BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW (continued)

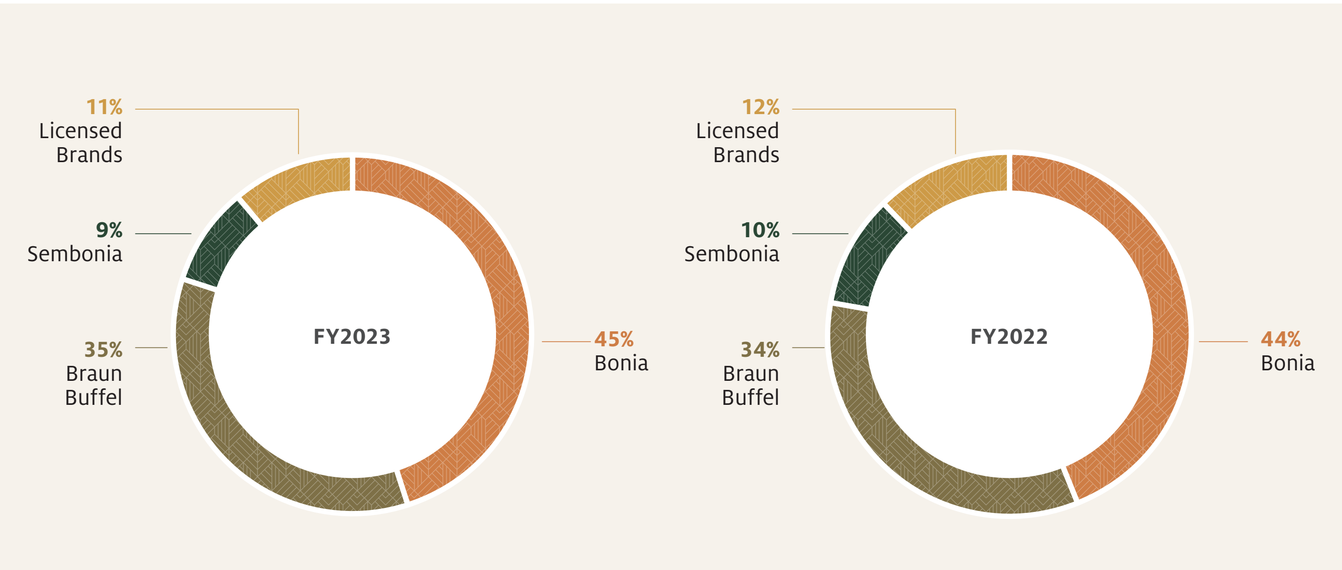
Store breakdown by countries:

In elevating its customers' in-store shopping experience, the Group maintained its capital expenditures on upgrading its boutique stores. This allows our business to stay current with evolving consumer preferences and industry trends, conveying a message of quality, innovation, and commitment to our customer satisfaction. Leveraging its strong brand equity, the Group also successfully secured more strategic locations for several store relocations during the financial year.

In addition, the Group continued to grow the licensed brands with the introduction of our inaugural boutique for Valentino Rudy.

The decrease in the number of departmental store counters was due to the closure of non-performing counters and the closure of two departmental stores in Malaysia during the financial year.

Revenue contribution by brand:



BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS

Table 1: Financial Performance

	FY2023 RM'000	FY2022 RM'000	Increase/ (Decrease) %
Revenue	424,148	369,257	14.9%
Gross Profit ("GP")	259,381	215,058	20.6%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	121,091	101,084	19.8%
Depreciation	(35,263)	(33,272)	6.0%
Amortisation	(1,405)	(1,520)	(7.6%)
Finance income and cost, net	(4,462)	(3,910)	14.1%
Profit before tax ("PBT")	79,961	62,382	28.2%
Taxation	(17,366)	(9,821)	76.8%
Profit after tax ("PAT")	62,595	52,561	19.1%
Financial ratios			
GP Margin	61.2%	58.2%	
EBITDA Margin	28.5%	27.4%	
PBT Margin	18.9%	16.9%	
PAT Margin	14.8%	14.2%	

In FY2023, the Group delivered a stellar performance despite various headwinds in respect of inflationary pressure and escalating operational costs. Despite these challenges, the Group achieved a 14.9% increase in revenue. The growth was primarily attributable to the successful rebranding initiatives, the opening of new boutiques during the financial year, and the low base effect in Q1FY2022 as a result of the nationwide lockdown due to COVID-19 pandemic.

In terms of financial ratios, the Group saw improvements across all measures as compared to the prior financial year. Improved GP margin was attributable to the pricing adjustments and rationalisation of discounts.

The higher GP margin contributed to the higher EBITDA margin, PBT margin and PAT margin, despite the increase in marketing expenses, depreciation and rental costs associated with the opening of new stores. In addition, the Group reported lower other operating income in FY2023 due to the absence of lease concessions, one-off gain on property disposal in prior financial year, and lower government grants received during the financial year.

Consequently, the Group reported a net profit of RM62.6 million for the financial year, an increase of 19.1% from RM52.6 million reported in FY2022.

Effective tax rate

The Group's effective tax rate stood at 21.7% for the financial year under review, increased compared to 15.7% in the preceding financial year. The lower tax rate in the prior financial year was primarily due to the utilisation of unrecognised unabsorbed tax losses, and the over provision in the preceding years. Nevertheless, the Group effective tax rate is lower compared to the statutory tax rate of 24% applicable to the Group as a result of the lower statutory tax rates for the Singapore subsidiaries.

FINANCIAL ANALYSIS (continued)

Table 2: Financial position and other financial information

	FY2023 RM'000	FY2022 RM'000	Increase/ (Decrease) %
Total Assets	693,982	645,498	7.5
Total Liabilities	238,378	222,348	7.2
Net Assets/Shareholders' Equity	427,618	398,319	7.4
Net Current Assets	189,101	215,304	(12.2)
Financial ratios			
Quick ratio[(1)]	182.2%	228.1%	(20.1)
Debt to equity ratio[(2)]	55.7%	55.8%	(0.1)
Working Capital Turnover Days			
Inventories[(3)]	209	144	
Trade receivables[(4)]	26	30	
Trade payables[(5)]	(14)	(17)	
	221	157	

Remark:

[(1)] *Formula: (Cash and bank balances + short term funds + current receivables, excluding prepayments) / Current liabilities*

[(2)] *Formula: Total liabilities / Shareholders' equity*

[(3)] *Formula: Inventories / Cost of sales x 365 days*

[(4)] *Formula: Trade receivables / Total revenue x 365 days*

[(5)] *Formula: Trade payables / Cost of sales x 365 days*

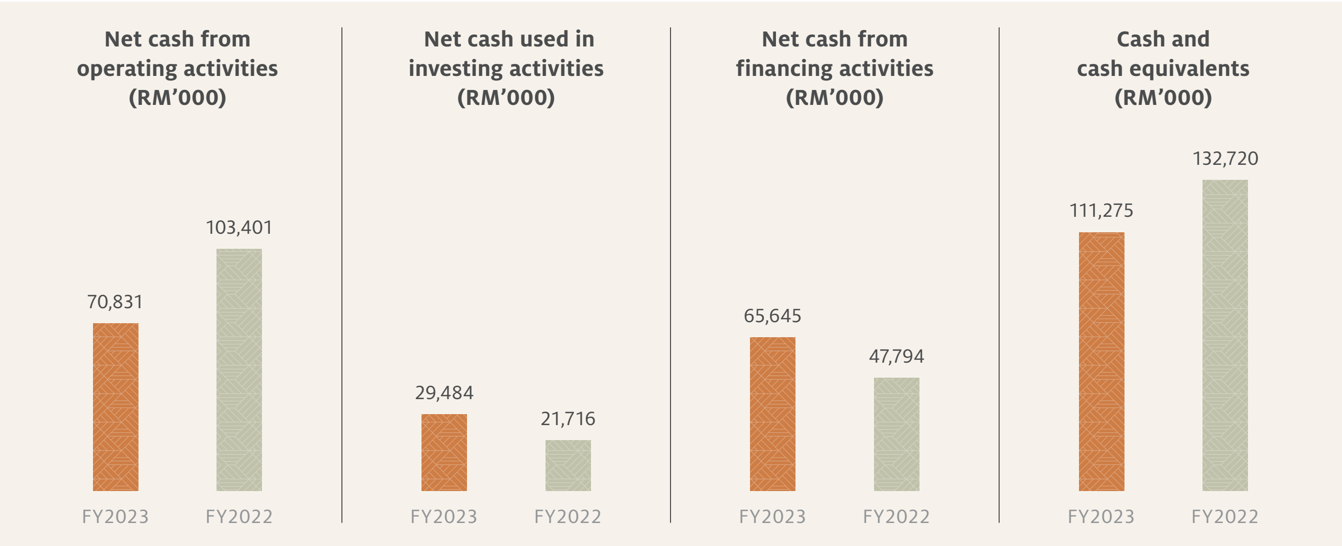
Total assets rose to RM694 million, mainly due to the increase in right-of-use assets and property, plant and equipment as a result of opening of new boutiques, lease renewals and purchase of land and building during the financial year. Increase in inventory balance was due to the low base effect in the last financial year as a result of strong sales in Q4FY2022.

Total liabilities rose to RM238 million, attributable to the increase in lease liabilities corresponding to the growth in right-of-use assets. Trade payables balance had reduced, while there was an increase in trade financing borrowings.

As of 30 June 2023, the Group's financial position remained healthy with shareholders' equity increase to RM428 million, from RM398 million in the previous financial year.

Net working capital turnover days had increased to 221 days from 157 days in FY2023 due to the higher inventory turnover ratio attributable to the higher inventory balance. The turnover days for both trade receivables and payables have shown improvement.

FINANCIAL ANALYSIS (continued)



At the end of the financial year, the Group's cash and cash equivalents stood at RM111 million, decrease from RM133 million in FY2022. The lower operating cash inflows were primarily due to the higher inventory balance as at financial year end as compared to the low base effect in last financial year end, partially offset by the effect of shorter turnover days for trade receivables and payables.

In addition, the increase in investing cash outflow was attributable to the purchases of land and building during the financial year.

The increase in cash used in financing activities was primarily attributable to the higher dividend payout amounted to RM42 million during the financial year, compared to RM19 million in the preceding financial year. Additionally, financing cash outflow on lease payments also increased in tandem with the expansion of the store network.

CHALLENGES MOVING FORWARD

As a Group, we review our key business risks from time to time, and implement measures to navigate potential challenges. Our greatest concern pertains to economic risks, as uncertainties in the macroeconomic landscape can have a substantial impact on consumer sentiments. During periods of elevated inflationary pressure, consumers may cut back on discretionary spending.

Being a retail group, we also face operational challenges, particularly with the escalating costs of conducting business, such as the recent implementation of the minimum wage policy, along with the new Employment (Amendment) Act 2022 in Malaysia and the Progressive Wage Model in Singapore. Finance costs have also increased in line with the increase in borrowing rate. Additional risks also include competition risks, as we encounter competitive challenges from well-established international players, striving to match their presence and performance in the retail market.

The Group acknowledges these risks and maintains an ongoing process of monitoring and evaluating its business plan as detailed in the Statement of Risk Management and Internal Control of this Annual Report, to ensure vigilance in the prevailing business climate.

BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK & PROSPECTS

On 2 October 2023, the World Bank revised its forecast for Malaysian economic growth, as measured by gross domestic product (GDP), to 3.9% this year from 4.3% projected previously, amid substantial deceleration in external demand. Higher domestic inflation could weigh on the strength of consumption spending. An upside shock to inflation may also prompt further monetary tightening.

The outlook of the retail business remains challenging in the near term as the increased cost of living and elevated inflation have pressured consumers spending on discretionary items. The lower income cohort are being mindful on their spending. In addition, business costs continue to soar from the inflationary effect, rising interest rates, weakening of Ringgit Malaysia and the increase in staff costs as a result of the implementation of Employment (Amendment) Act 2022 in Malaysia since 1 January 2023 and the Progressive Wage Model by the Singapore government since 1 September 2022.

At Bonia, we remain committed to our 6 growth pillars, namely digital enhancement, e-commerce expansion, store enlargement and enhancement, product line extension, brand partnership and collaboration and talent management to deliver a sustainable business.

The Group will maintain a strategy focused on continuously strengthening the desirability of its brands through product innovation and marketing campaigns. The Group will be launching the full ready-to-wear product line for our BONIA Fall/Winter 2023 collections. There will be more cross-over collaboration with other brands to create specific products to open new, complementary markets to increase the brand reach. In addition, the Group will be engaging international celebrity endorsement to boost brand awareness, enhance credibility and gaining visibility for brands.

Overall, we expect the global headwinds to persist in the coming financial year. Nevertheless, we are putting in place strategies to build brand resiliency that will sustain our growth trajectory for the years ahead barring unforeseen circumstances.

MAJOR CORPORATE DEVELOPMENTS

On 21 June 2023, the Board, after due deliberations and having considered the then current economic conditions amid the elevated inflationary pressure, changes in the monetary policy and prognosis of global recession which might affect the consumers' sentiment, had decided not to proceed with the Proposals (i.e. Proposed Demerger and Proposed Listing, collectively) as detailed in Bonia's Circular to shareholders in relation to the Proposed Listing of SBG Holdings Sdn. Bhd. on the Leap Market of Bursa Malaysia Securities Berhad, dated 22 July 2021. Such decision was made as the Company has been continuously evaluating the structural changes in the retail environment brought on by recent market and economic conditions in order to drive the business growth of each unique in-house brand within the Group.

MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

In June 2023, the Company decided to dispose 30% of our equity interest (equivalent to the then 60,298,537 ordinary shares in issue of SBG) held in SBG Holdings Sdn. Bhd. (a then wholly-owned subsidiary of the Company) to a related party namely Remarkable Success Sdn. Bhd., a company controlled by Dato' Sri Chiang Fong Tat (Group Executive Director) at a disposal consideration of RM17,597,330. The disposal was completed in September 2023.

Save as disclosed, there were no other material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving Directors' and substantial shareholders' interests during the FY2023.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no fundraising exercises implemented during the financial year 2023.

BOARD REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDENDS

In respect of the total dividend paid for the financial year ended 30 June 2023:

i. First interim dividend of 2.00 sen per ordinary share (single tier) amounting to approximately RM4,020,000 for the financial year ended 30 June 2023 was declared on 30 November 2022, and was paid on 6 January 2023.

ii. Second interim dividend of 2.00 sen per ordinary share (single tier) amounting to approximately RM4,020,000 for the financial year ended 30 June 2023 was declared on 21 February 2023, and was paid on 11 April 2023.

iii. Third interim dividend of 2.00 sen per ordinary share (single tier) amounting to approximately RM4,020,000 for the financial year ended 30 June 2023 was declared on 29 May 2023, and was paid on 28 June 2023.

On 25 August 2023, the Board of Directors declared a single tier interim dividend of 2.00 sen per ordinary share and a single tier special dividend of 4.00 sen per ordinary share of approximately RM4,020,000 and RM8,040,000 respectively in respect of the financial year ending 30 June 2024, that were paid on 29 September 2023 to the shareholders whose names appeared in the Record of Depositors of the Company as at 12 September 2023. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2024.

In our commitment to delivering sustainable shareholder value, the Group has adopted a dividend policy to distribute not less than 30% out of its consolidated profits after taxation attributable to shareholders available in each financial year, commencing from the current financial year ended 30 June 2023.

ACKNOWLEDGEMENTS

On behalf of the Board, we would like to express our utmost and sincere appreciation and gratitude to the management and staff for their conscientious efforts, commitment and dedication to delivering results. The successes we have achieved 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
Founder and Group Executive Chairman

6 October 2023

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

OVERVIEW

At Bonia Corporation Berhad ("Bonia") or ("Company"), we define sustainability as responsible business practices that address the environmental, economic, and social impacts of our business operations and strategies. We recognise the profound importance sustainability has on our organisation and the role that we play in ensuring we manage and operate our business safely, efficiently, and responsibly. Bonia and its subsidiaries ("Bonia Group" or "Group"), aim to continuously improve upon our sustainability approach in a manner that protects all stakeholders including employees, communities, shareholders and the environment.

This Sustainability Statement ("Statement") is prepared as a means of communication between Bonia Group and our various stakeholders to provide insights and highlights of our progress on sustainability related issues within the economic, environmental, social and governance spaces.

ABOUT THIS STATEMENT

All information reported in this Statement covers the period from 1 July 2022 to 30 June 2023 ("FY2023"), corresponding to the Group's financial year. This Statement comprises our sustainability performance and initiatives of the retail business operations of the Group; with a focus on our principal market in Malaysia as the main contributor to revenue and profit of the Group, unless otherwise specified. We have not sought any external assurance for this Statement.

We will continue to expand our reporting scope and we have also continuously enhanced our communication process with key stakeholders as outlined in pages 63 to 64.

For further information regarding sustainability at Bonia or to provide feedback on this Statement, please contact our Corporate Sustainability Committee at *sustainability@boniacorp.com.*

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

Over the years, we have continuously enhanced our governance structures to align with our sustainability agenda. Sustainability has been integrated into our core purpose, recognising that effective corporate governance entails strong leadership, accountability, transparency, and responsibility.

Our Board of Directors and Management remain steadfast in upholding the Group's commitment to all stakeholders, which encompasses customers, employees, suppliers, and society. We strive to integrate sustainability techniques throughout the organisation as we generate economic value while keeping environmental and social worth in mind. Bonia's approach to sustainability governance is to integrate responsibility and action throughout the organisation, pushing change from the top down as the Board asserts its duty for integrating the Group's sustainability agenda into its business plan.

The following diagram details the roles and responsibilities of our sustainability governing bodies:

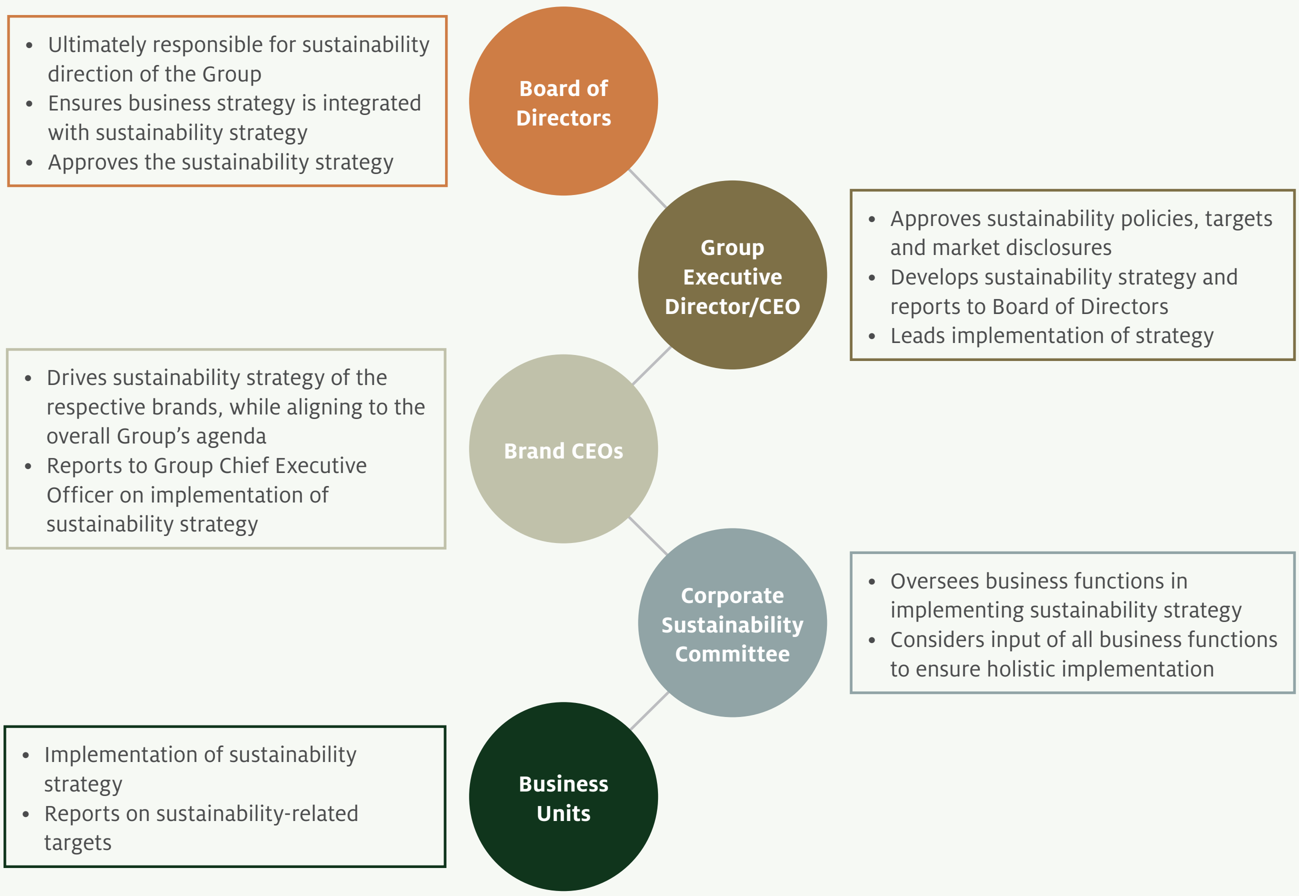


Diagram 1: Bonia's Sustainability Governance

The Board sets the overall strategic direction and the Group's overarching sustainability plan. The Group's governance begins with the Board and is cascaded accordingly to the Senior Management and subsequently to the working teams Group-Wide. The Corporate Sustainability Committee is responsible for overseeing and implementing the initiatives, and drives and initiates the Group's efforts to integrate social, environmental and ethical concerns into its business operations and interactions with stakeholders.

STAKEHOLDER ENGAGEMENT

Bonia connects with our stakeholders through a range of channels, including townhalls, media engagement and briefings, social media, and customer feedback methods. We value stakeholder feedback and maintain constructive communication with our stakeholders through an active and open discussion, ensuring that the company's priorities remain intact and are communicated appropriately to all stakeholders.

In pursuit of our vision, we recognise the importance of cultivating robust and trustworthy relationships with our stakeholders to bolster our long-term success and sustainability. As part of our approach, we actively engage in direct communication with various stakeholder groups. Additionally, our team periodically evaluates material topics gathered from stakeholder engagement sessions to ensure alignment with global trends.

