



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2017 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	As At 31 Dec 2017 RM'000 (UNAUDITED)	30 Jun 2017 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	179,575	183,125
Investment properties	34,544	34,544
Intangible assets	91,565	90,145
Investments in associates	901	679
Other investments	1,266	1,299
Deferred tax assets	2,314	2,501
Trade and other receivable	10,876	11,197
Total non-current assets	321,041	323,490
CURRENT ASSETS		
Inventories	143,046	132,938
Trade and other receivables	136,645	121,783
Current tax assets	8,486	8,209
Short term funds	18,387	4,942
Cash and cash equivalents	89,592	119,648
Total current assets	396,156	387,520
TOTAL ASSETS	717,197	711,010
EQUITY AND LIABILITIES		
Share capital	201,572	201,572
Reserves	235,266	231,358
Total equity attributable to the owners of the parent	436,838	432,930
Non-controlling Interest	25,189	22,337
Total equity	462,027	455,267
NON-CURRENT LIABILITIES		
Long term borrowings	89,306	98,225
Trade and other payables	4,863	4,978
Provision for restoration costs	3,398	3,443
Deferred tax liabilities	8,328	8,525
Total non-current liabilities	105,895	115,171
CURRENT LIABILITIES		
Trade and other payables	80,964	90,929
Bank borrowings	63,054	44,601
Provision for restoration costs	110	110
Current tax payables	5,147	4,932
Total current liabilities	149,275	140,572
Total liabilities	255,170	255,743
TOTAL EQUITY AND LIABILITIES	717,197	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 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2017 RM'000	Preceding Year Corresponding Quarter 31 Dec 2016 RM'000	Current Year- To-Date 31 Dec 2017 RM'000	Preceding Year Corresponding Period 31 Dec 2016 RM'000
Revenue	160,344	171,882	279,228	309,063
Cost of sales	(67,160)	(72,782)	(114,140)	(129,859)
Gross profit	93,184	99,100	165,088	179,204
Selling and distribution expenses	(44,339)	(44,989)	(89,018)	(88,029)
General and administration expenses	(28,719)	(35,101)	(53,575)	(62,776)
Other operating income	2,300	2,869	3,589	8,449
Profit from operations	22,426	21,879	26,084	36,848
Finance income	548	215	1,083	901
Finance costs	(1,757)	(1,816)	(3,438)	(3,697)
Share of results of associates	83	(28)	222	(42)
Profit before tax	21,300	20,250	23,951	34,010
Taxation	(6,480)	(6,035)	(7,405)	(10,081)
Profit for the period	14,820	14,215	16,546	23,929
Other comprehensive income				
Fair value loss on available-for-sale financial assets	(7)	(7)	(14)	(14)
Foreign currency exchange differences arising from consolidation	(1,577)	2,929	299	9,049
Total comprehensive income for the period	13,236	17,137	16,831	32,964
Profit attributable to :				
Owners of the parent	11,990	11,150	13,310	19,296
Non-controlling Interests	2,830	3,065	3,236	4,633
	14,820	14,215	16,546	23,929
Total comprehensive income attributable to :				
Owners of the parent	10,807	13,601	13,979	27,649
Non-controlling Interests	2,429	3,536	2,852	5,315
	13,236	17,137	16,831	32,964
Net earnings per share attributable to owners of the parent (Note 26)				
- Basic (sen)	1.49	1.38	1.65	2.39

