





Corporate Structure.

Corporate Structure

As at 29 September 2017

RETAILING

- 100% Armani Context Sdn. Bhd.**
Interior design, advertising and promotion
- 100% Alpha Footwear Sdn. Bhd.**
Marketing, retailing and distribution of men's and ladies' footwear
- 100% Banyan Sutera Sdn. Bhd.**
Marketing and distribution of fashionable goods

 - **100% PT Banyan Cemerlang**
Wholesaling of fashionable goods and accessories
- 100% CB Marketing Sdn. Bhd.**
Designing, promoting and marketing of fashionable leather goods
- 100% CB Franchising Sdn. Bhd.**
Retailing of leather goods and apparels
- 100% CRG Incorporated Sdn. Bhd.**
Investment holding and management services

 - **100% CR Boutique Sdn. Bhd.**
Retailing of leather goods and apparels
 - **100% CRF Marketing Sdn. Bhd.**
Designing, promoting and marketing of fashionable ladies' footwear
 - **100% CRL Marketing Sdn. Bhd.**
Designing, promoting and marketing of fashionable leather goods
 - **100% CRV Sdn. Bhd.**
Marketing and distribution of fashionable goods and accessories
 - **100% CRI Sdn. Bhd.**
Manufacturing and marketing of fashionable goods
 - **100% PT CRI Mitra Sejati**
Wholesaling of fashionable goods and accessories
 - **100% CRR Vietnam Co., Ltd**
Management consultancy activities and to implement the right of import, distribution, wholesales of goods
 - **99% CRG Viet Nam Company Limited**
Real estate activities with own or leased property
- 100% Daily Frontier Sdn. Bhd.**
Marketing, distribution and export of fashionable goods and accessories

 - **100% Daily Frontier (Vietnam) Company Limited**
Wholesaling, retailing, importing and exporting of fashionable products, accessories and cosmetics
- 100% De Marts Marketing Sdn. Bhd.**
Designing, promoting and marketing of fashionable ladies' footwear
- 100% Dominion Directions Sdn. Bhd.**
Marketing and distribution of men's apparels and accessories

 - **100% Galaxy Hallmark Sdn. Bhd.**
Marketing and distribution of men's apparels and accessories
 - **100% SB Directions Sdn. Bhd.**
Marketing and distribution of fashionable accessories
 - **90% New Series Sdn. Bhd.**
Marketing and distribution of men's apparels
 - **75% VR Directions Sdn. Bhd.**
Marketing and distribution of men's apparels and accessories, and ladies' apparels
- 100% Eclat World Sdn. Bhd.**
Designing, promoting and marketing of fashionable men's footwear
- 100% FR Gallery Sdn. Bhd.**
Managing food and beverage services
- 100% Future Classic Sdn. Bhd.**
Designing, promoting and marketing of fashionable goods
- 100% LBJR Marketing Sdn. Bhd.**
Marketing and distribution of fashionable goods and accessories
- 100% Podium Retail Sdn. Bhd.**
Marketing and distribution of fashionable goods, accessories and beauty products
- 60% Mcore Sdn. Bhd.**
Marketing and distribution of fashionable leather goods
- 30% Paris RCG Sdn. Bhd.**
Managing food and beverage services

Corporate Structure (Cont'd)

- 100% **SBG Holdings Sdn. Bhd.**
Investment holding and management services
 - 100% **SB Boutique Sdn. Bhd.**
Retailing of leather goods and apparels
 - 100% **SB International Sdn. Bhd.**
Marketing and distribution of fashionable goods and accessories
 - 100% **SBL Marketing Sdn. Bhd.**
Designing, promoting and marketing of fashionable leather goods
 - 100% **SBFW Marketing Sdn. Bhd.**
Designing, promoting and marketing of fashionable ladies' footwear
 - 100% **SBA Marketing Sdn. Bhd.**
Marketing and distribution of fashionable goods and accessories
 - 100% **SBM Marketing Sdn. Bhd.**
Designing, promoting and marketing of fashionable men's footwear
- 100% **Scarpa Marketing Sdn. Bhd.**
Wholesaling, retailing and marketing of fashionable ladies' footwear
- 100% **Vista Assets Sdn. Bhd.**
Marketing and distribution of fashionable goods
- 100% **Active World Pte Ltd**
Wholesaling and retailing of fashionable leather goods and apparels
 - 100% **Jetbest Enterprise Pte Ltd**
Wholesaling, retailing, importing and exporting of leather goods and accessories
 - 100% **SBLS Pte Ltd**
Wholesaling, retailing and marketing of fashionable footwear, carrywear and accessories
 - 100% **SCRL Pte Ltd**
Wholesaling, retailing and marketing of fashionable footwear, carrywear and accessories
 - 100% **Active Franchise Pte Ltd**
General wholesale trade including general importers and exporters
 - 100% **Active Footwear Pte Ltd**
Marketing, retailing and distribution of fashionable footwear
 - 100% **PT Active World**
Investment holding
- 100% **Kin Sheng Group Limited**
Investment holding
 - 100% **Kin Sheng International Trading Co Limited**
General trading and marketing of fashionable goods

- 70% **Jeco (Pte) Limited**
Intellectual property management
 - 100% **Lianbee-Jeco Pte Ltd**
Retailing, importing and exporting leather goods and general merchandise
 - 100% **IBB Pte Ltd**
General wholesales trade, including general importers and exporters
 - 100% **Lianbee-Jeco (M) Sdn. Bhd.**
Trading in leather products
 - 100% **PT Jeco Investment Indonesia**
Investment Holding
 - 51% **BB Global Holdings Pte Ltd**
Intellectual property management
 - 49% **Braun Verwaltungs-GmbH**
Marketing and distribution of fashionable leather goods
 - 49% **Braun GmbH & Co. KG**
Marketing and distribution of fashionable leather goods

MANUFACTURING

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

PROPERTY DEVELOPMENT

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

PROPERTY INVESTMENT

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



Group
Financial
Highlights.

Five-Year Group Financial Highlights

	30 June 2013	30 June 2014	30 June 2015	30 June 2016 *	30 June 2017
Revenue (RM'000)	632,318	691,608	695,329	665,438	613,159
Profit before tax (RM'000)	71,859	85,540	72,706	45,093	56,168
Profit after tax (RM'000)	47,568	60,590	50,796	29,308	39,398
Profit / (loss) attributable to:					
- Shareholders of the parent (RM'000)	41,348	55,123	45,324	24,369	31,734
- Non-controlling interests (RM'000)	6,220	5,467	5,472	4,939	7,664
Profit before tax margin (%)	11.36	12.37	10.46	6.78	9.16
Profit after tax margin (%)	7.52	8.76	7.31	4.40	6.43
Total assets (RM'000)	492,996	613,088	664,866	704,878	711,010
Cash and cash equivalents (RM'000)	75,846	69,624	78,775	103,159	119,648
Total borrowings (RM'000)	80,845	145,503	143,086	154,661	142,826
Shareholders' equity (RM'000)	302,383	346,486	387,516	405,746	432,930

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

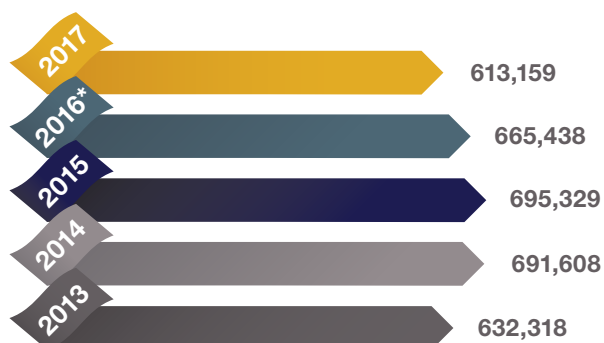
No. of ordinary shares in issue ('000)	806,287	806,287	806,287	806,287	806,287**
Share price at financial year end (RM)	0.600	1.340	0.950	0.570	0.615
Net assets per share (RM)	0.38	0.43	0.48	0.50	0.54
Net basic EPS (sen)	5.13	6.84	5.62	3.02	3.94
PE ratio (times)	11.70	19.60	16.90	18.87	15.61
Gross dividend per share (sen)	1.25	1.25	1.25	1.25	1.25

Note : * Restated

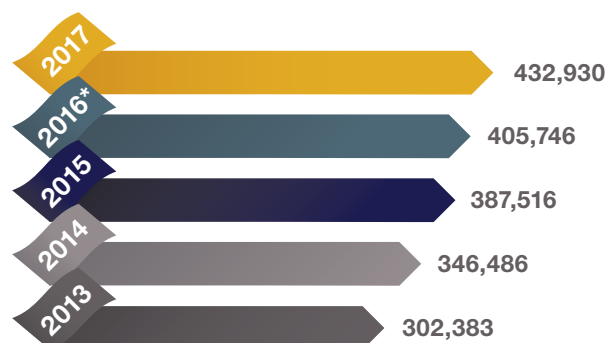
** Inclusive of 636,000 treasury shares

Five-Year Group Financial Highlight (Cont'd)

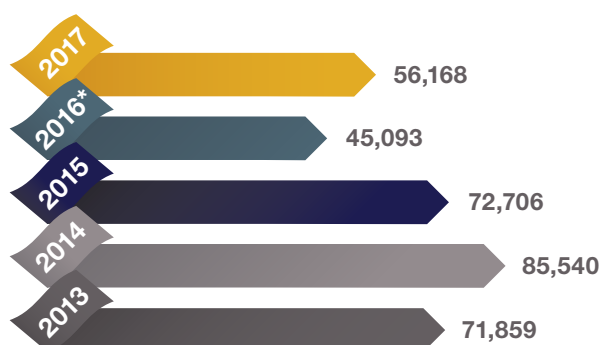
Revenue (RM'000)



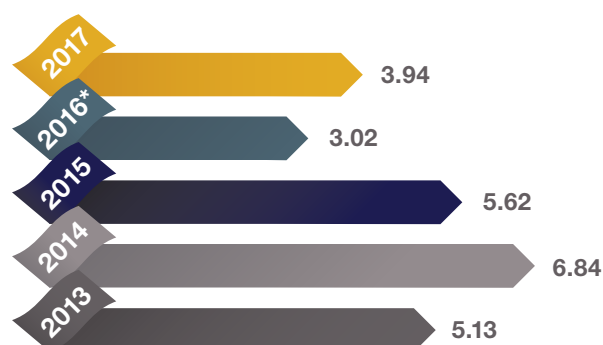
Shareholders' Equity (RM'000)



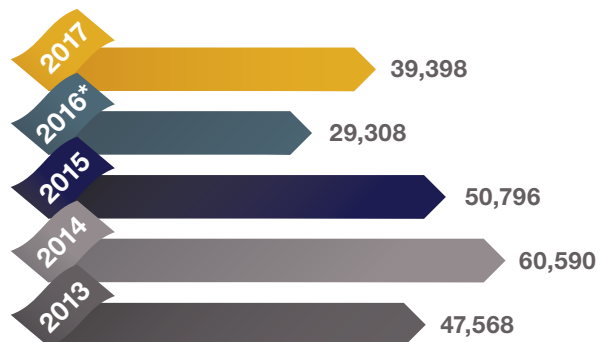
Profit before Taxation (RM'000)



Net Basic EPS (SEN)



Profit after Taxation (RM'000)



Gross Dividend per Share** (SEN)



* Restated

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



Board's
Report
Management &
Discussion
and Analysis.

Board's Report & Management Discussion and Analysis

DEAR SHAREHOLDERS

We are pleased to present the Annual Report 2017, the Audited Financial Statements for the financial year ended 30 June 2017, and the Management Discussion and Analysis of results of operations and financial conditions of BONIA Corporation Berhad and its Group of Companies.

BUSINESS OVERVIEW

The Group is principally engaged in product design, manufacture, promotion, marketing, distribution, wholesale and retail of luxury leatherwear, footwear, apparel, accessories and eyewear for both men and women under its in house brands as well as other international licensed brands. The Group is also involved in investment, development, management and rental of commercial properties and management of food and beverage services.



SEMBONIA



renoma
PARIS



CarloRino



pierre cardin
PARIS

The Group's operations are principally located in Malaysia and Singapore, with offices in Indonesia and Vietnam as well.

