



<b>UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015</b>		
<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>		
	<b>As At 31 Dec 2015 RM'000 (UNAUDITED)</b>	<b>As At 30 Jun 2015 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	189,326	183,329
Investment properties	38,044	38,044
Intangible assets	77,439	69,006
Investments in associates	155	97
Other investments	1,274	1,137
Deferred tax assets	4,282	3,430
<b>Total non-current assets</b>	<b>310,520</b>	<b>295,043</b>
<b>CURRENT ASSETS</b>		
Inventories	161,005	153,523
Trade and other receivables	154,914	133,867
Current tax assets	6,703	3,658
Cash and cash equivalents	82,644	78,775
<b>Total current assets</b>	<b>405,266</b>	<b>369,823</b>
<b>TOTAL ASSETS</b>	<b>715,786</b>	<b>664,866</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	201,572	201,572
Reserves	197,702	185,944
<b>Total equity attributable to the owners of the parent</b>	<b>399,274</b>	<b>387,516</b>
<b>Non-controlling Interest</b>	<b>17,737</b>	<b>16,789</b>
<b>Total equity</b>	<b>417,011</b>	<b>404,305</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	103,468	100,088
Trade and other payables	2,740	4,893
Provision for restoration costs	1,981	1,963
Deferred tax liabilities	7,660	7,322
<b>Total non-current liabilities</b>	<b>115,849</b>	<b>114,266</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	124,461	98,452
Bank borrowings	50,787	42,998
Provision for restoration costs	461	447
Current tax payables	7,217	4,398
<b>Total current liabilities</b>	<b>182,926</b>	<b>146,295</b>
<b>Total liabilities</b>	<b>298,775</b>	<b>260,561</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>715,786</b>	<b>664,866</b>
	-	-
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM) :</b>	<b>0.50</b>	<b>0.48</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)*



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2015 RM'000	Preceding Year Corresponding Quarter 31 Dec 2014 RM'000	Current Year- To-Date 31 Dec 2015 RM'000	Preceding Year Corresponding Period 31 Dec 2014 RM'000
<b>Revenue</b>	<b>178,460</b>	<b>181,134</b>	<b>343,171</b>	<b>352,013</b>
Cost of sales	(80,855)	(71,865)	(155,986)	(140,564)
Gross profit	<b>97,605</b>	<b>109,269</b>	<b>187,185</b>	<b>211,449</b>
Selling and distribution expenses	(50,815)	(52,889)	(97,680)	(105,604)
General and administration expenses	(31,173)	(34,971)	(60,683)	(64,370)
Other operating income	1,888	1,877	4,917	4,073
<b>Profit from operations</b>	<b>17,505</b>	<b>23,286</b>	<b>33,739</b>	<b>45,548</b>
Finance costs	(2,861)	(2,602)	(5,445)	(4,743)
Share of results of associates	56	(1)	58	(1)
<b>Profit before tax</b>	<b>14,700</b>	<b>20,683</b>	<b>28,352</b>	<b>40,804</b>
Taxation	(5,709)	(5,791)	(10,021)	(11,981)
<b>Profit for the period</b>	<b>8,991</b>	<b>14,892</b>	<b>18,331</b>	<b>28,823</b>
Other comprehensive income				
Foreign currency exchange differences arising from consolidation	2,773	947	6,266	941
<b>Total comprehensive income for the period</b>	<b>11,764</b>	<b>15,839</b>	<b>24,597</b>	<b>29,764</b>
<b>Profit attributable to :</b>				
Owners of the parent	7,508	13,855	16,382	26,813
Non-controlling Interests	1,483	1,037	1,949	2,010
	<b>8,991</b>	<b>14,892</b>	<b>18,331</b>	<b>28,823</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the parent	9,994	14,591	21,837	27,531
Non-controlling Interests	1,770	1,248	2,760	2,233
	<b>11,764</b>	<b>15,839</b>	<b>24,597</b>	<b>29,764</b>
Net earnings per share attributable to owners of the parent (Note B14)				
- Basic (sen)	0.93	1.72	2.03	3.33

