CHAIRMAN'S STATEMENT

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On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statement of Bonia Corporation Berhad ("Bonia") and its Group of Companies for the financial year ended 30 June 2015.

ECONOMIC REVIEW

The Malaysian economy grew by 4.9% in the second quarter of 2015 (Q1 2015 : 5.6%), despite uncertainties in the external environment. Growth was supported by steady domestic economic activity, particularly consumption spending by both private and public sectors.

Domestic demand continued to expand during the second quarter of 2015, albeit at a moderate pace. Aggregate domestic demand increased by 4.6% (Q1 2015 : 7.9%) underpinned by steady consumption spending. Private consumption was supported by a favourable labour market and accommodative financing conditions. Private consumption moderated to 6.4% (Q1 2015 : 8.8%) as households adjusted to the GST. Public consumption grew by 6.8% attributed to higher Government spending on supplies and services.

The services sector expanded, albeit at a slower pace of 5% during the second quarter of 2015 (Q1 2015: 6.4%). The moderation was partly due to pre-GST spending during the preceding quarter. The final services group has increased by 5.5% (Q1 2015: 7.8%) mainly supported by wholesale and retail trade. The wholesale and retail trade subsector increased by 5.9% (Q1 2015: 9.8%), the wholesale segment recorded the highest growth at 8.7% (Q1 2015 : 9.6%) and the retail trade segment expanded by 4% (Q1 2015 : 10.7%).

Headline inflation, as measured by the annual change in the Consumer Price Index (CPI), rose to 2.2% in the second quarter of 2015 (Q1 2015: 0.7%). This was largely attributed to the price increases of food and non-alcoholic beverage as well as housing, water, electricity, gas and other fuels groups. During the quarter, the implementation of the GST also partly contributed to the total CPI increase.

Retailers in Malaysia have been facing tough times in the last couple of years. In 2014, retail numbers grew a mere 3.4% despite the fact that the gross domestic product expanded the fastest in 4 years to 6%. With implementation of GST on 1 April 2015, the sales have dipped. According to Retail Group Malaysia (RGM), which tabulates retail growth numbers on behalf of Malaysia Retailers Association, has to revise downward again for the retail sales of this year. It expects retail sales to grow just 3.1%, and this already taken the GST component into account. The recent numbers released by RGM show that retail growth in second quarter of 2015 contracted 11.9% with the supermarket and hypermarket subsector posting negative growth. The subsector posted 1.9% and 1% growth in the third and fourth quarter of 2014 respectively before improving to 5.1% in first quarter of 2015 due to pre-GST shopping.

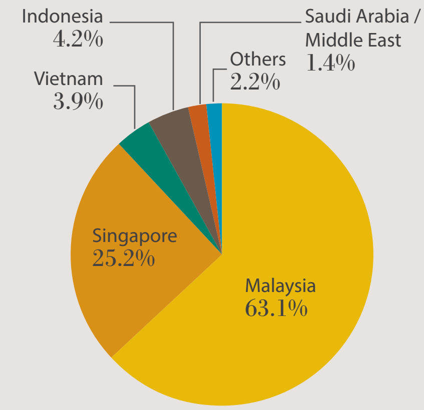
The Malaysian economy grew by **4.9%** in the second quarter of 2015 (Q1 2015 : 5.6%)

OPERATIONAL REVIEW

Retail segment is our Group's main contributor. Our leatherwear and other products are sourced from local factories and contract manufacturers or OEM factory domestically, China or ASEAN countries. Our investment property segment are mainly owning commercial properties for rental income and mainly are rented to our own related companies in the Group.

Our principal markets are still Malaysia, follows by Singapore, Indonesia, Vietnam, Thailand, Cambodia, Myanmar, Japan, Taiwan, Saudi Arabia, Kuwait and China.

REVENUE CONTRIBUTION BY COUNTRY



In the domestic market, our products are sold through numerous stand-alone boutiques and consignment counters that the Group manages. The stand-alone boutiques are operate under the brand name of BONIA, Braun Büffel, Carlo Rino, Sembonia, Valentino Rudy, Santa Barbara Polo & Racquet Club and Renoma. We also opened a multi-brand concept store, Podium Outlet where it carried value-for-money merchandises from various brands for sales during the year under review.

In markets abroad, our products are sold mostly through retail stores managed by our licensees, distributors and dealers except Singapore, Indonesia and Vietnam, where we operate through our subsidiary companies in that particular countries.

FY2015 was a challenging year for the retail industry and our Group, especially during the last quarter of FY2015 which seasonally weakest quarter of the Group due to absence of any festivities. Our Malaysia operations suffered a drastic dropped of sales for the last quarter of FY2015 by 14 % as compared to same quarter of previous year. For full year, sales dropped by 2% after excluding the one-off sales of our consignment to Indonesia and Vietnam amounting to RM12.3 million. Our same store sales growth (SSSG) for Malaysia full year-on-year was -2% with boutiques and counters registered -2% and -1% respectively. Sales were badly affected as shopping traffic had dropped in shopping centres for the first three months after GST. Generally, consumer had been holding back on their purchases to observe the price movement of retail goods and services.

NUMBER OF STORES BY COUNTRY AND FORMAT

	Stand-alone Boutique	Consignment Counters	Total
Malaysia	114	1,041	**1,155**
Singapore	17	75	**92**
Indonesia	7	71	**78**
Vietnam	13	40	**53**
Saudi Arabia / Middle East	15	-	**15**
Cambodia / Myanmar	6	9	**15**
Total	**172**	**1,236**	**1,408**

They were also waiting for more promotion holds by retailers. During the first two weeks of Ramadhan, our sales were slowed but picked up when approaching Hari Raya, but it was not as good as last year.

Our full year earnings were dragged down due to intensive promotion activities and higher discount given to drive sales pre-GST as well as absorption of 6% GST without price increase post-GST. Unprofitable retail stores in certain high rental boutiques and higher operating costs also contributed to the drop in earnings.

In spite of the weakened results in Malaysia, our Singapore operations managed to achieve a slight increase in revenue of 0.8% to RM175.4 million mainly due to better contribution from the newly opened BONIA store in Westgate and existing Braun Büffel stores in Westgate and ION Orchard. Revenue from our Vietnam operations rose 34.8% to RM27.7 million, while revenue from Indonesia operations by 35.7% to RM29.6 million.

Moving forward, the Group will continue to undertake more promotional activities as part of the stock rationalization program and to boost our topline. The Group will also try to maintain its profit margin by closure of non-profitable stores and more selective in store openings.

FINANCIAL PERFORMANCE

The Group's revenue for the financial year ended on 30 June 2015 has increased by RM3.7 million to RM695.3 million as compared to the preceding year, out of which RM12.3 million was due to a one-off sales of consignment stock to our Dealers in Vietnam and Indonesia amounting to RM5.4 million and RM6.9 million respectively. Excluding the one-off sales of consignment stock, there was a drop in sales of RM8.6 million or 1.2% as compared to last financial year.

The lower in revenue for the financial year ended on 30 June 2015 were due to the weak revenue from the last quarter

The Group's revenue for the financial year ended on 30 June 2015 has increased by **RM3.7 million to RM695.3 million** as expected, where it has dropped by 10% from RM165.8 million to RM148.3 million as compared to last year same quarter after the implementation of Goods and Services Tax (GST) in April 2015. More significantly is the boutiques revenue for last quarter for Malaysia and Singapore has dropped by 28% and 10% respectively due to lower consumer traffic, be it local or tourists to our stores. The SSSG from Indonesia still registered a positive growth of 16%, which are well supported by their stronger economies and fast-growing middle class consumers.

The Group reported a profit before tax of RM72.6 million, which is 15% lower than the profit before tax of RM85.5 million reported in the preceding year. Earnings weakened drastically as gross profit margin were affected due to promotional activities and higher discount given to drive sales as well as absorption of 6% GST without price increase.

DIVIDEND

The Board of Directors has recommended a final single tier dividend of 5% or 1.25 sen per ordinary share of 25.0 sen each, amounting to RM10,078,593 in respect of the financial year ended on 30 June 2015.

The final dividend will be proposed for shareholders' approval in the forthcoming Annual General Meeting. The entitlement date and payment date for the proposed final dividend will be determined and announced at a later date.

CORPORATE DEVELOPMENTS

As part of the Group's rationalisation plan to eliminate unnecessary administrative costs in maintaining dormant subsidiaries, Guangzhou Bonia Fashions Co Limited, a dormant subsidiary of which its business activities ceased since 2014, was dissolved during the FY2015. Apart from it, Bonia Italia Srl, a wholly-owned subsidiary of Daily Frontier Sdn Bhd with dormant status, also went into voluntary liquidation during the financial year under review.

On 16 July 2015, BB Global Holdings Pte Ltd ("BBGH") has emerged as a 51%-owned subsidiary of Jeco (Pte) Limited ("Jeco"), which in turn a subsidiary of Bonia. BBGH's principal activity is intellectual property management.

BBGH has executed the Intellectual Property Rights Sale & Purchase Agreement with Braun GmbH & Co. KG ("BBKG") on 21 September 2015 to formalise the terms and conditions on the acquisitions of certain intellectual property rights of the Braun Buffel brand at a purchase consideration of EUR 1.877 million. The acquisition allowed Jeco to have better control of all the intellectual property rights of the Braun Buffel brand previously controlled by BBKG. The parties also agreed to work in cooperation to achieve synergies in relation to the development of products and of new markets in connection with the Braun Buffel brand across the world.

FUTURE PROSPECTS

On the local front, Malaysia's economy is expected to continue at a slower pace for the next financial year. Consumers are expected to be very cautious in their spending in view of the slowing Malaysia economy as well as rising costs of living partly due to the weakening Ringgit and GST. The retail sector has becoming more challenging due to rising costs, weakened Ringgit, dampening commodities price which the country is based upon and weakening consumer sentiments.

Giving the uncertain economic outlook, the Group's prospects for the coming financial year are expected to be challenging. The Group will continue to focus on its expansion plan to overseas markets in particularly Vietnam, Indonesia, Cambodia and other Asian countries.

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

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my utmost and sincere appreciation and gratitude to the management and staff for their conscientious efforts, commitment and dedication to delivering results. The successes we achieved in FY2015 could not have been possible without their efforts.

We are also grateful to our valued customers, partners, shareholders, business associates, government authorities and financiers for their continued support and confidence in the Group.

CHIANG SANG SEM
Group Executive Chairman
cum Chief Executive Officer

Date: 12 October 2015

PENYATA PENGERUSI

PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Beraudit Bonia Corporation Berhad ("Bonia") dan Kumpulan Syarikatnya bagi tahun kewangan berakhir pada 30 Jun 2015.

ULASAN EKONOMI

Ekonomi Malaysia berkembang pada 4.9% pada suku kedua 2015 (Q1 2015 : 5.6%), walaupun terdapat ketidaktentuan dalam persekitaran luaran. Pertumbuhan telah disokong oleh aktiviti ekonomi domestik yang stabil, terutamanya perbelanjaan penggunaan oleh kedua-dua sektor swasta dan awam.

Permintaan domestik terus berkembang semasa suku kedua 2015, meskipun pada kadar yang sederhana. Agregat permintaan domestik meningkat sebanyak 4.6% (Q1 2015 : 7.9%) disokong oleh perbelanjaan penggunaan yang mantap. Penggunaan persendirian telah disokong oleh pasaran tenaga kerja yang baik dan keadaan pembiayaan yang akomodatif. Penggunaan persendirian telah disederhanakan kepada 6.4% (Q1 2015 : 8.8%) apabila isi rumah menyesuaikan diri dengan GST. Penggunaan awam meningkat sebanyak 6.8% disebabkan perbelanjaan Kerajaan yang lebih tinggi ke atas bekalan dan perkhidmatan.

Sektor perkhidmatan telah berkembang walaupun pada kadar lebih perlahan sebanyak 5% semasa suku kedua 2015 (Q1 2015: 6.4%). Kesederhanaan ini sebahagiannya disebabkan oleh perbelanjaan pra-GST semasa suku sebelumnya. Kumpulan perkhidmatan akhir telah meningkat sebanyak 5.5% (Q1 2015: 7.8%) disokong terutamanya oleh perdagangan borong dan runcit. Subsektor perdagangan borong dan runcit ini telah meningkat sebanyak 5.9% (Q1 2015: 9.8%), segmen borong merekodkan pertumbuhan paling tinggi pada 8.7% (Q1 2015 : 9.6%) dan segmen perdagangan runcit pula berkembang sebanyak 4% (Q1 2015 : 10.7%).

Inflasi keseluruhan, seperti yang diukur mengikut perubahan tahunan dalam Indeks Harga Pengguna (IHP), naik kepada 2.2% dalam suku kedua 2015 (Q1 2015: 0.7%). Ini sebahagian besarnya disebabkan oleh peningkatan harga makanan dan minuman tanpa alkohol serta perumahan, air, elektrik, gas dan lain-lain kumpulan bahan api. Dalam suku ini, perlaksanaan GST turut menyumbang kepada jumlah peningkatan IHP.

Para peruncit di Malaysia telah menghadapi masa-masa yang sukar pada dua tahun kebelakangan ini. Pada tahun 2014, jumlah runcit meningkat hanya sebanyak 3.4% walaupun produk domestik kasar berkembang paling cepat dalam masa 4 tahun kepada 6%. Dengan pelaksanaan GST pada 1 April 2015, jualan telah merudum. Menurut Kumpulan Runcit Malaysia (RGM), yang menjadualkan jumlah pertumbuhan runcit bagi pihak Persatuan Peruncit Malaysia, telah terpaksa diturunkan sekali lagi bagi jualan runcit tahun ini. Ia menjangkakan jualan runcit untuk tumbuh hanya sebanyak 3.1%, dan angka ini telahpun mengambil kira komponen GST. Jumlah terbaharu yang dikeluarkan oleh RGM menunjukkan yang pertumbuhan runcit pada suku kedua 2015 menguncup sebanyak 11.9% dengan subsektor pasar raya dan pasar raya besar menunjukkan pertumbuhan negatif. Subsektor ini telah menunjukkan pertumbuhan sebanyak 1.9% pada suku ketiga dan 1% pada suku keempat bagi tahun 2014 sebelum meningkat kepada 5.1% pada suku pertama tahun 2015 disebabkan perbelanjaan pra-GST.

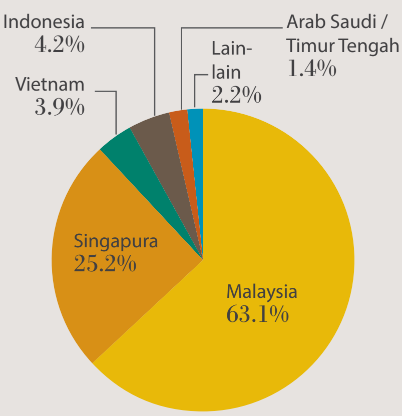
Ekonomi Malaysia berkembang pada 4.9% pada suku kedua 2015 (Q1 2015 : 5.6%)

ULASAN OPERASI

Segmen peruncitan masih lagi menjadi penyumbang utama Kumpulan kami. Barangan kulit dan produk lain diperolehi daripada kilang-kilang tempatan dan pengeluar-pengeluar kontrak kami atau daripada kilang OEM secara domestik, China atau negara-negara ASEAN. Segmen pelaburan hartanah kami kebanyakannya adalah pemilikan hartanah komersil untuk pendapatan sewaan dan kebanyakannya disewakan kepada syarikat-syarikat berkaitan kami sendiri dalam Kumpulan.

Pasaran-pasaran utama kami masih lagi Malaysia diikuti oleh Singapura, Indonesia, Vietnam, Thailand, Kemboja, Myanmar, Jepun, Taiwan, Arab Saudi, Kuwait dan China.

SUMBANGAN PENDAPATAN MENGIKUT NEGARA



Dalam pasaran domestik, produk kami dijual melalui banyak butik jualan sendiri dan kaunter konsainan yang diuruskan oleh Kumpulan. Butik-butik jualan sendiri ini beroperasi di bawah jenama BONIA, Braun Büffel, Carlo Rino, Sembonia, Valentino Rudy, Santa Barbara Polo & Racquet Club dan Renoma. Kami juga telah membuka kedai berkonsepkan pelbagai jenama iaitu Podium Outlet yang menawarkan barangan nilai-untuk-wang daripada pelbagai jenama untuk jualan dalam tahun yang dinilai.

Di pasaran luar negara, produk-produk kami dijual kebanyakannya melalui kedai-kedai runcit yang diuruskan oleh para pemegang lesen, pengedar dan wakil penjual kami kecuali di Singapura, Indonesia dan Vietnam. Di negara-negara ini kami beroperasi melalui anak-anak syarikat kami.

JUMLAH KEDAI MENGIKUT NEGARA DAN FORMAT

	Butik Jualan Sendiri	Kaunter Konsainan	Jumlah
Malaysia	114	1,041	**1,155**
Singapura	17	75	**92**
Indonesia	7	71	**78**
Vietnam	13	40	**53**
Arab Saudi / Timur Tengah	15	-	**15**
Kemboja / Myanmar	6	9	**15**
Jumlah	**172**	**1,236**	**1,408**

Tahun kewangan FY2015 ialah tahun yang mencabar bagi industri peruncitan dan Kumpulan kami, terutamanya semasa suku terakhir FY2015 yang merupakan suku bermusim paling lemah bagi Kumpulan disebabkan ketiadaan sebarang perayaan. Operasi kami di Malaysia mengalami penurunan jualan yang drastik bagi suku terakhir FY2015 sebanyak 14 % berbanding suku yang sama bagi tahun sebelumnya. Untuk keseluruhan tahun, jualan jatuh sebanyak 2% tanpa mengambil kira jualan sekali konsainan kami ke Indonesia dan Vietnam yang berjumlah RM12.3 juta. Pertumbuhan jualan kedai sama kami (SSSG) bagi tahun ke tahun penuh Malaysia ialah -2% dengan butik mencatatkan -2% dan kaunter sebanyak -1%. Jualan terjejas teruk kerana trafik membeli-belah telah merosot di pusat-pusat beli-belah untuk tiga bulan pertama selepas perlaksanaan GST. Secara umumnya, para pengguna telah memberhentikan aktiviti pembelian untuk memerhatikan pergerakan harga barangan runcit dan perkhidmatan. Mereka juga menantikan lebih banyak promosi yang akan dijalankan oleh peruncit. Semasa dua minggu pertama bulan Ramadhan, jualan kami agak perlahan tetapi mula meningkat apabila menjelang Hari Raya namun ia tidaklah sebagus tahun lepas.

Pendapatan penuh setahun kami telah merosot disebabkan aktiviti-aktiviti promosi secara intensif dan diskaun lebih tinggi yang diberi untuk meningkatkann jualan pra-GST serta penyerapan 6% GST tanpa peningkatan harga pasca-GST. Kedai-kedai runcit yang tidak menguntungkan di butik-butik tertentu yang tinggi kadar sewaannya dan kos operasi yang lebih tinggi juga menyumbang kepada kemerosotan pendapatan.

Walaupun hasil di Malaysia lemah, operasi kami di Singapura telah berjaya mencapai sedikit peningkatan dalam pendapatan iaitu sebanyak 0.8% kepada RM175.4 juta dan ini terutamanya disebabkan oleh sumbangan yang lebih baik daripada kedai BONIA yang baharu dibuka di Westgate dan kedai Braun Büffel yang telah sedia ada di Westgate dan ION Orchard. Pendapatan daripada operasi kami di Vietnam meningkat sebanyak 34.8% kepada RM27.7 juta sementara pendapatan daripada operasi di Indonesia meningkat sebanyak 35.7% kepada RM29.6 juta.

Seterusnya, Kumpulan akan terus melakukan lebih banyak aktiviti-aktiviti promosi sebagai sebahagian daripada program rasionalisasi stok dan untuk menggalakkan pendapatan kasar kami. Kumpulan juga akan cuba mengekalkan margin keuntungan dengan menutup kedai-kedai yang tidak menguntungkan dan lebih berhati-hati dalam pembukaan kedai.

PRESTASI KEWANGAN

Pendapatan Kumpulan bagi tahun kewangan berakhir pada 30 Jun 2015 telah meningkat sebanyak RM3.7 juta kepada RM695.3 juta berbanding dengan tahun sebelumnya, yang mana daripada jumlah tersebut sebanyak RM12.3 juta adalah bagi jualan sekali stok konsainan kepada Pengedar kami di Vietnam berjumlah RM5.4 juta dan di Indonesia berjumlah RM6.9 juta. Tidak termasuk jualan sekali stok konsainan tersebut, terdapat penurunan dalam jualan sebanyak RM8.6 juta atau 1.2% berbanding dengan tahun kewangan terakhir.

Pendapatan Kumpulan bagi tahun kewangan berakhir pada 30 Jun 2015 telah meningkat sebanyak **RM3.7 juta** kepada **RM695.3 juta**

Pendapatan yang lebih rendah bagi tahun kewangan berakhir pada 30 Jun 2015 adalah disebabkan oleh pendapatan lemah daripada suku terakhir seperti yang dijangka, yang mana ia telah turun sebanyak 10% daripada RM165.8 juta kepada RM148.3 juta berbanding dengan tahun lalu bagi suku yang sama selepas perlaksanaan Cukai Barangan dan Perkhidmatan (GST) pada April 2015. Paling ketara ialah pendapatan butik-butik bagi suku terakhir telah menurun sebanyak 28% bagi Malaysia dan sebanyak 10% bagi Singapura disebabkan kedatangan pengguna sama ada pengguna tempatan atau pelancong, yang lebih rendah ke kedai kami. SSSG daripada Indonesia masih merekodkan pertumbuhan positif sebanyak 16%, yang disokong oleh ekonomi mereka yang lebih kukuh dan peningkatan pesat pengguna kelas pertengahan.

Kumpulan merekodkan keuntungan sebelum cukai sebanyak RM72.6 juta, iaitu 15% lebih rendah daripada keuntungan sebelum cukai sebanyak RM85.5 yang dilaporkan pada tahun sebelumnya. Pemerolehan menjadi lemah secara drastik apabila margin keuntungan kasar terjejas disebabkan aktiviti-aktiviti promosi dan diskaun yang lebih tinggi diberikan untuk meningkatkan jualan disamping penyerapan 6% GST tanpa peningkatan harga.

DIVIDEN

Lembaga Pengarah telah mencadangkan dividen akhir satu peringkat sebanyak 5% atau 1.25 sen bagi setiap saham biasa bernilai 25.0 sen setiap satu, berjumlah RM10,078,593 bagi tahun kewangan berakhir pada 30 Jun 2015.

Dividen akhir akan dicadangkan untuk kelulusan para pemegang saham dalam Mesyuarat Agung Tahunan yang akan datang. Tarikh kelayakan dan tarikh pembayaran untuk dividen akhir yang dicadangkan akan ditentukan dan diumum pada tarikh lain kelak.

PERKEMBANGAN KORPORAT

Sebagai sebahagian daripada pelan rasionalisasi Kumpulan untuk menghapuskan kos pentadbiran yang tidak penting dalam mengekalkan anak-anak syarikat yang dorman, Guangzhou Bonia Fashions Co Limited, sebuah anak syarikat dorman yang telah menghentikan semua aktiviti perniagaannya semenjak 2014, telah dibubarkan semasa tahun kewangan FY2015. Selain daripada itu, Bonia Italia Srl, sebuah anak syarikat milik penuh Daily Frontier Sdn Bhd yang berstatus dorman, juga telah terbubar secara sukarela dalam tahun kewangan yang dinilai.

Pada 16 Julai 2015, BB Global Holdings Pte Ltd ("BBGH") telah muncul sebagai anak syarikat dengan pemilikan sebanyak 51% kepada Jeco (Pte) Limited ("Jeco") yang merupakan sebuah anak syarikat Bonia. Aktiviti utama BBGH ialah pengurusan harta intelek.

BBGH telah menandatangani Perjanjian Jual Beli Hak Harta Intelek dengan Braun GmbH & Co. KG ("BBKG") pada 21 September 2015 untuk memformalkan syarat dan terma bagi pemerolehan hak-hak harta intelek tertentu jenama Braun Buffel pada pertimbangan belian sebanyak EUR 1.877 juta. Pemerolehan ini membenarkan Jeco untuk mempunyai kawalan yang lebih baik ke atas semua hak harta intelek jenama Braun Buffel yang sebelum ini dikawal oleh BBKG. Kedua-dua pihak juga bersetuju untuk bekerjasama bagi mencapai sinergi dalam pembangunan produk dan pasaran-pasaran baharu berhubung jenama Braun Buffel di seluruh dunia.

PROSPEK MASA HADAPAN

Dalam pasaran tempatan, ekonomi Malaysia dijangka akan terus bergerak pada kadar perlahan untuk tahun kewangan yang seterusnya. Pengguna dijangka akan lebih berhati-hati dalam berbelanja memandangkan ekonomi Malaysia yang bergerak perlahan serta peningkatan kos sara hidup yang sebahagiannya disebabkan oleh Ringgit yang lemah dan GST. Sektor peruncitan telah menjadi lebih mencabar disebabkan peningkatan kos, Ringgit yang lemah, harga komoditi yang semakin merosot yang mana ini adalah asas kepada negara ini dan sentimen pengguna yang turut semakin lemah.

Dengan perkembangan ekonomi yang tidak menentu ini, prospek Kumpulan untuk tahun kewangan akan datang dijangka mencabar. Kumpulan ini akan terus memfokuskan kepada pelan pembesarannya ke pasaran-pasaran luar negara, terutamanya ke Vietnam, Indonesia, Kemboja dan lain-lain negara Asia.

Dalam usaha menghalang keadaan-keadaan yang tidak dapat dijangka, Lembaga Pengarah akan terus berhati-hati mengenai kedudukan Kumpulan bagi tahun kewangan yang akan datang. Kami menjangkakan Kumpulan akan menghadapi lebih banyak cabaran memandangkan keadaan ekonomi global kelihatan tidak menentu dan ekonomi domestik kita mungkin memerlukan masa untuk pulih daripada Ringgit yang lemah, harga komoditi yang rendah dan sentimen pengguna secara keseluruhan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya dengan penuh tulus ikhlas merakamkan ucapan terima kasih serta penghargaan yang tidak terhingga kepada pihak pengurusan dan kakitangan atas usaha penuh teliti, komitmen dan dedikasi mereka untuk memberikan hasil. Segala kejayaan yang telah kami capai pada tahun kewangan FY2015 tidak mungkin dapat dicapai tanpa usaha mereka.

Kami juga amat berterima kasih kepada para pelanggan, rakan kongsi, pemegang saham, rakan perniagaan, pihak berkuasa kerajaan dan pembiaya kewangan kami yang dihargai, atas sokongan dan keyakinan yang berterusan terhadap Kumpulan ini.

