





GROUP FINANCIAL HIGHLIGHTS







GROUP FINANCIAL HIGHLIGHTS

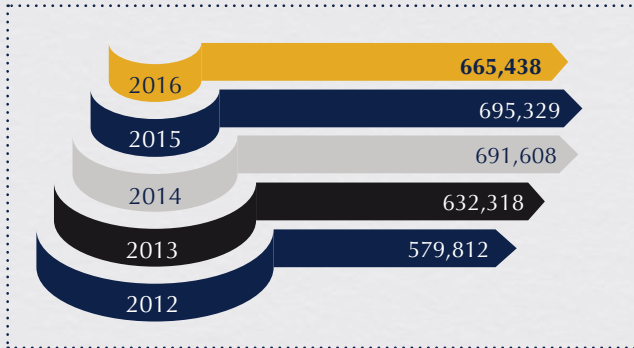
	30 June 2012	30 June 2013	30 June 2014	30 June 2015	30 June 2016
Revenue (RM'000)	579,812	632,318	691,608	695,329	665,438
Profit before tax (RM'000)	66,882	71,859	85,540	72,706	45,939
Profit after tax (RM'000)	45,557	47,568	60,590	50,796	29,998
Profit attributable to:					
- Shareholders of the parent (RM'000)	40,885	41,348	55,123	45,324	24,852
- Non-controlling interests (RM'000)	4,672	6,220	5,467	5,472	5,146
Profit before tax margin (%)	11.54	11.36	12.37	10.46	6.90
Profit after tax margin (%)	7.86	7.52	8.76	7.31	4.51
Total assets (RM'000)	423,339	492,996	613,088	664,866	709,730
Cash and bank balances (RM'000)	71,170	75,846	69,624	78,775	103,159
Total borrowings (RM'000)	53,248	80,845	145,503	143,086	154,661
Shareholders' equity (RM'000)	269,398	302,383	346,486	387,516	406,234

Adjusted for bonus issue and share split completed on 23 July 2014

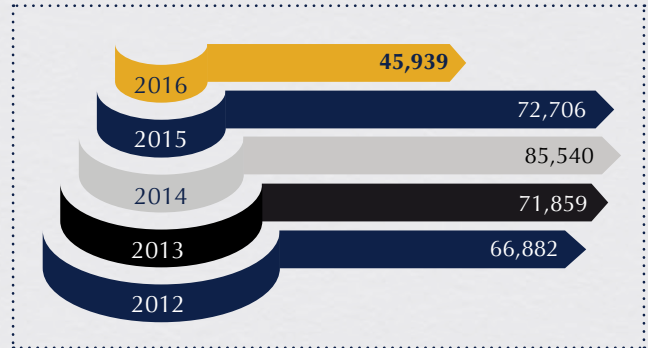
No. of ordinary shares in issue ('000)	806,287	806,287	806,287	806,287	806,287
Share price at financial year end (RM)	0.55	0.60	1.34	0.95	0.57
Net assets per share (RM)	0.33	0.38	0.43	0.48	0.50
Net basic EPS (sen)	5.07	5.13	6.84	5.62	3.08
PE ratio (times)	10.85	11.70	19.60	16.90	18.49
Gross dividend (%)	5.00	5.00	5.00	5.00	5.00

GROUP FINANCIAL HIGHLIGHTS

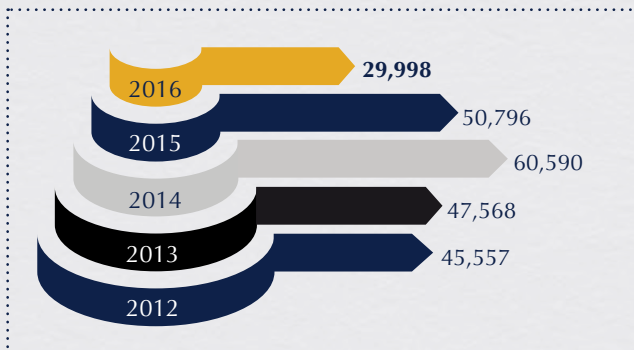
REVENUE RM'000



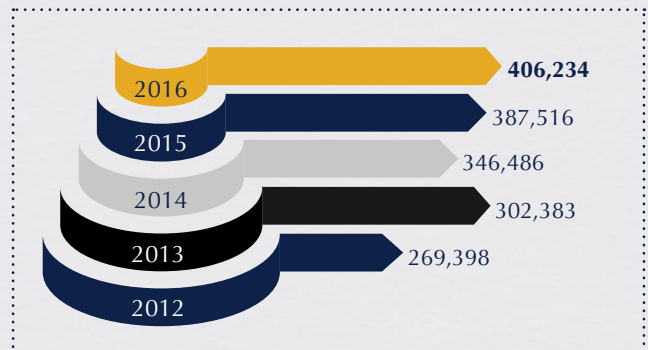
PROFIT BEFORE TAX RM'000



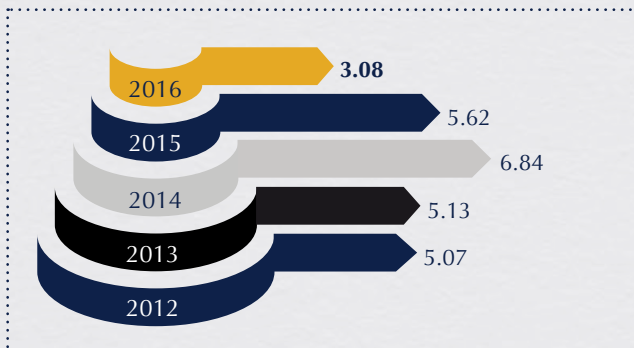
PROFIT AFTER TAX RM'000



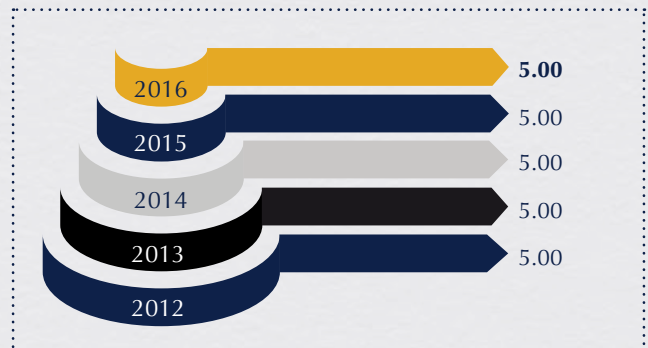
SHAREHOLDERS' EQUITY RM'000



NET BASIC EPS* SEN



GROSS DIVIDEND* %



* Adjusted for Bonus Issue and Share Split completed on 23 July 2014





CHAIRMAN'S STATEMENT







CHAIRMAN'S STATEMENT

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 2016.

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CHIANG SANG SEM
 Group Executive Chairman
 cum Chief Executive Officer



BUSINESS ENVIRONMENT

The Malaysia's economic growth rate slowed, for the fifth consecutive quarter, to 4% in the second quarter of 2016 after registering expansion of 4.2% in the first quarter this year. The second quarter of 2016 lower growth was hardly surprising, given the persistently weak external environment.

According to Bank Negara Malaysia report, despite the stronger expansion in domestic demand, growth was weighed down by the continued decline in net exports and a significant drawdown in stocks. On the supply side, growth continued to be driven by the major economic sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 0.7% (1Q 2016: 1.0%). Private sector activity remained the key driver of growth, expanding at a faster pace of 6.1% in the second quarter (1Q 2016: 4.5%).

Domestic demand grew by 6.3% in the second quarter of the year (1Q 2016: 3.6%), with private sector expenditure expanding at a stronger pace of 6.1% (1Q 2016: 4.5%).

Private consumption growth expanded by 6.3% (1Q 2016: 5.3%), supported by continued wage and employment growth, as well as the additional disposable income from Government measures. Private investment registered a higher growth of 5.6% in the second quarter (1Q 2016: 2.2%), underpinned mainly by continued capital spending in the services and manufacturing sectors, amid some improvements in business confidence. Public consumption recorded a stronger growth of 6.5% (1Q 2016: 3.8%), as a result of higher spending on supplies and services. Public investment turned around to register a positive growth of 7.5% (1Q 2016: -4.5%) driven by higher spending on fixed assets by both the Federal Government and public corporations. The wholesale and retail trade sub-sector recorded a higher growth of 6.7% (1Q 2016: 5.2%), in line with the improvement in private consumption.

Inflation, as measured by the annual change in the Consumer Price Index (CPI), declined to 1.9% in the second quarter of 2016 (1Q 2016: 3.4%) due mainly to the lapse of the impact of the Goods and Services Tax

(GST), which was implemented in April 2015. The decline in inflation was observed in all twelve CPI categories. The transport category recorded the largest decline in inflation to -6.6% in the second quarter (1Q 2016: -1.6%) due mainly to the base effect from higher domestic fuel prices in the corresponding period last year. The price of RON95 petrol averaged RM1.70 per litre in second quarter of 2016, which was lower than the average price of RM1.98 per litre recorded in second quarter of 2015.