Retailing is our Group's main contributor and our principal markets are in Malaysia, followed by Singapore, Indonesia, Vietnam, Cambodia, Myanmar, Japan, Taiwan, Saudi Arabia, Kuwait, Egypt, Germany, Australia, Philippines, Hong Kong and China.

In Malaysia, our products are sold through numerous stand-alone boutiques and consignment counters. The stand-alone boutiques are operating under the brand name of BONIA, Braun Buffel, Carlo Rino, Sembonia, Valentino Rudy, Santa Barbara Polo & Racquet Club and Renoma.

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

Our products are also available through our online stores at bonia.com, carlorino.net, sembonia.com and braunbuffel-asiapac.com as well as other well-known market places in the region. The online revenue contributions to the Group are insignificant at the moment.

The Group's leatherwear and other products are mainly sourced from local factories and contract manufacturers, domestic OEM factories, China and other ASEAN countries. We also established a manufacturing factory that produces BONIA leather products in Melaka.

Board's Report & Management Discussion and Analysis (Cont'd)

OBJECTIVES & BUSINESS STRATEGIES

Our Group's objectives, focus and business strategies for the retail business are discussed below.

Objectives:

- BONIA, Braun Buffel, Carlo Rino, Sembonia
 - To reap the intangible and tangible value of the brands in the region;
 - To upgrade brand image and continuous brand value creation.
- Licensed brands
 - To maximise returns on investment by way of utilizing the licensed brand rights within our Group retail expertise.

Focus and business strategies employed are covered below:

- Brand management
 - The brand management is led by our Chairman/Founder with a dedicated team of Brand CEOs managing the respective brands, including their direction and performance. Performance will be measured by their respective brand's KPI achievements.
- Real estate mapping and boutique design
 - To strengthen our brand positioning by employing stringent criteria in selecting key retail locations;
 - To achieve retail excellency;
 - To incorporate modern, elegant and contemporary designs with added innovative features in our boutique design;
 - To evoke visitors' emotions and enhance their in-store experience;
 - To enhance the brand appeal to younger generations;
 - To constantly update our window display.
- Product design
 - To achieve consistent and up-to-date designs across all product lines;
 - To align with each brand's DNA and directions;
 - To engage a creative director from overseas to keep abreast with the changes in fashion trends and designs in conjunction with seasonal transitions;
 - To align all product lines to a common seasonal mood for each brand and season.
- Supply chain and quality control
 - To ensure that only high quality raw materials that meet our standard are used in the production of our products;
 - To achieve consistency and sustainability in product supply and product quality.
- Customer relationship & marketing management
 - To provide customers with value-added services;
 - To improve customer loyalty;
 - To educate our frontliners to meet our internal criteria set;
 - To provide interactive and experiential marketing by carrying out events and workshops;
 - To establish each individual brand position according to their brand direction;
 - To pursue content marketing by collaborating with art houses and content owners, digital marketing and social media as well as engaging Social Influencers.

Board's Report & Management Discussion and Analysis (Cont'd)

OPERATIONAL REVIEW

Table 1: Revenue breakdown

	FYE 30 June			
	2017		2016	
	RM'000	%	RM'000	%
Overall retailing revenue (excluding royalties income)	596,885		651,268	
By country				
Malaysia	396,972	66.5%	439,224	67.4%
Singapore	133,400	22.3%	159,714	24.5%
Indonesia ⁽¹⁾	41,359	6.9%	21,221	3.3%
Vietnam	9,312	1.6%	8,589	1.3%
Saudi Arabia / Middle East	9,200	1.6%	16,451	2.5%
Others	6,642	1.1%	6,069	1.0%
By business segment				
Consignment	266,497	44.6%	312,695	48.0%
Boutique	207,897	34.9%	222,799	34.2%
Outright / Export	122,491	20.5%	115,774	17.8%
By brand				
BONIA	172,246	28.9%	199,778	30.7%
Braun Buffel	129,902	21.8%	116,638	17.9%
Carlo Rino	108,689	18.2%	133,169	20.5%
Sembonia	88,769	14.9%	86,167	13.2%
Licensed brands	97,279	16.2%	115,516	17.7%
By product group				
Leatherwear	370,608	62.1%	389,309	59.8%
Ladies' footwear	74,443	12.5%	84,606	13.0%
Men's footwear	38,037	6.4%	44,434	6.8%
Men's apparel	70,582	11.8%	82,048	12.6%
Accessories	30,610	5.1%	35,563	5.5%
Others	12,605	2.1%	15,308	2.3%

⁽¹⁾ FY2017 figures include consolidation of IBB Pte Ltd, a subsidiary duly acquired by BONIA Group on 29 January 2016

Table 2: Number of stores by country and distribution channel

	As at 30 June 2017			As at 30 June 2016		
	Stand-alone Boutiques	Consignment Counters	Total	Stand-alone Boutique	Consignment Counters	Total
Malaysia	125	846	971	123	1,064	1,187
Singapore	9	59	68	13	56	69
Indonesia	26	44	70	19	92	111
Vietnam	5	31	36	8	36	44
Saudi Arabia / Middle East	19	–	19	17	–	17
Others	4	4	8	5	6	11
Total	188	984	1,172	185	1,254	1,439

Board's Report & Management Discussion and Analysis (Cont'd)

Table 3: Number of stores by brand and distribution channel

	As at 30 June 2017			As at 30 June 2016		
	Stand-alone Boutiques	Consignment Counters	Total	Stand-alone Boutique	Consignment Counters	Total
BONIA	58	240	298	59	390	449
Braun Buffel	39	50	89	37	53	90
Carlo Rino	48	147	195	45	171	216
Sembonia	28	249	277	26	260	286
Valentino Rudy	7			9		
Santa Barbara Polo & Racquet Club	6	298	313	7	380	398
Renoma	2			2		
Total	188	984	1,172	185	1,254	1,439

Malaysia, Singapore and Indonesia were the primary contributors to the Group's revenue, with a total of 160 boutiques or approximately 85% of the Group's total number of boutiques as at 30 June 2017 (FY2016: 84%). On the other hand, the consignment counter sales contributed quite substantially to the Group's total revenue at 44.6% (FY2016: 48.0%) for the financial year under review. Considering it is easier to set up consignment counters than boutiques in terms of location, financial requirement and working capital, the higher proportion of consignment counter sales was also due to the Group's strong tie-up with large department stores.

The consignment counter sales in these three countries, ie. Malaysia, Singapore and Indonesia, encompassed 96% (FY2016: 97%) of the Group's total counters (949 counters out of 984 counters). In total, the sales from Malaysia, Singapore and Indonesia accounted for 95.7% (FY2016: 95.2%) of the Group's total revenue in FY2017 with respect to both boutique operations and consignment counter sales.

The Group is currently focused on expanding its boutique business segment as it offers higher margins and better brand recognition. On an average, the boutique's gross margin is higher than consignment counters. However, boutique business requires higher investment in terms of renovation, rental commitment and inventories holding.

During the financial year under review, the Group managed to reduce the consignment counters from 1,254 to 984 counters as shown in Table 3 above with the majority coming from Malaysia and Indonesia due to rationalisation of certain house brands and product offerings in these two countries.

For the financial year under review, the Group reported a negative Same Store Sales Growth ("SSSG") of -6% for Malaysia, -4% for Singapore, -8% for Indonesia and -19% for Vietnam, mainly due to weak retail sentiment.

Overall, the performance of the Group has been challenging due to the weak business conditions that prevail in the retail market. The Group remains vigilant in cost management and improving the overall profit margin. As a result, the gross profit margin has improved from 55.0% to 58.5% for FY2017 and selling and distribution expenses were reduced by 6.7% from RM197.2 million to RM184.8 million.

The Group is maintaining its strategy of focusing its efforts on optimising the operational structure to ensure sustainable and efficient operations to meet the increased competitive pressure faced by the retail industry.

With increasing competition, we have to be prudent in managing our costs and upkeep the design and quality of our products to enable us to maintain our branding position as one of the preferred and major retail players in the region.

Board's Report & Management Discussion and Analysis (Cont'd)

FINANCIAL ANALYSIS

Revenue

For the financial year ended 30 June 2017 (FY2017), the Group's revenue decreased by RM52.28 million or 7.9% as compared to the corresponding cumulative quarters in the preceding year. In view of the fragile consumer spendings and softening retail environment, the Group has embarked on a series of consolidation and rationalisation processes by closing down a number of non-performing boutiques and consignment counters particularly for licensed brands, and being more selective on store openings as well as improving productivity. This has caused the revenue dropped by 7.9% which is within our expectation.

Other operating income

Other operating income comprises mainly of the followings:-

	FYE 30 June		Variance (%) 2017 vs 2016
	2017 RM'000	2016 RM'000	
Reversal of impairment losses of trade and other receivables	1,071	30	3,470.0%
Gain on disposal of property, plant and equipment and assets held for sale	3,214	127	2,430.7%
Unrealised and realised gain on foreign exchange	845	1,685	-49.9%
Interest income	1,913	1,221	56.7%
Total	7,043	3,063	129.9%

For FY2017, the gain on disposal of property, plant and equipment and assets held for sale mainly arose from the disposal of property in Singapore amounting to RM2.8 million and the reversal of impairment losses for trade and other receivables is mainly in relation to trade receivables in a Vietnam subsidiary and amount owned by an associate company of the Group amounting to a total of RM1.07 million.

Selling and distribution expenses

For the financial year under review, selling and distribution expenses incurred by the Group amounting to RM184.8 million (FY2016 : RM197.2 million) consisted of the following major expenses:

	FYE 30 June		Variance (%) 2017 vs 2016
	2017 RM'000	2016 RM'000	
Advertising and promotion	15,425	14,135	9.1%
Rental of boutique	50,936	55,155	-7.6%
Frontliner and sales person costs	72,420	75,630	-4.2%
Dealer's and franchise commission	12,742	15,270	-16.6%
Depreciation	6,285	9,553	-34.2%
Disbursement fees	7,644	8,308	-8.0%

The decrease in selling and distribution expenses of 6.3% or RM12.4 million from RM197.2 million was mainly due to the Group's effort in a series of consolidation and rationalisation processes to close down non-performing boutiques and consignment counters.

Board's Report & Management Discussion and Analysis (Cont'd)

General and administrative expenses

For the financial year under review, general and administrative expenses incurred by the Group amounting to RM121.7 million (FY2016: RM124.5 million) consisted of the following major expenses:

	FYE 30 June		Variance (%) 2017 vs 2016
	2017 RM'000	2016 RM'000 (Restated)	
Employee costs and benefits (including directors' remunerations)	59,370	58,058	2.3%
Rental of offices and warehouses	5,351	5,770	-7.3%
Royalties	5,580	5,686	-1.9%
Trademark related expenses	1,962	2,608	-24.8%
Depreciation	11,618	12,726	-8.8%
Impairment of property, plant and equipment	151	1,228	-87.7%
Provision of doubtful debts	3,298	5,951	-44.6%
Property, plant and equipment written off	1,182	607	94.7%
Bad debts written off	1,223	32	3,721.9%
Amortisation of intangible assets	3,940	2,986	31.9%

The slight decrease in overall general and administrative expenses was due to reduction of rental of offices and warehouses from external parties after the completion of our relocation exercise to our own buildings, lower trademark expenses for in-house brands and a lower depreciation charge for renovation of boutiques and offices.

Finance costs

The Group's finance costs consisted of mainly merchant credit card charges, bank charges, interest expenses for trade lines, overdraft and long term loans. During the financial year ended 30 June 2017, the long term loans interest amounting to approximately RM5.9 million (FY2016 : RM5.6 million) accounted for approximately 53% of the total finance costs of RM11.2 million (FY2016: RM11.1 million). These term loans are mainly to part finance the Group's property investment for its own use as offices and warehouses in the Klang Valley. Details of the bank borrowings and properties can be found in the Notes to Financial Statements and List of Properties section in this Annual Report.

