



<b>UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017</b> <b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>		
	<b>As At 30 Jun 2017 RM'000 (UNAUDITED)</b>	<b>*Restated 30 Jun 2016 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	180,851	193,618
Investment properties	35,663	32,801
Intangible assets	90,145	88,319
Investments in associates	679	392
Other investments	1,299	1,298
Deferred tax assets	2,501	2,113
Trade and other receivable	11,197	10,805
<b>Total non-current assets</b>	<b>322,335</b>	<b>329,346</b>
<b>CURRENT ASSETS</b>		
Inventories	132,960	149,426
Trade and other receivables	122,425	111,719
Current tax assets	8,209	7,092
Short term funds	4,942	-
Cash and cash equivalents	119,648	103,159
<b>Total current assets</b>	<b>388,184</b>	<b>371,396</b>
<b>Non-current Asset Classified As Held For Sale</b>	<b>-</b>	<b>4,136</b>
<b>TOTAL ASSETS</b>	<b>710,519</b>	<b>704,878</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	201,572	201,572
Reserves	231,373	204,174
<b>Total equity attributable to the owners of the parent</b>	<b>432,945</b>	<b>405,746</b>
<b>Non-controlling Interest</b>	<b>22,337</b>	<b>20,494</b>
<b>Total equity</b>	<b>455,282</b>	<b>426,240</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	98,225	106,322
Trade and other payables	4,978	13,263
Provision for restoration costs	3,428	2,809
Deferred tax liabilities	8,525	8,033
<b>Total non-current liabilities</b>	<b>115,156</b>	<b>130,427</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	90,438	97,008
Bank borrowings	44,601	48,339
Provision for restoration costs	110	87
Current tax payables	4,932	2,777
<b>Total current liabilities</b>	<b>140,081</b>	<b>148,211</b>
<b>Total liabilities</b>	<b>255,237</b>	<b>278,638</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>710,519</b>	<b>704,878</b>
	-	-
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM) :</b>	<b>0.54</b>	<b>0.50</b>

\* Restated due to remeasurement period adjustments as further described in Note 27

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report of the Group for the financial year ended 30 June 2016)*



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Jun 2017 RM'000	*Restated Preceding Year Corresponding Quarter 30 Jun 2016 RM'000	Current Year- To-Date 30 Jun 2017 RM'000	*Restated Preceding Year Corresponding Period 30 Jun 2016 RM'000
<b>Revenue</b>	<b>153,385</b>	<b>159,834</b>	<b>613,160</b>	<b>665,438</b>
Cost of sales	(62,863)	(73,105)	(254,132)	(299,252)
Gross profit	<b>90,522</b>	<b>86,729</b>	<b>359,028</b>	<b>366,186</b>
Selling and distribution expenses	(49,696)	(49,640)	(184,808)	(197,218)
General and administration expenses	(28,483)	(30,416)	(121,790)	(124,457)
Other operating income	2,704	5,072	14,659	11,425
<b>Profit from operations</b>	<b>15,047</b>	<b>11,745</b>	<b>67,089</b>	<b>55,936</b>
Finance costs	(2,834)	(3,212)	(11,208)	(11,138)
Share of results of associates	118	28	287	295
<b>Profit before tax</b>	<b>12,331</b>	<b>8,561</b>	<b>56,168</b>	<b>45,093</b>
Taxation	(3,826)	(3,025)	(16,770)	(15,785)
<b>Profit for the period</b>	<b>8,505</b>	<b>5,536</b>	<b>39,398</b>	<b>29,308</b>
Other comprehensive income				
Fair value loss on available-for-sale financial assets	(7)	(25)	(28)	(25)
Foreign currency exchange differences arising from consolidation	(5,400)	1,142	6,531	4,655
<b>Total comprehensive income for the period</b>	<b>3,098</b>	<b>6,653</b>	<b>45,901</b>	<b>33,938</b>
<b>Profit attributable to :</b>				
Owners of the parent	7,680	3,778	31,734	24,369
Non-controlling Interests	825	1,758	7,664	4,939
	<b>8,505</b>	<b>5,536</b>	<b>39,398</b>	<b>29,308</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the parent	2,485	4,520	37,633	28,309
Non-controlling Interests	613	2,133	8,268	5,629
	<b>3,098</b>	<b>6,653</b>	<b>45,901</b>	<b>33,938</b>
Net earnings per share attributable to owners of the parent (Note 26)				
- Basic (sen)	0.95	0.47	3.94	3.02