According to the Retail Group Malaysia (RGM) report, the expected retail recovery in the second quarter of 2016 of 7.5% is not within expectation as the severe decline in same period a year ago was 11.9%, which was the worst quarterly growth rate since 1999. For the first six months of 2016, the retail sale growth rate was mere 0.5%, as compared to the same period a year ago. The estimated growth rates for the remaining third and fourth quarter of 2016 are 5.0% and 5.5% respectively. Full year sales growth forecast for the Malaysian retail industry has been revised downwards to 3.5% from 4.0%

CHAIRMAN'S STATEMENT

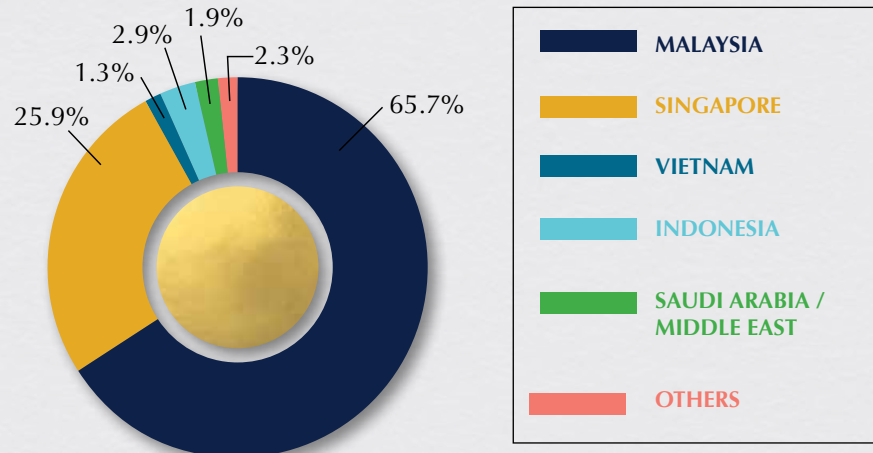
due to the larger-than-expected decline in the first quarter of this year, which saw a drop of 4.4% in sales as compared with the same period last year. In addition, prices of retail goods and services have been increasing gradually since the beginning of this year, partly due to our weak Malaysian Ringgit. This further eroded the spending power of Malaysian consumers in the first quarter of this year. Retailers continued to depend on heavy price discounts to attract Malaysian consumers to buy. As a result, retailers' profits were eroded.

OPERATIONAL REVIEW

During the year, the Malaysian segment was faced with challenging operating environment weighed down by the adverse global economic uncertainty, currency volatility and weak consumer sentiment. All of which have contributed to challenges encountered by our domestic economy as well as the retail industry in Malaysia.

Our Malaysia operations achieved a revenue of RM437.5 million as compared to RM439.0 million a year ago, a dropped of RM1.5 million mainly due to closure of non-performing outlets and weakened consumer sentiments. Singapore operations also faced the same situation, where the revenue declined by 1.9% from RM175.4 million to RM172.0 million. As for Indonesia and Vietnam, both countries contributed RM19.4 million and RM8.6 million respectively for the financial year ended 30 June 2016. In spite of the slower growth in Malaysia and Singapore, other export markets achieved positive growth of 17.7% from RM23.7 million to RM27.9 million mainly due to higher orders from our existing and new customers from Middle East.

REVENUE CONTRIBUTION BY COUNTRY



Number of stores by country and format

	Stand-alone Boutique	Consignment Counters	Total
Malaysia	123	1,064	1,187
Singapore	13	56	69
Indonesia	19	92	111
Vietnam	8	36	44
Saudi Arabia / Middle East	17	-	17
Cambodia / Myanmar	5	6	11
Total	185	1,254	1,439

Our full year earnings were dragged down due to continued promotional activities and higher discount given to drive sales. On costs side, weakened Ringgit has increased our cost of imported goods by 10% during the FY2016 and continues to be plagued by our inability to pass on cost due to weaker consumer spending environment, couple with losses on our non-performing retail stores due to high rental and operating costs. Our licensed brands operation units were the worst performer, registering a pretax loss of RM8.0 million for this financial year under review.

Geographically, our Indonesia unit's earning remained healthy with a 50% year-on-year increase in PBT to RM3.9 million as compared to RM2.6 million in FY2015 but our Vietnam operations sunk into losses and reported a pretax loss of RM2.0 million as compared to PBT of RM0.5 million in last financial year due to lower revenue achieved, one-off provision of inventories and receivable of RM1.1 million and RM0.8 million respectively. Whereas, our Singapore operations registered a decline in PBT of 40% from RM13.2 million to RM7.9 million due to challenges faced of operating in a high costs and competitive retail environment.

CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE

The Group's revenue for the financial year ended on 30 June 2016 decreased by RM29.9 million or 4.3% to RM665.4 million as compared to the preceding year. The tough operating environment after the implementation of GST couple with weakened consumer sentiments have caused the revenue dropped by 4.3%.

The Group reported a profit before tax (PBT) of RM45.94 million, which is 36.8% lower than the PBT of RM72.71 million reported in the preceding year. Earnings weakened drastically as GP margin were affected due to promotional activities and higher discount given to drive sales. The drop in gross margin also attributable to the increase in the merchandise costs due to weakened Ringgit couple, with the absorption of GST cost in view of the weakened consumer sentiments. A lower PBT also attributable to impairment losses arising from fair value adjustments on investment property and property, plant and equipment amounting to RM2.66 million and RM1.23 million respectively. In addition, there are impairment losses of trade receivables of RM1.37 million and write off of inventories of RM0.08 million respectively. Excluding these impairment losses and write off, the Group would have recorded a PBT of RM51.28 million.

CORPORATE DEVELOPMENTS

In line with our growth strategy, Bonia Group strives to explore potential business opportunities to create wealth for our shareholders.

On 29 January 2016, Jeco (Pte) Limited (70% owned subsidiary of Bonia, "JPL") entered into a Sale and Purchase Agreement with Helgo Neugebauer ("HNB") in respect of JPL's acquisition of 100 ordinary shares representing 100% of the equity interest in IBB Pte Ltd ("IBB") from HNB. IBB's principal activity is general wholesale trade (including general importers and exporters) with the business of supplying leatherwear and other fashion products for sale to Indonesia. The acquisition will enable JPL to expand its marketing and distribution networks to Indonesia by providing a better control and more comprehensive support to the Indonesia local dealers in terms of merchandising, advertising and marketing activities.

In April 2016, Bonia announced the incorporations of PT Jeco Investment Indonesia ("PTJII") and PT CRI Mitra Sejati ("PTCMS") in Indonesia. PTJII was incorporated with its intended business activity to engage in the investment of real estate in Indonesia, whereas PTCMS was incorporated for the purpose of engaging in the field of wholesale of footwear, watches, bags and wallets in Indonesia.

CRR Vietnam Co., Ltd ("CRR") emerged as an indirect subsidiary of Bonia in July 2016. The intended business activities of CRR is to engage in management consultancy activities and to implement the right of import, distribution, wholesale of goods in the territory of Vietnam.

As part of the Group's rationalisation plan to eliminating unnecessary administrative costs in maintaining dormant subsidiaries, GuangZhou Jia Li Bao Leather Fashion Co Ltd ("GJLB"), an inactive company incorporated in the People's Republic of China was dissolved in FY2016. Apart from it, the Company also disposed its entire equity interest in Mcolour & Design Sdn Bhd, a dormant subsidiary previously involved in product design, research and development.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no fund raising exercises implemented during the FY2016.

MATERIAL CONTRACTS

During the FY2016, 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.

FUTURE PROSPECTS

The greatest challenge in 2016 for the retail industry in Malaysia is still consumer spending. After one year of implementing the GST, Malaysian consumers are still holding back on spending and we believe that consumers will remain cautious on their discretionary spending moving forward. Any further increase in cost of living in the near future will worsen the retail industry.

Nevertheless, the Group would also continue to explore new business opportunities in particularly oversea markets. Meanwhile, we continue to undertake prudent measures to monitor our operating cost and remain selective on store openings.

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 in view of the volatile global environment, sluggish domestic economic conditions compounded by weak Ringgit, low commodities prices and overall consumer sentiment is expected to continuously impact the retail industry.

CHAIRMAN'S STATEMENT



DIVIDEND

The Board of Directors has recommended a single tier final 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 2016.

The final dividend will be proposed for shareholders' approval in the forthcoming Annual General Meeting. The tentative entitlement and payment dates for the proposed final dividend were set at 30 November 2016 and 15 December 2016 respectively.