Effective tax rate

The Group's effective tax rate stood at approximately 29.9% for the financial year under review, lower when compared to 35.0% in the preceding year due to fewer loss making subsidiaries. The effective tax rate was higher than the statutory tax rates of 24% applicable to the Group primarily due to the following factors:

- Certain expenses were not allowed for deduction for the purpose of tax computation;
- Deferred tax assets have not been recognised for temporary differences arising from the unused tax losses of loss making subsidiaries.

Board's Report & Management Discussion and Analysis (Cont'd)

Profitability

	FYE 30 June		Variance (%) 2017 vs 2016
	2017 RM'000	2016 RM'000 (Restated)	
Gross profit ("GP")	359,027	366,186	-2.0%
Profit before interest, tax, depreciation and amortisation ("EBITA")	84,689	77,212	9.7%
Profit before tax ("PBT")	56,168	45,093	24.6%
Net profit ("NP")	39,398	29,308	34.4%
Financial ratios			
GP Margin	58.6%	55.0%	
EBITA Margin	13.8%	11.6%	
PBT Margin	9.2%	6.8%	
NP Margin	6.4%	4.4%	

Despite the decrease in revenue, the Group posted an improved PBT of RM56.2 million, which is 24.6% higher than the PBT of RM45.1 million reported in the preceding year. The increase in earnings was mainly due to improvement in GP Margin and the Group's continuous efforts in controlling its operating cost. The Group has also embarked on rationalisation processes in disposing of non-core assets.

The followings are the financial effects arising from the Group's consolidation and rationalisation process which are non-recurring in nature:-

	FY2017 RM'000	FY2016 RM'000
Bad debts written off	1,223	32
Fair value adjustments on investment properties	238	2,656
Impairment losses on trade and other receivables	3,298	5,951
Net gain on disposal of investment properties, property, plant and equipment, and assets held for sale	(2,999)	(42)
	1,760	8,597

Financial position

	FYE 30 June		Variance (%) 2017 vs 2016
	2017 RM'000	2016 RM'000 (Restated)	
Total assets	711,010	704,878	0.9%
Total liabilities	255,743	278,638	-8.2%
Net assets / Shareholders' equity	432,930	405,746	6.7%
Net current assets	246,948	227,293	8.6%
Financial ratios			
Quick ratio ⁽¹⁾	175.3%	145.0%	
Debt-to-equity ratio ⁽²⁾	59.1%	68.7%	

Remark

⁽¹⁾ Formula: (Cash and bank balances + short term funds + current receivables) / Current liabilities

⁽²⁾ Formula: Total liabilities / Shareholders' equity

Board's Report & Management Discussion and Analysis (Cont'd)

The Group maintains a healthy financial position as of 30 June 2017, with no significant variance compared to the previous financial year. In fact, the Shareholders' equity has increased by 6.7% to RM432.9 million together with the improved ratios as highlighted above.

Liquidity

	As at 30 June	
	2017 Days	2016 Days
Inventories ⁽¹⁾	191	182
Trade receivables ⁽²⁾	51	42
Trade payables ⁽³⁾	(27)	(30)
Net working capital turnover days	215	194

Remark

⁽¹⁾ Formula: $\text{Inventories} / \text{Cost of sales} \times 365 \text{ days}$

⁽²⁾ Formula: $\text{Trade receivables} / \text{Total revenue} \times 365 \text{ days}$

⁽³⁾ Formula: $\text{Trade payables} / \text{Cost of sales} \times 365 \text{ days}$

The net working capital turnover days had increased from 194 days to 215 days mainly due to the following:

- Higher sales in the month of June 2017 increased the trade receivables turnover to 51 days compared to the preceding year;
- The Group still has significant consignment businesses in department stores which require higher inventories and trade receivable days; and
- The Group has a lower trade payables turnover period which is normal as most of our purchases are from China and require payment before shipment.

	FYE 30 June	
	2017 RM'000	2016 RM'000
Net cash from operating activities	58,692	68,499
Net cash used in investing activities	(6,559)	(35,866)
Net cash used in financing activities	(37,340)	(9,284)
Net movement in cash and cash equivalents	14,793	23,349

For the financial year under review, the Group recorded lower net cash inflows of approximately RM14.8 million as compared to net cash inflows of RM23.3 million in the previous year. This was primarily due to the net repayment of bank borrowings amounting to RM13.0 million during the financial year under review.

RISK AND CHALLENGES

The Group's revenue was mainly contributed by the retail segment.

The principal risk factors faced by the Group's retail operations consist of the following:

- Impact of global economic uncertainties on Malaysia's economy and the countries in which we have retail operations and exposures;
- Unsuccessful brand positioning and market competition;
- Change in consumer spending power as well as shoppers' behaviours and preferences;
- Counterfeit products in the market;
- Unauthorised resellers in the market;
- Loss of licensing or distributorship rights;
- Slowdown in collection of trade receivables.

Board's Report & Management Discussion and Analysis (Cont'd)

The Group had taken the following initiatives to mitigate the impact arising from the above operating and financial risks:

- The Management reviews the Political, Economic, Social and Technological (PEST) effects and conditions of the countries which we export to and operate in from time to time. Any decision to enter or exit an overseas markets will be based upon full analysis and after deliberation by the Management;
- Periodic consumer satisfaction surveys are conducted to understand the preference and characteristic of the consumers of each brand and country;
- Launching of products that are relevant to consumer preference as well as increasing the range or variety of our products;
- Provide training to our frontliners to serve different needs of our customers;
- A dedicated team, including legal counsels, to deal with issues arising from the existence of counterfeit products, customers' complaints and feedbacks, negative media comments, etc;
- Frontliners are trained to educate our customers on differentiation between genuine and counterfeit products in terms of product descriptions, features and designs;
- Regular monitoring and follow-up on collections from receivables. A letter of credit or payment before shipment will be required from overseas buyers to eliminate uncollectable debts and unnecessary cost of taking such recovery.

To sustain our market position in a challenging environment and to achieve operational efficiency, the retail division will continue to closely monitor the individual outlets' performance and take action rapidly in response to market changes.

FUTURE PROSPECTS

The retail sector has become more challenging due to rising costs of doing business and the weakened Ringgit, which has driven up the merchandise costs. The rising cost of living and weakened Ringgit have decreased the consumer spending power.

In addition, the influx of online marketing has directly or indirectly affected the retail infrastructure. As such, retailers are striving to increase efficiency, reinvent in-store models, offer additional services and invest in the digital platform in order to stay relevant in the market place.

Given the uncertain economic outlook, the Group's prospects for the coming financial year are expected to be challenging. With the continuing increase in imported merchandise costs due to the weakened Ringgit, the Group will continue to monitor its operating costs and cautiously adjust its selling price to cope with rising costs of operation. The Group will continue its business consolidation by closing down non-performing outlets, improve gross margins by improving the sourcing of products and continue to reorganizing its retail operations and brand positioning to increase efficiency and productivity.

Moving forward, the Group will focus and channel its resources on house brands, namely BONIA, Braun Buffel, Carlo Rino and Sembonia, consolidate and improve the performance of its licensed brands, and continue to develop and strengthen its overseas markets, in particular Indonesia, Vietnam and some Middle East countries.

CORPORATE DEVELOPMENTS

On 18 July 2016, CRR Vietnam Co., Ltd. ("CRR") became an indirect wholly-owned subsidiary of the Company via CRG Incorporated Sdn. Bhd.'s subscription of 100% equity interest in CRR for a contributed capital of VND1,125,000,000. CRR is primary involved in management consultancy activities and implementation of the right of import, distribution and wholesale of goods in Vietnam.

As part of the Group's rationalisation plan to eliminate unnecessary administrative costs in maintaining dormant subsidiaries:

- (i) the voluntary liquidation of an indirect subsidiary, BONIA Italia Srl (initiated in 2015), was completed during the FY2017; and
- (ii) an application to strike off Bruno Magli South East Asia Pte Ltd, a 70%-owned indirect and dormant subsidiary of BONIA from the register of the Accounting and Corporate Regulatory Authority (ACRA) Singapore was submitted and approved by ACRA on 12 July 2017 via the ACRA portal.

Board's Report & Management Discussion and Analysis (Cont'd)

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no fund raising exercises implemented during the FY2017.

MATERIAL CONTRACTS

During the FY2017, 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.

DIVIDEND

The Board of Directors has recommended a single tier final dividend of 1.25 sen per ordinary share in respect of the FY2017 subject to the approval of the members of the Company at the forthcoming Annual General Meeting, with the tentative entitlement and payment dates for the proposed final dividend be set at 8 December 2017 and 22 December 2017 respectively.

ACKNOWLEDGMENTS

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 FY2017 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.

For and on behalf of
The Board of BONIA Corporation Berhad

CHIANG SANG SEM

Group Executive Chairman cum Chief Executive Officer

Date: 12 October 2017





Corporate

Information.



Corporate Information

BOARD OF DIRECTORS

Chiang Sang Sem

Group Executive Chairman cum Chief Executive Officer

Dato' Sri Chiang Fong Yee

Alternate Director to Chiang Sang Sem

Datuk Chiang Heng Kieng

Group Managing Director

Chiang Sang Bon

Group Executive Director

Dato' Sri 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)

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

Stock Exchange Listing

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

Auditors

BDO (AF 0206)
Chartered Accountants
Level 8 BDO@Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan Malaysia
Tel: +603-2616 2888
Fax: +603-2616 3190

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





Profile of
Directors.

Profile of Directors

CHIANG SANG SEM

Nationality: Malaysian | Age: 64 | Gender: 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. He travels regularly around Europe and Asia to get the latest updates on fashion trends and technological changes in leatherwear and fashion accessories industry.

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, Dato' Sri Chiang Fong Yee, Dato' Sri Chiang Fong Tat and Dato' Sri Chiang Fong Seng are also members of the Board.

DATO' SRI CHIANG FONG YEE *SSAP*

Nationality: Malaysian | Age: 40 | Gender: Male

Dato' Sri Chiang Fong Yee obtained his Bachelor Degree in Marketing and Statistic from Middlesex University in the United Kingdom in 1999 and joined Bonia Group in 2000. He was appointed to the Board on 18 February 2004 as the Alternate Director to Chiang Sang Sem. He plays an integral role in developing Group strategy with the rest of the leadership team and focuses on the Group's expansion and growth, market entry, sustainability, profitability and operational efficiency.

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, Dato' Sri Chiang Fong Tat and Dato' Sri Chiang Fong Seng are also members of the Board.

DATUK CHIANG HENG KIENG *PMW*

Nationality: Malaysian | Age: 55 | Gender: 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, Dato' Sri Chiang Fong Yee, Dato' Sri Chiang Fong Tat and Dato' Sri Chiang Fong Seng are also members of the Board.

Profile of Directors (Cont'd)

CHIANG SANG BON

Nationality: Malaysian | Age: 62 | Gender: 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, Dato' Sri Chiang Fong Yee, Dato' Sri Chiang Fong Tat and Dato' Sri Chiang Fong Seng are also members of the Board.

DATO' SRI CHIANG FONG TAT SSAP

Nationality: Malaysian | Age: 39 | Gender: Male

Dato' Sri Chiang Fong Tat graduated with a Bachelor (Hons) Degree in Marketing and Management from Middlesex University in the United Kingdom and joined Bonia Group in 2000. He was appointed to the Board on 30 August 2004 as a Group Executive Director of the Company. He is responsible for the Group's expansion and growth, market entry, product research and development as well as business efficiency.

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, Dato' Sri Chiang Fong Yee and Dato' Sri Chiang Fong Seng are also members of the Board.

DATO' SRI CHIANG FONG SENG SSAP

Nationality: Malaysian | Age: 32 | Gender: 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, Dato' Sri Chiang Fong Yee and Dato' Sri Chiang Fong Tat are also members of the Board.

Profile of Directors (Cont'd)

CHONG CHIN LOOK

Nationality: Malaysian | Age: 54 | Gender: 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*

Nationality: Malaysian | Age: 65 | Gender: 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 the Chairman of Wellcall Holdings Berhad and iCapital.Biz Berhad, and an independent director of Sinmah Capital Berhad (formerly known as Farm's Best Berhad). He is also the Chairman of Koperasi Jayadiri Malaysia Berhad.

