

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)

[Incorporated in Malaysia]

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 31 March 2007

(Unaudited)

	As At 31 Mar 2007 RM'000	RESTATED As At 30 Jun 2006 RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	46,116	45,631
PREPAID LEASE PAYMENTS	650	655
LAND HELD FOR PROPERTY DEVELOPMENT	4,856	4,821
INVESTMENT IN ASSOCIATED COMPANIES	195	193
INVESTMENT PROPERTIES	8,010	7,958
LONG TERM INVESTMENTS	3,570	3,574
INTANGIBLE ASSETS	4,878	6,365
TRADE RECEIVABLE	10,386	10,386
DEFERRED TAX ASSETS	351	303
Total non-current assets	<u>79,012</u>	<u>79,886</u>
CURRENT ASSETS		
Inventories	30,788	38,152
Trade and other receivables	55,731	48,236
Cash and cash equivalents	49,401	23,004
Total current assets	<u>135,920</u>	<u>109,392</u>
TOTAL ASSETS	<u>214,932</u>	<u>189,278</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL	49,990	44,780
WARRANTS	1,724	1,900
RESERVES	59,640	43,395
Total equity attributable to the holders of the parent	<u>111,354</u>	<u>90,075</u>
Minority interest	2,485	1,960
Total equity	<u>113,839</u>	<u>92,035</u>
NON-CURRENT LIABILITIES		
Long Term borrowings	38,711	39,000
Deferred tax liabilities	185	245
Total non-current liabilities	<u>38,896</u>	<u>39,245</u>
CURRENT LIABILITIES		
Trade and other payables	16,772	19,887
Bank borrowings	39,456	33,626
Tax liabilities	5,969	4,485
Total current liabilities	<u>62,197</u>	<u>57,998</u>
Total liabilities	<u>101,093</u>	<u>97,243</u>
TOTAL EQUITY AND LIABILITIES	<u>214,932</u>	<u>189,278</u>
	0	0
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	2.23	2.01

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006)

BONIA CORPORATION BERHAD

(COMPANY NO. 223934-T)
[Incorporated in Malaysia]

CONDENSED CONSOLIDATED INCOME STATEMENTS For the period ended 31 March 2007 (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2007 RM'000	Preceding Year Corresponding Quarter 31 Mar 2006 RM'000	Current Year To-Date 31 Mar 2007 RM'000	Preceding Year Corresponding Period 31 Mar 2006 RM'000
Revenue	59,100	52,816	187,121	161,123
Cost of sales	(22,869)	(23,341)	(75,181)	(74,377)
Gross profit	36,231	29,475	111,940	86,746
Other operating income	647	127	1,233	399
Marketing and distribution expenses	(13,504)	(10,452)	(40,819)	(32,502)
General and administration expenses	(13,200)	(12,468)	(38,730)	(32,893)
Other expenses	(5)	(350)	(1,497)	(1,080)
Finance costs	(1,627)	(1,315)	(4,289)	(4,174)
Profit from operations	8,542	5,017	27,838	16,496
Share of results of associated co	(2)	(23)	2	8
Profit before taxation	8,540	4,994	27,840	16,504
Taxation	(2,180)	(1,808)	(8,160)	(5,944)
Profit for the period	6,360	3,186	19,680	10,560
Attributable to :				
Equity holders of the parent	6,143	2,899	19,155	10,006
Minority interest	217	287	525	554
Profit for the period	6,360	3,186	19,680	10,560
Earnings per share attributable to equity holders of the parent : (Note B13)				
- Basic (sen)	12.68	6.72	38.18	23.40
- Diluted (sen)	10.61	6.18	32.13	21.58

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006)

BONIA CORPORATION BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 31 March 2007

(Unaudited)