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 FY2016 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: 10 October 2016

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2016年6月30日止财政年度之年度报告和经审计财务报表。

张送森
集团执行董事主席兼首席执行官



营商环境

马来西亚的经济增长连续第五个季度放缓，从2016年首季的4.2%降至次季的4%。鉴于外在市场的持续低落，2016年次季偏低的增长率确是预料中事。

据马来西亚国家银行报告显示，尽管国内需求迅速攀升，我国的经济成长却被不断下滑的净出口及长期波动的股市所拖累。在国内供应方面，公共与私人领域继续主导着我国的经济表现。经季节性调整后按季比较，马来西亚经济取得0.7%的温和增长（2016年首季：1.0%），而私人机构则取得6.1%的增长（2016年首季：4.5%），依旧是我国经济增长的主要驱动力。

国内需求在今年次季增长了6.3%（2016年首季：3.6%），私人机构支出则提升了6.1%（2016年首季：4.5%）。随着人民的工资和就业机会明显改善，再配合政府所实施增加人民额外可支配收入的措施，国内私人消费取得6.3%的增长（2016年首季：5.3%）。服务业和制造业持续的资本支出，造就了私人投资在次季所取得5.6%的高增长（2016年首季：2.2%），并同时印证经商信心的逐步恢复。公共消费所录得的6.5%强劲增

长（2016年首季：3.8%）有赖于供应和服务支出的利好成绩。联邦政府及公共企业持续的固定资产投资项目带动公共投资由负增长转为7.5%的正增长（2016年首季：-4.5%）。批发和零售贸易行业则取得6.7%的增长（2016年首季：5.2%），与私人消费的提高相符。

依据人民消费物价指数（CPI）的年度变化来衡量，通货膨胀率于2016年次季下降至1.9%（2016年首季：3.4%），完全归功于在2015年4月所实施的消费税（GST）的影响正逐渐平息。消费物价指数里所有十二个类别的通货膨胀率一律下降。运输类的通货膨胀率为-6.6%（2016年首季：-1.6%），于所有类别中创下最大跌幅，主要是因为去年同期国内油价普遍走高，在2016年次季，每公升的RON95汽油价平均为RM1.70，低于2015年次季每公升RM1.98的价格。

大马零售集团（RGM）曾预计2016年次季零售复苏指数为7.5%，这个预测其实并没有真正达至锁定的目标，因为同比去年同期零售复苏指数严重下滑11.9%，记录了自1999年以来的最大跌幅。在2016年的上半年，零售销售增长率与去年同期相比，仅为0.5%。2016年第三和第四季的零售

销售增长率预计分别为5.0%和5.5%。由于今年首季的销售额下降了4.4%，相比去年同期有着比预期更大的跌幅，马来西亚零售业全年销售增长的预测已从4.0%下调至3.5%。此外，马币疲弱致使零售商品和服务业的价格自今年年初就逐步上升，从而削弱我国消费者在今年首季的消费能力，零售商唯有依靠提供丰富的折扣以吸引马来西亚消费者持续消费，此举直接侵蚀零售商的利润空间。

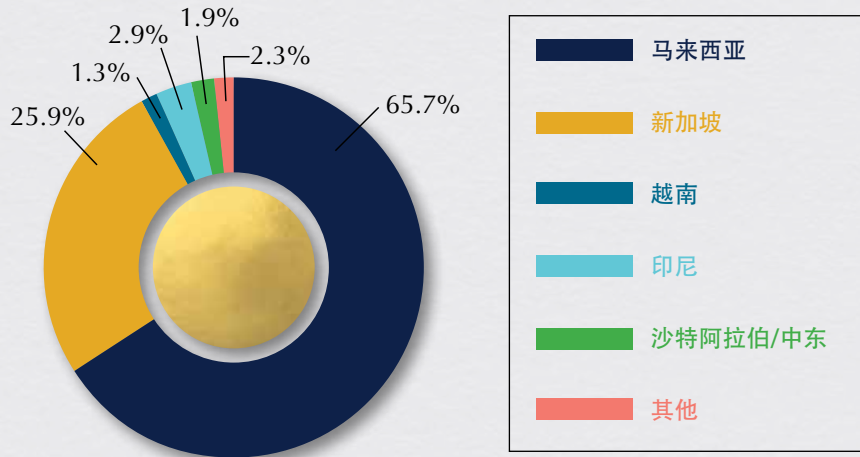
营运分析

鉴于环球经济复苏缓慢，马币疲软，消费者购兴消减和竞争日趋激烈，集团在2016财政年度背负沉重的压力。

受偏弱的消费者信心和关闭一些盈利低于预期的店面所拖累，集团在马来西亚的全年销售额为4亿3750万令吉，同比去年的4亿3900万令吉，微降150万令吉。新加坡方面也面临相似的状况，其全年销售额从1亿7540万令吉下降了1.9%至1亿7200万令吉，而印尼和越南在截至2016年6月30日止的财政年度，则分别贡献了1940万令吉和860万令吉的销售额。虽然马来西亚和新加坡的业绩不如理想，其他海外市场的表现却非常振奋人心，全年销售额从2370万令吉高升17.7%至2790万令吉，主要归功于中东客户的大力支持。

主席献词

各国的收益贡献



按国家和形式分布的店面数量

	专卖店	分销柜台	总计
马来西亚	123	1,064	1,187
新加坡	13	56	69
印尼	19	92	111
越南	8	36	44
沙特阿拉伯/中东	17	-	17
柬埔寨/缅甸	5	6	11
总计	185	1,254	1,439

集团频密进行促销活动和提供丰富的折扣以刺激市场购兴，此项举措导致集团的全年盈利下滑。有关成本方面，马币疲弱促使集团2016财政年度期间的进口成本高涨大约10%，而低廉的市场消费反应使我们决定自行吸纳成本差额以回馈支持我们的客户。除此，高昂的租金和营运成本再加上业务不达标的店面所蒙受的亏损，严重拉低集团的盈利表现，我们的特许经营品牌面临全年800万令吉的税前亏损，业绩急需对策以扭转颓势。

至于海外市场，令人鼓舞的是集团在印尼的业务表现优越，录得全年税前盈利390万令吉，同比去年的260万令吉，涨势凌厉达约50%。另一边厢，我们在越南的业务却从上个财政年度的50万令吉税前盈利陷入了2016年度200万令吉的税前亏损，经过分析，主因归咎于销售额的下降和管理层为注销110万令吉存货及80万令吉呆账所记录的一次性准备金。除此之外，高昂的营运成本和竞争激烈的零售环境也严重打击集团在新加坡的业务，其税前盈利只有790万令吉，同比去年的1320万令吉，骤降40%。

财务表现

2016财政年度对宝利集团是披荆斩棘的一年，集团的整体财务表现只属中规中矩。虽然面对消费税落实后的艰难营商环境再加上疲弱的消费者情绪，集团全年营收依然高达6亿6540万令吉，同比去年微降4.3%或2990万令吉。

集团全年税前盈利为4594万令吉，同比去年的7271万令吉，骤降36.8%，主要因为全年所给予客户的丰富折扣，高涨的营运成本，疲弱的马币，自行吸纳6%消费税等等。另外，如果屏除为调整投资性物业，房产，厂房与设备的公允价值而产生分别为266万令吉和123万令吉的减值折损，注销8万令吉的存货及137万令吉的呆账，集团的全年税前盈利实际达5128万令吉。

企业发展

秉持集团的奋斗精神，宝利机构根据其制定的成长规划，积极探讨有利商机，进而为股东创造财富。

Jeco (Pte) Limited (70%控股子公司，“JPL”)于2016年1月29日与Helgo Neugebauer (“HNB”)签订买卖协议，购下HNB在IBB Pte Ltd (“IBB”)的所有股权。IBB在印尼经营批发(包括进口及出口)和分销时尚皮具产品，而此次交易正好帮助JPL扩大其在印尼的分销网络，并全面掌控和支援当地经销商在采购，行销和市场开拓各方面的活动。

宝利机构也于2016年4月宣布在印尼成立PT Jeco Investment Indonesia (“PTJI”)及PT CRI Mitra Sejati (“PTCMS”)。PTJI将在当地从事房产投资，而PTCMS则准备进军印尼的时尚用品行业。

主席献词



CRR Vietnam Co., Ltd 于2016年7月成为宝利机构的间接控股子公司，并将主攻越南的鞋履和箱包市场。

以符合经济效益为目标，集团于2016财政年度期间进行重整以减除非必要的行政成本。GuangZhou Jia Li Bao Leather Fashion Co Ltd，一家在中华人民共和国成立的冬眠子公司于财政年度期间经已完成其解散手续。另外，宝利机构也成功脱

售其全资冬眠子公司Mcolour & Design Sdn Bhd（“MCD”）的所有股权，MCD前身曾积极参与集团的产品设计及研发。

企业集资和款项运用

宝利机构在2016财政年度年期间没有进行任何集资活动。

重要协议

宝利机构和其子公司在2016财政年度期间并没有与集团董事或主要股东签订任何有关公司正常业务范围以外的重要协议。

未来前景

马来西亚零售行业在未来面临的巨大挑战是消费者的消费模式。历经整年的消费税制度后，我国的消费者依然抱持观望的消费态度。另外，短期内持续上升的生活成本预计亦将会直接影响零售行业的前景。

主席献词

有鉴于此，集团的当务之急是精益求精，调整策略，并放眼在未来扩大海外业务版图。同时，我们也将继续严密监控集团的营运成本，并在开设新店方面更加精细慎选，从而提升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，希望集团继续朝向蜕变和创新的方向发展。

股息

针对2016年6月30日届满的财政年度，董事会建议派发每股5%或相当于马币1.25仙的单层终期股息，总额为1007万8593令吉。

董事会亦将建议中的股息享有权益日期和支付日期暂定于2016年11月30日和12月15日，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。

致謝

宝利集团于2016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己尽职。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。

张送森

集团执行董事主席兼首席执行官

日期：2016年10月10日



PENYATA PENGERUSI

Saya bagi pihak Lembaga Pengarah dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Bonia Corporation Berhad (“Bonia”) dan Syarikat-syarikat dalam kumpulannya yang telah Diaudit bagi tahun kewangan berakhir 30 Jun 2016.

CHIANG SANG SEM

Pengerusi Eksekutif Kumpulan
merangkap Ketua Pegawai Eksekutif



PERSEKITARAN PERNIAGAAN

Sepanjang tempoh suku tahun kelima berturut-turut, ekonomi Malaysia mencatatkan kadar pertumbuhan perlahan yang susut kepada 4% pada suku kedua 2016 selepas mencapai pertumbuhan sebanyak 4.2% pada suku pertama tahun ini. Pertumbuhan rendah yang dialami pada suku kedua 2016 memang dijangkakan kerana persekitaran luar yang berterusan lemah.