\* Restated due to remeasurement period adjustments as further described in Note 27

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report of the Group for the financial year ended 30 June 2016)



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017**  
**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	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 2016</b>	201,572	(37)	7,710	-	196,501	405,746	20,494	426,240
Profit for the financial year	-	-	-	-	31,734	31,734	7,664	39,398
Fair value of available-for-sale financial assets	-	(28)	-	-	-	(28)	-	(28)
Foreign currency translations	-	-	5,927	-	-	5,927	604	6,531
<b>Total comprehensive income for the period</b>	-	(28)	5,927	-	31,734	37,633	8,268	45,901
Transaction with owners:								
Repurchase of own shares	-	-	-	(355)	-	(355)	-	(355)
Dividends paid	-	-	-	-	(10,079)	(10,079)	-	(10,079)
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	(6,425)	(6,425)
<b>Total transactions with owners</b>	-	-	-	(355)	(10,079)	(10,434)	(6,425)	(16,859)
<b>At 30 June 2017</b>	<b>201,572</b>	<b>(65)</b>	<b>13,637</b>	<b>(355)</b>	<b>218,156</b>	<b>432,945</b>	<b>22,337</b>	<b>455,282</b>
<b>At 1 July 2015</b>	201,572	(12)	3,745	-	182,211	387,516	16,789	404,305
Profit for the financial year	-	-	-	-	24,369	24,369	4,939	29,308
Fair value of available-for-sale financial assets	-	(25)	-	-	-	(25)	-	(25)
Foreign currency translations	-	-	3,965	-	-	3,965	690	4,655
<b>Total comprehensive income for the period</b>	-	(25)	3,965	-	24,369	28,309	5,629	33,938
Transaction with owners:								
Dividends paid	-	-	-	-	(10,079)	(10,079)	-	(10,079)
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	(1,924)	(1,924)
<b>Total transactions with owners</b>	-	-	-	-	(10,079)	(10,079)	(1,924)	(12,003)
<b>At 30 June 2016, As Restated *</b>	<b>201,572</b>	<b>(37)</b>	<b>7,710</b>	<b>-</b>	<b>196,501</b>	<b>405,746</b>	<b>20,494</b>	<b>426,240</b>

\* Restated due to remeasurement period adjustments as further described in Note 27

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report of the Group for the financial year ended 30 June 2016)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
	30 Jun 2017 RM'000	*Restated 30/6/2016 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	56,168	45,093
Adjustments for non-cash flow:		
Accretion of non-current other payables	568	478
Amortisation of trademarks	1,397	2,067
Amortisation of intangible assets	2,543	919
Bad debts written off	2,049	32
Depreciation of property, plant and equipment	19,057	22,899
Fair value adjustments on investment properties	238	2,656
Gain on disposals of property, plant and equipment, net	(3,196)	(127)
Impairment loss on :-		
- trade and other receivables	2,471	5,951
- amounts owing by associates	-	736
- property, plant and equipment	151	1,228
Interest expense and profit payment on Islamic financing	7,437	7,455
Interest income & distribution income from short term funds	(1,913)	(1,221)
Fair value gain on short term funds	(98)	-
Inventories written off	245	77
Loss on disposal of investment properties	266	85
Loss on disposal of other investment	-	26
Net loss on disposal of a subsidiary	-	36
Property, plant and equipment written off	1,182	607
Reclassification of foreign currency translation arising from deregistration of subsidiaries	1,432	-
Reversal of impairment losses on trade and other receivables	(704)	-
Reversal of impairment losses on amounts owing by associates	(368)	(4,045)
Share of profit of associates	(287)	(295)
Unwinding of discount on provision for restoration costs	143	80
Unrealised gain on foreign exchange, net	(740)	(1,347)
<b>Operating profit before changes in working capital</b>	<b>88,041</b>	<b>83,390</b>
Changes in working capital		
Net change in current assets	6,870	13,057
Net change in current liabilities	(23,452)	(7,345)
<b>Cash generated from operations</b>	<b>71,459</b>	<b>89,102</b>
Tax paid	(16,172)	(20,603)
Net cash from operating activities	55,287	68,499
<b>Cash flows used in investing activities</b>		
Acquisition of subsidiary for cash, net of cash	-	(2,989)
Interest received	1,913	1,221
Increase in deposits pledged to licensed banks	(6)	-
Fair value gain on short term funds	98	-
Net cash inflow from disposal of a subsidiary	-	58
Placements of short term funds	(4,942)	-
Proceeds from disposal of property, plant and equipment	2,549	2,239
Proceeds from disposal of investment properties	6,596	900
Proceeds from disposal of other investments	-	10
Purchase of trademarks	(4)	(8,835)
Purchase of property, plant and equipment	(11,100)	(27,443)
Purchase of investment properties	-	(98)
Purchase of other investments	-	(189)
Repayment from/(Advances to) associates	515	(740)
Net cash used in investing activities	(4,381)	(35,866)
<b>Cash flows used in financing activities</b>		
Interest paid and profit paid on Islamic financing	(7,437)	(7,455)
Dividends paid to owners of the parent	(10,079)	(10,079)
Dividends paid to non-controlling interests	(6,425)	(1,924)
Net financing from bank borrowings	(12,504)	10,174
Repurchase of own shares	(355)	-
Net cash used in financing activities	(36,800)	(9,284)
<b>Net increase in cash and cash equivalents</b>	<b>14,106</b>	<b>23,349</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>98,201</b>	<b>71,679</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2,684</b>	<b>3,173</b>
<b>Cash and cash equivalents at end of the financial year (Note A18)</b>	<b>114,991</b>	<b>98,201</b>

