



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2017		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	As At 30 Sep 2017 RM'000 (UNAUDITED)	30 Jun 2017 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	179,946	183,125
Investment properties	34,544	34,544
Intangible assets	92,301	90,145
Investments in associates	818	679
Other investments	1,289	1,299
Deferred tax assets	3,048	2,501
Trade and other receivable	11,194	11,197
Total non-current assets	323,140	323,490
CURRENT ASSETS		
Inventories	137,093	132,938
Trade and other receivables	113,381	121,783
Current tax assets	8,547	8,209
Short term funds	31,167	4,942
Cash and cash equivalents	81,615	119,648
Total current assets	371,803	387,520
TOTAL ASSETS	694,943	711,010
EQUITY AND LIABILITIES		
Share capital	201,572	201,572
Reserves	234,530	231,358
Total equity attributable to the owners of the parent	436,102	432,930
Non-controlling Interest	22,760	22,337
Total equity	458,862	455,267
NON-CURRENT LIABILITIES		
Long term borrowings	94,710	98,225
Trade and other payables	4,995	4,978
Provision for restoration costs	3,417	3,443
Deferred tax liabilities	8,406	8,525
Total non-current liabilities	111,528	115,171
CURRENT LIABILITIES		
Trade and other payables	75,702	90,929
Bank borrowings	44,201	44,601
Provision for restoration costs	110	110
Current tax payables	4,540	4,932
Total current liabilities	124,553	140,572
Total liabilities	236,081	255,743
TOTAL EQUITY AND LIABILITIES	694,943	711,010
	-	-
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM) :	0.54	0.54

(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 2017)



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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sep 2017 RM'000	Preceding Year Corresponding Quarter 30 Sep 2016 RM'000	Current Year- To-Date 30 Sep 2017 RM'000	Preceding Year Corresponding Period 30 Sep 2016 RM'000
Revenue	118,884	137,181	118,884	137,181
Cost of sales	(46,980)	(57,077)	(46,980)	(57,077)
Gross profit	71,904	80,104	71,904	80,104
Selling and distribution expenses	(44,679)	(43,040)	(44,679)	(43,040)
General and administration expenses	(24,856)	(27,675)	(24,856)	(27,675)
Other operating income	1,289	5,580	1,289	5,580
Profit from operations	3,658	14,969	3,658	14,969
Finance income	535	686	535	686
Finance costs	(1,681)	(1,881)	(1,681)	(1,881)
Share of results of associates	139	(14)	139	(14)
Profit before tax	2,651	13,760	2,651	13,760
Taxation	(925)	(4,046)	(925)	(4,046)
Profit for the period	1,726	9,714	1,726	9,714
Other comprehensive income				
Fair value loss on available-for-sale financial assets	(7)	(7)	(7)	(7)
Foreign currency exchange differences arising from consolidation	1,876	6,120	1,876	6,120
Total comprehensive income for the period	3,595	15,827	3,595	15,827
Profit attributable to :				
Owners of the parent	1,320	8,146	1,320	8,146
Non-controlling Interests	406	1,568	406	1,568
	1,726	9,714	1,726	9,714
Total comprehensive income attributable to :				
Owners of the parent	3,172	14,048	3,172	14,048
Non-controlling Interests	423	1,779	423	1,779
	3,595	15,827	3,595	15,827
Net earnings per share attributable to owners of the parent (Note 26)				
- Basic (sen)	0.16	1.01	0.16	1.01

(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 2017)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent →						Non-controlling interests	Total Equity
	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		
At 1 July 2017	201,572	(65)	13,622	(355)	218,156	432,930	22,337	455,267
Profit for the financial year	-	-	-	-	1,320	1,320	406	1,726
Fair value of available-for-sale financial assets	-	(7)	-	-	-	(7)	-	(7)
Foreign currency translations	-	-	1,859	-	-	1,859	17	1,876
Total comprehensive income for the period	-	(7)	1,859	-	1,320	3,172	423	3,595
At 30 September 2017	201,572	(72)	15,481	(355)	219,476	436,102	22,760	458,862
At 1 July 2016	201,572	(37)	7,715	-	196,984	406,234	20,701	426,935
Remeasurement period adjustments	-	-	(5)	-	(483)	(488)	(207)	(695)
Restated balance as at 1 July 2016	201,572	(37)	7,710	-	196,501	405,746	20,494	426,240
Profit for the financial year	-	-	-	-	8,146	8,146	1,568	9,714
Fair value of available-for-sale financial assets	-	(7)	-	-	-	(7)	-	(7)
Foreign currency translations	-	-	5,909	-	-	5,909	211	6,120
Total comprehensive income for the period	-	(7)	5,909	-	8,146	14,048	1,779	15,827
Transaction with owners:								
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	(3,118)	(3,118)
Total transactions with owners	-	-	-	-	-	-	(3,118)	(3,118)
At 30 September 2016	201,572	(44)	13,619	-	204,647	419,794	19,155	438,949