← Attributable to equity holders of the parent →

	Share Capital RM'000	Warrants RM'000	Non-Distributable		Distributable	Sub-total RM'000	Minority interest RM'000	Total Equity RM'000
			Share Premium, Reserves RM'000	Share Option Reserves RM'000	Retained Profits RM'000			
At 1 July 2006								
As previously stated	44,780	1,900	4,434	-	38,961	90,075	1,960	92,035
Effect of FRS 3	-	-	(649)	-	649	-	-	-
Restated balance	44,780	1,900	3,785	-	39,610	90,075	1,960	92,035
Issue of 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
Dividends 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
At 1 July 2005	41,894	2,091	4,040	-	28,303	76,328	1,138	77,466
Issue of shares pursuant to the exercise of :								
-ESOS	486	-	13	-	-	499	-	499
- Warrants	1,910	(191)	191	-	-	1,910	-	1,910
Issue of shares to minority interest	-	-	-	-	-	-	300	300
Changes in the composition of the Group	-	-	-	-	-	-	(32)	(32)
Translation (losses)/gain	-	-	(3)	-	-	(3)	-	(3)
Net (losses)/gain not recognised in the income statement	-	-	(3)	-	-	(3)	-	(3)
Net profit for the period	-	-	-	-	10,006	10,006	554	10,560
Dividends paid	-	-	-	-	(3,173)	(3,173)	-	(3,173)
Dividends paid to minority shareholders	-	-	-	-	-	-	(16)	(16)
At 31 March 2006	44,290	1,900	4,241	-	35,136	85,567	1,944	87,511

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006)

BONIA CORPORATION BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**For the period ended 31 March 2007***(Unaudited)*

	31 Mar 2007	31 Mar 2006
	RM'000	RM'000
Cash flows from operating activities		
Profit / (loss) before taxation	27,840	16,504
Adjustments for non-cash flow:		
Non-cash items	5,997	5,510
Share of results of associated companies	(2)	(8)
Impairment loss on assets	1,497	1,080
Allowance for doubtful debts	185	0
Finance costs	4,289	4,174
Interest income	(492)	(17)
Operating profit before changes in working capital	<u>39,314</u>	<u>27,243</u>
Changes in working capital		
Net change in property development expenditure	(35)	298
Net change in current assets	(489)	(1,556)
Net change in current liabilities	(3,196)	(3,187)
Cash generated from operations	35,594	22,798
Tax (paid) / refund	(6,556)	(4,824)
Net cash generated from operating activities	<u>29,038</u>	<u>17,974</u>
Cash flows from investing activities		
Interest received	492	17
Purchase of property, plant and equipment	(6,529)	(8,520)
Placement of fixed deposit	0	0
Other Investments	4	(376)
Net cash used in investing activities	<u>(6,033)</u>	<u>(8,879)</u>
Cash flows from financing activities		
Finance costs	(4,289)	(4,174)
Net proceed / (repayment) of bank borrowings	898	9,441
Dividend paid	(3,499)	(3,173)
Dividends paid to minority shareholders	0	(16)
Proceeds from issue of shares to minority shareholders	0	300
Proceeds from issue of shares	5,650	2,409
Net cash (used in)/from financing activities	<u>(1,240)</u>	<u>4,787</u>
Net increase/(decrease) in cash and cash equivalents	21,765	13,882
Cash and cash equivalents at beginning of period	19,302	(1,766)
Cash and cash equivalents at end of period (Note A13)	<u>41,067</u>	<u>12,116</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006)

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2007

(Unaudited)

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with 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 2006.

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 2006.

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 2006 except for the changes arising from the adoption of the following new and revised Financial Reporting Standards (“FRS”) issued by MASB that are effective for the financial period beginning 1 July 2006 :-

FRS	2	Share-based Payment
FRS	3	Business Combinations
FRS	5	Non-current Assets Held For Sale And Discontinued Operations
FRS	101	Presentation Of Financial Statements
FRS	102	Inventories
FRS	108	Accounting Policies, Changes in Accounting Estimates And Errors
FRS	110	Events After The Balance Sheet Date
FRS	116	Property, Plant And Equipment
FRS	121	The Effects Of Changes In Foreign Exchange Rates
FRS	127	Consolidated And Separate Financial Statements
FRS	128	Investments In Associates
FRS	131	Interests In Joint Ventures
FRS	132	Financial Instruments : Disclosure And Presentation
FRS	133	Earnings Per Share
FRS	136	Impairment Of Assets
FRS	138	Intangible Assets
FRS	140	Investment Property

In addition to the above, the Group has also taken the option of early adoption of the following new and revised FRSs for the financial period beginning 1 July 2006 :

FRS	117	Leases
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The adoption of the above FRS did not result in substantial changes to the Group’s accounting policies other than the effects of the FRSs disclosed as follows :-

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i) **FRS 2 : Share-based Payment**

FRS 2 requires an equity to recognize share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets or equity instruments of the equity.

