

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 30 June 2005

(Unaudited)

	30 Jun 2005 RM'000	30 Jun 2004 RM'000
<u>ASSETS EMPLOYED</u>		
PROPERTY, PLANT AND EQUIPMENT	36,959	31,318
GOODWILL ON CONSOLIDATION	7,856	9,348
INTANGIBLE ASSET	7	9
INVESTMENT IN ASSOCIATED COMPANY	180	209
PROPERTY DEVELOPMENT EXPENDITURE	10,343	28,388
OTHER INVESTMENTS	18,793	9,877
DEFERRED TAX ASSETS	411	314
CURRENT ASSETS		
Inventories	37,783	28,098
Trade and other receivables	56,180	46,719
Cash and cash equivalents	6,387	8,979
	<u>100,350</u>	<u>83,796</u>
CURRENT LIABILITIES		
Trade and other payables	19,185	22,330
Bank borrowings	41,567	38,061
Taxation	3,267	2,331
	<u>64,019</u>	<u>62,722</u>
NET CURRENT ASSETS/(LIABILITIES)	36,331	21,074
	<u>110,880</u>	<u>100,537</u>
<u>FINANCED BY</u>		
SHARE CAPITAL	41,894	40,419
WARRANTS	2,091	
RESERVES	32,490	25,669
SHAREHOLDERS' FUNDS	76,475	66,088
MINORITY INTERESTS	1,146	1,114
LONG-TERM LIABILITIES		
Bank borrowings	32,930	33,202
Deferred tax liabilities / (assets)	329	133
	<u>110,880</u>	<u>100,537</u>
Net Tangible Assets per Share (sen)	<u>164</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 June 2005

(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Jun 2005 RM'000	Preceding Year Corresponding Quarter 30 Jun 2004 RM'000	Current Year To-Date 30 Jun 2005 RM'000	Preceding Year Corresponding Period 30 Jun 2004 RM'000
Revenue	61,247	44,392	191,733	150,498
Operating expenses	(55,940)	(37,894)	(167,221)	(130,554)
Depreciation and amortisation	(2,345)	(947)	(5,763)	(4,114)
Other operating income	462	918	992	1,507
Profit / (loss) from operations	3,424	6,469	19,741	17,337
Finance costs	(1,278)	(2,016)	(5,340)	(4,855)
Share of results of associated co	(11)	(21)	(29)	(27)
Profit / (loss) before taxation	2,135	4,432	14,372	12,455
Taxation	(1,494)	(1,688)	(6,209)	(4,489)
Profit / (loss) after taxation	641	2,744	8,163	7,966
Minority interest	483	(279)	58	(464)
Net Profit for the period	1,124	2,465	8,221	7,502
Earnings per share (sen) (Note B13)				
- Basic	2.76	6.10	20.09	18.58
- Diluted	2.75	5.70	19.89	17.37

(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 June 2005

(Unaudited)

	Share Capital RM'000	Warrants 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	-		60	8,221	8,281
Dividend paid	-		-	(1,462)	(1,462)
Issue of shares	27				27
Issue of warrants		2,093			2,093
Exercise of warrants		(2)	2		-
Issue of shares for ESOS	1,448		-	-	1,448
As at 30 June 2005	41,894	2,091	4,061	28,429	76,475
As at 1 July 2003	40,253		3,817	15,622	59,692
Net profit / (loss) for the period	-		160	7,502	7,662
Dividend paid				(1,454)	(1,454)
Issue of shares for ESOS	166		22	-	188
As at 30 June 2004	40,419	-	3,999	21,670	66,088

(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 June 2005

(Unaudited)

	30 Jun 2005 RM'000	30 Jun 2004 RM'000
Cash flows from operating activities		
Profit / (loss) before taxation	14,372	12,455
Adjustments for non-cash flow:		
Non-cash items	5,763	4,114
Share of results of associated company	29	27
Impairment loss of assets	1,751	2,959
Finance costs	5,340	4,855
Operating profit / (loss) before working capital changes	27,255	24,410
Changes in working capital		
Net change in current assets	(19,017)	(24,987)
Net change in current liabilities	(2,949)	4,044
Cash generated from operations	5,289	3,467
Finance costs	(5,340)	(4,855)
Tax (paid) / refund	(5,452)	(4,286)
Net Cash generated from operations activities	(5,503)	(5,674)
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,466)	(4,995)
Net change in property development expenditure	18,045	9,449
Acquisition of additional shares in a subsidiary company	-	(100)
Investment in subordinated bonds	-	(3,000)
Placement of fixed deposit pledged	(563)	-
Investment in properties	(8,916)	-
Investment in an associated company	-	(236)
Net cash used in investing activities	(2,900)	1,118
Cash flows from financing activities		
Net proceed / (repayment) of bank borrowings	3,307	18,647
Dividend paid	(1,462)	(1,454)
Proceeds from issue of warrants	2,091	
Proceeds from issue of shares	1,490	188
Net cash used in financing activities	5,426	17,381
Net (decrease) / increase in cash and cash equivalents	(2,977)	12,825
Cash and cash equivalents at beginning of period	1,218	(12,344)
Cash and cash equivalents at end of period (Note A13)	(1,759)	481