(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 2017)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2017		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
	30 Sep 2017	30 Sep 2016
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	2,651	13,760
Adjustments for non-cash flow:		
Accretion of non-current other payables	33	163
Amortisation of trademarks	347	344
Amortisation of intangible assets	646	-
Bad debts written off	3	342
Depreciation of property, plant and equipment	4,056	4,999
Gain on disposals of property, plant and equipment, net	(103)	(3,141)
Interest expense and profit payment on Islamic financing	1,681	1,881
Interest income & distribution income from short term funds	(535)	(686)
Fair value gain on short term funds	(25)	-
Property, plant and equipment written off	100	64
Reversal of impairment losses on trade and other receivables	(92)	-
Share of (profit)/loss of associates	(139)	14
Unwinding of discount on provision for restoration costs	-	1
Unrealised loss/(gain) on foreign exchange, net	502	(1,024)
Operating profit before changes in working capital	9,125	16,717
Changes in working capital		
Net change in current assets	101	8,765
Net change in current liabilities	(14,808)	(11,527)
Cash (used in)/generated from operations	(5,582)	13,955
Tax paid	(1,807)	(3,664)
Net cash (used in)/from operating activities	(7,389)	10,291
Cash flows used in investing activities		
Interest received	535	686
Increase in deposits pledged to licensed banks	-	(1)
Placements of short term funds	(26,225)	-
Proceeds from disposal of property, plant and equipment	128	7,397
Purchase of property, plant and equipment	(1,376)	(1,714)
Net cash (used in)/from investing activities	(26,938)	6,368
Cash flows used in financing activities		
Interest paid and profit paid on Islamic financing	(1,681)	(1,881)
Dividends paid to non-controlling interests	-	(3,119)
Net financing from bank borrowings	(3,787)	(394)
Net cash used in financing activities	(5,468)	(5,394)
Net (decrease)/increase in cash and cash equivalents	(39,795)	11,265
Cash and cash equivalents at beginning of the financial year	114,991	98,201
Effect of exchange rate changes on cash and cash equivalents	1,779	5,717
Cash and cash equivalents at end of the financial year (Note A17)	76,975	115,183

(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 2017)



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

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 2017.

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 2017.

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
IC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>	1 January 2019
MFRS 17	<i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred



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

2. Accounting Policies (con't)

MFRS and Amendments effective for financial periods beginning on or after 1 January 2017 (cont')

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.

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

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 2017 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 September 2017.

A single tier final dividend of 1.25 sen per ordinary share, amounting to approximately RM10,070,043 [based on 805,651,400 issued shares (excluding 636,000 treasury shares) in the capital of Bonia Corporation Berhad as at the date of this report] in respect of the financial year ended on 30 June 2017, has been approved by the shareholders during the 26th Annual General Meeting of the Company duly held on 28 November 2017 and payment will be made on 22 December 2017 to the shareholders whose names appear in the Record of Depositors on 8 December 2017.



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

10. Segmental Information

The Group operates mainly in Malaysia, Singapore, Indonesia and Vietnam. The revenue disclosed in geographical segments is based on the geographical location of customers. Segment assets are based on geographical locations of the assets. The Group's segmental results for the financial period ended 30 September 2017 are as follows :-