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)*



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to owners of the parent →							Non-controlling interests RM'000	Total Equity RM'000
	← Non-Distributable →			Distributable					
	Share Capital RM'000	Share Premium RM'000	Available-for-sale Reserve RM'000	Exchange Translation Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Sub-total RM'000		
<b>At 1 July 2015</b>	201,572	-	(12)	3,745	-	182,211	387,516	16,789	404,305
Profit for the financial year	-	-	-	-	-	16,382	16,382	1,949	18,331
Foreign currency translations	-	-	-	5,455	-	-	5,455	811	6,266
<b>Total comprehensive income for the period</b>	-	-	-	5,455	-	16,382	21,837	2,760	24,597
Transaction with owners:									
Dividends paid	-	-	-	-	-	(10,079)	(10,079)	-	(10,079)
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	(1,812)	(1,812)
<b>Total transactions with owners</b>	-	-	-	-	-	(10,079)	(10,079)	(1,812)	(11,891)
<b>At 31 December 2015</b>	<b>201,572</b>	<b>-</b>	<b>(12)</b>	<b>9,200</b>	<b>-</b>	<b>188,514</b>	<b>399,274</b>	<b>17,737</b>	<b>417,011</b>
<b>At 1 July 2014</b>	100,786	476	(12)	672	(1,706)	246,270	346,486	14,134	360,620
Profit for the financial year	-	-	-	-	-	26,813	26,813	2,010	28,823
Foreign currency translations	-	-	-	718	-	-	718	223	941
<b>Total comprehensive income for the period</b>	-	-	-	718	-	26,813	27,531	2,233	29,764
Transaction with owners:									
Resale of treasury shares	-	1,006	-	-	1,706	-	2,712	-	2,712
Bonus issue	100,786	(1,482)	-	-	-	(99,304)	-	-	-
Dividends paid	-	-	-	-	-	(10,079)	(10,079)	-	(10,079)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(1,570)	(1,570)
<b>Total transactions with owners</b>	100,786	(476)	-	-	1,706	(109,383)	(7,367)	(1,570)	(8,937)
<b>At 31 December 2014</b>	<b>201,572</b>	<b>-</b>	<b>(12)</b>	<b>1,390</b>	<b>-</b>	<b>163,700</b>	<b>366,650</b>	<b>14,797</b>	<b>381,447</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)



**BONIA CORPORATION BERHAD** (223934-T)

[Incorporated in Malaysia]

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	31 Dec 2015 RM'000	31 Dec 2014 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	28,352	40,804
Adjustments for non-cash flow:		
Amortisation of trademarks	1,479	655
Depreciation of property, plant and equipment	11,512	11,070
Gain on disposal of property, plant and equipment	(44)	(428)
Accretion of non-current other payable	206	310
Impairment loss on :-		
- trade and other receivables	32	-
- amounts owing by associates	455	-
Interest expense	3,563	2,698
Interest income	(316)	(386)
Properties, plant and equipment written off	240	2
Share of gain of associates	(58)	1
Unwinding of discount on provision for restoration costs	5	41
Unrealised gain on foreign exchange, net	(1,223)	617
Operating profit before changes in working capital	44,203	55,384
Changes in working capital		
Net change in current assets	(19,422)	(30,644)
Net change in current liabilities	17,803	7,663
<b>Cash generated from operations</b>	<b>42,584</b>	<b>32,403</b>
Tax paid	(11,108)	(12,215)
<b>Net cash from operating activities</b>	<b>31,476</b>	<b>20,188</b>
<b>Cash flows used in investing activities</b>		
Interest received	316	386
Loan/Advances to associates	(550)	(144)
Proceeds from disposal of property, plant and equipment	321	428
Purchase of Trademarks	(8,975)	(32)
Purchase of property, plant and equipment	(16,193)	(9,455)
Purchase of investment properties	-	(2,484)
Purchase of other long term investment	(97)	-
Net cash used in investing activities	(25,178)	(11,301)
<b>Cash flows used in financing activities</b>		
Interest paid	(3,563)	(2,698)
Proceeds from sale of treasury shares	-	2,712
Net financing from bank borrowings	10,478	2,324
Dividends paid to owners of the parent	(10,079)	(10,079)
Dividends paid to non-controlling interests	(1,812)	(1,570)
Net cash used in financing activities	(4,976)	(9,311)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,322</b>	<b>(424)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>71,679</b>	<b>66,241</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2,950</b>	<b>(578)</b>
<b>Cash and cash equivalents at end of the financial year (Note A16)</b>	<b>75,951</b>	<b>65,239</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)*



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

**1. Basis of Preparation**

This Interim Financial Report is unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRS”) MFRS 134: “Interim Financial Reporting” and Chapter 9 Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

This report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2015.