In FY2023, we conducted an internal assessment among our staff, from frontliners, backoffice employees to Board of Directors, with the aim of gauging several key aspects, including the level of engagement among our workforce, their trust and confidence in our leadership and management teams, as well as their perspectives and concerns regarding Environmental, Social, and Governance (ESG) matters.

As the nature of our business relies on partnerships with a variety of stakeholders, our stakeholder engagement, including topics of concern and management of issues, are listed here:

Stakeholders	Group Expectations & Concerns	Method of Engagement	Frequency	Our responses
Government/ Regulatory Authority	• Regulatory compliance, statutory duties • Bursa Main Market Listing Requirements (Main "LR")	• Meetings/ discussions • Attendance at seminars, forums, and dialogues	• As and when required	• Full compliance with relevant laws and regulations
Employees	• Talent retention and development • Safe and secure working environment • Alignment to Group strategic directions	• Performance appraisal • Meetings • Learning and development portal • Internal and external trainings • Company engagement events	• Annually • Periodically • As and when required	• Key Performance Indicators ("KPIs") • On-the-job training • Health and safety policies • Annual townhall, employee retreat/ teambuilding activities
Customers	• Quality of products • Promotional activities • Launch of new products • Loyalty member events	• In stores experience & e-commerce website • Branding activities • Customer service • Social media	• Ongoing • As required	• Repairs, exchange or refunds • Stores upgrade for enhancement of customer experience • Promotions/social media/key opinion leaders • Loyalty programme
Shareholders and Investors	• Compliance with rules and regulations • Accuracy of performance results • Transparent corporate governance practices • Return on investment and dividend payout	• Investor Relations website • Annual General Meeting • Quarterly financial reports and announcements • Analyst briefing	• Ongoing • Annually • Quarterly • As required	• Financial performance • Company strategy and direction • Dividend policy • Investor Relations website *(http://boniacorp.com)*
Suppliers	• Transparent procurement practices • Competitive pricing strategy • Relationship management	• Meetings	• Ongoing • As required	• Clear procurement policies and processes • Testing of new materials • Price ceiling
Local Communities	• Giving back to the communities • Employment and business opportunities	• CSR activities • Sponsorship and welfare programmes	• Ongoing	• CSR committee that covers community, environment and workplace

STAKEHOLDER ENGAGEMENT (continued)

Stakeholders	Group Expectations & Concerns	Method of Engagement	Frequency	Our responses
Partners Licensor, dealers and landlords of Bonia Group Key Opinion Leaders (KOLs) Design consultants (boutiques, product designers) Digital partners (online Marketplaces, digital enablers)	• Transparent procurement practices • Market and brand development • Sales performance • Operation coverage • Stock availability	• Meetings • Social media	• As and when required • Ongoing	• Clear procurement policies and processes • Business strategy to achieve sales targets • Cost efficiency • Stock monitoring • Updates on brand direction

Table 1: Bonia's Stakeholder Engagement

MATERIAL SUSTAINABILITY MATTERS

At Bonia we define material sustainability matters as those that significantly impact our economic, environmental and social factors and influence the decisions of our key stakeholders. These significant sustainability issues serve as the central focus of this Statement and serve as the foundation for the indicators we utilise to monitor and assess our sustainability performance.

MATERIALITY ASSESSMENT PROCESS

We continue to identify and prioritise material issues that have an impact on our business, communities, and the environment, aligning them with the concerns most relevant to our stakeholders. In FY2023, we once again initiated an internal feedback procedure to gather insights from our workforce. This effort aimed to gain a deeper understanding of the sustainability matters that hold significance for this stakeholder group. These insights were then incorporated into our strategy and reporting frameworks. Similar to the preceding year, our team disseminated an online survey to all employees, spanning various roles and levels within the organisation, including department heads from pivotal business divisions. The survey invited their valuable perspectives on specific aspects of interest.

The materiality assessment process is detailed in Diagram 2 below:

IDENTIFICATION

A list of sustainability matters relevant to our business was identified through peer benchmarking, media reviews and other internal and external sources.

>

PRIORITISATION

Sustainability matters were prioritised through a materiality assessment survey by taking into consideration its significance to Bonia and its importance to our stakeholders. A corresponding material sustainability matters table was generated as an output from the survey.

>

VALIDATION

The material sustainability matters were reviewed and discussed with key senior management, and was thereafter approved by the Board of Directors. The material sustainability matters will be subject to an annual review by management to ensure relevance to the Group.

Diagram 2: Bonia's Materiality Assessment Process

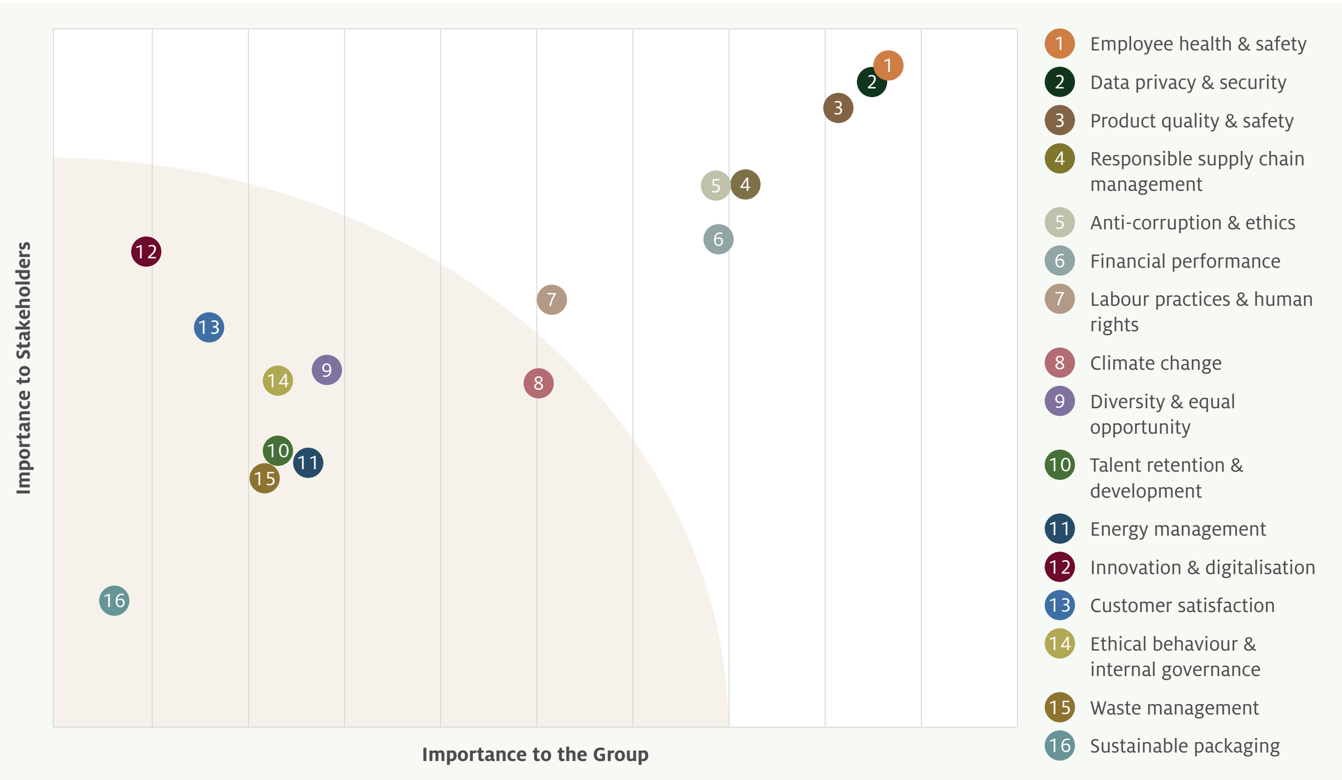
MATERIALITY ASSESSMENT PROCESS (continued)

Following this session, a significant majority of participating stakeholders expressed their overall satisfaction with our existing sustainability practices and reporting methods. Key results from the survey indicated that the following areas were viewed as highly important:

1. Employee health & safety
2. Data privacy & security
3. Product quality & safety
4. Responsible supply chain management
5. Anti-corruption & ethics
6. Financial performance
7. Labour practices & human rights
8. Climate change

Additionally, the aforementioned subjects were discussed by the Board and have been taken into account alongside the existing sustainability themes and areas of focus. The materiality matrix serves as a strategic tool that will enable Bonia Group to align our sustainability efforts with our overall goals, stakeholders' expectations, and the broader societal and environmental context.

MATERIAL MATTERS



Following this session, the prevailing sentiment among the participating stakeholders was one of overall satisfaction with our existing sustainability practices and reporting methodologies. The primary takeaways from the feedback process included:

- Over 95% of respondents identified Employee Health & Safety issues as either 'Important' or 'Very Important', underscoring their critical role in ensuring a safe and productive work environment.
- With 60% of respondents deeming Data Privacy & Security as 'Very Important,' it's clear that these aspects are foundational to business strategy and risk management. Prioritising them not only mitigates risks but also grants organisations a competitive edge in today's data-driven landscape.

SUSTAINABILITY STATEMENT

Diagram 3: Bonia's Sustainability Pillars

CORPORATE GOVERNANCE

Anti-Bribery and Corruption Policy, and Code of Conduct

Bonia Group is committed to upholding the utmost ethics and integrity throughout our business operations. We conduct ourselves with honesty, trustworthiness, and professionalism in alignment with our corporate values. Our belief is establishing and maintaining our business on clear principles and good governance, which fosters trust in our brands.

As a responsible organisation and in alignment with the Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, Bonia Group has enacted our Anti-Bribery and Corruption Policy. This Policy provides guidance to us on how to recognise and deal with potential acts of bribery and corruption arising in the course of operations.

At Bonia Group, we observe our Code of Conduct which is embedded within our Employee Handbook and outlines our ethical expectations that all our employees conduct themselves in a proper, sensible and responsible manner at all times. The ongoing implementation of these business codes, policies and procedures ensures compliance within the organisation.

Whistleblowing Policy

Whistleblowing and Corporate Governance are interconnected and an open and transparent corporate environment helps ensure that standards of transparency, accountability, ethics and integrity are practiced in the workplace. Bonia Group understands the importance of an appropriate whistleblowing policy as a tool in our corporate governance strategy.

Our Whistleblowing Policy provides a mechanism for relevant parties to raise their concerns responsibly and appropriately, without fear of reprisal or detrimental action. It is applicable to all employees and third parties who have become aware of or genuinely suspect on a reasonable belief that an employee of the Group has or is preparing to engage in any improper conduct. Improper Conduct is any conduct which, if proved, constitutes a disciplinary action or a criminal offence and includes the following:

- Criminal offences, unlawful acts, fraud, corruption, bribery and blackmail;
- Failure to comply with legal or regulatory obligations;
- Misuse of the company's funds or assets;
- An act or omission which creates a substantial and specific danger to the lives, health or safety of the employees or the public or the environment;
- Unsafe work practices or substantial wasting of company resources;
- Breach of policies and/or procedures;
- Conflict of interest;
- Abuse of power by an officer of the Company; and
- Concealment of any of the above.

Should any of our employees suspect that one of the above incidents has occurred, the reporting party may raise their concerns either verbally or in writing to the Audit and Risk Management Committee Chairman. The protection of the whistle-blower's identity is guaranteed under this Policy, unless the whistle-blower has given consent or if there is a requirement by law. Subsequently, an investigation will be initiated, and necessary action will be taken if warranted in the judgement of the Board.

In FY2023, zero incidents were reported via this channel.

ECONOMIC PERFORMANCE

At Bonia, we understand the significance of creating shared value between our business and stakeholders. We consider the business-community relationship as pivotal for our growth, blending economic advancement with tangible benefits for shareholders, investors, local communities, employees, and suppliers. The Group continuously pursues sustainable profits through revenue generation, recognising that robust financial performance is key to business sustainability. With a strong ethical foundation, Bonia is committed to prioritising the economic well-being of all our stakeholders. Our approach encompasses diverse initiatives, including community engagement, job creation, and tax contributions. Below is a summary of our past three years' economic value distribution.

RM'000	FY2023	FY2022 (restated)	FY2021
Economic Value Generated	434,889	393,862	289,193
Economic Value Distributed	376,485	326,723	272,564
Operating Cost	232,450	210,058	169,478
Employees	78,645	80,581	60,279
Government (Income Tax)	16,664	10,998	4,834
Dividend returns to shareholders	48,164	24,245	37,356
Community (Donation)	562	841	617
Economic Value Retained	**58,404**	**67,139**	**16,629**

Table 2: Bonia's Value Distribution
**Comparatives for FY2022 have been restated to include SBG Group*

We are committed to fostering goodwill among our shareholders. Starting in FY2023, the Group implemented a dividend policy, which entails disbursing a minimum of 30% of its consolidated profits after taxation attributable to shareholders. This commitment is reflected in the increased dividend returns to our shareholders, while the remaining economic value is reinvested to fuel the growth of the business.

Further details on our financial performance can be found in the Financial Statements section of this Annual Report.

DIGITALISATION AND INNOVATION

The aftermath of the pandemic has necessitated businesses to innovate and redefine their operational strategies, leading to a marked departure from established conventions. Shifting customer behaviours have brought about profound transformations in the retail sector, with digitalisation playing a pivotal role in shaping the industry's response and recovery efforts. Consequently, adeptness in digital technologies has empowered Bonia Group to align with the "new normal," cater to evolving customer preferences, and establish resilience within a constantly evolving landscape.

Likewise, akin to global trends in the retail and fashion sectors, the Malaysian fashion industry has undergone significant technological evolutions that have influenced operational dynamics and customer engagement. Notably, digital platforms have been embraced for both sales and customer interactions, offering enhanced efficiency, cost-effectiveness, and enriched customer engagement. Moreover, data analytics and artificial intelligence are harnessed to decipher market trends and customer behaviours, enabling well-informed decision-making, targeted marketing initiatives, and personalised customer experiences.

The pandemic definitely accelerated the adoption of online shopping and digital interactions. At Bonia, we recognise that customers now prioritise convenience, safety, and remote access. Businesses that are digitally adept can meet these evolving preferences, capturing a larger market share. In fostering a strong digital presence, Bonia Group is able to offer an integrated shopping experience across various platforms, including online stores, social media, marketplaces presence and more, creating a seamless journey for customers.

For further information on these and other events, please refer to our Corporate Diary as disclosed in pages 15 to 32.

SUSTAINABILITY STATEMENT

CUSTOMER SATISFACTION

Bonia's business hinges on the satisfaction of our customers, who play a pivotal role in our success. A fundamental aspect of our business strategy involves not only delivering exceptional service but also rewarding our loyal customers. This commitment is central to our promise of providing high-quality products. As we pursue our mission of becoming a globally renowned luxury brand, our overarching goal is to ensure that every customer enjoys a positive shopping experience with us. To attain this objective, we follow the cycle illustrated in the diagram below.

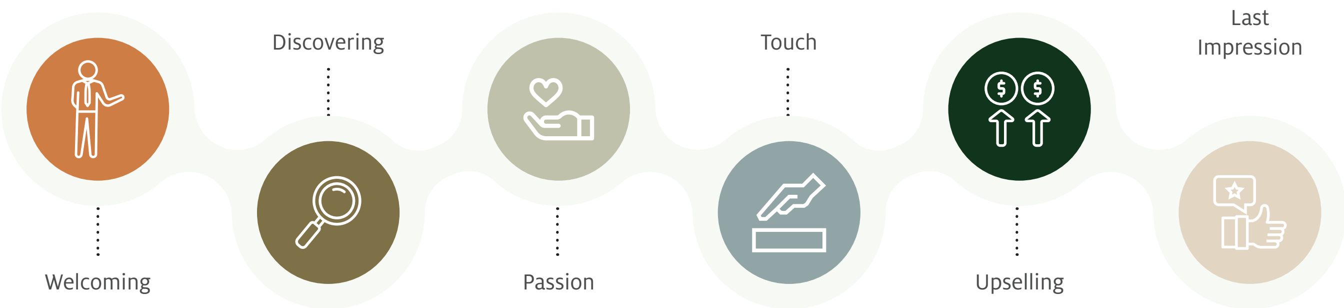


Diagram 4: Bonia's Delightful Cycle steps in servicing customers

As we expand our reach to potential new customers, we recognise the value of nurturing our current relationships by showing gratitude to our devoted clientele. Loyalty programmes enhance customer support through regular purchase rewards and exclusive incentives. Our own Bonia Loyalty Programme has proven to heighten customer involvement, prompting them to choose our boutiques over competitors. Launched in 2009, our Bonia Loyalty Programme has provided members with numerous exclusive benefits, including member discounts, access to special sales, and birthday privileges.

The quality of service extended to all customers within our retail boutiques remains a point of pride for Bonia Group. To ensure congruence with our brand principles, we make substantial investments in thorough training for our retail personnel. This guarantees their proficiency in understanding our product range and enables them to adeptly educate customers on the correct methods of leather care. Our commitment to service goes beyond the point of purchase; we extend repair services and complimentary lifetime polishing to every customer post-purchase.

Throughout the year, the Group has undertaken the renovation and remodelling of several stores as part of our efforts to enhance the customer experience. Capital expenditures have been allocated to ensure that customers have a pleasant experience with the refreshed visual merchandising and store layout.

Customer Engagement

In the dynamic landscape of the fashion and retail industry, customer engagement stands as a cornerstone of success. The significance of cultivating strong connections with customers cannot be overstated, particularly in a competitive market. Every event Bonia orchestrates is meticulously crafted with the goal of fostering customer loyalty. Our foremost objective has been to craft events that would infuse a sense of personalisation into each customer's journey, thus facilitating the rediscovery of our brand. As we reflect on the past year, we take pride in the array of customer engagement initiatives we've executed, each tailored to enrich the relationship between our brand and our valued clientele.

CUSTOMER SATISFACTION (continued)

BONIA RAYA 2023: BONIA Celebrates ‘B-Rasa Sayang’ with Amelia Henderson

This Raya season, BONIA took inspiration from the past and explored the joy of retro nostalgia. The luxury lifestyle brand curated a special Raya campaign featuring Malaysian actress, Amelia Henderson that elegantly encapsulated the enchanting voyage of yesteryear and celebrated its evolution into the contemporary era.

Featuring bold celebratory colours of royal blue and burnt orange, the BONIA x AMELIA Collection encompassed an array of handbags, footwear, and ready-to-wear garments, meticulously designed to seamlessly transition individuals from informal daytime sojourns to stylish festive affairs, both during and beyond the Raya season.

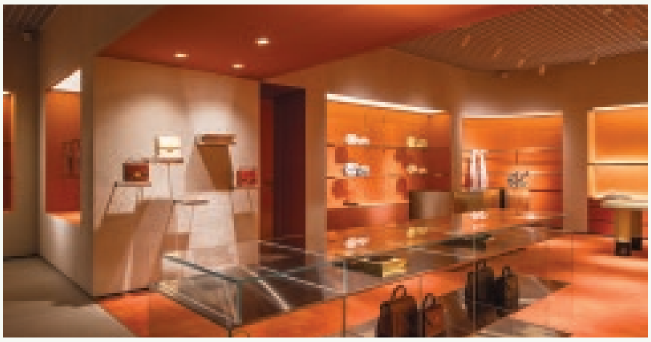
SUSTAINABILITY STATEMENT

CUSTOMER SATISFACTION (continued)

BONIA Mid Valley Southkey Opening

To celebrate the brand's 48th anniversary, BONIA is delighted to introduce its new concept store, situated on the ground level of The Mall, Mid Valley Southkey in Johor. The store officially opened on 31 August 2022, and marks the brand's second collaboration with London-based interior architect Oskar Kohnen. Covering an area of 1,755 square feet, this store showcases the brand's latest collections, presenting a striking yet nuanced expression of BONIA's core values, centered around craftsmanship and individuality.






BRAUN BÜFFEL IOI City Mall II opening

On 15 September 2022, Braun Büffel will celebrate its grand opening at IOI City Mall II in Putrajaya, which is acclaimed as the largest mall in Malaysia. The new store is poised to deliver an enhanced retail experience infused with contemporary elements.

The store's design exudes opulence and vitality, featuring a central focal point in the form of a lush, green moss-covered tree. Onyx walls, paired with sleek display counters made of clear glass and mirrors, contribute to an overall sense of luxury.


CUSTOMER SATISFACTION (continued)

Customer Feedback

Customer feedback forms a fundamental cornerstone of a company's success. A robust customer feedback loop is imperative; and collecting customer feedback is crucial as it ensures product relevance, enhances customer satisfaction, and fosters brand loyalty. With heightened tech-savviness, customers tend to interact across diverse platforms—social media, apps, email, and care lines. Adapting marketing strategies to these channels is pivotal to meeting their unique needs. Social media offers vital advantages, providing convenient brand accessibility, real-time interactions, and product updates. It serves as an ideal avenue for launches, events, and collaborations. Enhancing customer experience is one of Bonia Group's top strategic priorities. Genuine feedback, critical for product/service evaluation and progress, is gathered through online and offline routes. Offline, boutiques handle feedback, redirecting it to the operations team. Online, our various digital platforms foster engagement.

Should there be any issues a customer has encountered, they can submit their feedback to one of our dedicated email addresses: *ecustomercare@bonia.com* or *ecustomerservice@sembonia.com* or *ecustomercare@braunbuffel.com* where their feedback will be directed to the operations team who will then route the feedback to the respective personnel. The list of online feedback platforms is identified in the diagram below:

https://boniacorp.com/
www.bonia.com.my
www.braunbuffel.com
www.sembonia.com
www.valentinorudy.com.my

www.facebook.com/BoniaFashion
www.facebook.com/BraunBuffel
www.facebook.com/sembonia
www.facebook.com/ValentinoRudyMY

www.instagram.com/bonia__official
www.instagram.com/braunbuffel
www.instagram.com/sembonia_official
www.instagram.com/valentinorudymy/

www.youtube.com/@boniaofficial
www.youtube.com/@BraunBuffelOfficial
www.youtube.com/@ValentinoRudyMalaysia

www.tiktok.com/@boniaofficial
www.tiktok.com/@braunbuffel
www.tiktok.com/@sembonia_official
www.tiktok.com/@valentinorudy_my

小红书
BONIA ID: 2745997489
Braun Buffel ID: braunbuffel
VALENTINO RUDY ID: Valentinorudymy

E-COMMERCE PLATFORM

Bonia : *www.bonia.com.my*
Braun Buffel : *www.braunbuffel.com*
Sembonia : *www.sembonia.com*

CUSTOMER CARELINE

+603-9108 9000

EMAIL

ecustomercare@bonia.com
ecustomercare@braunbuffel.com
ecustomerservice@sembonia.com

Diagram 5: Bonia's available online and offline customer engagement platforms

EMPLOYEE MANAGEMENT

At the heart of Bonia Group, we hold our employees in the highest regard, acknowledging them as our most invaluable asset and primary resource. We firmly believe that the cultivation of their talents and skills is paramount to our success. We strive to foster a harmonious and conducive work environment, one in which every member of our dedicated staff can thrive, delivering their utmost potential.