The Company has Executives' Share Option Scheme ("ESOS") whereby share options are granted to eligible Executive Directors, Non-Executive Directors and executives.

Prior to 1 July 2006, no compensation cost was recognised in the income statement when the share options are granted. Share capital and premium account are increased when the proceeds are received from the share options exercised by the employees in that financial period. Under the transitional provisions set out in paragraph 53 of FRS 2 this standard must be applied to share options that were granted after 31 December 2004 and had not yet vested on 1 January 2006. The adoption of this standard has not resulted in any retrospective impact to the Group as there were no new share options granted by the Company after 31 December 2004 which remain unvested on 1 January 2006.

Effective from 1 January 2006, with the adoption of FRS 2, the fair value of employee services rendered in exchange for the grant of the share options is recognised as compensation expense over the vesting period of the grants with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by the vesting date. The fair value of the share options is measured using a Black Scholes model. At every balance sheet date, the Company revises its estimates of the number of share options that are expected to be vested by the vesting date. Any revision of this estimates is included in the income statement with a corresponding adjustment to equity over the remaining vesting period.

ii) **FRS 3 : Business Combination**

The adoption of this new FRS has resulted in the Group ceasing annual goodwill amortization. Goodwill is carried at cost less accumulated impairment on the balance sheet and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognized in the income statement and subsequent reversal is not allowed. An impairment loss on goodwill amounting to RM1,497,000 has been recognized for the 9 months period ended 31.03.2007.

Under FRS 3, any excess of the Group's interest in their net fair value of acquires' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill"), after reassessment is now recognized immediately in profit or loss. Prior to 1 July 2006, negative goodwill was recognized as consolidation reserve. In accordance with the transitional provision of FRS 3, the consolidation reserve as at 1 July 2006 of RM 649,000 was derecognized with a corresponding increase in retained earnings.

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iii) FRS 101 : Presentation Of Financial Statement

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after tax results of associates companies and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires, disclosure on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest. The share of results in associated companies and jointly controlled entities are now disclosed net of tax and minority interests in the consolidated income statement.

The current period's presentation of the Group's financial statements is based on the revised Requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

d) FRS 117 : Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straightline basis over the lease term. A lease of land and building is apportioned into a lease of land and lease of building in proportion to the relative fair values of the leasehold interest in the land element and the building element of the lease at the inception of the lease. Prior to 1 July 2006, leasehold land was classified as property, plant and equipment and was stated as cost less accumulated depreciation and impairment losses.

Upon the adoption of the revised FRS 117 at 1 July 2006, the unamortized amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117.

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1.2 Comparative

The following comparative amounts have been restated due to the adoption of new and revised FRSs:

	As previously stated RM'000	Effect on Adoption of FRSs RM'000	As restated RM'000
Balance Sheet			
<u>As at 30 June 2006</u>			
Property, plant and equipment	46,286	(655)	45,631
Prepaid lease payments - FRS 117	-	655	655
Income statement			
<u>As at 1 July 2006</u>			
Retained profits	38,961	649	39,610
Reserve on consolidation - FRS 3	649	(649)	-

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 2006.

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

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NOTES TO INTERIM FINANCIAL REPORT 31 MARCH 2007

(Unaudited)

A6. Debts and Equity Securities

During the current quarter ended 31 March 2007, the Company increased its issued and paid-up share capital from 47,932,000 to RM49,990,000 by way of :

- (a) issuance of 938,000 new ordinary shares of RM1.00 each for cash at the option prices of RM1.00, RM1.10 and RM1.13 per share, by virtue of the exercise of share options pursuant to the Company's Executives' Share Option Scheme; and
- (b) issuance of 1,120,000 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 2005/2006.

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for current quarter under review.

A7. Dividend Paid

A first and final dividend of 8% per share less tax and a special dividend of 2% per share less tax, amounting to RM3,499,000 in respect of the financial year ended 30 June 2006 was paid on 22 January 2007.