The explanatory notes attached to this report 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 2015.

**2. Accounting Policies**

The significant accounting policies adopted by the Group in this Report are consistent with those adopted in the Audited Financial Statements of the Group for the financial year ended 30 June 2015.

The Group has not adopted the following new/revised MFRSs, Amendments to MFRSs and Interpretation that were in issue but not yet effective:

***MFRS and Amendments effective for financial periods beginning on or after 1 January 2016***

MFRS 14	<i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	<i>Investment Entities : Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 101	<i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 127	<i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs	<i>Annual Improvements to MFRSs 2012-2014 Cycle</i>	1 January 2016
MFRS 15	<i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 9	<i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018

The Group is in the process of assessing the impact of implementing these Standards and Amendments since the effects would only be observable for future financial years.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

**3. 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.

**4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items as a result of their nature, size or incidence that had affected this Interim Financial Report for the financial quarter ended 31 December 2015.

**5. Achievability of Revenue or Profit Estimate, Forecast, Projection or Internal Targets**

No revenue or profit estimate, forecast, projection or internal targets has been issued by the Group previously in any public document.

**6. Debts and Equity Securities**

There were no issuance, cancellation, repurchase, resale or repayments of debts and equity securities for current quarter under review.

**7. Dividend**

A final single tier dividend of 5% or 1.25 sen per ordinary share of 25.0 sen each amounting to RM10,078,593 in respect of the financial year ended 30 June 2015 was paid on 31 December 2015.

No interim dividend has been recommended in respect of the financial quarter ended 31 December 2015.

**8. Material Events Subsequent to the End of the Interim Financial Period**

Save as disclosed below, there were no material events subsequent to the end of the current quarter under review up to the date of this report.

A Sale and Purchase Agreement has been executed between Jeco (Pte) Limited (“Jeco”) (70% owned subsidiary of BCB) and Helgo Neugebauer on 29 January 2016 for the acquisition of 100 ordinary shares representing 100% of the equity interest in IBB Pte Ltd (“IBB”) for a cash consideration of SGD6,000,000 (equivalent to RM17,512,200) from Helgo, by Jeco.

Consequent to the Acquisition, IBB has become a wholly-owned subsidiary of Jeco. IBB was incorporated in Singapore on 12 October 2015, its principal activity is general wholesale trade (including general importers and exporters) with the business of supplying leatherwear and other fashion products for sale to Indonesia. IBB has a long-term contract with an Indonesia counterpart for the marketing and distribution of fashionable leatherwear products in Indonesia.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

**9. Segmental Information - Operating Segments**

**Results for 3 months ended 31 December 2015  
(current quarter)**

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'0000	Consolidation RM'000
<b>Revenue</b>					
External revenue	178,092	110	258	-	178,460
Inter-segment revenue	-	7,816	14,503	(22,319)	-
Total revenue	178,092	7,926	14,761	(22,319)	178,460
<b>Results</b>					
Operating results	16,572	898	4,624	(5,778)	16,316
Interest income	17	-	145	-	162
Interest expense	(471)	(125)	(1,238)	-	(1,834)
Share of results of associates	-	-	56	-	56
Segment results	16,118	773	3,587	(5,778)	14,700
Tax expense					(5,709)
Profit for the current quarter					8,991

**Results for 3 months ended 31 December 2014  
(corresponding quarter of preceding year)**

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>					
External revenue	180,858	-	276	-	181,134
Inter-segment revenue	-	6,592	21,892	(28,484)	-
Total revenue	180,858	6,592	22,168	(28,484)	181,134
<b>Results</b>					
Operating results	22,370	587	12,904	(13,834)	22,027
Interest income	33	1	164	-	198
Interest expense	(471)	(133)	(937)	-	(1,541)
Share of results of associates	-	-	(1)	-	(1)
Segment results	21,932	455	12,130	(13,834)	20,683
Tax expense					(5,791)
Profit for the current quarter					14,892