(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

(Company No. 223934-T)
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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2005

(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 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 financial 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 financial 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 twelve months ended 30 June 2005, the Company increased its issued and paid up capital to RM41,894,000 by allotment of 1,448,000 new ordinary shares of RM1.00 each under the Executives’ Share Option Scheme and 27,000 new ordinary shares of RM1.00 each resulting from the exercise of 27,000 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.

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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2005

(Unaudited)

A8. Segmental Reporting

Business segments

12 months ended 30 June 2005

	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	170,385	653	20,695	-	191,733
Inter-segment sales	28,316	7,461	8,864	(44,641)	-
	<u>198,701</u>	<u>8,114</u>	<u>29,559</u>	<u>(44,641)</u>	<u>191,733</u>
Results					
Segment results	20,021	(685)	(1,680)	(3,255)	14,401
Share of results of associated Company	(29)				(29)
Profit before tax					<u>14,372</u>
Tax expense					<u>(6,209)</u>
Profit after tax					8,163
Minority interest					<u>58</u>
Net profit for the period					<u>8,221</u>

12 months ended 30 June 2004

	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	138,097	20	12,381	-	150,498
Inter-segment sales	23,754	8,004	3,956	(35,714)	-
	<u>161,851</u>	<u>8,024</u>	<u>16,337</u>	<u>(35,714)</u>	<u>150,498</u>
Results					
Segment results	14,718	59	(3)	(2,292)	12,482
Share of results of associated Company					(27)
Profit before tax					<u>12,455</u>
Tax expense					<u>(4,489)</u>
Profit after tax					7,966
Minority interest					<u>(464)</u>
Net profit for the period					<u>7,502</u>

BONIA CORPORATION BERHAD

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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2005

(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.

Further to the announcement made on 10 June 2005, A 50% owned subsidiary company, Banyan Sutera Sdn Bhd ("BSSB") had on 15 August 2005 increased its Authorised Share Capital from RM100,000.00 to RM2,000,000.00 divided into 2,000,000 ordinary shares of RM1.00 each and increased its Paid-up Share Capital from RM2.00 to RM500,000.00 by an allotment of 499,998 ordinary shares of RM1.00 each for the purpose of increasing its working capital. The 399,999 new shares were subscribed by Bonia Corporation Berhad and 99,999 new shares were subscribed by Jonto Sunarso. With the new subscription of shares, BSSB has become a 80% subsidiary of Bonia.

A11. Changes in the Composition of the Group

Save for those disclosed below, there were no changes in the composition of the Group for the current quarter under review.

On 20 April 2005, the Company subscribed 3,000 ordinary shares of HKD1.00 each representing 30% equity interest in Kin Sheng International Trading Co. Limited ("KSIT") for a total cash consideration of HKD3,000.00 The remaining 7,000 ordinary shares of HKD1.00 each representing 70% equity interest in KSIT is held by MS Tee Siea Bee. The Director of KSIT is Mr Chiang Fong Yee.

On 30 May 2005, the Company acquired the remaining 7,000 ordinary shares of HKD1.00 each representing 70% equity interest in Kin Sheng International Trading Co. Limited from Ms Tee Siea Bee for a total cash consideration of HKD11,800.00. The acquisition has resulted KSIT becoming a wholly-owned subsidiary of Bonia.

KSIT is currently dormant. Its intended principal activities are general trading and marketing of fashionable goods. Its current authorized share capital is HKD10,000.00 comprising of 10,000 ordinary shares of HKD1.00 each and all the shares have been issued and fully paid-up

On 6 June 2005, the Company acquired 1 ordinary share of RM1.00 each representing 50% equity interest in Banyan Sutera Sdn Bhd (BSSB) from Cik Narimah Binti Junus for a total cash consideration of RM1.00. The directors and shareholdes of BSSB are Cik Narimah Binti Junus and Cik Halimi Bin Sakijan.

