

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 31 March 2006

(Unaudited)

	31 Mar 2006 RM'000	30 Jun 2005 RM'000
ASSETS EMPLOYED		
PROPERTY, PLANT AND EQUIPMENT	46,930	43,952
GOODWILL ON CONSOLIDATION	6,776	7,856
INTANGIBLE ASSET	7	7
INVESTMENT IN ASSOCIATED COMPANY	188	180
LAND HELD FOR PROPERTY DEVELOPMENT	10,045	10,343
OTHER INVESTMENTS	12,177	11,801
DEFERRED TAX ASSETS	285	282
CURRENT ASSETS		
Inventories	39,439	37,782
Trade and other receivables	56,282	56,178
Cash and cash equivalents	21,886	6,386
	117,607	100,346
CURRENT LIABILITIES		
Trade and other payables	16,060	19,220
Bank borrowings	46,278	41,566
Taxation	4,654	3,326
	66,992	64,112
NET CURRENT ASSETS/(LIABILITIES)	50,615	36,234
	127,023	110,655
FINANCED BY		
SHARE CAPITAL	44,290	41,894
WARRANTS	1,900	2,091
RESERVES	39,377	32,343
SHAREHOLDERS' FUNDS	85,567	76,328
MINORITY INTERESTS	1,944	1,138
LONG-TERM LIABILITIES		
Bank borrowings	39,274	32,933
Deferred tax liabilities / (assets)	238	256
	127,023	110,655
Net Tangible Assets per Share (sen)	178	163
Net Assets per Share (sen)	193	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 31 March 2006

(Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2006 RM'000	Preceding Year Corresponding Quarter 31 Mar 2005 RM'000	Current Year To-Date 31 Mar 2006 RM'000	Preceding Year Corresponding Period 31 Mar 2005 RM'000
Revenue	52,816	44,557	161,123	130,486
Operating expenses	(44,806)	(39,701)	(135,342)	(111,281)
Depreciation and amortisation	(1,805)	(984)	(5,510)	(3,418)
Other operating income	127	478	399	530
Profit / (loss) from operations	6,332	4,350	20,670	16,317
Finance costs	(1,315)	(1,414)	(4,174)	(4,062)
Share of results of associated co	(23)	-	8	(18)
Profit / (loss) before taxation	4,994	2,936	16,504	12,237
Taxation	(1,808)	(1,762)	(5,944)	(4,715)
Profit / (loss) after taxation	3,186	1,174	10,560	7,522
Minority interest	(287)	(238)	(554)	(425)
Net Profit for the period	2,899	936	10,006	7,097
Earnings per share (sen) (Note B13)				
- Basic	6.72	2.30	23.40	17.50
- Diluted	6.18	2.28	21.58	17.35

(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 31 March 2006

(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	-		(3)	10,006	10,003
Dividend paid	-		-	(3,173)	(3,173)
Issue of shares pursuant to the exercise of :					-
-ESOS	486		13		499
- Warrants	1,910	(191)	191		1,910
As at 31 March 2006	44,290	1,900	4,241	35,136	85,567
As at 30 June 2004	40,419		3,999	21,670	66,088
Net profit / (loss) for the period	-		(118)	7,097	6,979
Dividend paid				(1,462)	(1,462)
Issue of shares pursuant to the exercise of :					
-ESOS	1,448				1,448
As at 31 March 2005	41,867	-	3,881	27,305	73,053

(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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the period ended 31 March 2006

(Unaudited)

	31 Mar 2006 RM'000	31 Mar 2005 RM'000
Cash flows from operating activities		
Profit / (loss) before taxation	16,504	12,237
Adjustments for non-cash flow:		
Non-cash items	5,510	3,418
Share of results of associated company	(8)	18
Impairment loss of assets	1,080	420
Finance costs	4,174	4,062
Operating profit / (loss) before working capital changes	27,260	20,155
Changes in working capital		
Net change in current assets	(1,556)	(1,800)
Net change in current liabilities	(3,187)	(5,577)
Cash generated from operations	22,517	12,778
Finance costs	(4,174)	(4,062)
Tax (paid) / refund	(4,824)	(4,156)
Net Cash generated from operations activities	13,519	4,560
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,520)	(14,178)
Net change in property development expenditure	298	568
Investment in properties	-	(1,996)
Other Investment	(376)	-
Net cash used in investing activities	(8,598)	(15,606)
Cash flows from financing activities		
Net proceed / (repayment) of bank borrowings	9,441	7,825
Dividend paid	(3,173)	(1,462)
Dividend paid by subsidiary company to minority shareholders	(16)	-
Proceeds from issue of shares to minority shareholders	300	-
Proceeds from issue of shares	2,409	1,460
Net cash used in financing activities	8,961	7,823
Net (decrease) / increase in cash and cash equivalents	13,882	(3,223)
Cash and cash equivalents at beginning of period	(1,766)	1,218
Cash and cash equivalents at end of period (Note A13)	12,116	(2,005)

(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)
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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 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

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 31 March 2006, the Company increased its issued and paid-up share capital from 44,071,000 to RM44,290,000 by way of issue of 219,000 new ordinary shares of RM1.00 each for cash at option prices ranging from RM1.00 to RM1.13 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

A final dividend of 8% per share less tax and special dividend of 2% per share less tax, totaling RM3,173,000 in respect of the financial year ended 30 June 2005 was paid on 18 January 2006.

