BONIA CORPORATION BERHAD ("BONIA" OR THE "COMPANY")

(I) PROPOSED DEMERGER; AND

(II) PROPOSED LISTING

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

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1. INTRODUCTION

We refer to Bonia's announcement dated 7 February 2018 in relation to the Proposals.

On behalf of the Board of Directors of Bonia ("**Board**"), TA Securities Holdings Berhad ("**TA Securities**") is pleased to announce that the Board had on 15 March 2018 approved the final terms of the Proposals as follows:

(i) proposed demerger of CRG Incorporated Sdn Bhd ("**CRG**") and its subsidiaries ("**CRG Group**") from Bonia, which includes the following proposals:

(a) proposed capitalisation of part of the dividend to be declared by CRG and CB Marketing Sdn Bhd ("**CB Marketing**") (both are wholly-owned subsidiaries of Bonia) ("**Proposed Capitalisation**");

(b) proposed subdivision of all the ordinary shares in issue in CRG after the Proposed Capitalisation into up to 806,287,400 ordinary shares in CRG ("**CRG Share**") ("**Proposed Subdivision**");

(c) proposed conversion of CRG into a public limited company ("**Proposed Conversion**"); and

(d) proposed distribution of Bonia's entire shareholding in CRG by way of dividend-in-specie on a pro-rata distribution to the entitled shareholders of Bonia whose names appear in Bonia's Record of Depositors on an entitlement date to be determined later ("**Entitlement Date**") ("**Entitled Shareholders**") ("**Proposed Dividend-in-Specie**"),

(collectively, the "**Proposed Demerger**"); and

(ii) proposed listing of CRG Group on the LEAP Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Proposed Listing**").

2. DETAILS OF THE PROPOSALS

2.1 Proposed Demerger

The Proposed Demerger involves a series of transactions as follows:

2.1.1 Proposed Capitalisation

To facilitate the Proposed Capitalisation, CRG's wholly-owned subsidiary companies, namely CRF Marketing Sdn Bhd ("**CRF Marketing**") and CRL Marketing Sdn Bhd ("**CRL Marketing**"), propose to declare up to RM7,000,000 and RM18,000,000 dividend to CRG respectively ("**Proposed Dividend by CRG's Subsidiaries**").

Upon completion of the Proposed Dividend by CRG's Subsidiaries, CRG proposes to declare up to RM48,000,000 dividend to Bonia ("**Proposed Dividend by CRG**").

Concurrently with the Proposed Dividend by CRG, CB Marketing proposes to declare up to RM9,999,995 dividend to Bonia ("**Proposed Dividend by CB Marketing**").

Both the Proposed Dividend by CRG and the Proposed Dividend by CB Marketing are to facilitate the Proposed Dividend-in-Specie by Bonia as detailed in Section 2.1.4 of this announcement.

The Proposed Dividend by CRG and the Proposed Dividend by CB Marketing will be substantially settled by way of capitalisation via issuance of up to 48,000,000 new CRG Shares and up to 1,408,450 new ordinary shares in CB Marketing, respectively, to Bonia.

2.1.2 Proposed Subdivision

CRG's issued share capital as at 14 March 2018 (being the latest practicable date prior to this announcement ("**LPD**") is RM20,000,000 comprising 20,000,000 CRG Shares. Upon completion of the Proposed Capitalisation, the total number of CRG Shares will increase from 20,000,000 to 68,000,000.

To facilitate the Proposed Dividend-in-Specie and to avoid the incidence of odd lots after the implementation of the Proposed Dividend-in-Specie, it is proposed that the 68,000,000 CRG Shares be subdivided into up to 806,287,400 CRG Shares such that CRG will have the same total number of issued shares as the Company (inclusive of Bonia's treasury shares). Upon completion of the Proposed Subdivision, the issued share capital of CRG will be up to RM68,000,000 comprising up to 806,287,400 CRG Shares.

For information purposes, the Proposed Subdivision will be effected before the implementation of the Proposed Dividend-in-Specie.

2.1.3 Proposed Conversion

To facilitate the Proposed Dividend-in-Specie and Proposed Listing, CRG will be converted into a public limited company prior to the implementation of the Proposed Dividend-in-Specie.

