

BONIA CORPORATION BERHAD

(Company No. 223934-T)

[Incorporated in Malaysia]

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2008		
CONDENSED CONSOLIDATED BALANCE SHEETS		
	Unaudited As At 31 Mar 2008 RM'000	Audited As At 30 Jun 2007 RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	53,051	48,066
PREPAID LEASE PAYMENTS FOR LAND	604	609
INVESTMENTS IN ASSOCIATED COMPANIES	203	186
INVESTMENT PROPERTIES	7,958	7,958
LONG TERM INVESTMENTS	3,575	3,565
INTANGIBLE ASSETS	4,880	4,876
DEFERRED TAX ASSETS	1,983	980
Total non-current assets	72,254	66,240
CURRENT ASSETS		
Inventories	58,919	35,035
Trade and other receivables	64,869	60,234
Cash and cash equivalents	56,833	65,748
Total current assets	180,621	161,017
Non-current asset classified as held for sale	4,505	4,400
	185,126	165,417
TOTAL ASSETS	257,380	231,657
EQUITY AND LIABILITIES		
SHARE CAPITAL	99,346	97,922
WARRANTS	100	195
RESERVES	59,192	38,617
Total equity attributable to the holders of the parent	158,638	136,734
Minority interests	2,872	2,440
Total equity	161,510	139,174
NON-CURRENT LIABILITIES		
Long Term borrowings	38,584	38,516
Deferred tax liabilities	298	241
Total non-current liabilities	38,882	38,757
CURRENT LIABILITIES		
Trade and other payables	20,457	20,585
Bank borrowings	29,090	26,901
Tax liabilities	7,441	6,240
Total current liabilities	56,988	53,726
Total liabilities	95,870	92,483
TOTAL EQUITY AND LIABILITIES	257,380	231,657
	-	-
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)	0.80	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 31 MARCH 2008

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2008 RM'000	Preceding Year Corresponding Quarter 31 Mar 2007 RM'000 (Restated)	Current Year To-Date 31 Mar 2008 RM'000	Preceding Year Corresponding Period 31 Mar 2007 RM'000 (Restated)
Revenue	75,485	59,100	226,755	187,121
Cost of sales	(29,476)	(22,869)	(91,804)	(75,181)
Gross profit	46,009	36,231	134,951	111,940
Marketing and distribution expenses	(18,030)	(13,504)	(51,542)	(40,819)
General and administration expenses	(18,623)	(13,200)	(48,587)	(38,730)
Other operating income	1,131	647	2,660	1,233
Other expenses	-	(5)	-	(1,497)
Profit from operations	10,487	10,169	37,482	32,127
Finance costs	(1,611)	(1,627)	(3,993)	(4,289)
Share of results of associated company	(33)	(2)	17	2
Profit before taxation	8,843	8,540	33,506	27,840
Taxation	(1,931)	(2,180)	(8,781)	(8,160)
Net profit for the period	6,912	6,360	24,725	19,680
Attributable to :				
Equity holders of the parent	6,757	6,143	24,271	19,155
Minority interests	155	217	454	525
Profit for the period	6,912	6,360	24,725	19,680
Earnings per share attributable to equity holders of the parent : (Note B13)				
- Basic (sen)	3.41	4.23	12.07	12.73
- Diluted (sen)	3.37	3.54	11.94	10.71

(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 31 MARCH 2008

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		Share Option Reserves RM'000	Distributable Retained Profits 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	1,424	(95)	95	-	-	1,424	-	1,424
Translation gain	-	-	542	-	-	542	-	542
Net gain not recognised in the income statement	-	-	542	-	-	542	-	542
Net profit for the period	-	-	-	-	24,271	24,271	454	24,725
Dividend	-	-	-	-	(4,333)	(4,333)	(22)	(4,355)
At 31 March 2008	99,346	100	2,269	-	56,923	158,638	2,872	161,510
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	3,458	-	367	-	-	3,825	-	3,825
- Warrants	1,752	(176)	176	-	-	1,752	-	1,752
Share options granted under ESOS	-	-	-	73	-	73	-	73
Transfer of reserve upon shares issued	-	-	73	(73)	-	-	-	-
Translation gain	-	-	(27)	-	-	(27)	-	(27)
Net gain not recognised in the income statement	-	-	(27)	-	-	(27)	-	(27)
Net profit for the period	-	-	-	-	19,155	19,155	525	19,680
Dividend paid	-	-	-	-	(3,499)	(3,499)	-	(3,499)
At 31 March 2007	49,990	1,724	4,374	-	55,266	111,354	2,485	113,839