\* Restated due to remeasurement period adjustments as further described in Note 27

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report of the Group for the financial year ended 30 June 2016.)



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**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 2016.

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 2016.

**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 2016.

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 2017***

Amendments to MFRS 112	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 107	<i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 12	<i>Annual Improvements to MFRS Standards 2014-2016 Cycle</i>	1 January 2017
Amendments to MFRS 1	<i>Annual Improvements to MFRS Standards 2014-2016 Cycle</i>	1 January 2018
MFRS 15	<i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15		1 January 2018
MFRS 9	<i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128	<i>Annual Improvements to MFRS Standards 2014-2016 Cycle</i>	1 January 2018
IC Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140	<i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4	<i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16	<i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

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



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**3. Seasonality or Cyclicalities 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 30 June 2017.

**5. Debts and Equity Securities**

During the 12 months ended 30 June 2017, the Company had bought back 636,000 ordinary shares of its total number of issued shares from the open market for a consideration of approximately RM352,980 (excluding transaction costs). The bought back transactions were financed by internally generated funds. The shares bought back are held as treasury shares.

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

**6. Status of Corporate Proposals**

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

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

The Company's preceding Audited Financial Statements for the financial year ended 30 June 2016 did not contain any qualification.

**8. 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.

**9. Dividend**

The Directors did not declare any interim dividend in respect of the financial quarter ended 30 June 2017. The total dividend for the current financial year to date comprised a single tier final dividend of 5% or 1.25 sen per ordinary share in respect of the financial year ended 30 June 2016, and was paid on 15 December 2016.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**10. Segmental Information - Operating Segments**

**Results for 3 months ended 30 June 2017  
(current quarter)**

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<i>Revenue</i>					
External revenue	152,331	882	172	-	153,385
Inter-segment revenue	-	5,515	28,955	(34,470)	-
Total revenue	<u>152,331</u>	<u>6,397</u>	<u>29,127</u>	<u>(34,470)</u>	<u>153,385</u>
<i>Results</i>					
Operating results	4,476	339	18,847	(10,093)	13,569
Interest income	355	-	207	-	562
Interest expense	(373)	(83)	(1,462)	-	(1,918)
Share of results of associates	-	-	118	-	118
Segment results	<u>4,458</u>	<u>256</u>	<u>17,710</u>	<u>(10,093)</u>	<u>12,331</u>
Tax expense					<u>(3,826)</u>
Profit for the current quarter					<u>8,505</u>