A8. Segmental Reporting

Business segments

9 months ended 31 March 2007

	Retailing RM'000	Manufacturing 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 interest					<u>525</u>

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(Unaudited)

9 months ended 31 March 2006

	Retailing RM'000	Manufac- turing 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	-	7,864	4,599	(12,463)	-
	<u>160,845</u>	<u>7,870</u>	<u>4,871</u>	<u>(12,463)</u>	<u>161,123</u>
Results					
Segment results	21,245	(427)	(2,477)	(1,845)	16,496
Share of results of associated Company					8
Profit before tax					<u>16,504</u>
Tax expense					<u>(5,944)</u>
Net profit for the period					<u>10,560</u>
Attributable to :					
Equity holders of the parent					<u>10,006</u>
Minority interest					<u>554</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 were no other material events subsequent to the end of the current quarter under review up to the date of this report.

On 30 April 2007, Bonia Corporation Berhad ("Bonía") announced that Dominion Directions Sdn Bhd ("DDSB"), a wholly-owned subsidiary of Bonía acquired the entire equity interest in Galaxy Hallmark Sdn Bhd ("GHSB") comprising 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00 only from Cik Noraini Binti Abdullah and Encik Zainudin Bin Koming who were also the Directors of GHSB.

GHSB is a dormant company and its current authorized share capital is RM100,000 comprising of 100,000 ordinary shares of RM1.00 each, of which 2 shares have been issued and fully paid-up.

The intended principal activities of GHSB are marketing and distribution of men's apparel and accessories.

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On 9 May 2007, Bonia Corporation Berhad (“Bonía”) acquired the entire equity interest in New Series Sdn Bhd (“NSSB”) comprising 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00 only from Cik Noraini Binti Abdullah and Encik Zainudin Bin Komíng who were also the Directors of NSSB.

NSSB is a dormant company and its current authorized share capital is RM100,000 comprising of 100,000 ordinary shares of RM1.00 each, of which 2 shares have been issued and fully paid-up.

The intended principal activities of NSSB are marketing and distribution of men’s apparel.

On 23 May 2007, Bonia Corporation Berhad announced that its wholly-owned subsidiary, Active World Pte Ltd (“AWPL”) had incorporated a subsidiary, Guangzhou Jia Li Bao Leather Fashion Co Ltd (“GJLB”) in the People’s Republic of China.

The current authorized share capital of GJLB is USD650,000.00 of which all the share capital has been issued and fully paid-up.

Its principal activities 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 22 January 2007, Bonia Corporation Berhad acquired the entire interest in Mcolours & Design Sdn Bhd (“MDSB”) comprising 5,000 ordinary shares of RM1.00 each for a total cash consideration of RM5,000.00 only from Mr Tey Chee Hong and Madam Eu Ek Moi who were also the Directors of MDSB (the “Acquisition”). The Acquisition has resulted MDSB becoming a wholly-owned subsidiary of Bonía.

MDSB is a dormant company and its current authorized share capital is RM100,000 comprising of 100,000 ordinary shares of RM1.00 each of which 5,000 shares have been issued and fully paid-up.

The intended principal activities of MDSB are products design, research and developments.

A12. Changes in Contingent Liabilities

The contingent liabilities of the Group as at 31 March 2007 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies amounted to RM99.9 million of which utilised by these subsidiaries amounted to RM47.4 million.

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13. Capital Commitments

The amount of capital commitments as at 31 March 2007 is as follows :

	RM'000
Authorised and contracted for :	
Properties under construction	1,941
Properties, plant and equipment	86
	<u>2,027</u>

A14. Cash and cash equivalents

	31 Mar 2007	31 Mar 2006
	RM'000	RM'000
Fixed deposits	37,551	13,682
Cash and bank balances	11,850	8,204
Bank overdrafts	<u>(6,212)</u>	<u>(7,649)</u>
	43,189	14,237
Less : Fixed deposit pledged	<u>(2,122)</u>	<u>(2,121)</u>
	<u>41,067</u>	<u>12,116</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 2007 increased by RM25.99 million or 16.13% over the corresponding cumulative quarter in the preceding year. The significant growth was mainly attributed to higher sales achieved in leatherwear and footwear division arising from higher contribution from its respective overseas sales contribution.