Menurut laporan Bank Negara Malaysia, walaupun permintaan domestik bertambah kukuh, namun pertumbuhan terjejas akibat kemerosotan berterusan eksport bersih serta penyusutan stok yang ketara. Dari sudut bekalan pula, pertumbuhan terus didorong oleh pelbagai sektor ekonomi utama. Berasaskan kepada asas bermusim boleh laras dari suku ke suku tahun pula, ekonomi merekodkan pertumbuhan sebanyak 0.7% (Q1 2016: 1.0%). Aktiviti sektor swasta yang berkembang lebih pesat sebanyak 6.1% pada suku kedua (Q1 2016: 4.5%), kekal sebagai pendorong utama pertumbuhan.

Permintaan domestik berkembang sebanyak 6.3% pada tempoh suku kedua (Q1 2016: 3.6%) di mana perbelanjaan sektor swasta berkembang pada kadar yang lebih kukuh sebanyak 6.1% (Q1 2016: 4.5%). Penggunaan swasta pula mencatatkan pertumbuhan sebanyak 6.3% (Q1 2016: 5.3%), hasil pertumbuhan berterusan gaji dan peluang pekerjaan serta pertambahan pendapatan boleh belanja berikutan pelbagai langkah yang diambil oleh Kerajaan. Sementara itu, pelaburan swasta yang meningkat kepada 5.6% pada suku kedua (Q1 2016: 2.2%) mendapat manfaat khususnya daripada perbelanjaan modal berterusan dalam sektor perkhidmatan dan pembuatan, hasil peningkatan tahap keyakinan perniagaan. Penggunaan awam merekodkan pertumbuhan teguh sebanyak 6.5% (Q1 2016: 3.8%) berikutan peningkatan perbelanjaan bekalan dan perkhidmatan. Pelaburan awam yang didorong oleh peningkatan perbelanjaan untuk aset tetap oleh Kerajaan Persekutuan dan syarikat-syarikat awam memaparkan pemulihan dengan pertumbuhan positif sebanyak 7.5% (Q1 2016: -4.5%). Sub sektor borong dan perdagangan runcit menunjukkan peningkatan pertumbuhan sebanyak 6.7% (Q1 2016: 5.2%), selaras dengan peningkatan penggunaan swasta.

Inflasi yang diukur melalui perubahan tahunan Indeks Harga Pengguna (IHP) susut kepada 1.9% pada suku kedua 2016 (Q1 2016: 3.4%) disebabkan khususnya oleh selang masa impak Cukai Barangan dan Perkhidmatan (GST) yang dilaksanakan pada bulan April 2015. Penyusutan inflasi dikesan pada kesemua dua belas kategori IHP. Kategori pengangkutan merekodkan penyusutan inflasi paling besar iaitu kepada -6.6% pada suku kedua (Q1 2016: -1.6%) disebabkan terutamanya kesan asas daripada harga bahan api domestik yang tinggi sepanjang tempoh yang sama pada tahun lepas. Harga petrol RON95 secara purata sebanyak RM1.70 seliter pada suku kedua 2016 adalah lebih rendah berbanding purata RM1.98 seliter yang dicatatkan pada suku kedua 2015.

Menurut laporan Retail Group Malaysia (RGM), pemulihan runcit yang dijangka pada suku kedua 2016 sebanyak 7.5% tidak akan tercapai seperti dijangkakan kerana kemerosotan teruk pada tempoh yang sama sebanyak 11.9% merupakan kadar pertumbuhan suku tahunan paling buruk pernah dicapai sejak tahun 1999. Bagi tempoh enam bulan 2016, kadar pertumbuhan jualan runcit hanya mencapai 0.5% sahaja berbanding

PENYATA PENERUSI

sepanjang tempoh yang sama tahun sebelumnya. Kadar pertumbuhan bagi suku ketiga dan keempat 2016 masing-masing dianggarkan 5.0% dan 5.5%. Ramalan pertumbuhan jualan tahun penuh bagi industri runcit Malaysia telah disemak semula daripada 4.0% kepada 3.5% berikutan kemerosotan lebih besar daripada jangkaan pada suku pertama tahun ini di mana jualan merosot sebanyak 4.4% berbanding sepanjang tempoh yang sama tahun lepas. Di samping itu, harga barangan dan perkhidmatan runcit telah meningkat secara berperingkat sejak awal tahun ini, sebahagiannya disebabkan oleh kelemahan nilai Ringgit Malaysia. Kesannya telah menghakis kuasa beli pengguna Malaysia pada suku pertama tahun ini. Para peruncit bergantung terus kepada pemberian harga diskaun yang tinggi bagi menarik para pembeli rakyat Malaysia membeli. Kesannya telah mengurangkan keuntungan para peruncit.

TINJAUAN OPERASI

Pada tahun ini, segmen Malaysia berhadapan dengan persekitaran operasi mencabar yang dipengaruhi oleh kemelesetan ekonomi global, nilai matawang yang turun naik dan kelemahan sentimen pengguna. Kesemua keadaan ini telah menyebabkan ekonomi domestik kami serta industri peruncitan di Malaysia berhadapan dengan keadaan yang mencabar.

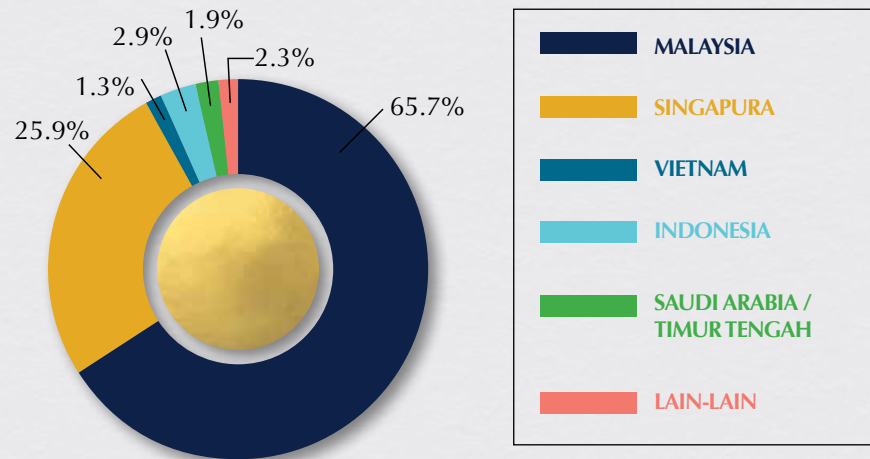
Operasi Malaysia mencatat hasil berjumlah RM437.5 juta berbanding dengan RM439.0 juta setahun lalu, merosot sebanyak RM1.5 juta disebabkan terutamanya oleh penutupan cawangan yang tidak menghasilkan keputusan baik serta kelemahan sentimen pengguna. Operasi Singapura turut berhadapan dengan keadaan yang sama apabila hasil merosot sebanyak 1.9% daripada RM175.4 juta kepada RM172.0 juta. Bagi operasi Indonesia dan Vietnam kedua-dua negara menyumbang sebanyak RM19.4 juta dan RM8.6 juta bagi tahun kewangan berakhir 30 Jun 2016. Walaupun pertumbuhan yang lembab dialami oleh operasi Malaysia dan Singapura, pasaran eksport lain mencatat pertumbuhan positif sebanyak 17.7% daripada RM23.7 juta kepada RM27.9 juta disebabkan terutamanya oleh

tempahan yang lebih tinggi daripada pelanggan sedia ada dan baharu kami di Timur Tengah.

Pendapatan tahun penuh kami berkurangan berikutan aktiviti promosi yang berterusan dan diskaun yang diberi untuk mendorong jualan. Dari segi kos pula, kelemahan Ringgit telah mempertingkatkan kos barangan import sebanyak 10% pada FY2016, kami juga tidak mampu melepaskan tanggungan kos tersebut akibat kelemahan perbelanjaan pengguna. Keadaan ini diburukkan oleh kerugian yang dialami oleh kedai-kedai yang tidak menampilkan prestasi baik disebabkan oleh kos sewaan dan operasi yang tinggi. Unit operasi jenama berlesen kami menghasilkan prestasi paling lemah apabila mencatatkan kerugian sebelum cukai sebanyak RM8.0 juta pada tahun yang ditinjau.

Dari segi geografi, pendapatan unit operasi Indonesia kekal teguh dengan peningkatan 50% dari tahun ke tahun dalam PBT kepada RM3.9 juta berbanding RM2.6 juta pada FY2015 tetapi operasi Vietnam kami mengalami kerugian dan melaporkan kerugian sebelum cukai sebanyak RM2.0 juta berbanding keuntungan sebelum cukai RM0.5 juta pada tahun kewangan lepas. Keputusan ini disebabkan oleh hasil jualan yang lebih rendah, peruntukan sekali sahaja untuk inventori dan penerimaan masing-masing berjumlah RM1.1 juta dan RM0.8 juta. Sementara itu, operasi Singapura kami mencatat penurunan dalam PBT sebanyak 40% dari RM13.2 juta kepada RM7.9 juta disebabkan oleh cabaran operasi dalam persekitaran runcit yang berkos tinggi dan sangat kompetitif.