2.1.4 Proposed Dividend-in-Specie

Following the completion of the Proposed Capitalisation, Proposed Subdivision and Proposed Conversion, Bonia will distribute via a dividend-in-specie, its entire shareholding in CRG and rights to CRG Shares to the Entitled Shareholders on the basis of 1 CRG Share for every 1 ordinary share in Bonia ("**Bonia Share**" or "**Share**") held on the Entitlement Date from Bonia's retained earnings.

The completion of the Proposed Dividend-in-Specie will result in the demerger of CRG Group from Bonia.

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For illustration purposes, based on Bonia's unaudited financial results for the 6-month financial period ended 31 December 2017 ("**6M-FPE 2017**"), the Proposed Dividend-in-Specie will reduce Bonia's retained earnings for the 6M-FPE 2017 from RM17,168,014 to RM6,818,009 as set out below:

	Bonia's company level Retained earnings (RM)
Unaudited financial results for the 6M-FPE 2017	17,168,014
Add: Proposed dividends from subsidiaries[(1)](up to)	57,999,995
Add: Gain on Proposed Dividend-in-Specie	1,542,288
Less: Estimated expenses relating to the Proposed Demerger	(350,000)
Less: Amount to be utilised for the Proposed Dividend-in-Specie	(69,542,288)
After the Proposed Demerger	**6,818,009**

Note:

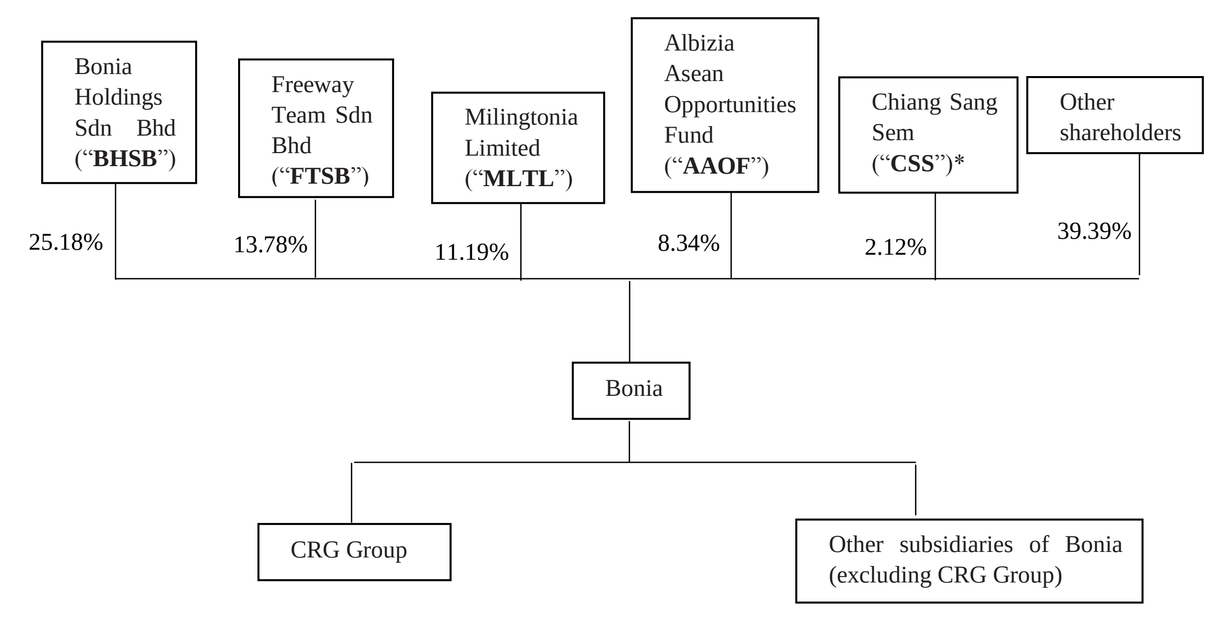
(1) Comprising the Proposed Dividend by CRG and the Proposed Dividend by CB Marketing, collectively.

For the avoidance of doubt, the price of Bonia Shares will be adjusted pursuant to the Proposed Dividend-in-Specie and there will be no material adverse impact on the net worth of Bonia's shareholders after the completion of Proposed Dividend-in-Specie.