(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 31 DECEMBER 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		
At 1 July 2017	201,572	(65)	13,622	(355)	218,156	432,930	22,337	455,267
Profit for the financial year	-	-	-	-	13,310	13,310	3,236	16,546
Fair value of available-for-sale financial assets	-	(14)	-	-	-	(14)	-	(14)
Foreign currency translations	-	-	683	-	-	683	(384)	299
Total comprehensive income for the period	-	(14)	683	-	13,310	13,979	2,852	16,831
Transaction with owners:								
Repurchase of own shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(10,071)	(10,071)	-	(10,071)
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	(10,071)	(10,071)	-	(10,071)
At 31 December 2017	201,572	(79)	14,305	(355)	221,395	436,838	25,189	462,027
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	-	-	-	-	19,296	19,296	4,633	23,929
Fair value of available-for-sale financial assets	-	(14)	-	-	-	(14)	-	(14)
Foreign currency translations	-	-	8,367	-	-	8,367	682	9,049
Total comprehensive income for the period	-	(14)	8,367	-	19,296	27,649	5,315	32,964
Transaction with owners:								
Repurchase of treasury shares	-	-	-	(355)	-	(355)	-	(355)
Dividends	-	-	-	-	(10,079)	(10,079)	-	(10,079)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	(3,118)	(3,118)
Total transactions with owners	-	-	-	(355)	(10,079)	(10,434)	(3,118)	(13,552)
At 31 December 2016	201,572	(51)	16,077	(355)	205,718	422,961	22,691	445,652

(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 31 DECEMBER 2017		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
	31 Dec 2017	31 Dec 2016
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	23,951	34,010
Adjustments for non-cash flow:		
Accretion of non-current other payables	33	365
Amortisation of trademarks	692	691
Amortisation of intangible assets	1,274	-
Bad debts written off	32	1,172
Depreciation of property, plant and equipment	8,336	10,266
Gain on disposals of property, plant and equipment, net	(137)	(3,222)
Impairment loss on :-		
- trade and other receivables	-	350
Interest expense and profit payment on Islamic financing	3,438	3,697
Interest income & distribution income from short term funds	(1,083)	(901)
Fair value gain on short term funds	(50)	-
Loss on disposal of investment properties	-	215
Property, plant and equipment written off	360	228
Reversal of impairment losses on trade and other receivables	(698)	-
Share of (profit)/loss of associates	(222)	42
Unwinding of discount on provision for restoration costs	-	2
Unrealised loss/(gain) on foreign exchange, net	1,329	(1,881)
Operating profit before changes in working capital	37,255	45,034
Changes in working capital		
Net change in current assets	(32,410)	(22,626)
Net change in current liabilities	(7,836)	(2,180)
Cash (used in)/generated from operations	(2,991)	20,228
Tax paid	(6,928)	(8,330)
Net cash (used in)/from operating activities	(9,919)	11,898
Cash flows used in investing activities		
Interest received	1,083	901
Advances to associates	(289)	(2)
Placements of short term funds	(13,395)	-
Proceeds from disposal of property, plant and equipment	224	5,994
Proceeds from disposal of investment properties	-	1,752
Purchase of property, plant and equipment	(6,426)	(5,961)
Net cash (used in)/from investing activities	(18,803)	2,684
Cash flows used in financing activities		
Interest paid and profit paid on Islamic financing	(3,438)	(3,697)
Dividends paid to owners of the parent	(10,071)	(10,079)
Dividends paid to non-controlling interests	-	(3,118)
Net financing from bank borrowings	9,665	5,820
Repurchase of own shares	-	(355)
Net cash used in financing activities	(3,844)	(11,429)
Net (decrease)/increase in cash and cash equivalents	(32,566)	3,153
Cash and cash equivalents at beginning of financial year	114,991	98,201
Effects of exchange rate changes on cash and cash equivalents	2,041	7,178
Cash and cash equivalents at end of financial year (Note A17)	84,466	108,532

(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 31 DECEMBER 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 31 DECEMBER 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 Cyclicity of Interim Operations

The business operations of the Group are generally dependent on the Malaysian economy, consumer confidence and Government support, as well as major festive seasons.

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

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

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

On 7 February 2018, Bonia Corporation Berhad announced that the Company is contemplating the proposed demerger of CRG Incorporated Sdn. Bhd. ("CRG") and its subsidiaries ("CRG Group") from Bonia ("Proposed Demerger") and the proposed listing of the CRG Group on the LEAP Market of Bursa Securities thereafter ("Proposed Listing of CRG"). The Proposed Demerger and Proposed Listing of CRG are collectively referred to as "Proposals".