DATO' SHAHBUDIN BIN IMAM MOHAMAD *DSAP, DIMP, SAP, JSM, PJK*

Nationality: Malaysian | Age: 75 | Gender: 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 (Cont'd)

CHONG SAI SIN

Nationality: Malaysian | Age: 50 | Gender: 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 CL Associates PLT, Messrs. Lum & Co. 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 7 years' experience in 2 established audit firms before joining commercial organisations as an Accountant, Corporate Finance Manager and Financial Controller from 1995 to 2002. Thereafter, he started his public practice as an audit principal and becomes an audit partner in 2005. In 2016, he co-founded CL Associates PLT.

He also 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 public practice and gained good exposure in corporate finance and restructuring, 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 FY2017.

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.**

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

ONG MAY CHIUN

Nationality: Malaysian
Age: 53 | Gender: 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) and men's accessories.

YEOW KIM THAI

Nationality: Malaysian
Age: 53 | Gender: Male

Yeow Kim Thai is currently responsible for Bonia Group's export division. He joined the Group 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.

SIOW HUEY LOONG

Nationality: Malaysian
Age: 53 | Gender: 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 27 years and accumulated more than 17 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.

MANIMARAN A/L KANAPATHI

Nationality: Malaysian
Age: 53 | Gender: 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 Malaysia. 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.

Profile of Key Senior Management (Cont'd)

MUSNIARNI MASSEWA

Nationality: Indonesian
Age: 52 | Gender: Female

Musniarni Massewa joined the Indonesia operations as Country Head in 2017.

She graduated from RMIT University in Melbourne majoring in quantitative management for her master degree in 1992. She is currently responsible for Braun Buffel and Bonia retail in Indonesia. Musniarni has over 22 years' experience in luxury and premium brand, namely, Cartier, Tiffany & Co., Coach, Michael Kors Kate Spade, Victoria' Secret and Bath & Body Works. Prior to her current position, she was the Country General Manager Valiram Group for 4 years, responsible for the overall business in Indonesia.

AUDREY LIEW SAU MUN

Nationality: Malaysian
Age: 50 | Gender: 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 honours, with a major in psychology and a minor in Business Administration in 1988 from Rutgers University, New Jersey, USA. Audrey has over 27 years of board 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

Nationality: Malaysian
Age: 48 | Gender: 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 University of Malaya in 1994. He has over 20 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.

DATIN SRI LO KIN YEE

Nationality: Hong Kong national
Age: 41 | Gender: Female

Datin Sri Lo Kin Yee joined Bonia Group in September 2001 as Marketing Support Executive and subsequently she was promoted to the position of Brand Manager of the leatherwear division in January 2004. Meanwhile, she was appointed as Executive Director of CRG Incorporated Sdn. Bhd. on 1 August 2016.

She obtained her Bachelor Degree in Marketing and Human Resources Management from Middlesex University, United Kingdom in 1999. She is currently responsible for research and development planning, product distribution of ladies leatherwear and footwear divisions for Carlo Rino Brand.

She is related to Chiang Sang Sem, Dato' Sri Chiang Fong Yee, Datuk Chiang Heng Kieng, Chiang Sang Bon, Dato' Sri Chiang Fong Tat and Dato' Sri Chiang Fong Seng by virtue of their family relationship.

Profile of Key Senior Management (Cont'd)

DATIN SRI TAN LOO YIN

Nationality: Malaysian
Age: 39 | Gender: Female

Datin Sri Tan Loo Yin joined Bonia Group in June 2006 as Personal Assistant and subsequently she was promoted to the position of Brand Manager of the leatherwear division in January 2007. Meanwhile, she was appointed as Executive Director of SBG Holdings Sdn. Bhd. on 1 January 2013.

She obtained her Bachelor (Hons) Degree in Business Economics & Marketing from Middlesex University, United Kingdom in 2000. She is currently responsible for research and development planning, product distribution of men's & ladies leatherwear and footwear divisions for Sembonia Brand.

She is related to Chiang Sang Sem, Dato' Sri Chiang Fong Yee, Datuk Chiang Heng Kieng, Chiang Sang Bon, Dato' Sri Chiang Fong Tat and Dato' Sri Chiang Fong Seng by virtue of their family relationship.

CHIANG FONG CHYEN

Nationality: Malaysian
Age: 37 | Gender: Male

Chiang Fong Chyen joined Bonia Group in August 2008 as a Marketing Executive of Eclat World Sdn. Bhd.

He graduated with Bachelor of Arts degree in Business Information Technology from Coventry University in the United Kingdom. He was appointed Executive Director of Alpha Footwear Sdn. Bhd. in July 2010 to focus on Valentino Rudy men shoes. In September 2012, Alpha Footwear Sdn. Bhd. added Renoma men shoes into their profile. His main responsibility includes management, product development and business development. Subsequently, he was appointed as Executive Director of SBM Marketing Sdn. Bhd. in October 2016. His new responsibility is to further develop Sembonia and The Savile Row Company men shoes.

He is related to Chiang Sang Sem, Dato' Sri Chiang Fong Yee, Datuk Chiang Heng Kieng, Chiang Sang Bon, Dato' Sri Chiang Fong Tat and Dato' Sri Chiang Fong Seng by virtue of their family relationship.

CHIANG MAY LING

Nationality: Malaysian
Age: 29 | Gender: Female

Chiang May Ling joined Bonia Group on 27 May 2011 and was appointed as director of De Marts Marketing Sdn. Bhd. in year 2013.

She graduated with a degree, Bachelor of Commerce majoring in Accounting and Finance from Deakin University. She is currently responsible for product planning, sourcing and developing, analysing and implementation of marketing strategy for ladies footwear.

She is related to Chiang Sang Sem, Dato' Sri Chiang Fong Yee, Datuk Chiang Heng Kieng, Chiang Sang Bon, Dato' Sri Chiang Fong Tat and Dato' Sri Chiang Fong Seng by virtue of their family relationship.

CHIANG FONG XIANG

Nationality: Singaporean
Age: 29 | Gender: Male

Chiang Fong Xiang joined Bonia Group on 1 May 2013 under Active World Pte Ltd heading the merchandising and marketing division.

He was appointed as director of Active World Pte Ltd on 19 March 2014 overseeing the BONIA leatherwear division. He is currently responsible for research and development, product sourcing, planning and implementation of marketing strategy, product distribution for ladies' leatherwear in department stores and boutiques.

He graduated with a bachelor degree in economics and finance from Singapore Institute of Management (SIM) – RMIT University, Melbourne in 2013.

He is related to Chiang Sang Sem, Dato' Sri Chiang Fong Yee, Datuk Chiang Heng Kieng, Chiang Sang Bon, Dato' Sri Chiang Fong Tat and Dato' Sri Chiang Fong Seng by virtue of their family relationship.

Profile of Key Senior Management (Cont'd)

ONG BOON HUAT

Nationality: Malaysian
Age: 48 | Gender: 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, CMIIA*

Nationality: Malaysian
Age: 44 | Gender: Female

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

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 FY2017.



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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 2017 (“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 Suruhanjaya Syarikat 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.

The Group Executive Chairman cum Chief Executive Officer provides leadership for the Board to ensure that the Board is able to perform its responsibilities effectively. He also leads the Board in establishing and monitoring good corporate governance practices, and promotes effective communication to shareholders and other stakeholders of the objectives, strategies and policies of Bonia Group, whilst the Group Managing Director is focused on managing the Group’s day-to-day operations. 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.

Statement on Corporate Governance (Cont'd)

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, assures a check and balance to the Board. Together with the Executive Directors who possess intimate knowledge of the Group's rapidly evolving businesses, the Board is constituted of individuals who are committed to business integrity and professionalism in all their activities.

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

Board Commitment

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

The Directors meets at least 5 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 6 Board meetings held during the FY2017:

Directors	Designation	Attendance	Percentage
Chiang Sang Sem	Group Executive Chairman cum Chief Executive Officer	6/6	100%
Dato' Sri Chiang Fong Yee	Alternate Director to Chiang Sang Sem	6/6	100%
Datuk Chiang Heng Kieng	Group Managing Director	6/6	100%
Chiang Sang Bon	Group Executive Director	6/6	100%
Dato' Sri Chiang Fong Tat	Group Executive Director	5/6	83%
Dato' Sri Chiang Fong Seng	Group Executive Director	6/6	100%
Chong Chin Look	Group Finance Director	6/6	100%
Datuk Ng Peng Hong @ Ng Peng Hay	Senior Independent Non-Executive Director	6/6	100%
Dato' Shahbudin Bin Imam Mohamad	Independent Non-Executive Director	5/6	83%
Chong Sai Sin	Independent Non-Executive Director	6/6	100%

Supply of Information

Prior to Board meetings, the Chairman sets the board agenda and ensures that board members are furnished with comprehensive reports and information of a quality in a timely manner to enable them to discharge their 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 require 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.

The Company Secretaries assist the Board in strengthening good governance practices and processes within Bonia Group. They also advise the Board on directors' statutory duties, board procedures, disclosure obligations and listing requirements.

Statement on Corporate Governance (Cont'd)

Continuous Professional Development

Induction programmes will be conducted for all newly appointed Board members, Company Secretaries and senior management 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 and the Company Secretaries will continue to assess their own training needs and undergo relevant training and development programmes to enhance their skills and knowledge and to keep abreast with new developments in the business environment.

During the FY2017, the continuous training programmes attended by the Directors and the Company Secretaries are as follows:

Designation	Name	Particulars of the training programmes
Directors	Chiang Sang Sem	<ul style="list-style-type: none"> Lineapelle, Milan Asia Pacific Leather Fair, Hong Kong
	Dato' Sri Chiang Fong Yee	<ul style="list-style-type: none"> Lineapelle, Milan HKTDC – Hong Kong International Franchising Show 2016 APLF – Leather & Materials
	Datuk Chiang Heng Kieng	<ul style="list-style-type: none"> Journey & Experience Sharing about Being Invested by Corporate Investor Journey & Experience Sharing about First Successful Equity Crowdfunding Case in Malaysia Resource Management – Cost Optimization Leading to Profit Maximization Pre-Verification of Conformity (PVOC) Programme Covering Africa and Middle East Retailing in Digital Era Malaysia and Britain - Partners in a Post-Brexit World
	Chiang Sang Bon	<ul style="list-style-type: none"> Malaysia International Branding Showcase 2016 Malaysian International Franchise 2017
	Dato' Sri Chiang Fong Tat	<ul style="list-style-type: none"> Archidex 2016 Listening & Questioning Skills for Effective Communication
	Dato' Sri Chiang Fong Seng	<ul style="list-style-type: none"> Resource Management: Cost Optimization Leading to Profit Maximization Disrupt or be Disrupted Sales Playbook Encore by Serge Romano TFWA Asia Pacific Exhibition & Conference 2nd Annual Retail in Malls
	Chong Chin Look	<ul style="list-style-type: none"> Cost Optimization Leading to Profit Maximization 4th CFO Innovation Malaysia Forum Managing Your Tax Affairs in the Current Economic Environment Gearing Up For The Digital Future Economic Outlook 2017 What Impact Will the New US Government have on markets in 2017 Companies Act 2016 Briefing Release of The Malaysian Code on Corporate Governance
	Datuk Ng Peng Hong @ Ng Peng Hay	<ul style="list-style-type: none"> Enhancing Corporate Governance Practices & Disclosures in Annual Report and Updates on Regulatory Requirements
	Dato' Shahbudin Bin Imam Mohamad	<ul style="list-style-type: none"> Anti-corruption & Integrity – Foundation of Corporate Sustainability

Statement on Corporate Governance (Cont'd)

Designation	Name	Particulars of the training programmes
Directors	Chong Sai Sin	<ul style="list-style-type: none"> • Changing SMPs Business Model • Getting on Board – Special Briefing on Fide Forum’s Directors Register of Board Talent • National Tax Conference 2016 • Advocacy Sessions on Management Discussion & Analysis for Chief Executive Officers and Chief Financial Officers • Forum on Key Audit Matters • Impact on Auditors & Corporate Secretaries with New Companies Bill 2015 • Enforcement Updates by Suruhanjaya Syarikat Malaysia • More effective & meaningful disclosure of Corporate Governance policies & practices • 2017 Budget Seminar • Integrity : The Game Changer
Company Secretaries	Chok Kwee Wah	<ul style="list-style-type: none"> • Workshop on Companies Act 2016
	Tan Kean Wai	<ul style="list-style-type: none"> • Technical Briefing on Amendments to Listing Requirements relating to Disclosure, Corporate Governance Requirements & Future Financial Information & Common Disclosure Issues and Case Studies • Sustainability – Shaping the Future • Issues Relating to the Companies Act 2016 • The Best Practice Guide on AGMs for Companies Secretaries of Listed Issuers

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.