**\*Restated Results for 3 months ended 30 June 2016  
(corresponding quarter of preceding year)**

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<i>Revenue</i>					
External revenue	159,395	126	313	-	159,834
Inter-segment revenue	-	7,438	29,412	(36,850)	-
Total revenue	<u>159,395</u>	<u>7,564</u>	<u>29,725</u>	<u>(36,850)</u>	<u>159,834</u>
<i>Results</i>					
Operating results	1,313	404	8,542	(289)	9,970
Interest income	599	-	144	-	743
Interest expense	(544)	(114)	(1,522)	-	(2,180)
Share of results of associates	-	-	28	-	28
Segment results	<u>1,368</u>	<u>290</u>	<u>7,192</u>	<u>(289)</u>	<u>8,561</u>
Tax expense					<u>(3,025)</u>
Profit for the current quarter					<u>5,536</u>



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

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

**Results for 12 months ended 30 June 2017  
(current financial year-to-date)**

	Retailing RM'000	Manufac- turing RM'000	Investment and property development RM'000	Elimination RM'000	Consolidation RM'000
<i>Revenue</i>					
External revenue	609,276	3,097	787	-	613,160
Inter-segment revenue	-	23,964	81,724	(105,688)	-
Total revenue	<u>609,276</u>	<u>27,061</u>	<u>82,511</u>	<u>(105,688)</u>	<u>613,160</u>
<i>Results</i>					
Operating results	57,680	613	42,993	(39,881)	61,405
Interest income	1,274	-	639	-	1,913
Interest expense	(1,962)	(372)	(5,103)	-	(7,437)
Share of results of associates	-	-	287	-	287
Segment results	<u>56,992</u>	<u>241</u>	<u>38,816</u>	<u>(39,881)</u>	<u>56,168</u>
Tax expense					(16,770)
Profit for the current quarter					<u>39,398</u>

**\*Restated Results for 12 months ended 30 June 2016  
(corresponding quarter 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
<i>Revenue</i>					
External revenue	663,570	818	1,050	-	665,438
Inter-segment revenue	-	28,640	71,769	(100,409)	-
Total revenue	<u>663,570</u>	<u>29,458</u>	<u>72,819</u>	<u>(100,409)</u>	<u>665,438</u>
<i>Results</i>					
Operating results	44,954	1,930	21,355	(17,207)	51,032
Interest income	665	-	556	-	1,221
Interest expense	(1,880)	(477)	(5,098)	-	(7,455)
Share of results of associates	-	-	295	-	295
Segment results	<u>43,739</u>	<u>1,453</u>	<u>17,108</u>	<u>(17,207)</u>	<u>45,093</u>
Tax expense					(15,785)
Profit for the current quarter					<u>29,308</u>





**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

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

*4Q17 vs 4Q16*

For the current quarter, the Group reported a 44.0% increase in profit before taxation (“PBT”) of RM12.33 million as compared to the PBT of RM8.56 million reported in the previous corresponding quarter.

The revenue dropped 4.0% to RM153.38 million from RM159.83 million in the same period of last year. However, the improvement in gross profit margin (“GPM”) had resulted the gross profit increased by 4.4% for the current quarter under review. The Group has adjusted its pricing strategy by introducing higher-margin products, reducing discounts given out to customers as compared to last year as well as adjusted the prices for new product ranges, in particularly for Bonia and Braun Buffel brands.

The higher PBT achieved also due to lower fair value adjustments on investment properties of RM238,000 for the current quarter as compared to last year’s RM2.66 million.

*4Q17 YTD vs 4Q16 YTD*

For the 12 months FY2017, the Group’s revenue decreased by RM52.28 million or 7.9% as compared to the corresponding cumulative quarters in the preceding year. In view of the fragile consumer spendings and softening retail environment, the Group has embarked on a series of consolidation and rationalisation process by closing down of a number of non-performing boutiques and consignment counters, in particularly for licensed brands, be more selective on store openings as well as improve productivity. This has caused the revenue dropped by 7.9% which is within our expectation.

Despite the decrease in revenue, the Group posted an improved PBT of RM56.17 million, which is 24.6% higher than the PBT of RM45.09 million reported in the preceding year. The earnings increased was mainly due to improvement in GPM and the Group’s continuous efforts in controlling its operating cost. The Group has also embarked on rationalisation process in disposing non-core assets, as well as making provisions and fair value adjustments on investment properties.