1 st quarter - 30.09.2017	← Retailing →					Manufacturing	Investment & property developmt	Consolidation
	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Vietnam RM'000	Other countries RM'000	RM'000	RM'000	RM'000
<u>REVENUE</u>								
Total Revenue	73,623	30,781	7,714	1,444	4,388	6,831	18,930	143,711
Inter-company sales	-	-	-	-	-	(6,401)	(18,426)	(24,827)
External sales	73,623	30,781	7,714	1,444	4,388	430	504	118,884
<u>RESULTS</u>								
Operating profit/(loss)	2,387	990	(137)	(41)	-	212	247	3,658
Interest income	149	212	2	-	-	-	172	535
Finance costs	(206)	(173)	-	(36)	-	(97)	(1,169)	(1,681)
Net finance income/(expense)	(57)	39	2	(36)	-	(97)	(997)	(1,146)
Share of profit of associates	-	-	-	-	-	-	139	139
Profit before tax	2,330	1,029	(135)	(77)	-	115	(611)	2,651
Segment assets	239,097	126,707	28,916	6,037	-	30,531	252,060	683,348
Segment liabilities	34,336	63,131	4,868	3,815	-	9,604	107,381	223,135



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

10. Segmental Information (cont'd)

The Group's segmental results for the financial period ended 30 September 2016 are as follows :-

	← Retailing →					Manufacturing	Investment & property developmt	Consolidation
	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Vietnam RM'000	Other countries RM'000			
1st quarter – 30.09.2016						RM'000	RM'000	RM'000
REVENUE	88,105	33,062	8,962	1,522	4,330	7,994	17,263	161,238
Inter-company sales	-	-	-	-	-	(7,013)	(17,044)	(24,057)
External sales	88,105	33,062	8,962	1,522	4,330	981	219	137,181
RESULTS								
Operating profit/(loss)	6,243	7,962	20	187	-	260	297	14,969
Interest income	31	490	21	-	-	-	144	686
Finance costs	(299)	(197)	(1)	(64)	-	(115)	(1,205)	(1,881)
Net finance income/(expense)	(268)	293	20	(64)	-	(115)	(1,061)	(1,195)
Share of profit/(loss) of associates	-	-	-	-	-	-	(14)	(14)
Profit before tax	5,975	8,255	40	123	-	145	(778)	13,760
Segment assets	262,678	137,946	26,040	3,789	-	30,917	241,593	702,963
Segment liabilities	50,341	79,823	6,730	4,051	-	11,699	109,819	262,463



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

11. Performance Review

11.1 Table 1: Financial review for current quarter

	Quarter ended 30 September		Increase/(Decrease)	
	2017 RM'000	2016 RM'000	RM'000	%
Revenue	118,884	137,181	(18,297)	(13.3)
Operating profit	3,658	14,969	(11,311)	(75.6)
Interest income	535	686	(151)	(22.0)
Finance costs	(1,681)	(1,881)	200	(10.6)
Share of results of an associate	139	(14)	153	1,092.8
Profit Before Taxation	2,651	13,760	(11,109)	(80.7)
Taxation	(925)	(4,046)	3,121	(77.1)
Profit After Taxation	1,726	9,714	(7,988)	(82.2)

The Group reported a decrease of 13.3% in revenue to RM118.88 million for the current quarter ended 30 September 2017 in comparison to RM137.18 million recorded in the previous year's corresponding quarter mainly due to Hari Raya festive sales had been shifted earlier and recorded in the preceeding quarter. As a result the profit before taxation ("PBT") declined by 80.7% to RM2.65 million mainly due to lower revenue achieved and a slight increase in overall selling and distribution expenses. In addition, the previous year's corresponding quarter included a gain on disposal of property amounted to RM3.0 million as well as unrealised gains in forex of RM1.1 million.

Retailing Segment

Malaysia

Revenue declined by RM14.48 million or 16.4% as compared to the corresponding quarter due to the weak consumer sentiment and in the absence of Hari Raya festive season sales. The Group has closed down a number of non-performing boutiques and consignments counters particularly for licensed brands, and as well as cessation of certain under-performing licensed brands under the Group's portfolio which has resulted in reduction in revenue. The operating profit for the current quarter has decreased to RM2.39 million as compared to corresponding quarter of RM6.24 million.

Singapore

Revenue declined by RM2.28 million or 6.9% as compared to the corresponding quarter due to the decrease in royalty income. The operating profit for the current quarter has decreased to RM0.99 million as compared to the corresponding quarter of RM7.96 million, a decrease of nearly 87.6% mainly due to higher advertising and promotion spending on Braun Buffel 130 years celebrations incurred during the current quarter.