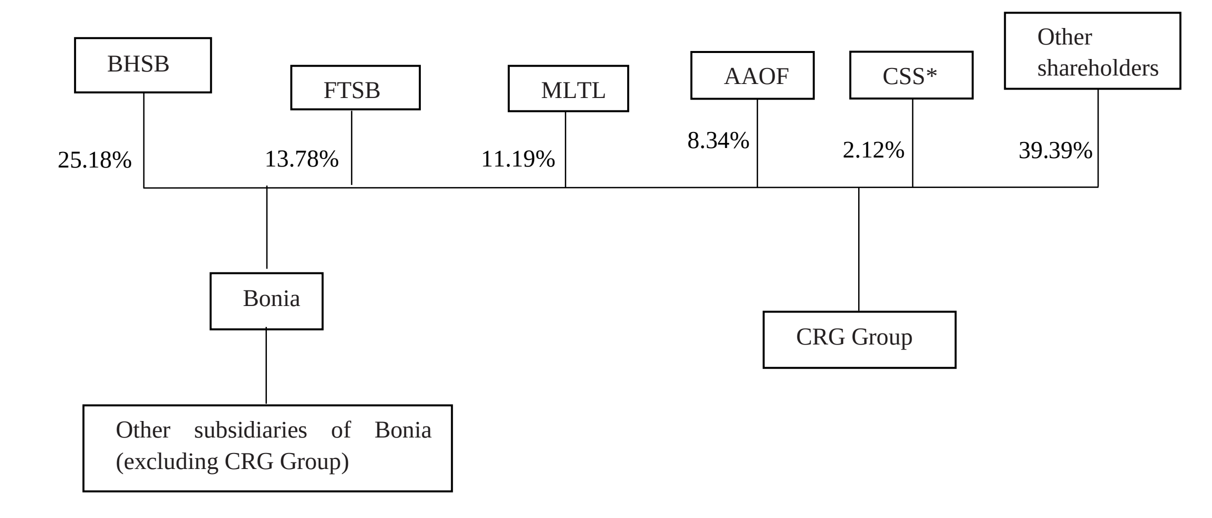
Upon completion of the Proposed Dividend-in-Specie, the Entitled Shareholders will directly hold such number of CRG Shares in the same proportion as their shareholdings in Bonia as at the Entitlement Date and consequently, CRG Group will be demerged from Bonia.

Based on Bonia's Register of Substantial Shareholders as at the LPD, the corporate structure of Bonia and its subsidiaries ("**Bonia Group**") before and after the Proposed Dividend-in-Specie is as follows:

Before the Proposed Dividend-in-Specie[(1)]



After the Proposed Dividend-in-Specie[(1)]



Notes:

* *CSS's indirect interests in Bonia is 46.72% by virtue of: (i) shares held through his substantial shareholdings in BHSB, FTSB and Kontrak Kosmomaz Sdn Bhd; (ii) shares held in trust by Able Wealth Assets Ltd (the shareholder of Able Wealth Assets Ltd is HSBC International Trustee Ltd, the trustee of a trust where the beneficiaries of which are CSS and his family members); and (iii) his spouse and children's direct interests in Bonia.*

(1) *For information purposes, the above shareholders' shareholdings in Bonia are calculated based on the issued share capital of the Company as at the LPD which excludes 636,000 Bonia Shares held as treasury shares.*

As the direct shareholdings of CSS and parties acting in concert with him ("**PACs**") in CRG will increase to more than 50% of the total number of CRG Shares in issue, CSS and the PACs will seek an exemption from Securities Commission Malaysia ("**SC**") from their obligations to undertake a mandatory take-over offer for the remaining CRG Shares not already owned by them upon the completion of the Proposed Dividend-in-Specie ("**Proposed Exemption**"). The relevant application will be made to SC in due course.

2.1.5 Original cost of investment

Bonia's original cost of investment in CRG as at the LPD is as follows:

Date of investment	No. of CRG Shares	Cost of investment (RM)
23 November 2009	2	2
1 June 2010	19,735,471	19,735,471
29 June 2010	264,527	264,527
Total	**20,000,000**	**20,000,000**

2.1.6 Liabilities to be assumed

There are no liabilities, including contingent liabilities or guarantees to be assumed by the Entitled Shareholders arising from the Proposed Dividend-in-Specie.