The followings are the financial effects arising from the Group’s consolidation and rationalisation process of which are non-recurring in nature :-

	4Q17 YTD	4Q16 YTD
	RM’000	RM’000
Bad debts written off	2,049	32
Fair value adjustments on investment properties	238	2,656
Net impairment losses on receivables and associates	1,399	2,642
Net gain on disposal of investment properties, property, plant and equipment	(2,930)	(42)
Reclassification of foreign currency translation arising from deregistration of subsidiaries	1,432	-
	<u>2,188</u>	<u>5,288</u>

Excluding the above non-recurring items, the Group would have recorded a PBT of RM58.36 million (2016: RM50.38 million), representing an increase of 15.8%.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**12. Comments on Material Changes in the Profit Before Taxation for the Quarter under Review as Compared with Immediate Preceding Quarter (cont'd)**

*4Q17 vs 3Q17*

Revenue for 4Q17 increased 1.8% to RM153.39 million as compared to RM150.71 reported in the preceding quarter. The slight increase was mainly due to Hari Raya Puasa festive promotion activities.

For the current quarter under review, the Group recorded a higher PBT of RM12.33 million as compared to RM9.83 million in the preceding quarter ended 31 March 2017. The increase in PBT was in line with the higher revenue achieved during the Hari Raya festive season as well as lower operating cost by RM1.28 million for the current quarter.

**13. Prospect**

The retail sector has becoming more challenging due to rising costs of doing business, weakened Ringgit has driven up the merchandise costs. The rising cost of living and weaken Ringgit has deteriorated the consumer spending power.

In addition, the influx of online marketing has directly or indirectly affected the retail infrastructure. As such, retailers are striving to increase efficiency, reinvent in-store models, offer additional services and investing into digital platform in order to stay relevant in the market place.

Giving the uncertain economic outlook, the Group's prospects for the coming financial year are expected to be challenging. With the continue increase in imported merchandise costs due to the weakened Ringgit, the Group will continue to monitor its operating costs and cautiously adjust its selling price to cope with rising cost of operation. The Group will continue its business consolidation by closing down of non-performing outlets, improve gross margins by improving the sourcing of products and continue to reorganizing its retail operations and brand positioning to increase efficiency and productivity.

Moving forward, the Group will focus and channel the resources on house brands namely, Bonia, Braun Buffel, Carlo Rino and Sembonia, consolidate and improve the performance of its licensed brands, continue to develop and strengthen its overseas markets, in particularly Indonesia, Vietnam and some Middle East countries.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**14. 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

**15. Changes in Contingent Liabilities**

The contingent liabilities of the Company as at 30 June 2017 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries amounted to RM308.28 million of which utilised by these subsidiaries amounted to RM120.83 million.

**16. Capital Commitments**

The amount of capital commitments as at 30 June 2017 is as follows:

	RM'000
Authorised and contracted for:	
Property, plant and equipment:	
- Others	594
	<u>594</u>

**17. Short Term Funds**

The short term funds represent investments in money market funds.

**18. Cash and Cash equivalents**

	30.06.2017	30.06.2016
	RM'000	RM'000
Cash and bank balances	102,143	100,457
Fixed deposits with licensed banks	1,927	2,702
Short term placements with licensed banks	15,578	-
Bank overdrafts	(3,744)	(4,087)
	<u>115,904</u>	<u>99,072</u>
Less: Fixed deposit pledged	(913)	(871)
	<u>114,991</u>	<u>98,201</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.



**NOTES TO INTERIM FINANCIAL REPORT  
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**19. Taxation**

	Current year to-date ended 30.06.2017 RM'000	*Restated Preceding year to-date ended 30.06.2016 RM'000
Current year tax expense	18,239	15,003
Under/(Over) provision in prior year	(1,117)	(512)
Deferred tax expense	(352)	1,294
	<u>16,770</u>	<u>15,785</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.

**20. Realised and Unrealised Profits Disclosure**

The breakdown of the retained profits of the Group as at 30 June 2017, 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.