The Proposals comprise :

- (i) Proposed Demerger, which includes the following proposals:
 - (a) Proposed conversion of CRG into a public company;
 - (b) Proposed capitalisation of part of the retained earnings of CRG Group into new ordinary shares in CRG;
 - (c) Proposed subdivision of all the existing ordinary shares in CRG into such number of new ordinary shares in CRG ("CRG Shares") to be determined later; and
 - (d) Proposed distribution of Bonia's entire shareholding in CRG by way of dividend-in-specie on pro-rata distribution to shareholders of Bonia whose names appear on Bonia's Record of Depositors on an entitlement date to be determined later.

Upon completion of the Proposed Dividend-in-Specie, the Entitled Shareholders shall hold CRG Shares directly.

- (ii) Proposed Listing of CRG

CRG will submit a listing application to Bursa Securities for its listing on the LEAP Market of Bursa Securities.



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

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

A single tier final dividend of 1.25 sen per ordinary share amounting to approximately RM10,070,043 in respect of the financial year ended 30 June 2017 was paid on 22 December 2017.

The Directors did not declare any interim dividend in respect of the financial quarter ended 31 December 2017.



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 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 31 December 2017 are as follows:-

	← Retailing →					Manufacturing RM'000	Investment & property developmt RM'000	Consolidation RM'000
	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Vietnam RM'000	Other countries RM'000			
2nd quarter ytd - 31.12.2017								
<u>Revenue</u>								
Total Revenue	183,865	69,192	15,012	3,283	6,720	14,303	36,960	329,335
Inter-company sales	-	-	-	-	-	(13,860)	(36,247)	(50,107)
External sales	183,865	69,192	15,012	3,283	6,720	443	713	279,228
<u>Results</u>								
Operating profit/(loss)	17,736	8,862	(318)	55	-	4	(255)	26,084
Interest income	261	445	16	-	-	-	361	1,083
Finance costs	(510)	(324)	(6)	(56)	-	(187)	(2,355)	(3,438)
Net finance income/(expense)	(249)	121	10	(56)	-	(187)	(1,994)	(2,355)
Share of profit of associates	-	-	-	-	-	-	222	222
Profit before tax	17,487	8,983	(308)	(1)	-	(183)	(2,027)	23,951
Segment assets	272,920	127,471	30,525	7,502	-	29,938	238,041	706,397
Segment liabilities	60,855	59,968	5,005	3,390	-	10,401	102,076	241,695



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

10. Segmental Information (cont'd)

The Group's segmental results for the financial period ended 31 December 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			
2nd quarter ytd - 31.12.2016								
<u>Revenue</u>								
Total Revenue	196,291	76,104	21,694	4,375	8,257	15,409	34,916	357,046
Inter-company sales	-	-	-	-	-	(13,516)	(34,467)	(47,983)
External sales	196,291	76,104	21,694	4,375	8,257	1,893	449	309,063
<u>Results</u>								
Operating profit/(loss)	20,141	16,324	858	900	-	(131)	(1,244)	36,848
Interest income	140	424	70	-	-	-	267	901
Finance costs	(547)	(416)	(2)	(110)	-	(204)	(2,418)	(3,697)
Net finance income/(expense)	(407)	8	68	(110)	-	(204)	(2,151)	(2,796)
Share of profit/(loss) of associates	-	-	-	-	-	-	(42)	(42)
Profit before tax	19,734	16,332	926	790	-	(335)	(3,437)	34,010
Segment assets	276,639	138,796	29,313	6,561	-	29,795	248,774	729,878
Segment liabilities	62,238	78,195	6,662	6,130	-	10,083	117,923	281,231