CHIANG SANG SEM
Pengerusi Eksekutif Kumpulan
merangkap Ketua Pegawai Eksekutif

Tarikh: 12 Oktober 2015


BONIA
BONIA
BONIA

主席献词

主席献词

本人谨代表董事会欣然向各位股东提呈宝利机构有限公司（“宝利机构”）及集团旗下子公司截至2015年6月30日止财政年度之年度报告和经审计财务报表。

经济局势回顾

在稳定的国内经济活动，尤其是私人和公共领域的消费支出支撑下，即使外界局势变幻不定，马来西亚经济在2015年第二季度仍增长4.9%（2015年第一季度：5.6%）。

国内需求量在2015年第二季度继续攀升，但增势温和。基于消费支出稳定，国内总需求上升4.6%（2015年第一季度 ： 7.9%）。有利劳动力市场和宽松融资条件有助私人消费量。随着家庭适应消费税后，私人消费调整至6.4% (2015年第一季度：8.8%)。政府较大的供应和服务支出促使公共消费增长6.8%。

服务领域在2015年第二季度增势减缓，增长率为5%（2015年第一季度 ： 6.4%）。上季度的消费税前的支出是减缓因素之一。最终服务组别上升5.5% (2015年第一季度：7.8%)，主要是批发和零售贸易的支持。批发和零售贸易次领域上升5.9%（2015年第一季度 ： 9.8%），批发部份取得8.7%的高增长率（2015年第一季度 ： 9.6%），而零售贸易部份则增加4%（2015年第一季度：10.7%）。

衡量消费者价格指数（CPI）年度变化的整体通膨在2015年第二季度上涨2.2%（2015年第一季度：0.7%），主要是食品和非酒精饮料，以及房屋、水、电、煤气和其他燃料组别的价格上涨所致。在该季度实行的消费税也是总消费者价格指数上升的部分原因。

过去两年是马来西亚零售商的艰辛期。2014年，虽然国内生产总值增长率达到四年来最高的6%，但零售数字仅增加区区3.4%。随着2015年4月1日实行消费税（GST）之后，销售额已下跌。代表马来西亚零售商公会统计零售增长数据的马来西亚零售调查行(RGM)必须再度调低本年度的零售销量。它预计零售销量在计入GST成分之后将增加仅3.1%。RGM最近发表的数据显示2015年第二季度的零售增长已收缩11.9%，超级市场和霸级市场次领域则进入负增长状况。此次领域在2014年第三和第四季度分别增长1.9%和1%，之后2015年第一季度因消费税前的购物潮而上升至5.1%。

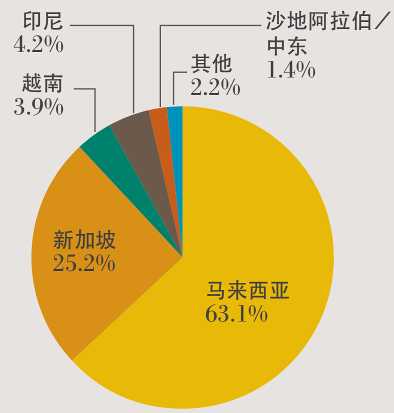
马来西亚经济在2015年第二季度仍增长4.9%
(2015年第一季度：5.6%)

营运分析

零售业是本集团的核心业务，本集团的皮革制品和其他产品均由国内工厂、中国或东南亚国家的外包生产商或原始设备生产工厂供应。本集团所投资的产业单位主要是供出租用途，其中大部分由本集团的关联公司承租。

本集团主要市场集中在马来西亚，依次为新加坡、印尼、越南、泰国、柬埔寨、缅甸、日本、台湾、沙地阿拉伯、科威特和中国。

各国家收入所占份额



在国内，本集团专注于成立专卖店和设立分销柜台模式重点推介集团产品。专卖店是以BONIA、Braun Büffel、Carlo Rino、Sembonia、Valentino Rudy、Santa Barbara Polo & Racquet Club以及Renoma品牌营运。在检讨年度期间，本集团也设立一家称为Podium Outlet的多元品牌概念店，为消费者提供集团各品牌的超值产品。

本集团的产品亦通过特许经销商，受许可商家、和代理商所管理的零售商店广泛流传海外。至于新加坡、印尼和越南这三个国家，当地的营运业务则由集团旗下各子公司负责。

2015财政年度对零售业和本集团均是披荆斩棘的一年。因为缺乏佳节庆典以刺激购兴，马来西亚方面的销售额在末季度骤降，同比去年下跌14%。除却总额1230万令吉的一次性分销于越南和印尼代理商的代销货品，集团全年销售额则微降2%。本集团在马来西亚的店面销售增长率（SSSG）对比去年录得-2%负增长，而专卖店和分销柜台也同时分别为-2%与-1%负增长。在消费税实施后的首三个月，国内消费低靡，购物中心的人潮明显减少，直接影响集团销售额。消费者为减低消费，对集团产品持观望态度，同时等待零售商展开更多的促销活动。在斋戒月首两周，本集团的产品销量慢热，虽然在临近开斋节时持续回温，然而业绩依然比去年逊色。

按国家和形式分布的商店数量

	专卖店	分销柜台	总计
马来西亚	114	1,041	**1,155**
新加坡	17	75	**92**
印尼	7	71	**78**
越南	13	40	**53**
沙地阿拉伯 /中东	15	-	**15**
柬埔寨 /缅甸	6	9	**15**
总计	**172**	**1,236**	**1,408**

为了推动消费税实施前的销量，本集团举办大量促销活动，提供丰富的折扣，以及保持产品原价并自行吸纳6%消费税以刺激市场，此举导致本集团的全年盈利下滑。 除此，某些专卖店过于高昂的租金，零售店的盈利不达标以及营运成本高涨也是盈利下滑的原因之一。

虽然马来西亚业绩不如理想，本集团在新加坡的业务则呈现上升的趋势，收入稍增0.8%至1亿7540万令吉，主要贡献来自位于Westgate新开的BONIA专卖店，以及在Westgate和ION Orchard的现有Braun Büffel专卖店。同时，越南和印尼的业务成绩非常振奋人心，收入分别高升34.8%至2770万令吉和35.7%至2960万令吉。

在未来，本集团将会继续进行更多促销活动并實施優化存貨管理機制，务求将产品销量推向高峰。为尽力保持盈利，集团也将考虑关闭一些盈利低于预期的商店，同时在开新店方面则会更加精细慎选。

财务表现

本集团在截至2015年6月30日止财政年度的收入为6亿9530万令吉，同比去年增长370万令吉，这包括一次性分销于越南和印尼代理商的代销货品贡献其中分别为540万和690万令吉，总额1230万令吉的财政收入。如果除却此项交易， 集团年度收入同比去年实降860万令吉或相等于1.2%。

马来西亚自2015年4月实施消费税之后，集团末季度收入如预期般骤降，从去年同季度的1亿6580万令吉下跌10%至1亿483万令吉，致使集团年度收入同比去年稍微逊色。由于消费者缺乏购兴，导致马来西亚和新加坡专卖店的末季度收入分别下挫28%和10%。印尼方面则捎来佳绩，靠着其较强稳的经济发展以及增长迅速的中层阶级消费者， 印尼店面销售增长率录得全年16%的收入增长率。

本集团的税前盈利为7260万令吉，同比去年的8550万令吉下跌15%。大量的促销活动，丰富的折扣，以及保持产品原价并自行吸纳6%消费税以刺激销量的举措，对集团盈利造成一定的影响。

股息

针对2015年6月30日届满的财政年度，董事会建议派发每股5%或相等于马币1.25仙的单层终期股息，总额为1007万8593令吉。

建议中的股息享有权益日期和支付日期将于稍后公布， 而此派息活动则必须在来届股东年度大会上获得股东批准后方能落实。

企业发展

以符合经济效益为目标，本集团于2015财政年度期间进行重整以减除非必要的行政成本。Guangzhou Bonia Fashions Co Limited，一家自2014年起便停止业务活动的冬眠子公司于财政年度期间经已完成其解散手续。另外，Bonia Italia Srl，自2014年10月17日成为Daily Frontier Sdn Bhd独资子公司之后便进入冬眠状态， 目前正处于自愿清盘程序当中。

2015年7月16日，BB Global Holdings Pte Ltd（“BBGH”）正式加入宝利集团旗下的 Jeco (Pte) Limited（“Jeco”） 成为其51%持股子公司。BBGH的主要业务是知识产权管理。

BBGH于2015年9月21日与Braun GmbH & Co. KG（“BBKG”） 签订知识产权买卖合约，以187万7千欧元向BBKG购下有关Braun Buffel 品牌的全部知识产权。 有关知识产权向来在BBKG的管治范围之内，而此项交易正好帮助Jeco更好的掌控和管理全球Braun Buffel 品牌的知识产权。与此同时，BBGH，BBKG和Jeco也协议

本集团在截至2015年6月30日止财政年度的收入为6亿9530万令吉，比去年增加370万令吉

针对Braun Buffel品牌在产品开发与市场拓展两方面并肩合作，以期在全球取得协同效应。

展望未来

宝利集团所专注的零售业在来年将面临更严峻的挑戰，由于環球經濟復蘇緩慢，马来西亚经济也预计将在下一财政年度继续放缓，加上消费税所带来的冲击，马币疲软促使生產成本飙升，消费者购兴消减和競爭日趨激烈，都可能让集团背负沉重的压力。

有鉴于此， 本集团的当务之急是精益求精， 调整策略， 继续审慎的在国内，外， 尤其是越南、 印尼、 柬埔寨和其他东南亚新兴国家开拓商机，从而提升本集团在业界的竞争优势。

如无任何不可预见的情况发生， 董事会对集团前景持谨慎的乐观态度， 希望集团继续朝向蛻變和創新的方向發展。

致谢

宝利集团于2015财政年度所取得的成绩应归功于管理团队和全体同事的专心致志和克尽己职。我在此代表董事会向管理层及全体同事致以万二分谢意。

同时，我也代表董事会对我们尊贵的股东，客户，商业伙伴，政府机构和融资各方的信任与不懈支持表示诚挚的感谢。

集团执行董事主席兼首席执行员
张送森

日期: 2015年10月12日

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chiang Sang Sem (Group Executive Chairman cum Chief Executive Officer)
Chiang Fong Yee (Alternate Director to Chiang Sang Sem)
Datuk Chiang Heng Kieng (Group Managing Director)
Chiang Sang Bon (Group Executive Director)
Chiang Fong Tat (Group Executive Director)
Dato' Sri Chiang Fong Seng (Group Executive Director)
Chong Chin Look (Group Finance Director)
Datuk Ng Peng Hong @ Ng Peng Hay (Senior Independent Non-Executive Director)
Dato' Shahbudin Bin Imam Mohamad (Independent Non-Executive Director)
Chong Sai Sin (Independent Non-Executive Director)

AUDIT & RISK MANAGEMENT COMMITTEE

Datuk Ng Peng Hong @ Ng Peng Hay (Chairman)
Dato' Shahbudin Bin Imam Mohamad (Member)
Chong Sai Sin (Member)

NOMINATION & REMUNERATION COMMITTEE

Dato' Shahbudin Bin Imam Mohamad (Chairman)
Datuk Ng Peng Hong @ Ng Peng Hay (Member)
Chong Sai Sin (Member)

COMPANY SECRETARIES

Chong Chin Look (MIA 8043)
Chok Kwee Wah (MACS 00550)
Tan Kean Wai (MAICSA 7056310)

AUDITORS

BDO
Chartered Accountants

HEAD OFFICE

Level 6 Ikon Connaught
Lot 160 Jalan Cerdas
Taman Connaught Cheras
56000 Kuala Lumpur
Wilayah Persekutuan Malaysia
Tel : +603-9108 9000
Fax : +603-9108 9098

REGISTERED OFFICE

Lot 10 The Highway Centre
Jalan 51/205 46050 Petaling Jaya
Selangor Darul Ehsan Malaysia
Tel : +603-7784 3922
Fax : +603-7784 1988

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
Lot 10 The Highway Centre
Jalan 51/205 46050 Petaling Jaya
Selangor Darul Ehsan Malaysia
Tel : +603-7784 3922
Fax : +603-7784 1988

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : Bonia
Stock Code : 9288

WEBSITE

www.bonia.com

FACEBOOK ADDRESS

www.facebook.com/BoniaFashion

INSTAGRAM ADDRESS

www.instagram.com/boniafashion#

YOUTUBE ADDRESS

www.youtube.com/BoniaFashion#

CORPORATE STRUCTURE

As at 30 September 2015

RETAILING

100% **Armani Context Sdn Bhd**
Interior design, advertising and promotion

100% **Alpha Footwear Sdn Bhd**
Marketing, retailing and distribution of men's and ladies' footwear

100% **Banyan Sutera Sdn Bhd**
Marketing and distribution of fashionable goods

- 100% **PT Banyan Cemerlang**
  Wholesaling of fashionable goods and accessories

100% **CB Marketing Sdn Bhd**
Designing, promoting and marketing of fashionable leather goods

100% **CB Franchising Sdn Bhd**
Retailing of leather goods and apparels

100% **CRG Incorporated Sdn Bhd**
Investment holding and management services

- 100% **CR Boutique Sdn Bhd**
  Retailing of leather goods and apparels
- 100% **CRF Marketing Sdn Bhd**
  Designing, promoting and marketing of fashionable ladies' footwear
- 100% **CRL Marketing Sdn Bhd**
  Designing, promoting and marketing of fashionable leather goods
- 100% **CRV Sdn Bhd**
  Marketing and distribution of fashionable goods and accessories
- 100% **CRI Sdn Bhd**
  Manufacturing and marketing of fashionable goods
- 99% **CRG Viet Nam Company Limited**
  Real estate activities with own or leased property

100% **Daily Frontier Sdn Bhd**
Marketing, distribution and export of fashionable goods and accessories

- 100% **Daily Frontier (Vietnam) Company Limited**
  Wholesaling, retailing, importing and exporting of fashionable products, accessories and cosmetics
- 100% **Bonia Italia Srl**
  In voluntary liquidation

100% **De Marts Marketing Sdn Bhd**
Designing, promoting and marketing of fashionable ladies' footwear

100% **Dominion Directions Sdn Bhd**
Marketing and distribution of men's apparels and accessories

- 100% **Galaxy Hallmark Sdn Bhd**
  Marketing and distribution of men's apparels and accessories
- 100% **SB Directions Sdn Bhd**
  Marketing and distribution of fashionable accessories
- 90% **New Series Sdn Bhd**
  Marketing and distribution of men's apparels
- 75% **VR Directions Sdn Bhd**
  Marketing and distribution of men's apparels and accessories, and ladies' apparels

100% **Eclat World Sdn Bhd**
Designing, promoting and marketing of fashionable men's footwear

100% **FR Gallery Sdn Bhd**
Managing food and beverage services

100% **Future Classic Sdn Bhd**
Designing, promoting and marketing of fashionable goods

100% **LBJR Marketing Sdn Bhd**
Marketing and distribution of fashionable goods and accessories

100% **Mcolours & Design Sdn Bhd**
Product design, research and development

100% **Podium Retail Sdn Bhd**
Marketing and distribution of fashionable goods, accessories and beauty products

60% **Mcore Sdn Bhd**
Marketing and distribution of fashionable leather goods

30% **Paris RCG Sdn Bhd**
Managing food and beverage services

- 100% **SBG Holdings Sdn Bhd**
  Investment holding and management services
  - 100% **SB Boutique Sdn Bhd**
    Retailing of leather goods and apparels
  - 100% **SB International Sdn Bhd**
    Marketing and distribution of fashionable goods and accessories
  - 100% **SBL Marketing Sdn Bhd**
    Designing, promoting and marketing of fashionable leather goods
  - 100% **SBFW Marketing Sdn Bhd**
    Designing, promoting and marketing of fashionable ladies' footwear
  - 100% **SBA Marketing Sdn Bhd**
    Marketing and distribution of fashionable goods and accessories
  - 100% **SBM Marketing Sdn Bhd**
    Designing, promoting and marketing of fashionable men's footwear
- 100% **Scarpa Marketing Sdn Bhd**
  Wholesaling, retailing and marketing of fashionable ladies' footwear
- 100% **Vista Assets Sdn Bhd**
  Marketing and distribution of fashionable goods
- 100% **Active World Pte Ltd**
  Wholesaling and retailing of fashionable leather goods and apparels
  - 100% **Jetbest Enterprise Pte Ltd**
    Wholesaling, retailing, importing and exporting of leather goods and accessories
  - 100% **SBLS Pte Ltd**
    Wholesaling, retailing and marketing of fashionable footwear, carrywear and accessories
  - 100% **SCRL Pte Ltd**
    Wholesaling, retailing and marketing of fashionable footwear, carrywear and accessories
  - 100% **Active Franchise Pte Ltd**
    General wholesale trade including general importers and exporters
  - 100% **Active Footwear Pte Ltd**
    Marketing, retailing and distribution of fashionable footwear
  - 100% **PT Active World**
    Investment holding
  - 70% **Bruno Magli South East Asia Pte Ltd**
    Wholesaling, retailing and marketing of leather goods, footwear and accessories
- 100% **Kin Sheng Group Limited**
  Investment holding
  - 100% **Guangzhou Jia Li Bao Leather Fashion Co Ltd**
    Dormant
  - 100% **Kin Sheng International Trading Co Ltd**
    General trading and marketing of fashionable goods
- 70% **Jeco (Pte) Limited**
  Intellectual property management
  - 100% **Lianbee-Jeco Pte Ltd**
    Retailing, importing and exporting leather goods and general merchandise
  - 100% **Lianbee-Jeco (M) Sdn Bhd**
    Trading in leather products
  - 51% **BB Global Holdings Pte Ltd**
    Intellectual property mangement
  - 49% **Braun Verwaltungs-GmbH**
    Marketing and distribution of fashionable leather goods
  - 49% **Braun GmbH & Co. KG**
    Marketing and distribution of fashionable leather goods

MANUFACTURING

- 100% **Long Bow Manufacturing Sdn Bhd**
  Manufacturing and marketing of leather goods

PROPERTY DEVELOPMENT

- 100% **BCB Properties Sdn Bhd**
  Property development
  - 60% **Apex Marble Sdn Bhd**
    Marketing and distribution of fashionable goods
  - 33% **Serene Glow Sdn Bhd**
    Property investment and development
- 40% **Makabumi Sdn Bhd**
  Dormant

PROPERTY INVESTMENT

- 100% **CB Holdings (Malaysia) Sdn Bhd**
  Property investment and management services
- 100% **Luxury Parade Sdn Bhd**
  Property investment
- 100% **Ataly Industries Sdn Bhd**
  Property investment
- 100% **Maha Asia Capital Sdn Bhd**
  Property investment


BONIA

PROFILE OF DIRECTORS

PROFILE OF DIRECTORS

MR CHIANG SANG SEM | *Malaysian, aged 62*

Chiang Sang Sem is the founder of BONIA. He was appointed to the Board on 16 June 1994 as Executive Chairman of the Company and is now the Executive Chairman cum Chief Executive Officer of the Group. His involvement in the leather industry spans a period of over 40 years. He possesses in-depth knowledge, skills and expertise in all aspects of the leatherwear trade. He is responsible for the overall business development and formulating the Group's strategic plans and policies. To ensure that the Group is very much in line with the trend of the fashion and technological changes in the leatherwear and fashion accessories industry, he travels extensively to Italy, France, Germany, Japan, Hong Kong, Taiwan, China, Bangkok, Vietnam and Indonesia.

He currently holds directorships in several subsidiaries of the Company and does not have any other directorships of public companies.

His brothers, Chiang Sang Bon, Datuk Chiang Heng Kieng and his sons, Chiang Fong Yee, Chiang Fong Tat and Dato' Sri Chiang Fong Seng are also members of the Board.

MR CHIANG FONG YEE | *Malaysian, aged 38*

Chiang Fong Yee was appointed to the Board on 18 February 2004 as the Alternate Director to Chiang Sang Sem. He obtained his Bachelor Degree in Marketing and Statistic from Middlesex University in the United Kingdom in 1999. He joined the Group in February 2000 as Marketing Executive and subsequently he was promoted to the position of Assistant Business Development Manager of the leatherwear division in October 2002. He is responsible for product sourcing, research and development, planning, implementation of the marketing strategy and product distribution functions of the leatherwear division.

He currently holds directorships in several subsidiaries of the Company and does not have any other directorships of public companies.

His father, Chiang Sang Sem, his uncles, Chiang Sang Bon and Datuk Chiang Heng Kieng, and his brothers, Chiang Fong Tat and Dato' Sri Chiang Fong Seng are also members of the Board.

DATUK CHIANG HENG KIENG *PMW* | *Malaysian, aged 53*

Datuk Chiang Heng Kieng was appointed to the Board on 16 June 1994 and is the Group Managing Director of the Company and of its several other subsidiary and related companies. He is extensively and directly involved in day-to-day management, decision-making and operations of the Group. He is responsible for the development and implementation of the marketing strategy and product distribution functions of the Group.

He is also serving as the Life Time Honorary President of the Malaysian Retailer-Chains Association (MRCA), Director of MRCA Branding Education Charity Foundation, Council Member of Malaysian AEON Foundation, Council Member of Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor (KLSCCCI) and Council Member of Kuala Lumpur Eng Choon Hoey Kuan (Association of Hokkien, Eng Choon).

His brothers, Chiang Sang Sem, Chiang Sang Bon and his nephews, Chiang Fong Yee, Chiang Fong Tat and Dato' Sri Chiang Fong Seng are also members of the Board.

MR CHIANG SANG BON | *Malaysian, aged 60*

Chiang Sang Bon was appointed to the Board on 16 June 1994 and is a Group Executive Director of the Company. He started his career with a leather manufacturer in Singapore in 1974. To-date, he has gained over 30 years' vast experience in technical skills in manufacturing of leatherwear. In his current capacity, he is responsible for the overall factory and production operations. He is also in-charge of product quality control.

He currently holds directorships in several subsidiaries of the Company and does not have any other directorships of public companies.

His brothers, Chiang Sang Sem, Datuk Chiang Heng Kieng and his nephews, Chiang Fong Yee, Chiang Fong Tat and Dato' Sri Chiang Fong Seng are also members of the Board.

MR CHIANG FONG TAT | *Malaysian, aged 37*

Chiang Fong Tat was appointed to the Board on 30 August 2004. He is a Group Executive Director of the Company. He graduated with a Bachelor (Hons) Degree in Marketing and Management from Middlesex University in the United Kingdom in 2000 and thereafter joined the Group in July 2000 as Marketing Executive. He was subsequently promoted to the position of Brand Manager in menswear and accessories division in October 2002. He is primarily responsible for the development of product sourcing, research and development, planning and implementation of the marketing strategy and product distribution functions of the leatherwear and footwear divisions.

He currently holds directorships in several subsidiaries of the Company and does not have any other directorships of public companies.

His father, Chiang Sang Sem, his uncles, Chiang Sang Bon, Datuk Chiang Heng Kieng and his brothers, Chiang Fong Yee and Dato' Sri Chiang Fong Seng are also members of the Board.

DATO' SRI CHIANG FONG SENG *SSAP* | *Malaysian, aged 30*

Dato' Sri Chiang Fong Seng was appointed to the Board on 10 January 2014 and holds the position as Group Executive Director. He graduated in year 2007 with a Bachelor of Commerce from The University of Melbourne, Australia. He joined Bonia Group initially as Personal Assistant to the Group Executive Chairman and was eventually promoted as Associate Director, assisting the Group Executive Chairman in all aspects of works. He involves in the Group's business development, strategic planning, products research and development.

He was conferred Darjah Kebesaran Sultan Ahmad Shah Pahang Yang Amat DiMulia - Peringkat Pertama Sri Sultan Ahmad Shah Pahang (SSAP) which carries the title Dato' Sri in year 2013.

He was appointed as Vice President of Malaysian Dato' Entrepreneurs' Association (MDEA) for the term 2015 - 2017.

He currently holds directorships in several subsidiaries of the Company and does not have any other directorships of public companies.

His father, Chiang Sang Sem, his uncles, Chiang Sang Bon, Datuk Chiang Heng Kieng, and his brothers, Chiang Fong Yee and Chiang Fong Tat are also members of the Board.

MR CHONG CHIN LOOK | *Malaysian, aged 52*

Chong Chin Look was appointed to the Board on 20 June 1994. He is the Group Finance Director of the Company and holds a position of Financial Controller of the Group since 1992. He is responsible for the overall financial and corporate functions of the Group. He graduated with a Bachelor of Economics degree with a major in Business Administration from the University of Malaya in 1987. He is also a member of The Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant with the Malaysian Institute of Accountants (MIA). Prior to his current position, he was attached to KPMG Peat Marwick, an international firm of Chartered Accountants, where he gained four and a half years experiences in auditing, accounting, taxation and management consultancy.

He currently holds directorships in several subsidiaries of the Company and does not have any other directorships of public companies.

DATUK NG PENG HONG @ NG PENG HAY *DMSM, DSM, PJK* | *Malaysian, aged 63*

Datuk Ng Peng Hong @ Ng Peng Hay was appointed to the Board on 20 June 1994. He is the Senior Independent Non-Executive Director, the Chairman of the Audit & Risk Management Committee and a member of the Nomination & Remuneration Committee of the Company.

He was the State Assemblyman for Tengkera Constituency of Barisan Nasional between 1982 and 1986. He then served as a Senator in the Malaysian Parliament from 1987 to 1993. His first involvement in social activities was upon completing his secondary education. He has been appointed as the Investment Coordinator by the Malacca State Development Corporation to handle direct investments in the State of Melaka since 1988. Together with his teams of officials and his excellent public relations, he has helped in attracting numerous Taiwanese, Singaporean and Chinese investors into the State of Melaka. In recognition of his efforts and dedication, he was conferred the Darjah Mulia Seri Melaka by his Excellency, the Governor of Melaka in 1992. On 17 July 1999, the Taiwanese Government awarded him the Economics Medal.

Presently, he is a board member of Malaysia Investment Development Authority (MIDA).

In addition, he is also a chairman of Koperasi Jayadiri Malaysia Berhad, Wellcall Holdings Berhad, and iCapital.Biz Berhad, and holds directorship in Farm's Best Berhad.

DATO' SHAHBUDIN BIN IMAM MOHAMAD *DSAP, DIMP, SAP, JSM, PJK* | *Malaysian, aged 73*

Dato' Shahbudin Bin Imam Mohamad was appointed to the Board on 1 March 1998 and has been re-designated from a Non-Independent Non-Executive Director to an Independent Non-Executive Director of the Company with effect from 10 January 2014. He is the Chairman of the Nomination & Remuneration Committee and a member of the Audit & Risk Management Committee of the Company. He has served in the government service in various capacities for some 31 years. His last post with the Government was from 1996 to 1997 as the Deputy Secretary General (Operation), Ministry of Finance prior to his retirement in 1997.

He does not have any other directorships of public companies.

MR CHONG SAI SIN | *Malaysian, aged 48*

Chong Sai Sin was appointed to the Board on 30 January 2009. He is an Independent Non-Executive Director and a member of the Audit & Risk Management Committee and Nomination & Remuneration Committee of the Company.

He is a Chartered Accountant, an Approved Company Auditor, an Approved Tax Agent under the Income Tax Act 1967 and the Goods and Services Tax Act 2014. He is a Partner in Messrs. CHI-LLTC and Messers. H.S. Lee & Partners, firms of Chartered Accountants. He is also a member of the Malaysian Institute of Accountants (MIA), the Malaysian Institute of Certified Public Accountants (MICPA), Institute of Internal Auditors Malaysia (IIAM), and Chartered Tax Institute of Malaysia (CTIM).

He signed up as an article student in MICPA and started audit experience in Messrs. Kassim Chan & Co. (now known as Deloitte) since 1987. He joined Messrs. BDO Binder (now known as BDO) in 1993 after he completed the articleship. He accumulated more than 7 years' experience in 2 established audit firms before joining commercial organisations as an Accountant, Corporate Finance Manager and Financial Controller from 1995 to 2002. Thereafter, in 2002, he joined Messrs. CHI-LLTC as an audit principal and was admitted as a Partner in 2005. He also admitted into Messrs. H.S. Lee & Partners as a Partner in 2012. He has more than 20 years' experience in commercial organisations and accounting practice and gained good exposure in Corporate Finance, Due Diligence Review, Listing Exercise, Auditing, Taxation and Accounting.

He does not have any other directorships of public listed companies.

Notes:

1. Save as disclosed above, none of the Directors have:
    - any family relationship with any Directors and/or substantial shareholders of the Company,
    - any conflict of interest with the Company,
    - any conviction for offences (other than traffic offences) within the past 10 years.
2. The Directors' interests in the Company are detailed in the Financial Statements section and the Analysis of Shareholdings section of this Annual Report.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STATEMENT ON CORPORATE GOVERNANCE

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Bonia Corporation Berhad (Board), in recognising the importance of corporate governance, is committed to ensure that the Group carries out its business operations with integrity, transparency and professionalism.

The Board is pleased to provide the following statement, which outlines the practices adopted by the Company in compliance with the Principles and Recommendations set out in the Malaysian Code on Corporate Governance 2012 (MCCG) to protect and enhance all aspects of the shareholders' value.

THE BOARD OF DIRECTORS

Board Responsibilities

The Board plays pivotal role in leading and managing the Group with the ultimate objective of realising long-term shareholder value. The collective responsibilities and roles of the Board, among others, are to:
- review and adopt the overall strategic plans and programmes for the Group
- oversee and evaluate the conduct of businesses of the Company and Group
- identify principal risks and ensure implementation of appropriate internal controls and mitigation measures
- establish a succession plan
- developing and implementing a shareholder communication policy for the Company
- review the adequacy and the integrity of the management information and internal controls systems of the Company and Group
- provide oversight and monitoring of environmental, social and governance aspects of business in the Group which underpin sustainability

The Board is mindful of the importance of business sustainability and strives to maintain an equitable balance between increasing value for shareholders and being responsible to society and the environment. Apart from adopting environmental friendly, ecological and cost effective operation and supply-chain processes, the Board also sets up the Group's objectives and strategies with regard to its responsibilities to shareholders, employees, customers and other stakeholders within the business ecosystem to develop a sustainable future.

The Board Charter, sets out the roles, responsibilities, processes and functions of the Board is published in the corporate website and subject to periodic review and update to ensure compliance with regulatory requirements. The Board observes the "Code of Ethics for Company Directors" as prescribed by the Companies Commission of Malaysia which provides guidance on the standards of conduct and prudent business practices as well as standards of ethical behavior to the Directors. Any non-compliance, allegation or concern on the relevant issues can be reported confidentially to the designated persons to enable prompt corrective actions to be taken where appropriate.

Board Balance and Composition

The Company is led by an experienced and diverse Board. There are currently 6 Executive Directors, 3 Independent Non-Executive Directors and an Alternate Director on the Board. A brief description of the background of each Director is contained in the Profile of Directors section in this Annual Report.

Separation of the positions of the Group Executive Chairman cum Chief Executive Officer and the Group Managing Director promotes accountability and facilitates division of responsibilities between them. Each of them plays a distinctive role but complementing each other to ensure balance of power and authority. The presence of the Independent Non-Executive Directors whom are independent from the management and major shareholders of the Company, free from any business dealing and other relationships that could materially interfere with the exercise of their independent judgement, provides balance and independent view at all Board deliberations. Together with the Executive Directors who possess intimate knowledge of the Group's rapidly evolving businesses, the Board is constituted of individuals who are committed to business integrity and professionalism in all their activities.

The Board regards independence as an important element for ensuring objectivity and fairness in Board's decision-making. In order to uphold independence, the Board undertakes annual assessment on its Independent Directors judging from events that would affect the ability of the Independent Directors to continue bringing independent and objective judgment to Board deliberations, the criteria of Independent Directors under regulatory definition, as well as their duty not to act contrary to the interest of the Company. Datuk Ng Peng Hong @ Ng Peng Hay is currently the Senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed.

Board Commitment

All Board members are committed to devote sufficient time to carry out their responsibilities effectively. The Directors shall notify the Chairman of the Board before accepting any new directorship with an indication of time that will be spent on the new appointment. Acceptance of such new directorship shall not result in a conflict with the discharge of the Directors' duties to the Company.

The Directors meets at least 4 times per financial year, with additional meetings convened as and when necessary, on dates selected and upon notice as provided by the Company's Articles of Association, to deliberate and consider various matters of the Group within the scope of the Board. The following are the details of attendance of the Directors at all 4 Board meetings held during the FY2015:-

Directors	Designation	Attendance	Percentage
Chiang Sang Sem	Group Executive Chairman cum Chief Executive Officer	4/4	100%
Chiang Fong Yee	Alternate Director to Chiang Sang Sem	4/4	100%
Datuk Chiang Heng Kieng	Group Managing Director	3/4	75%
Chiang Sang Bon	Group Executive Director	4/4	100%
Chiang Fong Tat	Group Executive Director	4/4	100%
Dato' Sri Chiang Fong Seng	Group Executive Director	4/4	100%
Chong Chin Look	Group Finance Director	4/4	100%
Datuk Ng Peng Hong @ Ng Peng Hay	Senior Independent Non-Executive Director	4/4	100%
Dato' Shahbudin Bin Imam Mohamad	Independent Non-Executive Director	4/4	100%
Chong Sai Sin	Independent Non-Executive Director	4/4	100%

Supply of Information

The Board is furnished with comprehensive data and information of a quality in a timely manner to enable it to discharge its duties and responsibilities efficiently and effectively. Proposals are supported with management papers and be presented to the Board for evaluation and consideration. The Board's deliberations, dissenting views (if any) and decisions are recorded in the minutes of meeting. All the Directors observe the requirements that they do not participate in the discussions or decision-making of the matters in which they are interested in. Urgent matters that required immediate attention of the Board may be resolved via directors' resolutions in writing to speed up the decision-making process.