Indonesia

Revenue declined by RM1.25 million or 13.9% as compared to the corresponding quarter due to the absence of Hari Raya festive spending following the shift in festive calendar. The segment recorded a loss of RM0.14 million as compared to an operating profit of RM0.02 million in previous year's corresponding quarter, mainly attributed to higher advertising and promotion expenses on the Carlo Rino brand.



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

11. Performance Review (con't)

11.1 Table 1: Financial review for current quarter (con't)

Vietnam

Revenue declined by RM0.08 million or 5.1% as compared to the corresponding quarter due to weak consumer sentiment. The segment recorded an operating loss of RM0.04 million as compared to an operating profit of RM0.19 million in previous year's corresponding quarter, mainly due to opening of a Bonia boutique with higher advertising and selling expenses incurred.

Other Countries

Revenue mainly derived from the overseas sales to ASEAN and Middle East countries. Revenue has increased marginally of RM0.06 million or 1.3% as compared to the corresponding quarter due to increase in export sales to ASEAN countries.

Manufacturing

Revenue decreased by approximately 56.2% as compared to the previous year's corresponding quarter arising from a decline in the domestic market. The operating profit for the current quarter has decreased to RM0.21 million as compared to the corresponding quarter of RM0.26 million.

Investment and property development

Revenue increased by RM0.29 million or 130.1% as compared to the corresponding quarter. The revenue was derived mainly from rental of investment properties owned by the Group. However, The operating profit for the current quarter has decreased to RM0.25 million as compared to the corresponding quarter of RM0.30 million, a decrease of 16.8% mainly due to increase in general and administration expenses.



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

11. Performance Review (con't)

11.2 Table 2: Financial review for current quarter compared with immediate preceding quarter

	Current Quarter RM'000	Preceding Quarter RM'000	Increase/(Decrease)	
			RM'000	%
Revenue	118,884	153,385	(34,501)	(22.5)
Operating profit	3,658	13,569	(9,911)	(73.0)
Interest income	535	562	(27)	(4.8)
Finance costs	(1,681)	(1,918)	237	(12.4)
Share of results of an associate	139	118	21	17.8
Profit Before Taxation	2,651	12,331	(9,680)	(78.5)
Taxation	(925)	(3,826)	2,901	(75.8)
Profit After Taxation	1,726	8,505	(6,779)	(79.7)

The Group's revenue for the current quarter was RM118.88 million representing a significant decreased of RM34.5 million or 22.5% as compared to RM153.39 million recorded in the preceding quarter. The higher revenue reported in its previous quarter was mainly attributed to the higher sales volume during the Hari Raya festive season which fell in the preceding quarter.

The lower profit before tax was within expectation as the revenue in the previous quarter was substantially boosted by the Hari Raya festive season, in particular Malaysia and Indonesia. The revenue is lower by 22.5% but the operating expenses only reduced by 12.1%. Hence, the Group only achieved a PBT of RM2.65 million.

12. Prospect

The retail sector is expected to remain challenging as a result of rising costs of doing business, increased competitive price pressure as well as weak consumer demand.

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 remaining financial year are expected to be challenging. The Group will continue to be vigilant in cost management and cautiously adjust its selling price to cope with rising cost of operation. With increasing competition, the Group will be prudent in managing its costs and uphold the design and quality of its products to enable the Group to maintain its branding position as one of the preferred and major retail players in the region.

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 to strengthen brand positioning to increase efficiency and productivity.

Moving forward, the Group will focus and channel the resources to grow 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 particular Indonesia, Vietnam and some Middle East countries.



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

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 Contingent Liabilities

The contingent liabilities of the Company as at 30 September 2017 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries amounted to RM311.73 million of which utilised by these subsidiaries amounted to RM117.43 million.

15. Capital Commitments

The amount of capital commitments as at 30 September 2017 are as follows:

	RM'000
Authorised and contracted for:	
Property, plant and equipment:	
- Others	1,195
	<u>1,195</u>

16. Short Term Funds

The short term funds represent investments in money market funds.