SUMBANGAN PENDAPATAN MENGIKUT NEGARA



Bilangan kedai-kedai mengikut negara dan format

	Butik Berdikari	Kaunter Konsainan	Jumlah
Malaysia	123	1,064	1,187
Singapura	13	56	69
Indonesia	19	92	111
Vietnam	8	36	44
Saudi Arabia / Timur Tengah	17	-	17
Kemboja / Myanmar	5	6	11
Jumlah	185	1,254	1,439

PENYATA PENERUSI



PRESTASI KEWANGAN

Hasil Kumpulan bagi tahun kewangan berakhir 30 Jun 2016 berkurangan sebanyak RM29.9 juta atau 4.3% kepada RM665.4 juta berbanding tahun sebelumnya. Persekitaran operasi yang sukar selepas pelaksanaan GST berserta dengan sentimen pengguna yang lemah telah menyebabkan hasil merosot sebanyak 4.3%.

Kumpulan melaporkan keuntungan sebelum cukai (PBT) sebanyak RM45.94 juta, iaitu 36.8% lebih rendah daripada PBT tahun lepas berjumlah RM72.71 juta. Pendapatan menurun dengan ketara kerana margin Keuntungan Kasar (GP) terjejas disebabkan oleh aktiviti promosi dan diskaun lebih tinggi untuk mendorong jualan. Kerosotan dalam margin kasar juga berkaitan dengan peningkatan dalam kos barangan kerana nilai Ringgit yang semakin lemah, disertai oleh penyerapan kos GST berikutan kelemahan sentimen pengguna. PBT yang lebih rendah juga disebabkan oleh kerugian kerosotan nilai yang timbul daripada pelarasan nilai saksama atas hartanah pelaburan dan hartanah, loji dan peralatan yang masing-masing berjumlah RM2.66 juta dan RM1.23 juta. Di samping itu, terdapat dan hapuskira perdagangan akan diterima berjumlah RM1.37 juta dan inventori berjumlah RM0.08 juta. Jika tidak termasuk kerugian kerosotan nilai dan hapuskira ini, Kumpulan sepatutnya mencatatkan PBT berjumlah RM51.28 juta.

PERKEMBANGAN KORPORAT

Sejajar dengan strategi pertumbuhan kami, Bonia sentiasa berusaha untuk menerokai pelbagai peluang perniagaan untuk mencipta nilai bagi pemegang saham.

Pada 29 Januari 2016, Jeco (Pte) Limited (subsidiari 70% dimiliki Bonia, "JPL") telah memeterai Perjanjian Jual Beli dengan Helgo Neugebauer ("HNB") berhubung dengan pengambilalihan oleh JPL di atas 100 saham biasa yang mewakili 100% kepentingan ekuiti dalam IBB Pte Ltd ("IBB") daripada HNB. Aktiviti utama IBB adalah perdagangan, pemborongan (termasuk import dan eksport) dalam pembekalan barangan kulit

PENYATA PENERUSI

dan produk fesyen lain di Indonesia. Pembelian tersebut akan membolehkan JPL mengembangkan rangkaian pemasaran dan pengedarannya di Indonesia dengan menyediakan kawalan dan sokongan yang lebih menyeluruh kepada wakil jualan tempatan Indonesia dari segi pemarkaran, pengiklanan dan aktiviti pemasaran.

Pada bulan April 2016, Bonia mengumumkan pemerdagangan PT Jeco Investment Indonesia ("PTJII") dan PT CRI Mitra Sejati ("PTCMS") di Indonesia. PTJII diperbadankan dengan matlamat untuk melibatkan diri dalam aktiviti pelaburan hartanah di Indonesia, sementara PTCMS diperbadankan dengan tujuan untuk menembusi bidang pemborongan bagi kasut, jam tangan, beg dan tas tangan untuk Indonesia.

CRR Vietnam Co., Ltd ("CRR") menjadi subsidiari tidak langsung Bonia pada Julai 2016. Aktiviti perniagaan yang bakal diceburi oleh CRR adalah perkhidmatan pengurusan dan CRR juga ingin memperoleh hak mengimport, mengedar, memborong barangan bergaya di Vietnam.

Sebagai sebahagian daripada rasionalisasi rancangan Kumpulan kami untuk mengurangkan kos pentadbiran bagi mengekalkan subsidiari yang tidak aktif, GuangZhou Jia Li Bao Leather Fashion Co. Ltd ("GJLB"), sebuah syarikat subsidiari tidak aktif yang diperbadankan di Republik Rakyat China telah dibubarkan pada FY2016. Selain daripada itu, Bonia turut melupakan seluruh kepentingannya dalam Mcolour & Design Sdn Bhd, sebuah subsidiari tidak aktif yang sebelum ini terlibat dalam bidang reka bentuk, penyelidikan dan pembangunan produk.

PENGGUNAAN DANA YANG DIPEROLEHI DARIPADA CADANGAN KORPORAT

Tiada sebarang usaha pengumpulan dana dilaksanakan pada FY2016.

PERJANJIAN PENTING

Selain daripada perjanjian yang melibatkan kegiatan usaha normal kumpulan kami, Bonia atau anak-anak syarikatnya tidak pernah menandatangani sebarang perjanjian yang melibatkan kepentingan pengarah-pengarah dan pemegang saham utama Bonia pada tahun FY2016.

PROSPEK MASA DEPAN

Cabaran utama bagi industri peruncitan di Malaysia pada 2016 masih berhubung perbelanjaan pengguna. Selepas pelaksanaan GST pada tahun 2015, pengguna Malaysia masih berhati-hati dalam perbelanjaan dan kami percaya pengguna akan terus berhati-hati dalam perbelanjaan mereka pada tahun hadapan. Sebarang kenaikan selanjutnya kos sara hidup pada masa depan terdekat akan memburukkan lagi industri peruncitan.

Namun begitu, Kumpulan akan terus menerokai pelbagai peluang perniagaan baharu khususnya di pasaran luar negeri. Pada masa yang sama, kami akan terus mengambil langkah berhemat memantau kos operasi kami dan kekal berpilih untuk membuka kedai baharu.

Jika tiada sebarang keadaan di luar dugaan, Lembaga Pengarah kekal berwaspada berhubung suasana masa depan Kumpulan pada tahun kewangan akan datang. Kami menjangka akan berhadapan dengan cabaran seterusnya memandangkan keadaan tidak menentu dalam persekitaran global, kelembapan keadaan ekonomi domestik berikutan kelemahan Ringgit, harga komoditi yang rendah dan sentimen pengguna secara keseluruhan dijangka akan terus memberi kesan kepada industri peruncitan.

DIVIDEN

Lembaga Pengarah telah mencadangkan dividen akhir satu peringkat sebanyak 5% atau 1.25 sen bagi setiap saham biasa Bonia yang berharga 25.0 sen yang berjumlah RM10,078,593 bagi tahun kewangan berakhir pada 30 Jun 2016.

Dividen akhir ini akan dicadangkan untuk pertimbangan pemegang saham di Mesyuarat Agung Tahunan yang akan datang. Tarikh tentatif kelayakan dan bayaran dividen akhir ini ditetapkan pada 30 November 2016 dan 15 Disember 2016.

PENGHARGAAN

Saya bagi pihak Lembaga Pengarah, ingin mengucapkan setinggi-tinggi penghargaan dan terima kasih kepada pihak pengurusan dan kakitangan atas kegigihan, komitmen dan dedikasi mereka. Kejayaan kami pada FY2016 tidak mungkin tercapai tanpa usaha mereka.

Kami juga berterima kasih kepada para pelanggan, rakan kongsi, pemegang saham, sekutu perniagaan, pihak kerajaan dan pembiayaan atas sokongan dan keyakinan berterusan mereka terhadap Bonia.

CHIANG SANG SEM

Pengerusi Eksekutif
merangkap Ketua Pegawai Eksekutif

Tarikh : 10 Oktober 2016





**CORPORATE
INFORMATION**





BONIA

B

B





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

No. 17-1 Plaza Danau Desa 2
Jalan 4/109F Taman Danau Desa
Off Jalan Kelang Lama
58100 Kuala Lumpur
Wilayah Persekutuan Malaysia
Tel : +603-7971 3009
Fax : +603-7971 3009

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

FACEBOOK ADDRESS

www.facebook.com/BoniaFashion

YOUTUBE ADDRESS

www.youtube.com/BoniaFashion#

WEBSITE

www.bonia.com

INSTAGRAM ADDRESS

www.instagram.com/bonifashion#

CORPORATE STRUCTURE

As at 27 September 2016

RETAILING

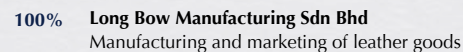


CORPORATE STRUCTURE

As at 27 September 2016



MANUFACTURING



PROPERTY DEVELOPMENT



PROPERTY INVESTMENT



PROFILE OF DIRECTORS

CHIANG SANG SEM

Malaysian, aged 63, male

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.

CHIANG FONG YEE

Malaysian, aged 39, male

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 54, male

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.

PROFILE OF DIRECTORS

CHIANG SANG BON

Malaysian, aged 61, male

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.

CHIANG FONG TAT

Malaysian, aged 38, male

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 31, male

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.

PROFILE OF DIRECTORS

CHONG CHIN LOOK

Malaysian, aged 53, male

Chong Chin Look was appointed to the Board on 20 June 1994. He is the Group Finance Director of the Company and holds the position of Financial Controller of the Group since 1992. He is responsible for the overall financial and corporate functions of the Group. Prior to his current position, he was attached to KPMG Peat Marwick (now known as KPMG), an international firm of Chartered Accountants, where he gained extensive experiences in auditing, accounting, taxation and management consultancy.

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).

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 64, male

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 Tengkeru 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.