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

11. Performance Review

11.1 Table 1: Financial review for current quarter

2Q18 vs 2Q17

	Quarter ended 31 December		Increase/(Decrease)	
	2017	2016		
	RM'000	RM'000	RM'000	%
Revenue				
- Retailing				
• Malaysia	110,242	108,186	2,056	1.9
• Singapore	38,411	43,042	(4,631)	(10.8)
• Indonesia	7,298	12,732	(5,434)	(42.7)
• Vietnam	1,839	2,853	(1,014)	(35.5)
• Other countries	2,332	3,927	(1,595)	(40.6)
- Manufacturing	13	912	(899)	(98.6)
- Investment & property development	209	230	(21)	(9.1)
	<u>160,344</u>	<u>171,882</u>	<u>(11,538)</u>	<u>(6.7)</u>
Operating profit/(loss)				
- Retailing				
• Malaysia	15,349	13,898	1,451	10.4
• Singapore	7,872	8,362	(490)	(5.9)
• Indonesia	(181)	838	(1,019)	(121.6)
• Vietnam	96	713	(617)	(86.5)
• Other countries	-	-	-	-
- Manufacturing	(208)	(391)	183	46.8
- Investment & property development	(502)	(1,541)	1,039	67.4
	<u>22,426</u>	<u>21,879</u>	<u>547</u>	<u>2.5</u>
Interest income	548	215	333	154.9
Finance costs	(1,757)	(1,816)	59	(3.2)
Share of results of an associate	83	(28)	111	396.4
Profit Before Taxation	<u>21,300</u>	<u>20,250</u>	<u>1,050</u>	<u>5.2</u>
Taxation	(6,480)	(6,035)	(445)	7.4
Profit After Taxation	<u>14,820</u>	<u>14,215</u>	<u>605</u>	<u>4.2</u>

For the current quarter under review, the Group reported a decrease of 6.7% in revenue to RM160.34 million as compared to RM171.88 million recorded in the previous year's corresponding quarter. The decrease in revenue was anticipated due to closure of certain counters as part of the Group's rationalisation process.

Despite the revenue has decreased by RM11.54 million, with the slight improvement in gross profit margin coupled with the decrease in operating costs of RM7.09 million, the Group posted an improved profit before tax of RM21.30 million which is 5.2% higher than the PBT of RM20.25 million reported in the previous corresponding quarter.

Retailing Segment

Malaysia

Revenue increased by RM2.06 million or 1.9% as compared to the corresponding quarter due to Christmas festive season and year-end sales. The operating profit for the current quarter has increased to RM15.35 million as compared to corresponding quarter of RM13.90 million as a result of increase in revenue coupled with the decreased in administration costs.



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

11. Performance Review (cont'd)

11.1 Table 1: Financial review for current quarter (cont'd)

2Q18 vs 2Q17 (cont'd)

Singapore

Revenue declined by RM4.63 million or 10.8% as compared to the corresponding quarter mainly due to the slower sales and decrease in royalty income. The operating profit for the current quarter has decreased slightly to RM7.87 million as compared to the corresponding quarter of RM8.36 million, a decrease of nearly 5.9% caused by lower sales achievement during the current quarter.

Indonesia

Revenue declined by RM5.43 million or 42.7% as compared to the corresponding quarter due to the weak consumer sentiment as well as closure of certain counters as part of the rationalisation process. The segment recorded a loss of RM0.18 million as compared to an operating profit of RM0.84 million in previous year's corresponding quarter, mainly attributed to lower sales achievement as well as higher advertising and promotion expenses of RM0.31 million spent to promote Carlo Rino brand.

Vietnam

Revenue declined by RM1.01 million or 35.5% as compared to the corresponding quarter due to weak consumer sentiment. The segment recorded an operating profit of RM0.09 million as compared to an operating profit of RM0.71 million in previous year's corresponding quarter. This was mainly attributable to lower revenue while the operating expenses remained high in the current quarter.

Other Countries

Revenue mainly derived from the overseas sales to ASEAN and Middle East countries which has dropped by RM1.59 million or 40.6% as compared to the corresponding quarter due to a significant reduce in orders by our customers.

Manufacturing

Revenue decreased by approximately 98.6% as compared to the previous year's corresponding quarter resulted from soft retail market. The operating loss for the current quarter has decreased to RM0.21 million as compared to the corresponding quarter of RM0.39 million due to increase in other income coupled with lower administration expenses.