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

**9. Segmental Information - Operating Segments (cont'd)**

**Results for 6 months ended 31 December 2015  
(current financial year-to-date)**

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>					
External revenue	341,935	691	545	-	343,171
Inter-segment revenue	-	13,636	27,962	(41,598)	-
Total revenue	<u>341,935</u>	<u>14,327</u>	<u>28,507</u>	<u>(41,598)</u>	<u>343,171</u>
<b>Results</b>					
Operating results	32,028	1,166	9,004	(10,657)	31,541
Interest income	42	-	274	-	316
Interest expense	(917)	(241)	(2,405)	-	(3,563)
Share of results of associates	-	-	58	-	58
Segment results	<u>31,153</u>	<u>925</u>	<u>6,931</u>	<u>(10,657)</u>	<u>28,352</u>
Tax expense					<u>(10,021)</u>
Profit for the financial period					<u>18,331</u>

**Results for 6 months ended 31 December 2014  
(corresponding period of preceding financial year-to-date)**

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>					
External revenue	351,463	-	550	-	352,013
Inter-segment revenue	-	12,919	30,197	(43,116)	-
Total revenue	<u>351,463</u>	<u>12,919</u>	<u>30,747</u>	<u>(43,116)</u>	<u>352,013</u>
<b>Results</b>					
Operating results	44,485	909	12,298	(14,575)	43,117
Interest income	59	2	325	-	386
Interest expense	(815)	(270)	(1,613)	-	(2,698)
Share of results of associates	-	-	(1)	-	(1)
Segment results	<u>43,729</u>	<u>641</u>	<u>11,009</u>	<u>(14,575)</u>	<u>40,804</u>
Tax expense					<u>(11,981)</u>
Profit for the financial period					<u>28,823</u>





**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

**10. Review of Performance of the Company and its Subsidiaries**

For the current quarter, the Group reported a lower profit before taxation (“PBT”) of RM14.7 million as compared to the PBT of RM20.7 million reported for 2<sup>nd</sup> Quarter FY2015,

The decrease in PBT was mainly due to a drop in revenue as well as gross profit (“GP”) margin. The revenue had dropped 1.5% to RM178 million as compared to RM181 million reported for Q2 FY2015. More significantly, the GP margin dropped from 60.3% to 54.7%. The lower GP margin was mainly due to higher discount given towards the year end festive seasons and higher cost of imported goods caused by weakened Ringgit. In addition, the implementation of GST had further burdened the cost of goods sold as not all the GST cost can be fully transferred to consumers.

**2<sup>nd</sup> Quarter YTD FY2016 vs. 2<sup>nd</sup> Quarter YTD FY2015**

For the 6 months FY2016, the Group’s revenue decreased by RM8.8 million or 2.5% as compared to the corresponding cumulative quarters in the preceding year. The tough operating environment after the implementation of GST couple with weakened consumer sentiments has caused the revenue dropped by 2.5%.

The Group reported a profit before tax of RM28.3 million, which is 30.5% lower than the profit before tax of RM40.8 million reported in the preceding year. Earnings weakened drastically as GP margin were affected due to promotional activities and higher discount given to drive sales. The drop in GP margin also attributable to the increase in the merchandise costs due to weakened Ringgit, with the absorption of GST cost in view of the weakened consumer sentiments.

**11. Comments on Material Changes in the Profit Before Taxation for the Quarter under Review as Compared with Immediate Preceding Quarter**

**2<sup>nd</sup> Quarter FY2016 vs. 1<sup>st</sup> Quarter FY2016**

For the current quarter under review, the Group posted a profit before tax of RM14.7 million as compared to RM13.6 million in the preceding quarter ended 30 September 2015.

Revenue for the current quarter under review had increased by 8.3% to RM178.5 million as compared to RM164.7 million reported in the preceding quarter due to festive seasons. GP margin remained nearly the same for the two quarters coupled with the operating costs only increased by 7.4% in tandem with the increase in sales. Therefore, the PBT increased by 7.7% or RM1.1 million.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

**12. Prospect**

On the local front, Malaysia's economy is expected to continue at a slower pace for the remaining financial year. Consumers are expected to be very cautious in their spending in view of the slowing Malaysia economy as well as rising costs of living partly due to weakening Malaysian Ringgit and implementation of GST.