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 74, male

Dato' Shahbudin Bin Iman 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.

PROFILE OF DIRECTORS

CHONG SAI SIN Malaysian, aged 49, male

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, CL Associates PLT and Messrs. 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 8 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 admitted as a Partner in 2005. He also admitted into Messrs. H.S. Lee & Partners as a Partner in 2012 and co-founded CL Associates PLT in 2016. He serves as a co-opted member of the Public Practice Committee of the MICPA since February 2016.

He has more than 25 years' experience in commercial organisations and accounting practice and gained good exposure in corporate finance, due diligence review, listing exercise, auditing, taxation and accounting.

Presently, he is also on the Board of Lysaght Galvanized Steel Bhd as an Independent Non-Executive Director and the Chairman of its Audit Committee.

Notes:

1. Save as disclosed, 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 5 years, and/or any public sanction or penalty imposed by regulatory bodies during the FY2016.
2. The Directors' interests in the Company are detailed in the Financial Statements section and the Analysis of Shareholdings section of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

All the Executive and Alternate Directors of Bonia Corporation Berhad are part of the Key Senior Management of the Group and their profiles are listed in the Profile of Directors section of this Annual Report.

Other Key Senior Management

CHAN FOOK HONG

Malaysian, aged 57, male

Chan Fook Hong joined Bonia Group on 16 May 1983 under CB Marketing Sdn Bhd heading the marketing division. He was appointed as Executive Director of Dominion Directions Sdn Bhd on 1 February 1997 overseeing the BONIA menswear division. His past involvement in the leather fashion industry prompted him to step into men's fashion industry without much fuss. Empowered with a team of artistic abled, detail oriented and decision making co-workers, His key drive to success coupled with his entrepreneurial skill and commitment to running a business is show proof of his credibility in the fashion industry.

ONG MAY CHIUN

Malaysian, aged 52, female

Ong May Chiun joined Bonia Group in 1990 as Administration Assistant and was appointed as Executive Director of CB Marketing Sdn Bhd on 1 August 2006. She graduated with a Bachelor Degree in Economics (Hons) from Universiti Kebangsaan Malaysia in 1989. She is responsible for research and development, planning and implementation of marketing strategy, product distribution for ladies leatherwear in department stores.

SIOW HUEY LOONG

Malaysian, aged 52, male

Siow Huey Loong was appointed as a subsidiary director within the Bonia Group since 27 April 2010. He graduated with a Diploma in Business Management from Kolej Tunku Abdul Rahman in year 1987 and joined Bonia Group in year 1990. His experience in the retail market spans over 26 years and accumulated more than 16 years in the ladies footwear division. Presently, he is primarily responsible for the development of product sourcing, planning and implementation of marketing strategy and product distribution duties of the ladies footwear division.

LEE POH SEONG

Malaysian, aged 53, male

Lee Poh Seong joined Bonia Group on 1 August 2000 as General Manager and was appointed as Executive Director of VR Directions Sdn Bhd in February 2001. He is responsible for the overall performance of men's & ladies wear and men's leather goods for licensed brands known as Valentino Rudy and The Savile Row Company. He graduated with a Bachelor of Economics honour degree with a major in Business Administration from the University of Malaya in 1987. Prior to joining Bonia Group, he was attached to Fortune Corporation, Yeo Hiap Seng, Colgate Palmolive and John Master, where he gained many years' experiences in training, product development, sales & marketing expertises.

YEOW KIM THAI

Malaysian, aged 52, male

Yeow Kim Thai is currently responsible for the Company's export division. He joined the Company as the General Manager for Indonesia operations on 28 March 2008. He graduated with a Bachelor of Arts degree with dual majors in Accounting and Economics from Queens College, The City University of New York in 1994. Prior to his current position, he spent 11 years in property development and management, and 13 years in international banking of which 8 years were with financial institutions in New York City, USA.

PROFILE OF KEY SENIOR MANAGEMENT

MANIMARAN A/L KANAPATHI

Malaysian, aged 52, male

Manimaran A/L Kanapathi joined the Company as the General Manager for Indonesia operations on 4 July 2011. He is currently responsible for BONIA retail operations in Indonesia. He graduated with a Marketing Management Certificates of Institute of Marketing at Stamford College in 1989. Prior to his current position, he spent 20 years in Isetan of Japan as General Manager of Wholesales, Store Manager and Men's and Sports Merchandise Manager.

AUDREY LIEW SAU MUN

Malaysian, aged 49, female

Audrey Liew Sau Mun joined the Group as General Manager of Lianbee-Jeco Pte Ltd in November 2014. She is responsible for the brand management and development of Braun Buffel in Asia Pacific and the overall retail, license and wholesale business in Singapore for Braun Buffel, Renoma and Pierre Cardin. She graduated with a Bachelor of Arts degree with high honors, with a major in psychology and a minor in Business Administration in 1988 from Rutgers University, New Jersey, USA. Audrey has over 25 years of broad working experience in fashion retail, with 18 years in luxury brands, namely with Burberry, Gucci and Nina Ricci. Prior to her current position, she was the General Manager of Burberry (Singapore) Pte Ltd, responsible for the total business in South-East Asia.

GAN TECK HOCK

Malaysian, aged 47, male

Gan Teck Hock is the General Manager of Lianbee-Jeco (M) Sdn Bhd since April 2014 and responsible for overall Braun Buffel business in Malaysia. He obtained his Bachelor of Arts (majoring in Chinese Studies) from the University of Malaya in 1994. He has 22 years extensive experience in all aspects of sales, retail and marketing management. He has been with the Montblanc SEA Pte Ltd (later integrated into Richemont Luxury (M) Sdn Bhd) for the last 12 years. The last position held by him was as General Manager of Montblanc and a directorship in Richemont Luxury (M) Sdn Bhd before joining Lianbee-Jeco (M) Sdn Bhd.

ONG BOON HUAT

Malaysian, aged 47, male

Ong Boon Huat joined the Bonia Group in 2000. He is currently the Senior Corporate Finance Manager of the Group. He is a Fellow member of The Association of International Accountants (AIA), United Kingdom and Certified member of the Financial Planning Association of Malaysia (FPAM). He started his career in the banking industry in 1990 and gained his financial and accounting experience while working in Tanjong plc, Arab-Malaysian Development Berhad and Astro Radio before joining the Group in 2000 as the Accounting Manager. In January 2007, he was promoted to his current position, overseeing the smooth running of the Group Finance Department and also involves in the Group's corporate finance and planning functions.

WONG YEN LEE

MBA, FCIS

Malaysian, aged 43, female

Wong Yen Lee graduated from University of Malaya with a Master of Business Administration majoring in Finance. She is a practicing Chartered Secretary and a Fellow member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

Wong spent the early years of her career in corporate secretarial practice in both the commercial and professional sectors. She joined Bonia Corporation Berhad in 2012 and is currently the Senior Manager overseeing the corporate secretarial function of the Group.

Note:

Save as disclosed, none of the Key Senior Management have:

- any directorship in public companies and listed issuers,
- 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 5 years, and/or any public sanction or penalty imposed by the relevant regulatory bodies during the FY2016.



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 shareholders’ 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 control 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 at <http://ir.bonia.com/> under the Corporate Governance section, 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.

STATEMENT ON CORPORATE GOVERNANCE

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 FY2016:

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	4/4	100%
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	3/4	75%
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	3/4	75%
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.

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.

STATEMENT ON CORPORATE GOVERNANCE

During the FY2016, the continuous training programmes attended by the Directors are as follows:

Directors	Particulars of the training programmes
Chiang Sang Sem	<ul style="list-style-type: none"> Lineapelle, Milan Asia Pacific Leather Fair, Hong Kong
Chiang Fong Yee	<ul style="list-style-type: none"> Malaysia International Branding Showcase Malaysia International Shoe Festival (MISF 2016)
Chiang Sang Bon	<ul style="list-style-type: none"> Malaysia International Retail, Franchise & Licensing Fair (MIRF 2016) – Unleashing Borderless Business Opportunities
Datuk Chiang Heng Kieng	<ul style="list-style-type: none"> KLSCCCI Council Member’s Brainstorming Workshop The 6th Persatuan Shing An Selangor & Kuala Lumpur Reunion Conference and 7th World Business Conference South-East Asia Summit 2015 2015 China International Fair for Investment and Trade (CIFIT) Bonia Brand Conference 2015/16 (Frontliners Session) Kuala Lumpur Eng Choon Hoey Kuan Council Members, Youth Committee and Women Committee Networking and Brainstorming Workshop Secretariat for the advancement of Malaysian Entrepreneurs (SAME) Seminar Talk ASEAN-Korea Business Council (AKBC) Meeting Malaysia-China High Level Economic Forum Talk on RMB Qualified Foreign Institutional Investor (RFQII) & Treasury Bonds Seminar on “Family Business Succession” China (Shenzhen) - Malaysia (Kuala Lumpur) Economic and Trade Cooperation Conference 2016
Chiang Fong Tat	<ul style="list-style-type: none"> Lineapelle, Milan
Dato’ Sri Chiang Fong Seng	<ul style="list-style-type: none"> Le Cuir à Paris Leather & Fur Event, Paris The Entrepreneur Talent Management (D.I.S.C) Program
Chong Chin Look	<ul style="list-style-type: none"> HSBC Forum RMB and China’s Global Future
Datuk Ng Peng Hong @ Ng Peng Hay	<ul style="list-style-type: none"> CG Breakfast Series for Directors : Improving Board Risk Oversight Effectiveness
Dato’ Shahbudin Bin Imam Mohamad	<ul style="list-style-type: none"> Malaysia International Retail, Franchise & Licensing Fair (MIRF 2016) – Unleashing Borderless Business Opportunities
Chong Sai Sin	<ul style="list-style-type: none"> Annual Conference 2015 – PERS to MPERS - 2016 Transition National Tax Conference 2015 CAANZ – MICPA Audit Forum : Future of Auditor Reporting - The Practical Impact 2016 Budget Seminar The New Auditor’s Report – Sharing The UK Experience Audit Quality Enhancement Programme for SMPs 2016 Corporate Governance Breakfast Series : Future of Auditor Reporting - The Game Changer for Boardroom Independent Director Programme : The Essence of Independence MPERS is Here : Are You Really Ready? Goods and Services Tax – Post Implementation Issues

STATEMENT ON CORPORATE GOVERNANCE

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, 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, achievements and 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.