Investment and property development

Revenue that derived mainly from rented investment properties has decreased by RM0.02 million or 9.1% as compared to the corresponding quarter. However, the operating loss for the current quarter has reduced to RM0.50 million as compared to the corresponding quarter of RM1.54 million, a decrease of 67.4% being a result of a reduction in administration expenses, particularly the staff cost.



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

11. Performance Review (con't)

11.2 Table 1: Financial review for current financial period vs corresponding last financial period

2Q18 YTD vs 2Q17 YTD

	Cumulative Period		Increase/(Decrease)	
	Current Year To date	Preceding Corresponding Period		
	RM'000	RM'000	RM'000	%
Revenue				
- Retailing				
• Malaysia	183,865	196,291	(12,426)	(6.3)
• Singapore	69,192	76,104	(6,912)	(9.1)
• Indonesia	15,012	21,694	(6,682)	(30.8)
• Vietnam	3,283	4,375	(1,092)	(25.0)
• Other countries	6,720	8,257	(1,537)	(18.6)
- Manufacturing	443	1,893	(1,450)	(76.6)
- Investment & property development	713	449	264	58.8
	<u>279,228</u>	<u>309,063</u>	<u>(29,835)</u>	<u>(9.7)</u>
Operating profit/(loss)				
- Retailing				
• Malaysia	17,736	20,141	(2,405)	(11.9)
• Singapore	8,862	16,324	(7,462)	(45.7)
• Indonesia	(318)	858	(1,176)	(137.0)
• Vietnam	55	900	(845)	(93.9)
• Other countries	-	-	-	-
- Manufacturing	4	(131)	135	103.1
- Investment & property development	(255)	(1,244)	989	79.5
	<u>26,084</u>	<u>36,848</u>	<u>(10,764)</u>	<u>(29.2)</u>
Interest income	1,083	901	182	20.2
Finance costs	(3,438)	(3,697)	259	(7.0)
Share of results of an associate	222	(42)	264	628.6
Profit Before Taxation	<u>23,951</u>	<u>34,010</u>	<u>(10,059)</u>	<u>(29.6)</u>
Taxation	(7,405)	(10,081)	2,676	(26.5)
Profit After Taxation	<u>16,546</u>	<u>23,929</u>	<u>(7,383)</u>	<u>(30.8)</u>

For the 6 months ended 31 December 2017, the Group's revenue decreased by RM29.83 million or 9.7% as compared to the corresponding cumulative quarters in the preceding year. The Profit before tax has dropped to RM23.95 million as compared to RM34.01 million recorded in 2Q 2017 YTD.

Retailing Segment

Malaysia

Revenue decreased by RM12.43 million or 6.3% as compared to the 2Q 2017 YTD due to closing down of a number of non-performing boutiques and consignments counters. Certain underperforming licensed brands under the Group's portfolio also exit from the local retail market which has resulted in a reduction in revenue. The operating profit for 2Q 2018 YTD has decreased to RM17.74 million as compared to 2Q 2017 YTD of RM20.14 million, which was mainly due to a decrease in revenue as well as an increase in advertising and promotion expenses of RM1.15 million spent on Braun Buffel 130 years celebrations which incurred in 2Q 2018 YTD.



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

11. Performance Review (con't)

11.2 Table 1: Financial review for current financial period vs corresponding last financial period (cont'd)

2Q18 YTD vs 2Q17 YTD (cont'd)

Singapore

Revenue declined by RM6.91 million or 9.1% as compared to the 2Q 2017 YTD mainly due to the slower sales and decrease in royalty income. The operating profit for 2Q 2018 YTD has decreased to RM8.86 million as compared to the corresponding cumulative quarters of RM16.32 million, a decrease of nearly 45.7% mainly caused by the slower sales and higher advertising and promotion expenses of RM5.07 million spent on Braun Buffel 130 years celebrations incurred during 2Q 2018 YTD.