The retail sector has becoming more challenging due to rising costs of doing business, weakened Ringgit which has risen merchandise costs. As the Government looks to cut more subsidies, the cost of living will definitely rise. The consumers have to prioritise their spending according to their needs. Dampening commodity prices which the country is based upon, has also negatively affecting consumer sentiments.

Giving the uncertain economic outlook, the Group's prospects for the remaining financial year are expected to be challenging. With the continue increase in the merchandise costs due to the weakened Ringgit, the Group will continue to monitor its operating costs and slowly adjust its selling price to cope with falling gross margin. The Group will also embark on business consolidation and rationalisation as well as cost control exercise while continue its expansion plan to overseas markets in particularly Vietnam, Indonesia, Cambodia and other Middle East countries.

Barring any unforeseen circumstances, the Board of Directors remains cautious about the Group's outlook for the remaining financial year. We expect to face further challenges as outlook for global economy remains uncertain and our domestic economy may need time to recover from weakened Ringgit, low commodities prices and overall consumer sentiment.

**13. Valuation of Property, Plant and Equipment**

The values of the "Property, Plant and Equipment" have been brought forward without amendment from the previous Audited Financial Statements.

**14. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**15. Changes in Contingent Liabilities**

The contingent liabilities of the Company as at 31 December 2015 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries amounted to RM336.5 million of which utilised by these subsidiaries amounted to RM148.88 million.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

**16. Capital Commitments**

The amount of capital commitments as at 31 December 2015 is as follows:

	<b>RM'000</b>
Authorised and contracted for:	
Property, plant and equipment:	
- others	829
- Renovation for offices and warehouses	901
	<u>1,730</u>

**17. Cash and Cash equivalents**

	<b>31 Dec 2015 RM'000</b>	<b>31 Dec 2014 RM'000</b>
Cash and bank balances	81,762	59,736
Fixed deposits with licensed banks	882	770
Short term placements with licensed banks	-	8,500
Bank overdrafts	<u>(5,811)</u>	<u>(2,997)</u>
	76,833	66,009
Less: Fixed deposit pledged	<u>(882)</u>	<u>(770)</u>
	<u>75,951</u>	<u>65,239</u>

The details of the major components on the operating, investing and financing activities of the Group have been included in the Condensed Consolidated Statement of Cash Flows of this report.

**18. Variance of Actual Profit from Profit Forecast or Profit Guarantee**

No profit forecast or profit guarantee has been issued by the Group previously in any public document.

**19. Taxation**

	<b>Current year to-date ended 31 Dec 2015 RM'000</b>	<b>Preceding year to-date ended 31 Dec 2014 RM'000</b>
Current year tax expense	10,220	11,767
Under/(Over) provision in prior year	-	5
Deferred tax expense	<u>(199)</u>	<u>209</u>
	<u>10,021</u>	<u>11,981</u>

The tax charge for the Group reflects an effective tax rate which is higher than the statutory tax rate due mainly to certain expenses which are not deductible for tax purposes.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

**20. Recurrent Related Party Transactions**

The aggregate value of the recurrent related party transactions (“RRPT”) conducted between the transacting subsidiaries of the Company (collectively, “Bonia Group”) with the related parties during the current financial period under review are as follows :-

No.	Transacting party	Related party	Nature of transactions	Estimated aggregate value during the validity period of the Proposed RRPT Mandate pursuant to Circular to Shareholders dated 29.10.2015 duly approved at the 24th AGM held on 25.11.2015 RM'000	Actual aggregate value transacted from 25.11.2015 up to 31.12.15 RM'000
1.	Bonia Group	Bonia International Holdings Pte Ltd	<ul style="list-style-type: none"> <li>• Payment of <i>Bonia, Carlo Rino, Sembonia and CR2</i> trademarks royalties</li> </ul>	4,600	268
2.	Bonia Group	Long Bow Manufacturing (S) Pte. Ltd.	<ul style="list-style-type: none"> <li>• Payment of office and warehouse rental</li> </ul>	2,000	157
3.	Bonia Group	Cassardi International Co. Ltd.	<ul style="list-style-type: none"> <li>• Purchase of men’s apparels</li> <li>• Payment of <i>Valentino Rudy</i> trademark royalty</li> </ul>	N/A	58
4.	Bonia Group	Lianbee Marketing (M) Sdn Bhd	<ul style="list-style-type: none"> <li>• Payment of office and warehouse rental</li> </ul>	N/A	-