17. Cash and Cash equivalents

	30.09.2017	30.09.2016
	RM'000	RM'000
Cash and bank balances	79,719	87,088
Fixed deposits with licensed banks	1,896	8,212
Short term placements with licensed banks	-	24,300
Bank overdrafts	(3,730)	(3,534)
	<u>77,885</u>	<u>116,066</u>
Less: Fixed deposit pledged	(910)	(883)
	<u>76,975</u>	<u>115,183</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
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

18. Taxation

	Current year to-date ended 30.09.2017 RM'000	Preceding year to-date ended 30.09.2016 RM'000
Current year tax expense	1,373	3,088
Under/(Over) provision in prior year	(288)	-
Deferred tax expense	(160)	958
	<u>925</u>	<u>4,046</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.

19. Realised and Unrealised Profits Disclosure

The breakdown of the retained profits of the Group as at 30 September 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 30.09.2017 RM'000	As at 30.06.2017 RM'000
Total retained profits of Bonia Corporation Berhad and its subsidiaries		
- Realised	254,021	253,117
- Unrealised	(2,079)	(1,342)
Total share of retained profits from associated companies		
- Realised	130	281
	<u>252,072</u>	<u>252,056</u>
Less : Consolidation adjustments	(32,596)	(33,900)
Total Group retained profits	<u>219,476</u>	<u>218,156</u>

20. 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.



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

21. Recurrent Related Party Transactions (“RRPT”)

21.1 The aggregate value of the RRPT conducted up to 30 September 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, are 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 existing 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 30.09.17 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"> • Payment of <i>Bonia, Carlo Rino, Sembonia</i> and <i>CR2</i> trademarks royalties 	4,000	3,106
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"> • Payment of office and warehouse rental 	2,000	1,611
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"> • Purchase of men’s apparels • Payment of <i>Valentino Rudy</i> trademark royalty 	N/A	411
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"> • Purchase of eyewear • Sell of card holder and accessories 	N/A	113

Notes :

RRPT 3 : Falls 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.

21.2 The actual value transacted up to 30 September 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.

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



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22. Group Borrowings

The total Group borrowings and debts securities are as follows:

	30.09.2017			30.09.2016		
	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	-	-	-	-	-	-
Bankers' acceptances	1,487	-	1,487	3,279	-	3,279
Revolving Credit	1,000	-	1,000	-	-	-
Hire-purchase & lease creditors	195	369	564	282	544	826
Term loans	13,995	56,386	70,381	14,239	69,221	83,460
	<u>16,677</u>	<u>56,755</u>	<u>73,432</u>	<u>17,800</u>	<u>69,765</u>	<u>87,565</u>
<i>Islamic financing facilities -Secured</i>						
Bank overdrafts	-	-	-	-	-	-
Bankers' acceptances	-	-	-	-	-	-
Term financing-i	6,112	37,955	44,067	3,359	33,058	36,417
	<u>6,112</u>	<u>37,955</u>	<u>44,067</u>	<u>3,359</u>	<u>33,058</u>	<u>36,417</u>
<i>Total secured borrowings</i>	<u>22,789</u>	<u>94,710</u>	<u>117,499</u>	<u>21,159</u>	<u>102,823</u>	<u>123,982</u>
<i>Conventional financing facilities - Unsecured</i>						
Bank overdrafts	2,235	-	2,235	1,807	-	1,807
Bankers' acceptances	8,338	-	8,338	13,428	-	13,428
Trust Receipt	8,058	-	8,058	9,167	-	9,167
	<u>18,631</u>	<u>-</u>	<u>18,631</u>	<u>24,402</u>	<u>-</u>	<u>24,402</u>
<i>Islamic financing facilities -Unsecured</i>						
Bank overdrafts	1,495	-	1,495	1,727	-	1,727
Bankers' acceptances	1,286	-	1,286	3,929	-	3,929
	<u>2,781</u>	<u>-</u>	<u>2,781</u>	<u>5,656</u>	<u>-</u>	<u>5,656</u>
<i>Total unsecured borrowings</i>	<u>21,412</u>	<u>-</u>	<u>21,412</u>	<u>30,058</u>	<u>-</u>	<u>30,058</u>
Total	<u>44,201</u>	<u>94,710</u>	<u>138,911</u>	<u>51,217</u>	<u>102,823</u>	<u>154,040</u>



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22. Group Borrowings (cont'd)