We remain committed to the fundamental principle of equal opportunity, ensuring that all individuals within our organisation have an equitable platform to realise their potential and contribute to our shared success.

SUSTAINABILITY STATEMENT

EMPLOYEE MANAGEMENT (continued)

Training and Development

Training and development are essential for employee management as they enhance the skills, knowledge, and capabilities of employees, enabling them to perform their roles effectively and efficiently, leading to higher productivity and better quality of work. A well-trained workforce can adapt more easily to changes and innovations within the business landscape, ensuring the organisation remains competitive and agile. It also promotes a culture of continuous learning, fostering innovation and creative problem-solving; which contribute to a positive work environment, improved performance, and overall organisational growth, making them a vital component of effective employee management.

The Group remains committed to fostering learning and development within the organisation, emphasising the importance of upskilling and re-skilling. The introduction of a Savvy Learning Framework delineates the path to cultivate employees proficient in three critical domains: technical expertise ("Technical Savvy"), interpersonal skills ("People Savvy"), and business acumen ("Business Savvy"). The framework is outlined as follows:

BONIA Group Learning Framework

Savvy /'sæv.i/

If you describe someone as having savvy, you think that they have a **good understanding** and **practical knowledge** of something.

Technical Savvy

The employee is expected to be competent in the functional areas of their roles as **subject matter experts**.

People Savvy

The employee is expected to be competent in **leading people, customers and stakeholders** within and outside of the organisation.

Business Savvy

The employee is expected to be competent with business acumen to **drive business growth and continuity**.

Under the Technical Savvy portion of the framework, over the past year the Group has sent employees for external training programmes that are related to functional and technical areas related to HR, Retail Operations & Marketing. This is to ensure that our employees are continuously updated on the latest trends and updates of their related functional expertise. The list of technical trainings included:

HR Related Trainings:
July 2022 – Key Changes: Amendments to Malaysia's Employment Act 1955
December 2022 – Year End Seminar TIMES Pay System-Requested Amount
June 2023 – Crucial Industrial Relations (IR) Knowledge for HR & Line Managers

Retail Training:
March 2023 – Up Selling Workshop
June 2023 – 1 Day Retail Conference: Retail Insights

Marketing Training (E-Learning):
September to October 2022 – Social Media Content Creation, Marketing Analytics, Email Marketing

We also organised in-house programmes for our employees whereby Project Management and Microsoft Excel trainings were also conducted to hone competencies related to project management, analytics and reporting.

EMPLOYEE MANAGEMENT (continued)

People Savvy

People skills are key in managing multiple and different categories of stakeholders. With this in mind, a series of team building sessions was run internally by the Learning & Development team in the past year focusing on teamwork, leadership skills, interpersonal skills and problem-solving skills. These workshops included:

September 2022 – Braun Buffel Power Up Team Building
October 2022 – BONIA Power Up Team Building
March 2023 – Licence Brand Group "Let's Be Great" Team Building
May 2023 – 5 Laws of Teamwork – Marcomm & Designer Team Retreat

The Group also spends time developing the middle managerial leaders and continuing on promoting a performance culture in the organisation by running internal workshops as follows:

February 2023 – Competency Based Interview Workshop
February 2023 – Briefing on Handling Misconduct at the Workplace
April, May & June 2023 – Various Performance Management Workshop

Retail Training – Customer Service Training

With the introduction of service standards for BONIA and Braun Buffel, customer service trainings were run consistently to emphasise on customer-centric service, good communication and selling skills.

SUSTAINABILITY STATEMENT

EMPLOYEE MANAGEMENT (continued)

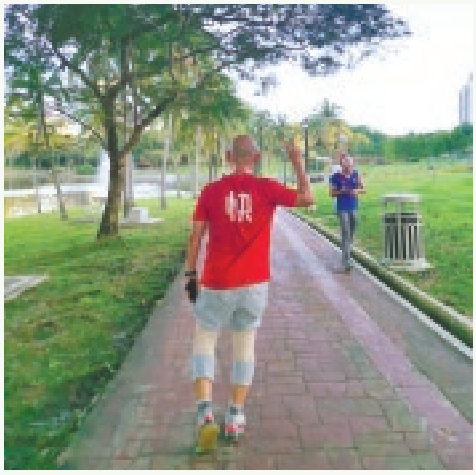
Business Savvy

Leaders in the organisation have also attended a course on eMBA, an intensive 3-day programme on business management and entrepreneurial skills. The programme covered topics relevant to the business landscape such as strategy, product creation, performance management, marketing and financial management.

EMPLOYEE ENGAGEMENT

Employee engagement provides insight into our connection with our workforce. Engaged employees exhibit enthusiasm and unwavering commitment; they take pride in their tasks and the company's overall performance. It is our aim to ensure that every member of our team recognises the impact of their contributions and understands our genuine appreciation for them as unique individuals. Building on the achievements of the Employee Health & Wellness Campaign in the previous year, we aimed to sustain the positive momentum. As part of our ongoing efforts, we retained two key events and themes:

- Walk & Run Competition: Our employees were encouraged to form teams of five within the company, with the objective of collectively covering as many kilometres as possible through walking or running activities, tracked using a dedicated app. Substantial rewards awaited the victorious teams.
- Biggest Loser Challenge: As a source of motivation for individual staff members to shed excess weight, we organised a weight loss competition, allowing participants to embark on their personal journeys towards a healthier lifestyle.



EMPLOYEE ENGAGEMENT (continued)

Festive Season Celebration

BONIA places a significant emphasis on celebrating the festive season with its employees to create a positive and inclusive work culture where employees feel valued and appreciated. During Hari Raya, the company distributed festive cookies along with customised greeting cards to all our Muslim colleagues. Meanwhile, during Chinese New Year, we organised festive lunches for all employees, including our invaluable frontliner colleagues. These gatherings not only offer a chance for everyone to come together but also feature exciting lucky draws that add an element of fun and surprise, reinforcing a sense of unity and camaraderie within the team.

When Christmas approaches, we host a grand Christmas High Tea Party. This event is a delightful blend of gifts, interactive games, finger foods, and beverages, making it a highlight of the festive season. The Group's commitment to celebrating these occasions reflects our dedication to creating a warm and engaging workplace culture where employees feel appreciated, valued, and connected, thus contributing to their overall job satisfaction and well-being.

Movie Night

Another highlight of the year for our employees was when BONIA hosted a 'Movie Night' for staff and their family members. Furthermore, choosing to support a local production, in this case, "Air Force the Movie: Selagi Bernyawa," demonstrates a sense of corporate social responsibility and community engagement. BONIA's sponsorship of this movie not only bolsters the local film industry but also showcases the Group's dedication to contributing to the cultural and artistic development of the arts in the country. Such initiatives not only enrich the lives of employees and their families by providing an enjoyable and memorable experience but also exemplify the Group's values and commitment to its community.

OCCUPATIONAL SAFETY AND HEALTH

The provision of a safe and healthy work environment is a fundamental human right, and we are committed to ensuring it for all our employees, contractors, visitors, and everyone we engage with through our operations.

Occupational Safety and Health ("OSH") Policy

Our OSH Policy realises our commitment towards contributing to a conducive and safe environment. This is consistent with the requirements of the Occupational Safety and Health Act 1994.

Our commitments highlighted within the OSH Policy are as follows:

- Comply with all laws and regulations related to OSH enforced by the government;
- Provide a safe and healthy working environment;
- Identify and assess all possible hazards in the workplace;
- Investigate all incidents and dangerous occurrences, and take necessary action;
- Provide welfare facilities for all employees;
- Integrate occupational health and safety programmes and activities;
- Ensure that all employees are given adequate training and information to carry out their duties in a safe manner; and
- Review OSH policies when needed.

Safety and Health Committee ("SHC")

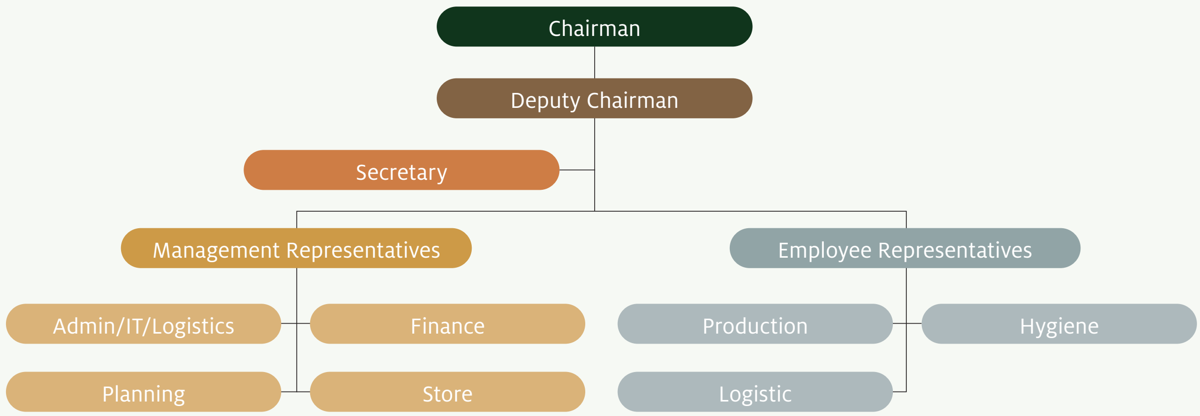


Diagram 6: Bonia's Manufacturing Plant Safety and Health Committee

Diagram 6 depicts our Plant SHC organisational which is spearheaded by the SHC Chairman, while being assisted by a deputy chairman and secretary. The committee acts as a facilitating platform for discussion between employer and employee representatives to discuss arising OSH issues.

Our SHC roles and responsibilities are summarised below:

- Carry out inspections of workplaces and equipment at least once every 3 months or as scheduled;
- Advise management on safety and health matters;
- Review workplace safety and health policies at least once every five years;
- Investigate any incidents in the workplace and perform incident trend data analysis;
- Report and review any changes in work activities that may be detrimental to the safety and health of employees;
- Assess the needs of first aid, health services, fire prevention and accidents;
- Assist in monitoring hazards and risks in the workplace as well as the effectiveness of corrective and preventive actions that can be taken; and
- Coordinate and engage in trainings and programmes related to OSH.

OCCUPATIONAL SAFETY AND HEALTH (continued)

OSH Trainings and Performance

In our efforts to enhance awareness and bolster employee understanding in this area, we consistently organise Occupational Safety and Health (OSH) training sessions, briefings, and refresher courses. These initiatives serve as timely reminders for employees regarding the protocols and prerequisites for workplace health and safety. Over the years, to ensure a secure working environment, we have diligently facilitated various safety and health training programmes, including fire drills and proper usage of fire extinguishers, involving our staff in these essential practices. Annually, employees at our manufacturing plant undergo training in occupational safety and health standards, involving individuals from all levels, including Safety and Health Officers, Safety Committees, managers, supervisors, line leaders, and relevant staff personnel.

Our efforts of regularly promoting health and safety awareness have had a positive impact and resulted in zero fatality and only one (1) minor accident at our manufacturing plant for the FY2023.

EMPLOYEE DIVERSITY

Bonia Group is dedicated to promoting equal representation of its employees and nurturing a workplace culture that values and respects gender diversity and inclusion. Our objective is to empower all our employees to reach their maximum potential. As our organisation expands, we recognise the significance of contributions and viewpoints from various segments of society. Our aim is to maintain a workplace that ensures everyone feels equally valued, included, and supported. For the financial year ended 30 June 2023, Bonia Group comprised a total of 787 employees, consisting of 587 female staff (75%) and 200 male staff (25%). Senior positions comprised 149 women, demonstrating that the Group provides equal opportunities for women.

Alongside our efforts in employee development, we manage an internship programme designed for undergraduates seeking real-world experience. Typically spanning between 2 to 6 months, this programme offers valuable exposure to the professional world. For FY2023, we had a total of 2 interns working with us and we absorbed 1 as a permanent member of staff.

The four diagrams below reflect the current local employees of Bonia Group only and exclude foreign subsidiaries employees at Bonia Group.

Diagram 7: Bonia's Total Number of Employees by Gender FY2023

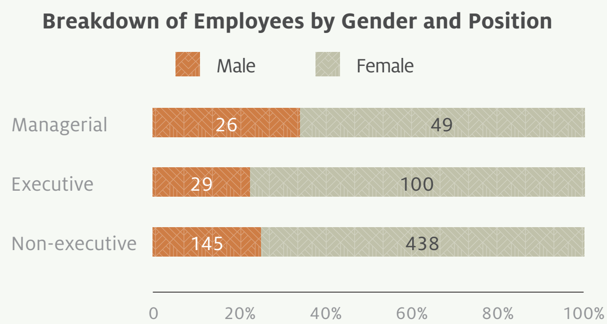


Diagram 8: Bonia's Breakdown of Employees by Position

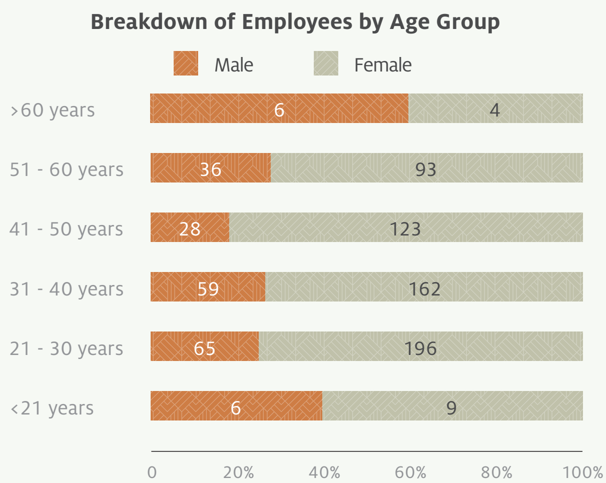


Diagram 9: Bonia's Breakdown of Employees by Age Group

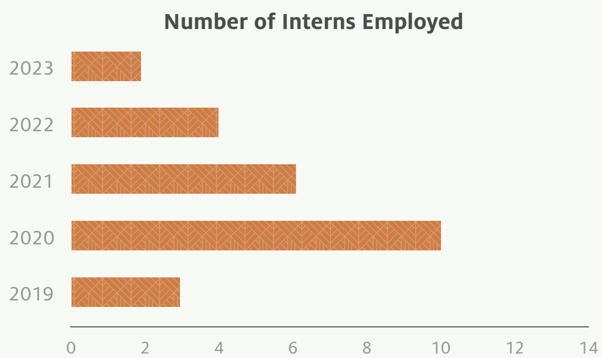


Diagram 10: Number of Interns employed by Bonia Group over the past 5 years

SUSTAINABILITY STATEMENT

PRODUCT LABELLING

Product labelling in the fashion industry is a crucial tool for conveying information, building brand identity, meeting legal requirements, and enhancing customer trust and satisfaction. Product labelling first and foremost provides invaluable product information, offering insights into materials, care instructions, and sizing. This empowers customers to make well-informed decisions, ensuring they understand the product they're purchasing and how to maintain it. Secondly, labelling serves as a window into a brand's identity, displaying logos and design aesthetics that distinguish it in a competitive market, ensuring brand recognition and differentiation, fostering customer loyalty. Lastly, proper labelling ensures legal compliance with regulations stipulating fabric content, care guidelines, and safety warnings.

As customers continue to be more socially and environmentally conscious, labels allow brands to communicate their commitment to responsible manufacturing, sourcing, and labour practices; building trust and loyalty between our brand and our customers.

To ensure that our products present accurate information to our customers, we provide proper product labelling as shown below.

1 Card Slot
2 Pockets
1 Zip Pocket
Leather Type: Nappa Leather Trimmed Rubberished Vegetable Tanned Leather
Material Type: Hard
Logo: Metal Logo
Accessories Type: Gum
Lining Type: Logo
Bonia-860398-021

Measurement:
21 cm (L) x 24.5 cm (H) x 12 cm (W)

Additionally, clear and accurate labelling enhances the overall customer experience by reducing confusion and uncertainty, leading to higher satisfaction and repeat business. By offering accurate product descriptions and information to our customers, we empower them to make well-informed choices, leading to enhanced product satisfaction. Thus, we have crafted a seamless shopping journey, offering proactive guidance and solutions during the purchase phase, along with comprehensive care instructions tailored to our leather products post-purchase. These instructions are essential in educating our customers on the basics of leather care, ensuring their items maintain their quality and look and are well cared for in the years to come. For more information, kindly refer to our website at *https://www.bonia.com/pages/product-care*.

SUPPLY CHAIN

We consistently elevate our supply chain and procurement management strategies by actively pinpointing challenges and potential risks. This approach aims to establish both product supply continuity and quality sustainability. By doing so, we foster a streamlined and market-responsive supply process.

Furthermore, we work very closely with our suppliers, ensuring that our supply chains adhere to all pertinent laws and regulations. Our supplier selection criteria are centered around exceptional workmanship and cost-effectiveness. We hold our suppliers and vendors to high standards, expecting them to embrace best practices in quality control, labour management, worker safety, and environmental stewardship.

SUSTAINABILITY STATEMENT

COMMUNITY INVESTMENT

Bonia Group perceives community investment as a means to create a positive effect within our operational communities, demonstrating our commitment to offer tangible aid to local communities in need. Over the years, we have lent our support to a diverse array of community projects, all aimed at aligning with our core values. Our role as a responsible business owner has consistently driven us to actively engage with society, and we're pleased to report that in FY2023, we made significant strides in this endeavour. Here are several community initiatives we embarked on during the past year.

BONIA Sponsorship of Air Force The Movie

BONIA was a proud official sponsor of Air Force The Movie: Selagi Bernyawa, which follows the story of a PASKAU team tasked with protecting humanitarians serving in a war-torn country. Bonia's sponsorship consisted of special giveaways at the screenings of the movie as well as exclusive merchandise released in conjunction with the movie screening.

BONIA Donation to UTAR Hospital/Charity Golf Tournament

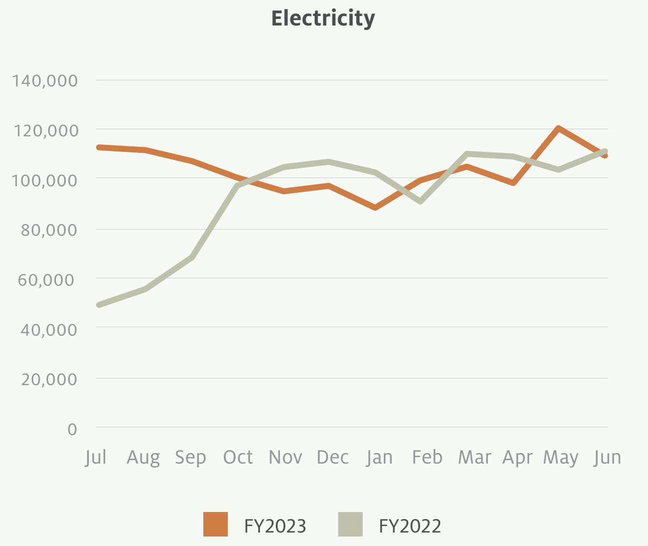
On 24 September 2022, Bonia Group participated in the UTAR Hospital Charity Golf Meet hosted by UTAR Sungai Long Campus and held at Sungai Long Golf & Country Club, in Kajang, Selangor. Bonia's participation consisted of sponsorship of Competition prizes, Lucky Draw prizes, goodie bags and door gifts worth RM360,000. The Charity Golf Meet was a success as all sponsors, donors, and fellow golfers demonstrated a genuine sense of charity, emphasising the event's purpose which was to bring together people valuing acts of goodwill to benefit the multiracial community, particularly those less fortunate like the citizens in the B40 group.

SUSTAINABILITY STATEMENT

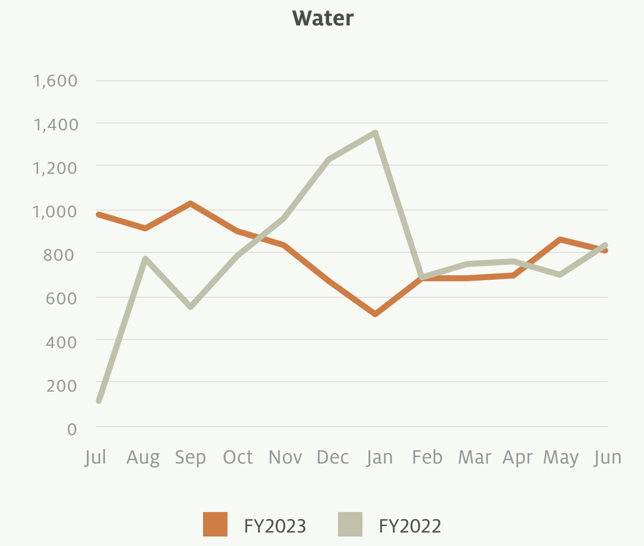
ENERGY

As a responsible corporate citizen, Bonia recognises that reducing carbon emissions often involves energy efficiency improvements in terms of lower energy consumption; which directly translate to cost savings in operational expenses. Bonia Group's core objective of reducing carbon emissions underscores our commitment to sustainable operations. We are proud to report that our employees have demonstrated remarkable engagement by actively participating in various awareness campaigns aimed at fostering a greener future. As in previous years, we have continued to drive our in-house "Go-Green" initiatives such as adjusting air-conditioning temperature, using LED lights and mindful usage of lighting to save electricity.

Below is the electricity and water consumption for Bonia Group offices and warehouses for FY2023 and FY2022.



**July 2021 to October 2021 being Malaysia lockdown period*



**July 2021 to October 2021 being Malaysia lockdown period*

Our Commitment

As a responsible corporate citizen, we are committed to making a difference in the way we work. We are committed to the principles of integrity, transparency, and good governance as we incorporate environmental, social and governance ("ESG") factors into our business operations.