Indonesia

Revenue declined by RM6.68 million or 30.8% as compared to the 2Q 2017 YTD. The segment recorded a loss of RM0.32 million as compared to an operating profit of RM0.86 million in previous year's corresponding cumulative quarters, mainly attributed to a decrease in revenue as a result of closure of some Bonia counters being part of the Group's rationalisation process. The lower profit also due to higher advertising and promotion expenses of RM0.63 million spent to promote Carlo Rino brand.

Vietnam

Revenue declined by RM1.09 million or 25.0% as compared to the 2Q 2017 YTD due to weak consumer sentiment. The segment recorded an operating profit of RM0.06 million as compared to an operating profit of RM0.90 million in 2Q YTD 2017, mainly due to opening of a Bonia boutique with higher advertising and operating expenses incurred.

Other Countries

Revenue mainly derived from the overseas sales to ASEAN and Middle East countries which has dropped by RM1.54 million or 18.6% as compared to the 2Q 2017 YTD due to a significant reduce in orders by our customers.

Manufacturing

Revenue decreased by approximately 76.6% as compared to the 2Q 2017 YTD as a result of soft retail market. The operating profit for the 2Q YTD 2018 has increased to RM0.004 million as compared to 2Q 2017 YTD operating loss of RM0.13 million due to increased in other income of RM0.10 million coupled with lower in administration expenses of RM1.94 million as compared to corresponding cumulative quarters of RM2.04 million.

Investment and property development

Revenue that derived from rented investment properties has increased by RM0.26 million or 58.8% as compared to the 2Q 2017 YTD. However, the segment recorded a loss of RM0.26 million as compared to the corresponding cumulative quarters of RM1.24 million as a result of a reduction in administration expenses, particularly staff cost.



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

11. Performance Review (con't)

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

2Q18 vs 1Q18

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	160,344	118,884	41,460	34.9
Operating profit	22,426	3,658	18,768	513.1
Interest income	548	535	13	2.4
Finance costs	(1,757)	(1,681)	(76)	4.5
Share of results of an associate	83	139	(56)	(40.3)
Profit Before Taxation	21,300	2,651	18,649	703.5
Taxation	(6,480)	(925)	(5,555)	600.5
Profit After Taxation	14,820	1,726	13,094	758.6

The Group's revenue for the current quarter surged 34.9% to RM160.34 million as compared to RM118.88 million recorded in the preceding quarter. The higher revenue reported in the current quarter was mainly attributed to the higher sales volume during the Christmas festive season and year-end promotion sales.

For the current quarter under review, the Group's PBT substantially improved to RM21.30 million as compared to RM2.65 million in the preceding quarter ended 30 September 2017. The higher profit before tax was attributed to higher sales generated during the festive season and year-end promotion sales held in December 2017. Although the revenue improved by RM41.46 million or 34.9% but the operating expenses only increased by 5.0% which boost the Group's PBT improved by RM18.65 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 31 DECEMBER 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 31 December 2017 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries amounted to RM312.40 million of which utilised by these subsidiaries amounted to RM130.84 million.

15. Capital Commitments

The amount of capital commitments as at 31 December 2017 are as follows:

	RM'000
Authorised and contracted for:	
Property, plant and equipment:	
- Others	566
	<u>566</u>

16. Short Term Funds

The short term funds represent investments in money market funds.

17. Cash and Cash equivalents

	31.12.2017	31.12.2016
	RM'000	RM'000
Cash and bank balances	70,896	104,687
Fixed deposits with licensed banks	2,296	903
Short term placements with licensed banks	16,400	7,300
Bank overdrafts	(4,238)	(3,455)
	<u>85,354</u>	<u>109,435</u>
Less: Fixed deposit pledged	(888)	(903)
	<u>84,466</u>	<u>108,532</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 31 DECEMBER 2017**