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

As at 30.09.2017						
	Long Term		Short Term		Total Borrowings	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<u>Secured</u>						
<i>Singapore Dollar</i>						
Hire-purchase & Lease Creditors	73	227	23	71	96	298
Trust Receipt	-	-	-	-	-	-
Term Loan	972	3,021	1,167	3,627	2,139	6,648
	<u>1,045</u>	<u>3,248</u>	<u>1,190</u>	<u>3,698</u>	<u>2,235</u>	<u>6,946</u>
<i>Vietnamese Dong</i>						
Term Loan	-	-	8,331,972	1,550	8,331,972	1,550
<u>Unsecured</u>						
<i>Singapore Dollar</i>						
Trust Receipt	-	-	2,391	7,433	2,391	7,433
<i>Rupiah</i>						
Trust Receipt	-	-	1,995,930	625	1,995,930	625
Total		<u>3,248</u>		<u>13,306</u>		<u>16,554</u>

As at 30.09.2016						
	Long Term		Short Term		Total Borrowings	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<u>Secured</u>						
<i>Singapore Dollar</i>						
Hire-purchase & Lease Creditors	96	290	21	65	117	355
Trust Receipt	-	-	86	260	86	260
Term Loan	1,952	5,912	1,354	4,102	3,306	10,014
	<u>2,048</u>	<u>6,202</u>	<u>1,461</u>	<u>4,427</u>	<u>3,509</u>	<u>10,629</u>
<i>Vietnamese Dong</i>						
Term Loan	-	-	10,673,019	2,013	10,673,019	2,013
<u>Unsecured</u>						
<i>Singapore Dollar</i>						
Trust Receipt	-	-	2,940	8,906	2,940	8,906
<i>U.S.Dollar</i>						
Bankers' Acceptances	-	-	1,160	4,797	1,160	4,797
Total		<u>6,202</u>		<u>20,143</u>		<u>26,345</u>

Exchange rates applied

	As at 30.09.2017	As at 30.09.2016
SGD/RM	3.1083	3.0293
VDN100/RM	0.0186	0.01886
IDR100/RM	0.0313	0.0315
USD/RM	4.222	4.1355



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23. Changes in the Composition of the Group

Save as disclosed below, there were no changes in the composition of the Group for the current quarter under review.

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.

24. Material Events Subsequent to the End of the Interim Period

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

25. 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 30.09.2017 RM’000	Preceding year quarter 30.09.2016 RM’000	Current year to-date 30.09.2017 RM’000	Preceding year period 30.09.2016 RM’000
Profit attributable to equity holders of the parent	1,320	8,146	1,320	8,146

Number of ordinary shares (basic)

	Current year quarter 30.09.2017 ’000	Preceding year quarter 30.09.2016 ’000	Current year to-date 30.09.2017 ’000	Preceding year period 30.09.2016 ’000
Weighted average number of ordinary shares	805,651	806,287	805,651	806,287
Basic earnings per share (sen)	0.16	1.01	0.16	1.01



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

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

	3 months ended	
	30.09.2017	30.09.2016
	RM'000	RM'000
Interest income & distribution income from short term funds	(560)	(686)
Other income including investment income ⁽¹⁾	(1,824)	(6,266)
Interest expense	1,681	1,881
Depreciation of property, plant and equipment	4,056	4,999
Amortisation of intangible assets	646	-
Amortisation of trademarks	347	344
Bad debts written off	3	342
Net (reversal of)/ provision for trade receivables	(92)	-
Provision for and write off of inventories	-	-
(Gain) or loss on disposal of properties, plant and equipment	(103)	(3,141)
Gain or loss on disposal of quoted and/or unquoted investments	-	-
Net foreign exchange translation (gain) or loss	843	(851)
Gain or loss on derivatives ⁽²⁾	-	-
Provision for and PPE written off	100	64
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

26.2 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
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27. 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). Enclosure 22 was fixed for case management on 31 October 2017.

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"). The Appeals were fixed for hearing on 17 October 2017.

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.

On 17 October 2017, the Court of Appeal dismissed the Appeals with costs of RM5,000 for each appeal.

On 31 October 2017, the Court fixed the hearing of Enclosure 22 on 4 December 2017. The previous trial dates (8 to 12 January 2018) has been vacated and new trial dates has been fixed for 1 to 2 March 2018 and 5 to 7 March 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
29 November 2017