Notes:

- Item 1 - Bonia International Holdings Pte Ltd is a company in which a Director, who is also a major shareholder of the Company has substantial financial interest
- Item 2 - Long Bow Manufacturing (S) Pte. Ltd. is a company in which a Director, who is also a major shareholder of the Company, and a director of subsidiary of the Company, has substantial financial interests
- Item 3 - Cassardi International Co. Ltd is a company in which a major shareholder of VR Directions Sdn. Bhd., a subsidiary of the Company, Boonnam Boonnamsap has substantial financial interests
- Item 4 - Lianbee Marketing (M) Sdn Bhd is a company in which certain Directors, and/or major shareholders of subsidiaries of the Company, have substantial financial interests

The actual value transacted up to 31 December 2015 did not exceed the estimated aggregate value during the validity period of the existing shareholdings’ mandate obtained on 25 November 2015 by 10% or more.

Save as disclosed above, there were no other RRPT during the current financial period under review.

**21. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report.



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**22. Group Borrowings**

The total Group borrowings and debts securities were as follows:

	31 December 2015		30 June 2015	
	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		-	543	-
Bankers' acceptances	2,458	-	454	-
Hire-purchase & lease	493	431	718	694
Term loans	10,586	94,426	8,879	98,868
	<u>13,537</u>	<u>94,857</u>	<u>10,594</u>	<u>99,562</u>
<u>Unsecured</u>				
Bank overdrafts	5,811	-	5,735	-
Bankers' acceptances	20,565	-	15,414	-
Trust Receipt	8,657	-	9,153	-
Term loans	2,217	8,611	2,102	526
	<u>37,250</u>	<u>8,611</u>	<u>32,404</u>	<u>526</u>
Total	<u>50,787</u>	<u>103,468</u>	<u>42,998</u>	<u>100,088</u>

The above which included borrowings denominated in foreign currency were as follows:

	31 December 2015		30 June 2015	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<u>Singapore Dollar</u>				
<u>Secured</u>				
Term Loan	513	1,558	526	1,473
Hire-purchase	71	216	174	487
	<u>584</u>	<u>1,774</u>	<u>700</u>	<u>1,960</u>
<u>Unsecured</u>				
Bank overdraft	-	-	446	1,249
Term Loan	3,562	10,828	938	2,628
Trust Receipt	2,848	8,657	3,265	9,153
	<u>6,410</u>	<u>19,485</u>	<u>4,649</u>	<u>13,030</u>
<u>U.S. Dollar</u>				
<u>Unsecured</u>				
Bankers' acceptances	750	3,097	953	3,597
	<u>750</u>	<u>3,097</u>	<u>953</u>	<u>3,597</u>
Total	<u>7,744</u>	<u>24,356</u>	<u>6,302</u>	<u>18,587</u>



**NOTES TO INTERIM FINANCIAL REPORT  
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**23. Realised and Unrealised Profits Disclosure**

The breakdown of the retained profits of the Group as at 31 December 2015, into realised and unrealised profits is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

	<b>As at 31 Dec 2015 RM'000</b>	<b>As at 30 June 2015 RM'000</b>
<b>Total retained profits of Bonia Corporation Berhad and its subsidiaries</b>		
- Realised	222,588	220,271
- Unrealised	8,106	2,861
Total share of retained profits from associated companies		
- Realised	(153)	(211)
	<hr/>	<hr/>
	230,541	222,921
<b>Less : Consolidation adjustments</b>		
	<hr/>	<hr/>
	(42,027)	(40,710)
	<hr/>	<hr/>
<b>Total Group retained profits</b>	<hr/>	<hr/>
	188,514	182,211

**27. Qualification of Preceding Annual Financial Statements**

The Company's preceding Audited Financial Statements for the financial year ended 30 June 2015 did not contain any qualification.