This Statement is made in accordance with a resolution of the Board of Directors of Bonia Corporation Berhad dated 06 October 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2021 ("MCCG") to protect and enhance all aspects of the shareholders' value.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Roles and responsibilities of the Board

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 of the Group
- identify principal risks and ensure implementation of appropriate internal controls and mitigation measures
- establish a succession plan
- develop and implement a shareholder communication policy for the Company
- review the adequacy and the integrity of the management information and internal control systems of the Group
- provide oversight and monitoring of environmental, social and governance aspects of business in the Group which underpin sustainability

In discharging both its fiduciary and leadership functions, the Board is guided by its Board Charter (a copy of which is posted on the Company's website) that sets out the composition, roles, duties and processes of the Board as well as those functions delegated to the Board Committees and the management.

Chairman of the Board

Being the Founder and Group Executive Chairman, Chiang Sang Sem leads the Board and is primarily responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. He also promotes effective communication to shareholders and other stakeholders of the objectives, strategies and policies of Bonia Group.

Separation of roles of Chairman and CEO

On 01 April 2023, Dato' Sri Chiang Fong Seng was redesignated as the Group Executive Director/CEO. He oversees the day-to-day management of the business, risk appetite and successful achievement of annual and long-term objectives approved by the Board.

There is a clear and effective division of accountability and responsibility between the Founder and Group Executive Chairman and the Group Executive Director/CEO and each plays a distinctive role but complementing each other to ensure that there is a balance of power and authority and no individual has unfettered powers of decision and control.

The presence of Independent Non-Executive Directors who 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, serves in bringing about impartiality in the Board as a whole. They provide independent judgement and outside experience and objectivity for the purposes of steering the Group strategy as a whole by 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

Roles and responsibilities of Company Secretary

Our Company Secretary assists the Board in the matters of corporate governance and directors' duties. She plays a largely supportive role in helping morph the conditions and environment for healthy governance culture and effectiveness of the Group.

Regular updates on matters relating to new statutory and regulatory requirements and corporate governance were received from the Company Secretary. She also keeps the Board informed of those communications received from the relevant regulatory or governmental authorities and/or shareholders (if any).

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

Board charter and Board reserved matters

The Board Charter is published on the Company's website, and is subject to periodic review and update to ensure compliance with regulatory requirements.

Subject to the limitations imposed by the applicable laws and/or the Company's Constitution, the Board may from time to time delegate responsibility for specified matters to individual Board members, Board committees or the management. However, objective and strategy determination are reserved for decision by the Board and covers such areas as key corporate policies and standards, major financial and other resources allocations, material corporate or financial exercises, significant investments, acquisitions or disposals, declaration of dividend as well as the key risks affecting the Group.

Code of conduct and ethics, Whistleblowing Policy, and Anti-Bribery And Corruption Policy

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. The "Code of Ethics for Company Directors" is published on the Company's website. Any non-compliance, allegation or concern on the relevant issues can be reported confidentially to the Senior Independent Non-Executive Director to enable prompt corrective actions to be taken where appropriate.

Bonia's code of conduct and ethics for employees are provided in its Employee Handbook. All concerns or complaints relating to the Group can be channeled to Bonia HR Department.

The Company has formalised its Whistleblowing Policy for Bonia Group and the same is published on the Company's website. The Whistleblowing Policy helps employees and third parties to report possible improprieties at the earliest opportunity so that concerns can be raised without fear of reprisal or detrimental action.

The Anti-Bribery and Corruption Policy of the Group (a copy of which is posted on the Company's website) is part of our anti-bribery management system. This Policy elaborates upon our position and stance on zero-tolerance on, and compliance with, anti-bribery and corruption practices in all forms of the Group's activities, and provides guidance to its users on how to recognise and deal with potential acts of bribery and corruption arising in the course of operations. This Policy applies to any person, either individually or collectively, in discharging their duties for or on behalf of Bonia Group.

Managing sustainability risks and opportunities

Our Group believes that effective management of sustainability risks and opportunities contributes to commercial value creation. As such, the Board aligns its strategies along material environmental, social and governance (ESG) considerations, and strives to embed appropriate sustainable practices into our business planning cycles to complement current practices in creating sustainable structures with sustainability performance being monitored from time to time.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition

Size and Composition of the Board

Our Company is led by an experienced and diverse Board that is well represented by individuals with professional backgrounds and expertise in the areas of retailing, accounting, finance, corporate management and etc.

There are 4 Executive Directors, 2 Non-Independent Non-Executive Directors, 3 Independent Non-Executive Directors, and an Alternate Director on our Board. Out of a total of 9 members on Board, 4 members have executive functions. Although the number of independent directors is less than half of the Board (3 over 9), the Board is of the view that the number of its Independent Directors is adequate at present to provide the necessary check and balance to the Board's decision-making process.

In addition, our Board has nominated Datuk Ng Peng Hong @ Ng Peng Hay as the Senior Independent Non-Executive Director to serve as a sounding board for our Group Executive Chairman, and to provide support for the Directors in the delivery of the Board's objectives. His appointment and Board position are also meant to foster objectivity in all boardroom activities.

Independence

The Board regards independence as an important element for ensuing 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.

For those Independent Director(s) who has served the Company for a cumulative term of 9 years or more, the Board's independence test will be extended to check if his independence has been compromised by his length of service, and whether he is still able to exercise independent judgement and demonstrate objectivity in his deliberations in the best interest of the Company and of the Group.

If the Board is satisfied with the assessment results, it will proceed to seek shareholders' approval on its intention to retain those individual Independent Director(s) who has served the Company for a cumulative term of 9 years or more.

Appointment/Election of directors

Pursuant to the Constitution 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.

In this regard, the Board has adopted the Directors' Fit and Proper Policy (a copy of which is posted on the Company's website) to provide guidance to the NRC and the Board in their review and assessment of candidates who are to be appointed or re-elected to the Board.

Upon the recommendations of the NRC, the Board as a whole will determine and nominate individuals for election/re-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 as guided by the "fit and proper "criteria of directors stipulated in the Directors' Fit and Proper Policy.

Gender Diversity

The Board will remain mindful of Principle of the MCCG on the gender diversity policy for boardroom. In relation to the Group's diversity, the followings were achieved since 01 April 2023:

- there are 2 female Directors (1 Independent Non-Executive Director, and 1 Executive Director) on our Board who serve to bring value to the Board discussions from different perspectives and approaches, and
- an internal statistical report revealed that women hold more than 40% of the senior management positions in the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Overall effectiveness of the Board and individual directors, and the independence of independent directors

Formal and objective assessments to determine the effectiveness of the Board, Board Committees and the individual Directors as well as the independence of Independent Directors are carried out annually within 4 months after the close of each financial year.

Board Committees

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

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

(i) Audit & Risk Management Committee ("ARC")

The primary objectives of the ARC are to assist the Board in examining the Group's financial reporting, risk management and internal 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 of the Group as well as to reflect the Board's responsibilities, expertise and complexity of the Company's activities.

All NRC members are Independent Non-Executive Directors, and possess a wide range of necessary skills to discharge their duties and responsibilities.

During the FY2023, the NRC met once in October 2022, with the following record of attendance:

Membership		Designation	No. of meetings attended/held
Chairman:	Datuk Ng Peng Hong @ Ng Peng Hay	Senior Independent Non-Executive Director	1/1
Member:	Azian Binti Mohd Yusof	Independent Non-Executive Director	1/1
Member:	Law Wei Liang	Independent Non-Executive Director	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 Company's website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Board Committees (continued)

(ii) Nomination & Remuneration Committee ("NRC") (continued)

The NRC's annual work plan for the FY2023 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* - competency, 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 result 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.
Election, re-election, appointment, re-appointment and retention of Board members	The NRC gave its full support to Directors concerned to be elected/re-elected at the Company's 31st AGM after going through detailed assessments 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 FY2022 was fair and justified, and also proposed for: (i) Directors' Benefits by Bonia Corporation Berhad up to an amount of RM110,000 for the period from 01 December 2022 until the next AGM of the Company to be held in 2023, and (ii) Directors' fees of Bonia Corporation Berhad and its subsidiaries not exceeding RM1,700,000 for the FY2023 to be divided amongst the Directors in such manner as they may determine, with payment of the fees to be made semiannually in arrears at the end of each half-year, to reward the Board members.

The NRC also recommended to the Board for an ex-gratia payment to be made to Chong Sai Sin (the former Independent Non-Executive Director of the Company who had served the Board for a cumulative term of more than 12 years, and resigned with effect from 01 July 2022) in recognition and appreciation of his past service and contribution to the Company and/or its subsidiaries, quantum of which was being determined at Board level, and was subsequently being approved by the Company's shareholders in the 31st AGM.

All activities and recommendations of the NRC were reported and accepted by the Board. The Board was also satisfied with the overall performance of the NRC, ARC, the Board and individual Directors as well as the independence of Independent Non-Executive Directors via its performance evaluations conducted at Board level.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

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 meet as and when necessary, on dates selected and upon notice as provided by the Company's Constitution, 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 Board meetings held during FY2023:

Director	Attendance	Percentage
Chiang Sang Sem	6/6	100%
Dato' Sri Chiang Fong Seng	6/6	100%
Dato' Sri Chiang Fong Tat	6/6	100%
Chiang May Ling[(1)]	5/6	83%
Datuk Chiang Heng Kieng	6/6	100%
Chong Chin Look	6/6	100%
Datuk Ng Peng Hong @ Ng Peng Hay	6/6	100%
Azian Binti Mohd Yusof	6/6	100%
Law Wei Liang	6/6	100%
Chiang Fong Xiang (Alternate Director to Chiang May Ling)[(2)]	2/2	100%

Note(s):
[(1)] *Resigned as the Alternate Director to Chiang Sang Sem, and appointed as the Group Executive Director, respectively, effective from 01 April 2023*
[(2)] *Appointed as the Alternate Director to Chiang May Ling effective from 01 April 2023*

Supply of Information

Prior to Board meetings, the Chairman sets the board agenda and ensures that board members are furnished with comprehensive meeting materials 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.

Continuous Professional Development

Induction programmes will be conducted for all newly appointed Board members and company secretaries 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Continuous Professional Development (continued)

All the Directors on Board during the FY2023 have attended the Mandatory Accreditation Training Programme (MAP) as prescribed by the MMLR, whereas the continuous training programmes attended by the Directors are as follows:

Director	Particulars of the training programmes
Chiang Sang Sem	• GRI standards – Setting the pace for sustainability reporting (via YouTube learning)
Dato' Sri Chiang Fong Seng	• EMBA - Winning Model 11.0 • Premiere Vision 2023 • Sunway Malls Business Partners Meeting 2023
Dato' Sri Chiang Fong Tat	• Webinar on Anchanto Order Management • Grow with TikTok: Creative Coffee Chat with Leon Lee • ARCHIDEX Exhibition
Chiang May Ling	• APLF ASEAN, Bangkok • eMBA《浓缩 EMBA》by Master Li Jian • HKTDC Hong Kong International Licensing Show • Canton Fair - China import and export fair • The Licensing Expo Shanghai (LEC)
Datuk Chiang Heng Kieng	• Malaysia International Retail & Franchise Exhibition (MIRF 2022) • MRCA CEO Get-Together September 2022 • KLSCCCI Business Summit 2022 • Forum on "New Trends for Enterprises – Incorporating ESG ("Environmental, Social 16 Nov 2022 KLSCCCI and Governance") and Seizing the Opportunities" • KLSCCCI Go ESG ASEAN Summit 2022 • ACCCIM Industry 4.0 Conference 2022 - Showcasing The 9 Pillars of Industry 4.0 • MRCA Southern Business Summit 2023 • MRCA CEO Get-Together April 2023
Chong Chin Look	• FMM - Change for Growth: BUSINESS SUSTAINABILITY • YYC - April 2023 TaxPOD Revision Class - Date The Guru - Interest Restriction • Bursa - Invitation to the PLCT #digital4ESG Forum: Exploring the Intersection of Digitalisation and ESG • YYC - May 2023 TaxPOD Revision Class - Date The Guru - Upkeep & Renovation • YYC - Foreign Sourced Income: Tax or No Tax
Datuk Ng Peng Hong @ Ng Peng Hay	• Introduction to ESG Training
Azian Binti Mohd Yusof	• Sustainability Reporting (Including TCFD and GHG)
Law Wei Liang	• Mandatory Accreditation Programme (MAP) • Seminar on "[SSM Webinar] Preference Shares. Steps to Issue, Redeem and Convert" • National Tax Seminar 2022 • Latest circular guidelines, practice notes and directives from SSM – Live webinar • Seminar on "[SSM Webinar] AGM, Accounts, Annual Returns Under Companies Act 2016" • SSM National Conference 2023
Chiang Fong Xiang	• Mandatory Accreditation Programme (MAP)

The Board and the Company Secretary will continue to assess their own training needs and undergo relevant training and development programmes to expand their knowledge and to keep abreast with new developments in the business environment.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

III. Remuneration

Board and Senior Management Remuneration Policies and Procedures

The objective of the Company's policy on Directors' and senior management's remuneration is to ensure the level of remuneration is sufficient to attract and retain high caliber Directors and senior management to run the Group successfully.

All the Executive and Alternate Directors of Bonia Corporation Berhad are part of the Key Senior Management of the Group, their remunerations are reviewed by the NRC, and thereafter by the Board on an annual basis within 4 months after the close of each financial year prior to tabling for the approval of the shareholders of the Company.

Pursuant to Section 230(1) of the Companies Act 2016 ("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 for the FY2024 shall be tabled at the forthcoming AGM for the consideration of the shareholders.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit & Risk Management Committee

The ARC

The ARC shall examine the Group's matters pertaining to the financial reporting, risk management and internal control, internal and external audit processes, related party transactions, and conflict of interest situation, and reports its findings and/or recommendations for the consideration of the Board.

All the members of the ARC are Independent Non-Executive Directors and are financially literate and have good understand of the Group's businesses. The ARC is chaired by the Chairman who is not the Chairman of the Board.

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.

Financial Reporting

The Board aims to present a balanced and meaningful assessment of performance and prospects of the Group in all of its financial reports. The unaudited and audited financial statements of the Group which are drawn up in compliance with the provisions of the Companies Act 2016 and the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards, and are released to the public within the stipulated time frame, reinforce the Board's commitment to ensure the accuracy, completeness and timely dissemination thereof for greater accountability and transparency.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

I. Audit & Risk Management Committee (continued)

Independence of External Auditors

The independence of External Auditors is essential to the provision of an objective opinion on the truth and fairness of the financial statements. As such, the ARC is mandated to ensure continuing objectivity and independence of the External Auditors. The ARC performs annual review on the External Auditors on a number of criteria including, but not limit to:

- the independence of the external audit firm from the Group and their ability to maintain independence throughout the engagement;
- there being no conflict of interest situations that could affect the independence of the External Auditors;
- the external audit firm's compliance with Malaysian regulations and ethical guidance relating to rotation of audit partner and succession planning;
- professional competency, experience and integrity of key personnel;
- the thoroughness of audit approach and methodology;
- audit budget;
- the provision of non-audit services by the External Auditors (if any) shall not cause an impairment to the objectivity and independence of the audit firm; and
- effective control of multi-geographical audit process.

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

II. Risk Management and Internal Control Framework

Responsibilities of the Board

The Board acknowledges its responsibilities for the Group's risk management and system of internal controls covering not only financial controls but also operational and compliance controls. The ARC which comprises all Independent Non-Executive Directors, assists the Board to oversee the Company's risk management framework and policies.

Necessary steps shall be taken by the Board from time to time 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.

Independence of Internal Auditors

Assessment on the performance and independence of Internal Auditors is carried out annually within 4 months after the close of each financial year.

During the ARC and the Board's annual reviews on the outsourced Internal Auditors of the Company namely M/s NeedsBridge Advisory Sdn. Bhd. ("NBSB") for the FY2023, both the ARC and the Board were satisfied that:

- the internal audit personnel assigned to handle the internal audit function of Bonia Group were free from any relationship and no conflict of interest with the Group;
- the key personnel who involved in the internal audit function of Bonia Group were equipped with the necessary skills and knowledge to carry out their duties and responsibilities; and
- NBSB has carried out the internal audit function in accordance with the professional, and of Bonia Group's recognised framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

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 procedures by observing the corporate disclosure framework under Bursa Malaysia Securities Berhad and other regulatory bodies to provide timely and material information of the Group to the public at large to facilitate their decision-making process. The Board also refers to the "Corporate Disclosure Guide" issued by Bursa Malaysia Securities Berhad to address the gaps (if any) and to enhance the quality of its disclosure practices.

Pertinent and updated information of the Group is disseminated vide media conferences, press releases, corporate reports, circulars and announcements from time to time. The Board also leverages on its website 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 Bursa Malaysia Securities Berhad's website at *www.bursamalaysia.com*.

II. Conduct of General Meetings

General Meetings

General Meeting is a crucial mechanism in shareholders communication and remains the principal forum for dialogue with shareholders of the Company. At general meetings, shareholders, their appointed proxies or authorised corporate representatives have direct access to the Board and senior management 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 poll results at the respective general meetings, on the Company's website as well as the Company's announcements to Bursa Malaysia Securities Berhad at *www.bursamalaysia.com*.

To ensure that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at an AGM, the Company serves a longer notice period of 28 days or more to its shareholders to enable outstation or overseas shareholders in particular, to participate fully in the AGM. All the Directors of the Company shall attend the AGM and to provide meaningful response to the questions raise by the shareholders, their appointed proxies or authorised corporate representatives.

CONCLUSION

The Board is satisfied that the Company has substantially complied with the Principles and Recommendations set out in the MCCG throughout the FY2023. Where a specific Practice of the MCCG has not been observed during the financial period under review, the departure has been explained in the Corporate Governance Report of the Company.

This Statement is made in accordance with a resolution of the Board of Directors of Bonia Corporation Berhad dated 06 October 2023.

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 FY2023.

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 Company's website.

Being a delegated body of the Board, 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 Secretary, Internal and External Auditors as well as the staff of the Group in discharging its duties during the FY2023.

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 Non-Executive Directors who possess a wide range of necessary skills to discharge their duties and responsibilities. All members are financially literated and are able to understand matters under the purview of the ARC including the financial reporting process.

During the FY2023, the ARC met 6 times, with the following record of attendance:

Membership		Designation	No. of meetings attended/held
Chairman:	Datuk Ng Peng Hong @ Ng Peng Hay	Senior Independent Non-Executive Director	6/6
Member:	Azian Binti Mohd Yusof	Independent Non-Executive Director	6/6
Member:	Law Wei Liang	Independent Non-Executive Director	6/6

Other regular attendees at the ARC meetings included the invited Executive Directors, senior or middle management, and representatives from the Internal or External Auditors, 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 will then report on key issues discussed at each meeting to the Board for their further considerations and deliberations. A private discussion between the ARC and the External Auditors was held in the FY2023 to provide additional opportunity for open dialogue and feedback without the presence of the Executive Directors, Non-Independent Non-Executive Directors, Company Secretary, and management.

KEY AREAS OF FOCUS FOR THE ARC

The ARC's annual work plan for the FY2023 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 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.
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.

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

KEY AREAS OF FOCUS FOR THE ARC (continued)

Internal audit	The ARC assessed the internal audit plan, audit methodology, remuneration, scope of works, and reports on audit findings and recommendations presented by the Internal Auditors, considered the management's response and follow up actions thereto to ensure significant findings are adequately addressed by the management. The ARC concluded that the internal audit processes duly completed by the Internal Auditors in FY2023 were adequate, added value and improved 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. Thereafter, the ARC discussed with the External Auditors their audit findings, audit reports, management letters and management's response to the concerns raised by the External Auditors. It was concluded that the audit processes carried out by the External Auditors were comprehensive and added credibility to the Group'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 potential and existing RPT and RRPT of the Group. The ARC critically verified and reviewed related party relationships and the RPT and RRPT along with the information, explanations and justifications from the management with regard to such transactions, determined whether the transactions were ultimately benefited the Company and/or its subsidiaries, and provided timely recommendations to the Board for further consideration. For RRPT, due consideration also 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, 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 (if any) 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 FY2023.

THE INTERNAL AUDIT FUNCTION

The Group's internal audit function was being outsourced to M/s NeedsBridge Advisory Sdn. Bhd. ("NBSB"). NBSB is a professional firm that has adequate resources and appropriate standing to undertake its activities independently and objectively to provide reasonable assurance to the ARC regarding the adequacy and effectiveness of risk management, internal control and governance systems. The Internal Auditors report directly to the ARC. All NBSB 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.

NBSB 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

THE INTERNAL AUDIT FUNCTION (continued)

The internal audit plans presented by NBSB were reviewed and approved by the ARC and endorsed by the Board. All in, 2 audit visits to the targeted business units that represented the key risk areas were carried out in FY2023. 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 FY2023 in relation to the internal audit function is RM29,680.

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 FY2023:

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 PLT is seeking for its re-appointment at the forthcoming 32nd AGM of the Company; and • Law Kian Huat is the Lead Audit Partner responsible for the Group's audit for FY2023, and will continue his role should M/s BDO PLT 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 by M/s BDO PLT for the FY2023, the shareholders of the Company have granted their approval for the Board to determine the remuneration of the External Auditors at the Company's 31st AGM held on 30 November 2022. During the FY2023, the External Auditors also rendered non-audit services to the Group including the review of the Company's Statement on Risk Management & Internal Control, agreed upon procedures of subsidiary companies' gross sales statements to landlords, and etc. After due consideration, both the ARC and the Board were of the view that the following audit and non-audit fees for the FY2023 duly incurred by M/s BDO PLT and its affiliates 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:

Fees incurred	**Audit Fee (RM'000)**	**Non-Audit Fee (RM'000)**
The Company	65	3
The subsidiaries of the Company	665	18
Total:	730	21

The performance evaluation on the External Auditors duly conducted in early October 2023 indicated 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 32nd AGM of the Company.

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE

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

During the FY2023, the ARC also closely monitored all the RRPT undertook 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	Interested directors, major shareholders and/or persons connected with them	Nature of transactions	Actual aggregate value transacted during the FY2023 (RM'000)
1.	Bonia Group	Speciale Eyewear Sdn. Bhd. ("SESB")	Datuk Chiang Heng Kieng and persons connected with him (including their family)	Purchase of eyewear from SESB	223
2.	Bonia Group	Speciale Eyewear Sdn. Bhd. ("SESB")	Datuk Chiang Heng Kieng and persons connected with him (including their family)	Receipt of rental income from SESB	32
3.	Bonia Group	Bonia International Holdings Pte. Ltd. ("BIH")	Chiang Sang Sem and persons connected with him (including their family)	Payment of BONIA trademark royalties to BIH	840

The aggregate value of the RRPT transacted during the FY2023 as compared to the net assets of Bonia Group as reported in the Audited Financial Statements FY2023 of Bonia Corporation Berhad is 0.26%.