	As at 30.06.2017 RM'000	*Restated As at 30.06.2016 RM'000
Total retained profits of Bonia Corporation Berhad and its subsidiaries		
- Realised	253,117	224,904
- Unrealised	(1,342)	1,716
Total share of retained profits from associated companies		
- Realised	281	84
	<u>252,056</u>	<u>226,704</u>
Less : Consolidation adjustments	(33,900)	(30,203)
Total Group retained profits	<u>218,156</u>	<u>196,501</u>

**21. Share Capital of the Company**

Upon the enforcement of the Companies Act 2016 (“CA2016”) on 31 January 2017,

- the Company is no longer required to state its authorised capital,
- the Company’s share capital is in a no par value regime since 31 January 2017, and
- the Company’s share capital is not affected by Section 618 of the CA2016 as there is no amount standing to the credit of the Company’s share premium account and capital redemption reserve upon the enforcement of the CA2016.



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**22. Recurrent Related Party Transactions (“RRPT”)**

22.1 The aggregate value of the RRPT conducted up to 31 March 2017 by the transacting subsidiaries of the Company (collectively, “Bonia Group”) with the related parties during the validity period of the existing RRPT mandate obtained on 22 November 2016, were as follows:

No.	Transacting party	Transacting related party	Interested directors, major shareholders and/or persons connected with them	Nature of transactions	Estimated aggregate value during the validity period of the Proposed RRPT Mandate pursuant to Circular to Shareholders dated 28.10.2016 duly approved at the 25th AGM held on 22.11.2016 RM'000	Actual aggregate value transacted from 22.11.2016 up to 30.06.17 RM'000
1.	Bonia Group	Bonia International Holdings Pte. Ltd.	Chiang Sang Sem and persons connected with him (including their family)	<ul style="list-style-type: none"> <li>Payment of <i>Bonia, Carlo Rino, Sembonia</i> and <i>CR2</i> trademarks royalties</li> </ul>	4,000	2,478
2.	Bonia Group	Long Bow Manufacturing (S) Pte. Ltd.	Chiang Sang Sem and persons connected with him (including their family); and Chiang Boon Tian (a director of Bonia’s subsidiaries) and persons connected with him (including their family)	<ul style="list-style-type: none"> <li>Payment of office and warehouse rental</li> </ul>	2,000	1,127
3.	Bonia Group	Cassardi International Co. Ltd.	Boonnam Boonnamsap (a major shareholder of Bonia’s subsidiary) and persons connected with him (including their family)	<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	342
4.	Bonia Group	Speciale Eyewear Sdn Bhd	Datuk Chiang Heng Kieng and persons connected with him (including their family)	<ul style="list-style-type: none"> <li>Purchase of eyewear</li> <li>Sales of card holder and accessories</li> </ul>	N/A	80

Notes :

RRPT 3 : Fall within the interpretation of Paragraph 10.08(9) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

RRPT 4 : New RRPT falls under Paragraph 10.09 of the Main Market Listing Requirements.

22.2 The actual value transacted up to 30 June 2017 did not exceed the estimated aggregate value during the validity period of the existing RRPT mandate obtained on 22 November 2016 by 10% or more.

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



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**23. Group Borrowings**

The total Group borrowings and debts securities were as follows:

	30.06.2017			30.06.2016		
	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000
<i>Conventional financing facilities - Secured</i>						
Bank overdrafts	67	-	67	386	-	386
Bankers' acceptances	1,394	-	1,394	6,665	-	6,665
Revolving Credit	1,000	-	1,000			
Hire-purchase & lease creditors	171	368	539	298	295	593
Term loans	15,710	58,283	73,993	14,525	72,309	86,834
	<u>18,342</u>	<u>58,651</u>	<u>76,993</u>	<u>21,874</u>	<u>72,604</u>	<u>94,478</u>
<i>Islamic financing facilities -Secured</i>						
Bank overdrafts	-	-	-	488	-	488
Bankers' acceptances	-	-	-	2,476	-	2,476
Term financing-i	5,089	39,574	44,663	2,980	33,718	36,698
	<u>5,089</u>	<u>39,574</u>	<u>44,663</u>	<u>5,944</u>	<u>33,718</u>	<u>39,662</u>
<i>Total secured borrowings</i>	<u>23,431</u>	<u>98,225</u>	<u>121,656</u>	<u>27,818</u>	<u>106,322</u>	<u>134,140</u>
<i>Conventional financing facilities - Unsecured</i>						
Bank overdrafts	2,431	-	2,431	1,509	-	1,509
Bankers' acceptances	7,038	-	7,038	6,110	-	6,110
Trust Receipt	7,215	-	7,215	7,923	-	7,923
Term loans	-	-	-	560	-	560
	<u>16,684</u>	<u>-</u>	<u>16,684</u>	<u>16,102</u>	<u>-</u>	<u>16,102</u>
<i>Islamic financing facilities -Unsecured</i>						
Bank overdrafts	1,246	-	1,246	1,704	-	1,704
Bankers' acceptances	3,240	-	3,240	2,715	-	2,715
	<u>4,486</u>	<u>-</u>	<u>4,486</u>	<u>4,419</u>	<u>-</u>	<u>4,419</u>
<i>Total unsecured borrowings</i>	<u>21,170</u>	<u>-</u>	<u>21,170</u>	<u>20,521</u>	<u>-</u>	<u>20,521</u>
<b>Total</b>	<u>44,601</u>	<u>98,225</u>	<u>142,826</u>	<u>48,339</u>	<u>106,322</u>	<u>154,661</u>