**24. Material Litigation**

**Apex Marble Sdn Bhd (“Apex Marble”) and Mcore Sdn Bhd (“Mcore”) (collectively as “Plaintiff”) vs Leong Tat Yan (“Defendant”)**

Further to the announcement on the quarterly results (under Note B12) made on 22 November 2013, the civil suit filed in the High Court of Malaya at Kuala Lumpur against the Defendant, by the 60% owned subsidiaries of the Company, the Plaintiffs filed a Notice of Appeal on 9 April 2013 against part of the decision of the High Court dated 27 March 2013 in connection with the service of cause papers on the Defendant. The Defendant also filed a Notice of Appeal against part of the decision of the High Court dated 27 March 2013 in connection with the jurisdiction and forum.



**NOTES TO INTERIM FINANCIAL REPORT  
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**24. Material Litigation (cont'd)**

On the hearing date of 8 July 2013, the Court of Appeal allowed the Defendant's appeal with costs of RM10,000 and the Plaintiffs' appeal was accordingly withdrawn with no order as to costs as it was no longer sustainable.

After discussing with their legal advisers, the Plaintiffs (also referred to as "Applicants") had on 7 August 2013, filed a Notice of Motion in the Federal Court for the following orders:-

- (i) the Applicants be granted leave to appeal to the Federal Court against the whole of the decision of the Court of Appeal given on the 8 July 2013 in Civil Appeal No. W-02(IM)(NCVC)-797-04/2013 pursuant to Sections 96 and 97 of the Courts of Judicature Act, 1964 read with Rules 55, 107 and/or 108 of the Federal Court Rules, 1995 and/or the inherent jurisdiction of the Federal Court.
- (ii) in the event that leave to appeal is granted by the Federal Court, the Applicants be granted leave to file and serve a Notice of Appeal to the Federal Court within 7 days from the date of the order pursuant to Rule 108 of the Federal Court Rules, 1995.
- (iii) the costs of the application filed by the Applicants be costs in the cause.
- (iv) such further or other relief of the Federal Court may deem fit.

On the hearing date of 9 November 2015, the Federal Court allowed the Applicant's appeal and set aside the Court of Appeal's Order dated 8 July 2013 in whole.

Save and except of the abovementioned litigation, there is no other material litigation filed by the Company at the date of this report.

**26. Earnings Per Share**

The basic earnings per ordinary share is calculated by dividing the Group's profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

**Profit for the period (basic)**

	Current year quarter 31 Dec 2015	Preceding year quarter 31 Dec 2014	Current year to-date 31 Dec 2015	Preceding year period 31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	7,508	13,855	16,382	26,813

**Number of ordinary shares (basic)**

	Current year quarter 31 Dec 2015	Preceding year quarter 31 Dec 2014	Current year to-date 31 Dec 2015	Preceding year period 31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Weighted average number of ordinary shares	806,287	806,287	806,287	806,287



**NOTES TO INTERIM FINANCIAL REPORT  
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**27. Notes to the Condensed Consolidated Statement of Comprehensive Income**

Profit for the period is arrived after charging/(crediting) the following items:

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	(162)	(198)	(316)	(386)
Other income including investment income <sup>(1)</sup>	(1,888)	(1,877)	(4,917)	(4,073)
Interest expense	1,834	1,541	3,563	2,698
Depreciation of property, plant and equipment	6,168	5,530	11,512	11,070
Amortisation of trademarks	1,144	328	1,479	655
Provision for and write off of receivables	24	-	487	-
Provision for and write off of inventories	-	-	-	-
Gain or loss on disposal of properties, plant and equipment	(39)	(155)	(44)	(428)
Gain or loss on disposal of quoted and/or unquoted investments <sup>(2)</sup>	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (gain) or loss	50	(724)	(1,799)	(637)
Gain or loss on derivatives <sup>(3)</sup>	-	-	-	-
Exceptional items	-	-	-	-

Notes:

- (1) Including interest income and forex gain
- (2) There were no purchases or disposals of quoted and/or unquoted securities for the financial period under review
- (3) There were no derivative financial instruments as at the end of the financial quarter under review

Save as disclosed, the Group does not have other material items that being recognised as profit/loss in the condensed consolidated statement of comprehensive income in this report.

By Order of the Board,  
**BONIA CORPORATION BERHAD**

**CHONG CHIN LOOK**  
Group Finance Director  
Kuala Lumpur  
25 February 2016