2.2 Details of the Proposed Listing

After the completion of the Proposed Demerger, CRG will seek admission to the Official List of Bursa Securities and the listing of and quotation for its entire enlarged issued share capital of RM68,000,000 comprising up to 806,287,400 CRG Shares on the LEAP Market of Bursa Securities. The LEAP Market is a new market offered by Bursa Securities in 2017 to provide companies with greater fund raising access and visibility via the capital market. The LEAP Market of Bursa Securities is a qualified market which is meant mainly for sophisticated investors. For the avoidance of doubt, upon completion of the Proposed Listing, only sophisticated investors falling within Schedules 6 and 7 of the Capital Markets and Services Act 2007 are allowed to buy and sell CRG Shares via Bursa Securities. Entitled Shareholders who are not sophisticated investors will only be able to sell CRG Shares or deal with CRG Shares offered or issued by CRG after the Proposed Listing.

The Proposed Listing will be implemented via listing by way of introduction and will not entail any fund raising upon admission to the LEAP Market of Bursa Securities. CRG will issue an Information Memorandum setting out the details of the Proposed Listing after receipt of the approval of the shareholders of Bonia for the Proposals at an extraordinary general meeting to be convened.

3. INFORMATION ON CRG GROUP

CRG was incorporated in Malaysia on 23 November 2009 under the Companies Act, 1965 as a private limited company and is deemed registered under the Companies Act, 2016. CRG is principally an investment holding company. Its subsidiaries are principally involved in the design, manufacturing, marketing and retailing of women footwear, handbags and accessories; and provision of management services.

As at the LPD, CRG is a wholly-owned subsidiary of Bonia with an issued share capital of RM20,000,000 comprising 20,000,000 CRG Shares.

As at the LPD, CRG Group has 39 boutiques and outlets and 128 departmental store consignment counters in Malaysia. 2 of its wholly-owned subsidiaries are involved in the wholesaling and retailing of women footwear, handbags and accessories in Vietnam and Indonesia. CRG Group has also appointed authorised distributors/dealers in Saudi Arabia and Brunei.

CRG Group’s products comprise women footwear, handbags, shoes and accessories targeted at teenagers and young working adults between the ages of 18 and 35. Its brands are Carlo Rino and CR2. Further information on CRG Group is set out in Appendix I.

4. RATIONALE FOR THE PROPOSALS

(i) Reward the Entitled Shareholders

The Proposals are expected to unlock the value of CRG Group and to reward the Entitled Shareholders for their continuous support of Bonia as well as to provide them with an opportunity to invest directly in CRG Group at zero subscription cost. It will enable the Entitled Shareholders to potentially benefit directly from the future performance of CRG Group.

(ii) Better focus on capital management and flexibility to pursue growth strategies

Bonia Group (after the Proposed Demerger) and CRG Group are involved in different market segments in terms of age group and product price range and thus have different business strategies, focus and capital requirements. The Proposed Demerger has taken into consideration their respective risk profiles, financial positions, cash flow generation capabilities and growth plans in the allocation of assets.

In addition, each standalone entity can focus on and pursue distinctive strategies to achieve revenue growth, investment strategies and investor relations strategies. This will accelerate performance through clearer and distinct business emphasis.

(iii) Enhanced investor awareness and greater visibility on business performance

The Proposed Demerger is expected to instill organisational focus through targeted management mandates and accountability, providing a clear and distinct platform for tailored strategies, performance management and capital management. As such, the Entitled Shareholders and other investors will be able to assess and evaluate the individual financial performance, merits and prospects of both Bonia Group (after the Proposed Demerger) and CRG Group.

Greater visibility on the financial performance of the separate businesses can facilitate assessment by shareholders, investors and analysts and increase the likelihood of achieving optimal market valuation. As a more focused group, it should also improve investor understanding of the businesses and strategy of both Bonia Group (after the Proposed Demerger) and CRG Group.

(iv) Gain recognition and enhance corporate stature

The Proposed Listing will enable CRG Group to gain recognition and corporate stature through its own listing status and further enhance its corporate reputation which will assist in its business expansion. This will enable CRG Group to have access to wider fund-raising options to fund its future business expansion strategies.

5. RISK FACTORS

The risk factors which may be inherent to Bonia Group in relation to the Proposals, which are by no means exhaustive, are as follows:

5.1 Non-realisation of benefits expected from the Proposals

The Board's anticipated benefits from the Proposals are forward looking in nature, and are subject to uncertainties and contingencies. Although the Board holds that its expectations are reasonable at this point of time given the prevailing circumstances, there can be no certainty that such expectations will materialise.

5.2 Loss of potential future income contribution from CRG Group

CRG Group will cease to be a subsidiary of the Company after the completion of the Proposed Demerger and the Company will no longer consolidate the financial results of CRG Group in future. The Proposed Demerger will, to a certain extent, affect the overall financial performance of Bonia Group, going forward.

