

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 30 September 2005

(Unaudited)

	30 Sep 2005 RM'000	30 Jun 2005 RM'000
<u>ASSETS EMPLOYED</u>		
PROPERTY, PLANT AND EQUIPMENT	47,639	43,952
GOODWILL ON CONSOLIDATION	7,491	7,856
INTANGIBLE ASSET	7	7
INVESTMENT IN ASSOCIATED COMPANY	196	180
LAND HELD FOR PROPERTY DEVELOPMENT	10,242	10,343
OTHER INVESTMENTS	12,169	11,801
DEFERRED TAX ASSETS	285	282
CURRENT ASSETS		
Inventories	44,877	37,782
Trade and other receivables	62,723	56,178
Cash and cash equivalents	6,160	6,386
	<u>113,760</u>	<u>100,346</u>
CURRENT LIABILITIES		
Trade and other payables	26,182	19,220
Bank borrowings	47,611	41,566
Taxation	3,954	3,326
	<u>77,747</u>	<u>64,112</u>
NET CURRENT ASSETS/(LIABILITIES)	36,013	36,234
	<u>114,042</u>	<u>110,655</u>
<u>FINANCED BY</u>		
SHARE CAPITAL	42,505	41,894
WARRANTS	2,030	2,091
RESERVES	34,208	32,343
SHAREHOLDERS' FUNDS	78,743	76,328
MINORITY INTERESTS	1,531	1,138
LONG-TERM LIABILITIES		
Bank borrowings	33,592	32,933
Deferred tax liabilities / (assets)	176	256
	<u>114,042</u>	<u>110,655</u>
Net Tangible Assets per Share (sen)	<u>168</u>	<u>163</u>

(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 September 2005

(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sep 2005 RM'000	Preceding Year Corresponding Quarter 30 Sep 2004 RM'000	Current Year To-Date 30 Sep 2005 RM'000	Preceding Year Corresponding Period 30 Sep 2004 RM'000
Revenue	47,208	37,351	47,208	37,351
Operating expenses	(40,580)	(32,494)	(40,580)	(32,494)
Depreciation and amortisation	(2,101)	(1,061)	(2,101)	(1,061)
Other operating income	155	137	155	137
Profit / (loss) from operations	4,682	3,933	4,682	3,933
Finance costs	(1,450)	(1,323)	(1,450)	(1,323)
Share of results of associated co	16	(5)	16	(5)
Profit / (loss) before taxation	3,248	2,605	3,248	2,605
Taxation	(1,256)	(921)	(1,256)	(921)
Profit / (loss) after taxation	1,992	1,684	1,992	1,684
Minority interest	(91)	(129)	(91)	(129)
Net Profit for the period	1,901	1,555	1,901	1,555
Earnings per share (sen) (Note B13)				
- Basic	4.59	3.85	4.59	3.85
- Diluted	4.52	3.83	4.52	3.83

(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

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**For the period ended 30 September 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 30 June 2005	41,894	2,091	4,040	28,303	76,328
Net profit / (loss) for the period	-		(97)	1,901	1,804
Dividend paid	-		-	-	-
Issue of shares	611				611
Issue of warrants					-
Exercise of warrants		(61)	61		-
Issue of shares for ESOS			-	-	-
As at 30 September 2005	42,505	2,030	4,004	30,204	78,743
As at 30 June 2004	40,419		3,999	21,670	66,088
Net profit / (loss) for the period	-		26	8,095	8,121
Dividend paid				(1,462)	(1,462)
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
As at 30 June 2005	41,894	2,091	4,040	28,303	76,328

(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 September 2005

(Unaudited)

	30 Sep 2005 RM'000	30 Sep 2004 RM'000
Cash flows from operating activities		
Profit / (loss) before taxation	3,248	2,605
Adjustments for non-cash flow:		
Non-cash items	2,101	1,061
Share of results of associated company	(16)	5
Impairment loss of assets	365	140
Finance costs	1,450	1,323
Operating profit / (loss) before working capital changes	<u>7,148</u>	<u>5,134</u>
Changes in working capital		
Net change in current assets	(13,438)	(9,417)
Net change in current liabilities	7,275	2,080
Cash generated from operations	985	(2,203)
Finance costs	(1,450)	(1,323)
Tax (paid) / refund	(326)	(623)
Net Cash generated from operations activities	<u>(791)</u>	<u>(4,149)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,545)	(1,673)
Net change in property development expenditure	101	557
Other Investment	(368)	-
Investment in an associated company	-	-
Net cash used in investing activities	<u>(6,812)</u>	<u>(1,116)</u>
Cash flows from financing activities		
Net proceed / (repayment) of bank borrowings	2,500	1,633
Dividend paid	-	-
Proceeds from issue of warrants	-	-
Proceeds from issue of shares	672	53
Net cash used in financing activities	<u>3,172</u>	<u>1,686</u>
Net (decrease) / increase in cash and cash equivalents	(4,431)	(3,579)
Cash and cash equivalents at beginning of period	(1,766)	1,218
Cash and cash equivalents at end of period (Note A13)	<u>(6,197)</u>	<u>(2,361)</u>

(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 SEPTEMBER 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 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

There are no other material changes in the estimates during the current quarter under review.

A6. Debts and Equity Securities

During the current quarter ended 30 September 2005, the Company increased its issued and paid-up share capital from 41,894,000 to RM42,505,000 by way of an issue of 610,900 new ordinary shares of RM1.00 each for cash at an exercise price of RM1.00 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.