Overseas contribution to the Group's total revenue increased from 26% for the cumulative quarter ended 31.03.2006 to 30% for the 9 months period ended 31.03.2007.

The Group's profit before tax increased to RM27.84 million from RM16.50 million in the previous corresponding cumulative quarter in tandem with the higher revenue generated as well as improvement in gross profit margin.

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 RM8.54 million as compared to profit before tax of RM13.53 million in the preceding quarter ended 31 December 2006. The decrease in profit before tax for the current quarter under review was mainly due to lower revenue recorded in view of the lesser festive seasons during the current quarter as compared to the immediate preceding quarter.

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 2007 RM'000	Preceding year to-date ended 31 Mar 2006 RM'000
Current year tax	8,585	5,952
(Over)/Under provision in prior year	3	12
Deferred tax	(428)	(20)
	<u>8,160</u>	<u>5,944</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

Save for those disclosed below, there were no corporate proposals announced but not completed as at the date of this announcement.

On 26 January 2007, the Company made an announcement proposed to implement the following :

- (a) To increase its authorized share capital of the Company from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM250,000,000 comprising 250,000,000 ordinary shares of RM1.00 each ("Proposed Increase in Authorised Share Capital");
- (b) A bonus issue of up to 33,676,750 new ordinary shares of RM1.00 each in Bonia ("Bonía Shares"), to be credited as fully paid-up on the basis of one (1) new Bonía Share for every two (2) existing Bonía Shares held ("Proposed Bonus Issue");
- (c) A share split involving the subdivision into two (2) new ordinary shares of RM0.50 each for every one (1) Bonía Share held after the Proposed Bonus Issue ("Proposed Share Split");
- (d) Amendments to the Memorandum and Articles of Association of the Company ("Proposed Amendments"); and
- (e) Transfer of the listing of and quotation for its entire issued and paid-up share capital from the Second Board to the Main Board of the Bursa Malaysia Securities Berhad ("Proposed Transfer").

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The Proposals are subject to and conditional upon approvals being obtained from the following:

- (i) Securities Commission (“SC”) for the Proposed Share Split and Proposed Transfer;
- (ii) Bursa Securities for the Waiver, Proposed Share Split, for the listing of and quotation for new shares to be issued pursuant to the Proposed Bonus Issue and Proposed Share Split, and for the listing of and quotation for the entire issued and paid-up share capital of Bonia on the Main Board of Bursa Securities;
- (iii) Shareholders of Bonia for the Proposed Increase in Authorised Share Capital, Proposal Bonus Issue, Proposed Share Split and Proposed Amendment at an Extraordinary General Meeting (“EGM”) to be convened; and
- (iv) Any other relevant authorities.

Further to the announcement dated 26 January 2007 and 5 February 2007, Bursa Malaysia Securities Berhad had vide its letter dated 12 February 2007 approved the application for a waiver from Paragraph 6.26A of the Listing Requirements of Bursa Securities pertaining to the Proposed Bonus Issue.

On 15 February 2007, the Company/Hwang-DBS Investment Bank Berhad had submitted the applications to the Securities Commission and Bursa Malaysia Securities Berhad in respect of the Proposals.

On 28 February 2007, approval-in-principle was obtained from Bursa Malaysia Securities Berhad for the listing of Bonia Shares pursuant to the Proposed Bonus Issue and Proposed Share Split subject to the condition that the Company to comply all the requirements pertaining to the Proposed Bonus Issue as provided under the Listing Requirements.

On 20 March 2007, the SC had approved the Proposed Share Split and Proposed Transfer, subject to the condition that the Company to comply with all the relevant requirements pertaining to the implementation of the Proposals as stipulated in the Policies and Guidelines on Issue/Offer of Securities.

On 23 March 2007, Bursa Malaysia Securities Berhad granted its approval-in-principle for the Proposed Transfer without imposing any condition.

All the resolutions as set out in the Notice of EGM dated 7 March 2007 had been duly approved by our shareholders on 29 March 2007.