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 caliber 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 for the FY 2016 is categorised into appropriate components as follows:

Category	Fees RM'000	Salaries RM'000	Bonuses RM'000	Other	Total RM'000	
				Emoluments RM'000		
The Company	Executive Directors	420	170	1,087	194	1,871
	Non-Executive Directors	180	-	-	-	180
	Total:	600	170	1,087	194	2,051
The subsidiaries companies	Executive Directors	1,783	2,662	351	1,065	5,861
	Non-Executive Directors	-	-	-	-	-
	Total:	1,783	2,662	351	1,064	5,861

Note : The above disclosure did not include the remuneration received/receivable from associate companies.

STATEMENT ON CORPORATE GOVERNANCE

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

	Range of Remuneration	Executive Director(s)	Non-Executive Director(s)
The Company	Below RM50,001 to RM100,000	5	3
	RM1,500,001 to RM1,550,000	1	-
The subsidiaries companies	RM100,001 to RM150,000	1	-
	RM400,001 to RM450,000	1	-
	RM750,001 to RM800,000	2	-
	RM950,001 to RM1,000,000	1	-
	RM1,300,001 to RM1,350,000	1	-
	RM1,400,001 to RM1,450,000	1	-

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 system, 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 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 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 and size of the Board, including the performance of individual Directors, and the independence of Independent 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.

STATEMENT ON CORPORATE GOVERNANCE

The NRC is composed entirely of Independent Directors. During the FY2016, the NRC met once, with the following record of attendance:

		No. of meetings attended
Chairman:	Dato' Shahbudin Bin Imam Mohamad <i>Independent Non-Executive Director</i>	1/1
Members:	Datuk Ng Peng Hong @ Ng Peng Hay <i>Senior Independent Non-Executive Director</i>	1/1
	Chong Sai Sin <i>Independent Non-Executive Director</i>	1/1

The responsibilities of the NRC are set out in the Nomination & Remuneration Committee Charter duly approved by the Board, a copy of which is posted on the corporate website at <http://ir.bonia.com/> under the Corporate Governance section.

The NRC's annual work plan for the FY2016 focused on 3 key areas as follow:

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

The NRC carried out Board and committees assessments by individual directors, self and peer assessments together with an assessment of independence of independent directors for the purposes of evaluating the performance of the Board as a whole, the Committees of the Board, each of the individual Board member, and the independence of the Independent Directors.

The following key evaluation criteria have been carefully reviewed during the assessments:

- *Performance of the Board and Board Committees* - composition, structure, processes, principal responsibilities, succession planning and governance matters
- *Performance of each individual Board member, and independence of Independent Directors* - competence, integrity, skills, experience, commitment, contribution, conflict of interest and independence as guided by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

No major concerns were identified in the evaluation results and the NRC was satisfied with the overall performance of the parties under review, particularly the term of office and performance of the ARC and each of its members where they have carried out their duties efficiently and effectively in accordance with the ARC Charter.

Re-election, re-appointment and retention of Board members

The NRC gave its full support to the retiring/ceasing Directors to be re-elected/re-appointed/retained at the Company's 24th AGM after going through a detailed assessment on the quality and contribution of such Directors.

Fees and remuneration package of Directors

After taking into consideration the annual performance of the Directors as well as the financial condition of the Group, the NRC was of its view that the Directors' emoluments other than fees for the FY2015 was fair and justified, and also proposed a Directors' Fees of RM600,000 for the FY2015 to be divided amongst the Directors in such manner as they may determine to reward the Board.

Conclusion

All activities and recommendations of the NRC were reported and accepted by the Board. The Board was also satisfied with the overall performance of the NRC via its performance evaluation conducted at the Board level.

STATEMENT ON CORPORATE GOVERNANCE

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

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. 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 via 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.

Shareholders Communication

General Meeting is a crucial mechanism in shareholders communication and remains the principal forum for dialogue with shareholders of the Company. At the general meetings, 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.

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting of the Company, shall be voted by poll based on the principle of "one share one vote", and the Company shall appoint at least 1 scrutineer to validate the votes cast at the general meeting. The mandatory poll voting ensures fairness, transparency and effective representation of the members in general meetings of the Company.

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.

STATEMENT ON CORPORATE GOVERNANCE

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 FY2016.

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 FY2016.

RESPONSIBILITIES OF THE ARC

The responsibilities of the ARC are set out in the Audit & Risk Management Committee Charter duly approved by the Board, a copy of which is posted on the corporate website at <http://ir.bonia.com/> under the Corporate Governance section.

The ARC is empowered to investigate any matter within its purview at the cost of the Company. Information pertaining to the Group is made available to the ARC members to ease their investigation role, and the ARC received full support from the Board members, Company Secretaries, Internal and External Auditors as well as the staff of the Group in discharging its duties during the FY2016.

MEMBERSHIP AND MEETINGS

The ARC is composed entirely of Independent Directors. During the FY2016, the ARC met 4 times, with the following record of attendance:

		No. of meetings attended
Chairman:	Datuk Ng Peng Hong @ Ng Peng Hay <i>Senior Independent Non-Executive Director</i>	4/4
Members:	Dato’ Shahbudin Bin Imam Mohamad <i>Independent Non-Executive Director</i>	3/4
	Chong Sai Sin <i>Independent Non-Executive Director</i> <i>(A member of the Malaysian Institute of Accountants)</i>	4/4

Other regular attendees at the ARC meetings include the Executive Directors, senior or middle management, and representatives from the Internal or External Auditors, all to assist the ARC’s discussions and consideration of reports, and to answer questions in relation to internal or external audit reviews and improvement recommendations. The ARC Chairman reported on key issues discussed at each meeting to the Board for their further considerations and deliberations. 2 private discussions with the External Auditors were held in the FY2016 to provide additional opportunity for open dialogue and feedback from the ARC and the External Auditors without the presence of the Executive Directors and management.

KEY AREAS OF FOCUS FOR THE ARC

The ARC’s annual work plan for the FY2016 focused on 5 key areas covering the: (i) financial reporting, (ii) risk management and internal control, (iii) internal audit, (iv) external audit, (v) related party transactions, and conflict of interest.

Financial reporting

The ARC reviewed the quarterly reports and year-end financial statements before recommending to the Board for consideration and approval, and concluded that the going concern assumption, changes in or implementation of accounting policies and practices, significant audit adjustments, and major judgmental areas made by the management in those quarterly reports and year-end financial statements, were in compliance with the approved accounting standards, regulatory and other legal requirements for financial reporting, and those reports were fair and reasonable in reflecting the Group’s business performance.

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

Risk management and internal control

The ARC assessed the risk profile, risk appetite, levels of tolerance of the Group, challenged and tested on the adequacy and integrity of the internal control system in place to manage the selected areas representing significant risks, considered the findings and recommendations made by the Internal and External Auditors and management's response or actions to mitigate control deficiencies, and concluded that the risk management and internal control system of the Group is continuously being enhanced to safeguard the shareholders' investments and the Group's assets.

Internal audit

The ARC assessed the internal audit plan, audit methodology, remuneration, scope of works and reports presented by the Internal Auditors, considered the management's response and follow up actions thereto so to ensure significant findings are adequately addressed by the management; and concluded that the internal audit processes duly completed by the Internal Auditors in FY2016 were adequate to add value and to improve the efficiency of the operations of the Group.

External audit

Prior to the commencement of the annual audit, the ARC reviewed the audit plan, audit strategy, scope of work, independence, objectivity and remuneration proposed by the External Auditors, discussed with the External Auditors the audit findings, their audit reports and management letters and management's response to the concerns raised by the External Auditors during their course of audit and concluded that the audit processes carried out by the External Auditors were comprehensive and added credibility to the Company's financial statements which allowed the stakeholders of the Group to use them with greater confidence.

Related party transactions, and conflict of interest

In accordance with the threshold and provisions specified in Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"), and the methods and procedures to govern the requirements of related party transactions ("RPT") and recurrent related party transactions ("RRPT") duly established by the Company, the ARC identified, tracked and monitored the potential and existing RPT and RRPT of the Group with due consideration being given to the nature and class of such transactions that are supposed to be consistent with the ordinary course of the Group's business, which are undertaken on an arm's length basis at the prevailing prices or market rates and are based on usual and fair commercial terms not more favorable to related parties than those generally available to the public, or otherwise in accordance with the applicable industry norms. Where there is no market value for a particular transaction, the transaction will be on a willing buyer willing seller basis or the nearest equivalent. These transactions are also not prejudicial to the interest of the shareholders of the Company and not detrimental to its minority shareholders. The ARC also reviewed the appropriateness of the relevant announcements to BMSB, circular to shareholders and disclosure made in the annual report of the Company.