On 31 January 2017, the Companies Act 2016 (“CA2016”) came into force and the Companies Act 1965 (“CA1965”) was repealed, and under CA2016, there is no age limit for Directors. Accordingly, those Directors over 70 years of age who were re-appointed under Section 129 of the CA1965 in the preceding AGM where their term of office shall end at the conclusion of the next AGM, are required to submit themselves for re-appointment and continuation in office at the forthcoming 26th AGM of the Company.

The MCCG recommends that the tenure of an independent director should not exceed a cumulative term of 9 years, and upon completion of the 9 years, an independent director may continue to serve on the board as a non-independent director. 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;
- 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; and
- his independence has not been compromised by his length of service and he is able to exercise independent judgement and demonstrate objectivity in his deliberations in the best interest of the Company and the Group.

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 directorship 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 Principle of the MCCG on the gender diversity policy for boardroom, and an internal statistical report revealed that women hold approximately 30% of the senior management positions in the Group.

Statement on Corporate Governance (Cont'd)

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 the Executive and Non-Executive Directors of Bonia Corporation Berhad by the Company and several of its local and foreign subsidiaries upon approval granted by the shareholders at AGMs. Apart from it, Non-Executive Directors receive yearly fixed allowance for their membership of the Audit & Risk Management Committee and Nomination & Remuneration Committee, and 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 detailed disclosure of each Director's remuneration is not provided in this Annual Report.

The aggregate remuneration of the Directors for the FY2017 is categorised into appropriate components as follows:

Category		Fees RM'000	Salaries RM'000	Bonuses RM'000	Benefits- in-kind RM'000	Other Emoluments RM'000	Total RM'000
The Company	Executive Directors	420	101	1,701	–	264	2,486
	Non-Executive Directors	180	–	–	–	–	180
	Total:	600	101	1,701	–	264	2,666
The subsidiaries of the Company	Executive Directors	1,558	2,541	502	–	938	5,539
	Non-Executive Directors	–	–	–	–	–	–
	Total:	1,558	2,541	502	–	938	5,539

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

Range of Remuneration	Executive Director(s)	Non-Executive Director(s)
The Company	RM50,001 to RM100,000	3
	RM2,150,001 to RM2,200,000	–
The subsidiaries of the Company	RM155,001 to RM200,000	–
	RM400,001 to RM450,000	–
	RM700,001 to RM750,000	–
	RM750,001 to RM800,000	–
	RM950,001 to RM1,000,000	–
	RM1,000,001 to RM1,050,000	–
RM1,350,001 to RM1,400,000	1	–

Pursuant to Section 230(1) of the CA2016, the fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a listed company and its subsidiaries, shall be approved at a general meeting. Suruhanjaya Syarikat Malaysia further clarified that "benefits" as prescribed in Section 230(1) of the CA2016 that requires shareholders' approval are those benefits that are arose from the appointment to the office of a director. Accordingly, the proposed fees and benefits payable to the Directors of the Company shall be tabled at the forthcoming AGM for the consideration of the shareholders.

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.

Statement on Corporate Governance (Cont'd)

(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.

The NRC is composed entirely of Independent Directors. During the FY2017, 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 FY2017 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 ("MMLR").

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.

Statement on Corporate Governance (Cont'd)

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

The NRC gave its full support to those Directors concerned to be re-elected/re-appointed/retained at the Company's 25th AGM after going through a detailed assessment on the quality, contribution and/or independence 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 FY2016 was fair and justified, and also proposed a Directors' Fees of RM600,000 for the FY2016 to be divided amongst the Directors in such manner as they may determine to reward the Board members.

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

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 MMLR, 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.

Shareholders are able to find out the voting result at the respective general meetings, on the website of the Company at <http://ir.bonia.com/> as well as the Company's announcements to Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

Statement on Corporate Governance (Cont'd)

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 accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, provisions of the Malaysian Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, are released to the public within the stipulated time frame, reinforce the Board's commitment to ensure the accuracy, completeness and timely dissemination thereof for greater accountability and transparency.

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

Risk Management and Internal Control

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

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

Relationship with the External Auditors

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

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

CONCLUSION

The Board is satisfied that the Company has substantially complied with the Principles and Recommendations set out in the MCCG throughout the FY2017.

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 FY2017.

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 FY2017.

All members of the ARC undertook continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

MEMBERSHIP AND MEETINGS

The ARC is composed entirely of Independent Directors who possess a wide range of necessary skills to discharge their duties. All members are financially literate and are able to understand matters under the purview of the ARC including the financial reporting process.

During the FY2017, the ARC met 5 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>	5/5
Members:	Dato’ Shahbudin Bin Imam Mohamad <i>Independent Non-Executive Director</i>	4/5
	Chong Sai Sin <i>Independent Non-Executive Director</i> <i>(A member of the Malaysian Institute of Accountants)</i>	5/5

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. A private discussion with the External Auditors was held in the FY2017 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 FY2017 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 (Cont'd)

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 FY2017 were adequate to add value and to improve the efficiency of the operations of the Group.

External audit

Prior to the commencement of 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, and concluded that the audit processes carried out by the External Auditors were comprehensive and added credibility to 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 disclosures 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 FY2017.

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 of the Group. The Internal Auditors report directly to the ARC. All personnel assigned to undertake internal audit on Bonia Group are free from any relationships or conflicts of interest, which could impair their objectivity and independence, they are competent and experienced, and are able to access information of the Group for them to carry out the audit function in accordance with the Group's "Risk Management and Internal Control Framework" effectively.

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.

Report of the Audit & Risk Management Committee (Cont'd)

The internal audit plan 2016/2017 was reviewed and approved by the ARC and endorsed by the Board in May 2016. 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 FY2017 in relation to the internal audit function is RM94,892.00.

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 FY2017:

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 26th AGM of the Company; and
- Chan Wai Leng is the Lead Audit Partner responsible for the Group's audit for FY2017, and will continue her 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 FY2017, the shareholders of the Company have granted their approvals for the Board to determine the remuneration of the External Auditors at the Company's 25th AGM held on 22 November 2016.

During the FY2017, the External Auditors also rendered non-audit services to the Group included the review of the Company's disclosure on realised and unrealised profits, Statement on Risk Management & Internal Control and subsidiary companies' 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 FY2017 are fair and reasonable, and the provision of the 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	56	15
The subsidiaries of the Company	1,076	44

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 26th AGM of the Company.

Report of the Audit & Risk Management Committee (Cont'd)

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

During the FY2017, 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	Transacting related party	Nature of transactions	Estimated aggregate value during the validity period of the Proposed Renewal of RRPT Mandate pursuant to Circular to Shareholders dated 28.10.2016 duly approved at the 25th AGM held on 22.11.2016	
				22.11.2016 RM'000	Actual aggregate value transacted during the FY2017 RM'000
1	Bonia Group	Bonia International Holdings Pte. Ltd. ("BIH")	<ul style="list-style-type: none"> Payment of <i>Bonia</i>, <i>Carlo Rino</i>, <i>Sembonia</i> and <i>CR2</i> trademarks royalties to BIH 	4,000	3,553
2	Bonia Group	Long Bow Manufacturing (S) Pte. Ltd. ("LMS")	<ul style="list-style-type: none"> Payment of office and warehouse rental to LMS 	2,000	1,904
3	Bonia Group	Cassardi International Co. Ltd. ("CICL")	<ul style="list-style-type: none"> Purchase of men's apparels from CICL Payment of <i>Valentino Rudy</i> trademark royalty to CICL 	N/A	500
4	Bonia Group	Speciale Eyewear Sdn. Bhd. ("SESB")	<ul style="list-style-type: none"> Purchase of eyewear from SESB Sales of card holder and accessories to SESB 	N/A	148

Notes:

- RRPT 1 - Actual value transacted up to 30 June 2017 did not exceed the estimated aggregate value during the validity period of the shareholders' mandate obtained on 22 November 2016 by 10%
- 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 28 October 2016
- RRPT 3 - Falls within the interpretation of Paragraph 10.08(9) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Interested related party - Boonnam Boonnamsap, a major shareholder of Bonia's subsidiary and persons connected with him (including their family)
- RRPT 4 - New RRPT falls under Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Interested related party - Datuk Chiang Heng Kieng, the Managing Director of Bonia and several of its subsidiaries, and persons connected with him (including their family)

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 FY2017, 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 FY2017. 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 FY2017, 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 FY2017 and up to the date of issuance of the Company’s Annual Report FY2017.

Statement on Risk Management & Internal Control (Cont'd)

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 (Cont'd)

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

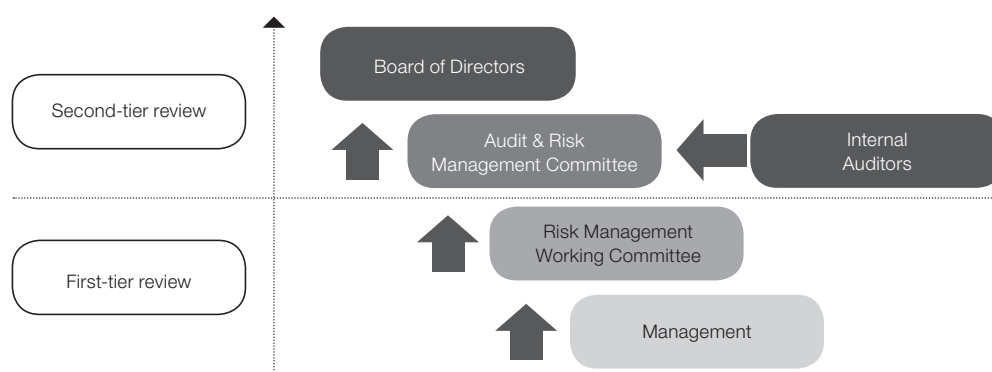
The risk management and internal control processes shall be closely monitored, and modifications be made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both

Statement on Risk Management & Internal Control (Cont'd)

THE REPORTING AND 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 risk management system and internal control processes from the ARC and seeks continuous improvement in its RMICF to close gaps and/or mitigate deficiencies.



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

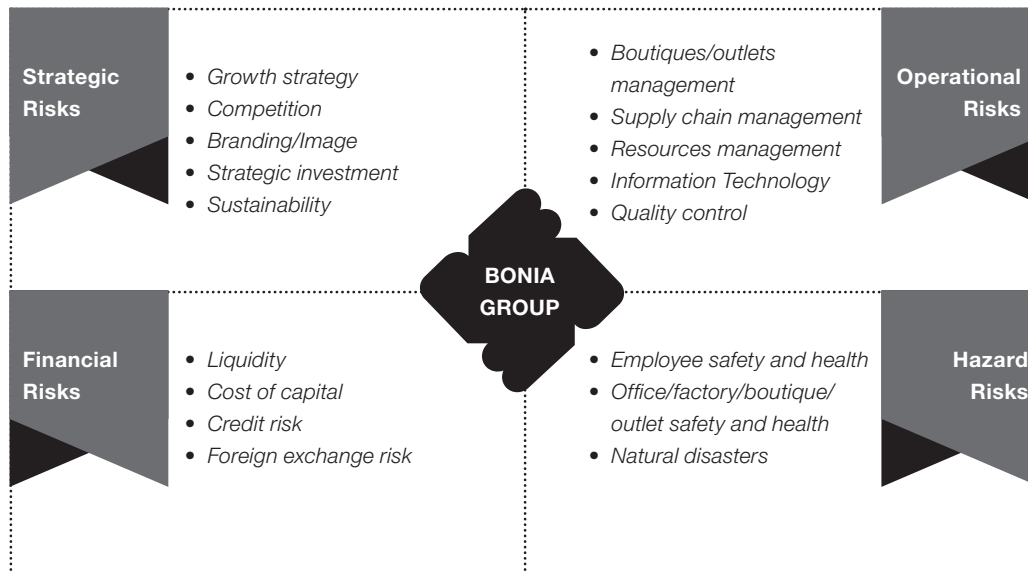
Board of Directors

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

Statement on Risk Management & Internal Control (Cont'd)

KEY RISKS ASSESSMENT AND INTERNAL CONTROL PROCESSES

The Board undertook a detailed assessment of the risks of Bonia Group. Key risks were identified, analysed, and categorised as follow:



These inherent risks may have an adverse impact on the Group's business operations, financial condition and its growth momentum. The risks above are not exhaustive and new risks emerge from time to time. The Board will constantly review its risks profile to include those new risks that may be significant to the Group.