CONCLUSION

The Board is of the view that the ARC and all its members have discharged their duties and responsibilities effectively during the FY2023 and the new ARC members will strive to maximise the quality of the risk management, internal control and governance framework of the Group.

This statement is made in accordance with a resolution of the Board of Directors of Bonia Corporation Berhad dated 06 October 2023.

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 FY2023, 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 FY2023. 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.

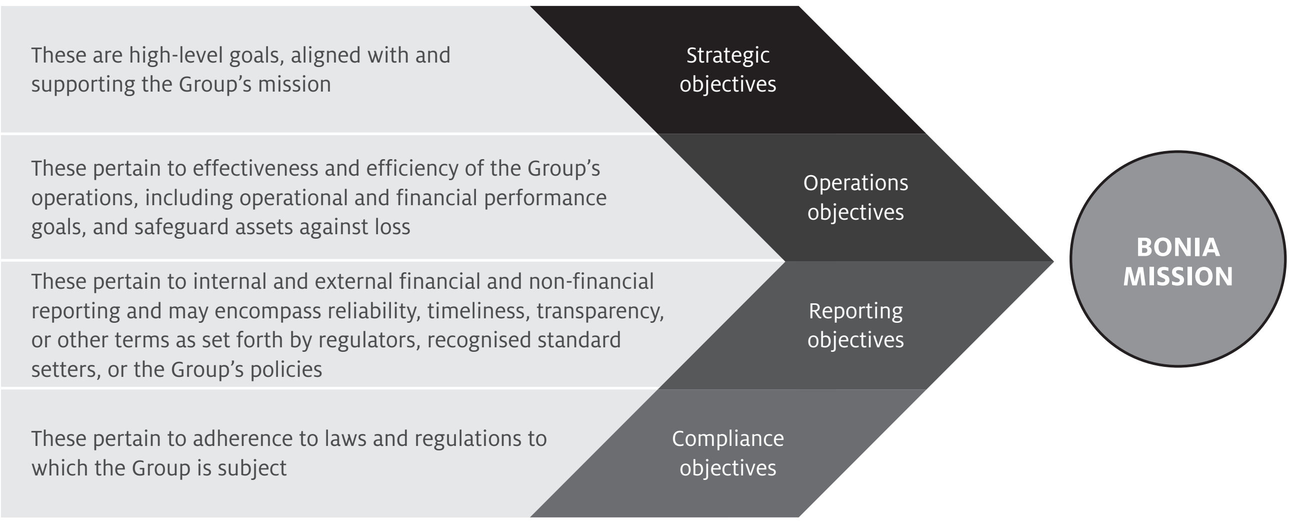
For the FY2023, the Board has received assurance from its: (i) Founder and Group Executive Chairman, and (ii) Group Executive Directors where, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, based 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 FY2023 and up to the date of issuance of the Company's Annual Report 2023.

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.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK ("RMICF") (continued)

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 Organisations 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.

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**		
Significant	Considerable management required	Must manage and monitor risks	Extensive management essential
Moderate	Risks may be worth accepting with monitoring	Management effort worthwhile	Management effort required
Minor	Accept risks	Accept, but monitor risks	Manage and monitor risks
	Low	*Medium*	*High*
	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 roles 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

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 Management Working Committee for evaluations and actions

Risk Management Working Committee (RMC) - Management level

RMC comprises 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

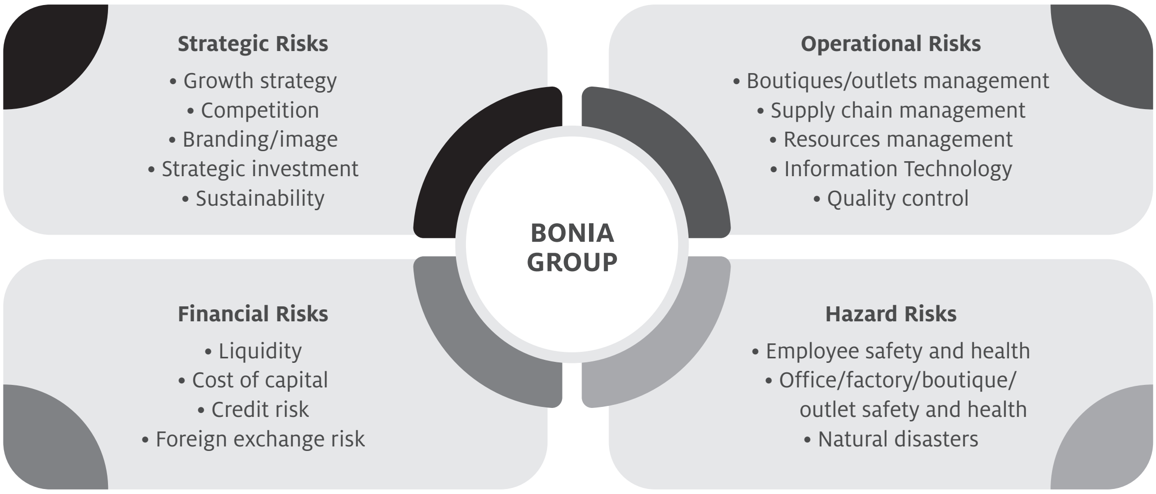
Board of Directors

The Board sets business objectives for the Group, establishes risk profiles, determines and adjusts 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

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 risk profiles 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 supports 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.
- Actual performances would be reviewed against budgeted results on a quarterly basis, allowing timely response and corrective actions to be taken to mitigate risks.
- Comprehensive management accounts and reports are prepared monthly for effective monitoring and decision-making.
- Regular meetings are held and attended by 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 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 Group's mission and goals.
- Given the strategic plans 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

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 Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements To Report On The Statement on Risk Management and Internal Control Included In the Annual Report ("AAPG3"), issued by Malaysian Institute of Accountants. AAPG3 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. AAPG3 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 FY2023 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 the 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.

This Statement is made in accordance with a resolution of the Board of Directors of Bonia Corporation Berhad dated 06 October 2023.

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 Group and of the Company for the FY2023 that gave a true and fair view of the financial position of the Group and of the Company as at the end of the financial year as well as their financial performance, and cash flows for the financial year in accordance with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the relevant provisions of CA2016.

In preparing the said Consolidated Financial Statements, the Directors have:

- adopted 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;
- prepared 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, financial performance, and cash flows 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.

This statement is made in accordance with a resolution of the Board of Directors of Bonia Corporation Berhad dated 06 October 2023.

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 30 JUNE 2023

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Carrying Amount RM'000	Date of Acquisition
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	29	432	100	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)	Vacant	37	1,806	225	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)	Vacant	37	1,134	100	31/12/1994
CASA BOLOGNA SDN. BHD.							
Geran 34325 Lot 510, Seksyen 067, Jalan Bukit Bintang, 55100 Kuala Lumpur	Freehold Land	Freehold	Rented Out	N.A.	17,287	40,000	17/08/2020
H.S.(D) 119062 PT133, Seksyen 067, Jalan Delima 55100 Kuala Lumpur	Freehold Land	Freehold	Vacant	N.A.	5,145	11,320	17/08/2020
LONG BOW MANUFACTURING SDN. BHD.							
PM 1471 Lot No. 8417 Lot 18, Merlimau Industrial Estate Phase ll 77300 Merlimau Melaka	Industrial Land and Building	Leasehold (Expiring in 2085)	Office cum Factory	37	135,100	3,730	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	30	3,199	105	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	15	13,713	7,791	31/01/2008

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 30 JUNE 2023

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.							
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	25	1,038	390	19/03/1995
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)	17	7,599	500	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 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
Geran 61154 Lot 39891 Lot G-01 & GR-01, Ground Floor Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur and 99 Units of Parking Bay Strata Geran 61154/M1/2/18	Commercial Units with covered Car Parks	Freehold	Rented Out	9	4,241	4,638	16/11/2020
Geran 61154 Lot 39891 Lot G-03A & GR-03A, Ground Floor Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur and 59 Units of Parking Bay Strata Geran 61154/M1/2/15	Commercial Units with covered Car Parks	Freehold	Rented Out	9	2,874	3,132	16/11/2020
Geran 61154 Lot 39891 Lot G-11 & GR-11, Ground Floor Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur and 100 Units of Parking Bay Strata Geran 61154/M1/2/8	Commercial Units with covered Car Parks	Freehold	Rented Out	9	1,679	2,638	16/11/2020

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 30 JUNE 2023

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. (continued)							
Geran 61154 Lot 39891 Parcel No. L5-06, L5-11, L5-12, L5-13, L5-16 Ikon Connaught Lot 160, Jalan Cerdas Taman Connaught, Cheras 56000 Kuala Lumpur	5 units Office Suites	Freehold	Office	9	7,271	4,012	02/08/2017 24/03/2022
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	9	2,163	1,249	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	9	18,747	8,726	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	9	15,347	7,535	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	9	65,574	25,897	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	9	32,838	12,835	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	-	2,957	21/11/2014

LIST OF PROPERTIES
HELD BY THE GROUP AS AT 30 JUNE 2023

Location of Property	Description	Tenure	Existing Use	Age of Building (Year)	Area (Sq Ft)	Carrying Amount RM'000	Date of Acquisition
MAHA ASIA CAPITAL SDN. BHD.							
Geran 25630 Lot 456 Seksyen 67 No.10, Jalan Delima 55100 Kuala Lumpur	Land with Single-storey Detached House	Freehold	Rented Out	N.A.	15,109	24,000	29/10/2013
Geran 27239 Lot 457 Seksyen 67 No.8, Jalan Delima , 55100 Kuala Lumpur	Land with Single-storey Detached House	Freehold	Rented Out	N.A.	15,109	36,984	07/12/2022
PT ACTIVE WORLD							
Unit no. 19-09, Pakuwon Center Tunjungan Plaza (City) Jalan Embong Malang, Surabaya Indonesia	Office Suite	Leasehold (Individual title not yet issued)	Rented Out	6	2,777	3,053	25/09/2012
Unit B-02, Waterplace Residence Pakuwon Indah, Surabaya Indonesia	3 1/2-storey Shop-office	Leasehold (Individual title not yet issued)	Vacant	14	2,260	1,326	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	6-storey Boutique Office and 2-storey basement	Leasehold (Individual title not yet issued)	Rented Out	6	9,935	3,882	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	6-storey Boutique Office and 2-storey basement	Leasehold (Individual title not yet issued)	Rented Out	6	9,935	3,882	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	6-storey Boutique Office and 2-storey basement	Leasehold (Individual title not yet issued)	Vacant	6	9,935	3,261	22/03/2016
SBG HOLDINGS SDN. BHD.							
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	25	24,374	11,457	04/12/2018

ANALYSIS OF SHAREHOLDINGS

AS AT 2 OCTOBER 2023

Class of shares	: Ordinary shares
Number of issued shares	: 201,571,842 (inclusive of 576,719 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	: 4,019
Remark	: The Analysis of Shareholdings is based on the issued shares of the Company after deducting 576,719 treasury shares

DISTRIBUTION OF SHAREHOLDINGS

	Number of shareholders		Number of ordinary shares held		Percentage (%)	
Size of shareholdings	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**
Less than 100	678	6	28,191	117	0.01	0.00
100 to 1,000	821	17	438,670	7,066	0.22	0.00
1,001 to 10,000	1,919	24	7,020,776	90,224	3.49	0.04
10,001 to 100,000	438	32	12,264,890	1,504,426	6.10	0.75
100,001 to less than 5% of issued shares	67	15	64,850,245	15,370,631	32.26	7.65
5% and above of issued shares	2	0	99,419,887	0	49.46	0.00
Total	3,925	94	184,022,659	16,972,464	91.56	8.44
Grand Total		4,019		200,995,123		100.00

Note(s):
The above information is based on the Record of Depositors as at 02 October 2023 provided by Bursa Malaysia Depository Sdn. Bhd. and the number of holders reflected is in reference to CDS account numbers

REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect/Deemed Interest	
Name	**Units**	**Percentage (%)**	**Units**	**Percentage (%)**
Bonia Holdings Sdn. Bhd.	54,776,484	27.25	-	-
Freeway Team Sdn. Bhd.	44,643,403	22.21	-	-
Chiang Sang Sem	21,990,040	10.94	112,161,983[1]	55.80

Note(s):
[1] *Deemed interest by virtue of his interests in Bonia Holdings Sdn. Bhd., Freeway Team Sdn. Bhd., Kontrak Kosmomaz Sdn. Bhd., and Able Wealth Assets Ltd pursuant to Section 8 of the Companies Act 2016*

ANALYSIS OF SHAREHOLDINGS

AS AT 2 OCTOBER 2023

DIRECTORS' SHAREHOLDINGS IN BONIA CORPORATION BERHAD

	Direct Interest		Indirect/Deemed Interest	
Name	**Units**	**Percentage (%)**	**Units**	**Percentage (%)**
Chiang Sang Sem	21,990,040	10.94	124,806,297(1)	62.09
Dato' Sri Chiang Fong Seng	6,148,014	3.06	-	-
Dato' Sri Chiang Fong Tat	1,142,238	0.57	27,000(2)	0.01
Chiang May Ling	264,000	0.13	-	-
Datuk Chiang Heng Kieng	-	-	47,520(2)	0.02
Chong Chin Look	-	-	-	-
Datuk Ng Peng Hong @ Ng Peng Hay	-	-	-	-
Azian Binti Mohd Yusof	-	-	-	-
Law Wei Liang	-	-	-	-
Chiang Fong Xiang (Alternate Director)	-	-	-	-

Note(s):

(1) *Deemed interest by virtue of his interests in Bonia Holdings Sdn. Bhd., Freeway Team Sdn. Bhd., Kontrak Kosmomaz Sdn. Bhd., and Able Wealth Assets Ltd pursuant to Section 8 of the Companies Act 2016; AND indirect interest by virtue of his spouse and children's direct interests pursuant to Section 59(11)(c) of the Companies Act 2016*

(2) *Indirect interest by virtue of his spouse's interest pursuant to Section 59(11)(c) of the Companies Act 2016*

DIRECTORS' SHAREHOLDINGS IN JECO (PTE) LIMITED

(70%-owned direct subsidiary of Bonia Corporation Berhad)

	Direct Interest		Indirect/Deemed Interest	
Name	**Units**	**Percentage (%)**	**Units**	**Percentage (%)**
Chiang Sang Sem	-	-	50,000(1)	10.00
Chiang Fong Xiang (Alternate Director)	-	-	50,000(2)	10.00

Note(s):

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

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

DIRECTORS' SHAREHOLDINGS IN VR DIRECTIONS SDN. BHD.

(75%-owned indirect subsidiary of Bonia Corporation Berhad)

	Direct Interest		Indirect/Deemed Interest	
Name	**Units**	**Percentage (%)**	**Units**	**Percentage (%)**
Chiang Sang Sem	-	-	250,000(1)	25.00
Chiang May Ling	250,000	25.00	-	-

Note(s):

(1) *Indirect interest by virtue of his child's direct interest in VR Directions Sdn. Bhd. pursuant to Section 59(11)(c) of the Companies Act 2016*

ANALYSIS OF SHAREHOLDINGS

AS AT 2 OCTOBER 2023

DIRECTORS' SHAREHOLDINGS IN SBG HOLDINGS SDN. BHD.

(70%-owned direct subsidiary of Bonia Corporation Berhad)

	Direct Interest		Indirect/Deemed Interest	
Name	**Units**	**Percentage (%)**	**Units**	**Percentage (%)**
Chiang Sang Sem	-	-	16,538,130[(1)]	30.00
Dato' Sri Chiang Fong Tat	-	-	16,538,130[(2)]	30.00

Note(s):

[(1)] *Indirect interest by virtue of his child's interest in SBG Holdings Sdn. Bhd., pursuant to Section 59(11)(c) of the Companies Act 2016*

[(2)] *Deemed interest by virtue of his interest in Remarkable Success Sdn. Bhd., a corporate shareholder holding 30% of the total number of issued shares of SBG Holdings Sdn. Bhd., pursuant to Section 8 of the Companies Act 2016*

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	Units	Percentage (%)
1.	Bonia Holdings Sdn. Bhd.	54,776,484	27.25
2.	Freeway Team Sdn. Bhd.	44,643,403	22.21
3.	Chiang Sang Sem	9,579,924	4.77
4.	UOBM Nominees (Tempatan) Sdn. Bhd. Beneficiary: United Overseas Bank Nominees (Pte) Ltd for Chiang Sang Sem	7,425,216	3.69
5.	Kontrak Kosmomaz Sdn. Bhd.	6,522,808	3.25
6.	UOBM Nominees (Asing) Sdn. Bhd. Beneficiary: United Overseas Bank Nominees (Pte) Ltd for Able Wealth Assets Ltd	6,219,288	3.09
7.	CIMB Group Nominees (Tempatan) Sdn. Bhd. Beneficiary: CIMB Commerce Trustee Berhad - Kenanga Growth Fund	4,472,800	2.23
8.	Cimsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: CIMB for Chiang Fong Seng	4,129,506	2.05
9.	Chong See Moi	4,090,062	2.03
10.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. Beneficiary: Exempt An for Deutsche Bank AG Singapore	3,780,000	1.88
11.	Tokio Marine Life Insurance Malaysia Bhd Beneficiary: AS Beneficial Owner	2,666,600	1.33
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Maybank Private Wealth Management for Chiang Fong Seng	2,018,508	1.00
13.	Salcon Berhad	1,800,000	0.90
14.	Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Urusharta Jamaah Sdn. Bhd.	1,700,900	0.85
15.	Chiang Heng Pang	1,485,432	0.74
16.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Ting Siew Pin	1,453,300	0.72
17.	Chiang Boon Tian	1,101,060	0.55
18.	Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Employees Provident Fund Board	1,100,000	0.55

ANALYSIS OF SHAREHOLDINGS

AS AT 2 OCTOBER 2023

30 LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	Units	Percentage (%)
19.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged securities account for Wong Yee Hui	1,080,000	0.54
20.	Chiang Sang Sem	1,069,900	0.53
21.	Yong Siew Moi	1,000,000	0.50
22.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Tay Hock Soon	916,500	0.46
23.	Cartaban Nominees (Tempatan) Sdn. Bhd. Beneficiary: CN CIMB Commerce Trustee Berhad for Kenanga Growth Fund Series 2	900,000	0.45
24.	HLB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Lim Jian You	790,000	0.39
25.	Chong Ching Yee	740,000	0.37
26.	Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Employees Provident Fund Board	646,200	0.32
27.	Chiang Fong Tat	632,738	0.31
28.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Beneficiary: Deutsche Trustees Malaysia Berhad for Hong Leong Consumer Products Sector Fund	530,000	0.26
29.	Chiang Fong Tat	509,500	0.25
30.	Milan Quest Sdn. Bhd.	433,000	0.22
	Total	168,213,129	83.69

Note(s):
The above information is based on the Record of Depositors as at 02 October 2023 provided by Bursa Malaysia Depository Sdn. Bhd. and without aggregating securities from different securities accounts belonging to the same person

NOTICE OF 32ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Second Annual General Meeting of Bonia Corporation Berhad will be held on Thursday, 30 November 2023 at 10.00 am as a fully virtual meeting via the online platform at *www.vpoll.com.my* (Domain Registration No. with MyNIC Berhad: D1A457149) provided by AI Smartual Learning Sdn. Bhd. in Malaysia, for the following purposes:

AGENDA

ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the financial year ended 30 June 2023 together with the reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 2*

2. To re-elect the following Directors who retire pursuant to the Constitution of the Company and being eligible, have offered themselves for re-election:

2.1	Datuk Chiang Heng Kieng	- Clause 86.1	*Ordinary Resolution 1*
2.2	Datuk Ng Peng Hong @ Ng Peng Hay	- Clause 86.1	*Ordinary Resolution 2*
2.3	Azian Binti Mohd Yusof	- Clause 86.1	*Ordinary Resolution 3*
2.4	Chiang May Ling	- Clause 85.3	*Ordinary Resolution 4*

3. To re-appoint Messrs BDO PLT as Auditors of the Company for the financial year ending 30 June 2024 and to authorise the Board of Directors to fix their remuneration. *Ordinary Resolution 5*

4. To approve the Directors' fees of Bonia Corporation Berhad and its subsidiaries not exceeding RM1,800,000 for the financial year ending 30 June 2024 to be divided amongst the Directors in such manner as they may determine, with payment of the fees to be made semiannually in arrears at the end of each half-year. *Ordinary Resolution 6*

5. To approve the Directors' benefits of Bonia Corporation Berhad up to an amount of RM110,000 for the period from 01 December 2023 until the next Annual General Meeting. *Ordinary Resolution 7*

SPECIAL BUSINESS

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

6. **Ex-gratia Payment for former Director – Dato' Sri Chiang Fong Yee**

   "THAT an ex-gratia payment of RM105,000 be made to Dato' Sri Chiang Fong Yee in recognition and appreciation of his past service and contribution to the Company and/or its subsidiaries as a Non-Independent Non-Executive Director." *Ordinary Resolution 8*

7. **Approval for Allotment of shares or Grant of rights**

   "THAT contingent upon the passing of the Special Resolution-Waiver of pre-emptive rights under Section 85 of the Companies Act 2016 by the shareholders of the Company, and pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and the approval(s) of the relevant regulatory authorities, where such approval(s) is required, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot and issue shares in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and 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, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such additional shares to be allotted and issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being.

   THAT the Directors be and are hereby 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.

NOTICE OF 32ND ANNUAL GENERAL MEETING

7. **Approval for Allotment of shares or Grant of rights (continued)**

   AND THAT the Directors be and are hereby authorised to do all such acts and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to give effect to the transactions contemplated and/or authorised by this resolution." *Ordinary Resolution 9*

8. **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 and in the interests of the Company 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 pursuant to Section 127(7) of the Companies Act 2016.

   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 be and are hereby authorised to do all such acts and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to give effect to the aforesaid share buy-back in the best interest of the Company." *Ordinary Resolution 10*

9. **Waiver of pre-emptive rights under Section 85 of the Companies Act 2016 ("Waiver of pre-emptive rights")**

   "THAT the shareholders of the Company do hereby waive their statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company under Section 85 of the Companies Act 2016, read together with Clause 10 of the Constitution of the Company.