18. Taxation

	Current year to-date ended 31.12.2017 RM'000	Preceding year to-date ended 31.12.2016 RM'000
Current year tax expense	6,968	9,267
Under/(Over) provision in prior year	-	-
Deferred tax expense	437	814
	<u>7,405</u>	<u>10,081</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 31 December 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 31.12.2017 RM'000	As at 30.06.2017 RM'000
Total retained profits of Bonia Corporation Berhad and its subsidiaries		
- Realised	261,990	253,117
- Unrealised	(2,528)	(1,342)
Total share of retained profits from associated companies		
- Realised	229	281
	<u>259,691</u>	<u>252,056</u>
Less : Consolidation adjustments	(38,296)	(33,900)
Total Group retained profits	<u>221,395</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 31 DECEMBER 2017**

21. Recurrent Related Party Transactions (“RRPT”)

21.1 The aggregate value of the RRPT conducted up to 31 December 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 28 November 2017, 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 28.11.2017 duly approved at the 26th AGM held on 28.11.2017 RM'000	Actual aggregate value transacted from 28.11.2017 up to 31.12.2017 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 and CR2</i> trademarks royalties 	4,200	199
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 	2,200	156
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	-
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 	210	11

Notes :

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

21.2 The actual value transacted up to 31 December 2017 did not exceed the estimated aggregate value during the validity period of the existing RRPT mandate obtained on 28 November 2017 by 10% or more.

21.3 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 31 DECEMBER 2017**

22. Group Borrowings

The total Group borrowings and debts securities are as follows:

	31.12.2017			31.12.2016		
	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000	ShortTerm Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000
<i>Conventional financing facilities - Secured</i>						
Bank overdrafts	32	-	32	-	-	-
Bankers' acceptances	3,564	-	3,564	2,536	-	2,536
Revolving Credit	1,200	-	1,200	-	-	-
Hire-purchase & lease creditors	196	318	514	245	499	744
Term loans	13,533	52,555	66,088	15,666	65,567	81,233
	<u>18,525</u>	<u>52,873</u>	<u>71,398</u>	<u>18,447</u>	<u>66,066</u>	<u>84,513</u>
<i>Islamic financing facilities -Secured</i>						
Bank overdrafts	-	-	-	-	-	-
Bankers' acceptances	-	-	-	-	-	-
Term financing-i	7,033	36,433	43,466	3,379	42,463	45,842
	<u>7,033</u>	<u>36,433</u>	<u>43,466</u>	<u>3,379</u>	<u>42,463</u>	<u>45,842</u>
<i>Total secured borrowings</i>	<u>25,558</u>	<u>89,306</u>	<u>114,864</u>	<u>21,826</u>	<u>108,529</u>	<u>130,355</u>
<i>Conventional financing facilities - Unsecured</i>						
Bank overdrafts	2,670	-	2,670	2,026	-	2,026
Bankers' acceptances	17,249	-	17,249	13,291	-	13,291
Revolving Credit	1,000	-	1,000	-	-	-
Trust Receipt	10,407	-	10,407	9,648	-	9,648
	<u>31,326</u>	<u>-</u>	<u>31,326</u>	<u>24,965</u>	<u>-</u>	<u>24,965</u>
<i>Islamic financing facilities -Unsecured</i>						
Bank overdrafts	1,536	-	1,536	1,429	-	1,429
Bankers' acceptances	4,634	-	4,634	4,075	-	4,075
	<u>6,170</u>	<u>-</u>	<u>6,170</u>	<u>5,504</u>	<u>-</u>	<u>5,504</u>
<i>Total unsecured borrowings</i>	<u>37,496</u>	<u>-</u>	<u>37,496</u>	<u>30,469</u>	<u>-</u>	<u>30,469</u>
Total	<u>63,054</u>	<u>89,306</u>	<u>152,360</u>	<u>52,295</u>	<u>108,529</u>	<u>160,824</u>