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 are procedures 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 management meetings are held and attended by 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.
- Working Committees are established (as and when required) as part of the stewardship team to conduct study on various business processes and functions to identify key elements that are vital to achieve the 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.

Statement on Risk Management & Internal Control (Cont'd)

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 Guide 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 FY2017 would, in fact, remedy the problems. Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management & Internal Control is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the SRMIC Guidelines, nor is it factually inaccurate.

CONCLUSION

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

Directors' Responsibility Statement

Pursuant to the Companies Act 2016 ("CA2016") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors have prepared the Consolidated Financial Statements of the Company and of the Group for the FY2017 that gave a true and fair view of the financial position of the Company and of the Group as at the end of the financial year as well as their financial performance for the financial year in accordance with the applicable approved accounting standards in Malaysia and the relevant provisions of CA2016.

In preparing the said Consolidated Financial Statement, 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 CA2016.

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.

List of Properties

Held by the Group as at 30 June 2017

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Carrying Amount RM'000	Date of Acquisition
ATALY INDUSTRIES SDN. BHD.							
HS(D) 85704 PT No. 20501 No. 29, Jalan Budiman Taman Midah, Cheras 56000 Kuala Lumpur	2-storey Terrace House	Freehold	Hostel	35	1,540	88	21/05/1992
BONIA CORPORATION BERHAD							
GRN 50053 Lot No. 50644 No. 62, Jalan Kilang Midah Taman Midah, Cheras 56000 Kuala Lumpur	6-storey Office cum Warehouse	Freehold	Office cum Warehouse	19	24,374	13,322	01/12/1998
CB HOLDINGS (MALAYSIA) SDN. BHD.							
QT No. 85228 Lot No. 2794 UG-31, Upper Ground Floor Cheras Sentral Mall Batu 6, Jalan Cheras 56000 Kuala Lumpur	Shopping Complex Lot	Freehold	Vacant	23	432	-	17/05/1993
PN No. 1339 Lot No. 385 Unit 2B, 3.04 & 3.05 KOMTAR Shopping Complex 10000 Pulau Pinang	Shopping Complex Lot	Leasehold (Expiring in 2084)	Office	31	1,806	1,354	29/08/1994
PN No. 1339 Lot No. 385 Unit C2, 4.03B KOMTAR Shopping Complex 10000 Pulau Pinang	Office Lot	Leasehold (Expiring in 2092)	Store	31	1,134	266	31/12/1994
CRG INCORPORATED SDN. BHD.							
HS(D) No. 131905 PT No. 49975 Block C, Platinum Cheras Jalan Cheras Zen 1A 43200, Cheras Selangor Darul Ehsan	6-storey Office Building	Freehold	Office cum Warehouse	3	41,873	20,619	14/05/2013
HS(D) No. 131905 PT No. 49975 92 Units of Parking Bay Block C, Platinum Cheras Jalan Cheras Zen 1A 43200, Cheras Selangor Darul Ehsan	Covered Car Parks	Freehold	-	N.A	-	1,348	28/11/2014

List of Properties (Cont'd)

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Carrying Amount RM'000	Date of Acquisition
CRI SDN. BHD.							
PN(WP) 10175, Lot No. 31574 No. 2A, Jln Orkid Desa Desa Tun Razak, Cheras 56000 Kuala Lumpur	3-storey Semi-detached Factory	Leasehold (Expiring in 2085)	Factory cum Warehouse	6	11,119	4,131	19/04/2013
LONG BOW MANUFACTURING SDN. BHD.							
PM 1471 Lot No. 8417 Lot 18, Merlimau Industrial Estate Phase II 77300 Merlimau Melaka	Industrial Land and Building	Leasehold (Expiring in 2085)	Office cum Factory	31	135,100	4,398	07/02/1989
Lot No. PT 683 HS (D) 1499 No. 1483, Jalan Jasin Tmn Bunga Muhibbah 77300 Merlimau, Melaka	Single-Storey Semi-detached House	Freehold	Hostel	24	3,199	137	12/06/1992
GRN No. 57103 Lot No. 21085 No. 60, Jalan Kilang Midah Taman Midah, Cheras 56000 Kuala Lumpur	6-storey Industrial Building	Freehold	R&D Centre cum Warehouse	9	13,713	9,057	31/01/2008
PM 454 Lot 3226 Mukim Sempang, Daerah Jasin Negeri Melaka	Industrial Land	Leasehold (Expiring in 2081)	Vacant	N.A	85,917	766	08/02/2011
LUXURY PARADE SDN. BHD.							
HS(D) No. 72947 PT No. 3865 No. 3, Jalan 8/146, The Metro Centre Bandar Tasik Selatan 57000 Sungai Besi Kuala Lumpur	6-storey Shop-lot	Leasehold (Expiring in 2087)	Rented Out (Partially)	19	1,920	1,750	10/01/1995
HS(D) No. 72948 PT No. 3866 No. 5, Jalan 8/146, The Metro Centre Bandar Tasik Selatan 57000 Sungai Besi Kuala Lumpur	6-storey Shop-lot	Leasehold (Expiring in 2087)	Rented Out (Partially)	19	1,920	1,750	10/01/1995
HS(D) No. 182 PT15 SEK 4 Unit No. G0.07, Plaza Bukit Mertajam 566, Jalan Arumugam Pillai 14000 Bukit Mertajam Pulau Pinang	Shopping Complex Lot	Freehold	Rented Out	19	1,038	780	19/03/1995

List of Properties (Cont'd)

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Carrying Amount RM'000	Date of Acquisition
LUXURY PARADE SDN. BHD. (cont'd)							
PN48698, Lot 539, Seksyen 91A Unit No. 1.48, Level 3 Viva Home Shopping Mall 85, Jalan Loke Yew 55200 Kuala Lumpur	Shopping Complex Lot	Leasehold (Expiring in 2110)	Rented Out	20	1,098	1,000	26/05/1995
Strata Geran 61152/M1/1/2 Strata Geran 61152/M1/B1/1 The Club House Angkasa Condominium No. 5, Jalan Puncak Gading Taman Connaught, Cheras 56000 Kuala Lumpur	Club House	Freehold	Rented Out (Partially)	11	7,599	1,000	03/02/2005
Strata Geran 61152/M1/1/2 154 Units of Parking Bay Angkasa Condominium No. 5, Jalan Puncak Gading Taman Connaught, Cheras 56000 Kuala Lumpur	Condominium Covered & Uncovered Car Parks	Freehold	Rented Out (Partially)	N.A	-	-	20/06/2008
HS(D) No. 102556 PT8200 2nd Floor, Asmah Tower Lot 18112, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	Office Lot	Freehold	Rented Out	12	7,135	2,084	25/10/2013
HS(D) No. 102556 PT8200 3rd, 4th, 5th & 6th Floor, Asmah Tower Lot 18112, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	Office Lot	Freehold	Office	12	28,540	5,996	06/01/2005
HS(D) No. 102556 PT8200 8th Floor & 9th Floor (Penthouse) Asmah Tower Lot 18112, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	Office Lot	Freehold	Office	12	14,270	3,228	11/04/2011
HS(D) No 76874-76878 PT 92 - 96 Unit No L1-046 Plaza Rakyat Pudu, Kuala Lumpur	Shopping Complex Lot	Leasehold (Expiring in 2081)	Under Construction	N.A.	524	-	23/05/1996
PN(WP) 10228, Lot No. 31627 No. 5, Jln Orkid Desa Desa Tun Razak, Cheras 56000 Kuala Lumpur	3-storey Detached Factory	Leasehold (Expiring in 2085)	Warehouse	7	13,595	3,748	15/01/2008

List of Properties (Cont'd)

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Carrying Amount RM'000	Date of Acquisition
LUXURY PARADE SDN. BHD. (cont'd)							
Geran 61154 Lot 39891 Parcel No. L6-03A, L6-05, L6-06 Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	3 unit Office Suites	Freehold	Office	3	2,163	1,428	01/10/2014
Geran 61154 Lot 39891 Parcel No. L7-01, L7-02, L7-03, L7-03A, L7-05, L7-06, L7-07, L7-08, L7-09, L7-10, L7-11, L7-12, L7-13, L7-13A, L7-15, L7-16, L7-17 Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	17 unit Office Suites	Freehold	Office	3	18,747	9,979	11/05/2011
Geran 61154 Lot 39891 Parcel No. L8-01, L8-02, L8-03, L8-03A, L8-05, L8-06, L8-07, L8-08 Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	8 unit Office Suites	Freehold	Office	3	15,347	8,593	13/06/2012
HS(D) No. 131905 PT No. 49975 Block A, Platinum Cheras Jalan Cheras Zen 1A 43200, Cheras Selangor Darul Ehsan	6-storey Office Building	Freehold	Office and Warehouse	3	65,574	29,591	19/10/2011
HS(D) No. 131905 PT No. 49975 Block B, Platinum Cheras Jalan Cheras Zen 1A 43200, Cheras Selangor Darul Ehsan	6-storey Office Building	Freehold	Office and Warehouse	3	32,838	14,650	19/10/2011
HS(D) No. 131905 PT No. 49975 231 Units of Parking Bay Block A & B, Platinum Cheras Jalan Cheras Zen 1A 43200, Cheras Selangor Darul Ehsan	Covered Car Parks	Freehold	-	N.A	-	3,382	21/11/2014
MAHA ASIA CAPITAL SDN. BHD.							
Geran 27239 Lot 457 Seksyen 67 No.10, Jalan Delima 55100 Kuala Lumpur	Land with Single-storey Detached House	Freehold	Rented Out	N.A.	15,109	21,000	29/10/2013

List of Properties (Cont'd)

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Carrying Amount RM'000	Date of Acquisition
PT ACTIVE WORLD							
D23 & D25, Jln Marina Raya Rukan Cordoba Pantai Indah Kapuk Jakarta Utara, Indonesia	3-storey Shop-office	Leasehold (Expiring in 2032)	Rented Out	13	4,037	1,447	27/06/2011
Unit no. 19-09, Pakuwon Center Tunjungan Plaza (City) Jalan Embong Malang, Surabaya Indonesia	Office Suite	Leasehold (Individual title not yet issued)	Under Construction	N.A.	2,777	2,509	25/09/2012
Unit B-02, Waterplace Residence Pakuwon Indah, Surabaya Indonesia	3 1/2-storey Shop-office	Leasehold (Individual title not yet issued)	Rented Out	8	2,260	587	24/10/2012
PT BANYAN CEMERLANG							
Boutique Office Lot 5, No. 3 Komplek Cengkareng Business Centre Jl.Atang Sanjaya, No. 21, Rt:004 Rw:006 Kelurahan Benda, Kecamatan Benda Kotamadya Tangerang, Banten 15125 Indonesia	Boutique Office 6-storey + 2-storey basement	Leasehold (Individual title not yet issued)	Under Construction	N.A.	9,935	3,844	25/08/2015
Boutique Office Lot 5, No. 5 Komplek Cengkareng Business Centre Jl.Atang Sanjaya, No. 21, Rt:004 Rw:006 Kelurahan Benda, Kecamatan Benda Kotamadya Tangerang, Banten 15125 Indonesia	Boutique Office 6-storey + 2-storey basement	Leasehold (Individual title not yet issued)	Under Construction	N.A.	9,935	3,844	25/08/2015
PT JECO INVESTMENT INDONESIA							
Boutique Office Lot 5, No. 2 Komplek Cengkareng Business Centre Jl.Atang Sanjaya, No. 21, Rt:004 Rw:006 Kelurahan Benda, Kecamatan Benda Kotamadya Tangerang, Banten 15125 Indonesia	Boutique Office 6-storey + 2-storey basement	Leasehold (Individual title not yet issued)	Under Construction	N.A.	9,935	3,805	22/03/2016