   THAT subject to the passing of the Ordinary Resolution 9–Approval for Allotment of shares or Grant of rights by the Company's shareholders, the Directors of the Company be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) whether to be ranked equally to the existing issued shares of the Company OR with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person(s) as the Directors may determine.

   AND THAT the Directors be and are hereby authorised to do all such acts and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to give effect to the transactions contemplated and/or authorised by this resolution." *Special Resolution*

10. To transact any other business of which due notice shall have been given.

By Order of the Board
DATO' SRI CHIANG FONG SENG
Group Executive Director/CEO

30 October 2023
Kuala Lumpur

NOTICE OF 32ND ANNUAL GENERAL MEETING

Notes:

1. Only a depositor whose name appears on the Record of Depositors as at 16 November 2023 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 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 1 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 entitled to vote on a resolution has appointed more than 1 proxy, the proxies shall only be entitled to vote on any question at the Meeting on poll provided that the member specifies the proportion of his holdings to be represented by each proxy.

6. Where a member is a corporation, it may also by resolution of its directors 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.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.

   The instrument appointing a proxy or Proxy Form and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that member, shall be deposited at *the office of the Poll Administrator, AI Smartual Learning Sdn. Bhd. at 23-5, Menara Bangkok Bank, Berjaya Central Park, Jalan Ampang, 50450 Kuala Lumpur, Malaysia, alternatively to be submitted electronically through proxy@aismartuallearning.com*, not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting 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 as may be provided or permitted under the applicable laws, and in default the instrument of proxy or Proxy Form shall not be treated as valid. *Faxed and photocopied copies of the duly executed Proxy Form are not acceptable.*

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. *Item 2 of the Agenda* – The resolutions, if approved, will authorise the continuity in office of the Directors. An annual assessment on the performance and effectiveness of the Directors (including the independence of Independent Non-Executive Directors) for the financial year ended 30 June 2023 has been undertaken, and the result was satisfactory to the Board.

4. *Item 3 of the Agenda* – BDO PLT [201906000013 (LLP0018825-LCA) & AF 0206], being the Auditors of the Company for the financial year ended 30 June 2023, have expressed their willingness to continue in office.

NOTICE OF 32ND ANNUAL GENERAL MEETING

5. *Items 4 and 5 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 Non-Executive Directors of Bonia Corporation Berhad by the Company for the period from 01 December 2023 until the next AGM in year 2024 that are derived from:

   (a) the fixed allowance for membership of the Audit & Risk Management Committee and the Nomination & Remuneration Committee of RM20,000 per person per financial 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.

6. *Item 6 of the Agenda* – The proposed ex-gratia payment to the former Non-Independent Non-Executive Director of the Company namely Dato' Sri Chiang Fong Yee (resigned with effect from 01 April 2023), is a token of appreciation and recognition of his past service rendered to the Company and/or its subsidiaries as a Non-Independent Non-Executive Director.

7. *Item 7 of the Agenda* - Subject to the passing of the Special Resolution-Waiver of pre-emptive rights under Section 85 of the Companies Act 2016 by the shareholders of the Company, the resolution, if approved, will renew the existing general mandate given to the Directors of the Company at the preceding annual general meeting held on 30 November 2022 to allot and issue ordinary shares of the Company from time to time, and expand the mandate to grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted and issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being ("Renewed General Mandate"). In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, 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.

   The Renewed General Mandate is to enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event business opportunities or other circumstances arise which involve the issuance and allotment of new shares, grant of rights to subscribe for shares, conversion of any security into shares, or allotment of shares under an agreement or option or offer, and to avoid delay and cost in convening general meetings to approve the same.

   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.

8. *Item 8 of the Agenda* - The details of the proposal are set out in the Circular to Shareholders dated 30 October 2023 and is published at the Company's website.

9. *Item 9 of the Agenda* - The Special Resolution is pertaining to the waiver of pre-emptive rights granted to the shareholders under Section 85 of the Companies Act 2016 ("CA2016").

   Pursuant to Section 85(1) of CA2016 read together with Clause 10 of the Company's Constitution as reproduced below, shareholders of the Company have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company:

   - Section 85(1) of CA2016 - Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.

   - Clause 10 of the Company's Constitution - Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

   By voting in favour of the Special Resolution, the shareholders of the Company having agreed to irrevocably waive their statutory pre-emptive rights pursuant to Section 85(1) of CA2016 read together with Clause 10 of the Company's Constitution. The Special Resolution, if passed, will also allow the Directors to issue new shares of the Company to any person without having to offer such new shares to be issued equally to the existing shareholders of the Company prior to issuance which will result in a dilution to their shareholding percentage in the Company.

STATEMENT ACCOMPANYING NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING ("32ND 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 32nd 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 7 of the Explanatory Notes of the Notice of 32nd AGM dated 30 October 2023.

PROXY FORM

BONIA CORPORATION BERHAD
Registration No. 199101013622 (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 [Registration No. 199101013622 (223934-T)] hereby appoint:

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

Email Address ______________________________

Tel No. ______________ Number of shares represented ______________

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

Email Address ______________________________

Tel No. ______________ 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 Thirty-Second Annual General Meeting of the Company to be held on Thursday, 30 November 2023 at 10.00 am as a fully virtual meeting via the online platform at *www.vpoll.com.my* (Domain Registration No. with MyNIC Berhad: D1A457149) provided by AI Smartual Learning Sdn. Bhd. in Malaysia or at any adjournment thereof, in the manner as indicated below:

No.	Resolutions		For	Against
1.	Ordinary Resolution 1	Re-election of Datuk Chiang Heng Kieng as Director		
2.	Ordinary Resolution 2	Re-election of Datuk Ng Peng Hong @ Ng Peng Hay as Director		
3.	Ordinary Resolution 3	Re-election of Azian Binti Mohd Yusof as Director		
4.	Ordinary Resolution 4	Re-election of Chiang May Ling as Director		
5.	Ordinary Resolution 5	Re-appointment of Messrs BDO PLT as Auditors and to authorise the Directors to fix their remuneration		
6.	Ordinary Resolution 6	Approval for Directors' Fees for financial year ending 30 June 2024		
7.	Ordinary Resolution 7	Approval for Directors' Benefits		
8.	Ordinary Resolution 8	Ex-gratia Payment for former Director - Dato' Sri Chiang Fong Yee		
9.	Ordinary Resolution 9	Approval for Allotment of shares or Grant of rights		
10.	Ordinary Resolution 10	Proposed Share Buy-Back		
11.	Special Resolution	Waiver of pre-emptive rights		

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(s): ______________ Date: ______________

Notes:

1. Only a depositor whose name appears on the Record of Depositors as at 16 November 2023 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 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 1 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 entitled to vote on a resolution has appointed more than 1 proxy, the proxies shall only be entitled to vote on any question at the Meeting on poll provided that the member specifies the proportion of his holdings to be represented by each proxy.
6. Where a member is a corporation, it may also by resolution of its directors 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.
7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.

   The instrument appointing a proxy or Proxy Form and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that member, shall be deposited at *the office of the Poll Administrator, AI Smartual Learning Sdn. Bhd. at 23-5, Menara Bangkok Bank, Berjaya Central Park, Jalan Ampang, 50450 Kuala Lumpur, Malaysia, alternatively to be submitted electronically through proxy@aismartuallearning.com,* not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting 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 as may be provided or permitted under the applicable laws, and in default the instrument of proxy or Proxy Form shall not be treated as valid. *Faxed and photocopied copies of the duly executed Proxy Form are not acceptable.*

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Affix
stamp

To: **AI Smartual Learning Sdn. Bhd.**

23-5, Menara Bangkok Bank, Berjaya Central Park,
Jalan Ampang, 50450 Kuala Lumpur, Malaysia

(The Poll Administrator for the 32nd AGM of Bonia Corporation Berhad)

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ADMINISTRATIVE GUIDE FOR THIRTY-SECOND ANNUAL GENERAL MEETING

Date and time of the 32nd AGM ("AGM")	:	Thursday, 30 November 2023 at 10.00 am
Fully virtual online meeting platform	:	*www.vpoll.com.my* (Domain Registration No. with MyNIC Berhad: D1A457149) provided by AI Smartual Learning Sdn. Bhd. in Malaysia

1.0 ENTITLEMENT TO PARTICIPATE AND VOTE

1.1 Only depositors whose names appear in the Record of Depositors as at 16 November 2023 shall be entitled to participate and/or vote remotely at the AGM or appoint a proxy/proxies to participate and/or vote on his stead.

1.2 Eligible members are required to pre-register for the RPV at *www.vpoll.com.my* to ascertain their eligibility to participate and/or vote at the AGM remotely.

2.0 REMOTE PARTICIPATION AND ELECTRONIC VOTING FACILITIES ("RPV")

2.1 Details of the RPV

i The RPV is available to: individual members; proxy holders; corporate representatives; authorised nominees; and exempt authorised nominees (individually, "participant", and collectively, "participants")

ii Eligible participants are entitled to participate and/or vote remotely at the AGM using the RPV provided by AI Smartual Learning Sdn. Bhd. at *www.vpoll.com.my* from various devices such as smart phone, tablet, laptop or computer.

iii The quality of the participant's connection to the live broadcast is dependent on the bandwidth and stability of the internet of his location and the device he uses.

iv In the event the participant encounters any issues with pre-meeting registration, submission of questions, log-in, connection to the live streamed meeting or online voting on the meeting day, kindly contact the Poll Administrator (details of the Poll Administrator is stated in Item 4.0 of this administrative guide) for assistance.

2.2 Appointment of Proxy(ies)

i Members may appoint proxy(ies) to participate and/or vote at the AGM via RPV, or to appoint the Chairperson of the Meeting as his proxy by indicating the voting instructions in the Proxy Form [otherwise the proxy(ies) will vote at his discretion] in accordance with the notes and instructions printed therein.

ii Please ensure that the duly completed and executed Proxy Form is deposited at *the office of the Poll Administrator, AI Smartual Learning Sdn. Bhd. at 23-5, Menara Bangkok Bank, Berjaya Central Park, Jalan Ampang, 50450 Kuala Lumpur, Malaysia* not less than 48 hours before the time appointed for holding the AGM ie. latest by Tuesday, 28 November 2023 at 10.00 am Alternatively, the duly completed and executed Proxy Form can also be submitted electronically, through *proxy@aismartuallearning.com*.

iii Appointed proxies are required to pre-register for the RPV at *www.vpoll.com.my* to ascertain their eligibility to participate and/or vote at the AGM remotely.

2.3 Appointment of Corporate/Authorised Representative(s)

i Members who are body corporates may appoint their corporate/authorised representative(s) to participate and/or vote at the AGM.

ii Appointed corporate/authorised representative(s) shall: (i) provide a copy of his identity card, email address and mobile phone number, and (ii) deposit together with the original evidence of his authority (eg. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority in English or Bahasa Malaysia) to the Poll Administrator at the office of the Poll Administrator, *AI Smartual Learning Sdn. Bhd. at 23-5, Menara Bangkok Bank, Berjaya Central Park, Jalan Ampang, 50450 Kuala Lumpur, Malaysia* not later than Tuesday, 28 November 2023 at 10.00 am, for verification.

iii Appointed corporate/authorised representative(s) are required to pre-register for the RPV at *www.vpoll.com.my* to ascertain their eligibility to participate and/or vote at the AGM remotely.

ADMINISTRATIVE GUIDE FOR THIRTY-SECOND ANNUAL GENERAL MEETING

2.0 REMOTE PARTICIPATION AND ELECTRONIC VOTING FACILITIES ("RPV") (continued)

2.4 Submission of Questions

i Pre-meeting submission of questions - Members are welcome to submit questions to the Board and/or the Auditors of the Company in advance prior to the AGM not later than Tuesday, 28 November 2023 at 10.00 am electronically, through *proxy@aismartuallearning.com*.

ii Submission of questions during the AGM - Participants may pose questions to the Board and/or the Auditors of the Company via real time submission of typed texts throughout the AGM.

iii The Board will endeavour to answer the questions received at the AGM.

2.5 Voting Procedures

i Members/proxies/corporate representatives can proceed to vote on the resolutions via the RPV at *www.vpoll.com.my* at any time from the commencement of the AGM at 10.00 am on 30 November 2023 but before the end of the voting session which will be announced by the Chairperson of the meeting.

ii Upon completion of the voting session, the appointed independent scrutineers will verify the poll results followed by the Chairperson's declaration whether the resolutions put to vote were successfully carried or otherwise.

2.6 Procedures for RPV

Members/proxies/corporate representatives who wish to participate and/or vote at the AGM remotely via RPV are to follow the requirements and procedures as summarised in "Annex A" as annexed hereto.

3.0 OTHERS

3.1 NO gifts/meal vouchers - There will be no distribution of gifts or meal vouchers for members/proxies/corporate representatives who participate in the AGM.

3.2 NO recording or photography - Unauthorised recording and/or photography are strictly prohibited at the AGM.

4.0 ENQUIRY AND RPV ASSISTANCE

4.1 If you have any enquiries on the above, please contact the Poll Administrator during office hours from 9.00 am to 5.00 pm (Monday to Friday, excluding public holidays and days on which the office is closed due to regulations imposed by the Malaysian government to curb the spread of COVID-19 pandemic, if any):

Poll Administrator : AI Smartual Learning Sdn. Bhd.
23-5, Menara Bangkok Bank, Berjaya Central Park, Jalan Ampang
50450 Kuala Lumpur, Malaysia

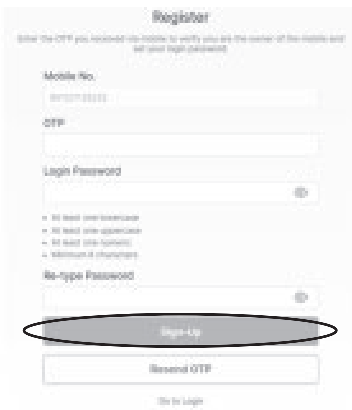
Contact person 1 : David Cheng
Telephone No. : +6017 770 0887
Email : *davidcheng@aismartuallearning.com*

OR

Contact person 2 : Joan Kang
Telephone No. : +6016 789 4806
Email : *joankang@aismartuallearning.com*

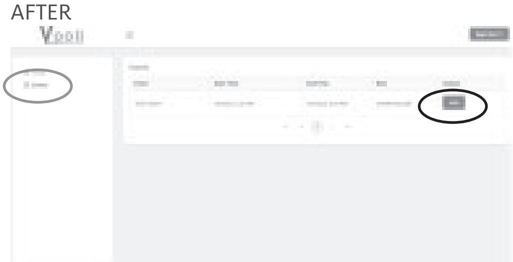
ADMINISTRATIVE GUIDE FOR THIRTY-SECOND ANNUAL GENERAL MEETING

ANNEX A : PROCEDURES FOR RPV

Procedure	Action
1. Register as a user with *www.vpoll.com.my*	**Step**
 Landing Page	• Please access the URL *www.vpoll.com.my* to reach the landing page • Click on "User Login/Register button" to register yourself as a user
 User Login/Register	• Please click on "Register"
 Mobile Phone Register	• Please enter your mobile phone number, click on "Get OTP", and wait for a one-time password (OTP) to be sent to your mobile phone
 OTP and Password fill up form	• Please insert the OTP, create a login password, and click on "Sign-up"
 Login Page	• Please re-access the URL *www.vpoll.com.my* to reach the login page, enter all the login details and click on "Sign In"

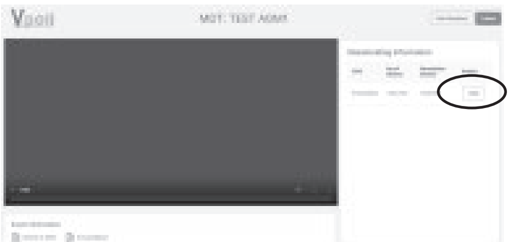
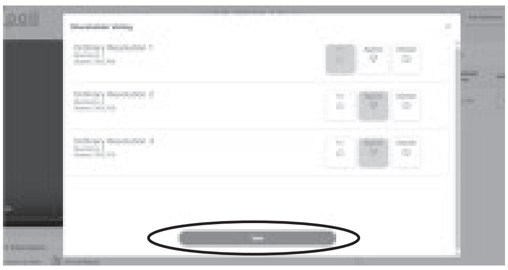
ADMINISTRATIVE GUIDE FOR THIRTY-SECOND ANNUAL GENERAL MEETING

ANNEX A : PROCEDURES FOR RPV (continued)

Procedure	Action
1. Register as a user with *www.vpoll.com.my* (continued)	**Step**
 Account verification form	• Please fill up all the required fields, upload a copy of your NRIC (for Malaysian)/Passport (for Foreigner) and click on "Submit for Verification" • The poll administrator will perform the verification, and approve/reject your application within 12 hours after your submission • Thereafter, an email will be sent to the user on the approval/rejection • If you received a rejection email, please call the Poll Administrator to resolve the issue • If you received an approval email, you may login to the Vpoll anytime therefrom
2. Login to the RPV at *www.vpoll.com.my* on the AGM Day	**Step**
BEFORE 	• On the AGM Day, please access the URL *www.vpoll.com.my* • The Vpoll will open for access on the AGM Day from 30 November 2023 at 9.00 am until the conclusion of the AGM
AFTER 	• Click on "Events", select Bonia AGM, click on "Join" to participate the AGM of Bonia Corporation Berhad
	• Your screen will divert you to the event page of the AGM as shown • To watch livestream, click on " ► " on the livestream widget
DURING THE LIVE STREAMING 	• Continue watching

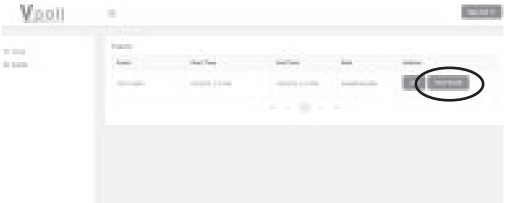
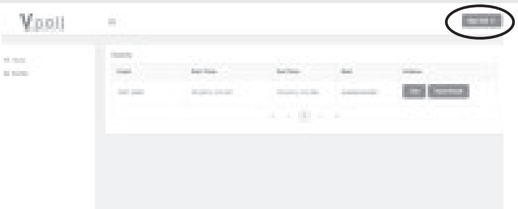
ADMINISTRATIVE GUIDE FOR THIRTY-SECOND ANNUAL GENERAL MEETING

ANNEX A : PROCEDURES FOR RPV (continued)

Procedure	Action
3. Submission of questions via RPV	**Step**
BEFORE 	• If you wish to raise a question, please click on "Ask Question"
AFTER 	• Type your question(s) in the Q&A pop-up screen and click on "Submit" to send in the question • There is no limitation on the number of questions that you may raise
4. Casting of votes via RPV	**Step**
	• To cast your votes, click on "Vote"
	• You will be shown the voting page • Please vote accordingly Upon ready to submit your votes, click on "Vote" to complete your voting

ADMINISTRATIVE GUIDE FOR THIRTY-SECOND ANNUAL GENERAL MEETING

ANNEX A : PROCEDURES FOR RPV (continued)

Procedure	Action
4. Casting of votes via RPV (continued)	**Step**
	• To view the voting results, click on "View Result"
	• The voting results will be presented as shown
5. Conclusion of AGM	**Step**
	• Click on "Sign Out" **Thank you for your participation**

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company. The principal activities of the subsidiaries and associates are mainly designing, manufacturing, marketing, retailing and wholesaling of fashionable leather goods, apparels and accessories for the local and overseas markets, property development and investment holding. Further details of the subsidiaries and associates are set out in Notes 11 and 12 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year ended 30 June 2023.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	62,595	52,529
Profit for the financial year attributable to:		
Owners of the parent	55,000	52,529
Non-controlling interests	7,595	-
	62,595	52,529

DIVIDENDS

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

	Company RM'000
In respect of the financial year ended 30 June 2022:	
Single tier interim dividend of 2.00 sen per ordinary share, paid on 30 September 2022	4,020
Single tier special dividend of 10.00 sen per ordinary share, paid on 30 September 2022	20,100
In respect of the financial year ended 30 June 2023:	
Single tier interim dividend of 2.00 sen per ordinary share, paid on 6 January 2023	4,020
Single tier interim dividend of 2.00 sen per ordinary share, paid on 11 April 2023	4,020
Single tier interim dividend of 2.00 sen per ordinary share, paid on 28 June 2023	4,020
	36,180

The Directors do not recommend any final dividend in respect of the financial year ended 30 June 2023.

On 25 August 2023, the Board of Directors declared a single tier interim dividend of 2.00 sen per ordinary share and a single tier special dividend of 4.00 sen per ordinary share of approximately RM4,020,000 and RM8,040,000 respectively in respect of the financial year ending 30 June 2024, that were paid on 29 September 2023 to the shareholders whose names appeared in the Record of Depositors of the Company as at 12 September 2023. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2024.

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year ended 30 June 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year ended 30 June 2023.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year ended 30 June 2023.

TREASURY SHARES

As at 30 June 2023, the Company held 576,719 (2022: 576,719) treasury shares out of its total issued shares of 201,571,842 (2022: 201,571,842) ordinary shares. Such treasury shares are recorded at a carrying amount of RM485,000 (2022: RM485,000).

There were no share re-issuance, cancellations, resale and buybacks for the current and previous financial year.