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

22. Group Borrowings (cont'd)

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

As at 31.12.2017						
	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>						
<u>Singapore Dollar</u>						
Hire-purchase & Lease Creditors	67	204	23	69	90	273
Trust Receipt	-	-	720	2,180	720	2,180
Term Loan	681	2,062	1,167	3,534	1,848	5,596
	<u>748</u>	<u>2,266</u>	<u>1,910</u>	<u>5,783</u>	<u>2,658</u>	<u>8,049</u>
<u>Vietnamese Dong</u>						
Term Loan	-	-	6,619,564	1,178	6,619,564	1,178
<u>Unsecured</u>						
<u>Singapore Dollar</u>						
Trust Receipt	-	-	2,223	6,734	2,223	6,734
<u>Rupiah</u>						
Trust Receipt	-	-	5,012,418	1,494	5,012,418	1,494
Total		<u>2,266</u>		<u>15,189</u>		<u>17,455</u>

As at 31.12.2016						
	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>						
<u>Singapore Dollar</u>						
Hire-purchase & Lease Creditors	90	280	22	67	112	347
Trust Receipt	-	-	516	1,600	516	1,600
Term Loan	1,660	5,146	1,354	4,199	3,014	9,345
	<u>1,750</u>	<u>5,426</u>	<u>1,892</u>	<u>5,866</u>	<u>3,642</u>	<u>11,292</u>
<u>Vietnamese Dong</u>						
Term Loan	-	-	16,248,573	3,295	16,248,573	3,295
<u>Unsecured</u>						
<u>Singapore Dollar</u>						
Trust Receipt	-	-	2,596	8,049	2,596	8,049
<u>U.S.Dollar</u>						
Bankers' Acceptances	-	-	1,142	5,122	1,142	5,122
Total		<u>5,426</u>		<u>22,332</u>		<u>27,758</u>

<u>Exchange rates applied</u>	As at 31.12.2017	As at 31.12.2016
SGD/RM	3.0293	3.1006
VDN100/RM	0.0178	0.02028
IDR100/RM	0.0298	0.0333
USD/RM	4.0475	4.486



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

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

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

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

An application for deregistration of Kin Sheng International Trading Co Limited (“KSIT”), a wholly-owned subsidiary company of Kin Sheng Group Limited (“KSGL”), which in turn is a direct wholly-owned subsidiary of the Company from the register of the Companies Registry, Hong Kong (“CRHK”), was submitted on 21 December 2017 and the confirmation of receipt of the said application issued by CRHK was received by the Company on 3 January 2018.

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 31.12.2017 RM’000	Preceding year quarter 31.12.2016 RM’000	Current year to-date 31.12.2017 RM’000	Preceding year period 31.12.2016 RM’000
Profit attributable to equity holders of the parent	11,990	11,150	13,310	19,296

Number of ordinary shares (basic)

	Current year quarter 31.12.2017 RM’000	Preceding year quarter 31.12.2016 RM’000	Current year to-date 31.12.2017 RM’000	Preceding year period 31.12.2016 RM’000
Weighted average number of ordinary shares	805,651	806,287	805,651	806,287
Basic earnings per share (sen)	1.49	1.38	1.65	2.39



**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

26. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	6 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000
Interest income & distribution income from short term funds	(1,083)	(901)
Other income including investment income ⁽¹⁾	(4,672)	(9,350)
Interest expense	3,438	3,697
Depreciation of property, plant and equipment	8,336	10,266
Amortisation of intangible assets	1,274	-
Amortisation of trademarks	692	691
Bad debts written off	32	1,172
Net (reversal of)/ provision for trade receivables	(698)	350
Provision for and write off of inventories	-	-
(Gain) or loss on disposal of properties, plant and equipment	(137)	(3,222)
(Gain) or loss on disposal of investment properties	-	215
Gain or loss on disposal of quoted and/or unquoted investments	-	-
Net foreign exchange translation (gain) or loss	1,966	(1,984)
Gain or loss on derivatives ⁽²⁾	-	-
Provision for and PPE written off	360	228
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
FOR THE QUARTER ENDED 31 DECEMBER 2017**

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 5 January 2018, the High Court allowed Enclosure 22 and stayed the suit pending reference of the dispute to arbitration with costs of RM5,000 to follow the outcome of the arbitration.

On 26 January 2018, the Plaintiffs appealed to the Court of Appeal against the High Court's decision on Enclosure 22.

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
27 February 2018