The Directors have full access to the information within the Group as well as the advice and services of the qualified and competent Company Secretaries, the Internal and External Auditors and other independent professionals in carrying out their duties and if necessary, at the Company's expenses.

Board Committees

The Board may from time to time establish appropriate committees and delegate specific duties to such committees as the Board deems fit. Such committees shall operate within their own defined charters that are approved by the Board.

Reports on committees' meetings and activities are submitted to the Board at the next regularly scheduled meeting of the Directors for their evaluation and consideration. However, the ultimate responsibility for the final decision on the matters concerned, lies with the entire Board.

(i) Audit & Risk Management Committee (ARC)

The primary objectives of the ARC are to assist the Board in examining the Group's financial reporting, risk management and control environment, internal and external audit processes, related party transactions and conflict of interests situation, and to submit to the Board its recommendations and/or reports on matters within its purview or other matters of the Group referred to it by the Board, for the Board's consideration.

The composition, committee charter and summary of activities of the ARC are set out in the Report of the Audit & Risk Management Committee of this Annual Report.

(ii) Nomination & Remuneration Committee (NRC)

The present composition of the NRC is as follows:-

		No. of Meetings Attended
Chairman:	Dato' Shahbudin Bin Imam Mohamad *Independent Non-Executive Director*	1/1
Members:	Datuk Ng Peng Hong @ Ng Peng Hay *Senior Independent Non-Executive Director*	1/1
	Chong Sai Sin *Independent Non-Executive Director*	1/1

The NRC is tasked to assist the Board in:-

- *Board performance* - to assess and recommend to the Board the candidature of directors and boardroom diversity, appointment of directors to board committees, review of the Board's succession plans and training programmes, and to carry out periodic review on the composition, size and mix of skills of the Board, including the performance of individual Directors so to assess the appropriateness and effectiveness of the Board as a whole, and
- *Board remuneration* - to carry out periodic review on the remuneration policies and procedures to attract, retain and motivate Directors. The remuneration package should be aligned with the business strategy and long-term objectives of the Company and Group as well as to reflect the Board's responsibilities, expertise and complexity of the Company's activities.

Activities undertaken by the NRC during the FY2015 were as follows:-

- Conducted performance evaluation on the Board as a whole, the Committees of the Board, each of the individual Board Member; and the independence of the Independent Directors
- Conducted performance review on the retiring/ceasing Directors
- Reviewed the succession planning and senior management development to address leadership continuity
- Recommended board induction and continuing training programmes for the Directors
- Reviewed, recommended and considered the fees and remuneration package of Directors

Nomination and Election of Board Members

Pursuant to the Articles of Association of the Company, at least 1/3 of the Directors including the Managing Director (if any) are required to retire from office by rotation annually and shall be eligible for re-election at each annual general meeting (AGM). Any Director appointed to fill the casual vacancy shall retire and seek re-election by the shareholders at the next AGM to be held following his appointment.

Directors over 70 years of age are required to submit themselves for re-appointment by the shareholders annually in accordance with Section 129(6) of the Companies Act, 1965.

The MCCG recommends that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the independent director(s) who has served cumulative 9 years term limit may, upon recommendation of the Board, may seek shareholders' approval on his retention subject but not limited to:-

- he has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- he does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiaries.

Upon the recommendations of the NRC, the Board as a whole will determine and nominate individuals for election to the Board by the shareholders, for filling vacant board seats that may occur between AGMs or as an addition to the existing Directors. Nominees for director will be selected with due consideration be given to each candidate's integrity, competence, experience, character, achievements and time commitments regardless of age, gender or ethnicity. However, the Board will remain mindful of Recommendation of the MCCG on the gender diversity policy for boardroom.

Continuous Professional Development

Induction programmes will be conducted for all newly appointed Board members including, where appropriate, visits to the Group's business and meeting with the management to facilitate their understanding of the Group's businesses and operations.

All the members of the Board have attended the Mandatory Accreditation Training Programme (MAP) conducted by Bursatra Sdn Bhd. The Board will continue to assess their own training needs and undergo relevant training and development programmes to enhance their skills and knowledge and to keep abreast with new developments in the business environment.

During the FY2015, the continuous training programmes attended by the Directors are as follows:-

Directors	Particulars of the training programmes
Chiang Sang Sem	• Lineapelle, Milan • Asia Pacific Leather Fair, Hong Kong
Chiang Fong Yee	• 11th Malaysia International Branding Showcase (IBS 2014) & Zhejiang/Fujian Export Fair (Kuala Lumpur) 2014 • 22nd International Franchise Exhibition & Conference 2015
Datuk Chiang Heng Kieng	• GST + PSP Presentation by Parkson • Meeting & Briefing INTRADE & Malaysia Fashion Week (MFW) 2014 • Special Meeting to Discuss Economic Initiatives During Malaysia's Chairmanship of ASEAN in 2015 • The China (Guangdong) - Malaysia Cooperation Conference on Modern Services Industry • "The Leader's Journey – Opportunities and Challenges of Chinese Entrepreneurs" Sharing Event • "Renminbi Globalisation – Milestones and Future Prospects" Conference • Success in Store Management" Managing Your Time • Briefing on MATRADE's "Mid-Tier Companies Development Programme" • MRCA Retail Conference 2014 : Catalyst for Change - Retail Industry in the ASEAN Market • Dialogue on Property and Retail Industries with Chief Economist of Ambank Group, Mr. Anthony Dass • Sesi Dialog Bersama Y.B. Datuk Ir Dr Wee Ka Siong (Menteri Di Jabatan Perdana Menteri) • BONIA Brand Camp 2015
Chiang Sang Bon	• 25th Malaysia Int'l Packaging & Labelling Exhibition • 11th Malaysia International Branding Showcase (IBS 2014) & Zhejiang/Fujian Export Fair (Kuala Lumpur) 2014
Chiang Fong Tat	• Materials Manufacturing & Technology (MM&T) Hong Kong
Dato' Sri Chiang Fong Seng	• Lineapelle, Milan
Chong Chin Look	• AmBank Markets Economic & FX Forum 2014
Datuk Ng Peng Hong @ Ng Peng Hay	• Advocacy sessions on corporate disclosure for directors of listed issuers
Dato' Shahbudin Bin Imam Mohamad	• Bursa Risk Management & Internal Control Workshop 2015
Chong Sai Sin	• National Tax Conference 2014 • CAANZ - MICPA Audit Forum: Professional Skepticism in an Audit • Technical Briefing for Company Secretaries of Listed Issuers • Monash 2015 Management Budget Seminar • GST for Property Development & Construction • GST Training Course • GST Plus Workshop - GST Implementation • Post Workshop on Risk Management & Internal Control for Audit Committee Members

Board Remuneration Policies and Procedures

The objective of the Company's policy on Directors' remuneration is to ensure the level of remuneration is sufficient to attract and retain high calibre Directors to run the Group successfully. For Non-Executive Directors, the level of remuneration reflects the levels of experience, expertise and responsibilities undertaken by the individual Director concerned.

Directors' fees are paid to Executive and Non-Executive Directors upon approval granted by the shareholders at AGMs. Apart from it, Non-Executive Directors are paid attendance allowance for each Board and/or Committee Meeting they attended. Executive Directors are not entitled to attendance allowance. Due to the sensitivity of the remuneration information, the detail disclosure of each Director's remuneration is not provided in this Annual Report.

The aggregate remuneration of the Directors is categorised into appropriate components as follows:

Category	Fees RM'000	Salaries RM'000	Bonuses RM'000	Other Emoluments RM'000	Total RM'000
Executive Directors*	2,074	2,532	3,870	1,738	10,214
Non-Executive Directors	180	-	-	-	180

*Inclusive of remuneration paid by the subsidiary companies

The Directors' remuneration is broadly categorised into the following bands:

Range of Remuneration	Executive Director	Non-Executive Director
RM50,001 to RM100,000	-	3
RM200,001 to RM250,000	1	-
RM1,000,001 to RM1,050,000	1	-
RM1,050,001 to RM1,150,000	1	-
RM1,150,001 to RM1,200,000	1	-
RM1,200,001 to RM1,250,000	1	-
RM1,250,001 to RM1,300,000	1	-
RM4,250,001 to RM4,300,000	1	-

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATIONS

Corporate Disclosure

The Company recognises the importance of keeping its shareholders, investors and stakeholders informed of the Group's performance and corporate developments. The Board maintains a high level of transparency and accountability in its disclosure procedure by observing the corporate disclosure framework under Bursa Malaysia Securities Berhad Main Market Listing Requirements and other regulatory bodies to provide timely and material information of the Group to the public at large to facilitate their decision-making process. The Board also refers to the "Corporate Disclosure Guide" issued by Bursa Malaysia Securities Berhad to address the gaps (if any) and to enhance the quality of its disclosure practices.

Pertinent and updated information of the Group is disseminated vide media conferences, press releases, corporate reports, circulars and announcements from time to time. The Board also leverages on its website *www.bonia.com* to provide quick access to information on the Group to its stakeholders. Alternatively, the Group's latest announcements on financial reports and corporate developments can be retrieved from the Bursa Malaysia Securities Berhad's website at *www.bursamalaysia.com*.

Shareholder Communications

General Meeting is a crucial mechanism in shareholder communications and remains the principal forum for dialogue with shareholders of the Company. At the general meeting, the shareholders have direct access to the Board and are given the opportunity to discuss about the resolutions being proposed or about the Group's businesses and operations in general.

Shareholders are reminded of their right to demand for poll at general meetings and they may request for detailed results showing the number of votes cast for and against such resolutions being tabled thereat.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced and meaningful assessment of performance and prospects of the Group in all of its financial reports. The unaudited and audited financial statements of the Group which are drawn up in compliance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia, and are released to the public within the stipulated time frame, reinforce the Board's commitment to ensure the accuracy, completeness and timely dissemination thereof for greater accountability and transparency.

The Directors' Responsibility Statement made pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to the Financial Statements is presented in the appropriate section of this Annual Report.

Risk Management and Internal Control

The Board acknowledges their responsibilities for the Group's risk management and system of internal controls covering not only financial controls but also operational and compliance controls. The Board takes necessary steps to identify, assess and monitor key business risks, and constantly review and enhance its internal control system to manage such risks with objective to safeguard the shareholders' investments and the Group's assets.

The Statement on Risk Management & Internal Control in this Annual Report provides an overview on the state of risk management and internal controls within the Group.

Relationship with the External Auditors

The Board, via the ARC, has established a transparent and appropriate relationship with the Group's External Auditors. In the course of audit of the Group's operations, the External Auditors highlighted to the ARC and the Board, matters that require their attention.

The ARC also conducts annual assessment on the suitability and independence of the External Auditors guided by a standard set of policies and procedures. Recommendation for appointment or re-appointment of the External Auditors (as the case may be), will be made to the Board, and subsequently to the shareholders of the Company for their consideration at AGM.

CONCLUSION

The Board is satisfied that the Company has substantially complied with the Principles and Recommendations set out in the MCCG throughout the FY2015.

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

The Board of Directors of Bonia Corporation Berhad (Board) is pleased to present the Report of the Audit & Risk Management Committee (ARC) for the FY2015.

MEMBERS AND MEETINGS

The ARC is composed entirely of Independent Directors. During the FY2015, the ARC met 4 times, with the following record of attendance:

		No. of Meetings Attended
Chairman:	Datuk Ng Peng Hong @ Ng Peng Hay *Senior Independent Non-Executive Director*	4/4
Members:	Chong Sai Sin *Independent Non-Executive Director* *(A member of the Malaysian Institute of Accountants)*	4/4
	Dato' Shahbudin Bin Imam Mohamad *Independent Non-Executive Director*	4/4

Other Directors, senior or middle management may attend the committee meetings upon the invitation by the ARC. 2 private discussions with the External Auditors without the presence of the Executive Directors and management were held in the FY2015.

AUDIT & RISK MANAGEMENT COMMITTEE CHARTER

1.0 Membership

1.1 The Audit & Risk Management Committee ("ARC") shall be appointed by the Board of Directors of Bonia Corporation Berhad from amongst the non-executive directors and shall consist of not less than three (3) members, with a majority of them being independent Directors and at least one (1) member of the ARC:-
- i. shall be a member of the Malaysian Institute of Accountants; or
- ii. if he is not a member of the Malaysian Institute of Accountants, the member shall have at least three (3) years' working experience and:
  - a. shall have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
  - b. shall be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- iii. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad from time to time.

1.2 No alternate Director shall be appointed as a member of the ARC.

1.3 The members of the ARC shall elect a Chairman from among their numbers, and who shall be an independent Director.

1.4 The Board shall review the term of office and performance of the ARC and each of its members at least once every three (3) years to determine whether the ARC and its members have carried out their duties in accordance with their ARC Charter.

2.0 Meeting Guidelines

2.1 The ARC shall meet at least four (4) times a year, and meetings may be convened with the external auditors, internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary. Both the internal and external auditors may also request a meeting if they consider that one is necessary.

2.2 A quorum consists of two members present and a majority of whom must be independent Directors.

2.3 The meeting and proceedings of the ARC shall be governed by the provisions of the Articles of Association of the Company regulating the meetings and proceedings of the Board so far as the same are applicable.

2.4 The Chairman of the ARC shall report on key issues discussed at each meeting to the Board, and the minutes of the ARC meeting shall be made available to all Board members.

2.5 Decision of the ARC may be made by a Circular Resolution in Writing, provided it is signed by a majority of the committee members.

3.0 Authority

3.1 The ARC shall have the following authority as empowered by the Board:-
- i. to investigate any matter within its ARC Charter;
- ii. have the resources which are required to perform its duties;
- iii. have full and unrestricted access to any information pertaining to the Group;
- iv. have direct communication channels with the external auditors, internal auditors, as well as all directors and employees of the Group; and
- v. to obtain independent professional or other advice as necessary.

4.0 Duties and Responsibilities

4.1 The ARC shall examine the Group's matters pertaining to the financial reporting, risk management and internal control, internal and external audit processes, related party transaction and conflict of interests situation, and to submit to the Board its recommendation and/or reports on matters within its purview or other matters of the Group referred to it by the Board, for the Board's consideration.

4.2 The ARC shall, amongst others, discharge the following functions:-

4.2.1 to review the quarterly results to Bursa Malaysia Securities Berhad and year end financial statements of the Group before submission to the Board, focusing particularly on:
- i. the going concern assumption;
- ii. any changes in or implementation of accounting policies and practices;
- iii. significant issues and unusual events;
- iv. significant audit adjustments;
- v. compliance with accounting standards, regulatory and other legal requirements for financial reporting; and
- vi. major judgmental areas.

4.2.2 to review the following matters with the external auditors, and report the same to the Board:-
- i. the audit plan;
- ii. the audit reports;
- iii. the external auditors' evaluation of system of internal control;
- iv. the problems and reservations arising from the interim and final external audits, and any matters the external auditors and/or internal auditors may wish to discuss (in the absence of management, where necessary);
- v. the external auditors' management letter and the management's response thereto; and
- vi. the assistance given by the employees of the Group to the external auditors.

4.2.3 to review the external auditors' terms of engagement, independence, objectivity, remuneration and cost-effectiveness and to make recommendations to the Board for the appointment, re-appointment or termination of the external auditors, and to consider any questions of resignation or dismissal including whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.

The ARC shall assess the external auditors or potential external auditors (as the case may be) on a number of criteria including, but not limit to:-
- i. the independence of the external audit firm from the Group and ability to maintain independence throughout the engagement;
- ii. there being no conflict of interest situations that could affect the independence of the external auditors;
- iii. the external audit firm's compliance with Malaysian regulations and ethical guidance relating to rotation of audit partner and succession planning;
- iv. professional competency, experience and integrity of key personnel;
- v. the thoroughness of audit approach and methodology;
- vi. audit budget, and
- vii. the provision of non-audit services by the external auditors (if any) shall not cause an impairment to the objectivity and independence of the audit firm.

The ARC shall receive a written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Subject to satisfactory performance and the recommendation of the ARC, the Board will recommend the re-appointment of the external auditors to shareholders at the annual general meeting. If the ARC does not recommend the incumbent audit firm, a tender process will be carried out by the ARC and executive management to select a new audit firm.

4.2.4 to review the followings in respect of internal audit:-
   i. the adequacy of the audit scope and coverage, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its functions;
   ii. the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action has been taken on the recommendations of the internal audit functions;
   iii. the performance of the internal audit function; and
   iv. the appointment, termination or resignation of the internal auditors and provide the resigning internal auditors an opportunity to submit his reason for resignation.

4.2.5 to review and assess the followings in respect of the Group's overall risk management and internal control:-
   i. the Company's policies, processes and procedures for the oversight and management of risks
   ii. the risk profile, risk appetite and levels of tolerance (including subsequent review and adjustment, where necessary) and the effective communication of the same throughout the Group
   iii. the Management's efforts to embed a risk management in all aspect of the Group's activities and promoting a risk awareness culture within the Group
   iv. the adequacy and integrity of the internal control to manage the selected areas representing significant risks
   v. the efficiency and effectiveness of the review mechanism and the accountability at an Executive level for risk management and internal control
   vi. the disclosure on the risk management and internal control in the Company's annual reports

4.2.6 to review any related party transactions and situations where a conflict of interest may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and to consider the appropriateness of such transactions before recommending them to the Board for approval.

4.2.7 to report prompt to Bursa Malaysia Securities Berhad on any matter reported by it to the Board, which has not been satisfactory resolved resulting in the breach of the Listing Requirements of Bursa Malaysia Securities Berhad.

4.2.8 to consider other matters as may be directed by the Board from time to time.

5.0 Review of the ARC Charter

5.1 The ARC shall periodically review and update its ARC Charter to ensure compliance with regulatory and legal requirements, which will take precedence over any stipulation of the ARC Charter, and in accordance with the needs of the Company/ Group that may have an impact on the discharge of the ARC's duties and responsibilities.

5.2 The Board's approval is mandatory for any amendments to the ARC Charter of the ARC.

INTERNAL AUDIT FUNCTION

The Group outsources its internal audit function to an independent professional firm, which has adequate resources and appropriate standing to undertake its activities independently and objectively to provide reasonable assurance to the ARC regarding the adequacy and effectiveness of risk management, internal control and governance systems. The Internal Auditors report directly to the ARC.

ACTIVITIES OF THE ARC

During the FY2015, the ARC has:-

- reviewed the quarterly reports and year-end financial statements before recommending to the Board for consideration and approval, and release to Bursa Malaysia Securities Berhad;
- reviewed the audit plan, audit strategy and scope of work presented by the External Auditors prior to commencement of annual audit;
- reviewed with the External Auditors the audit findings, their audit report and management letter and management's response;
- reviewed the External Auditors' fees and services and made recommendation to the Board for their reappointment. A written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements has been received from the External Auditors;
- reviewed the internal audit plan, scope of works and reports presented by the Internal Auditors and evaluated the major findings of risk management and internal control deficiencies in the Group's operating subsidiaries and considered the management responses thereto so as to ensure significant findings are adequately addressed by the management;
- reviewed and approved the Report of the Audit & Risk Management and Statement on Risk Management & Internal Control for the FY2015 to be presented in the Annual Report by the Board;
- reported to the Board on its activities and significant findings and results; and
- reviewed the related party transactions and conflict of interest situations that might arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Board of Directors of Bonia Corporation Berhad (Board) is pleased to present its Statement on Risk Management & Internal Control for the FY2015, which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers (SRMIC Guidelines).

This statement outlines the nature and state of risk management and internal controls of the Group (comprising the Company and its subsidiaries) during the FY2015. The associated companies of the Group have not been dealt with as part of the Group for the purposes of applying these guidelines.

BOARD RESPONSIBILITIES AND ASSURANCE

Cognizant of the importance of the Group's risk management and internal control system to safeguard the shareholders' investment and the Group's assets, the Board strives to apply a risk-sensitive approach in identifying, evaluating and managing significant risks that may affect the Group's businesses. The Group's internal control system encompasses all types of control including those of a financial, operational, environmental and compliance nature, and it is closely monitored and adjusted to be consistent with the risk appetite and tolerance levels set by the Board.

The management assists the Board in embedding risk management and internal control system in all aspects of the Group's activities. They play a key role in ensuring the sanctioned practices, processes and procedures to address current and emerging risks are appropriately implemented throughout the Group, and to promptly report any significant deficiencies and weaknesses of the control environment to alleviate and manage such risks.

In view of the limitations that are inherent in any systems of risk management and internal control, the Group's system of risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

For the FY2015, the Board has received assurance from its Group Chief Executive Officer and Group Finance Director where, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, based on the risk management model adopted by the Group.

The Board confirms that there is a continuous process in place to identify, evaluate and manage the significant risks that may affect the achievement of business objectives. The process which has been instituted throughout the Group is updated and reviewed from time to time to suit the changes in the business environment and this ongoing process has been in place for the whole FY2015 and up to the date of issuance of the Company's Annual Report 2015.

INTERNAL CONTROL PROCESSES AND RISK MANAGEMENT

The key elements of the Group's and risk management system and internal control processes are described below:-

- There are proper documentations to define the responsibilities and functions of the Board and each of its committees.
- Internal policies and procedures are in place, which are updated as and when necessary.
- There is an organisation structure with clearly defined lines of responsibility, limits of authority and accountability aligned to business and operations requirements which support the maintenance of a strong control environment.
- There is a clearly defined delegation of responsibilities to the management of operating units who ensure that appropriate risk management and control procedures are in place. The Group identifies the key risks by line of business and key functional activities.
- There is a clearly defined framework for investment appraisal covering the acquisition or disposal of any business, application of capital expenditure and approval on borrowing, with post implementation reviews be conducted and reported.
- The actual performances would be reviewed against the budgeted results on a quarterly basis allowing timely response and corrective action to be taken to mitigate risks.
- Comprehensive management accounts and reports are prepared monthly for effective monitoring and decision-making.
- Regular scheduled management meetings are held and attended by all Executive Directors and senior management to discuss and report on operational performance, business strategies, key operating statistics, legal and regulatory matters of each business unit where plans and targets are established for business planning and budgeting process.

- Review of the quarterly and annual financial reports by the Audit & Risk Management Committee (ARC) and the Board.
- The Critical Success Factors (CSF) Committee is established as part of the stewardship team to conduct study on various business processes and functions to identify key elements that are vital to achieve company's mission and goals.
- Given the strategic and expansion plan of the Group, the risk profiles, risk appetite and tolerance level would be adjusted where necessary to add value to the risk management and control system and for mitigative actions.

THE INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to RMS Corporate Management Sdn Bhd (RMS), an independent professional firm that reports directly to the ARC and the Board. RMS is entrusted by the Board to provide independent, objective assurance and consulting activity designed to add value and improve the operations of the Group.

RMS adopts a risk-based methodology in its work and undertakes regular risk and vulnerability assessment on the business units (operational and non-operational) within the Group, highlights significant weaknesses and makes appropriate recommendations for improvement to ensure proper, economic and effective use of resources of the Group. The fee incurred for the FY2015 in relation to the internal audit function is RM161,672.00.

THE REVIEW MECHANISM

The Board adopts a two-tier review mechanism to evaluate the adequacy and integrity of the risk management system and internal control processes of the Group. The first aspect of the review is undertaken by the management while the second aspect constitutes the independent review by the ARC with the assistance of the Internal Auditors. Risk profiles and tolerance levels, significant audit findings, audit issues highlighted in the preceding internal audit reports together with the follow up works are being considered at length by all parties concerned.

The Board solicits feedback on the effectiveness of risk management system and internal control processes from the ARC and seeks continuous improvement in its risk management and internal control model to close gaps and/or mitigate deficiencies.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management & Internal Control. As set out in their terms of engagement, the procedures were performed in accordance with Recommended Practice 5 (Revised): Guidance for Auditors on Engagements To Report On The Statement on Risk Management and Internal Control Included In the Annual Report (RPG 5), issued by Malaysian Institute of Accountants. RPG 5 does not require the External Auditors to consider whether the Statement on Risk Management & Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management system and internal control processes of the Group. RPG 5 also does not require the External Auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report FY2015 would, in fact, remedy the problems.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management & Internal Control is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the SRMIC Guidelines, nor is it factually inaccurate.

CONCLUSION

The Board is of the view that the Group's system of risk management and internal controls is generally satisfactory and has not resulted in any material loss, contingency or uncertainty. The Board and Management will continue to take necessary measures to strengthen the control environment and monitor the health of the risk management and internal controls processes of the Group.


BONIA

ADDITIONAL COMPLIANCE INFORMATION

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds Raised From Corporate Proposals

There were no fund raising exercises implemented during the FY2015.

2. Share Buybacks

The following are the details of the shares purchased, resold and/or cancelled during the FY2015:-

Breakdown	Par value per share (RM)	No. of shares purchased, (resold) and/or (cancelled)	Purchase/resale price per share (RM)		Average price per share (RM)	Total consideration [1] (RM)
			Lowest	Highest		
Total purchased/treasury shares held as at 1 July 2014	0.50	507,000	N/A	N/A	N/A	1,698,210.00
July 2014 [2]	0.50	(507,000)	5.30	5.50	5.37	2,721,873.00
Total treasury shares held as at 30 June 2015	0.25	Nil	N/A	N/A	N/A	Nil

Notes:

(1) excluding transaction costs

(2) All the 507,000 shares purchased by the Company and retained as treasury shares during the FYE 30 June 2014 were resold to the market in July 2014

The Company has not made any purchase, resale or cancellation of its own shares in the previous 12 months preceding the issuance of this Annual Report under the existing mandate.

3. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the FY2015.

4. American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

During the FY2015, the Company did not sponsor any ADR or GDR programme.

5. Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by any relevant regulatory bodies during the FY2015.

6. Non-Audit Fees

During the FY2015, there were non-audit fees of RM107,473.00 paid to the External Auditors in relation to review of the Company's disclosure on realised and unrealised profits, Statement on Risk Management & Internal Control, sales tax refunds and subsidiary's gross sales statements to landlords.

7. Variation in Results

There was no variance of results which differ by 10% or more between the audited results for the FY2015 and the unaudited results previously announced by the Company. The Company did not release any profit estimate, forecast or projection during the FY2015.

8. Profit Guarantees

During the FY2015, there were no profit guarantees given by the Company.

9. Material Contracts

During the FY2015, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

10. Revaluation of Landed Properties

The Company does not have a revaluation policy on landed properties. However, fair value accounting is applied for certain properties classified under the Group's Investment Properties.

11. Employee Share Scheme

There were no employee share scheme implemented or in operation during the FY2015.

12. Recurrent Related Parties Transactions of Revenue or Trading Nature (RRPT)

The class and nature of the RRPT of Bonia Corporation Berhad and/or its subsidiaries (collectively, "Bonia Group") are tabulated as follows:-

RRPT No.	Transacting Party	Related Party	Nature of transactions	Value transacted during the FY2015 RM'000	Estimated aggregate value during the validity period of the shareholders' mandate obtained on 20.11.2014 RM'000
1	Bonia Group	Cassardi International Co. Ltd. ("CICL")	Purchase of men's apparels and payment of Valentino Rudy trade mark royalty to CICL	927	N/A
2	Bonia Group	Lianbee Marketing (M) Sdn Bhd ("LBM")	Payment of rental to LBM	180	N/A
3	Bonia Group	Bonia International Holdings Pte Ltd ("BIHP")	Payment of Bonia, Carlo Rino, Sembonia and CR2 trademarks royalties to BIHP	3,166	4,500
4	Bonia Group	Long Bow Manufacturing (S) Pte Ltd ("LMS")	Payment of rental to LMS	1,670	1,700

Notes:-

(1) RRPT 1 and 2 : Fall within the interpretation of Paragraph 10.08(9) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(2) RRPT 3 and 4 : Actual value transacted up to 30 June 2015 did not exceed the estimated aggregate value during the validity period of the of the shareholders' mandate obtained on 20 November 2014 by 10% or more

(3) RRPT 1 : Interested related party - Boonnam Boonnamsap, a major shareholder of Bonia's subsidiary and persons connected with him (including their family)

(4) RRPT 2 : Interested related party - Liao Tian Sze, Liao Tien Fook and Kwang Lok Mun, Directors of Bonia Group and persons connected with them (including their family)

(5) RRPT 3 : Interested related party - As mentioned in the notes of Sections 3.2 and 4 of Part C of the Company's Circular to Shareholders dated 29 October 2014

(6) RRPT 4 : Interested related party - As mentioned in the notes of Sections 3.2 and 4 of Part C of the Company's Circular to Shareholders dated 29 October 2014

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 (Act) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and their results and cash flows for the financial year. As required by the Act and the Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

In preparing the financial statements for the FY2015, the Directors have:-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and fair;
- ensured that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going-concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act.

The Directors have a general responsibility for taking such steps that are reasonably available to them to maintain a sound risk management framework and internal control system to safeguard the shareholders' investment and the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company. The principal activities of the subsidiaries are set out in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the parent	45,324	10,121
Non-controlling interests	5,472	-
	50,796	10,121

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 30 June 2014:	
A final single tier dividend of 5% or 1.25 sen per ordinary share of RM0.25 each, paid on 22 December 2014	10,079

The Directors recommend a final single tier dividend of 5% or 1.25 sen per ordinary share of RM0.25 each, amounting to RM10,078,593 in respect of the financial year ended 30 June 2015, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company implemented a bonus issue of 201,571,850 new ordinary shares of RM0.50 each ("Bonus Shares") on the basis of one (1) new ordinary share for every one (1) then existing ordinary share held in the Company ("Bonus Issue") through the capitalisation of RM100,785,925 from the Company's share premium and retained earnings available based on its audited proforma statement of reserves as at 30 June 2013 and unaudited proforma statement of reserves as at 31 March 2014.

ISSUE OF SHARES AND DEBENTURES (cont'd)

The Bonus Shares issued rank pari passu with the then existing ordinary shares of the Company except that they are not entitled to any dividends, rights, allotments and/or other distribution which were declared, made or paid prior to the date of allotment of the Bonus Shares.