(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 31 MARCH 2008
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Cash flows from operating activities		
Profit before taxation	33,506	27,840
Adjustments for non-cash flow:		
Non-cash items	7,130	5,997
Share of results of associated companies	(17)	(2)
Impairment loss on assets	-	1,497
Allowance for doubtful debts	-	185
Interest expense	2,848	4,289
Interest income	(709)	(492)
Operating profit before changes in working capital	42,758	39,314
Changes in working capital		
Net change in property development expenditure	-	(35)
Net change in current assets	(30,192)	(489)
Net change in current liabilities	413	(3,196)
Cash (used in)/generated from operations	12,979	35,594
Tax paid	(6,857)	(6,556)
Net cash (used in)/from operating activities	6,122	29,038
Cash flows from investing activities		
Interest received	709	492
Purchase of property, plant and equipment	(12,215)	(6,529)
Other Investments	(10)	4
Net cash used in investing activities	(11,516)	(6,033)
Cash flows from financing activities		
Interest expense	(2,848)	(4,289)
Net proceed / (repayment) of bank borrowings	632	898
Dividend paid	(4,333)	(3,499)
Dividends paid to minority shareholders	(22)	-
Proceeds from issue of shares	1,424	5,650
Net cash used in financing activities	(5,147)	(1,240)
Net (decrease)/increase in cash and cash equivalents	(10,541)	21,765
Cash and cash equivalents at beginning of period	62,501	19,302
Cash and cash equivalents at end of period (Note A15)	51,960	41,067

(The Condensed Consolidated Cash Flow 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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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2008

(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.

A5. Material Changes in Estimates

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

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(Unaudited)

A6. Debts and Equity Securities

During the current quarter ended 31 March 2008, the Company increased its issued and paid-up share capital from RM98,976,750 to RM99,345,650 by way of issuance of 737,800 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

9 months ended 31 March 2008

	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	226,381	4	370	-	226,755
Inter-segment sales	-	12,139	6,816	(18,955)	-
	<u>226,381</u>	<u>12,143</u>	<u>7,186</u>	<u>(18,955)</u>	<u>226,755</u>
Results					
Segment results	40,251	199	(2,046)	(4,915)	33,489
Share of results of associated Company					17
Profit before tax					<u>33,506</u>
Tax expense					<u>(8,781)</u>
Net profit for the period					<u>24,725</u>
Attributable to :					
Equity holders of the parent					<u>24,271</u>
Minority interests					<u>454</u>

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(Unaudited)

9 months ended 31 March 2007

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
Revenue					
External sales	186,782	-	339	-	187,121
Inter-segment sales	-	9,703	6,774	(16,477)	-
	<u>186,782</u>	<u>9,703</u>	<u>7,113</u>	<u>(16,477)</u>	<u>187,121</u>
Results					
Segment results	33,708	44	(2,015)	(3,899)	27,838
Share of results of associated Company					2
Profit before tax					<u>27,840</u>
Tax expense					<u>(8,160)</u>
Net profit for the period					<u>19,680</u>
Attributable to :					
Equity holders of the parent					<u>19,155</u>
Minority interests					<u>525</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.

A wholly-owned subsidiary company of Bonia Corporation Berhad, Kin Seng Group Limited had incorporated a wholly-owned subsidiary in the People's Republic of China known as Bonia (Shanghai) Commerce Limited ("BSCL").

Information on BSCL

The Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China of BSCL was dated 19 March 2008. It had been granted a business licence on 16 April 2008 which is valid for a duration of 30 years.

The registered capital of BSCL is RMB5,000,000.00 and the paid-up of the said share capital is still pending. The said share capital shall be paid upon obtaining an approval from the relevant authority of China for opening a foreign bank account with a financial institution in Shanghai.

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(Unaudited)

The intended principal activities of BSCL are retailing, marketing, promoting, designing, import and export of fashionable leather goods, apparels and accessories.

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 11 January 2008, Bonia Corporation Berhad incorporated a wholly-owned subsidiary, Kin Sheng Group Limited ("KSGL") in Hong Kong, with an authorised 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.