Analysis of Shareholdings

as at 29 September 2017

Class of shares	: Ordinary shares
Number of issued shares	: 806,287,400 (inclusive of 636,000 treasury shares)
Voting rights	: 1 vote per ordinary share held on a poll 1 vote per shareholder/proxy/corporate representative on a show of hands
Number of shareholders	: 4,826
Remark	: The Analysis of Shareholdings is based on the issued shares of the Company after deducting 636,000 treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders		Number of ordinary shares held		Percentage (%)	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	35	1	964	72	0.00	0.00
100 to 1,000	403	9	251,616	6,200	0.03	0.00
1,001 to 10,000	2,361	26	13,710,772	175,800	1.70	0.02
10,001 to 100,000	1,700	24	52,402,252	899,500	6.50	0.11
100,001 to less than 5% of issued shares	237	26	223,495,628	43,422,488	27.74	5.39
5% and above of issued shares	2	2	313,917,068	157,369,040	38.96	19.53
Total	4,738	88	603,778,300	201,873,100	74.94	25.06
Grand Total		4,826		805,651,400		100.00

Note:

The above information is based on the Record of Depositors as at 29 September 2017 provided by Bursa Malaysia Depository Sdn. Bhd. and the number of holders reflected is in reference to CDS account numbers

REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Ordinary shareholdings			
	Direct	Percentage (%)	Indirect	Percentage (%)
Bonia Holdings Sdn. Bhd.	202,875,868	25.18	–	–
Freeway Team Sdn. Bhd.	111,041,200	13.78	–	–
Milingtonia Limited	90,189,040	11.19	–	–
Albizia Asean Opportunities Fund	67,180,000	8.34	–	–
Chiang Sang Sem	17,049,900	2.12	376,409,704 ⁽¹⁾	46.72

Note:

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

Analysis of Shareholdings (Cont'd)

DIRECTORS' SHAREHOLDINGS IN BONIA CORPORATION BERHAD

Name	Ordinary shareholdings			
	Direct	Percentage (%)	Indirect	Percentage (%)
Chiang Sang Sem	17,049,900	2.12	376,409,704 ⁽¹⁾	46.72
Dato' Sri Chiang Fong Yee (Alternate Director to Chiang Sang Sem)	5,250,000	0.65	–	–
Datuk Chiang Heng Kieng	–	–	176,000 ⁽²⁾	0.02
Chiang Sang Bon	1,550,000	0.19	2,116,000 ⁽³⁾	0.26
Dato' Sri Chiang Fong Tat	2,069,400	0.26	100,000 ⁽²⁾	0.01
Dato' Sri Chiang Fong Seng	4,227,800	0.52	–	–
Chong Chin Look	500,000	0.06	270,000 ^{(2) & (4)}	0.03
Datuk Ng Peng Hong @ Ng Peng Hay	–	–	–	–
Dato' Shahbudin Bin Imam Mohamad	–	–	–	–
Chong Sai Sin	–	–	–	–

Notes:

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

⁽²⁾ Deemed interested by virtue of his spouse's direct interest in the Company

⁽³⁾ Deemed interested by virtue of his spouse and children's direct interests in the Company

⁽⁴⁾ Deemed interested by virtue of shares held through his and his child's substantial shareholdings in Taurus Brown Research Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS IN JECO (PTE) LIMITED (70%-owned subsidiary of Bonia Corporation Berhad)

Name	Ordinary shareholdings			
	Direct	Percentage (%)	Indirect	Percentage (%)
Chiang Sang Sem	–	–	50,000 ⁽¹⁾	10.00
Dato' Sri Chiang Fong Seng	–	–	50,000 ⁽²⁾	10.00

Notes:

⁽¹⁾ Deemed interested by virtue of his spouse and a child's substantial shareholdings in BBS (S) International Pte. Ltd., a corporate shareholder holding 10% of the total number of issued shares of Jeco (Pte) Limited

⁽²⁾ Deemed interested by virtue of his substantial shareholding in BBS (S) International Pte. Ltd., a corporate shareholder holding 10% of the total number of issued shares of Jeco (Pte) Limited

Analysis of Shareholdings (Cont'd)

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of shares held	Percentage (%)
1.	Bonia Holdings Sdn. Bhd.	202,875,868	25.18
2.	Freeway Team Sdn. Bhd.	111,041,200	13.78
3.	Maybank Nominees (Asing) Sdn. Bhd. Beneficiary: Pledged Securities Account for Milingtonia Limited	90,189,040	11.19
4.	CIMB Group Nominees (Asing) Sdn. Bhd. Beneficiary: Exempt An for DBS Bank Ltd	67,180,000	8.34
5.	Kontrak Kosmomaz Sdn. Bhd.	22,333,736	2.77
6.	HSBC Nominees (Asing) Sdn. Bhd. Beneficiary: Exempt An for The HongKong And Shanghai Banking Corporation Limited	22,111,100	2.74
7.	Lembaga Tabung Haji	18,749,300	2.33
8.	Chiang Sang Sem	15,049,100	1.87
9.	HSBC Nominees (Tempatan) Sdn. Bhd. Beneficiary: HSBC (M) Trustee Bhd. for RHB Kidsave Trust	11,381,200	1.41
10.	Amanahraya Trustees Berhad Beneficiary: Public Islamic Opportunities Fund	7,511,200	0.93
11.	Chiang Heng Pang	5,501,600	0.68
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Etiqa Takaful Berhad	5,147,300	0.64
13.	Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Kumpulan Wang Persaraan (Diperbadankan) (Affin AM B EQ)	5,100,000	0.63
14.	Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Employees Provident Fund Board (PHEIM)	4,500,000	0.56
15.	Chiang Boon Tian	4,078,000	0.51
16.	Citigroup Nominees (Asing) Sdn. Bhd. Beneficiary: CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	4,050,400	0.50
17.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Wong Yee Hui	4,000,000	0.50
18.	Chong See Moi	3,700,600	0.46
19.	Cimsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: CIMB Bank for Chiang Fong Seng	3,697,500	0.46
20.	Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Kumpulan Wang Persaraan (Diperbadankan) (Affin HWNG SM CF)	3,600,000	0.45
21.	HSBC Nominees (Tempatan) Sdn. Bhd. Beneficiary: HSBC (M) Trustee Bhd. for RHB Equity Trust	3,600,000	0.45
22.	Affin Hwang Nominees (Asing) Sdn. Bhd. Beneficiary: Exempt An for DBS Vickers Securities (Singapore) Pte Ltd	3,363,000	0.42
23.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Etiqa Insurance Berhad (Balance Fund)	3,031,600	0.38
24.	Cimsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: CIMB for Kwan Yoong Yu	2,999,992	0.37
25.	HSBC Nominees (Tempatan) Sdn. Bhd. Beneficiary: HSBC (M) Trustee Bhd. for RHB Dana Hazeem	2,748,400	0.34
26.	Chiang Fong Yee	2,746,700	0.34
27.	Yong Siew Moi	2,550,000	0.32
28.	RHB Nominees (Asing) Sdn. Bhd. Beneficiary: Exempt An for RHB Securities Singapore Pte. Ltd.	2,520,000	0.31
29.	Chiang Fong Yee	2,503,300	0.31
30.	Cartaban Nominees (Asing) Sdn. Bhd. Beneficiary: BBH And Co Boston for Fidelity Low-Priced Stock Fund	2,503,000	0.31
	Total	640,363,136	79.48

Note:

The above information is based on the Record of Depositors as at 29 September 2017 provided by Bursa Malaysia Depository Sdn. Bhd. and without aggregating securities from different securities accounts belonging to the same person

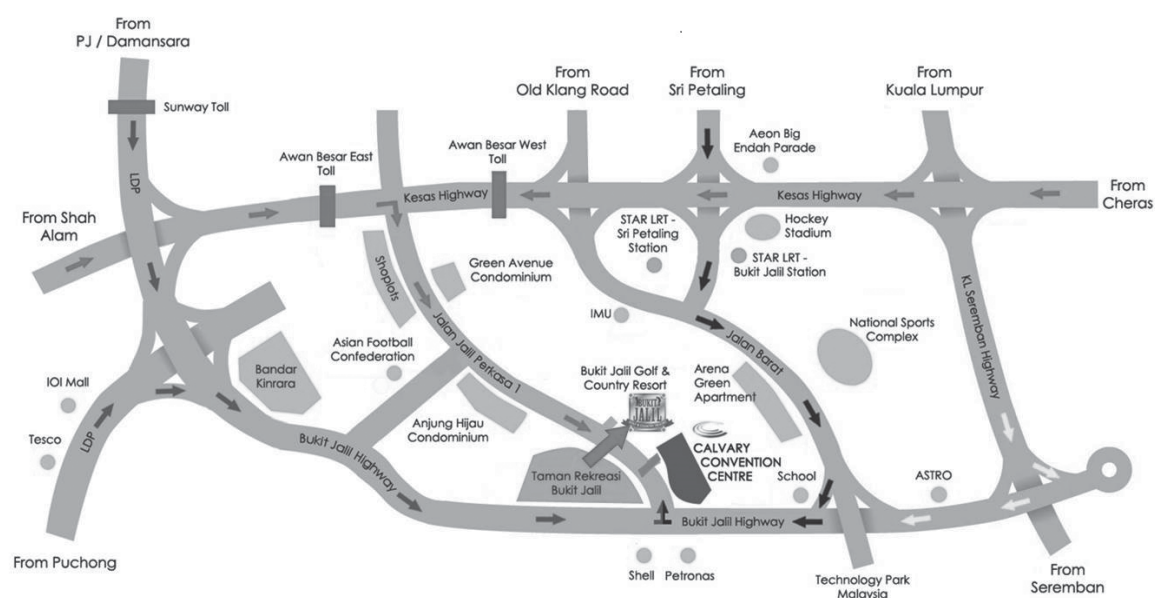
Message to Shareholders

DEAR SHAREHOLDERS

We are pleased to invite you to the 26th Annual General Meeting (“AGM”) of Bonia Corporation Berhad to be held at Perdana Ballroom (First Floor), Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 28 November 2017 at 10.00 am. The Board considers the AGM to be an important event in our calendar as it provides us with an opportunity to present the Company’s performance to shareholders and listen and respond to your concern.

Location map

Below is the location map of Bukit Jalil Golf & Country Resort (GPS Coordinates: N 3°3’16.8” E 101°40’54.7”) for your reference:



Free parking lots are available at the visitor parking area of Bukit Jalil Golf & Country Resort on first come first serve basis.

Registration

Registration will commence at 8.00 am and will end at the time determined by the Chairman of the AGM.

If you are attending the AGM as shareholder, proxy or corporate representative, you will be registered once and original identity card or passport is required during registration for verification purpose. Upon registration, you are required to write your name and sign the Attendance List placed on the registration counter, and will be given: (i) an identification wristband [of which must be worn throughout the AGM], (ii) 2 food redemption vouchers, and (iii) a poll form. Please be reminded that there will be no replacement in the event that you lose or misplace any of items (i) to (iii).

No individual will be allowed to register on behalf of another individual even with the original identity card or passport of that other individual.

Message to Shareholders (Cont'd)

Voting at the meeting

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements, the resolutions set out in the Notice of AGM will be put to vote by poll. This allows all shareholders present in person, by proxy or authorised representatives to vote on the resolutions in proportion to their shareholding. The Board and our Company Secretaries will brief you on the voting procedures during the AGM.

You can find out the polling result at the AGM, on our website at <http://ir.bonia.com/> as well as the Company's announcement to be made to Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

Food and Beverage

Food redemption vouchers will be given to shareholders/proxies/authorised representatives upon registration based on the following:

Category (PER HEAD COUNT)	Entitlement
Each shareholder present in person at the AGM	1 breakfast voucher and 1 lunch voucher
Each proxy appointed and present at the AGM	1 breakfast voucher and 1 lunch voucher
Each corporate representative present at the AGM	1 breakfast voucher and 1 lunch voucher

Please bring your vouchers to the designated counter and collect your breakfast and lunch. You may enjoy the food and beverage at the foyer of Perdana Ballroom (First Floor), Bukit Jalil Golf & Country Resort.