Further to the announcement dated 8 March 2007, the SC had vide its letter dated 2 April 2007 approved the Company’s application to dispense from complying with the equity condition imposed by the SC previously.

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On 4 April 2007, Hwang-DBS Investment Bank Berhad had on behalf of our Board announced that the Company had executed a supplemental deed poll on 4 April 2007 ("Supplemental Deed Poll"), in respect of the adjustments to the exercise price and number of Warrants 2005/2008 issued in accordance with the provisions of the deed poll dated 8 March 2005 ("Deed Poll"), pursuant to the bonus issue and share split.

The salient features of the Supplemental Deed Poll are as follows :

- (i) to effect the amendment to the definition of "Shares", to include the subdivided or consolidated par value, in the event that the par value of the ordinary shares of the Company shall be subdivided or consolidated to a different par value; and
- (ii) to substitute the word "payment" in line 2 of the Condition in the Second Schedule with the word " adjustment".

All the other terms of the Deed Poll remains the same.

On the same day, Hwang-DBS Bank Berhad had on behalf of our Board announced that the entitlement date of the Bonus Issue shall be 20 April 2007. As such, shareholders and warrant holders of the Company whose name appeared in the Record of Depositors on 20 April 2007 were entitled to additional Bonus Issue, Warrants and Share Split.

On 18 April 2007, the SC had approved the Proposed Transfer without imposing any conditions.

On 20 April 2007, the Company had completed the Share Split and the Bonus Issue. The additional 124,848,269 number of shares and 9,620,729 number of warrants were listed on Bursa Malaysia Securities Berhad on 23 April 2007.

The entire shares and warrants of Bonia were transferred from the Second Board to the Main Board of Bursa Malaysia Securities Berhad on 23 April 2007.

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B9. Group Borrowings

The total Group borrowings and debts securities as follows:-

	31 Mar 2007		31 Mar 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	213	-	3,913	-
Bankers' acceptances / Trust receipts	6,027	-	8,347	-
Revolving credits	-	-	4,000	-
Term loans	607	6,806	1,678	7,479
	<u>6,847</u>	<u>6,806</u>	<u>17,938</u>	<u>7,479</u>
<u>Unsecured</u>				
Bank overdrafts	5,999	-	3,736	-
Bankers' acceptances / Trust receipts	26,005	-	23,532	-
Revolving credits	-	-	450	-
	-	30,000	-	30,000
Term loans				
Hire purchase & lease	605	1,905	621	1,795
	<u>32,609</u>	<u>31,905</u>	<u>28,339</u>	<u>31,795</u>
Total	<u>39,456</u>	<u>38,711</u>	<u>46,277</u>	<u>39,274</u>

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

	31 Mar 2007		31 Mar 2006	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<u>Singapore Dollar</u>				
<u>Secured</u>				
Term Loan	706	1,611	726	1,653
<u>Unsecured</u>				
Trust Receipt	613	1,398	107	244
Total	<u>1,319</u>	<u>3,009</u>	<u>833</u>	<u>1,897</u>

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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 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 2007 RM'000	Preceding year quarter 31 Mar 2006 RM'000	Current year to-date 31 Mar 2007 RM'000	Preceding year period 31 Mar 2006 RM'000
Net profit / (loss) for the period	6,143	2,899	19,155	10,006

ii) Number of ordinary shares (basic)

	Current year quarter 31 Mar 2007 '000	Preceding year quarter 31 Mar 2006 '000	Current year to-date 31 Mar 2007 '000	Preceding year period 31 Mar 2006 '000
Weighted average number of ordinary shares	48,431	43,140	50,165	42,767

iii) Number of ordinary shares (diluted)

	Current year quarter 31 Mar 2007 '000	Preceding year quarter 31 Mar 2006 '000	Current year to-date 31 Mar 2007 '000	Preceding year period 31 Mar 2006 '000
Weighted average number of ordinary shares	48,431	43,140	50,165	42,767
Effect of share option	-	468	-	328
Effect of warrants	9,448	3,281	9,448	3,281
Weighted average number of ordinary shares (diluted)	57,879	46,889	59,613	46,376

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By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK
Finance Director
Kuala Lumpur
24 May 2007