After making all the necessary enquiries to the management and Directors of the Company, the ARC reported to the Board that they have no knowledge of the existence of any conflict of interest within the Group during the FY2016.

THE INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to M/s RMS Corporate Management Sdn Bhd ("RMS"), a professional firm that 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.

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

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 internal audit plan 2015/2016 was reviewed and approved by the ARC and endorsed by the Board in May 2015. Subsequently, 4 audit visits to the targeted business units that represented the key risk areas were carried out. During the audit visits, the representatives of the Internal Auditors had tested the efficiency and effectiveness of the risk management and internal control system of those business units, benchmarked them against the industry practices and suggested appropriate processes and procedures to mitigate the control deficiencies. The relevant findings, management's response and/or recommendations were reported to the ARC, and thereafter to the Board in their quarterly meetings held. The fee incurred for the FY2016 in relation to the internal audit function is RM126,368.00.

THE EXTERNAL AUDITORS

The ARC places great importance on the quality and effectiveness of the audit services of the External Auditors and considers the appointment or re-appointment (as the case may be) of the External Auditors annually.

The following areas are essential upon evaluating the performance of the External Auditors for the FY2016:

Independence and objectivity The ARC received 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.

The External Auditors also informed the ARC that:

- M/s BDO is seeking for its re-appointment at the forthcoming 25th AGM of the Company; and
- the Lead Audit Partner, Law Kian Huat who is responsible for the Group's audit for 5 years (including FY2016), is subject to rotation, and a new audit partner will assume the role should M/s BDO be re-appointed External Auditors of the Company.

Effectiveness The ARC met with the Executive Directors and management to obtain their feedback pertaining to the effectiveness of the External Auditors, judging from the thoroughness of their audit approach and methodology, the competency, experience and integrity of their key personnel, and the quality of the audit delivery.

Audit and Non-Audit Fees In relation to the audit services provided for the FY2016, the shareholders of the Company have granted their approvals for the Board to determine the remuneration of the External Auditors at the Company's 24th AGM held on 25 November 2015.

During the FY2016, the External Auditors also rendered non-audit services to the Group included the review of Company's disclosure on realised and unrealised profit, Statement on Risk Management & Internal Control and subsidiary's gross sales statements to landlords.

After due consideration, both the ARC and the Board were of the view that the following audit and non-audit fees incurred for the FY2016 are fair and reasonable, and the provision of non-audit services to the Group did not impair, or was not perceived to impair the independence and objectivity of the External Auditors.

Fee incurred	Audit Fee (RM'000)	Non-Audit Fee (RM'000)
The Company	53	15
The Group	876	44

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

The performance evaluation demonstrated a satisfactory result to the ARC and recommendation was made to the Board for the re-appointment of the External Auditors. The Board has accepted this recommendation and a resolution for the re-appointment will be put to the shareholders at the forthcoming 25th AGM of the Company.

RECURRENT RELATED PARTIES TRANSACTIONS OF REVENUE OR TRADING NATURE (RRPT)

During the FY2016, the ARC also closely monitored all the RRPT undertaken by Bonia Group and concluded that those RRPT were conducted on arm's length basis, under normal commercial terms consistent with the Group's business practices, on terms not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders of the Company.

The class and nature of the RRPT of Bonia Group are tabulated as follows:

RRPT No.	Transacting Party	Related Party	Nature of transactions	Value transacted during the FY2016 RM'000	Estimated aggregate value during the validity period of the shareholders' mandate obtained on 25.11.2015 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	697	N/A
2	Bonia Group	Bonia International Holdings Pte Ltd ("BIHP")	Payment of Bonia, Carlo Rino, Sembonia and CR2 trademarks royalties to BIHP	3,107	4,600
3	Bonia Group	Long Bow Manufacturing (S) Pte Ltd ("LMS")	Payment of rental to LMS	1,839	2,000

Notes:

- RRPT 1: Fall within the interpretation of Paragraph 10.08(9) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- RRPT 2 and 3 : Actual value transacted up to 30 June 2016 did not exceed the estimated aggregate value during the validity period of the shareholders' mandate obtained on 25 November 2015 by 10%
- RRPT 1 : Interested related party - Boonnam Boonnamsap, a substantial shareholder of Bonia's subsidiary and persons connected with him (including their family)
- RRPT 2 and 3 : Interested related party - As mentioned in the notes of Sections 3.2 and 4 of Part B of the Company's Circular to Shareholders dated 29 October 2015

CONCLUSION

The Board is of the view that the ARC and all its members have discharged their duties and responsibilities effectively and will place great efforts to maximise the quality of the risk management, internal control and governance framework of the Group from time to time.

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 FY2016, 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 FY2016. 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 strategic, operational, reporting and compliance nature, and it is being 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 FY2016, the Board has received assurance from its Group Executive Chairman cum 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 and Internal Control Framework 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 FY2016 and up to the date of issuance of the Company’s Annual Report FY2016.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (“RMICF”)

Group’s Objectives

The Group’s RMICF is geared to achieving its objectives that support Bonia’s mission set forth in the following 4 categories:



The aforesaid objectives are set by the Board after taking into consideration on the Group’s risk appetite and tolerance level.

Risk Management and Internal Control

Risk management and internal control shall become the concern of every individual in Bonia Group and the relevant approach shall be consistent with the recommendations made by the:

- Enterprise Risk Management - Integrated Framework; and Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO); and
- Statement on Risk Management & Internal Control - Guidelines for Directors of Listed Issuers that involve the identification, assessment and management of risks, as well as the formalisation and implementation of effective and efficient control processes to provide reasonable assurance regarding the achievement of the Group’s objectives in all levels of its activities.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Directors, management and staff of Bonia Group are guided by the following risk management and control processes in identifying, assessing, responding, controlling, communicating and monitoring of risks on an ongoing basis:



EVENTS IDENTIFICATION

All existing and potential events affecting the achievement of the Group's objectives must be identified, distinguishing between risks and opportunities. Opportunities are channeled back to management's strategy or objective-setting processes

RISKS ASSESSMENT

Identified risks are analysed to form a basis for determining how they should be managed, and are assessed on an inherent and a residual basis using qualitative techniques followed by more quantitative analysis of the most important risks through risk matrix analysis

Impact	Risk Management Actions		
<i>Significant</i>	Considerable management required	Must manage and monitor risks	Extensive management essential
<i>Moderate</i>	Risks may be worth accepting with monitoring	Management effort worthwhile	Management effort required
<i>Minor</i>	Accept risks	Accept, but monitor risks	Manage and monitor risks
	<i>Low</i>	<i>Medium</i>	<i>High</i>
	Likelihood		

RISKS RESPONSE

The risk management strategy to response to risks can be: avoiding, accepting, reducing, sharing, transferring, monitoring and/or controlling the risks, and involves developing a set of actions to align risks with the Group's risk tolerances and risk appetite

CONTROL ACTIVITIES

Control activities through policies and procedures that contribute to the mitigation of risks to the achievement of objectives to acceptable levels, shall be developed and deployed on a timely and appropriate manner

INFORMATION & COMMUNICATION

Relevant information shall be communicated in a form and timeframe that enables all people within the Group to carry out their responsibilities. Effective communication also occurs in a broader sense, flowing down, across and up the Group so to ensure personnel receive clear communications regarding their role and responsibilities in risk management and internal control processes

MONITORING

The risk management and internal control processes shall be closely monitored, and modifications be made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The key elements of the Group's 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 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 actions are being considered at length by all parties concerned.

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL



Management

Management are tasked to implement the policies and procedures on risk management and internal control sanctioned by the Board. Major day-to-day risk management and internal control issues shall be communicated to the Risk Working Committee for evaluations and actions

Risk Management Working Committee (RMC)

RMC comprises 5 Executive Directors of Bonia with the other members who should have in-depth knowledge of the operation and/or financial aspects of risk management and internal control being selected from the Management to resolve the major day-to-day risk management and internal control issues duly reported by the Management. RMC also undertakes the first-tier review on the efficiency and effectiveness of the Group's risk management and internal control processes on a regular basis with issues that require the attention of the Board be communicated to the ARC for further deliberations

Internal Auditors

The Internal Auditors is an independent function that reports directly to the Audit & Risk Management Committee, and thereafter to the Board. It performs internal audit on various activities within the Group based on the Internal Audit Plan approved by the ARC by adopting risk-based methodology, recommends the best practices to enhance the quality of the risk management, internal control and governance systems of the Group, and provide reasonable assurance to the ARC on the efficiency and effectiveness of such systems

Audit & Risk Management Committee (ARC)

The ARC is composed of Independent Directors of Bonia. It conducts second-tier risk management assessments, review internal control processes and evaluate the adequacy and integrity of the risk management, internal control and governance systems of the Group independently on a regular basis, and reports to the Board of Bonia for further evaluations and actions

Board of Directors

The Board sets business objectives for the Group, establishes risk profiles, determines and adjust risk appetite and tolerance levels, ensures appropriate policies and procedures are in place to manage those significant risks within the Group, performs regular checks on the health of the Group's risk management, internal control and governance systems, and seeks continuous improvement 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 FY2016 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 control processes of the Group.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 ("CA1965") 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 CA1965 and the Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements of the Company have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of CA1965.

In preparing the financial statements for the FY2016, 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 are in compliance with CA1965.

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.