63 million or 19.71% over the corresponding cumulative quarter in the preceding year. The growth was mainly attributed to higher sales achieved from our nationwide Mega Sales as well as Hari Raya festive season during the current quarter under review.

The Group's profit before tax increased to RM11.88 million from RM5.76 million in the previous year in tandem with the higher revenue generated.

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 RM11.88 million as compared to profit before tax of RM9.27 million in the preceding quarter ended 30 June 2007. The higher profit before tax for the current quarter under review was mainly arising from higher sales achieved during the nationwide Mega Sales and Hari Raya festive season.

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 September 2007 RM'000	Preceding year to-date ended 30 September 2006 RM'000
Current year tax	3,397	2,650
(Over)/Under provision in prior year	(39)	-
Deferred tax	(326)	(213)
	<u>3,032</u>	<u>2,437</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 September 2007		30 September 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	235	-	883	-
Bankers' acceptances	2,054	-	4,329	-
Term loans	505	6,602	775	6,991
	<u>2,794</u>	<u>6,602</u>	<u>5,987</u>	<u>6,991</u>
<u>Unsecured</u>				
Bank overdrafts	2,355	-	1,856	-
Bankers' acceptances	7,352	-	18,491	-
Term loans	-	30,000	-	30,000
Hire purchase & lease	685	1,734	605	1,732
	<u>10,392</u>	<u>31,734</u>	<u>20,952</u>	<u>31,732</u>
Total	<u>13,186</u>	<u>38,336</u>	<u>26,939</u>	<u>38,723</u>

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(Unaudited)

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

	30 September 2007		30 September 2006	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<u>Singapore Dollar</u>				
<u>Secured</u>				
Term Loan	696	1,595	713	1,655
<u>Unsecured</u>				
Trust Receipt	984	2,254	290	673
Hire purchase	346	793	165	383
	1,330	3,047	455	1,056
Total	2,026	4,642	1,168	2,711

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 30 SEPTEMBER 2007

(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 Sept 2007 RM'000	Preceding year quarter 30 Sept 2006 RM'000	Current year to-date 30 Sept 2007 RM'000	Preceding year period 30 Sept 2006 RM'000
Net Profit attributable to shareholders	8,611	3,168	8,611	3,168

ii) Number of ordinary shares (basic)

	Current year quarter 30 Sept 2007 '000	Preceding year quarter 30 Sept 2006 '000	Current year to-date 30 Sept 2007 '000	Preceding year period 30 Sept 2006 '000
Weighted average number of ordinary shares	196,920	44,820	196,920	44,820
Effect of bonus issue*	-	22,410	-	22,410
Effect of shares split*	-	67,230	-	67,230
Weighted average number of Ordinary shares	196,920	134,460	196,920	134,460

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iii) Number of ordinary shares (diluted)

	Current year quarter 30 Sept 2007 '000	Preceding year quarter 30 Sept 2006 '000	Current year to-date 30 Sept 2007 '000	Preceding year period 30 Sept 2006 '000
Weighted average number of ordinary shares	196,920	134,460	196,920	134,460
Effects of ESOS	-	2,133	-	2,133
Effects of Warrants	3,230	15,084	3,230	15,084
Weighted average number of Ordinary shares (diluted)	200,150	151,677	200,150	151,677

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
15 November 2007