Concurrently, the Company implemented a share split involving a subdivision of every one (1) Bonia Shares of RM0.50 each (then existing and Bonus Shares) into two (2) ordinary shares of RM0.25 each. Pursuant to the share split, 403,143,700 ordinary shares of RM0.50 each of the Company were subdivided into 806,287,400 ordinary shares of RM0.25 each ("Share Split").

Accordingly, the authorised share capital of the Company was subdivided from RM250,000,000 comprising 500,000,000 ordinary shares of RM0.50 each to RM250,000,000 comprising 1,000,000,000 ordinary shares of RM0.25 each to facilitate the implementation of the Share Split.

There were no other issues of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

SHARE BUY-BACK AND RESALE OF TREASURY SHARES

In July 2014, the 507,000 ordinary shares of RM0.50 each repurchased by the Company pursuant to the share buy-back authorisation granted by its shareholders on 21 November 2013 ("Shareholders' Authorisation 2013") and held as treasury shares as at the end of the financial year ended 30 June 2014, were resold to the market.

On 20 November 2014, the shareholders of the Company renewed the authorisation for the Company to repurchase up to 10% of its own issued and paid up capital ("Shareholders' Authorisation 2014"). However, no purchase, resale or cancellation of the Company's own shares was carried out under the Shareholders' Authorisation 2014 during the financial year ended 30 June 2015.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Chiang Sang Sem	(Group Executive Chairman cum Chief Executive Officer)
Chiang Fong Yee	(Alternate Director to Chiang Sang Sem)
Datuk Chiang Heng Kieng	(Group Managing Director)
Chiang Sang Bon	(Group Executive Director)
Chiang Fong Tat	(Group Executive Director)
Dato' Sri Chiang Fong Seng	(Group Executive Director)
Chong Chin Look	(Group Finance Director)
Datuk Ng Peng Hong @ Ng Peng Hay	(Senior Independent Non-Executive Director)
Dato' Shahbudin Bin Imam Mohamad	(Independent Non-Executive Director)
Chong Sai Sin	(Independent Non-Executive Director)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2015, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	Number of ordinary shares of RM0.50 each			Number of ordinary shares of RM0.25 each		
	Balance as at 1.7.2014	Balance after Bonus Issue	Balance after Share Split	Additions	Sold/ Transferred	Balance as at 30.6.2015
Shares in the Company						
Direct interests						
Chiang Sang Sem	2,853,600	5,707,200	11,414,400	1,050,946	(9,468,000)	**2,997,346**
Chiang Fong Yee	1,221,900	2,443,800	4,887,600	1,082,700	(1,417,500)	**4,552,800**
Chiang Sang Bon	150,000	300,000	600,000	3,100,100	(2,250,100)	**1,450,000**
Datuk Chiang Heng Kieng	-	-	-	2,691,600	(2,691,600)	**-**
Chiang Fong Tat	599,000	1,198,000	2,396,000	50,000	(376,600)	**2,069,400**
Dato' Sri Chiang Fong Seng	-	-	-	1,480,700	-	**1,480,700**
Chong Chin Look	-	-	-	100,000	(100,000)	**-**
Indirect interests						
Chiang Sang Sem	88,090,826	176,181,652	352,363,304	11,609,400	(4,450,100)	**359,522,604**
Chiang Fong Yee [(1)]	10,000	20,000	40,000	-	-	**40,000**
Chiang Sang Bon	9,000	18,000	36,000	2,000,000	-	**2,036,000**
Datuk Chiang Heng Kieng	44,000	88,000	176,000	-	-	**176,000**
Chiang Fong Tat	25,000	50,000	100,000	-	-	**100,000**
Chong Chin Look	-	-	-	100,000	(100,000)	**-**

[(1)] Chiang Fong Yee's indirect interest in the Company only comprises of 40,000 ordinary shares of RM0.25 each held by his spouse. He is not to be regarded to have any indirect interest in the shares of the Company under Section 6A(4) and (5) of the Malaysian Companies Act, 1965 (2014: 27,770,300).

	Number of ordinary shares of SGD1.00 each			
	Balance as at 1.7.2014	Additions	Sold/ Transferred	Balance as at 30.6.2015
Shares in a subsidiary				
Jeco (Pte) Limited				
Indirect interests				
Dato' Sri Chiang Fong Seng	50,000	-	-	**50,000**

By virtue of their interests in the ordinary shares of the Company, Chiang Sang Sem is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have derived by virtue of the remuneration received and receivable by certain Directors from the related corporations in their capacity as directors of those related corporations and those transactions entered into in the ordinary course of business with companies in which certain Directors of the Company and subsidiaries have substantial interests as disclosed in Note 33 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (cont'd)

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events subsequent to the end of the reporting period are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

....

Chiang Sang Sem
Group Executive Chairman
cum Chief Executive Officer

....

Datuk Chiang Heng Kieng
Group Managing Director

Kuala Lumpur
12 October 2015

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 94 to 195 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 40 to the financial statements on page 196 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

....	....
Chiang Sang Sem	**Datuk Chiang Heng Kieng**
Group Executive Chairman	Group Managing Director
cum Chief Executive Officer	

Kuala Lumpur
12 October 2015

STATUTORY DECLARATION

I, Chong Chin Look, being the Group Finance Director primarily responsible for the financial management of Bonia Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 94 to 196 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur this)
12 October 2015)

Chong Chin Look

Before me:

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

To the members of Bonia Corporation Berhad

Report on the Financial Statements

We have audited the financial statements of Bonia Corporation Berhad, which comprise statements of financial position as at 30 June 2015 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 94 to 195.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 10 to the financial statements.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 40 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF : 0206
Chartered Accountants

Law Kian Huat
2855/06/16 (J)
Chartered Accountant

Kuala Lumpur
12 October 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**183,329**	113,999	**14,319**	14,844
Investment properties	8	**38,044**	98,793	**-**	-
Intangible assets	9	**69,006**	68,568	**-**	-
Investments in subsidiaries	10	**-**	-	**149,390**	149,390
Interests in associates	11	**97**	658	**-**	-
Other investments	12	**1,137**	1,099	**-**	-
Deferred tax assets	13	**3,430**	2,713	**-**	-
Other receivables	15	**-**	-	**-**	-
		295,043	285,830	**163,709**	164,234
Current assets					
Inventories	14	**153,523**	144,620	**-**	-
Trade and other receivables	15	**133,867**	112,265	**75,594**	60,216
Current tax assets		**3,658**	749	**-**	-
Cash and bank balances	16	**78,775**	69,624	**1,110**	11,772
		369,823	327,258	**76,704**	71,988
TOTAL ASSETS		**664,866**	613,088	**240,413**	236,222

		Group		Company	
		2015	**2014**	**2015**	**2014**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	17	**201,572**	100,786	**201,572**	100,786
Reserves	18	**185,944**	245,700	**9,156**	107,188
		387,516	346,486	**210,728**	207,974
Non-controlling interests	10(e)	**16,789**	14,134	**-**	-
TOTAL EQUITY		**404,305**	360,620	**210,728**	207,974
LIABILITIES					
Non-current liabilities					
Borrowings	19	**100,088**	103,738	**9,749**	12,321
Other payables	23	**4,893**	5,125	**4,893**	5,125
Provision for restoration costs	22	**1,963**	1,465	**-**	-
Deferred tax liabilities	13	**7,322**	6,666	**8**	8
		114,266	116,994	**14,650**	17,454
Current liabilities					
Trade and other payables	23	**98,452**	85,967	**12,402**	8,181
Borrowings	19	**42,998**	41,765	**2,572**	2,569
Provision for restoration costs	22	**447**	286	**-**	-
Current tax liabilities		**4,398**	7,456	**61**	44
		146,295	135,474	**15,035**	10,794
TOTAL LIABILITIES		**260,561**	252,468	**29,685**	28,248
TOTAL EQUITY AND LIABILITIES		**664,866**	613,088	**240,413**	236,222

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	26	**695,329**	691,608	**18,222**	79,084
Cost of sales	27	**(284,520)**	(269,333)	**-**	-
Gross profit		**410,809**	422,275	**18,222**	79,084
Other operating income		**11,573**	7,548	**2,363**	868
Selling and distribution expenses		**(216,675)**	(204,944)	**-**	-
General and administrative expenses		**(122,354)**	(131,253)	**(8,773)**	(24,816)
Finance costs		**(10,438)**	(8,085)	**(1,410)**	(1,731)
Share of losses of associates, net of tax	11	**(209)**	(1)	**-**	-
Profit before tax	28	**72,706**	85,540	**10,402**	53,405
Tax expense	29	**(21,910)**	(24,950)	**(281)**	(271)
Profit for the financial year		**50,796**	60,590	**10,121**	53,134
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	29	**3,814**	906	**-**	-
Total other comprehensive income, net of tax	29	**3,814**	906	**-**	-
Total comprehensive income		**54,610**	61,496	**10,121**	53,134
Profit attributable to:					
Owners of the parent		**45,324**	55,123	**10,121**	53,134
Non-controlling interests	10(e)	**5,472**	5,467	**-**	-
		50,796	60,590	**10,121**	53,134
Total comprehensive income attributable to:					
Owners of the parent		**48,397**	55,956	**10,121**	53,134
Non-controlling interests		**6,213**	5,540	**-**	-
		54,610	61,496	**10,121**	53,134
Earnings per ordinary share attributable to equity holders of the Company (sen)					
Basic and diluted:	30	**5.62**	6.84		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2015

Group	Note	Share capital RM'000	Share premium RM'000	Available-for-sale reserve RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Non-distributable				→	Distributable			
Balance as at 1 July 2013		100,786	476	(12)	(161)	-	201,294	302,383	13,120	315,503
Profit for the financial year		-	-	-	-	-	55,123	55,123	5,467	60,590
Foreign currency translations, net of tax		-	-	-	833	-	-	833	73	906
Total comprehensive income		-	-	-	833	-	55,123	55,956	5,540	61,496
Transactions with owners										
Repurchase of own shares	18(c)	-	-	-	-	(1,706)	-	(1,706)	-	(1,706)
Dividends paid	31	-	-	-	-	-	(10,079)	(10,079)	-	(10,079)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(4,784)	(4,784)
Disposal of a subsidiary	34	-	-	-	-	-	-	-	524	524
Change of equity interest in a subsidiary	10(d)(iii)	-	-	-	-	-	(68)	(68)	(266)	(334)
Total transactions with owners		-	-	-	-	(1,706)	(10,147)	(11,853)	(4,526)	(16,379)
Balance as at 30 June 2014		100,786	476	(12)	672	(1,706)	246,270	346,486	14,134	360,620

Group	Note	Non-distributable					Distributable			
		Share capital RM'000	Share premium RM'000	Available-for-sale reserve RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 July 2014		100,786	476	(12)	672	(1,706)	246,270	346,486	14,134	360,620
Profit for the financial year		-	-	-	-	-	45,324	45,324	5,472	50,796
Foreign currency translations, net of tax		-	-	-	3,073	-	-	3,073	741	3,814
Total comprehensive income		-	-	-	3,073	-	45,324	48,397	6,213	54,610
Transactions with owners										
Resale of treasury shares	18(c)	-	1,006	-	-	1,706	-	2,712	-	2,712
Bonus Issue	17	100,786	(1,482)	-	-	-	(99,304)	-	-	-
Dividends paid	31	-	-	-	-	-	(10,079)	(10,079)	-	(10,079)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(3,558)	(3,558)
Total transactions with owners		100,786	(476)	-	-	1,706	(109,383)	(7,367)	(3,558)	(10,925)
Balance as at 30 June 2015		**201,572**	**-**	**(12)**	**3,745**	**-**	**182,211**	**387,516**	**16,789**	**404,305**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2015

	Note	← Non-distributable		→	Distributable	
		Share capital	Share premium	Treasury shares	Retained earnings	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000
Company						
Balance as at 1 July 2013		100,786	476	-	65,363	166,625
Profit for the financial year		-	-	-	53,134	53,134
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	53,134	53,134
Transactions with owners						
Repurchase of own shares	18(c)	-	-	(1,706)	-	(1,706)
Dividends paid	31	-	-	-	(10,079)	(10,079)
Total transactions with owners		-	-	(1,706)	(10,079)	(11,785)
Balance as at 30 June 2014		100,786	476	(1,706)	108,418	207,974
Profit for the financial year		-	-	-	10,121	10,121
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	10,121	10,121
Transactions with owners						
Resale of treasury shares	18(c)	-	1,006	1,706	-	2,712
Bonus Issue	17	100,786	(1,482)	-	(99,304)	-
Dividends paid	31	-	-	-	(10,079)	(10,079)
Total transactions with owners		100,786	(476)	1,706	(109,383)	(7,367)
Balance as at 30 June 2015		**201,572**	**-**	**-**	**9,156**	**210,728**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**72,706**	85,540	**10,402**	53,405
Adjustments for:					
Accretion of non-current other payable		**569**	778	**569**	778
Amortisation of trademarks	9	**512**	1,313	**-**	-
Bad debts written off		**8**	15	**-**	-
Depreciation of property, plant and equipment	7	**21,905**	20,425	**536**	602
Dividend income	26	**-**	-	**(16,043)**	(76,905)
Fair value adjustments on investment properties	8	**(666)**	(87)	**-**	-
Gain on disposals of property, plant and equipment		**(644)**	(582)	**(219)**	(63)
Impairment losses on:					
- amounts owing by associates	15	**1,556**	2,367	**3**	2
- amounts owing by subsidiaries	15	**-**	-	**632**	11,777
- interests in associates	11	**352**	-	**-**	-
Interest expense		**6,490**	3,972	**818**	928
Interest income		**(1,029)**	(954)	**(557)**	(463)
Inventories written off	14	**440**	63	**-**	-
Net loss on disposal of a subsidiary	34	**-**	560	**-**	-
Property, plant and equipment written off	7	**386**	171	**-**	-
Reversal of impairment losses on amounts owing by subsidiaries	15	**-**	-	**(1,540)**	(314)
Share of losses of associates	11	**209**	1	**-**	-
Unrealised (gain)/loss on foreign exchange, net		**(619)**	(85)	**1,070**	13
Unwinding of discount on provision for restoration costs	22	**104**	89	**-**	-
Waiver of advances to a former subsidiary		**-**	-	**-**	3,505
Operating profit/(loss) before changes in working capital		**102,279**	113,586	**(4,329)**	(6,735)
Changes in working capital:					
Inventories		**(9,343)**	(34,403)	**-**	-
Trade and other receivables		**(21,731)**	(7,494)	**-**	-
Trade and other payables		**9,922**	8,685	**(3,721)**	(287)
Cash generated from/(used in) operations		**81,127**	80,374	**(8,050)**	(7,022)
Tax paid		**(29,842)**	(28,943)	**(264)**	(258)
Tax refunded		**1,222**	1,452	**-**	-
Net cash from/(used in) operating activities		**52,507**	52,883	**(8,314)**	(7,280)

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of additional new shares in subsidiaries	10	**-**	-	**-**	(3,500)
Acquisition of additional equity interest in a subsidiary	10(d)(iii)	**-**	(334)	**-**	-
Acquisitions of associates	11	**-**	(657)	**-**	-
Advances to subsidiaries		**-**	-	**(14,470)**	(30,278)
Dividend received	26	**-**	-	**16,043**	76,905
(Replacements)/Withdrawal of deposits pledged to licensed banks		**(5)**	467	**-**	-
Interest received		**1,029**	954	**557**	463
Loan/advances to associates		**(1,160)**	(1,986)	**(3)**	(2)
Net cash outflow from disposal of a subsidiary	34	**-**	(377)	**-**	-
Purchase of property, plant and equipment	7(a)	**(19,807)**	(28,586)	**(11)**	(25)
Purchase of trademarks	9	**(50)**	(3,232)	**-**	-
Purchase of investment properties	8(c)	**(1,083)**	(7,547)	**-**	-
Proceeds from disposal of other investments		**-**	81	**-**	-
Proceeds from disposals of property, plant and equipment		**1,236**	1,268	**219**	63
Advances from/(Repayments to) subsidiaries		**-**	-	**6,071**	(20,730)
Net cash (used in)/from investing activities		**(19,840)**	(39,949)	**8,406**	22,896
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		**(6,490)**	(3,972)	**(818)**	(928)
Dividends paid to owners of the parent	31	**(10,079)**	(10,079)	**(10,079)**	(10,079)
Dividends paid to non-controlling interests		**(3,558)**	(4,784)	**-**	-
Repayments of term loans		**(8,422)**	(7,843)	**(2,500)**	(2,500)
Repayments of hire purchase and lease creditors		**(1,139)**	(862)	**(69)**	(65)
Resale/(Repurchase) of own shares	18(c)	**2,712**	(1,706)	**2,712**	(1,706)
Net financing of trust receipts		**2,435**	4,734	**-**	-
Net (repayments)/drawdowns of bankers' acceptances		**(5,692)**	6,444	**-**	-
Net cash used in financing activities		**(30,233)**	(18,068)	**(10,754)**	(15,278)
Net increase/(decrease) in cash and cash equivalents		**2,434**	(5,134)	**(10,662)**	338
Effects of exchange rate changes on cash and cash equivalents		**3,004**	(238)	**-**	-
Cash and cash equivalents at beginning of financial year		**66,241**	71,613	**11,772**	11,434
Cash and cash equivalents at end of financial year	16(d)	**71,679**	66,241	**1,110**	11,772

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Bonia Corporation Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company has been changed from No. 62, Jalan Kilang Midah, Taman Midah, Cheras, 56000 Kuala Lumpur to Level 6, Ikon Connaught, Lot 160, Jalan Cerdas, Taman Connaught, Cheras, 56000 Kuala Lumpur.

The consolidated financial statements for the financial year ended 30 June 2015 comprise the Company and its subsidiaries and the interests of the Group in associates. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 12 October 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company. The principal activities of the subsidiaries are set out in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 94 to 195 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act, 1965 in Malaysia.

However, Note 40 to the financial statements set out on page 196 has been 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;

(b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;

(b) Rights arising from other contractual agreements; and

(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation (cont'd)

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(a) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(b) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.3 Business combinations (cont'd)

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.8(a) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land and properties under construction, are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Freehold land has unlimited useful life and is not depreciated. Properties under construction are not depreciated until such time when the asset is available for use. Leasehold land is depreciated over the leasehold period from seventy-one (71) to ninety-six (96) years.

Properties under construction represent buildings under extension work or construction and are stated at cost.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation rates are as follows:

Buildings	2%
Electrical installations	10% - 15%
Furniture, fittings and counter fixtures	10% - $33^1/_3$%
Motor vehicles	20%
Office equipment	10% - 50%
Plant and machinery	15% - 20%
Renovation	10% - $33^1/_3$%

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.9 to the financial statements on impairment of non-financial assets).

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.4 Property, plant and equipment and depreciation (cont'd)

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.5 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight line basis over the lease term.

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.6 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

The fair value of investment properties reflect among other things, rental income from current leases and other assumptions that market participants would use when pricing investment properties under current market conditions.

Fair values of investment properties are based on valuations by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

4.7 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.7 Investments (cont'd)

(b) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.8 Intangible assets

(a) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the share of the net fair value of net assets of the associates' identifiable assets and liabilities by the Group at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group in the period in which the investment is acquired.

(b) Other intangible assets

Other intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset could be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other operating expenses line item.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.8 Intangible assets (cont'd)

(b) Other intangible assets (cont'd)

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Intangible assets with indefinite useful lives are tested for impairment annually and wherever there is an indication that the carrying amount may be impaired. Such intangible assets are not amortised. Their useful lives are reviewed at the end of each reporting period to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Expenditure on an intangible item that are initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

Trademarks

Acquired trademarks have finite useful lives and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks over their estimated useful lives of seven (7) to thirty-five (35) years. Cost of renewing trademarks is recognised in profit or loss as incurred.

4.9 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries and associates), inventories, deferred tax assets and investment properties measured at fair value, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segments*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.9 Impairment of non-financial assets (cont'd)

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of consumables and raw materials comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Financial instruments (cont'd)

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Financial instruments (cont'd)

(c) Equity (cont'd)

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Companies Act,1965 in Malaysia.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

4.12 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Impairment of financial assets (cont'd)

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

Impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

4.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.14 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by foreign subsidiaries and associates on distributions to the Group and Company, and real property gains taxes payable on disposal of properties.

Taxes in the statement of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.14 Income taxes (cont'd)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.15 Provisions (cont'd)

Provision for restoration costs

Provision for restoration costs is included in the carrying amounts of property, plant and equipment. This provision is recognised in respect of the obligation of the Group to restore leased outlets to its original state upon the expiry of tenancy agreements.

4.16 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.17 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.18 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operations

Financial statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of each reporting period.

4.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group does not have continuing managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.19 Revenue recognition (cont'd)

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(d) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(e) Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

4.20 Operating segments

Operating segments are defined as components of the Group that:

(a) engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group (i.e. the Chief Executive Officer of the Group) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.20 Operating segments (cont'd)

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.21 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.22 Fair value measurements

The fair value of an asset or a liability, except for lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments and Interpretation of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year.

Title	Effective Date
Amendments to MFRS 10 *Consolidated Financial Statements: Investment Entities*	1 January 2014
Amendments to MFRS 12 *Disclosure of Interest in Other Entities: Investment Entities*	1 January 2014
Amendments to MFRS 127 *Separate Financial Statements (2011): Investment Entities*	1 January 2014
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
IC Interpretation 21 *Levies*	1 January 2014
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to MFRSs *Annual Improvements 2010 - 2012 Cycle*	1 July 2014
Amendments to MFRSs *Annual Improvements 2011 - 2013 Cycle*	1 July 2014

There is no material impact upon the adoption of these Amendments and Interpretation during the financial year.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company.

Title	Effective Date
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to MFRS 101 *Disclosure Initiative*	1 January 2016
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements to 2012 - 2014 Cycle*	1 January 2016
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018

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

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

(a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(b) Classification of leasehold land

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.

(c) Contingent rental

The Group has entered into tenancy agreements for the lease of boutiques, which contain contingent rental features based on predetermined revenue thresholds. The Group has determined that these contingent rental features are not embedded derivatives to be separately accounted for due to the economic characteristics and risks of these contingent rental features are closely related to the economic characteristics and risks of the underlying tenancy agreements. There are no leverage features contained within these contingent rental features.

(d) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of business.

(e) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(f) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates that the useful lives of these property, plant and equipment as disclosed in Note 4.4 to the financial statements. These are common life expectancies applied in the industry which the Group operates. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

(b) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 9(a) to the financial statements.

(c) Impairment of trademarks

The Group determines whether trademarks are impaired at least on an annual basis. This requires an estimation of the value-in-use of the trademarks. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from royalty income and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 9(b) to the financial statements.

(d) Taxation

(i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the losses and capital allowances could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

(ii) Income taxes

Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes would be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on an assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses fashion pattern, current economic trends and changes in customer preference when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

6.3 Key sources of estimation uncertainty (cont'd)

(f) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(g) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 37 to the financial statements.

(h) Provision for restoration costs

The Group estimates provision for restoration costs based on historical costs incurred per square feet of sales area. The estimated provision for restoration costs are reviewed periodically and are updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs.

(i) Impairment of investments in subsidiaries and impairment of amounts owing by subsidiaries

Management reviews the investments in subsidiaries for impairment when there is an indication of impairment and assess the impairment of amounts owing by subsidiaries when the receivables are long outstanding. The recoverable amounts of the investments in subsidiaries and amounts owing by subsidiaries are assessed by reference to the fair value of the underlying assets.

(j) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group engages several professional valuers to perform valuations on various assets as disclosed separately in the respective notes to the financial statements. These valuation reports would be tabled annually to the Audit Committee for approval, where applicable.

The Group measures these elements in the financial statements at fair value:
(i) Investment properties, Note 8 to the financial statements; and
(ii) Financial instruments, Note 36 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2014 RM'000	Additions RM'000	Transfer from investment properties (Note 8) RM'000	Reclassifi-cations RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Translation adjustments RM'000	Balance as at 30.6.2015 RM'000
Carrying amount									
Freehold land	3,002	-	-	-	-	-	-	-	**3,002**
Leasehold land	3,528	-	-	-	-	-	(32)	-	**3,496**
Buildings on freehold land	31,004	6,371	66,720	19,943	-	-	(843)	432	**123,627**
Buildings on long term leasehold land	15,812	1,404	-	-	-	-	(197)	497	**17,516**
Electrical installations	467	112	-	-	-	(29)	(126)	-	**424**
Furniture, fittings and counter fixtures	22,384	10,399	-	(3)	(36)	(13)	(12,825)	(12)	**19,894**
Motor vehicles	1,042	111	-	-	-	-	(511)	32	**674**
Motor vehicles under hire purchase and lease	2,708	616	-	-	(364)	-	(855)	106	**2,211**
Office equipment	5,201	2,961	-	3	(110)	(25)	(2,297)	53	**5,786**
Plant and machinery	722	154	-	-	(82)	-	(210)	5	**589**
Renovation	8,086	1,855	-	-	-	(319)	(4,009)	397	**6,010**
Properties under construction	20,043	-	-	(19,943)	-	-	-	-	**100**
	113,999	23,983	66,720	-	(592)	(386)	(21,905)	1,510	**183,329**

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	At 30.6.2015			
Group	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Freehold land	3,002	-	-	3,002
Leasehold land	3,659	(163)	-	3,496
Buildings on freehold land	133,173	(9,270)	(276)	123,627
Buildings on long term leasehold land	22,460	(2,487)	(2,457)	17,516
Electrical installations	1,306	(882)	-	424
Furniture, fittings and counter fixtures	83,997	(64,072)	(31)	19,894
Motor vehicles	2,312	(1,638)	-	674
Motor vehicles under hire purchase and lease	8,292	(6,081)	-	2,211
Office equipment	21,969	(16,167)	(16)	5,786
Plant and machinery	3,268	(2,666)	(13)	589
Plant and machinery under hire purchase and lease	98	(98)	-	-
Renovation	21,773	(15,763)	-	6,010
Properties under construction	100	-	-	100
	305,409	(119,287)	(2,793)	183,329

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Balance as at 1.7.2013 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Disposal of a subsidiary (Note 34) RM'000	Translation adjustments RM'000	Balance as at 30.6.2014 RM'000
Carrying amount								
Freehold land	3,002	-	-	-	-	-	-	3,002
Leasehold land	916	2,653	-	-	(41)	-	-	3,528
Buildings on freehold land	31,657	-	-	-	(759)	-	106	31,004
Buildings on long term leasehold land	12,827	2,734	(236)	-	(239)	(144)	870	15,812
Electrical installations	538	221	(108)	(15)	(156)	(14)	1	467
Furniture, fittings and counter fixtures	19,293	15,553	(26)	(23)	(12,428)	(43)	58	22,384
Motor vehicles	1,820	-	(11)	-	(781)	-	14	1,042
Motor vehicles under hire purchase and lease	2,352	1,118	(57)	-	(728)	-	23	2,708
Office equipment	5,259	2,277	(126)	(49)	(2,180)	(9)	29	5,201
Plant and machinery	861	207	(89)	-	(259)	-	2	722
Renovation	3,633	7,351	(33)	(84)	(2,854)	(2)	75	8,086
Properties under construction	2,194	17,849	-	-	-	-	-	20,043
	84,352	49,963	(686)	(171)	(20,425)	(212)	1,178	113,999

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	At 30.6.2014 Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Freehold land	3,002	-	-	3,002
Leasehold land	3,659	(131)	-	3,528
Buildings on freehold land	39,700	(8,420)	(276)	31,004
Buildings on long term leasehold land	20,559	(2,290)	(2,457)	15,812
Electrical installations	1,372	(905)	-	467
Furniture, fittings and counter fixtures	77,836	(55,425)	(27)	22,384
Motor vehicles	4,132	(3,090)	-	1,042
Motor vehicles under hire purchase and lease	9,363	(6,655)	-	2,708
Office equipment	19,613	(14,398)	(14)	5,201
Plant and machinery	3,623	(2,890)	(11)	722
Plant and machinery under hire purchase and lease	98	(98)	-	-
Renovation	19,364	(11,278)	-	8,086
Properties under construction	20,043	-	-	20,043
	222,364	(105,580)	(2,785)	113,999

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Balance as at 1.7.2014 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2015 RM'000
Carrying amount						
Freehold land	2,530	-	-	-	-	**2,530**
Buildings on freehold land	11,817	-	-	-	(342)	**11,475**
Motor vehicles under hire purchase and lease	234	-	-	-	(85)	**149**
Office equipment	71	11	-	-	(30)	**52**
Renovation	192	-	-	-	(79)	**113**
	14,844	11	-	-	(536)	**14,319**

Company	At 30.6.2015 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	**2,530**	**-**	**2,530**
Buildings on freehold land	**17,080**	**(5,605)**	**11,475**
Electrical installations	**75**	**(75)**	**-**
Furniture, fixtures and fittings	**351**	**(351)**	**-**
Motor vehicles	**7**	**(7)**	**-**
Motor vehicles under hire purchase and lease	**1,281**	**(1,132)**	**149**
Office equipment	**338**	**(286)**	**52**
Renovation	**1,099**	**(986)**	**113**
	22,761	**(8,442)**	**14,319**

Company	Balance as at 1.7.2013 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.6.2014 RM'000
Carrying amount				
Freehold land	2,530	-	-	2,530
Buildings on freehold land	12,158	-	(341)	11,817
Motor vehicles	57	-	(57)	-
Motor vehicles under hire purchase and lease	319	-	(85)	234
Office equipment	99	11	(39)	71
Renovation	258	14	(80)	192
	15,421	25	(602)	14,844

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	At 30.6.2014 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	2,530	-	2,530
Buildings on freehold land	17,080	(5,263)	11,817
Electrical installations	75	(75)	-
Furniture, fixtures and fittings	351	(351)	-
Motor vehicles	1,151	(1,151)	-
Motor vehicles under hire purchase and lease	1,281	(1,047)	234
Office equipment	417	(346)	71
Renovation	1,099	(907)	192
	23,984	(9,140)	14,844

(a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Purchase of property, plant and equipment	**23,983**	49,963	**11**	25
Unsettled and remained as other payables	**(1,706)**	(1,397)	**-**	-
Financed by hire purchase and lease arrangements	**(526)**	(518)	**-**	-
Financed by term loans	**(1,401)**	(18,023)	**-**	-
Provision for restoration costs capitalised (Note 22)	**(543)**	(1,439)	**-**	-
Cash payments on purchase of property, plant and equipment	**19,807**	28,586	**11**	25

(b) The carrying amount of the property, plant and equipment of the Group and of the Company under hire purchase and lease arrangements at the end of the reporting period are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Motor vehicles	**2,211**	2,708	**149**	234

Details of the terms and conditions of the hire purchase and lease arrangements are disclosed in Notes 20 and 37 to the financial statements respectively.