BONIA CORPORATION BERHAD

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2005

(Unaudited)

A8. Segmental Reporting

Business segments

3 months ended 30 September 2005

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	47,120	0	88	-	47,208
Inter-segment sales	11,122	2,576	1,534	(15,232)	-
	<u>58,242</u>	<u>2,576</u>	<u>1,622</u>	<u>(15,232)</u>	<u>47,208</u>
Results					
Segment results	4,433	(176)	(346)	(679)	3,232
Share of results of associated Company	16				16
Profit before tax					<u>3,248</u>
Tax expense					<u>(1,256)</u>
Profit after tax					1,992
Minority interest					<u>(91)</u>
Net profit for the period					<u>1,901</u>

3 months ended 30 September 2004

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	37,252	-	99	-	37,351
Inter-segment sales	11,316	2,379	1,349	(15,044)	-
	<u>48,568</u>	<u>2,379</u>	<u>1,448</u>	<u>(15,044)</u>	<u>37,351</u>
Results					
Segment results	3,703	(29)	(336)	(728)	2,610
Share of results of associated Company	(5)				(5)
Profit before tax					<u>2,605</u>
Tax expense					<u>(921)</u>
Profit after tax					1,684
Minority interest					<u>(129)</u>
Net profit for the period					<u>1,555</u>

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 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

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

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

On 15 August 2005, a subsidiary company, Banyan Sutera Sdn. Bhd. (BSSB) increased its authorized share capital from RM100,000 to RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each and increased its issued and paid-up share capital from RM2 to RM500,000 via an allotment of 499,998 ordinary shares of RM1.00 each for cash. The Company subscribed 399,999 ordinary shares of RM1.00 each for a total cash consideration of RM399,999. The Company's equity interest in BSSB was increased from 50% to 80% after the said subscription.

On 22 August 2005, the Company's subsidiary, Mcore Sdn. Bhd. had subscribed 299,998 ordinary shares of RM1.00 each representing 60% equity interest in Apex Marble Sdn. Bhd., for a total cash consideration of RM299,998.

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 RM92.0 million of which utilised by these subsidiaries amounted to RM48.3 million.

A13. Cash and cash equivalents

	30 Sep 2005	30 Sep 2004
	RM'000	RM'000
Fixed deposits	2,116	2,223
Cash and bank balances	4,044	4,490
Bank overdrafts	(10,241)	(7,424)
	<u>(4,081)</u>	<u>(711)</u>
Less : Fixed deposit pledged	(2,116)	(1,650)
	<u>(6,197)</u>	<u>(2,361)</u>

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2005

(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 2005 increased by RM9.86 million or 26.4% 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 RM3.2 million from RM2.6 million in the previous corresponding cumulative quarter 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 RM3.2 million as compared to profit before tax of RM2.1 million in the preceding quarter ended 30 June 2005. The higher profit before tax for the current quarter was mainly due to higher profit margin recorded as well as lower provision for impairment loss on assets for the quarter under review.

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 Sep 2005 RM'000	Preceding year to-date ended 30 Sep 2004 RM'000
Current year tax	1,399	909
(Over)/Under provision in prior year		
Deferred tax	(143)	12
	<u>1,256</u>	<u>921</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.

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2005

(Unaudited)

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 Sep 2005		30 Sep 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	3,793	-	3,593	-
Bankers' acceptances / Trust receipts	7,713	-	7,130	-
Revolving credits	4,000	-	4,900	-
Term loans	1,045	1,529	3,071	-
	<u>16,551</u>	<u>1,529</u>	<u>18,694</u>	<u>-</u>
<u>Unsecured</u>				
Bank overdrafts	6,448	-	3,831	-
Bankers' acceptances / Trust receipts	23,465	-	18,142	-
Revolving credits	450	-	450	-
Term loans	-	30,000	-	31,646
Hire purchase & lease	698	2,063	726	720
	<u>31,061</u>	<u>32,063</u>	<u>23,149</u>	<u>32,366</u>
Total	<u>47,612</u>	<u>33,592</u>	<u>41,843</u>	<u>32,366</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.

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NOTES TO INTERIM FINANCIAL REPORT 30 SEPTEMBER 2005

(Unaudited)

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.

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 Sep 2005 RM'000	Preceding year quarter 30 Sep 2004 RM'000	Current year to-date 30 Sep 2005 RM'000	Preceding year period 30 Sep 2004 RM'000
Net profit / (loss) for the period	1,901	1,555	1,901	1,555

ii) Number of ordinary shares (basic)

	Current year quarter 30 Sep 2005 '000	Preceding year quarter 30 Sep 2004 '000	Current year to-date 30 Sep 2005 '000	Preceding year period 30 Sep 2004 '000
Weighted average number of ordinary shares	41,427	40,422	41,427	40,422

iii) Number of ordinary shares (diluted)

	Current year quarter 30 Sep 2005 '000	Preceding year quarter 30 Sep 2004 '000	Current year to-date 30 Sep 2005 '000	Preceding year period 30 Sep 2004 '000
Weighted average number of ordinary shares	41,427	40,422	41,427	40,422
Effect of share option	205	148	205	148
Effect of warrants	401	-	401	-
Weighted average number of ordinary shares (diluted)	42,033	40,570	42,033	40,570

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

(Unaudited)

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK
Finance Director
Kuala Lumpur
23 November 2005