DIRECTORS OF BONIA CORPORATION BERHAD

The Directors who held office during the financial year and up to the date of this report are as follows:

Chiang Sang Sem	- Founder and Group Executive Chairman
Dato' Sri Chiang Fong Seng (5)	- Group Executive Director/CEO
Dato' Sri Chiang Fong Tat	- Group Executive Director
Chiang May Ling (4)	- Group Executive Director
Datuk Chiang Heng Kieng	- Non-Independent Non-Executive Director
Chong Chin Look (3)	- Non-Independent Non-Executive Director
Datuk Ng Peng Hong @ Ng Peng Hay	- Senior Independent Non-Executive Director
Azian Binti Mohd Yusof	- Independent Non-Executive Director
Law Wei Liang (1)	- Independent Non-Executive Director
Chiang Fong Xiang (1)	- Alternate Director to Chiang May Ling
Dato' Sri Chiang Fong Yee (2)	- Non-Independent Non-Executive Director
Chiang Fong Chyen (2)	- Alternate Director to Datuk Chiang Heng Kieng
Chong Sai Sin (2)	- Independent Non-Executive Director

(1) Appointed during the financial year
(2) Resigned during the financial year
(3) Redesignated as a Non-Independent Non-Executive Director during the financial year
(4) Resigned as the Alternate Director to Chiang Sang Sem, and appointed as a Group Executive Director during the financial year
(5) Redesignated as the "Group Executive Director/Chief Executive Officer" (also known as Group Executive Director/CEO) during the financial year

DIRECTORS' REPORT

DIRECTORS OF SUBSIDIARIES OF BONIA CORPORATION BERHAD

Pursuant to Section 253 of the Companies Act 2016, the Directors of the subsidiaries of Bonia Corporation Berhad during the financial year and up to the date of this report are as follows:

Chiang Sang Sem
Datuk Chiang Heng Kieng
Chiang Sang Bon
Dato' Sri Chiang Fong Tat
Dato' Sri Chiang Fong Seng
Chong Chin Look
Datin Sri Tan Loo Yin
Chiang May Ling
Chiang Fong Chyen (1)
Chiang Sang Yau
Lee Eng Cheng
Datin Sri Chen May Yen
Chew Siew Moy
Ong May Chiun
Siow Huey Loong
Chiang Sang Ling
Bong Kwan Chin (3)
Lim Ting Fong
Ting Oi Ling
Wong Kwong Tung (2)
Tan Tai Kwan
Musniarni Massewa
Liao Tien Fook
Liang Yow Shuih (1)
Liao Tian Sze
Chiang Boon Tian
Chiang Fong Xiang
Christiane Brunk
Tan Kim Eng (1)
Susan Silvia Gretz
Tan Feng Nee
Chong See Moi
Fong Kok Leong
Phan Duong Hoang Anh (5)
Tran Thi Trang (4)

(1) Resigned during the financial year
(2) Appointed during the financial year
(3) Resigned after the financial year
(4) Appointed during the financial year, and resigned after the financial year
(5) Appointed after the financial year

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of the Directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations (other than wholly-owned subsidiaries) during the financial year ended 30 June 2023 were as follows:

	Number of ordinary shares			
	Balance as at 1.7.2022/ Date of Appointment	**Additions**	**Sold/ Transferred**	**Balance as at 30.6.2023**
The Company				
Direct interests				
Chiang Sang Sem	21,300,140	2,569,900	(1,880,000)	21,990,040
Dato' Sri Chiang Fong Seng	5,954,514	193,500	-	6,148,014
Dato' Sri Chiang Fong Tat	963,638	178,600	-	1,142,238
Chiang May Ling	209,000	55,000	-	264,000
Indirect/Deemed interests				
Chiang Sang Sem	123,199,797	1,606,500	-	124,806,297
Dato' Sri Chiang Fong Tat	27,000	-	-	27,000
Datuk Chiang Heng Kieng	47,520	-	-	47,520

DIRECTORS' REPORT

DIRECTORS' INTERESTS (continued)

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of the Directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations (other than wholly-owned subsidiaries) during the financial year ended 30 June 2023 were as follows: (continued)

	Number of ordinary shares			
	Balance as at 1.7.2022/ Date of Appointment	**Additions**	**Sold/ Transferred**	**Balance as at 30.6.2023**
Subsidiary company - Jeco (Pte) Limited				
Indirect/Deemed interests				
Chiang Sang Sem	50,000	-	-	50,000
Chiang Fong Xiang (Alternate Director)	50,000	-	-	50,000
Subsidiary company - VR Directions Sdn. Bhd.				
Direct interest				
Chiang May Ling	-	250,000	-	250,000
Indirect/Deemed interest				
Chiang Sang Sem	-	250,000	-	250,000

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have been derived by virtue of the remuneration received and receivable by certain Directors from related corporations in their capacity as Directors or full-time employees of those related corporations and those transactions entered into in the ordinary course of business with companies in which certain Directors of the Company and its subsidiaries have substantial interests as disclosed in Note 36 to the financial statements.

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

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and the Company for the financial year ended 30 June 2023 were as follows:

	Group RM'000	Company RM'000
Directors' fees	1,847	580
Short term employee benefits	7,453	72
Contribution to defined contribution plan	866	42
	10,166	694

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Group and the Company for the financial year ended 30 June 2023 was RM13,705.

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

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

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

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year ended 30 June 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

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

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

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

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

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

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year ended 30 June 2023 in which this report is made; and

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

(III) AS AT THE DATE OF THIS REPORT

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

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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events during the financial year and subsequent to the end of the reporting period are disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2023 were as follows:

	Group RM'000	Company RM'000
Statutory audit	730	65
Other services	21	3
	751	68

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

Chiang Sang Sem
Founder and Group Executive Chairman

Dato' Sri Chiang Fong Seng
Group Executive Director/CEO

Kuala Lumpur
6 October 2023

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 134 to 242 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Chiang Sang Sem
Founder and Group Executive Chairman

Dato' Sri Chiang Fong Seng
Group Executive Director/CEO

Kuala Lumpur
6 October 2023

STATUTORY DECLARATION

I, Wong Kwong Tung (MIA 49641), being the Chief Financial Officer primarily responsible for the financial management of Bonia Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 134 to 242 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur this)
6 October 2023)

Wong Kwong Tung

Before me:

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BONIA CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bonia Corporation Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 134 to 242.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group

1. Impairment assessment of the carrying amounts of goodwill and trademarks

As disclosed in Note 10 to the financial statements, the net carrying amounts of goodwill, and trademarks of the Group amounted to RM50,954,000 and RM26,609,000 respectively as at 30 June 2023.

Goodwill and trademarks are tested for impairment by the Group annually, or more frequently if events or changes in circumstances indicate that the goodwill or intangible assets might be impaired. To determine if there is any impairment loss required on goodwill and trademarks, management used a value-in-use model to compute the present values of forecasted future cash flows for the respective Cash Generating Units ("CGUs").

We determined the impairment assessment of the carrying amounts of goodwill and trademarks to be a key audit matter as the determination of whether or not an impairment loss is necessary involves significant judgement by the management about the future results and cash flows of the relevant business, including forecast growth in future revenue and operating profit margins as well as determining an appropriate discount factor and growth rates.

Our audit procedures included the following:

(a) assessed the reasonableness of the key assumptions used by management in the cash flows forecasts and projections;

(b) assessed the reasonableness of the pre-tax discount rate used by management for each of the CGUs by comparing to market data, weighted average cost of capital of the Group and relevant risk factors;

(c) assessed the cash flows projections against recent performance and compared the current period's actual results with previous forecasts to assess the historical accuracy of forecasts; and

(d) performed sensitivity analysis of our own to stress test the key assumptions used by management in the impairment models.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BONIA CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

2. Carrying amount of inventories at the lower of cost and net realisable value

As disclosed in Note 15 to the financial statements, the Group held RM94,140,000 of inventories at the end of the reporting period.

We determined this to be a key audit matter as the carrying amount of inventories may not be stated at the lower of cost and net realisable value, the determination of which requires the management to exercise significant judgement in estimating the net realisable value of the inventories.

In estimating the net realisable value of inventories, management considers the inventories' ageing, fashion pattern, current economic conditions, market demand, expectation of future prices and changes in customer preference of the respective inventories.

Our audit procedures included the following:

(a) discussed with management and obtained an understanding of the process implemented by management over the determination of the lower of cost and net realisable value of inventories;

(b) tested the accuracy of inventories' ageing;

(c) tested the weighted average costing of inventories; and

(d) tested inventories as well as old and slow-moving inventories for sales subsequent to the year end to support the assertion that the carrying amount of inventories is at the lower of cost and net realisable value.

3. Recoverability of trade receivables

As at 30 June 2023, the net carrying amount of trade receivables of the Group was RM30,683,000, as disclosed in Note 16 to the financial statements.

The Group has impaired trade receivables of RM21,518,000 as at 30 June 2023.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.

Our audit procedures included the following:

(a) assessed the adequacy of credit impaired assessment performed by management on trade receivables exceeding their credit terms and long overdue and old balances;

(b) tested the accuracy of trade receivables' ageing;

(c) recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;

(d) recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;

(e) inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and

(f) assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

Key Audit Matters (continued)

Key Audit Matters of the Company

1. ***Impairment assessment of the carrying amounts of costs of investments in subsidiaries***

   As disclosed in Note 11 to the financial statements, the carrying amounts of costs of investments in subsidiaries amounted to RM294,904,000 as at 30 June 2023. Included in this carrying amount are costs of investments in certain subsidiaries amounting to RM94,443,000 as at 30 June 2023 which have indication of impairment.

   The Company has impaired costs of investments in subsidiaries of RM29,671,000 as at 30 June 2023.

   Management used forecasted future cash flows and a value-in-use model to compute the present value of forecasted future cash flows for these subsidiaries/Cash Generating Units ("CGUs") to determine if there is any impairment loss required on the costs of investments in these subsidiaries.

   We determined the impairment assessment of the carrying amounts of the costs of investments in these subsidiaries to be a key audit matter as the determination of whether or not an impairment loss is necessary involves significant judgements and estimates by the management about the future results and key assumptions applied to cash flow projections of these subsidiaries/CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

   Our audit procedures included the following:

   (a) compared cash flows projections against recent performance and assessed the reasonableness of the key assumptions used by management in the cash flows projections by comparing to actual historical operating profit margins and growth rates;

   (b) compared prior period projections to actual outcomes to assess the reliability of management's forecasting process;

   (c) assessed the reasonableness of the pre-tax discount rate used for each subsidiary by comparing to the weighted average cost of capital of the Group and relevant risk factors; and

   (d) performed sensitivity analysis to stress test the key assumptions used by management in the impairment model.

2. ***Impairment assessment of amounts owing by subsidiaries***

   As at 30 June 2023, the net carrying amounts owing by subsidiaries of the Company amounted to RM2,999,000, as disclosed in Note 16 to the financial statements.

   We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by subsidiaries, appropriate forward-looking information, significant increase in credit risk and estimated cash flows recoverable in worst-case scenarios.

   Our audit procedures included the following:

   (a) assessed the probability of default applied by the Company against external market sources of data;

   (b) assessed the appropriateness of the indicators of significant increase in credit risk applied by management and the resultant basis for classification of exposure into respective stages; and

   (c) assessed management's basis in determining cash flows recoverable in worst-case scenarios, where applicable.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BONIA CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BONIA CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Law Kian Huat
02855/06/2024 J
Chartered Accountant

Kuala Lumpur
6 October 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	144,373	90,376	-	-
Right-of-use assets	8	73,630	59,777	-	-
Investment properties	9	99,186	98,476	-	-
Intangible assets	10	77,563	73,813	-	-
Investments in subsidiaries	11	-	-	294,904	255,917
Interests in associates	12	1,160	494	-	-
Other investments	13	2,766	7,444	-	-
Deferred tax assets	14	1,115	1,878	-	-
Other receivables	16	-	-	2,142	2,724
		399,793	332,258	297,046	258,641
Current assets					
Inventories	15	94,140	53,869	-	-
Trade and other receivables	16	55,132	50,429	871	1,106
Current tax assets		1,953	1,514	52	28
Cash and bank balances	17	112,454	115,286	232	1,590
Short term funds	18	30,510	27,318	4,458	14,027
		294,189	248,416	5,613	16,751
Non-current assets/disposal group classified as held for sale/held for distribution	26	-	64,824	-	-
TOTAL ASSETS		693,982	645,498	302,659	275,392

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	19	201,572	201,572	201,572	201,572
Reserves	20	226,046	196,747	89,598	73,249
		427,618	398,319	291,170	274,821
Non-controlling interests	11(e)	27,986	24,831	-	-
TOTAL EQUITY		455,604	423,150	291,170	274,821
LIABILITIES					
Non-current liabilities					
Borrowings	21	67,598	70,173	-	-
Other payable	24	5,796	5,246	-	-
Lease liabilities	8	52,670	42,322	-	-
Provision for restoration costs	23	1,518	1,113	-	-
Deferred tax liabilities	14	5,708	5,558	1	1
		133,290	124,412	1	1
Current liabilities					
Trade and other payables	24	29,232	32,953	11,488	570
Borrowings	21	22,402	10,182	-	-
Lease liabilities	8	25,175	20,240	-	-
Provision for restoration costs	23	702	552	-	-
Contract liabilities	25	20,776	19,645	-	-
Current tax liabilities		6,801	6,302	-	-
		105,088	89,874	11,488	570
Liabilities of disposal group classified as held for distribution	26	-	8,062	-	-
TOTAL LIABILITIES		238,378	222,348	11,489	571
TOTAL EQUITY AND LIABILITIES		693,982	645,498	302,659	275,392

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group		Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Revenue	29	424,148	369,257	49,690	46,882
Cost of sales	30	(164,767)	(154,199)	-	-
Gross profit		259,381	215,058	49,690	46,882
Other operating income		9,955	24,349	4,244	1,294
Selling and distribution expenses		(113,837)	(98,240)	-	-
General and administrative expenses		(69,721)	(73,833)	(1,352)	(2,738)
Finance costs		(6,603)	(5,208)	-	-
Share of profit of an associate, net of tax	12(c)	786	256	-	-
Profit before tax	31	79,961	62,382	52,582	45,438
Tax expense	32	(17,366)	(9,821)	(53)	(53)
Profit for the financial year		62,595	52,561	52,529	45,385
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations		11,434	3,016	-	-
Total other comprehensive income, net of tax		11,434	3,016	-	-
Total comprehensive income		74,029	55,577	52,529	45,385
Profit attributable to:					
Owners of the parent		55,000	45,008	52,529	45,385
Non-controlling interests	11(e)	7,595	7,553	-	-
		62,595	52,561	52,529	45,385
Total comprehensive income attributable to:					
Owners of the parent		65,479	47,834	52,529	45,385
Non-controlling interests	11(e)	8,550	7,743	-	-
		74,029	55,577	52,529	45,385
Earnings per ordinary share attributable to equity holders of the Company (sen)					
Basic and diluted	33	27.36	22.39		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Group	Note	Share capital RM'000	Treasury shares RM'000	Exchange translation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to owners of the parent →							
Balance as at 1 July 2021		201,572	(485)	13,688	184	149,596	364,555	20,480	385,035
Profit for the financial year		-	-	-	-	45,008	45,008	7,553	52,561
Foreign currency translations		-	-	2,826	-	-	2,826	190	3,016
Total comprehensive income		-	-	2,826	-	45,008	47,834	7,743	55,577
Transactions with owners									
Dividends paid	34	-	-	-	-	(14,070)	(14,070)	-	(14,070)
Dividends paid to non-controlling interests of subsidiaries	11(f)	-	-	-	-	-	-	(4,967)	(4,967)
Issuance of shares to non-controlling interests		-	-	-	-	-	-	1,575	1,575
Total transactions with owners		-	-	-	-	(14,070)	(14,070)	(3,392)	(17,462)
Balance as at 30 June 2022		201,572	(485)	16,514	184	180,534	398,319	24,831	423,150
Balance as at 1 July 2022		201,572	(485)	16,514	184	180,534	398,319	24,831	423,150
Profit for the financial year		-	-	-	-	55,000	55,000	7,595	62,595
Foreign currency translations		-	-	10,479	-	-	10,479	955	11,434
Total comprehensive income		-	-	10,479	-	55,000	65,479	8,550	74,029
Transactions with owners									
Dividends paid	34	-	-	-	-	(36,180)	(36,180)	-	(36,180)
Dividends paid to non-controlling interests of subsidiaries	11(f)	-	-	-	-	-	-	(5,381)	(5,381)
Dilution of interest in non-controlling interests		-	-	-	-	-	-	(14)	(14)
Total transactions with owners		-	-	-	-	(36,180)	(36,180)	(5,395)	(41,575)
Balance as at 30 June 2023		201,572	(485)	26,993	184	199,354	427,618	27,986	455,604

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
Company					
Balance as at 1 July 2021		201,572	(485)	42,419	243,506
Profit for the financial year		-	-	45,385	45,385
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	45,385	45,385
Transactions with owners					
Dividends paid	34	-	-	(14,070)	(14,070)
Total transactions with owners		-	-	(14,070)	(14,070)
Balance as at 30 June 2022		201,572	(485)	73,734	274,821
Profit for the financial year		-	-	52,529	52,529
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	52,529	52,529
Transactions with owners					
Dividends paid	34	-	-	(36,180)	(36,180)
Total transactions with owners		-	-	(36,180)	(36,180)
Balance as at 30 June 2023		201,572	(485)	90,083	291,170

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		79,961	62,382	52,582	45,438
Adjustments for:					
Fair value adjustments on non-current amounts owing by subsidiaries	31	-	-	(37)	(186)
Amortisation of trademarks	10	1,405	1,388	-	-
Amortisation of other intangible assets	10	-	132	-	-
Bad debts written off on trade and other receivables	31	26	-	-	-
Bad debt recovered	31	(138)	-	-	-
Depreciation of property, plant and equipment	7,26	8,451	8,266	-	-
Depreciation of right-of-use assets	8,26	26,812	25,006	-	-
Dividend income	29	-	-	(49,690)	(46,882)
Fair value adjustments on investment properties	9	(126)	1,268	-	-
Fair value loss on long term investments	38(e)	30	28	-	-
Fair value loss on other investments	31	101	120	-	-
Fair value gain on short term funds, net	26,31	(812)	(46)	(242)	(10)
Gain on disposals of:					
- property, plant and equipment, net	31	(110)	(118)	-	-
- non-current assets held for sale	31	-	(3,468)	-	-
Gain on reassessment and modification of leases	8(e),26	(325)	(509)	-	-
Impairment losses on:					
- trade and other receivables	16,26	1,486	1,192	-	-
- property, plant and equipment	7,26	-	39	-	-
- right-of-use assets	26	-	641	-	-
Interest expense and profit payment on borrowings	26,31	6,603	5,208	-	-
Interest income and distribution income from cash and bank balances and short term funds	26,31	(2,141)	(1,298)	(270)	(456)
Loss on disposals of other investments	31	53	-	-	-
Lease concessions	8,26	-	(4,458)	-	-
Under/(Over)-provision of restoration costs	23	55	(61)	-	-
Property, plant and equipment written off	7,26	218	128	-	-
Right-of-use assets written off	8	-	7	-	-
Reversal of impairment losses on:					
- trade and other receivables	16	(2,935)	(4,086)	-	-
- amounts owing by subsidiaries	16	-	-	(3,675)	(612)
Share of profit of an associate, net of tax	12(c)	(786)	(256)	-	-
Unrealised loss/(gain) on foreign exchange, net	26,31	1,188	(159)	-	-
Payables written off	31	-	(1)	-	-
Operating profit/(loss) before changes in working capital		119,016	91,345	(1,332)	(2,708)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Changes in working capital:					
Inventories		(30,924)	10,326	-	-
Trade and other receivables		2,888	(3,314)	30	(2)
Trade and other payables		(5,205)	12,500	1,911	149
Contract liabilities		1,153	(1,659)	-	-
Cash generated from/(used in) operations		86,928	109,198	609	(2,561)
Tax paid		(16,732)	(5,898)	(77)	(78)
Tax refunded		635	101	-	9
Net cash from/(used in) operating activities		70,831	103,401	532	(2,630)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of additional shares in subsidiaries	11	-	-	(31,982)	-
Proceeds from dissolution of subsidiaries	11	-	-	1,560	-
Repayments from subsidiaries		-	-	4,941	4,529
Dividends received from subsidiaries		-	-	49,570	16,755
Dividends received from an associate	12(c)	120	-	120	-
Interest received		2,141	1,298	270	504
Withdrawal/(Placement) of short term funds		12,016	(12,980)	9,811	(4,667)
Purchase of property, plant and equipment		(49,794)	(9,673)	-	-
Purchase of right-of-use assets	8(d)	(145)	-	-	-
Purchase of investment properties	9	-	(407)	-	-
Purchase of non-controlling interest		(5)	-	-	-
Purchase of other investments		-	(6,462)	-	-
Proceeds from disposal of other investments		4,823	-	-	-
Proceeds from disposal of long-term investments		45	-	-	-
Proceeds from disposals of non-current assets held for sale		-	7,500	-	-
Proceeds from disposals of property, plant and equipment		1,290	147	-	-
Withdrawal/(Placement) of deposits pledged with a licensed bank		25	(1,139)	-	-
Net cash (used in)/from investing activities		(29,484)	(21,716)	34,290	17,121

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid and profit paid on borrowings		(163)	(123)	-	-
Dividends paid to owners of the parent	34	(36,180)	(14,070)	(36,180)	(14,070)
Dividends paid to non-controlling interests	11(f)	(5,381)	(4,967)	-	-
Drawdowns of term loans and term financing-i		17,000	-	-	-
Payments of lease liabilities		(29,145)	(24,176)	-	-
Repayments of term loans and term financing-i		(23,579)	(5,065)	-	-
Net financing of trust receipts	21(d)	1,218	390	-	-
Net drawdown of bankers' acceptances	21(d)	2,280	217	-	-
Net drawdown of revolving credit	21(d)	8,305	-	-	-
Net cash used in financing activities		(65,645)	(47,794)	(36,180)	(14,070)
Net (decrease)/increase in cash and cash equivalents		(24,298)	33,891	(1,358)	421
Effects of exchange rate changes on cash and cash equivalents		2,853	1,029	-	-
Cash and cash equivalents at beginning of financial year		132,720	97,800	1,590	1,169
Cash and cash equivalents at end of financial year	17(c)	111,275	132,720	232	1,590

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

1. CORPORATE INFORMATION

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

The registered office of the Company is located at No.5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place of business of the Company is located at Level 6, Ikon Connaught, Lot 160, Jalan Cerdas, Taman Connaught, Cheras, 56000 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The consolidated financial statements for the financial year ended 30 June 2023 comprise the Company and its subsidiaries and the interests of the Group in associates. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 6 October 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company. The principal activities and the details of the subsidiaries and associates are set out in Notes 11 and 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year ended 30 June 2023.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of the adoption of the new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 5.1 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation

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

(a) Power over the investee;

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

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

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

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

(b) Rights arising from other contractual agreements; and

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies.

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

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

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

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

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, where applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 Business combinations

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

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

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

(b) right-of-use assets and lease liabilities for leases are recognised and measured in accordance with MFRS 16 *Leases*;

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

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

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

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

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

(b) Other contingent consideration that:

   (i) is within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9.