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(c) As at the end of the reporting period, carrying amount of property, plant and equipment pledged as securities for banking facilities granted to the Group and the Company as disclosed in Note 19(a) and Note 21 to the financial statements are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Freehold land	**2,950**	2,950	**2,530**	2,530
Leasehold land	**2,809**	2,831	**-**	-
Buildings on freehold land	**113,085**	30,948	**11,475**	11,817
Buildings on long term leasehold land	**6,026**	8,268	**-**	-
Furniture, fixtures and fittings	**795**	993	**-**	-
Properties under construction	**-**	19,943	**-**	-
Others	**121**	239	**-**	-
	125,786	66,172	**14,005**	14,347

(d) As disclosed in Note 34 to the financial statements, Paris RCG Sdn. Bhd. had ceased to be a subsidiary of the Company and became a 30% owned associate of the Company at the end of the previous reporting period. As such, impairment losses of RM3,939,000 on property plant equipment of the former subsidiary had been reversed in the previous financial year.

(e) Interest expense on term loan specifically related to buildings on freehold land capitalised within additions of the Group during the financial year amounted to RM205,190 (2014: RM262,400).

(f) As at the end of the reporting period, the title deed for freehold land and buildings, leasehold land and buildings of the subsidiaries with carrying amounts of RM6,424,600 (2014: RM1,568,000) are in the process of being transferred and registered in the name of the subsidiaries.

8. INVESTMENT PROPERTIES

Group	Balance as at 1.7.2014 RM'000	Additions RM'000	Transfer to property, plant and equipment (Note 7) RM'000	Fair value adjustment RM'000	Balance as at 30.6.2015 RM'000
At fair value					
Freehold land, shoplots and clubhouse	31,210	-	-	416	**31,626**
Long term leasehold land and shoplots	6,168	-	-	250	**6,418**
	37,378	-	-	666	**38,044**
At cost					
Properties under construction	61,415	5,305	(66,720)	-	**-**
	98,793	5,305	(66,720)	666	**38,044**

8. INVESTMENT PROPERTIES (cont'd)

Group	Balance as at 1.7.2013 RM'000	Additions RM'000	Fair value adjustment RM'000	Balance as at 30.6.2014 RM'000
At fair value				
Freehold land, shoplots and clubhouse	8,515	22,608	87	31,210
Long term leasehold land and shoplots	6,168	-	-	6,168
	14,683	22,608	87	37,378
At cost				
Properties under construction	32,449	28,966	-	61,415
	47,132	51,574	87	98,793

(a) As at the end of reporting period, carrying amount of RM24,965,000 (2014: RM85,963,000) included in investment properties have been pledged as securities for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

(b) Rental income of the Group derived from the investment properties amounted to RM1,106,000 (2014: RM750,000).

(c) During the financial year, the Group made the following cash payments to purchase investment properties:

	Group 2015 RM'000	Group 2014 RM'000
Purchase of investment properties	**5,305**	51,574
Financed by term loans	**(4,222)**	(44,027)
Cash payments on purchase of investment properties	**1,083**	7,547

(d) Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group 2015 RM'000	Group 2014 RM'000
Repairs and maintenance	**13**	10
Quit rent and assessment	**42**	59

8. INVESTMENT PROPERTIES (cont'd)

(e) The fair value of investment properties of the Group are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2015				
Freehold land, shoplots and clubhouse	-	-	**31,626**	**31,626**
Long term leasehold land and shoplots	-	-	**6,418**	**6,418**
	-	-	**38,044**	**38,044**
2014				
Freehold land, shoplots and clubhouse	-	-	31,210	31,210
Long term leasehold land and shoplots	-	-	6,168	6,168
	-	-	37,378	37,378

(i) There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 30 June 2015 and 30 June 2014.

(ii) As at 30 June 2015 and 2014, the valuation of investment properties at Level 3 fair value were recommended by the Directors based on an indicative market value from the valuation exercise carried out on an open market value basis by an external and independent property valuer, Akram Real Estate Professional and Co. Sdn. Bhd., having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, and who is a member of The Institution of Surveyors Malaysia.

(iii) The other investment property at Level 3 fair value was determined by considering the aggregate of the present value of the estimated cash flows expected to be received from renting out the properties using yield rates as follows:

	Yield	
	2015 %	2014 %
Freehold land, shoplots and clubhouse	**8.1**	7.2

(iv) The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use. The investment properties of the Group are mainly used to generate rental income.

(v) In the previous financial year, the fair value of investment properties under construction amounted to RM61,415,000 could not be reliably and separately determined until the construction was completed or the fair value became reliably determinable, whichever was earlier.

(f) Interest expense on term loan specifically related to investment properties capitalised within additions of the Group during the financial year amounted to RM616,105 (2014: RM1,425,476).

(g) As at the end of the reporting period, the title deed for investment properties of the subsidiaries with carrying amounts of RM1,810,000 (2014: RM1,810,000) are in the process of being transferred and registered in the name of the subsidiaries.

9. INTANGIBLE ASSETS

Group	Balance as at 1.7.2014 RM'000	Additions RM'000	Amortisation charge for the financial year RM'000	Translation adjustment RM'000	Balance as at 30.6.2015 RM'000
Carrying amount					
Goodwill	38,359	-	-	-	**38,359**
Trademarks	30,209	50	(512)	900	**30,647**
	68,568	50	(512)	900	**69,006**

	← At 30.6.2015			→
	Cost RM'000	Accumulated amortisation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Goodwill	**44,100**	**-**	**(5,741)**	**38,359**
Trademarks	**40,816**	**(10,169)**	**-**	**30,647**
	84,916	**(10,169)**	**(5,741)**	**69,006**

Group	Balance as at 1.7.2013 RM'000	Additions RM'000	Amortisation charge for the financial year RM'000	Translation adjustment RM'000	Balance as at 30.6.2014 RM'000
Carrying amount					
Goodwill	38,359	-	-	-	38,359
Trademarks	28,108	3,232	(1,313)	182	30,209
	66,467	3,232	(1,313)	182	68,568

	← At 30.6.2014			→
	Cost RM'000	Accumulated amortisation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Goodwill	44,100	-	(5,741)	38,359
Trademarks	39,376	(9,167)	-	30,209
	83,476	(9,167)	(5,741)	68,568

9. INTANGIBLE ASSETS (cont'd)

(a) Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from the business combination. The carrying amount of goodwill of RM38,359,000 had been allocated mainly to the retailing division as an independent CGU.

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. As the Directors are of the opinion that all the CGU are held on a long-term basis, the value-in-use would best reflect its recoverable amount. The value-in-use is determined by discounting future cash flows over a three (3) year period. The future cash flows are based on management's business plan, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each CGU.

There remains a risk that the ability to achieve management's business plan will be adversely affected due to unforeseen changes in the respective economies in which the CGUs operate and/or global economic conditions. Hence, in computing the value-in-use for each CGU, the management has applied a discount rate of 8.1% (2014: 7.2%) and growth rates of 7.0% to 13.0% (2014: 4.0% to 13.0%) per annum depending on the products, markets and business plans of the subsidiaries.

The following describes each key assumption on which the management has based its cash flow projections for the purposes of the impairment test for goodwill:

(i) The discount rate was estimated based on the weighted average cost of capital of the Group.

(ii) Growth rates used are based on historical trends of each segment taking into account industry outlook for that segment.

(iii) The profit margin applied to the projections are based on the historical profit margin trend for the individual CGU.

With regard to the assessment of value-in-use of the goodwill, the management believes that no reasonably possible change in any of the above key assumption would cause the carrying values of the CGU to materially exceed their recoverable amounts.

(b) Trademarks

Trademarks of RM30,596,000 (2014: RM30,199,000) represent the rights of using "Braun Buffel" trademark in various countries. The addition of RM3,232,000 in the previous financial year represented an extension of the existing Braun Buffel trademark in China for the period from 1 July 2034 to 30 June 2074.

The management has prepared a 19-year cash flows forecast and projections to support the carrying amounts of the trademark. The said cash flows forecast and projections are based on 19 years of projected royalty income from year 2016 to year 2034.

The following describes each key assumption on which the management has based on its cash flows projections for the purpose of impairment test for "Braun Buffel" trademark:

(i) The discount rate was estimated based on the weighted average cost of capital of the Group.

(ii) Growth rate used has been based on historical trend of royalty income received.

As at 30 June 2015, the management assessed that the recoverable amounts of trademark, based on value in use calculations, exceeded their carrying amounts and thus, no impairment is required.

With regard to the assessment of value-in-use of the trademark, the management believes that no reasonably possible change in any of the above key assumption would cause the carrying values to materially exceed its recoverable amount.

Other trademarks represent the registration cost of Bonia, Sembonia and Carlo Rino brands.

10. INVESTMENTS IN SUBSIDIARIES

	Company 2015 RM'000	Company 2014 RM'000
Unquoted shares - at cost	**153,213**	153,213
Less: Impairment losses	**(3,823)**	(3,823)
	149,390	149,390

(a) In the previous financial year, an impairment loss of RM1,450,002 was reversed due to disposal of a subsidiary, Paris RCG Sdn. Bhd. ("PRCG") as disclosed in Note 34 to the financial statements.

(b) The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Interest in equity held 2015 %	Interest in equity held 2014 %	Principal activities
Subsidiaries of Bonia Corporation Berhad				
CB Marketing Sdn. Bhd.	Malaysia	**100**	100	Designing, promoting and marketing of fashionable leather goods
CB Holdings (Malaysia) Sdn. Bhd.	Malaysia	**100**	100	Property investment and management services
Ataly Industries Sdn. Bhd.	Malaysia	**100**	100	Property investment
Luxury Parade Sdn. Bhd.	Malaysia	**100**	100	Property investment
Eclat World Sdn. Bhd.	Malaysia	**100**	100	Designing, promoting and marketing of fashionable men's footwear
CB Franchising Sdn. Bhd.	Malaysia	**100**	100	Retailing of leather goods and apparels
BCB Properties Sdn. Bhd.	Malaysia	**100**	100	Property development
Long Bow Manufacturing Sdn. Bhd.	Malaysia	**100**	100	Manufacturing and marketing of leather goods
De Marts Marketing Sdn. Bhd.	Malaysia	**100**	100	Designing, promoting and marketing of fashionable ladies' footwear
Mcore Sdn. Bhd. ("Mcore")	Malaysia	**60**	60	Marketing and distribution of fashionable leather goods
Future Classic Sdn. Bhd.	Malaysia	**100**	100	Designing, promoting and marketing of fashionable goods
Daily Frontier Sdn. Bhd. ("DFSB")	Malaysia	**100**	100	Marketing, distribution and export of fashionable goods and accessories

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(b) The details of the subsidiaries are as follows (cont'd):

Name of company	Country of incorporation	Interest in equity held 2015 %	2014 %	Principal activities
Subsidiaries of Bonia Corporation Berhad (cont'd)				
Armani Context Sdn. Bhd.	Malaysia	**100**	100	Interior design, advertising and promotion
Banyan Sutera Sdn. Bhd.	Malaysia	**100**	100	Marketing and distribution of fashionable goods
Active World Pte. Ltd. (1)	Singapore	**100**	100	Wholesaling and retailing of fashionable leather goods and apparels
Kin Sheng Group Limited (1)	Hong Kong	**100**	100	Investment holding
Dominion Directions Sdn. Bhd. ("DDSB")	Malaysia	**100**	100	Marketing and distribution of men's apparel and accessories
CRG Incorporated Sdn. Bhd. ("CRG")	Malaysia	**100**	100	Investment holding and management services
Mcolours & Design Sdn. Bhd.	Malaysia	**100**	100	Product design, research and development
Scarpa Marketing Sdn. Bhd.	Malaysia	**100**	100	Wholesaling, retailing and marketing of fashionable ladies' footwear
Alpha Footwear Sdn. Bhd.	Malaysia	**100**	100	Marketing, retailing and distribution of men's and ladies' footwear
Jeco (Pte) Limited ("Jeco") (1)	Singapore	**70**	70	Intellectual property management
Vista Assets Sdn. Bhd.	Malaysia	**100**	100	Marketing and distribution of fashionable goods
FR Gallery Sdn. Bhd.	Malaysia	**100**	100	Managing food and beverage services
LBJR Marketing Sdn. Bhd.	Malaysia	**100**	100	Marketing and distribution of fashionable goods and accessories
SBG Holdings Sdn. Bhd.	Malaysia	**100**	100	Investment holding and management services
Maha Asia Capital Sdn. Bhd. ("MAC")	Malaysia	**100**	100	Property investment
Podium Retail Sdn. Bhd. ("PRSB")	Malaysia	**100**	100	Marketing and distribution of fashionable goods, accessories and beauty products

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(b) The details of the subsidiaries are as follows (cont'd):

Name of company	Country of incorporation	Interest in equity held 2015 %	2014 %	Principal activities
Subsidiaries of DDSB				
VR Directions Sdn. Bhd. ("VRD")	Malaysia	**75**	75	Marketing and distribution of men's apparels and accessories, and ladies' apparels
SB Directions Sdn. Bhd.	Malaysia	**100**	100	Marketing and distribution of fashionable accessories
Galaxy Hallmark Sdn. Bhd.	Malaysia	**100**	100	Marketing and distribution of men's apparels and accessories
New Series Sdn. Bhd. ("NSSB")	Malaysia	**90**	90	Marketing and distribution of men's apparels
Subsidiary of Banyan Sutera Sdn. Bhd.				
PT Banyan Cemerlang (2)	Indonesia	**100**	100	Wholesaling of fashionable goods and accessories
Subsidiaries of CRG Incorporated Sdn. Bhd.				
CR Boutique Sdn. Bhd.	Malaysia	**100**	100	Retailing of leather goods and apparels
CRF Marketing Sdn. Bhd.	Malaysia	**100**	100	Designing, promoting and marketing of fashionable ladies' footwear
CRL Marketing Sdn. Bhd.	Malaysia	**100**	100	Designing, promoting and marketing of fashionable leather goods
CRI Sdn. Bhd.	Malaysia	**100**	100	Manufacturing and marketing of fashionable goods
CRV Sdn. Bhd.	Malaysia	**100**	100	Marketing and distribution of fashionable goods and accessories
CRG Viet Nam Company Limited ("CRGV") (2)	Vietnam	**99**	-	Real estate activities with own or leased property
Subsidiaries of SBG Holdings Sdn. Bhd.				
SBL Marketing Sdn. Bhd.	Malaysia	**100**	100	Designing, promoting and marketing of fashionable leather goods

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(b) The details of the subsidiaries are as follows (cont'd):

Name of company	Country of incorporation	Interest in equity held 2015 %	Interest in equity held 2014 %	Principal activities
Subsidiaries of SBG Holdings Sdn. Bhd. (cont'd)				
SBFW Marketing Sdn. Bhd.	Malaysia	**100**	100	Designing, promoting and marketing of fashionable ladies' footwear
SB Boutique Sdn. Bhd.	Malaysia	**100**	100	Retailing of leather goods and apparels
SB International Sdn. Bhd.	Malaysia	**100**	100	Marketing and distribution of fashionable goods and accessories
SBA Marketing Sdn. Bhd.	Malaysia	**100**	100	Marketing and distribution of fashionable goods and accessories
SBM Marketing Sdn. Bhd.	Malaysia	**100**	100	Designing, promoting and marketing of fashionable men's footwear
Subsidiary of BCB Properties Sdn. Bhd.				
Apex Marble Sdn. Bhd. ("AMSB")	Malaysia	**60**	60	Marketing and distribution of fashionable goods
Subsidiary of Daily Frontier Sdn. Bhd.				
Daily Frontier (Vietnam) Company Limited (1)	Vietnam	**100**	100	Wholesaling, retailing, importing and exporting of fashionable products, accessories and cosmetics
Bonia Italia Srl ("BIS") (3)	Italy	**100**	-	In voluntary liquidation
Subsidiaries of Active World Pte. Ltd.				
Jetbest Enterprise Pte. Ltd. (1)	Singapore	**100**	100	Wholesaling, retailing, importing and exporting of leather goods and accessories
SCRL Pte. Ltd. (1)	Singapore	**100**	100	Wholesaling, retailing and marketing of fashionable footwear, carrywear and accessories
SBLS Pte. Ltd. (1)	Singapore	**100**	100	Wholesaling, retailing and marketing of fashionable footwear, carrywear and accessories

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(b) The details of the subsidiaries are as follows (cont'd):

Name of company	Country of incorporation	Interest in equity held 2015 %	2014 %	Principal activities
Subsidiaries of Active World Pte. Ltd. (cont'd)				
Active Franchise Pte. Ltd. (1)	Singapore	**100**	100	General wholesale trade including general importers and exporters
Active Footwear Pte. Ltd. (1)	Singapore	**100**	100	Marketing, retailing and distribution of fashionable footwear
Bruno Magli South East Asia Pte. Ltd. (2)	Singapore	**70**	70	Wholesaling, retailing and marketing of leather goods, footwear, and accessories
PT Active World (2)	Indonesia	**100**	100	Investment holding
Subsidiaries of Kin Sheng Group Limited				
Guangzhou Jia Li Bao Leather Fashion Co. Ltd. (2)	China	**100**	100	Dormant
Guangzhou Bonia Fashions Co. Ltd. ("GBF") (4)	China	**-**	100	Dissolved
Kin Sheng International Trading Co. Limited (1)	Hong Kong	**100**	100	General trading and marketing of fashionable goods
Subsidiaries of Jeco (Pte) Limited				
Lianbee-Jeco Pte. Ltd. (1)	Singapore	**100**	100	Retailing, importing and exporting leather goods and general merchandise
Lianbee-Jeco (M) Sdn. Bhd.	Malaysia	**100**	100	Trading in leather products

(1) Subsidiaries audited by BDO Member Firms.
(2) Subsidiaries not audited by BDO.
(3) This subsidiary is a wholly-owned subsidiary of Daily Frontier Sdn. Bhd. and went into voluntary liquidation during the financial year.
(4) Audited financial statements is not available as the subsidiary has been dissolved during the financial year.

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(c) During the financial year:

(i) CRG, a wholly owned subsidiary of the Company, had received the Enterprise Registration Certificate of Limited Liability Company With More Than One Member ("Certificate") from the Department of Planning and Investment of Ho Chi Minh City, Vietnam certifying its acquisition of a total of 99% of the contributed capital of CRGV from FHG Company Limited and Le Quang Dung Hanh ("Acquisition") as follows:

(i) VND5,880,000,000 representing 98% of the contributed capital in CRGV for a purchase consideration of VND5,880,000,000 from FHG Company Limited; and

(ii) VND60,000,000 representing 1% of the contributed capital in CRGV for a purchase consideration of VND60,000,000 from Le Quang Fung Hanh.

With the Acquisition, CRGV became a 99% owned subsidiary of CRG. The remaining 1% equity interest is held by FHG Company Limited, a local Vietnamese company distributing goods under the brand name of "Carlo Rino" in Vietnam.

CRGV was incorporated in Vietnam with a charter capital of VND6,000,000,000 The intended business activity of CRGV is to carry on real estate activities with own or leased property. There was no material effect to the Group arising from the acquisition of CRGV.

(ii) DFSB, a wholly owned subsidiary of the Company, had received the electronic archives of the Italian Register of Companies confirming its acquisition of 100% of the quota capital of Bonia Italia Srl ("BIS") amounting to EUR2,500 from Mr. De Franceschi Gaetano and Mr. Matons Augusto Francisco, for an aggregate consideration of EUR1.00 ("Acquisition").

Consequent to the Acquisition, BIS became a wholly-owned subsidiary of DFSB. BIS was incorporated in Italy with a nominal quota capital of EUR10,000 and is intended to engage in product development, marketing, promotion and design.

In April 2015, BIS had resolved on its voluntary liquidation pursuant to the Italian Civil Code. The voluntary liquidation is still in process and is not expected to have any material effect on the earnings or net assets of the Group for the financial year ended 30 June 2015.

(iii) The dissolution of an indirect wholly owned subsidiary of the Company, namely GBF was completed. Prior to the dissolution, GBF was a wholly-owned subsidiary company of Kin Sheng Group Limited, which in turn was a direct wholly owned subsidiary of the Company. There was no material financial effect to the Group arising from the dissolution of GBF.

(d) In the previous financial year:

(i) the Company had acquired two (2) ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up share capital of MAC at a total cash consideration of RM2. MAC was incorporated on 7 October 2013 and has an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares have been issued and fully paid-up.

(ii) the Company had incorporated a wholly owned subsidiary, PRSB in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which four (4) ordinary shares have been issued and fully paid-up.

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) In the previous financial year (cont'd):

(iii) DDSB, a wholly owned subsidiary of the Company, further acquired 75,000 ordinary shares of RM1.00 each representing 15% equity interest in NSSB from Mr. Boonnamsap, for a total consideration of RM334,000 ("Acquisition"). The Acquisition has resulted an increase of DDSB's equity interest in NSSB from 75% to 90%. Consequently, the difference between cost of acquisition of the additional equity interest and its proportionate share of the book value of net assets at the transaction date of RM68,000 had been adjusted directly to equity as transaction with owners.

The following summarised the effect of changes in the Group's ownership interest in NSSB on the equity attributable to owners of the Company:

	RM'000
Consideration for acquisition of non-controlling interest	334
Decrease in equity attributable to non-controlling interest	(266)
Decrease in equity attributable to owners of the Company	68

(iv) the Company further subscribed 500,000 new ordinary shares of RM1.00 each at par in Scarpa Marketing Sdn. Bhd..

(v) the Company further subscribed 500,000 new ordinary shares of RM1.00 each at par in Alpha Footwear Sdn. Bhd..

(vi) the Company further subscribed 2,000,010 new ordinary shares of RM1.00 each at par in LBJR Marketing Sdn. Bhd..

(vii) the Company took up 499,998 new ordinary shares of RM1.00 each at par in MAC by way of capitalising part of the outstanding owing by MAC to the Company.

(viii) CRG, a wholly owned subsidiary of the Company, further subscribed 2,000,002 new ordinary shares of RM1.00 each at par in CRI Sdn. Bhd..

(ix) On 5 June 2014, the new investors of Paris RCG Sdn. Bhd. ("PRCG"), a 58% owned subsidiary of the Company, had injected a total additional capital of RM1,499,998 in cash to PRCG via a subscription of shares exercise to enlarge the issued and paid-up capital of PRCG to RM4,000,000 with the objective to re-position PRCG on a stronger financial footing ("Subscription of shares").

On 6 June 2014, the Company had disposed of partial of its shareholdings in PRCG equivalent to 250,002 ordinary shares to the new investors for a cash consideration of RM3 ("Disposal of shares").

Following the Subscription of shares and Disposal of shares above, the equity interest held by the Company in PRCG had diluted from 58% to 30%. Accordingly, PRCG ceased to be a subsidiary and became a 30% owned associate of the Company as at the end of the previous reporting period.

Further details are disclosed in Note 34 to the financial statements.

There were no material financial effects to the Group and the Company arising from the incorporation and acquisitions of these subsidiaries.

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(e) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	Mcore	VRD	NSSB	AMSB	Jeco	Other individual immaterial subsidiaries	Total
2015							
NCI percentage of ownership interest and voting interest	**40%**	**25%**	**10%**	**40%**	**30%**	**-**	**-**
Carrying amount of NCI (RM'000)	**(38)**	**2,293**	**208**	**(96)**	**14,422**	**-**	**16,789**
(Loss)/Profit allocated to NCI (RM'000)	**(33)**	**(35)**	**12**	**(3)**	**5,531**	**-**	**5,472**
2014							
NCI percentage of ownership interest and voting interest	40%	25%	10%	40%	30%	-	-
Carrying amount of NCI (RM'000)	(5)	2,353	196	(93)	11,683	-	14,134
(Loss)/Profit allocated to NCI (RM'000)	(5)	161	91	(4)	5,748	(524)	5,467

The NCI of all other subsidiaries that are not wholly owned by the Group are deemed to be immaterial.

(f) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

2015	Mcore RM'000	VRD RM'000	NSSB RM'000	AMSB RM'000	Jeco RM'000
Assets and liabilities					
Non-current assets	**-**	**1,421**	**285**	**-**	**17,047**
Current assets	**14**	**13,374**	**2,081**	**2**	**57,442**
Non-current liabilities	**-**	**(121)**	**-**	**-**	**(3,096)**
Current liabilities	**(819)**	**(5,474)**	**(281)**	**(1,281)**	**(41,013)**
Net (liabilities)/assets	**(805)**	**9,200**	**2,085**	**(1,279)**	**30,380**
Results					
Revenue	**-**	**22,846**	**4,513**	**-**	**139,777**
(Loss)/Profit for the financial year	**(83)**	**(140)**	**124**	**(9)**	**18,436**
Total comprehensive (loss)/income	**(83)**	**(140)**	**124**	**(9)**	**17,374**
Cash flows (used in)/from operating activities	**(82)**	**(1,635)**	**223**	**-**	**25,101**
Cash flows used in investing activities	**-**	**(609)**	**(115)**	**(9)**	**(106)**
Cash flows from/(used in) financing activities	**20**	**995**	**(193)**	**8**	**(15,387)**
Net (decrease)/increase in cash and cash equivalents	**(62)**	**(1,249)**	**(85)**	**(1)**	**9,608**
Dividends paid to NCI	**-**	**25**	**-**	**-**	**3,533**

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

(f) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows (cont'd):

2014	Mcore RM'000	VRD RM'000	NSSB RM'000	AMSB RM'000	Jeco RM'000
Assets and liabilities					
Non-current assets	-	1,144	322	-	17,334
Current assets	76	11,398	2,219	1	50,064
Non-current liabilities	-	(30)	-	-	(3,962)
Current liabilities	(799)	(3,072)	(580)	(1,271)	(41,605)
Net (liabilities)/assets	(723)	9,440	1,961	(1,270)	21,831
Results					
Revenue	-	22,681	5,067	-	137,547
(Loss)/Profit for the financial year	(14)	643	478	(9)	19,161
Total comprehensive (loss)/income	(14)	643	478	(9)	18,682
Cash flows (used in)/from operating activities	(10)	533	102	(9)	17,303
Cash flows used in investing activities	-	(667)	(58)	-	(8,762)
Cash flows (used in)/from financing activities	(95)	(1,111)	298	8	(14,995)
Net (decrease)/increase in cash and cash equivalents	(105)	(1,245)	342	(1)	(6,454)
Dividends paid to NCI	-	188	-	-	4,596

11. INTERESTS IN ASSOCIATES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Unquoted equity shares, at cost	**4,894**	4,894	**-**	-
Share of post acquisition losses, net of dividends received	**(211)**	(2)	**-**	-
Loan to an associate [(1)]	**4,855**	4,855	**-**	-
	9,538	9,747	**-**	-
Less: Impairment losses	**(9,441)**	(9,089)	**-**	-
	97	658	**-**	-

[(1)] In the previous financial years, the Group provided a loan to an associate (refer to Note 15(a) to the financial statements) of which the fair value at initial recognition based on prevailing market interest rate was lower than its transaction price. The difference between the transaction price and the fair value of the loan to an associate was recognised as part of the interests in the associates of the Group.

11. INTERESTS IN ASSOCIATES (cont'd)

The details of the associates are as follows:

Name of company	Country of incorporation	Interest in equity held by the Group 2015 %	Interest in equity held by the Group 2014 %	Financial year end	Principal activities
Makabumi Sdn. Bhd.	Malaysia	**40**	40	30 June	Dormant
Serene Glow Sdn. Bhd. ("SGSB")	Malaysia	**33**	33	30 September	Property investment and development
Paris RCG Sdn. Bhd.	Malaysia	**30**	30	30 June	Managing food and beverage business
Braun Verwaltungs-GmbH	Germany	**34**	34	31 December	Marketing and distribution of fashionable leather goods
Braun GmbH & Co. KG ("BBKG")	Germany	**34**	34	31 December	Marketing and distribution of fashionable leather goods

All the above associates are accounted for using the equity method in the consolidated financial statements.

The financial statements of the above associates are not coterminous with those of the Group, except for Makabumi Sdn. Bhd. and PRCG. In applying the equity method of accounting, the management accounts of the associates for the financial year ended 30 June 2015 have been used as the financial results of the associates are insignificant to the Group.

(a) In the previous financial year, BCB Properties Sdn. Bhd. ("BCBP"), a wholly owned subsidiary of the Company, further subscribed 656,700 new ordinary shares of RM1.00 each at par in SGSB. BCBP's shareholding in SGSB remains at 33% of the enlarged issued and paid-up share capital of SGSB.