A12. Changes in Contingent Liabilities

The contingent liabilities of the Group as at 31 March 2008 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amounted to RM93.96 million of which utilised by these subsidiaries amounted to RM36.78 million.

A13. Capital Commitments

The amount of capital commitments as at 31 March 2008 is as follows :

	RM'000
Authorised and contracted for :	
Property, plant and equipment :	
- properties under construction	10,333
- others	4,297
	<u>14,630</u>

A14. Related Party Transaction

	RM'000
Royalty paid to Bonia International Holdings Pte Ltd of which a director and shareholder of the Company has equity interest	<u>9</u>

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(Unaudited)

A15. Cash and cash equivalents

	31 March 2008 RM'000	31 March 2007 RM'000
Fixed deposits	4,405	37,551
Cash and bank balances	52,428	11,850
Bank overdrafts	<u>(3,428)</u>	<u>(6,212)</u>
	53,405	43,189
Less : Fixed deposit pledged	<u>(1,445)</u>	<u>(2,122)</u>
	<u>51,960</u>	<u>41,067</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 9 months ended 31 March 2008 increased by RM39.63 million or 21.18% over the corresponding cumulative quarter in the preceding year. The growth was mainly attributed to higher sales achieved from our nationwide Mega Sales and major festive seasons during the first nine months of the financial year under review. Revenue generated from overseas has also increased to 68.5 million from 53.9 million as recorded in the previous year.

The Group's profit before tax increased to RM33.51 million from RM27.84 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 RM8.84 million as compared to profit before tax of RM12.79 million in the preceding quarter ended 31 December 2007. The lower profit before tax for the current quarter under review is mainly caused by lower sales generated due to shorter sales period during the current quarter under review. The current quarter had also experienced higher operating costs due to higher boutique rental and depreciation, premises maintenance, overseas traveling and staff welfare expenses incurred.

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 March 2008 RM'000	Preceding year to-date ended 31 March 2007 RM'000
Current year tax	9,839	8,585
(Over)/Under provision in prior year	(120)	3
Deferred tax	(938)	(428)
	<u>8,781</u>	<u>8,160</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 March 2008		31 March 2007	
	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	927	-	213	-
Bankers' acceptances	3,497	-	6,027	-
Term loans	502	6,361	607	6,806
	<u>4,926</u>	<u>6,361</u>	<u>6,847</u>	<u>6,806</u>
<u>Unsecured</u>				
Bank overdrafts	2,501	-	5,999	-
Bankers' acceptances	20,819	-	26,005	-
Term loans	-	30,000	-	30,000
Hire purchase & lease	844	2,223	605	1,905
	<u>24,164</u>	<u>32,223</u>	<u>32,609</u>	<u>31,905</u>
Total	<u>29,090</u>	<u>38,584</u>	<u>39,456</u>	<u>38,711</u>

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

	31 March 2008		31 March 2007	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<u>Singapore Dollar</u>				
<u>Secured</u>				
Term Loan	688	1,589	706	1,611
<u>Unsecured</u>				
Trust Receipt	62	143	613	1,398
Hire purchase	318	735	372	848
	380	878	985	2,246
Total	1,068	2,467	1,691	3,857

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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(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 31 Mar 2008 RM'000	Preceding year quarter 31 Mar 2007 RM'000	Current year to-date 31 Mar 2008 RM'000	Preceding year period 31 Mar 2007 RM'000
Net Profit attributable to shareholders	6,757	6,143	24,271	19,155

ii) Number of ordinary shares (basic)

	Current year quarter 31 Mar 2008 '000	Preceding year quarter 31 Mar 2007 '000	Current year to-date 31 Mar 2008 '000	Preceding year period 31 Mar 2007 '000
Weighted average number of ordinary shares	198,197	48,431	201,067	50,165
Effect of bonus issue*	-	24,215	-	25,083
Effect of shares split*	-	72,646	-	75,248
Weighted average number of Ordinary shares	198,197	145,292	201,067	150,496

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iii) Number of ordinary shares (diluted)

	Current year quarter 31 Mar 2008 '000	Preceding year quarter 31 Mar 2007 '000	Current year to-date 31 Mar 2008 '000	Preceding year period 31 Mar 2007 '000
Weighted average number of ordinary shares	198,197	145,292	201,067	150,496
Effects of Warrants	2,256	28,344	2,256	28,344
Weighted average number of Ordinary shares (diluted)	200,453	173,636	203,323	178,840

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
26 May 2008