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2006

(Unaudited)

A8. Segmental Reporting

Business segments

9 months ended 31 March 2006

	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	160,845	6	272	-	161,123
Inter-segment sales	33,529	7,864	12,099	(53,492)	-
	194,374	7,870	12,371	(53,492)	161,123
Results					
Segment results	21,971	(427)	5,491	(10,539)	16,496
Share of results of associated Company	8				8
Profit before tax					16,504
Tax expense					(5,944)
Profit after tax					10,560
Minority interest					(554)
Net profit for the period					10,006

9 months ended 31 March 2005

	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	129,913	319	254	-	130,486
Inter-segment sales	22,096	5,712	6,190	(33,998)	-
	152,009	6,031	6,444	(33,998)	130,486
Results					
Segment results	15,971	(591)	1,178	(4,303)	12,255
Share of results of associated Company	(18)				(18)
Profit before tax					12,237
Tax expense					(4,715)
Profit after tax					7,522
Minority interest					(425)
Net profit for the period					7,097

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.

BONIA CORPORATION BERHAD

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2006

(Unaudited)

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

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 31 March 2006 comprised of Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amounted to RM100.9 million of which utilised by these subsidiaries amounted to RM52.9 million.

A13. Cash and cash equivalents

	31 Mar 2006	31 Mar 2005
	RM'000	RM'000
Fixed deposits	13,682	2,300
Cash and bank balances	8,204	6,116
Bank overdrafts	(7,649)	(9,221)
	<u>14,237</u>	<u>(805)</u>
Less : Fixed deposit pledged	(2,121)	(1,200)
	<u>12,116</u>	<u>(2,005)</u>

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 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 9 months ended 31 March 2006 increased by RM30.6 million or 23.5% 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 RM16.5 million from RM12.2 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 RM4.9 million as compared to profit before tax of RM8.3 million in the preceding quarter ended 31 December 2005. The lower profit before tax for the current quarter was mainly due to lower revenue achieved and higher operating expenses incurred for the current 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 31 Mar 2006 RM'000	Preceding year to-date ended 31 Mar 2005 RM'000
Current year tax	5,952	4,628
(Over)/Under provision in prior year	12	0
Deferred tax	(20)	87
	<u>5,944</u>	<u>4,715</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 31 MARCH 2006

(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:-

	31 Mar 2006		31 Mar 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	3,913	-	3,543	-
Bankers' acceptances / Trust receipts	8,347	-	10,582	-
Revolving credits	4,000	-	4,900	-
Term loans	1,678	7,479	2,051	1,620
	<u>17,938</u>	<u>7,479</u>	<u>21,076</u>	<u>1,620</u>
<u>Unsecured</u>				
Bank overdrafts	3,736	-	5,678	-
Bankers' acceptances / Trust receipts	23,532	-	22,212	-
Revolving credits	450	-	450	-
Term loans	-	30,000	-	30,000
Hire purchase & lease	621	1,795	419	744
	<u>28,339</u>	<u>31,795</u>	<u>28,759</u>	<u>30,744</u>
Total	<u>46,277</u>	<u>39,274</u>	<u>49,835</u>	<u>32,364</u>

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

	31 Mar 2006		31 Mar 2005	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<u>Singapore Dollar</u>	<u>833</u>	<u>1,897</u>	<u>354</u>	<u>814</u>

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2006

(Unaudited)

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.

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 31 Mar 2006 RM'000	Preceding year quarter 31 Mar 2005 RM'000	Current year to-date 31 Mar 2006 RM'000	Preceding year period 31 Mar 2005 RM'000
Net profit / (loss) for the period	2,899	936	10,006	7,097

ii) Number of ordinary shares (basic)

	Current year quarter 31 Mar 2006 '000	Preceding year quarter 31 Mar 2005 '000	Current year to-date 31 Mar 2006 '000	Preceding year period 31 Mar 2005 '000
Weighted average number of ordinary shares	43,140	40,684	42,767	40,560

iii) Number of ordinary shares (diluted)

	Current year quarter 31 Mar 2006 '000	Preceding year quarter 31 Mar 2005 '000	Current year to-date 31 Mar 2006 '000	Preceding year period 31 Mar 2005 '000
Weighted average number of ordinary shares	43,140	40,684	42,767	40,560
Effect of share option	468	347	328	352
Effect of warrants	3,281	-	3,281	-
Weighted average number of ordinary shares (diluted)	46,889	41,031	46,376	40,912

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**NOTES TO INTERIM FINANCIAL REPORT
31 MARCH 2006**

(Unaudited)

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK
Finance Director
Kuala Lumpur
24 May 2006