(b) The summarised financial information of the associates are as follows:

2015	SGSB RM'000	Braun Verwaltungs -GmbH and Braun GmbH & Co. KG RM'000	PRCG RM'000	Other individually immaterial associates RM'000	Total RM'000
Assets and liabilities					
Current assets	**2,577**	**13,564**	**1,191**	**1**	**17,333**
Non-current assets	**-**	**5,993**	**1,725**	**-**	**7,718**
Total assets	**2,577**	**19,557**	**2,916**	**1**	**25,051**

11. INTERESTS IN ASSOCIATES (cont'd)

(b) The summarised financial information of the associates are as follows (cont'd):

2015	SGSB RM'000	Braun Verwaltungs -GmbH and Braun GmbH & Co. KG RM'000	PRCG RM'000	Other individually immaterial associates RM'000	Total RM'000
Liabilities					
Current liabilities	**1,642**	**18,496**	**1,058**	**205**	**21,401**
Non-current liabilities	**-**	**17,765**	**-**	**-**	**17,765**
Total liabilities	**1,642**	**36,261**	**1,058**	**205**	**39,166**
Results					
Revenue	**-**	**27,913**	**7,587**	**-**	**35,500**
(Loss)/Profit for the financial year	**(1,057)**	**(4,794)**	**470**	**(2)**	**(5,383)**

2014	SGSB RM'000	Braun Verwaltungs -GmbH and Braun GmbH & Co. KG RM'000	PRCG RM'000	Other individually immaterial associates RM'000	Total RM'000
Assets and liabilities					
Current assets	2,403	16,095	1,186	-	19,684
Non-current assets	-	6,788	252	-	7,040
Total assets	2,403	22,883	1,438	-	26,724
Liabilities					
Current liabilities	411	15,257	51	202	15,921
Non-current liabilities	-	19,889	-	-	19,889
Total liabilities	411	35,146	51	202	35,810
Results					
Revenue	-	30,096	1,534	-	31,630
(Loss)/Profit for the financial year	(3)	(8,864)	5,308	(2)	(3,561)

11. INTERESTS IN ASSOCIATES (cont'd)

(c) The reconciliation of net assets of the associates to the carrying amount of the investments in associates are as follows:

2015	SGSB RM'000	Braun Verwaltungs -GmbH and Braun GmbH & Co. KG RM'000	PRCG RM'000	Other individually immaterial associates RM'000	Total RM'000
Share of net assets/(liabilities) of the Group	309	(5,730)	558	(82)	(4,945)
Loan to an associate	-	4,855	-	-	4,855
Goodwill	-	7,276	-	-	7,276
Gain on dilution of interest	-	-	(461)	-	(461)
Unrecognised share of other reserves	-	(1,805)	-	-	(1,805)
Unrecognised share of losses of associates	43	6,949	-	82	7,074
	43	17,275	(461)	82	16,939
Less: Share by non-controlling interests	-	(2,456)	-	-	(2,456)
	43	14,819	(461)	82	14,483
	352	9,089	97	-	9,538
Less: Impairment losses	(352)	(9,089)	-	-	(9,441)
Carrying amount in the statement of financial position	-	-	97	-	97
Share of results of the Group					
Share of (loss)/profit of the Group	(306)	-	97	-	(209)
Share of other comprehensive income of the Group	-	-	-	-	-
Share of total comprehensive (loss)/profit of the Group	(306)	-	97	-	(209)
Other information					
Dividend received	-	-	-	-	-

11. INTERESTS IN ASSOCIATES (cont'd)

(c) The reconciliation of net assets of the associates to the carrying amount of the investments in associates are as follows (cont'd):

2014	SGSB RM'000	Braun Verwaltungs -GmbH and Braun GmbH & Co. KG RM'000	PRCG RM'000	Other individually immaterial associates RM'000	Total RM'000
Share of net assets/(liabilities) of the Group	658	(4,206)	416	(81)	(3,213)
Loan to an associate	-	4,855	-	-	4,855
Goodwill	-	7,276	-	-	7,276
Gain on dilution of interest	-	-	(461)	-	(461)
Unrecognised share of other reserves	-	(2,194)	-	-	(2,194)
Unrecognised share of losses of associates	-	5,161	45	81	5,287
	-	15,098	(416)	81	14,763
Less: Share by non-controlling interests	-	(1,803)	-	-	(1,803)
	-	13,295	(416)	81	12,960
	658	9,089	-	-	9,747
Less: Impairment losses	-	(9,089)	-	-	(9,089)
Carrying amount in the statement of financial position	658	-	-	-	658
Share of results of the Group					
Share of loss of the Group	(1)	-	-	-	(1)
Share of other comprehensive income of the Group	-	-	-	-	-
Share of total comprehensive loss of the Group	(1)	-	-	-	(1)
Other information					
Dividend received	-	-	-	-	-

(d) The unrecognised share of losses of associates amounted to RM1,787,000 (2014: RM4,520,000) in the current financial year and RM7,074,000 (2014: RM5,287,000) cumulatively. The Group has stopped recognising its share of losses since there is no further obligation in respect of those losses using the equity method of accounting.

12. OTHER INVESTMENTS

	Group 2015 RM'000	Group 2014 RM'000
Fair value		
Unquoted		
Non-current assets		
Available-for-sale financial assets		
- Club memberships	**1,137**	1,099

Information on the fair value hierarchy is disclosed in Note 36(d) to the financial statements.

13. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Balance as at 1 July 2014/2013	**3,953**	5,654	**8**	6
Currency translation differences	**144**	34	**-**	-
Recognised in profit or loss (Note 29)	**(205)**	(1,735)	**-**	2
Balance as at 30 June 2015/2014	**3,892**	3,953	**8**	8
Presented after appropriate offsetting as follows:				
Deferred tax assets, net	**(3,430)**	(2,713)	**-**	-
Deferred tax liabilities, net	**7,322**	6,666	**8**	8
	3,892	3,953	**8**	8

13. DEFERRED TAX (cont'd)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Intangible assets RM'000	Other taxable temporary differences RM'000	Offsetting RM'000	Total RM'000
At 1 July 2014	2,604	5,127	136	(1,201)	6,666
Currency translation differences	173	-	-	-	173
Recognised in profit or loss	(376)	(244)	(91)	1,194	483
At 30 June 2015	**2,401**	**4,883**	**45**	**(7)**	**7,322**
At 1 July 2013	1,747	5,371	-	166	7,284
Currency translation differences	34	-	-	-	34
Recognised in profit or loss	823	(244)	136	(1,367)	(652)
At 30 June 2014	2,604	5,127	136	(1,201)	6,666

Deferred tax assets of the Group

	Property, plant and equipment RM'000	Payables RM'000	Other deductible temporary differences RM'000	Offsetting RM'000	Total RM'000
At 1 July 2014	830	2,079	1,005	(1,201)	2,713
Currency translation differences	-	-	29	-	29
Recognised in profit or loss	636	(835)	(307)	1,194	688
At 30 June 2015	**1,466**	**1,244**	**727**	**(7)**	**3,430**
At 1 July 2013	382	365	717	166	1,630
Recognised in profit or loss	448	1,714	288	(1,367)	1,083
At 30 June 2014	830	2,079	1,005	(1,201)	2,713

13. DEFERRED TAX (cont'd)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (cont'd):

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Offsetting RM'000	Total RM'000
At 1 July 2014	16	(8)	8
Recognised in profit or loss	(1)	1	-
At 30 June 2015	**15**	**(7)**	**8**
At 1 July 2013	6	-	6
Recognised in profit or loss	10	(8)	2
At 30 June 2014	16	(8)	8

Deferred tax assets of the Company

	Other deductible temporary differences RM'000	Offsetting RM'000	Total RM'000
At 1 July 2014	8	(8)	-
Recognised in profit or loss	(1)	1	-
At 30 June 2015	**7**	**(7)**	**-**
At 1 July 2013	-	-	-
Recognised in profit or loss	8	(8)	-
At 30 June 2014	8	(8)	-

(c) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2015 RM'000	2014 RM'000
Unused tax losses	**25,435**	24,763
Unabsorbed capital allowances	**3,687**	3,349
Other taxable temporary differences	**(433)**	(275)
	28,689	27,837

13. DEFERRED TAX (cont'd)

(c) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows (cont'd):

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The deductible temporary differences do not expire under current tax legislation.

14. INVENTORIES

	Group	
	2015	**2014**
	RM'000	**RM'000**
At cost		
Raw materials	**7,930**	8,774
Work-in-progress	**1,618**	2,317
Finished goods	**143,844**	133,410
Consumables	**131**	119
	153,523	144,620

During the financial year, inventories of the Group recognised as cost of sales amounted to RM284,520,000 (2014: RM269,333,000).

The Group has written off inventories amounted to RM440,000 (2014: RM63,000), which was recognised as cost of sales during the current financial year.

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current asset				
Other receivable				
Loan to an associate	**5,065**	4,647	**-**	-
Less: Impairment losses	**(5,065)**	(4,647)	**-**	-
	-	-	**-**	-

15. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current assets				
Trade receivables				
Third parties	**93,828**	76,496	**-**	-
Associate	**67**	43	**-**	-
	93,895	76,539	**-**	-
Less: Impairment losses	**(3,233)**	(3,233)	**-**	-
	90,662	73,306	**-**	-
Other receivables and deposits				
Amounts owing by subsidiaries	**-**	-	**100,714**	86,244
Amounts owing by associates	**2,063**	1,135	**204**	201
Loan to an associate	**4,122**	3,215	**-**	-
Other receivables	**8,973**	8,984	**-**	-
Deposits	**17,747**	17,587	**9**	9
	32,905	30,921	**100,927**	86,454
Less: Impairment losses				
- subsidiaries	**-**	-	**(25,129)**	(26,037)
- associates	**(6,185)**	(4,214)	**(204)**	(201)
- deposits	**(100)**	(100)	**-**	-
	26,620	26,607	**75,594**	60,216
Loans and receivables	**117,282**	99,913	**75,594**	60,216
Prepayments	**16,585**	12,352	**-**	-
	133,867	112,265	**75,594**	60,216

(a) The loan to an associate, Braun GmbH & Co. KG, is unsecured and has a fixed term of 20 years. The loan is repayable over 20 annual instalments commencing from 2012 with a lump sum repayment upon expiry of the loan. Interest rate is fixed at 3.0% (2014: 3.0%) per annum. Its fair value at initial recognition was computed based on cash flows discounted at a market borrowing rate at 7.5% per annum as disclosed in Note 11 to the financial statements.

As at 30 June 2015, loan to the associate of RM9,187,000 (2014: RM7,862,000) and amount owing by the associate of RM1,185,000 (2014: RM798,000) were fully impaired due to the associate's deficit in total equity position.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days (2014: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(c) Non-trade amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable upon on demand in cash and cash equivalents.

15. TRADE AND OTHER RECEIVABLES (cont'd)

(d) Non-trade amounts owing by associates represent advances and payments made on behalf, which are unsecured, interest-free and payable upon on demand in cash and cash equivalents.

(e) Information on the financial risk of trade and other receivables is disclosed in Note 37 to the financial statements.

(f) The currency exposure profile of receivables (excluding prepayments) are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	**70,017**	59,954	**75,594**	60,216
Chinese Renminbi	**173**	5,447	**-**	-
Hong Kong Dollar	**4,341**	6,389	**-**	-
Singapore Dollar	**25,134**	22,198	**-**	-
U.S. Dollar	**8,693**	3,436	**-**	-
Vietnamese Dong	**3,617**	2,327	**-**	-
Indonesia Rupiah	**5,253**	60	**-**	-
Others	**54**	102	**-**	-
	117,282	99,913	**75,594**	60,216

(g) The ageing analysis of trade receivables of the Group are as follows:

	Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	**58,335**	59,729
Past due, not impaired		
1 to 30 days	**5,447**	6,382
31 to 60 days	**17,687**	5,819
61 to 90 days	**6,842**	405
More than 90 days	**2,351**	971
	32,327	13,577
Past due and impaired	**3,233**	3,233
	93,895	76,539

<u>Receivables that are neither past due nor impaired</u>

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

15. TRADE AND OTHER RECEIVABLES (cont'd)

(g) The ageing analysis of trade receivables of the Group are as follows (cont'd):

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired mainly arose from customers where the Group has healthy business relationship with, whereby the management is of the opinion that the amounts are recoverable based on past payments history.

The trade receivables of the Group that are past due but not impaired are unsecured in nature.

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of each reporting period are as follows:

	Individually impaired	
	2015	**2014**
	RM'000	**RM'000**
Trade receivables, gross	**3,233**	3,233
Less: Impairment losses	**(3,233)**	(3,233)
	-	-

(h) The reconciliation of movements in the impairment loss is as follows:

	Group		**Company**	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables				
At 1 July	**3,233**	3,247	**-**	-
Disposal of a subsidiary (Note 34)	**-**	(14)	**-**	-
At 30 June	**3,233**	3,233	**-**	-
Other receivables				
At 1 July	**8,961**	6,427	**26,238**	17,973
Charge for the financial year (Note 28)	**1,556**	2,367	**635**	11,779
Reversal of impairment loss (Note 28)	**-**	-	**(1,540)**	(314)
Written off	**-**	-	**-**	(3,200)
Exchange differences	**833**	167	**-**	-
At 30 June	**11,350**	8,961	**25,333**	26,238
	14,583	12,194	**25,333**	26,238

Trade receivables that are individually determined to be impaired at the end of each reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

16. CASH AND BANK BALANCES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	**68,757**	55,074	**1,110**	4,272
Deposits with licensed banks	**10,018**	14,550	**-**	7,500
	78,775	69,624	**1,110**	11,772

(a) Included in the deposits with licensed banks of the Group is an amount of RM818,000 (2014: RM750,000) pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 19 to the financial statements.

(b) Information on financial risks of cash and bank balances is disclosed in Note 37 to the financial statements.

(c) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	**47,161**	49,961	**1,107**	11,769
Chinese Renminbi	**758**	1,510	**-**	-
Hong Kong Dollar	**1,384**	1,360	**-**	-
Singapore Dollar	**17,063**	8,912	**-**	-
U.S. Dollar	**8,726**	6,913	**3**	3
Vietnamese Dong	**3,167**	520	**-**	-
Others	**516**	448	**-**	-
	78,775	69,624	**1,110**	11,772

(d) For the purpose of statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	**68,757**	55,074	**1,110**	4,272
Deposits with licensed banks (not more than three (3) months)	**10,018**	14,550	**-**	7,500
	78,775	69,624	**1,110**	11,772
Less: Bank overdrafts included in borrowings (Note 19)	**(6,278)**	(2,633)	**-**	-
Less: Deposits pledged to licensed banks	**(818)**	(750)	**-**	-
	71,679	66,241	**1,110**	11,772

17. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Authorised:				
Balance as at 1 July (ordinary shares of RM0.50 each)	**500,000**	**250,000**	500,000	250,000
Share Split, into RM0.25 each	**500,000**	**-**	-	-
Balance as at 30 June	**1,000,000**	**250,000**	500,000	250,000
Issued and fully paid				
Balance as at 1 July (ordinary shares of RM0.50 each)	**201,571**	**100,786**	201,571	100,786
Issued pursuant to Bonus Issue	**201,572**	**100,786**	-	-
Share Split, into RM0.25 each	**403,144**	**-**	-	-
Balance as at 30 June	**806,287**	**201,572**	201,571	100,786

During the financial year, the Company implemented a bonus issue of 201,571,850 new ordinary shares of RM0.50 each ("Bonus Shares") on the basis of one (1) new ordinary share for every one (1) then existing ordinary share held in the Company ("Bonus Issue") through the capitalisation of RM100,785,925 from the Company's share premium and retained earnings available based on its audited proforma statement of reserves as at 30 June 2013 and unaudited proforma statement of reserves as at 31 March 2014.

Concurrently, the Company implemented a share split involving a subdivision of every one (1) Bonia Shares of RM0.50 each (then existing and Bonus Shares) into two (2) ordinary shares of RM0.25 each. Pursuant to the share split, 403,143,700 ordinary shares of RM0.50 each of the Company were subdivided into 806,287,400 ordinary shares of RM0.25 each ("Share Split").

Accordingly, the authorised share capital of the Company was subdivided from RM250,000,000 comprising 500,000,000 ordinary shares of RM0.50 each to RM250,000,000 comprising 1,000,000,000 ordinary shares of RM0.25 each to facilitate the implementation of the Share Split.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company as prescribed in the Articles of Association of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

18. RESERVES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-distributable				
Share premium	-	476	-	476
Available-for-sale reserve	**(12)**	(12)	-	-
Exchange translation reserve	**3,745**	672	-	-
Treasury shares	-	(1,706)	-	(1,706)
	3,733	(570)	-	(1,230)
Distributable				
Retained earnings	**182,211**	246,270	**9,156**	108,418
	185,944	245,700	**9,156**	107,188

(a) Available-for-sale reserve

The reserve arose from gains or losses of financial assets classified as available-for-sale.

(b) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Treasury shares

In the previous financial year, the Company repurchased 507,000 of its own ordinary shares of RM0.50 each from the open market of Bursa Malaysia Securities Berhad pursuant to the Shareholders' Authorisation 2013. The total amount paid was RM1,706,787 (including transaction costs of RM7,577) at an average price of RM3.35 per ordinary share and this was presented as a component within shareholders' equity. The repurchase transactions were financed by internally generated funds. The shares repurchased were being held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965 in Malaysia with no rights to voting, dividends or participation in other distribution.

In July 2014, the 507,000 treasury shares held as at the end of the financial year 2014, were resold to the market. The total consideration received was RM2,712,151 (net of transaction costs of RM9,722) at an average price of RM5.37 per ordinary share.

No purchase, resale or cancellation of the Company's own shares was carried out under the Shareholders' Authorisation 2014 during the financial year ended 30 June 2015.

19. BORROWINGS

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Current liabilities					
Secured					
Bank overdrafts		**543**	-	**-**	-
Bankers' acceptances		**454**	1,502	**-**	-
Hire purchase and lease creditors	20	**718**	828	**72**	69
Term loans	21	**8,879**	8,097	**2,500**	2,500
		10,594	10,427	**2,572**	2,569
Unsecured					
Bank overdrafts		**5,735**	2,633	**-**	-
Bankers' acceptances		**15,414**	20,058	**-**	-
Trust receipts		**9,153**	6,718	**-**	-
Term loans	21	**2,102**	1,929	**-**	-
		32,404	31,338	**-**	-
Total		**42,998**	41,765	**2,572**	2,569
Non-current liabilities					
Secured					
Hire purchase and lease creditors	20	**694**	1,108	**62**	134
Term loans	21	**98,868**	100,219	**9,687**	12,187
		99,562	101,327	**9,749**	12,321
Unsecured					
Term loans	21	**526**	2,411	**-**	-
Total		**100,088**	103,738	**9,749**	12,321
Total borrowings					
Bank overdrafts	16(d)	**6,278**	2,633	**-**	-
Bankers' acceptances		**15,868**	21,560	**-**	-
Hire purchase and lease creditors	20	**1,412**	1,936	**134**	203
Term loans	21	**110,375**	112,656	**12,187**	14,687
Trust receipts		**9,153**	6,718	**-**	-
		143,086	145,503	**12,321**	14,890

19. BORROWINGS (cont'd)

(a) Certain bank overdrafts and bankers' acceptances of the Group are secured by the following:

(i) first fixed charges over certain freehold and long term leasehold land and buildings of the Company and its subsidiaries as disclosed in Note 7 to the financial statements; and

(ii) fixed deposits of its subsidiaries as disclosed in Note 16 to the financial statements.

(b) The currency exposure profile of borrowings are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**124,499**	128,054	**12,321**	14,890
Singapore Dollar	**14,990**	13,901	**-**	-
U.S. Dollar	**3,597**	3,548	**-**	-
	143,086	145,503	**12,321**	14,890

(c) Information on financial risks of borrowings is disclosed in Note 37 to the financial statements.

20. HIRE PURCHASE AND LEASE CREDITORS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Minimum hire purchase and lease payments:				
- not later than one (1) year	**780**	950	**76**	76
- later than one (1) year but not later than five (5) years	**740**	1,090	**63**	140
Total minimum hire purchase and lease payments	**1,520**	2,040	**139**	216
Less: Future interest charges	**(108)**	(104)	**(5)**	(13)
Present value of hire purchase and lease payments	**1,412**	1,936	**134**	203
Repayable as follows:				
Current liabilities				
- not later than one (1) year	**718**	828	**72**	69
Non-current liabilities				
- later than one (1) year but not later than five (5) years	**694**	1,108	**62**	134
	1,412	1,936	**134**	203

21. TERM LOANS

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Secured				
Term loan I is repayable as follows: - 12 equal monthly instalments of RM48,652 each commencing January 2006 - 12 equal monthly instalments of RM50,216 each commencing January 2007 - 12 equal monthly instalments of RM52,585 each commencing January 2008 - 108 equal monthly instalments of RM54,461 each commencing January 2009	**1,372**	1,908	**-**	-
Term loan II is repayable by 300 equal monthly instalments of SGD3,286 (RM9,211) each commencing January 2006	**1,474**	1,419	**-**	-
Term loan III is repayable by 180 equal monthly instalments of RM26,378 each commencing October 2009	**2,565**	2,740	**-**	-
Term loan IV is repayable as follows: - 24 equal monthly instalments of RM70,000 each commencing November 2010 - 36 equal monthly instalments of RM80,000 each commencing November 2012 - 36 equal monthly instalments of RM111,710 each commencing November 2015	**3,963**	4,646	**-**	-
Term loan V is repayable by 95 equal monthly instalments of RM208,334 each and a final instalment of RM208,270 commencing November 2011	**12,187**	14,687	**12,187**	14,687
Term loan VI is repayable as follows: - 24 monthly instalments of principal of RM80,000 plus interest each commencing October 2014 - 24 monthly instalments of principal of RM107,000 plus interest each commencing October 2016 - 11 monthly instalments of principal of RM134,000 plus interest each commencing October 2017 - Final instalment of RM1,918,000 in September 2018	**7,188**	7,612	**-**	-
Term loan VII is repayable as follows: - 240 equal monthly instalments of RM17,554 each commencing September 2011	**2,511**	2,598	**-**	-
Term loan VIII is repayable as follows: - 240 equal monthly instalments of RM64,878 each commencing November 2014	**10,154**	9,457	**-**	-

21. TERM LOANS (cont'd)

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Secured				
Term loan IX is repayable as follows: - 24 equal monthly instalments of RM70,000 each commencing October 2014 - 24 equal monthly instalments of RM93,000 each commencing October 2016 - 11 equal monthly instalments of RM116,000 each commencing October 2018 - Final instalment of RM1,683,536 in September 2019	**6,266**	6,638	**-**	-
Term loan X is repayable as follows: - 77 equal monthly instalments of RM180,000 each commencing September 2016 - Final instalment of RM15,400,000 in February 2023	**23,690**	21,906	**-**	-
Term loan XI is repayable as follows: - 5 equal monthly instalments of RM1,093 each commencing January 2014 - 91 equal monthly instalments of RM4,126 each commencing June 2014	**981**	1,191	**-**	-
Term loan XII is repayable as follows: - 240 equal monthly instalments of RM9,411 each commencing March 2014	**1,438**	1,479	**-**	-
Term loan XIII is repayable as follows: - 5 equal annually instalments of RM1,000,000 each commencing October 2016 - Final instalment of RM10,000,000 in October 2021	**15,073**	15,074	**-**	-
Term loan XIV is repayable as follows: - 240 equal monthly instalments of RM91,894 each commencing December 2014	**14,519**	13,428	**-**	-
Term loan XV is repayable as follows: - 180 monthly instalments of RM27,774 each commencing November 2013	**3,360**	3,533	**-**	-
Term loan XVI is repayable as follows: - 240 monthly instalments of RM1,688 each commencing April 2015	**262**	-	**-**	-
Term loan XVII is repayable as follows: - 240 monthly instalments of RM2,396 each commencing April 2015	**372**	-	**-**	-
Term loan XVIII is repayable as follows: - 240 monthly instalments of RM2,396 each commencing April 2015	**372**	-	**-**	-
	107,747	108,316	**12,187**	14,687

21. TERM LOANS (cont'd)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unsecured				
Term loan XIX is repayable over 48 monthly instalments of SGD62,500 (RM175,200) each commencing from November 2012	**2,628**	4,340	**-**	-
	110,375	112,656	**12,187**	14,687

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Secured				
Repayable as follows:				
Current liabilities				
- not later than one (1) year	**8,879**	8,097	**2,500**	2,500
Non-current liabilities				
- later than one (1) year but not later than five (5) years	**43,030**	40,751	**9,062**	10,000
- later than five (5) years	**55,838**	59,468	**625**	2,187
	98,868	100,219	**9,687**	12,187
	107,747	108,316	**12,187**	14,687
Unsecured				
Repayable as follows:				
Current liabilities				
- not later than one (1) year	**2,102**	1,929	**-**	-
Non-current liabilities				
- later than one (1) year but not later than five (5) years	**526**	2,411	**-**	-
	2,628	4,340	**-**	-
	110,375	112,656	**12,187**	14,687

21. TERM LOANS (cont'd)

During the financial year, all secured term loans are secured by means of legal charges over freehold land and buildings, leasehold land and buildings of the Company and its subsidiaries (Notes 7 and 8) and are guaranteed by the Company except for term loan XI, which is secured by a specific debenture over the furniture, fixtures and fittings and other assets of a subsidiary (Note 7) and is guaranteed by the Company.

In the previous financial year, term loans VI, VIII, IX, X and XIV were secured by means of legal charges over property under construction of subsidiaries (Notes 7 and 8) and were guaranteed by the Company.

As at the end of the reporting period, a total of RM5,623,000 (2014: RM62,050,000) has been drawdown in regards to term loan VI, VIII, IX, X, XIV, XV, XVI, XVII and XVIII.

22. PROVISION FOR RESTORATION COSTS

	Group	
	2015	**2014**
	RM'000	**RM'000**
Non-current		
Provision for restoration costs	**1,963**	1,465
Current		
Provision for restoration costs	**447**	286
	2,410	1,751

(a) Provision for restoration costs comprises estimates of reinstatement costs for stores upon termination of tenancy.

(b) A reconciliation of the provision for restoration costs is as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
Balance as at 1 July 2014/2013	**1,751**	222
Recognised in property, plant and equipment (Note 7)	**543**	1,439
Recognised in profit or loss	**104**	89
Translation adjustments	**12**	1
Balance as at 30 June 2015/2014	**2,410**	1,751

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current liabilities				
Other payables	**4,893**	5,125	**4,893**	5,125
Current liabilities				
Trade payables				
Third parties	**31,351**	20,701	**-**	-
Other payables, deposits and accruals				
Amounts owing to subsidiaries	**-**	-	**6,071**	-
Other payables	**17,248**	16,532	**1,960**	1,743
Deposits	**1,396**	1,482	**-**	-
Accruals	**48,457**	47,252	**4,371**	6,438
	67,101	65,266	**12,402**	8,181
	98,452	85,967	**12,402**	8,181
	103,345	91,092	**17,295**	13,306

(a) Non-current other payables of the Group and of the Company represent deferred consideration for the acquisition of a subsidiary, Jeco (Pte) Limited in the previous financial years. The amount is unsecured and interest-free. This amount is initially recognised at fair value based on method disclosed in Note 36(c)(iv) to the financial statements.

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2014: 30 to 90 days).

(c) Amounts owing to subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(d) Information on the financial risks of trade and other payables is disclosed in Note 37 to the financial statements.

(e) The currency exposure profile of payables are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	**42,590**	39,239	**10,518**	6,510
Chinese Renminbi	**1,473**	149	**-**	-
Indonesia Rupiah	**11,827**	1,049	**-**	-
Hong Kong Dollar	**597**	1,430	**-**	-
Singapore Dollar	**43,981**	46,155	**6,777**	6,796
U.S. Dollar	**884**	2,863	**-**	-
Vietnamese Dong	**1,761**	-	**-**	-
Others	**232**	207	**-**	-
	103,345	91,092	**17,295**	13,306

24. COMMITMENTS

(a) Operating lease commitments

The Group had entered into non-cancellable lease arrangements for boutiques, offices and staff housing, resulting in future rental commitments. The Group has aggregate future minimum lease commitments as at the each of the reporting period as follows:

	Group	
	2015 RM'000	2014 RM'000
Not later than one (1) year	**45,747**	44,943
Later than one (1) year but not later than five (5) years	**29,572**	45,431
	75,319	90,374

Certain lease rentals are subject to contingent rental, which are determined based on a percentage of sales generated from boutiques.

(b) Capital commitments

	Group	
	2015 RM'000	2014 RM'000
Approved and contracted for:		
Property, plant and equipment:		
- renovation for offices and warehouses	**366**	-
- properties under construction	**-**	3,058
- others	**40**	133
Investment properties under construction	**-**	3,210
	406	6,401

25. CONTINGENT LIABILITIES

Company - Unsecured

As at 30 June 2015, the Company has given corporate guarantees amounting to RM319,867,000 (2014: RM283,827,000) to financial institutions for banking facilities granted to certain subsidiaries. The amount of banking facilities utilised by certain subsidiaries as at the end of each reporting period are as follows:

	2015 RM'000	2014 RM'000
Secured borrowings	**98,598**	96,124
Unsecured borrowings	**35,692**	38,455
	134,290	134,579

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote. Accordingly, the Directors are of the view that the fair values of the above corporate guarantees for banking facilities of subsidiaries are negligible.

26. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of goods	**685,213**	682,333	**-**	-
Rental income	**1,106**	750	**2,179**	2,179
Royalty income	**9,010**	8,525	**-**	-
Dividend income from unquoted investments in subsidiaries (gross)	**-**	-	**16,043**	76,905
	695,329	691,608	**18,222**	79,084

27. COST OF SALES

	Group	
	2015 RM'000	2014 RM'000
Inventories sold	**284,520**	269,333

28. PROFIT BEFORE TAX

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging:					
Accretion of non-current other payable		**569**	778	**569**	778
Amortisation of trademarks	9	**512**	1,313	**-**	-
Auditors' remuneration:					
- Statutory					
- Auditors of the Company:					
- current year		**411**	385	**53**	48
- over provision in prior year		**(2)**	-	**-**	-
- Other auditors:					
- current year		**274**	244	**-**	-
- over provision in prior year		**-**	(8)	**-**	-
- Non statutory					
- current year		**29**	43	**15**	20
- under provision in prior year		**9**	-	**2**	-
Bad debts written off					
- trade and other receivables		**8**	15	**-**	-
Depreciation of property, plant and equipment	7	**21,905**	20,425	**536**	602
Directors' remuneration of the Company:					
- Fees					
- payable by the Company		**600**	533	**600**	533
- payable by subsidiaries		**1,654**	1,481	**-**	-
- Emoluments other than fees					
- payable by the Company		**3,792**	6,173	**3,792**	6,173
- payable by subsidiaries		**4,348**	2,625	**-**	-

28. PROFIT BEFORE TAX (cont'd)

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Profit before tax is arrived at after charging (cont'd):					
Impairment losses on:					
- interests in associates	11	**352**	-	**-**	-
- amounts owing by subsidiaries	15	**-**	-	**632**	11,777
- amounts owing by associates	15	**1,556**	2,367	**3**	2
Interest expense on:					
- bank guarantees		**15**	22	**1**	1
- bank overdrafts		**207**	238	**-**	-
- bankers' acceptances		**1,106**	795	**-**	-
- hire purchase and lease creditors		**93**	96	**7**	11
- term loans		**4,869**	2,458	**810**	916
- trust receipts		**199**	355	**-**	-
- others		**1**	8	**-**	-
Inventories written off	14	**440**	63	**-**	-
Lease of office equipment		**109**	106	**-**	-
Net loss on disposal of a subsidiary	34	**-**	560	**-**	-
Property, plant and equipment written off	7	**386**	171	**-**	-
Realised loss on foreign exchange		**656**	1,017	**104**	143
Rental commission		**1,986**	2,374	**-**	-
Rental of premises		**58,927**	54,888	**-**	-
Unrealised loss on foreign exchange		**1,189**	87	**1,070**	13
Unwinding of discount on provision for restoration costs	22	**104**	89	**-**	-
Waiver of advances to a former subsidiary		**-**	-	**-**	3,505
And crediting:					
Dividend income from unquoted investments in subsidiaries (gross)	26	**-**	-	**16,043**	76,905
Fair value adjustment on investment properties	8	**666**	87	**-**	-
Gain on disposal of property, plant and equipment		**644**	582	**219**	63
Interest income from:					
- deposits with licensed banks		**291**	172	**135**	37
- bank balances		**422**	426	**422**	426
- others		**316**	356	**-**	-
Realised gain on foreign exchange		**1,544**	482	**-**	27
Rental income		**1,309**	882	**2,179**	2,179
Reversal of impairment losses on amounts owing by subsidiaries	15	-	-	**1,540**	314
Unrealised gain on foreign exchange		**1,808**	172	**-**	-

29. TAX EXPENSE

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax expense based on profit for the financial year:				
Malaysian income tax	**16,486**	21,702	**283**	270
Foreign income tax	**5,604**	5,538	**-**	-
	22,090	27,240	**283**	270
Under/(Over) provision in prior years:				
Malaysian income tax	**240**	(320)	**(2)**	(1)
Foreign income tax	**(215)**	(235)	**-**	-
	25	(555)	**(2)**	(1)
	22,115	26,685	**281**	269
Deferred tax (Note 13)				
Relating to origination and reversal of temporary differences	**(918)**	(1,922)	**-**	(25)
Under provision in prior years	**713**	187	**-**	27
	(205)	(1,735)	**-**	2
	21,910	24,950	**281**	271

The Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated taxable profits for the fiscal year. The Malaysian income tax will reduce to 24% for year of assessment 2016, as announced in the 2015 Malaysian Budget.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax	**72,706**	85,540	**10,402**	53,405
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	**18,177**	21,385	**2,601**	13,351
Tax effects in respect of:				
Non-allowable expenses	**5,053**	5,989	**2,128**	6,220
Non-taxable income	**(865)**	(582)	**(4,446)**	(19,326)
Lower tax rates in foreign jurisdiction	**(931)**	(908)	**-**	-
Deferred tax assets not recognised	**246**	865	**-**	-
Tax incentive and allowances	**(475)**	(1,308)	**-**	-
Utilisation of previously unrecognised tax losses	**(33)**	(123)	**-**	-
	21,172	25,318	**283**	245
Under/(Over) provision of tax expense in prior years	**25**	(555)	**(2)**	(1)
Under provision of deferred tax in prior years	**713**	187	**-**	27
	21,910	24,950	**281**	271

29. TAX EXPENSE (cont'd)

Tax savings of the Group are as follows:

	Group 2015 RM'000	Group 2014 RM'000
Arising from utilisation of previously unrecognised tax losses	**33**	123

Tax on each component of other comprehensive income is as follows:

	Group Before tax RM'000	Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss			
2015			
Foreign currency translations	**3,814**	**-**	**3,814**
2014			
Foreign currency translations	906	-	906

30. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2015	Group 2014
Profit attributable to equity holders of the parent (RM'000)	**45,324**	55,123
Average number of ordinary shares in issue at the beginning of financial year ('000)	**201,571**	201,571
Effects of:		
- Treasury shares[(1)]	**-**	(182)
- Issuance of ordinary shares pursuant to Bonus Issue completed on 23 July 2014 ('000)	**201,572**	201,572
- Issuance of ordinary shares pursuant to Share Split completed on 23 July 2014 ('000)	**403,144**	403,144
Weighted average number of ordinary shares applicable to basic earnings per ordinary share ('000)	**806,287**	806,105
Basic earnings per ordinary share for profit for the financial year (sen)	**5.62**	6.84

(1) All treasury shares were resold prior to completion of Bonus Issue and Share Split exercises.

30. EARNINGS PER SHARE (cont'd)

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there is no dilutive potential ordinary shares outstanding during the financial year.

31. DIVIDENDS

	Group and Company			
	2015		2014	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
Dividends paid:				
Final single tier dividend in respect of the financial year ended 30 June 2014, paid on 22 December 2014	**1.25**	**10,079**	-	-
Final single tier dividend in respect of the financial year ended 30 June 2013, paid on 6 December 2013	**-**	**-**	5.0	10,079
	1.25	**10,079**	5.0	10,079

The Directors recommend a final single tier dividend of 5% or 1.25 sen per ordinary share of RM0.25 each, amounting to RM10,078,593 in respect of the financial year ended 30 June 2015. The aforesaid final dividend will be proposed for shareholders' approval in the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these proposed dividends. These dividends, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2016.

32. EMPLOYEE BENEFITS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Wages, salaries and bonuses	**108,591**	97,237	**3,998**	6,080
Contributions to defined contribution plan	**13,052**	11,891	**461**	693
Social security contributions	**931**	893	**-**	-
Other benefits	**17,831**	20,376	**-**	-
	140,405	130,397	**4,459**	6,773

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM21,024,000 (2014: RM20,910,000) and RM4,301,000 (2014: RM6,445,000) respectively.

33. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

Related parties other than those disclosed elsewhere in the financial statements and their relationship with the Group are as follows:

Related parties	Relationship
Cassardi International Co. Ltd.	A company in which a major shareholder of VR Directions Sdn. Bhd., a subsidiary of the Company, Boonnam Boonnamsap has substantial financial interests.
Long Bow Manufacturing (S) Pte. Ltd.	A company in which a Director, who is also a major shareholder of the Company, and a director of subsidiaries of the Company, has substantial financial interests.
Bonia International Holdings Pte. Ltd.	A company in which a Director, who is also a major shareholder of the Company has substantial financial interests.
BIH Franchising Limited	A company in which a Director, who is also a major shareholder of the Company has substantial financial interests.
Lianbee Marketing (M) Sdn. Bhd.	A company in which certain directors, who are also directors of Lianbee-Jeco (M) Sdn. Bhd. and major shareholders of Jeco (Pte) Limited, subsidiaries of the Company, have substantial financial interests.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Rental income received/receivable from subsidiaries	**-**	-	**2,179**	2,179
Gross dividends received from subsidiaries	**-**	-	**16,043**	76,905
Management fees paid/payable to a subsidiary	**-**	-	**1**	1
Agency fees paid/payable to a subsidiary	**-**	-	**7**	5
Administrative fee received/receivable from subsidiaries	**-**	-	**20**	-
Royalties paid/payable to:				
- Cassardi International Co. Ltd.	**927**	894	**-**	-
- Bonia International Holdings Pte. Ltd.	**3,166**	907	**-**	-
- BIH Franchising Limited	**-**	1,971	**-**	-
Rental expense paid/payable to:				
- Long Bow Manufacturing (S) Pte. Ltd.	**1,670**	1,392	**-**	-
- Lianbee Marketing (M) Sdn. Bhd.	**180**	230	**-**	-

The related parties transactions described above were carried out in the normal course of business on recurrent basis, have been established under negotiated and mutually agreed terms.

33. RELATED PARTIES DISCLOSURES (cont'd)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Short term employee benefits	**19,472**	19,510	**3,998**	6,080
Contributions to defined contribution plan	**1,709**	1,727	**461**	693
	21,181	21,237	**4,459**	6,773

34. DISPOSAL OF A SUBSIDIARY

On 5 June 2014, the new investors of PRCG, a then 58% owned subsidiary of the Company, had injected a total additional capital of RM1,499,998 in cash to PRCG via a subscription of shares exercise to enlarge the issued and paid-up capital of PRCG to RM4,000,000 with the objective to re-position PRCG on a stronger financial footing ("Subscription of shares").

On 6 June 2014, the Company had disposed of partial of its shareholdings in PRCG equivalent to 250,002 ordinary shares to the new investors for a cash consideration of RM3 ("Disposal of shares").

Following the Subscription of shares and Disposal of shares, the equity interest of the Company in PRCG had been diluted from 58% to 30%. Accordingly, PRCG ceased to be a subsidiary and became a 30% owned associate of the Company as at the end of the previous reporting period.

The effect of disposal of PRCG on the financial position of the Group and of the Company was analysed as follows:

	Group RM'000	**Company RM'000**
Cost of investment	-	-[1]
Property, plant and equipment	212	-
Trade and other receivables, net of impairment losses of RM14,000	169	-
Current tax assets	17	-
Cash and bank balances	377	-
Other payables	(739)	-
Net assets up to date of disposal	36	-
Add: Non-controlling interest	524	-
	560	-
Net proceeds from disposal	-[2]	-
Net loss on disposal of subsidiary	560	-

The net cash outflow from the disposal was analysed as below:

Cash and bank balances disposed of	(377)	-

[1] Cost of investment of RM1,450,002 was fully impaired since the previous financial years
[2] Represent RM3

35. OPERATING SEGMENTS

Bonia Corporation Berhad and its subsidiaries are principally engaged in designing, manufacturing, marketing, retailing, wholesaling and franchising of fashionable leather goods, accessories and apparel for the local and overseas markets, property development and investment holding.

The Group has arrived at three (3) reportable operating segments that are organised and managed separately according to the nature of products and services and specific expertise, which requires different business and marketing strategies. The reportable segments are summarised as follows:

Retailing	Designing, promoting and marketing of fashionable apparels, footwear, accessories and leather goods.
Manufacturing	Manufacturing and marketing of fashionable leather goods.
Investment and property development	Investment holding and rental and development of commercial properties.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as impairment of goodwill.

Inter-segment revenue is priced along the similar lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirement). Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

2015	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Total RM'000
Revenue				
Total revenue	694,165	24,225	54,431	772,821
Inter-segment revenue	-	(24,167)	(53,325)	(77,492)
Revenue from external customers	694,165	58	1,106	695,329
Interest income	464	5	560	1,029
Interest expense	(1,726)	(509)	(4,255)	(6,490)
Net interest expense	(1,262)	(504)	(3,695)	(5,461)
Depreciation of property, plant and equipment	(19,095)	(564)	(2,246)	(21,905)
Amortisation of trademarks	(512)	-	-	(512)
Segment profit before tax	78,925	792	12,732	92,449
Share of losses of associates	-	-	(209)	(209)
Tax expense	(20,443)	(336)	(1,131)	(21,910)

35. OPERATING SEGMENTS (cont'd)

2015	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Total RM'000
Other material non-cash items:				
- accretion of non-current other payable	-	-	(569)	(569)
- impairment losses on amounts owing by associates	(879)	-	(677)	(1,556)
- impairment losses on interests in associates	-	-	(352)	(352)
- inventories written off	(373)	(67)	-	(440)
- property, plant and equipment written off	(386)	-	-	(386)
- fair value adjustments on investment properties	-	-	666	666
- gain on disposal of property, plant and equipment	136	-	508	644
Additions to non-current assets other than financial instruments and deferred tax assets	13,514	2,102	13,722	29,338
Segment assets	403,597	33,731	220,353	657,681
Segment liabilities	123,225	10,962	114,654	248,841

2014	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Total RM'000
Revenue				
Total revenue	690,575	24,860	127,815	843,250
Inter-segment revenue	-	(24,577)	(127,065)	(151,642)
Revenue from external customers	690,575	283	750	691,608
Interest income	476	8	470	954
Interest expense	(1,830)	(452)	(1,690)	(3,972)
Net interest expense	(1,354)	(444)	(1,220)	(3,018)
Depreciation of property, plant and equipment	(18,370)	(573)	(1,482)	(20,425)
Amortisation of trademarks	(1,313)	-	-	(1,313)
Segment profit before tax	96,215	1,073	74,782	172,070
Share of loss of associates	-	-	(1)	(1)
Tax expense	(23,868)	(401)	(681)	(24,950)
Other material non-cash items:				
- accretion of non-current other payable	-	-	(778)	(778)
- impairment losses on amounts owing by associates	(2,365)	-	(2)	(2,367)
- inventories written off	-	(63)	-	(63)
- net loss on disposal of a subsidiary	-	-	(560)	(560)
- property, plant and equipment written off	(171)	-	-	(171)
- fair value adjustments on investment properties	-	-	87	87
- gain/(loss) on disposal of property, plant and equipment	458	(5)	129	582
Additions to non-current assets other than financial instruments and deferred tax assets	25,848	5,554	73,367	104,769
Segment assets	369,107	30,841	209,020	608,968
Segment liabilities	111,354	12,250	114,742	238,346

35. OPERATING SEGMENTS (cont'd)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2015 RM'000	2014 RM'000
Revenue		
Total revenue for reportable segments	**772,821**	843,250
Elimination of inter-segment revenues	**(77,492)**	(151,642)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	**695,329**	691,608
Profit for the financial year		
Total profit or loss for reportable segments	**92,449**	172,070
Elimination of inter-segment profits	**(19,743)**	(86,530)
Profit before tax	**72,706**	85,540
Tax expense	**(21,910)**	(24,950)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	**50,796**	60,590
Assets		
Total assets for reportable segments	**657,681**	608,968
Interests in associates	**97**	658
Tax assets	**7,088**	3,462
Total assets of the Group per consolidated statement of financial position	**664,866**	613,088
Liabilities		
Total liabilities for reportable segments	**248,841**	238,346
Tax liabilities	**11,720**	14,122
Total liabilities of the Group per consolidated statement of financial position	**260,561**	252,468

35. OPERATING SEGMENTS (cont'd)

Geographical information

The Group operates mainly in Malaysia and Singapore.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

The composition of each geographical segment is as follows:

(i) Malaysia : Manufacturing, designing, promoting and marketing of fashionable apparel, footwear, accessories and leather goods, and development of commercial properties.

(ii) Singapore : Designing, promoting and marketing of fashionable apparels, footwear, accessories and leather goods.

(iii) Indonesia : Marketing and distribution of fashionable goods and accessories.

(iv) Others [1] : Marketing and distribution of fashionable goods and accessories.

[1] Others represent operations in Vietnam, Hong Kong and China.

Segment assets are based on geographical location of the assets of the Group. The non-current assets do not include financial instruments, deferred tax assets and assets used primarily for corporate purposes.

	2015 RM'000	2014 RM'000
Revenue from external customers		
Malaysia	**438,998**	455,831
Singapore	**175,400**	174,109
Indonesia	**29,550**	21,772
Others	**51,381**	39,896
	695,329	691,608
Non-current assets		
Malaysia	**241,879**	232,642
Singapore	**43,121**	43,846
Indonesia	**75**	71
Others	**6,441**	5,900
	291,516	282,459

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the revenue of the Group. As such, information on major customers is not presented.

36. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2015 and 30 June 2014.

The Group monitors capital using gearing ratios, i.e. gearing ratio and net gearing ratio. Gearing ratio represents borrowing divided by total capital whereas net gearing ratio represents borrowings less cash and bank balances divided by total capital. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Borrowings	**143,086**	145,503	**12,321**	14,890
Less: Cash and bank balances	**(78,775)**	(69,624)	**(1,110)**	(11,772)
	64,311	75,879	**11,211**	3,118
Total capital	**387,516**	346,486	**210,728**	207,974
Gearing ratio [(1)]	**37%**	42%	**6%**	7%
Net gearing ratio [(2)]	**17%**	22%	**5%**	1%

[(1)] without taking cash and bank balances into consideration
[(2)] taking cash and bank balances into consideration

The Group will continue to be guided by prudent financial policies of which gearing is an important aspect.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2015.

The Group is not subject to any other externally imposed capital requirements.

(b) Financial instruments

Group 2015	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Financial assets			
Other investments	-	1,137	1,137
Trade and other receivables, net of prepayments	117,282	-	117,282
Cash and bank balances	78,775	-	78,775
	196,057	1,137	197,194

36. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Borrowings	**143,086**	**143,086**
Trade and other payables	**103,345**	**103,345**
	246,431	**246,431**

Company **2015**	Loans and receivables RM'000	Total RM'000
Financial assets		
Other receivables	**75,594**	**75,594**
Cash and bank balances	**1,110**	**1,110**
	76,704	**76,704**

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Borrowings	**12,321**	**12,321**
Other payables	**17,295**	**17,295**
	29,616	**29,616**

Group **2014**	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Financial assets			
Other investments	-	1,099	1,099
Trade and other receivables, net of prepayments	99,913	-	99,913
Cash and bank balances	69,624	-	69,624
	169,537	1,099	170,636

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Borrowings	145,503	145,503
Trade and other payables	91,092	91,092
	236,595	236,595

36. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

Company **2014**	**Loans and receivables RM'000**	**Total RM'000**
Financial assets		
Other receivables	60,216	60,216
Cash and bank balances	11,772	11,772
	71,988	71,988

	Other financial liabilities RM'000	**Total RM'000**
Financial liabilities		
Borrowings	14,890	14,890
Other payables	13,306	13,306
	28,196	28,196

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

i. Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current position of loans and borrowings are reasonable approximations of fair values due to insignificant impact of discounting.

ii. Hire purchase and lease creditors

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of each reporting period.

iii. Other investments

The fair values for club memberships are estimated based on references to current available counters party quotation of the same investment.

iv. Non-current other payables

The fair value of non-current other payables is estimated by discounting expected future cash flows. The discount rate has been estimated based on the weighted average cost of capital of the Group.

36. FINANCIAL INSTRUMENTS (cont'd)

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below.

Financial instruments	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
<u>Financial assets</u>		
Club membership	Counter party quotation	The higher the counter party quotation, the higher the fair value of the club memberships
<u>Financial liabilities</u>		
Non-current other payables	Discounted cash flows method based on weighted average cost of capital of 8.1% (2014: 7.2%)	The higher the discount rate, the lower the fair value of the non-current other payables

36. FINANCIAL INSTRUMENTS (cont'd)

(d) Fair value hierarchy (cont'd)

The following tables set out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
2015 Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Financial assets										
Available-for-sale financial assets										
- Club memberships	-	-	1,137	1,137	-	-	-	-	1,137	1,137
Financial liabilities										
Other financial liabilities										
- Hire purchase and lease creditors	-	-	-	-	-	1,376	-	1,376	1,376	1,412
- Non-current other payables	-	-	-	-	-	-	4,138	4,138	4,138	4,893
Company										
Financial liabilities										
Other financial liabilities										
- Hire purchase and lease creditors	-	-	-	-	-	130	-	130	130	134
- Non-current other payables	-	-	-	-	-	-	4,138	4,138	4,138	4,893

36. FINANCIAL INSTRUMENTS (cont'd)

(d) Fair value hierarchy (cont'd)

The following tables set out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position (cont'd).

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
2014	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total fair value**	**Carrying amount**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets										
Available-for-sale financial assets										
- Club memberships	-	-	1,099	1,099	-	-	-	-	1,099	1,099
Financial liabilities										
Other financial liabilities										
- Hire purchase and lease creditors	-	-	-	-	-	1,872	-	1,872	1,872	1,936
- Non-current other payables	-	-	-	-	-	-	5,408	5,408	5,408	5,125
Company										
Financial liabilities										
Other financial liabilities										
- Hire purchase and lease creditors	-	-	-	-	-	195	-	195	195	203
- Non-current other payables	-	-	-	-	-	-	5,408	5,408	5,408	5,125

36. FINANCIAL INSTRUMENTS (cont'd)

(e) The following table shows a reconciliation of Level 3 fair values:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Balance as at 1 July 2014/2013	**1,099**	1,168	**-**	-
Disposal	**-**	(81)	**-**	-
Translation adjustments	**38**	12	**-**	-
Balance as at 30 June 2015/2014	**1,137**	1,099	**-**	-

(f) As at the end of reporting period, increase or decrease in fair value of the financial assets would not have any impact on the post-tax profit of the Group for the year. Therefore, sensitivity analysis for Level 3 fair value measurements is not presented.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management philosophy and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major international institutions and reputable multinational organisations. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for boutique sales, where the transactions are done in cash term. The credit period is generally for a period of 30 days, extending up to 120 days for major customers. Each customer has a maximum credit limit and the Group seek to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

<u>Exposure to credit risk</u>

At the end of each reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 15 to the financial statements.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(i) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of each reporting period are as follows:

	Group			
	2015		2014	
	RM'000	% of total	RM'000	% of total
By country				
Malaysia	**55,408**	**61**	47,382	65
Singapore	**19,776**	**22**	22,255	30
Indonesia	**4,215**	**5**	-	-
Vietnam	**10,542**	**12**	2,262	3
Others	**721**	**#**	1,407	2
	90,662	**100**	73,306	100
By industry sectors				
Retailing	**90,466**	**100**	73,223	100
Manufacturing	**24**	**#**	-	-
Investment and property development	**172**	**#**	83	#
	90,662	**100**	73,306	100

Amount is less than 1%

At the end of each reporting period, there was no significant concentration of credit risk for the Company other than amounts owing by subsidiaries, net of impairment to the Company of RM75,585,000 (2014: RM60,207,000).

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 15 to the financial statements. Deposits with licensed banks that are neither past due nor impaired are placed with reputable financial institutions with no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 to the financial statements.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 30 June 2015				
Group				
Financial liabilities				
Trade and other payables	**98,810**	**5,046**	**-**	**103,856**
Borrowings	**47,323**	**57,761**	**65,126**	**170,210**
Total undiscounted financial liabilities	**146,133**	**62,807**	**65,126**	**274,066**
Company				
Financial liabilities				
Other payables	**12,760**	**5,046**	**-**	**17,806**
Borrowings	**3,555**	**10,864**	**641**	**15,060**
Total undiscounted financial liabilities	**16,315**	**15,910**	**641**	**32,866**
As at 30 June 2014				
Group				
Financial liabilities				
Trade and other payables	85,967	5,637	-	91,604
Borrowings	45,975	61,091	66,333	173,399
Total undiscounted financial liabilities	131,942	66,728	66,333	265,003
Company				
Financial liabilities				
Other payables	8,181	5,637	-	13,818
Borrowings	3,775	12,722	2,338	18,835
Total undiscounted financial liabilities	11,956	18,359	2,338	32,653

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk relates primarily to their interest-bearing borrowings on floating rates. The Group does not use derivative financial instruments to hedge this risk.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and Company if interest rates at the end of each reporting period changed by fifty (50) basis points with all other variables held constant:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit after tax				
- increase by 0.5% (2014: 0.5%)	**(497)**	(487)	**(46)**	(27)
- decrease by 0.5% (2014: 0.5%)	**497**	487	**46**	27

The sensitivity is higher in 2015 than in 2014 because of lower deposits with licensed banks during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk (cont'd)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Group									
At 30 June 2015									
Fixed rate									
Deposits with licensed banks	16								
- RM		2.92	56	-	-	-	-	-	56
- SGD		0.25	762	-	-	-	-	-	762
Hire purchase and lease creditors	20	5.01	(718)	(400)	(135)	(129)	(30)	-	(1,412)
Floating rate									
Deposits with licensed banks	16								
- RM		3.00	9,200	-	-	-	-	-	9,200
Bank overdrafts	19	7.20	(6,278)	-	-	-	-	-	(6,278)
Bankers' acceptances	19	3.96	(15,868)	-	-	-	-	-	(15,868)
Trust receipts	19	4.10	(9,153)	-	-	-	-	-	(9,153)
Term loans	21	5.12	(10,981)	(11,201)	(11,343)	(10,586)	(10,426)	(55,838)	(110,375)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk (cont'd)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (cont'd):

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Group									
At 30 June 2014									
Fixed rate									
Deposits with licensed banks	16								
- RM		3.01	54	-	-	-	-	-	54
- SGD		0.45	696	-	-	-	-	-	696
Hire purchase and lease creditors	20	4.79	(828)	(746)	(293)	(40)	(29)	-	(1,936)
Floating rate									
Deposits with licensed banks	16								
- RM		2.89	13,800	-	-	-	-	-	13,800
Bank overdrafts	19	8.44	(2,633)	-	-	-	-	-	(2,633)
Bankers' acceptances	19	4.26	(21,560)	-	-	-	-	-	(21,560)
Trust receipts	19	4.77	(6,718)	-	-	-	-	-	(6,718)
Term loans	21	5.06	(10,026)	(10,399)	(10,787)	(11,197)	(10,779)	(59,468)	(112,656)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk (cont'd)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (cont'd):

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Company									
At 30 June 2015									
Fixed rate									
Hire purchase and lease creditors	**20**	**4.48**	**(72)**	**(62)**	**-**	**-**	**-**	**-**	**(134)**
Floating rate									
Term loan	**21**	**6.07**	**(2,500)**	**(2,500)**	**(2,500)**	**(2,500)**	**(1,562)**	**(625)**	**(12,187)**
At 30 June 2014									
Fixed rate									
Hire purchase and lease creditors	20	4.48	(69)	(72)	(62)	-	-	-	(203)
Floating rate									
Deposits with licensed banks	16	2.90	7,500	-	-	-	-	-	7,500
Term loan	21	5.78	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,187)	(14,687)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Subsidiaries operating in Singapore, Hong Kong, China, Vietnam and Indonesia have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the end of each reporting period, such foreign currency balances (in Singapore Dollar and other currencies) amounted to RM31,614,000 (2014: RM19,663,000) (see Note 16(c) to the financial statements) for the Group.

The Group did not enter into any material forward foreign exchange contract in the current financial year.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group and the Company to a reasonably possible change in the Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD"), Chinese Renminbi ("RMB"), U.S. Dollar ("USD"), Vietnamese Dong ("VND") and Indonesia Rupiah ("IDR") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

		Group		Company	
		2015	**2014**	**2015**	**2014**
Profit after tax		**RM'000**	**RM'000**	**RM'000**	**RM'000**
SGD/RM	- strengthen by 3% (2014: 3%)	**-377**	-651	**-152**	-153
	- weaken by 3% (2014: 3%)	**+377**	+651	**+152**	+153
HKD/RM	- strengthen by 3% (2014: 3%)	**+115**	+142	**-**	-
	- weaken by 3% (2014: 3%)	**-115**	-142	**-**	-
RMB/RM	- strengthen by 3% (2014: 3%)	**-12**	+153	**-**	-
	- weaken by 3% (2014: 3%)	**+12**	-153	**-**	-
USD/RM	- strengthen by 3% (2014: 3%)	**+291**	+89	**-**	-
	- weaken by 3% (2014: 3%)	**-291**	-89	**-**	-
VND/RM	- strengthen by 3% (2014: 3%)	**+113**	+52	**-**	-
	- weaken by 3% (2014: 3%)	**-113**	-52	**-**	-
IDR/RM	- strengthen by 3% (2014: 3%)	**-139**	-22	**-**	-
	- weaken by 3% (2014: 3%)	**+139**	+22	**-**	-

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Investments in subsidiaries during the financial year are disclosed in Note 10 to the financial statements.

(b) Material litigation

The 60% owned subsidiaries of the Company, AMSB and Mcore had filed a civil suit on 3 August 2011 against Leong Tat Yan. AMSB and Mcore claimed against Leong Tat Yan for a sum of RM946,000 and RM2,250,000 respectively, being the proceeds of sale from the joint venture business owed by Leong Tat Yan.

Leong Tat Yan owns 40% of AMSB and he is also a controlling shareholder of 388 Venture Corporation Sdn. Bhd. which owns 40% of Mcore.

There are losses of RM5,389,000 arising from the dispute of which management had made the necessary impairment in the previous financial year. The losses includes impairment loss of trade receivables amounted to RM3,196,000 and inventories written off of RM2,193,000 (before non-controlling interest's share of loss).

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

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

(i) the Applicants be granted leave to appeal to the Federal Court against the whole of the decision of the Court of Appeal given on the 8 July 2013 in Civil Appeal No. W-02(IM)(NCVC)-797-04/2013 pursuant to Sections 96 and 97 of the Courts of Judicature Act, 1964 read with Rules 55, 107 and/or 108 of the Federal Court Rules, 1995 and/or the inherent jurisdiction of the Federal Court.

(ii) in the event that leave to appeal is granted by the Federal Court, the Applicants be granted leave to file and serve a Notice of Appeal to the Federal Court within 7 days from the date of the order pursuant to Rule 108 of the Federal Court Rules, 1995.

(iii) the costs of the application filed by the Applicants be costs in the cause.

(iv) such further or other relief of the Federal Court may deem fit.

The Applicants had filed to the Court the Notice of Appeal on 4 February 2015. The appeal is now fixed for hearing on 9 November 2015.

As the application for leave hearing has yet to be heard, the legal advisors are unable to express their opinion as to the quantum of damages receivable.

(c) Trademark dispute

The 70%-owned subsidiary of the Company and brand representative of the Braun Buffel brand in the Asia Pacific region, Jeco Pte Ltd. ("Jeco"), has been engaged in court proceedings in the People's Republic of China ("PRC") for matter pertaining to PRC Trademark No. 1992120 for Bull Device Mark. The Bull Device Mark is owned by Wise Luck International Ltd. T/A Dat Sun Trading Co ("Wise Luck"). The litigation arose out of trademark cancellation proceedings which commenced in 2008 when Jeco lodged a cancellation action against the registration of the Bull Device Mark with the Trademark Review and Adjudication Board (China) ("TRAB"). After the TRAB decision was issued (in favour of Jeco) in 2010, Wise Luck filed an appeal to the Beijing 1st Intermediate Court and succeeded in the appeal. The appeal outcome was upheld by the Beijing Higher Court in 2012. Jeco has applied for re-trial of the matter and the proceedings are currently pending in the PRC Supreme Court.

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

(c) Trademark dispute (cont'd)

No damages will have to be paid by either party to the other regardless of the outcome of the re-trial at the PRC Supreme Court. To date, Jeco has expended SGD321,000 in legal costs in relation to the litigation, and has further budgeted another SGD575,000 for the financial year as legal costs to be incurred for the re-trial.