**NOTES TO INTERIM FINANCIAL REPORT  
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**24. Changes in the Composition of the Group**

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

**25. Material Events Subsequent to the End of the Interim Period**

An application to strike off Bruno Magli South East Asia Pte Ltd (“BMS”), a 70%-owned subsidiary company of Active World Pte Ltd, which in turn is a direct wholly-owned subsidiary of Bonia from the register of the Accounting and Corporate Regulatory Authority (ACRA) Singapore was submitted and approved by ACRA on 12 July 2017 via ACRA portal.

BMS was incorporated on 6 June 2013 in Singapore with an initial paid-up capital of SGD10.00 and has ceased its business activities on 1 September 2015. The striking off of BMS is not expected to have any material effects on the earnings or net assets of Bonia Group for the financial year ending 30 June 2018.

**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 30.06.2017 RM’000	*Restated Preceding year quarter 30.06.2016 RM’000	Current year to-date 30.06.2017 RM’000	*Restated Preceding year period 30.06.2016 RM’000
Profit attributable to equity holders of the parent	7,680	3,778	31,734	24,369

*Number of ordinary shares (basic)*

	Current year quarter 30.06.2017 ’000	Preceding year quarter 30.06.2016 ’000	Current year to-date 30.06.2017 ’000	Preceding year period 30.06.2016 ’000
Weighted average number of ordinary shares	805,917	806,287	805,917	806,287
Basic earnings per share (sen)	0.95	0.47	3.94	3.02





**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**27. Remeasurement Period Adjustments**

In accordance with MFRS 3 Business Combination, if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

The remeasurment period adjustments are in relation to the acquisition of IBB Pte. Ltd. during the prior financial year. The one year period for the remeasurement period ends on 28 January 2017 (one year from the date of completion of the acquisition, i.e. 29 January 2016). During the year, which is within the said period, the amounts have been revised according to the finalised valuation report.

In accordance with MFRS 3: Business Combination, remeasurement period adjustments are effected to reflect the changes retrospectively and the effects of the adjustment are as below:

	As Previously Stated RM'000	Adjustments RM'000	As Restated RM'000
Statement of financial position as at 30 June 2016			
<b>Non-current Assets</b>			
- Intangible assets	93,171	(4,852)	88,319
<b>Non-current Liabilities</b>			
- Trade and other payables	17,404	(4,141)	13,263
- Deferred tax liabilities	6,859	1,174	8,033
<b>Current Liabilities</b>			
- Trade and other payables	98,198	(1,190)	97,008
<b>Equity attributable to owners of the parent</b>			
- Reserves	204,662	(488)	204,174
- Non-controlling interests	20,701	(207)	20,494



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**27. Remeasurement Period Adjustments (cont'd)**

	As Previously Stated RM'000	Adjustments RM'000	As Restated RM'000
Statement of comprehensive income as at 30 June 2016			
<b>Preceding Year Corresponding Quarter as at 30 June 2016</b>			
General & administration expenses	29,865	551	30,416
Finance costs	3,256	(44)	3,212
Taxation	3,119	(94)	3,025
	<u>36,240</u>	<u>413</u>	<u>36,653</u>
Profit attributable to :			
- Owners of the parent	4,067	(289)	3,778
- Non-controlling interests	1,882	(124)	1,758
	<u>5,949</u>	<u>(413)</u>	<u>5,536</u>
<b>Preceding Year Corresponding Period as at 30 June 2016</b>			
General and administration expenses			
- Amortisation of intangible assets	123,538	919	124,457
Finance costs	11,211	(73)	11,138
Taxation	15,941	(156)	15,785
	<u>150,690</u>	<u>690</u>	<u>151,380</u>
Profit attributable to :			
- Owners of the parent	24,852	(483)	24,369
- Non-controlling interests	5,146	(207)	4,939
	<u>29,998</u>	<u>(690)</u>	<u>29,308</u>