5.3 Non-completion of the Proposals

The completion of the Proposals is conditional upon approvals being obtained from the relevant authorities and/or parties as set out in Section 8 below. There is no assurance that all the conditions imposed by the authorities and/or parties may in fact be fulfilled or be fulfilled in a timely manner, in which case the Proposals may be aborted or there may be a delay in their implementation.

6. EFFECTS OF THE PROPOSALS

The Proposed Listing and the Proposed Conversion will not have any effect on the share capital and number of issued Shares, net assets ("**NA**") and gearing, earnings and earnings per Share ("**EPS**") of Bonia Group as well as the substantial shareholders' shareholdings in the Company save for the Proposed Demerger.

6.1 Share capital

The Proposed Demerger will not have any effect on the Company's issued share capital and number of issued Shares as the Proposed Demerger does not involve the issuance of any new Bonia Shares.

6.2 NA and gearing

For illustration purposes only, the pro forma effects of the Proposed Demerger (in particular the Proposed Dividend-in-Specie) on the NA and gearing of Bonia Group based on its audited consolidated statements of financial position as at 30 June 2017 and on the assumption that the Proposed Demerger had been effected on that date are as follows:

	(Audited) **As at 30 June 2017** **(RM'000)**	**(I)** **After the Proposed Demerger** **(RM'000)**
Share capital	201,572	201,572
Available-for-sale reserve	(65)	(65)
Exchange translation reserve	13,622	13,334
Treasury shares	(355)	(355)
Retained profits	218,156	148,733 *(1)*
Shareholders' funds / NA	**432,930**	**363,219**
No. of Bonia Shares in issue	806,287,400	806,287,400
No. of Bonia Shares in issue (excluding treasury shares)	805,651,400	805,651,400
NA per Bonia Share (RM) *(2)*	0.54	0.45
Total borrowings	142,826	126,228
Gearing (times)	0.33	0.35

Notes:

(1) Inclusive of the estimated expenses of approximately RM350,000.

(2) Computed based on the number of issued Bonia Shares (excluding treasury shares).

6.3 Earnings and EPS

As the Proposals are only expected to be completed in the 3rd quarter of calendar year 2018, they will not have any material effect on the consolidated earnings of Bonia Group for financial year ending 30 June ("**FYE**") 2018. Upon completion of the Proposed Demerger, Bonia Group will cease to consolidate the results of CRG Group and this will have a financial impact to Bonia Group's earnings for FYE 2019.

For illustration purposes only, the pro forma effects of the Proposed Demerger on Bonia Group's earnings and EPS based on its audited consolidated financial statements for the FYE 2017, assuming the Proposed Demerger had been completed on 1 July 2016 are as follows:

	(Audited) As at 30 June 2017 (RM'000)	**(I) After the Proposed Demerger (RM'000)**
Profit after taxation ("**PAT**") attributable to the owners of the Company	31,734	31,734
Less: Reversal of earnings of CRG Group	-	(3,334)
PAT of Bonia Group	**31,734**	**28,400**
Weighted average number of Bonia Shares in issue (excluding treasury shares)	805,917,400	805,917,400
EPS (sen)	3.94	3.52

6.4 Substantial shareholders' shareholdings

The Proposed Demerger will not have any effect on the shareholdings of the substantial shareholders of the Company.

6.5 Convertible securities

As at the LPD, the Company does not have any outstanding options, warrants or convertible securities.

7. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Dividend-in-Specie pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities is 15.78%, based on CRG Group's audited NA as at 30 June 2017 of RM68.30 million compared against Bonia Group's audited NA as at 30 June 2017 of RM432.93 million and based on the deemed disposal consideration of RM68.30 million against Bonia Group's audited NA as at 30 June 2017 of RM432.93 million.

8. APPROVALS REQUIRED

The Proposals are subject to the following approvals:

(i) Bursa Securities for the Proposed Listing;

(ii) the shareholders of the Company for the Proposed Listing at an extraordinary general meeting to be convened;

(iii) Bonia's Group creditors/lenders (where applicable) for the Proposed Dividend-in-Specie; and

(iv) any other relevant authorities, if required.

9. INTER-CONDITIONALITY OF THE PROPOSED DEMERGER AND PROPOSED LISTING

The Proposed Demerger and Proposed Listing are inter-conditional with each other.