Door Gifts

There will NOT be any door gift served.

Enquiry

If you have any enquiry relating to the administrative details of the AGM, please contact our Share Registrar during office hours:

Bina Management (M) Sdn. Bhd.
 Lot 10 The Highway Centre
 Jalan 51/205 46050 Petaling Jaya
 Selangor Darul Ehsan Malaysia
 Tel : +603-77843922
 Fax : +603-77841988

We look forward to seeing many of you at our meeting and thank you for your continued support.

Yours faithfully
 The Board of Directors of
 BONIA CORPORATION BERHAD

Date: 27 October 2017

Notice of 26th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth Annual General Meeting of Bonia Corporation Berhad will be held at Perdana Ballroom (First Floor), Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 28 November 2017 at 10.00 am for the transaction of the following businesses:

AGENDA

ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the financial year ended 30 June 2017 together with the reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 1*
2. To declare a single tier final dividend of 1.25 sen per ordinary share in respect of the financial year ended 30 June 2017. *Ordinary Resolution 1*
3. To re-elect the following Directors who retire pursuant to Article 77 of the Articles of Association of the Company and being eligible, have offered themselves for re-election:
 - 3.1 Chiang Sang Sem *Ordinary Resolution 2*
 - 3.2 Chong Chin Look *Ordinary Resolution 3*
 - 3.3 Dato' Sri Chiang Fong Seng *Ordinary Resolution 4*
4. To re-appoint Messrs BDO as Auditors of the Company for the financial year ending 30 June 2018 and to authorise the Board of Directors to fix their remuneration. *Ordinary Resolution 5*

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications thereto:

5. **Re-appointment of Director**
 "THAT Dato' Shahbudin Bin Imam Mohamad be and is hereby re-appointed as Director of the Company." *Ordinary Resolution 6*
6. **Retention of Independent Non-Executive Director**
 "THAT Datuk Ng Peng Hong @ Ng Peng Hay shall continue to serve as an Independent Non-Executive Director of the Company notwithstanding that his tenure as an independent director has exceeded a cumulative term of 9 years." *Ordinary Resolution 7*
7. **Directors' Fees of Bonia Corporation Berhad and its subsidiaries**
 "THAT the Directors' fees of Bonia Corporation Berhad and its subsidiaries of RM2,158,049 for the financial year ended 30 June 2017 be approved to be divided amongst the Directors in such manner as they may determine." *Ordinary Resolution 8*
8. **Directors' Benefits of Bonia Corporation Berhad**
 "THAT the payment of the Directors' benefits by Bonia Corporation Berhad up to an amount of RM138,000 for the period from 31 January 2017 until the next Annual General Meeting be approved." *Ordinary Resolution 9*
9. **Approval for Allotment of shares or Grant of rights**
 "THAT the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue not more than ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any time, upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be allotted and issued after the expiration of the approval hereof, and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so allotted and issued on the Bursa Malaysia Securities Berhad." *Ordinary Resolution 10*

Notice of 26th Annual General Meeting (Cont'd)

10. **Proposed renewal of shareholders' mandate to enable Bonia Corporation Berhad to purchase up to 10% of its total number of issued shares ("Proposed Share Buy-Back")**

"THAT subject to all the applicable laws and regulations, the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed 10% of the total number of issued shares of the Company; and the funds allocated for the purchase of shares shall not exceed its retained profits for the time being.

THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold and/or cancelled).

THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company following the general meeting at which the Proposed Share Buy-Back was passed at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting after that date is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.

AND THAT the Directors and/or any of them be and are hereby authorised to do all acts and things (including executing such documents as may be required) to give effect to the aforesaid share buy-back in the best interest of the Company."

Ordinary Resolution 11

11. **Proposed renewal of existing shareholders' mandate and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed RRPT Mandate")**

"THAT subject to all the applicable laws and regulations, approval be and is hereby given for the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Part B of the Company's Circular to Shareholders dated 27 October 2017, provided that such transactions are necessary for the day-to-day operations in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until the conclusion of the next annual general meeting of the Company following the general meeting at which the Proposed RRPT Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or the revocation or variation by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

Ordinary Resolution 12

12. To transact any other ordinary business for which due notice has been given.

Notice of 26th Annual General Meeting (Cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Twenty-Sixth Annual General Meeting of the Company to be held on Tuesday, 28 November 2017 at 10.00 am, the single tier final dividend of 1.25 sen per ordinary share in respect of the financial year ended 30 June 2017 will be paid on 22 December 2017 to the shareholders whose names appear in the Record of Depositors on 8 December 2017.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (i) shares transferred into the Depositor's Securities Account before 4.00 pm on 8 December 2017 in respect of ordinary transfers; and
- (ii) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board
 CHONG CHIN LOOK (MIA 8043)
 CHOK KWEE WAH (MACS 00550)
 TAN KEAN WAI (MAICSA 7056310)
 Company Secretaries

27 October 2017
 Kuala Lumpur

Notes:

1. Only a depositor whose name appears on the Record of Depositors as at 20 November 2017 shall be entitled to attend, participate, speak and vote at this Meeting as well as for appointment of any person as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the Meeting on his stead.
2. Where a member appoints more than 1 proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. However, a member shall not, subject to Paragraphs (3) and (4) below, be entitled to appoint more than 2 proxies to attend and vote at the same meeting.
3. Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of 2 proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
5. Where a member is a corporation, it may also by resolution of its Board or other governing body authorising a person or persons to act as its representative or representatives to exercise all or any of its rights to attend, participate, speak and vote at the Meeting on its stead.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at *the office of the Share Registrar of the Company, Bina Management (M) Sdn. Bhd. at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia*, not less than 48 hours before the time for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy to vote at this Meeting shall be deemed to include the power to demand, or join in demanding a poll on behalf of the appointor. *Faxed, photocopied, and electronically scanned copies of the duly executed Form of Proxy are not acceptable.*

Notice of 26th Annual General Meeting (Cont'd)

Explanatory Notes:

1. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements, all the resolutions set out in this Notice will be put to vote by poll.
2. *Item 1 of the Agenda* - This item is meant for discussion only as the provision of Section 340 of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Henceforth, this item is not put forward for voting.
3. *Items 5 & 6 of the Agenda* – The term of office of Dato' Shahbudin Bin Imam Mohamad who was re-appointed pursuant to Section 129 of the repealed Companies Act 1965 at the 25th AGM held on 22 November 2016, will end at the conclusion of 26th AGM of the Company. With the enforcement of the Companies Act 2016 on 31 January 2017, there is no age limit for Directors.
The resolutions, if approved, will authorise the continuity in office of the respective Directors. An annual assessment on the effectiveness of each Director (including the independence of Independent Non-Executive Directors) has been undertaken for the financial year ended 30 June 2017 and the result was satisfactory to the Board.
4. *Items 7 & 8 of the Agenda* – Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors including compensation for loss of employment of a director or former director of a listed company and its subsidiaries, shall be approved at a general meeting.
The resolutions, if approved, will authorise:
 - (i) the payment of the Directors' fees to the Directors of Bonia Corporation Berhad by the Company and several of its local and foreign subsidiaries; and
 - (ii) the payment of the Directors' benefits to the Independent Non-Executive Directors of Bonia Corporation Berhad by the Company for the period from 31 January 2017 until the next AGM in year 2018 that are derived from:
 - (a) the yearly fixed allowance for membership of the Audit & Risk Management Committee and Nomination & Remuneration Committee of RM20,000 per person per year; and
 - (b) the estimated meeting allowance based on the number of scheduled and unscheduled meetings (where necessary) of the Board and Board committees of RM500 per day of meeting.
5. *Item 9 of the Agenda* - The resolution, if approved, will renew the existing mandate granted by the shareholders of the Company at the preceding annual general meeting held on 22 November 2016, and to empower the Directors to allot and issue up to 10% of the total number of issued shares (excluding treasury shares, if any) of the Company from time to time for such purposes as the Directors consider would be in the best interest of the Company. This is to provide flexibility and avoid any delay and cost in convening a general meeting for such issuance of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding current or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or so forth. The authorisation, unless revoked or varied by a resolution of the Company, will expire at the conclusion of the annual general meeting held next after the approval was given; or at the expiry of the period within which the next annual general meeting is required by law to be held after the approval was given, whichever is the earlier.
As at the date of this Notice, no new shares in the Company were issued pursuant to the existing mandate which will lapse at the conclusion of the forthcoming annual general meeting.
6. *Items 10 & 11 of the Agenda* - The details of the proposals are set out in Parts A and B of the Circular to Shareholders dated 27 October 2017, which is despatched together with the Company's Annual Report 2017.

Statement Accompanying Notice of Twenty-Sixth Annual General Meeting ("26th AGM")

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR")]

Details of individuals who are standing for election as Directors

No individual is seeking election as a Director at the forthcoming 26th AGM of the Company.

Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the MMLR

The details of the general mandate are set out in Item 5 of the Explanatory Notes of the Notice of 26th AGM dated 27 October 2017.

Form of Proxy



BONIA CORPORATION BERHAD
(223934-T)

I/We _____

NRIC/Passport/Company No. _____ Tel No. _____

CDS Account No. _____ Number of shares held: _____

Address: _____

being a member of BONIA CORPORATION BERHAD (223934-T) hereby appoint:

1. Name of Proxy _____ NRIC/Passport No. _____

Address: _____

_____ Number of shares represented _____

2. Name of Proxy _____ NRIC/Passport No. _____

Address: _____

_____ Number of shares represented _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf, at the Twenty-Sixth Annual General Meeting of the Company to be held at Perdana Ballroom (First Floor), Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 28 November 2017 at 10.00 am or at any adjournment thereof, as indicated below:

No.	Resolutions	For	Against
1.	Ordinary Resolution 1	Declaration of single tier final dividend	
2.	Ordinary Resolution 2	Re-election of Chiang Sang Sem as Director	
3.	Ordinary Resolution 3	Re-election of Chong Chin Look as Director	
4.	Ordinary Resolution 4	Re-election of Dato' Sri Chiang Fong Seng as Director	
5.	Ordinary Resolution 5	Re-appointment of Messrs BDO as Auditors and to authorise the Directors to fix their remuneration	
6.	Ordinary Resolution 6	Re-appointment of Dato' Shahbudin Bin Imam Mohamad as Director	
7.	Ordinary Resolution 7	Retention of Datuk Ng Peng Hong @ Ng Peng Hay as Independent Non-Executive Director	
8.	Ordinary Resolution 8	Approval for Directors' Fees	
9.	Ordinary Resolution 9	Approval for Directors' Benefits	
10.	Ordinary Resolution 10	Approval for Allotment of shares or Grant of rights	
11.	Ordinary Resolution 11	Proposed Share Buy-Back	
12.	Ordinary Resolution 12	Proposed RRPT Mandate	

Please indicate with an "X" or "√" in the space provided above how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Signature/Seal of the Shareholder: _____ Date: _____

Notes:

- Only a depositor whose name appears on the Record of Depositors as at 20 November 2017 shall be entitled to attend, participate, speak and vote at this Meeting as well as for appointment of any person as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the Meeting on his stead.
- Where a member appoints more than 1 proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. However, a member shall not, subject to Paragraphs (3) and (4) below, be entitled to appoint more than 2 proxies to attend and vote at the same meeting.
- Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of 2 proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member is a corporation, it may also by resolution of its Board or other governing body authorising a person or persons to act as its representative or representatives to exercise all or any of its rights to attend, participate, speak and vote at the Meeting on its stead.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of the Company, Bina Management (M) Sdn. Bhd. at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy to vote at this Meeting shall be deemed to include the power to demand, or join in demanding a poll on behalf of the appointor. *Faxed, photocopied, and electronically scanned copies of the duly executed Form of Proxy are not acceptable.*

Fold this flap for sealing

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AFFIX STAMP

To:

The Share Registrar of BONIA CORPORATION BERHAD
Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre, Jalan 51/205
46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: +603 - 7784 3922

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