(d) Potential dispute

Active World Pte. Ltd. ("Active World"), a wholly owned subsidiary of the Company, received a letter dated 14 April 2014 from lawyers acting for Orchard Central Pte. Ltd. ("Orchard Central"), alleging that Active World had breached the terms and conditions of lease agreements dated 3 March 2008 and 9 April 2009 entered into between Orchard Central and Active World in respect of 2 shop units located at Orchard Central, 181 Orchard Road, Singapore 238896 (collectively "Lease Agreements"). Orchard Central had in the same letter, claimed for Active World a sum of SGD964,700 (approximately RM2,490,000), together with accrued late payment interest, arising from Active World's failure/refusal to take possession of the premises at the commencement date of the Lease Agreements and make payment of the rentals and other charges due and owing under Lease Agreements.

In September 2014, the claim by Orchard Central has been settled for the total sum of SGD165,659 (approximately RM427,500). No other claims in connection with litigation have been or are expected to be received.

39. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 16 July 2015, BB Global Holdings Pte. Ltd. ("BBGH", a company incorporated in Singapore) became an indirect subsidiary of the Company via Jeco's subscription of 51% equity interest in BBGH for SGD51.

(b) On 31 August 2015, Jeco, BBKG, BBGH and Christiane Brunk ("Christiane", a director cum major shareholder of BBKG and BBGH respectively) executed a Memorandum of Understanding for putting BBGH in funds to acquire certain intellectual property rights relating to Braun Buffel brand ("IPRs"), from BBKG (collectively, "Acquisition of IPRs").

On 21 September 2015, BBGH and BBKG executed the Intellectual Property Rights Sale & Purchase Agreement together with the Novation Agreement made between BBGH, BBKG and Jeco appended therewith to confirm BBGH's Acquisition of IPRs at a purchase consideration of EUR1,877,000 by way of an assignment of the IPRs from BBKG to BBGH.

On the even date:

(i) BBGH and BBKG also entered into the Intellectual Property Rights License Agreement to grant BBKG with licenses to use certain IPRs in all countries of Europe, Turkey and countries of the former Soviet Union at a predetermined license fees;

(ii) BBGH, BBKG and Jeco signed the Cooperation Agreement for the parties to work in cooperation in relation to product development, production facilities and development of new markets of the Braun Buffel brand in the divided geographic markets across the world;

(iii) Jeco and Christiane entered into the Loan Agreements with BBGH that involved: (1) Jeco and BBGH, and (2) Christiane and BBGH (collectively, "LOA1") for the purpose of providing interest-bearing shareholders' loans to BBGH in proportion to their capital contribution of 51:49 [i.e. Jeco, SGD1,604,256: Christiane, SGD1,541,344] (Jeco's portion of loan, "Jeco Loan to BBGH") in BBGH to finance BBGH's Acquisition of IPRs;

39. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD (cont'd)

(b) On the even date (cont'd):

(iv) Jeco and Christiane also executed the Shareholders' Agreement with BBGH ("SHA") to regulate the affairs of BBGH and their relationship inter se as shareholders of BBGH. In the SHA, Jeco has agreed to grant Christiane the right to require Jeco to sell part of Jeco's shares in BBGH to Christiane to result in Christiane being the holder of 51% of the issued share capital and the voting rights in BBGH ("Option Shares") (collectively, "Option") upon the full repayment of the Jeco Loan to Christiane as mentioned below by Christiane. The Option shall lapse on the expiry of 20 years from 31 August 2015. The purchase price for the Option Shares shall be based on SGD60,000 on 31 August 2015 which shall increase by 3% per annum on 31 August of each following year, compounded annually; and

(v) Jeco and Christiane signed the Loan Agreement ("LOA2") for Jeco to provide an interest-bearing loan of SGD1,541,344 to Christiane who was in financial constrain ("Jeco Loan to Christiane"), for her to fulfil her obligations in the LOA1. Such loan shall be used solely by Christiane as a shareholders' loan to BBGH.

As detailed in the Company's announcement to Bursa Malaysia Securities Berhad dated 23 September 2015:

(i) The Jeco Loan to BBGH and Jeco Loan to Christiane are provided in accordance with Paragraph 8.23 of the Main Market Listing Requirements whereby the loans are necessary to facilitate the Acquisition of the IPRs by BBGH in which such acquisition falls under the ordinary course of business of BBGH.

(ii) The Acquisition of IPRs is not expected to have material financial effect to the Group for the financial year ending 30 June 2016. However, if Christiane is unable to fulfil her obligations under the LOA2, it may cause Jeco to suffer financial loss to the extent of the loan granted plus any interest that may have been accrued thereon.

(iii) The Acquisition of IPRs, Jeco Loan to BBGH and Jeco Loan to Christiane are deemed related party transactions that involved the interests of certain Directors of the subsidiaries and of the Company.

40. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of each reporting period may be analysed as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings of the Company and its subsidiaries				
- Realised	**220,271**	280,364	**10,234**	108,439
- Unrealised	**2,861**	1,453	**(1,078)**	(21)
Total share of accumulated losses from associates				
- Realised	**(211)**	(2)	**-**	-
	222,921	281,815	**9,156**	108,418
Less: Consolidation adjustments	**(40,710)**	(35,545)	**-**	-
Total retained earnings	**182,211**	246,270	**9,156**	108,418

LIST OF PROPERTIES

held by the Group as at 30 June 2015

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Net Book Value RM'000	Date of Acquisition
ATALY INDUSTRIES SDN BHD							
HS(D) 85704 PT No. 20501 No. 29, Jalan Budiman Taman Midah, Cheras 56000 Kuala Lumpur	2-storey Terrace House	Freehold	Hostel	33	1,540	92	21/05/1992
BONIA CORPORATION BERHAD							
GRN 50053 Lot No. 50644 No. 62, Jalan Kilang Midah Taman Midah, Cheras 56000 Kuala Lumpur	6-storey Office cum Warehouse	Freehold	Office cum Warehouse	17	24,374	14,005	01/12/1998
CB HOLDINGS (MALAYSIA) SDN BHD							
QT No. 85228 Lot No. 2794 UG-31, Upper Ground Floor Cheras Sentral Mall Batu 6, Jalan Cheras 56000 Kuala Lumpur	Shopping Complex Lot	Freehold	Vacant	21	432	-	17/05/1993
PN No. 1339 Lot No. 385 Unit 2B, 3.04 & 3.05 KOMTAR Shopping Complex 10000 Pulau Pinang	Shopping Complex Lot	Leasehold (Expiring in 2084)	Office	29	1,806	1,276	29/08/1994
PN No. 1339 Lot No. 385 Unit C2, 4.03B KOMTAR Shopping Complex 10000 Pulau Pinang	Office Lot	Leasehold (Expiring in 2092)	Store	29	1,134	238	31/12/1994
CRG INCORPORATED SDN BHD							
HS(D) No. 131905 PT No. 49975 Block C, Platinum Cheras Jalan Cheras Zen 1A, 43200, Cheras Selangor Darul Ehsan	6-storey Office Building	Freehold	Office cum Warehouse	1	41,873	21,404	14/05/2013
HS(D) No. 131905 PT No. 49975 92 Units of Parking Bay Block C, Platinum Cheras Jalan Cheras Zen 1A, 43200, Cheras Selangor Darul Ehsan	Covered Car Parks	Freehold	-	N.A.	-	1,399	28/11/2014

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Net Book Value RM'000	Date of Acquisition
CRI SDN BHD							
PN(WP) 10175, Lot No. 31574 No. 2A, Jln Orkid Desa Desa Tun Razak, Cheras 56000 Kuala Lumpur	3-storey Semi-detached Factory	Leasehold (Expiring in 2085)	Warehouse	4	11,119	4,212	19/04/2013
LONG BOW MANUFACTURING SDN BHD							
Lot No. PT 428 HS (M) 387 Lot 18, Merlimau Industrial Estate Phase II 77300 Merlimau Melaka	Industrial Land and Building	Leasehold (Expiring in 2085)	Office cum Factory	29	135,100	4,623	07/02/1989
Lot No. PT 683 HS (D) 1499 No. 1483, Jalan Jasin Tmn Bunga Muhibbah 77300 Merlimau, Melaka	Single-Storey Semi-detached House	Freehold	Hostel	23	3,199	148	12/06/1992
GRN No. 57103 Lot No. 21085 No. 60, Jalan Kilang Midah Taman Midah, Cheras 56000 Kuala Lumpur	6-storey Industrial Building	Freehold	R&D Centre cum Warehouse	7	13,713	9,479	31/01/2008
PM 454 Lot 3226 Mukim Sempang, Daerah Jasin Negeri Malaka	Industrial Land	Leasehold (Expiring in 2081)	Vacant	N.A.	85,917	786	08/02/2011
LUXURY PARADE SDN BHD							
HS(D) No. 72947 PT No. 3865 No. 3, Jalan 8/146, The Metro Centre Bandar Tasik Selatan 57000 Sungai Besi Kuala Lumpur	6-storey Shop-lot	Leasehold (Expiring in 2087)	Rented Out (Partially)	17	1,920	1,600	10/01/1995
HS(D) No. 72948 PT No. 3866 No. 5, Jalan 8/146, The Metro Centre Bandar Tasik Selatan 57000 Sungai Besi Kuala Lumpur	6-storey Shop-lot	Leasehold (Expiring in 2087)	Rented Out (Partially)	17	1,920	1,600	10/01/1995
Strata Geran 43528/M1/1/142 PT 12201-12202 Unit No. G61 The Summit Persiaran Kewajipan USJ 1, UEP-Subang Jaya 46700 Subang Jaya Selangor Darul Ehsan	Shopping Complex Lot	Freehold	Rented Out	17	1,020	1,730	16/01/1995

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Net Book Value RM'000	Date of Acquisition
HS(D) No. 182 PT SEK 4 Unit No. G0.07 Plaza Bukit Mertajam 566, Jalan Arumugam Pillai 14000 Bukit Mertajam Pulau Pinang	Shopping Complex Lot	Freehold	Rented Out	17	1,038	830	19/03/1995
PN48698, Lot 539, Seksyen 91A Unit No. 1.48, Level 3 Viva Home Shopping Mall 85, Jalan Loke Yew 55200 Kuala Lumpur	Shopping Complex Lot	Leasehold (Expiring in 2110)	Rented Out	18	1,098	988	26/05/1995
Strata Geran 61152/M1/1/2 Strata Geran 61152/M1/B1/1 The Club House Angkasa Condominium No. 5, Jalan Puncak Gading Taman Connaught, Cheras 56000 Kuala Lumpur	Club House	Freehold	Rented Out (Partially)	9	7,599	3,000	03/02/2005
Strata Geran 61152/M1/1/2 154 Units of Parking Bay Angkasa Condominium No. 5, Jalan Puncak Gading Taman Connaught, Cheras 56000 Kuala Lumpur	Condominium Covered & Uncovered Car Parks	Freehold	Rented Out (Partially)	N.A.	-	121	20/06/2008
HS(D) No. 102556 PT8200 2nd Floor, Asmah Tower Lot 18112, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	Office Lot	Freehold	Rented Out	10	7,135	2,084	25/10/2013
HS(D) No. 102556 PT8200 3rd, 4th, 5th & 6th Floor, Asmah Tower Lot 18112, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	Office Lot	Freehold	Office	10	28,540	6,212	06/01/2005
HS(D) No. 102556 PT8200 8th Floor & 9th Floor (Penthouse) Asmah Tower Lot 18112, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	Office Lot	Freehold	Office	10	14,270	3,373	11/04/2011

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Net Book Value RM'000	Date of Acquisition
HS(D) No 76874-76878 PT 92 - 96 Unit No L1-046 Plaza Rakyat Pudu, Kuala Lumpur	Shopping Complex Lot	Leasehold (Expiring in 2081)	Under Construction	N.A.	524	-	23/05/1996
PN(WP) 10228, Lot No. 31627 No. 5, Jln Orkid Desa Desa Tun Razak, Cheras 56000 Kuala Lumpur	3-storey Detached Factory	Leasehold (Expiring in 2085)	Warehouse	5	13,595	3,917	15/01/2008
Strata Geran 61148/M2/1/235, 236, 237, 238 Strata Geran 61148/M1/1/2, 3, 4, 5 A-0-1, A-0-2, A-0-7, A-0-8, B-0-5, B-0-6, B-0-7 & B-0-8 Puncak Banyan Condo Jalan 3/118B, Taman Sri Cendekia 56000 Kuala Lumpur	8 unit Shop Lots	Freehold	Rented Out (Partially)	8	6,566	2,230	13/03/2009
Geran 61154 Lot 39891 Parcel No. L6-03A, L6-05, L6-06 Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	3 unit Office Suites	Freehold	Office	1	2,163	1,485	01/10/2014
Geran 61154 Lot 39891 Parcel No. L7-01, L7-02, L7-03 L7-03A, L7-05, L7-06, L7-07 L7-08, L7-09, L7-10, L7-11 L7-12, L7-13, L7-13A, L7-15 L7-16, L7-17, Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	17 unit Office Suites	Freehold	Office	1	18,747	10,376	11/05/2011
Geran 61154 Lot 39891 Parcel No. L8-01, L8-02 L8-03, L8-03A, L8-05, L8-06 L8-07, L8-08, Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	8 unit Office Suites	Freehold	Office	1	15,347	8,936	13/06/2012
HS(D) No. 131905 PT No. 49975 Block A, Platinum Cheras Jalan Cheras Zen 1A, 43200, Cheras Selangor Darul Ehsan	6-storey Office Building	Freehold	Office cum Warehouse	1	65,574	30,716	19/10/2011

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Net Book Value RM'000	Date of Acquisition
HS(D) No. 131905 PT No. 49975 Block B, Platinum Cheras Jalan Cheras Zen 1A, 43200, Cheras Selangor Darul Ehsan	6-storey Office Building	Freehold	Office cum Warehouse	1	32,838	15,207	19/10/2011
HS(D) No. 131905 PT No. 49975 231 Units of Parking Bay Block A & B, Platinum Cheras Jalan Cheras Zen 1A 43200, Cheras Selangor Darul Ehsan	Covered Car Parks	Freehold	-	N.A.	-	3,511	21/11/2014
Geran 75761 Lot No. 1357 Seksyen 67 B-6-4, Menara Bintang Goldhill 239, Jalan Tun Razak 50400 Kuala Lumpur	Service Suite	Freehold	Hostel	5	1,492	980	08/11/2012
MAHA ASIA CAPITAL SDN BHD							
Geran 27239 Lot 457 Seksyen 67 No.10, Jalan Delima, 55100 Kuala Lumpur	Land with Single-storey Detached House	Freehold	Rented Out	N.A.	15,109	20,797	29/10/2013
ACTIVE WORLD PTE LTD							
Mukim 25 Lot No.U18781L 158, Haig Road #16-01, Haig Court Singapore 438794	Condominium	Freehold	Hostel	11	1,463	2,399	05/09/2005
PT ACTIVE WORLD							
D23 & D25, Jln Marina Raya Rukan Cordoba Pantai Indah Kapuk Jakarta Utara, Indonesia	3-storey Shop-office	Leasehold (Expiring in 2032)	Rented Out	11	4,037	2,014	27/06/2011
Unit no. 19-09, Pakuwon Center Tunjungan Plaza (City) Jalan Embong Malang, Surabaya Indonesia	Office Suite	Leasehold (Individual title not yet issued)	Under Construction	N.A.	2,777	3,256	25/09/2012
Unit B-02, Waterplace Residence Pakuwon Indah, Surabaya Indonesia	3 1/2-storey Shop-office	Leasehold (Individual title not yet issued)	Rented Out	6	2,260	761	24/10/2012

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2015

Authorised share capital	:	RM250,000,000
Issued and fully paid-up capital	:	RM201,571,850
Class of shares	:	Ordinary shares of RM0.25 each
Voting rights	:	1 vote per shareholder on a show of hands 1 vote per ordinary share held on a poll
No. of shareholders	:	4,147

DISTRIBUTION OF SHAREHOLDINGS

	No. of shareholders		No. of shares		Percentage (%) of Issued capital	
Size of shareholdings	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**
Less than 100	32	1	1,004	72	0.00	0.00
100 to 1,000	351	11	237,376	6,700	0.03	0.00
1,001 to 10,000	2,187	20	12,186,772	122,300	1.51	0.02
10,001 to 100,000	1,315	29	37,416,452	1,274,400	4.64	0.16
100,001 to less than 5% of issued shares	174	23	265,249,528	44,394,588	32.90	5.51
5% and above of issued shares	2	2	291,029,168	154,369,040	36.09	19.15
Total	4,061	86	606,120,300	200,167,100	75.17	24.83
Grand Total		4,147		806,287,400		100.00

Note: The above information is based on the Record of Depositors as at 30 September 2015 provided by Bursa Malaysia Depository Sdn Bhd and the number of holders reflected is in reference to CDS account numbers

SUBSTANTIAL SHAREHOLDERS

	Shareholdings			
Name	**Direct**	**Percentage (%) of Issued capital**	**Indirect**	**Percentage (%) of Issued capital**
Bonia Holdings Sdn Bhd	199,987,968	24.80	-	-
Freeway Team Sdn Bhd	111,041,200	13.77	-	-
Milingtonia Limited	90,189,040	11.19	-	-
Albizia Asean Opportunities Fund	64,180,000	7.96	-	-
Chiang Sang Sem	3,912,400	0.49	361,818,704 [1]	44.87

Notes:

[1] Deemed interested by virtue of: (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, the beneficiaries of which are Chiang Sang Sem and his family members), and (iii) his spouse and children's direct interest in the Company

DIRECTORS' SHAREHOLDINGS

	Shareholdings			
Name	**Direct**	**Percentage (%) of Issued capital**	**Indirect**	**Percentage (%) of Issued capital**
Chiang Sang Sem	3,912,400	0.49	361,818,704 [1]	44.87
Chiang Fong Yee (Alternate Director to Chiang Sang Sem)	4,552,800	0.56	40,000 [2]	0.00
Datuk Chiang Heng Kieng	-	-	176,000 [2]	0.02
Chiang Sang Bon	1,550,000	0.19	2,036,000 [3]	0.25
Chiang Fong Tat	2,069,400	0.26	100,000 [2]	0.01
Dato' Sri Chiang Fong Seng	1,530,400	0.19	-	-
Chong Chin Look	-	-	-	-
Datuk Ng Peng Hong @ Ng Peng Hay	-	-	-	-
Dato' Shahbudin Bin Imam Mohamad	-	-	-	-
Chong Sai Sin	-	-	-	-

Notes:
(1) Deemed interested by virtue of: (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, the beneficiaries of which are Chiang Sang Sem and his family members), and (iii) his spouse and children's direct interest in the Company
(2) Deemed interested by virtue of his spouse's direct interest in the Company
(3) Deemed interested by virtue of his spouse and children's direct interest in the Company

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shareholdings	Percentage (%) of Issued capital
1.	Bonia Holdings Sdn Bhd	179,987,968	22.32
2.	Freeway Team Sdn Bhd	111,041,200	13.77
3.	Maybank Nominees (Asing) Sdn Bhd Beneficiary: Pledged Securities Account for Milingtonia Limited	90,189,040	11.19
4.	Maybank Nominees (Asing) Sdn Bhd Beneficiary: DBS Bank for Albizia Asean Opportunities Fund	64,180,000	7.96
5.	Kontrak Kosmomaz Sdn Bhd	22,333,736	2.77
6.	Amsec Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account - Ambank (M) Berhad for Bonia Holdings Sdn Bhd	20,000,000	2.48
7.	Lembaga Tabung Haji	18,749,300	2.33
8.	HSBC Nominees (Asing) Sdn Bhd Beneficiary: Exempt An for The HongKong And Shanghai Banking Corporation Limited	17,110,000	2.12
9.	Kumpulan Wang Persaraan (Diperbadankan)	16,203,100	2.01
10.	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for RHB Kidsave Trust	15,800,000	1.96
11.	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for CIMB Islamic Dali Equity Theme Fund	14,046,000	1.74

LIST OF 30 LARGEST SHAREHOLDERS (cont'd)

No.	Name of Shareholders	No. of Shareholdings	Percentage (%) of Issued capital
12.	Amanahraya Trustees Berhad Beneficiary: Public Dividend Select Fund	10,690,700	1.33
13.	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Employees Provident Fund Board (RHB Inv)	7,900,000	0.98
14.	Citigroup Nominees (Asing) Sdn Bhd Beneficiary: Exempt An for Citibank New York (Norges Bank 9)	7,859,100	0.97
15.	Amanahraya Trustees Berhad Beneficiary: Public Islamic Opportunities Fund	7,511,200	0.93
16.	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Employees Provident Fund Board (F Templeton)	6,136,300	0.76
17.	Chiang Heng Pang	5,101,600	0.63
18.	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Kumpulan Wang Persaraan (Diperbadankan) (RHB Inv)	5,000,000	0.62
19.	CIMB Group Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB Commerce Trustee Berhad – AMB Smallcap Trust Fund	4,530,400	0.56
20.	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for RHB Smart Treasure Fund	4,320,000	0.54
21.	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for RHB Growth and Income Focus Trust	4,084,000	0.51
22.	Chiang Boon Tian	4,078,000	0.51
23.	Citigroup Nominees (Asing) Sdn Bhd Beneficiary: CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	4,050,400	0.50
24.	Chiang Sang Sem	3,631,200	0.45
25.	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for RHB Equity Trust	3,600,000	0.45
26.	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for Manulife Investment Progress Fund	3,453,800	0.43
27.	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for RHB-OSK Private Fund	3,442,400	0.43
28.	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for AMB Ethical Trust Fund	3,404,200	0.42
29.	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for CIMB-Principal Malaysia Equity Fund	3,237,700	0.40
30.	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Maybank Trustees Berhad for CIMB Islamic Balanced Growth Fund	3,022,100	0.37
	Total	664,693,444	82.44

Note: The above information is based on the Record of Depositors as at 30 September 2015 provided by Bursa Malaysia Depository Sdn Bhd and without aggregating securities from different securities accounts belonging to the same person

NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting of the Company will be held at Perdana Ballroom (First Floor), Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Wednesday, 25 November 2015 at 11.00 a.m. for the transaction of the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2015 together with the reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 1*

2. To declare a Final Dividend of 5% under single tier system in respect of the financial year ended 30 June 2015. *Ordinary Resolution 1*

3. To approve the Directors' fees of RM600,000 for the financial year ended 30 June 2015 to be divided amongst the Directors in such manner as they may determine. *Ordinary Resolution 2*

4. To re-elect the following Directors who retire pursuant to Article 77 of the Articles of Association of the Company:
   (i) Datuk Chiang Heng Kieng *Ordinary Resolution 3*
   (ii) Chong Sai Sin *Ordinary Resolution 4*

5. To re-appoint Messrs BDO having consented to act as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration. *Ordinary Resolution 5*

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications thereto:

6. **Re-appointment of Director pursuant to Section 129(6) of the Companies Act, 1965**

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Shahbudin Bin Imam Mohamad be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting." *Ordinary Resolution 6*

7. **Retention of Independent Director in accordance with the Malaysian Code Of Corporate Governance 2012**

   "THAT Datuk Ng Peng Hong @ Ng Peng Hay who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be and is hereby retained as an Independent Non-Executive Director of the Company." *Ordinary Resolution 7*

8. **Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue not more than 10% of the issued and paid-up capital (excluding treasury shares, if any) of the Company at any time, upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof, and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so allotted and issued on the Bursa Malaysia Securities Berhad." *Ordinary Resolution 8*

9. **Proposed Renewal of Shareholders' Mandate to enable Bonia Corporation Berhad to purchase up to 10% of its issued and paid-up share capital ("Proposed Share Buy-Back")**

   "THAT subject to all the applicable laws and regulations, the Directors be and are hereby authorised to purchase the ordinary shares of the Company of RM0.25 each through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed 10% of the issued and paid-up share capital of the Company; and the funds allocated for the purchase of shares shall not exceed its retained profits and/or share premium account for the time being.

   THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold and/or cancelled).

   THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company following the general meeting at which the Proposed Share Buy-Back was passed at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting after that date is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.

   AND THAT the Directors and/or any of them be and are hereby authorised to do all acts and things (including executing such documents as may be required) to give effect to the aforesaid share buy-back in the best interest of the Company." *Ordinary Resolution 9*

10. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT Mandate")**

    "THAT subject to all the applicable laws and regulations, approval be and is hereby given for the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Part B of the Company's Circular to Shareholders dated 29 October 2015, provided that such transactions are necessary for the day-to-day operations in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until the conclusion of the next annual general meeting of the Company following the general meeting at which the Proposed RRPT Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or the revocation or variation by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution." *Ordinary Resolution 10*

11. To transact any other ordinary business for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Twenty-Fourth Annual General Meeting of the Company to be held on Wednesday, 25 November 2015 at 11.00 a.m., the Final Dividend of 5% under single tier system in respect of the financial year ended 30 June 2015 will be paid on 31 December 2015 to the shareholders whose names appear in the Record of Depositors on 15 December 2015.

A Depositor shall qualify for entitlement to the dividend only in respect of:
(a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 15 December 2015 in respect of ordinary transfers; and
(b) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

CHONG CHIN LOOK (MIA 8043)
CHOK KWEE WAH (MACS 00550)
TAN KEAN WAI (MAICSA 7056310)
Company Secretaries

29 October 2015
Petaling Jaya

Notes:

1. Only a depositor whose name appears on the Record of Depositors as at 16 November 2015 shall be entitled to attend and vote at the meeting as well as for appointment of proxy(ies) to attend and vote on his stead.
2. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. A member shall not, subject to Paragraphs (5) and (6) below, be entitled to appoint more than 2 proxies to attend and vote at the same meeting. Where a member appoints more than 1 proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
5. Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of 2 proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
6. Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds. The appointment of 2 or more proxies in respect of any particular omnibus account shall be invalid unless the EAN specifies the proportion of its shareholding to be represented by each proxy.
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the Company's Registered Office at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Explanatory Notes:

1. *Item 1 of the Agenda* - This item is meant for discussion only as pursuant to Section 169(1) of the Companies Act, 1965, it does not require shareholders' approval for the Audited Financial Statements. Henceforth, this item is not put forward for voting.
2. *Items 6 & 7 of the Agenda* - The resolutions, if approved, will authorise the continuity in office of the respective Directors. An annual assessment on the effectiveness of each Director (including the independence of Independent Non-Executive Directors) has been undertaken for the financial year ended 30 June 2015 and the result was satisfactory to the Board.
3. *Item 8 of the Agenda* - The resolution, if approved, will renew the existing mandate granted by the shareholders of the Company under Section 132D of the Companies Act, 1965 at the preceding annual general meeting held on 20 November 2014, and to empower the Directors to issue up to 10% of the issued and paid-up share capital (excluding treasury shares) of the Company from time to time for such purposes as the Directors consider would be in the best interest of the Company. This is to provide flexibility and avoid any delay and cost in convening a general meeting for such issuance of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding current or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or so forth. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the existing mandate which will lapse at the conclusion of the forthcoming annual general meeting.
4. *Items 9 & 10 of the Agenda* - The details of the proposals are set out in Parts A and B of the Circular to Shareholders dated 29 October 2015, which is despatched together with the Company's Annual Report 2015.

STATEMENT ACCOMPANYING NOTICE OF 24TH ANNUAL GENERAL MEETING

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad]

Details of Individuals who are standing for election as Directors

No individual is seeking election as a Director at the forthcoming 24th AGM of the Company.

Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the MMLR

The details of the general mandate are set out in Item 3 of the Explanatory Notes of the Notice of 24th AGM dated 29 October 2015.

BONIA CORPORATION BERHAD
(223934-T)

FORM OF PROXY

I/We ____

NRIC/Passport/Company No.: ______________________ Tel No.: ______________________

CDS Account No.: ______________________ Number of Shares Held: ______________________

Address: ____

____

being a member of BONIA CORPORATION BERHAD (223934-T) hereby appoint:

1. Name of Proxy: ______________________ NRIC/Passport No.: ______________________

Address: ____

______________________ Number of Shares Represented: ______________________

2. Name of Proxy: ______________________ NRIC/Passport No.: ______________________

Address: ____

______________________ Number of Shares Represented: ______________________

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf, at the Twenty-Fourth Annual General Meeting of the Company to be held at Perdana Ballroom (First Floor), Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Wednesday, 25 November 2015 at 11.00 a.m. or at any adjournment thereof, as indicated below:-

No.	Resolutions		For	Against
1.	Ordinary Resolution 1	Declaration of Final Dividend		
2.	Ordinary Resolution 2	Approval for Directors' fees		
3.	Ordinary Resolution 3	Re-election of Datuk Chiang Heng Kieng as Director		
4.	Ordinary Resolution 4	Re-election of Chong Sai Sin as Director		
5.	Ordinary Resolution 5	Re-appointment of Messrs BDO as Auditors and to authorise the Directors to fix their remuneration		
6.	Ordinary Resolution 6	Re-appointment of Dato' Shahbudin Bin Imam Mohamad as Director		
7.	Ordinary Resolution 7	Retention of Datuk Ng Peng Hong @ Ng Peng Hay as Independent Non-Executive Director		
8.	Ordinary Resolution 8	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
9.	Ordinary Resolution 9	Proposed Renewal of Shareholders' Mandate to enable Bonia Corporation Berhad to purchase up to 10% of its issued and paid-up share capital		
10.	Ordinary Resolution 10	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature		

Please indicate with an "X" in the appropriate spaces how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Signature/Seal of the Shareholder: ______________________ Date: ______________________

Notes:
1. Only a depositor whose name appears on the Record of Depositors as at 16 November 2015 shall be entitled to attend and vote at the meeting as well as for appointment of proxy(ies) to attend and vote on his stead.
2. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. A member shall not, subject to Paragraphs (5) and (6) below, be entitled to appoint more than 2 proxies to attend and vote at the same meeting. Where a member appoints more than 1 proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
5. Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of 2 proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
6. Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds. The appointment of 2 or more proxies in respect of any particular omnibus account shall be invalid unless the EAN specifies the proportion of its shareholding to be represented by each proxy.
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the Company's Registered Office at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time for holding the meeting or any adjournment thereof.

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AFFIX STAMP

THE COMPANY SECRETARIES
BONIA CORPORATION BERHAD (223934-T)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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(223934-T)