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**28. Notes to the Condensed Consolidated Statement of Comprehensive Income**

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

	12 months ended	
	30.06.2017	*Restated 30.06.2016
	RM'000	RM'000
Interest income & distribution income from short term funds	(1,913)	(1,221)
Other income including investment income <sup>(1)</sup>	(14,659)	(11,425)
Interest expense	7,437	7,455
Depreciation of property, plant and equipment	19,057	22,899
Amortisation of intangible assets	2,543	919
Amortisation of trademarks	1,397	2,067
Bad debts written off	2,049	32
Fair value adjustments on investment properties	238	2,656
Net (reversal of)/ provision for trade receivables	1,767	1,368
Net (reversal of)/ provision for other receivables and associates	(368)	1,274
Provision for and write off of inventories	245	77
Gain or loss on disposal of properties, plant and equipment	(3,196)	(127)
Gain or loss on disposal of investment properties	266	85
Gain or loss on disposal of quoted and/or unquoted investments	-	-
Net foreign exchange translation (gain) or loss	(847)	(1,685)
Gain or loss on derivatives <sup>(2)</sup>	-	-
Provision for and PPE written off	1,333	1,835
Reclassification of foreign currency translation arising from deregistration of subsidiaries	1,432	-
Exceptional items	-	-

Notes:

(1) Including interest income and forex gain

(2) There were no derivative financial instruments as at the end of the financial quarter under review

28.2 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.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**29. Material Litigation**

*Apex Marble Sdn Bhd and Mcore Sdn Bhd (collectively as "Plaintiffs") vs Leong Tat Yan ("Defendant")*

Further to the announcement on the quarterly results (under Note B12) made on 22 November 2013, the Plaintiffs had on 31 October 2016 filed a Writ of Summons and Statement of Claim against the Defendant and served the same on the Defendant on 2 November 2016.

On 21 November 2016, the Defendant filed an application for a declaration that the Malaysian Court has no jurisdiction over the Defendant and for consequential relief (Enclosure 10), and an application for a declaration that the Malaysian Court is not the appropriate forum to try the Plaintiffs' claim and consequently for a stay of proceedings (Enclosure 11).

On 16 December 2016, the Defendant filed an application to strike out the Writ of Summons dated 31 October 2016 for lack of authority (Enclosure 20), and an application for a stay of proceedings pending arbitration (Enclosure 22).

On 25 January 2017, the Defendant withdrew Enclosure 20 with no order as to costs.

On 25 April 2017, the High Court dismissed Enclosures 10 and 11 with costs of RM5,000 for each enclosure.

On 3 May 2017, the Defendant filed 2 appeals against the High Court's decisions on Enclosures 10 and 11 ("Appeals").

On 8 May 2017, the Defendant filed an application to stay the High Court proceedings pending the disposal of the Appeals (Enclosure 43).

On 11 May 2017, the Defendant filed an application for an extension of time to file his Defence (Enclosure 47), and an application to strike out the Writ of Summons for abuse of process (Enclosure 50).

On 23 May 2017, the Judge dismissed Enclosure 43 with costs of RM1,500. The Judge also granted Enclosure 47 with no order as to costs, and directed the Defendant to file his Defence by 23 June 2017. The Defendant also withdrew Enclosure 50, which was accordingly struck out with no order as to costs.

On 22 June 2017, the Defendant filed his Defence and Counterclaim claiming general damages, exemplary damages, and costs for abuse of process. The Plaintiffs filed their Reply and Defence to Counterclaim on 24 July 2017. The Defendant is to file a reply by 14 August 2017.

The Appeals have been fixed for hearing on 17 October 2017. The trial has been fixed for 8 to 12 January 2018.

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

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

**CHONG CHIN LOOK**  
Group Finance Director  
Kuala Lumpur  
30 August 2017