The implementation of the Proposed Demerger (save for the Proposed Conversion) is conditional upon approval-in-principle being obtained from Bursa Securities for the Proposed Listing.

The Proposed Dividend-in-Specie is conditional upon the Proposed Exemption.

The Proposed Dividend-in-Specie is conditional upon the Proposed Dividend by CRG's Subsidiaries, the Proposed Dividend by CRG and the Proposed Dividend by CB Marketing.

The Proposed Demerger and Proposed Listing are not conditional upon any other corporate proposals of the Company.

10. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the directors, major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposals, save for their respective entitlements under the Proposed Dividend-in-Specie which rights are also applicable on a pro-rated basis to all the shareholders of the Company.

11. DIRECTORS' STATEMENT

After having considered all aspects of the Proposals including but not limited to the rationale and effects of the Proposals, the Board is of the opinion that the Proposals are in the best interest of the Company and its shareholders.

12. APPLICATION TO THE AUTHORITIES

The application to the relevant authorities will be made within 2 months from the date of this announcement.

13. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and upon approval-in-principle being obtained from Bursa Securities for the Proposed Listing, the Board expects the Proposals to be completed in the 3rd quarter of calendar year 2018.

14. ADVISER

TA Securities has been appointed as the Adviser in relation to the Proposals.

This announcement is dated 15 March 2018.

1. CORPORATION INFORMATION AND BUSINESS

CRG was incorporated in Malaysia on 23 November 2009 under the Companies Act, 1965 as a private limited company and is deemed registered under the Companies Act, 2016. CRG is principally an investment holding company. Its subsidiaries are principally involved in the design, manufacturing, marketing and retailing of women footwear, handbags and accessories; and provision of management services.

As at the LPD, CRG Group has 39 boutiques and outlets and 128 departmental store consignment counters in Malaysia. 2 of its wholly-owned subsidiaries are involved in wholesaling and retailing of women footwear, handbags and accessories in Vietnam and Indonesia. CRG Group has also appointed authorised distributors/dealers in Saudi Arabia and Brunei.

CRG Group's products comprise women footwear, handbags, shoes and accessories targeted at teenagers and young working adults between the ages of 18 and 35. Its brands are Carlo Rino and CR2.

As at the LPD, CRG is a wholly-owned subsidiary of Bonia with an issued share capital of RM20,000,000 comprising 20,000,000 CRG Shares.

2. DIRECTORS AND DIRECTORS' SHAREHOLDINGS

CRG has the following directors as at the LPD:

	Direct		Indirect	
	No. of CRG Shares	**%**	**No. of CRG Shares**	**%**
Directors				
CSS	-	-	20,000,000[(1)]	100
Dato' Sri Chiang Fong Yee	-	-	-	-

Note:

(1) Deemed interested by virtue of his shareholding in Bonia via: (i) shares held through his substantial shareholdings in Bonia Holdings Sdn Bhd, Freeway Team Sdn Bhd and Kontrak Kosmomaz Sdn Bhd, (ii) shares held in trust by Able Wealth Assets Ltd (the shareholder of Able Wealth Assets Ltd is HSBC International Trustee Ltd, the trustee of a trust where the beneficiaries of which are CSS and his family members), and (iii) his spouse and children's direct interests in Bonia.

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3. SUBSIDIARIES AND ASSOCIATED COMPANIES

CRG has the following subsidiaries as at the LPD:

Name of company	Principal Activities	Country of Incorporation	Effective equity interest
CR Boutique Sdn Bhd	Retailing of women footwear, handbags and accessories	Malaysia	100%
CRF Marketing	Designing, promoting and marketing of women footwear	Malaysia	100%
CRL Marketing	Designing, promoting and marketing of women handbags and accessories	Malaysia	100%
CRI Sdn Bhd	Manufacturing and marketing of fashionable goods	Malaysia	100%
CRV Sdn Bhd	Marketing and distribution of fashionable goods and accessories, and provision of management services	Malaysia	100%
PT CRI Mitra Sejati	Wholesaling of fashionable goods and accessories	Indonesia	100%
CRR Vietnam Co., Ltd	Management consultancy activities and to implement the right of import, distribution, wholesales of goods	Vietnam	100%
CRG Viet Nam Company Limited	Dormant	Vietnam	99%

As at the LPD, CRG does not have any associated company.