BSSB is currently dormant. Its intended principal activities are wholesaling, marketing and distribution of fashionable leather goods, footwear and apparels.and its related business in overseas market. Its current authorized share capital is RM100,000.00 comprising of 100,000 ordinary shares of RM1.00 each and 2 shares have been issued and fully paid-up.

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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2005

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A12. Changes in Contingent Liabilities

The contingent liabilities of the Group as at 30 June 2005 comprised of Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amounted to RM91.1 million of which utilised by these subsidiaries amounted to RM42.8 million.

A13. Cash and cash equivalents

	30 June 2005 RM'000	30 June 2004 RM'000
Fixed deposits	2,115	5,423
Cash and bank balances	4,272	3,556
Bank overdrafts	<u>(6,038)</u>	<u>(6,111)</u>
	349	2,868
Less : Fixed deposit pledged	<u>(2,108)</u>	<u>(2,387)</u>
	<u>(1,759)</u>	<u>481</u>

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 2005 increased by RM41.2 million or 27.4% over the corresponding cumulative quarter in the preceding year principally due to revenue arises from recognition of our property project in Taman Connaught, Cheras, Kuala Lumpur amounting to RM20.2 million and higher sales achieved by most of our subsidiaries.

The Group's profit before tax increased to RM14.37 million from RM12.45 million in the previous corresponding cumulative quarter in tandem with the higher revenue achieved couple with lower provision for impairment of assets.

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 RM2.1 million as compared to profit before tax of RM2.9 million in the preceding quarter ended 31 March 2005. The lower profit before tax for the current quarter was mainly due to loss arising from the recognition of our property project in Taman Connaught, Cheras, Kuala Lumpur and higher operating expenses incurred for the current quarter .

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(Unaudited)

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

	Current year to-date ended 30 June 2005 RM'000	Preceding year to-date ended 30 June 2004 RM'000
Current year tax	5,891	4,399
(Over)/Under provision in prior year	225	54
Deferred tax	93	36
	<u>6,209</u>	<u>4,489</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.

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.

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(Unaudited)

B8 (b) The utilization of proceeds from the Rights Issue of 20,933,500 Warrants 2005/2008 listed on 25 May 2005 are as follows :-

	Amount (RM) '000
Working capital For Bonia Group	1,804
Expenses for the Corporate Exercise	290
	<hr/>
	2,094
	<hr/> <hr/>

B9. Group Borrowings

The total Group borrowings and debts securities as follows:-

	30 June 2005		30 June 2004	
	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	2,216	-	2,776	-
Bankers' acceptances / Trust receipts	6,925	-	6,825	-
Revolving credits	4,000	-	4,900	-
Term loans	1,482	1,779	2,901	-
	<hr/>	<hr/>	<hr/>	<hr/>
	14,623	1,779	17,402	-
<u>Unsecured</u>				
Bank overdrafts	3,822	-	3,335	-
Bankers' acceptances / Trust receipts	22,177	-	16,507	-
Revolving credits	450	-	450	-
Term loans	-	30,000	-	32,517
Hire purchase & lease	495	1,151	367	685
	<hr/>	<hr/>	<hr/>	<hr/>
	26,944	31,151	20,659	33,202
Total	<hr/>	<hr/>	<hr/>	<hr/>
	41,567	32,930	38,061	33,202

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.

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NOTES TO INTERIM FINANCIAL REPORT 30 JUNE 2005

(Unaudited)

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 30.06.05 (30 June 2004 : 5 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.

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 June 2005 RM'000	Preceding year quarter 30 June 2004 RM'000	Current year to-date 30 June 2005 RM'000	Preceding year period 30 June 2004 RM'000
Net profit / (loss) for the period	1,124	2,465	8,221	7,502

ii) Number of ordinary shares (basic)

	Current year quarter 30 June 2005 '000	Preceding year quarter 30 June 2004 '000	Current year to-date 30 June 2005 '000	Preceding year period 30 June 2004 '000
Weighted average number of ordinary shares	40,685	40,419	40,921	40,385

iii) Number of ordinary shares (diluted)

	Current year quarter 30 June 2005 '000	Preceding year quarter 30 June 2004 '000	Current year to-date 30 June 2005 '000	Preceding year period 30 June 2004 '000
Weighted average number of ordinary shares	40,685	40,419	40,921	40,385
Effect of share option	155	2,805	406	2,805
Weighted average number of ordinary shares (diluted)	40,840	43,224	41,327	43,190

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**NOTES TO INTERIM FINANCIAL REPORT
30 JUNE 2005**

(Unaudited)

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK
Finance Director
Kuala Lumpur
29 August 2005