Based on its latest audited financial statements for the FYE 2017, CRG recorded a NA of RM68,297,937 and a PAT (attributable to the owner of the Company) of RM3,333,723.

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4. PROFORMA EFFECTS OF THE PROPOSALS ON THE NA AND GEARING OF CRG GROUP

	(Audited) As at 30 June 2017 (RM)	(I) After the Proposed Demerger (RM)	(II) After (I) and the Proposed Listing (RM)
Share capital	20,000,000	68,000,000	68,000,000
Exchange translation reserve	296,711	296,711	296,711
Retained earnings/(Accumulated losses)	48,001,226	1,226	(848,774)[(1)]
Shareholders' funds / NA	**68,297,937**	**68,297,937**	**67,447,937**
No. of CRG Shares in issue	20,000,000	806,287,400	806,287,400
NA per CRG Share (sen)	341.49	8.47	8.37
Total borrowings	16,598,214	16,598,214	16,598,214
Gearing (times)	0.24	0.24	0.25

Note:

(1) Inclusive of the estimated expenses of approximately RM850,000 in relation to the Proposed Listing which are expected to be funded via internally-generated funds and profits from the FYE 2018.

5. FINANCIAL INFORMATION

The summary of the audited financial information of CRG Group for the FYEs 2015 to 2017 and 6M-FPEs 2016 and 2017 is as follows:

	← Audited →			← Unaudited →	
	FYE 2015 RM'000	**FYE 2016 RM'000**	**FYE 2017 RM'000**	**6M-FPE 2016 RM'000**	**6M-FPE 2017 RM'000**
Revenue	111,564	112,752	95,315	48,224	53,848
Profit before taxation	16,759	14,433	4,923	4,737	2,879
PAT	12,420	10,965	3,334	3,368	1,737
Shareholders' funds / NA	53,921	64,929	68,298	68,573	69,542
Share capital	20,000	20,000	20,000	20,000	20,000
No. of CRG Shares in issue/Weighted average no. of CRG Shares in issue ('000)	20,000	20,000	20,000	20,000	20,000
Basic earnings per CRG Share[(1)]	0.62	0.55	0.17	0.17	0.09
NA per CRG Share[(2)]	2.70	3.25	3.41	3.43	3.48

Notes:

(1) PAT divided by the weighted average number CRG Shares in issue for the financial years/periods under review.

(2) NA divided by the number of CRG Shares in issue as at the end of the financial years/periods under review.

FYE 2016 vs. FYE 2015

CRG Group's revenue increased by 1.07% to RM112.75 million in FYE 2016 (FYE 2015: RM111.56 million), mainly due to the discount pricing strategy adopted in FYE 2016 which cushioned the adverse impact resulting from the tough business operating environment after the implementation of goods and services tax in Malaysia.

CRG Group recorded PAT for the FYE 2016 of RM10.97 million (FYE 2015: RM12.42 million), mainly due to:

(i) reduced profit margins as a result of the discount pricing strategy adopted; and

(ii) higher finance cost in FYE 2016 as a result of a full year recognition of term loan interest.

FYE 2017 vs. FYE 2016

CRG Group's revenue decreased by 15.46% to RM95.32 million in FYE 2017 (FYE 2016: RM112.75 million), mainly due to weaker consumer spending as well as softening retail market.

CRG Group's PAT decreased by 69.59% to RM3.33 million in FYE 2017 (FYE 2016: RM10.97 million), mainly due to:

(i) lower revenue recorded for the FYE 2017 as detailed above; and

(ii) increase in general and administrative expenses by RM2.71 million to RM18.48 million in the FYE 2017 (FYE 2016: RM15.77 million).

6M-FPE 2017 vs. 6M-FPE 2016

CRG Group's revenue increased by 11.66% to RM53.85 million in 6M-FPE 2017 (6M-FPE 2016: RM48.22 million). The increase in revenue was mainly attributable to better performances of outlets and boutique stores. On top of that, management's renewed focus on e-commerce has yielded positive results which have contributed to the increase in revenue.

CRG Group's PAT decreased by 48.43% to RM1.74 million in 6M-FPE 2017 (6M-FPE 2016: RM3.37 million) as a result of decrease in gross profit margins by 3.75% to 3.23% in 6M-FPE 2017 (6M-FPE 2016: 6.98%) as a result of lower margin from e-commerce and outlet sales.