   (ii) is not within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations (continued)

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

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

4.4 Property, plant and equipment and depreciation

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

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

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

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

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

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

Buildings	2% - 10%
Electrical installations	10% - 15%
Furniture, fittings and counter fixtures	10% - 33⅓%
Motor vehicles	20%
Office equipment	10% - 50%
Plant and machinery	15% - 20%
Renovation	10% - 33⅓%

Freehold land has unlimited useful life and is not depreciated. Properties under construction are not depreciated until such time when the assets are available for use.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation (continued)

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

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

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

4.5 Leases

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of RM20,000 and below. Short-term leases are leases with a lease term of twelve (12) months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Leases (continued)

The Group as lessee (continued)

Right-of-use asset (continued)

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	Up to 96 years
Boutiques	5 to 14 years
Warehouses, hostels and office premises	8 to 9 years
Office equipment	5 years
Motor vehicles	5 years

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales, if any, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

4.6 Investment properties

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Investments

(a) Subsidiaries

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

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

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

(b) Associates

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

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Investments (continued)

(b) Associates (continued)

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

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

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

4.8 Intangible assets

(a) Goodwill

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Intangible assets (continued)

(b) Other intangible assets

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

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

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

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

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

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

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

Trademarks

Acquired trademarks that have finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of seven (7) to forty (40) years. Cost of renewing trademarks is recognised in profit or loss as incurred.

Trademarks with indefinite useful lives are tested for impairment annually and wherever there is an indication that the carrying amount may be impaired.

Other intangible assets

Acquired other intangible assets that have finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of other intangible assets over their estimated useful lives of two (2) to six (6) years.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Impairment of non-financial assets

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

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

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

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

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

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

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

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

4.10 Inventories

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments

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

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

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

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract in the event an embedded derivative is recognised separately is accounted for in accordance with the policy applicable to the nature of the host contract.

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses, if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments (continued)

(a) Financial assets (continued)

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below: (continued)

(ii) Financial assets measured at fair value (continued)

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group had elected an irrevocable option to designate its equity instruments not held for trading other than investments in subsidiaries and associates at initial recognition as financial assets measured at FVTPL.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

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

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

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

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and meet the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities measured at FVTPL or financial liabilities measured at amortised cost.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments (continued)

(b) Financial liabilities (continued)

(i) Financial liabilities measured at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that does not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for when the Group's own credit risk increases or decreases and which is recognised in other comprehensive income. Net gains or losses on derivatives include exchange differences.

(ii) Financial liabilities measured at amortised cost

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

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

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

4.12 Financial guarantee contract

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Equity

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

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

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

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

On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

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

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

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Companies Act 2016 in Malaysia.

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

4.14 Impairment of financial assets

The Group applies the simplified approach to measure expected credit loss ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions of the Group's industry to estimate the amount of expected impairment loss. The methodology and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Impairment of financial assets (continued)

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for other receivables, amounts owing by subsidiaries and amounts owing by related parties are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses are recognised while interest income is recognised on a gross basis. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses are recognised while interest income is recognised on a net basis.

The Group defines significant increase in credit risk based on the operating performance of the receivables, changes in contractual terms, payment trends and past due information. A significant increase in credit risk is presumed if contractual payments are more than 120 days past due.

The probability of non-payment by other receivables, amounts owing by subsidiaries and amounts owing by related parties are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for other receivables, amounts owing by subsidiaries and amounts owing by related parties.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

4.15 Borrowing costs

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Income taxes

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

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

(a) Current tax

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

(b) Deferred tax

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

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

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

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

(i) the same taxable entity; or

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

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

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

4.17 Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to customers for which the Group has received the consideration in advance from the customer. The contract liabilities of the Group represents deferred revenue where the Group has billed or collected the payment or consideration in advance before the goods are delivered or services are provided to the customers. Contract liabilities are recognised as revenue when the relevant performance obligations are satisfied.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Provisions

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

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

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

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

Provision for restoration costs

Provision for restoration costs is included in the carrying amounts of right-of-use assets. This provision is recognised in respect of the obligation of the Group to restore leased outlets to its original state upon the expiry of tenancy agreements.

4.19 Contingent liabilities and contingent assets

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

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

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

4.20 Employee benefits

(a) Short term employee benefits

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Employee benefits (continued)

(b) Defined contribution plans

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

4.21 Foreign currencies

(a) Functional and presentation currency

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

(b) Foreign currency translations and balances

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

(c) Foreign operations

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(a) Sale of goods

Revenue from sales of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

(b) Management fee

Management fee is recognised at a point in time when management services are rendered and accepted by subsidiaries.

(c) Royalty income

Royalty income is recognised over the period of the respective royalty arrangement.

Revenue recognition not in relation to performance obligations is described below:

(a) Dividend income

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

(b) Interest income

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

(c) Rental income

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23 Operating segments

Operating segments are defined as components of the Group that:

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

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group, particularly in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

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

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

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

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

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

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

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

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

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

4.24 Earnings per share

(a) Basic

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

(b) Diluted

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.25 Fair value measurements

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

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

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

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

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

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

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

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

4.26 Non-current assets (or disposal groups) held for sale or held for distribution and discontinued operations

(a) Non-current assets (or disposal groups) held for sale or held for distribution

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts would be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets (or disposal groups) shall be available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. The probability of shareholders' approval (if required in the jurisdiction) is considered as part of the assessment of whether the sale is highly probable.

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets (or the disposal groups) from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the assets (or disposal groups).

A non-current asset (or disposal group) is classified as held for distribution to owners when the entity is committed to distribute the asset (or disposal group) to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. For the distribution to be highly probable, actions to complete the distribution must have been initiated and should be expected to be completed within one (1) year from the date of classification. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) should be considered as part of the assessment of whether the distribution is highly probable.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale or otherwise.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.26 Non-current assets (or disposal groups) held for sale or held for distribution and discontinued operations (continued)

(a) Non-current assets (or disposal groups) held for sale or held for distribution (continued)

Immediately before the initial classification as held for sale or held for distribution, the carrying amounts of the assets (or the disposal groups) are measured in accordance with applicable MFRSs. On initial classification as held for sale or held for distribution, non-current assets (other than investment properties, deferred tax assets, employee benefits assets, and financial assets carried at fair value) are measured at the lower of their carrying amount before the initial classification as held for sale or held for distribution and fair value less costs to sell or fair value less costs to distribute respectively. The differences, if any, are recognised in profit or loss as impairment loss.

Non-current assets (or the disposal groups) held for sale or held for distribution are classified as current assets in the statement of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell or cost to distribute and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current assets (or disposal groups) classified as held for sale or held for distribution is presented separately.

If an asset (or disposal group) is being classified as asset (or disposal group) held for sale or held for distribution but subsequently, the criteria for such classification is not met, it will cease to be classified as non-current asset (or disposal group) held for sale or held for distribution and will be measured at the lower of:

(i) Its carrying amount before the asset (or disposal group) was classified as held for sale or held for distribution, adjusted for any depreciation, amortisation or revaluation that would have been recognised had the asset (or disposal group) not been classified as held for sale or held for distribution; and

(ii) Its recoverable amount at the date of the subsequent decision not to sell or distribute.

(b) Discontinued operations

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale or held for distribution have been met or it has been disposed of, and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the beginning of the comparative period.

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 New MFRSs adopted during the financial year

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

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

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

Title	Effective Date
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Amendment to MFRS 17 *Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 16 *Lease liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025
International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 *Income Taxes*)	Refer paragraph 98M of MFRS 112
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

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

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Impairment assessment of the carrying amounts of goodwill and trademarks

Goodwill and trademarks are tested for impairment by the Group annually, or more frequently if events or changes in circumstances indicate that the goodwill or intangible assets might be impaired. To determine if there is any impairment loss required on goodwill and trademarks, management used a value-in-use model to compute the present values of forecasted future cash flows for the respective Cash Generating Units ("CGUs").

Management focused on the impairment assessment of the carrying amounts of goodwill and trademarks because the determination of whether or not an impairment loss is necessary involves significant judgement by the management about the future results and cash flows of the relevant business, including forecast growth in future revenue and operating profit margins as well as determining an appropriate discount factor and growth rates.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Carrying amount of inventories at the lower of cost and net realisable value

Management focused on the risk that the carrying amount of inventories may not be stated at the lower of cost and net realisable value, the determination of which requires the management to exercise significant judgement in estimating the net realisable value of the inventories.

In estimating the net realisable value of inventories, management considers the inventories' ageing, fashion pattern, current economic conditions, market demand, expectation of future prices and changes in customer preference of the respective inventories.

(c) Recoverability of trade receivables

Recoverability of trade receivables requires management to exercise significant judgements in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.

(d) Impairment assessment of the carrying amounts of property, plant and equipment and right-of-use assets

Management used forecasted future cash flows in value-in-use model to determine the recoverable amounts of property, plant and equipment and right-of-use assets in certain subsidiaries which have indication of impairment (hereinafter referred to as Cash Generating Units ("CGUs")) to assess if there is any impairment loss required on the property, plant and equipment and right-of-use assets.

The determination of whether or not an impairment loss is necessary involves significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions.

(e) Impairment assessment of the carrying amounts of costs of investments in subsidiaries

Management used forecasted future cash flows and a value-in-use model to compute the present value of forecasted future cash flows for certain subsidiaries/Cash Generating Units ("CGUs") to determine if there is any impairment loss required on the costs of investments in these subsidiaries.

The determination of whether or not an impairment loss is necessary involves significant judgements and estimates by the management about the future results and key assumptions applied to cash flow projections of these subsidiaries/CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions.

(f) Impairment assessment of amounts owing by subsidiaries

Impairment assessment of amounts owing by subsidiaries requires management to exercise significant judgements in determining the probability of default by subsidiaries, appropriate forward-looking information, significant increase in credit risk and estimated cash flows recoverable in worst-case scenarios.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2022 RM'000	Reclassification from disposal group held for distribution (Note 26) RM'000	Reclassification from right-of-use assets (Note 8) RM'000	Additions RM'000	Disposals RM'000	Written off (Note 31) RM'000	Depreciation charge for the financial year (Note 31) RM'000	Translation adjustments RM'000	Balance as at 30.6.2023 RM'000
Carrying amount									
Freehold land	420	2,530	-	36,984	-	-	-	-	39,934
Buildings on freehold land	72,553	9,274	-	82	-	-	(2,078)	-	79,831
Buildings on leasehold land	7,970	-	-	-	(1,104)	-	(242)	193	6,817
Electrical installations	20	20	-	24	-	(1)	(15)	-	48
Furniture, fittings and counter fixtures	3,890	149	-	8,225	(13)	(46)	(3,080)	22	9,147
Motor vehicles	127	167	87	-	-	-	(161)	(1)	219
Office equipment	1,104	1,307	-	1,484	(49)	(34)	(1,042)	50	2,820
Plant and machinery	197	-	-	103	-	-	(51)	(1)	248
Renovation	4,088	23	-	2,892	(14)	(130)	(1,782)	232	5,309
Properties under construction	7	-	-	-	-	(7)	-	-	-
	90,376	13,470	87	49,794	(1,180)	(218)	(8,451)	495	144,373

Group	At 30.6.2023 Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Freehold land	39,934	-	-	39,934
Buildings on freehold land	96,155	(16,324)	-	79,831
Buildings on leasehold land	9,707	(2,520)	(370)	6,817
Electrical installations	453	(405)	-	48
Furniture, fittings and counter fixtures	48,210	(37,818)	(1,245)	9,147
Motor vehicles	2,434	(2,215)	-	219
Office equipment	20,169	(17,347)	(2)	2,820
Plant and machinery	2,841	(2,593)	-	248
Renovation	30,777	(25,468)	-	5,309
	250,680	(104,690)	(1,617)	144,373

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance as at 1.7.2021 RM'000	Additions RM'000	Disposals RM'000	Impairment loss for the financial year (Note 31) RM'000	Written off (Note 31) RM'000	Depreciation charge for the financial year (Note 31) RM'000	Translation adjustments RM'000	Balance as at 30.6.2022 RM'000
Carrying amount								
Freehold land	420	-	-	-	-	-	-	420
Buildings on freehold land	70,825	3,397	-	-	-	(1,669)	-	72,553
Buildings on leasehold land	8,086	-	-	-	-	(244)	128	7,970
Electrical installations	30	9	-	-	(1)	(18)	-	20
Furniture, fittings and counter fixtures	3,596	3,262	-	(19)	(32)	(2,903)	(14)	3,890
Motor vehicles	158	-	-	-	-	(30)	(1)	127
Office equipment	986	622	(29)	(1)	(39)	(469)	34	1,104
Plant and machinery	197	45	-	-	-	(45)	-	197
Renovation	3,224	2,812	-	(17)	(21)	(1,966)	56	4,088
Properties under construction	-	7	-	-	-	-	-	7
	87,522	10,154	(29)	(37)	(93)	(7,344)	203	90,376

Group	At 30.6.2022 Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Freehold land	420	-	-	420
Buildings on freehold land	85,560	(13,007)	-	72,553
Buildings on leasehold land	10,902	(2,577)	(355)	7,970
Electrical installations	265	(245)	-	20
Furniture, fittings and counter fixtures	33,717	(29,134)	(693)	3,890
Motor vehicles	1,900	(1,773)	-	127
Office equipment	13,370	(12,255)	(11)	1,104
Plant and machinery	3,045	(2,848)	-	197
Renovation	26,405	(22,300)	(17)	4,088
Properties under construction	7	-	-	7
	175,591	(84,139)	(1,076)	90,376

7. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Purchase of property, plant and equipment	49,794	10,154	-	-
Unsettled and remained as other payables	-	(1,492)	-	-
Cash payments on purchase of property, plant and equipment	49,794	8,662	-	-

(b) As at the end of the reporting period, the carrying amount of property, plant and equipment pledged as securities for banking facilities granted to the Group and the Company as disclosed in Notes 21(a) and 22(a) to the financial statements are as follows:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Freehold land	36,984	-	-	-
Buildings on freehold land	48,520	48,520	-	-
	85,504	48,520	-	-

(c) For the purpose of impairment assessment, recoverable amount of property, plant and equipment is determined based on a "value-in-use" of each Cash Generating Unit ("CGU").

The carrying amounts of property, plant and equipment in certain subsidiaries which have indication of impairment amounted to RM4,177,000 as at 30 June 2023.

Value-in-use of the CGUs is determined by discounting the future cash flows to be generated from continuing use of the CGUs. Management has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining the recoverable amount using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Based on these assumptions, management is of the view that no impairment loss is required in relation to property, plant and equipment as the recoverable amount determined is higher than the carrying amount of the CGUs.

In the previous financial year, an impairment loss of RM37,000 was recognised in relation to property, plant and equipment for certain subsidiaries as the recoverable amounts are lower than the carrying amounts of the CGUs.

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

8. LEASES

The Group as lessee

Right-of-use assets

Carrying amount	Balance as at 1.7.2022 RM'000	Reclassification from disposal group held for distribution (Note 26) RM'000	Reclassification to property, plant and equipment (Note 7) RM'000	Reassessment and modification RM'000	Additions RM'000	Depreciation charge for the financial year (Note 31) RM'000	Translation adjustments RM'000	Balance as at 30.6.2023 RM'000
Leasehold land	183	-	-	-	-	(3)	-	180
Boutiques	49,478	4,127	-	9,228	25,966	(23,518)	1,205	66,486
Warehouses, hostels and office premises	9,508	109	-	(2,178)	1,482	(3,089)	448	6,280
Office equipment	144	-	-	-	-	(37)	10	117
Motor vehicles	464	91	(87)	-	264	(165)	-	567
	59,777	4,327	(87)	7,050	27,712	(26,812)	1,663	73,630

	At 30.6.2023			
Carrying amount	**Cost RM'000**	**Accumulated depreciation RM'000**	**Accumulated impairment RM'000**	**Carrying amount RM'000**
Leasehold land	279	(99)	-	180
Boutiques	147,595	(79,701)	(1,408)	66,486
Warehouses, hostels and office premises	12,675	(6,395)	-	6,280
Office equipment	203	(86)	-	117
Motor vehicles	1,159	(592)	-	567
	161,911	(86,873)	(1,408)	73,630

8. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

Carrying amount	Balance as at 1.7.2021 RM'000	Reassessment and modification RM'000	Additions RM'000	Depreciation charge for the financial year (Note 31) RM'000	Written off (Note 31) RM'000	Translation adjustments RM'000	Balance as at 30.6.2022 RM'000
Leasehold land	186	-	-	(3)	-	-	183
Boutiques	35,775	13,838	18,607	(18,885)	(7)	150	49,478
Warehouses, hostels and office premises	8,175	1,363	3,186	(3,362)	-	146	9,508
Office equipment	174	-	-	(34)	-	4	144
Motor vehicles	643	-	-	(179)	-	-	464
	44,953	15,201	21,793	(22,463)	(7)	300	59,777

	At 30.6.2022			
Carrying amount	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Leasehold land	279	(96)	-	183
Boutiques	115,249	(64,352)	(1,419)	49,478
Warehouses, hostels and office premises	16,253	(6,745)	-	9,508
Office equipment	188	(44)	-	144
Motor vehicles	894	(430)	-	464
	132,863	(71,667)	(1,419)	59,777

8. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

(a) The leasehold land of the Group have a remaining tenure of 62 years (2022: 63 years).

(b) The Group leases boutiques, warehouses, hostels, office premises, office equipment and motor vehicles with lease periods of 5 to 14 years (2022: 3 to 14 years).

(c) The Group has certain leases of boutiques and hostels with lease term of less than twelve (12) months and low-value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(d) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group	
	2023 RM'000	**2022 RM'000**
Purchase of right-of-use assets	27,712	21,793
Financed by lease liabilities	(27,073)	(21,606)
Provision for restoration costs capitalised (Note 23(b))	(494)	(187)
Cash payments on purchase of right-of-use assets	145	-

(e) The following are the amounts recognised in profit or loss:

	Group	
	2023 RM'000	**2022 RM'000**
Included in cost of sales:		
Depreciation charge of right-of-use assets	3	3
Included in selling and distribution expenses:		
Expenses relating to short-term lease	961	191
Depreciation charge of right-of-use assets	24,633	21,476
Variable lease payments:		
- based on the monthly gross sales	7,325	5,343
Included in general and administrative expenses:		
Expenses relating to short-term lease	575	41
Expenses relating to leases of low-value assets	48	42
Depreciation charge of right-of-use assets	2,176	3,527
Impairment losses on right-of-use assets	-	641
Right-of-use assets written off	-	7

8. LEASES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

(e) The following are the amounts recognised in profit or loss: (continued)

	Group 2023 RM'000	Group 2022 RM'000
Included in finance costs:		
Interest expense on lease liabilities	2,924	2,479
Included in other operating income:		
Gain on reassessment and modification of leases	(325)	(509)
Rent concessions from:		
- landlord	-	(4,458)
- government and others	-	(2,303)
	38,320	26,480

(f) For the purpose of impairment assessment, recoverable amount of right-of-use assets is determined based on a "value-in-use" of each Cash Generating Unit ("CGU").

The carrying amounts of right-of-use assets in certain subsidiaries which have indication of impairment amounted to RM367,000 as at 30 June 2023.

Value-in-use of the CGUs is determined by discounting the future cash flows for the remaining useful life of the right-of-use assets. Management has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining the recoverable amount using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Based on these assumptions, management is of the view that no impairment loss is required in relation to right-of-use assets as the recoverable amount determined is higher than the carrying amount of the CGUs.

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

8. LEASES (continued)

The Group as lessee (continued)

Lease liabilities

Carrying amount	Balance as at 1.7.2022 RM'000	Reclassification from disposal group held for distribution (Note 26) RM'000	Reassessment and modification RM'000	Additions RM'000	Lease payments RM'000	Interest expense (Note 31) RM'000	Translation adjustments RM'000	Balance as at 30.6.2023 RM'000
Boutiques	52,349	5,879	8,963	25,393	(25,709)	2,662	1,208	70,745
Warehouses, hostels and office premises	9,776	119	(2,218)	1,482	(3,274)	248	480	6,613
Office equipment	144	-	-	-	(45)	5	11	115
Motor vehicles	293	3	-	198	(131)	9	-	372
	62,562	6,001	6,745	27,073	(29,159)	2,924	1,699	77,845

Carrying amount	Balance as at 1.7.2021 RM'000	Reassessment and modification RM'000	Additions RM'000	Lease payments RM'000	Lease concessions (Note 31) RM'000	Interest expense (Note 31) RM'000	Translation adjustments RM'000	Balance as at 30.6.2022 RM'000
Boutiques	40,190	13,752	18,420	(18,191)	(3,816)	1,834	160	52,349
Warehouses, hostels and office premises	8,338	1,353	3,186	(3,472)	(58)	281	148	9,776
Office equipment	175	-	-	(42)	-	7	4	144
Motor vehicles	431	-	-	(153)	-	15	-	293
	49,134	15,105	21,606	(21,858)	(3,874)	2,137	312	62,562

8. LEASES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

Represented by:	Group 2023 RM'000	Group 2022 RM'000
Non-current liabilities		
- Lease liabilities owing to financial institutions	342	281
- Lease liabilities owing to non-financial institutions	52,328	42,041
	52,670	42,322
Current liabilities		
- Lease liabilities owing to financial institutions	146	156
- Lease liabilities owing to non-financial institutions	25,029	20,084
	25,175	20,240
	77,845	62,562

(a) The movements of lease liabilities during the financial year are as follows:

	Group 2023 RM'000	Group 2022 RM'000
At 1 July 2022/2021	62,562	49,134
Reassessment and modification	6,745	15,105
Additions of lease liabilities	27,073	21,606
Lease payments	(29,159)	(21,858)
Lease concessions	-	(3,874)
Interest charged for the year	2,924	2,137
Reclassification from assets held for distribution (Note 26)	6,001	-
Exchange differences	1,699	312
At 30 June 2023/2022	77,845	62,562

8. LEASES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

(b) The following are total cash outflows for lease as a lessee:

	Group 2023 RM'000	Group 2022 RM'000
Included in net cash from operating activities:		
Payment relating to short-term leases and low-value assets	1,584	274
Interest paid in relation to lease liabilities	2,924	2,479
Payment relating to variable lease payments not included in the measurement of lease liabilities	7,325	5,343
Included in net cash from investing activities:		
Purchase of right-of-use assets	145	-
Included in net cash from financing activities:		
Payment of lease liabilities	29,145	24,176
	41,123	32,272

(c) The Group has lease contracts for certain boutiques that contains variable payments based on the monthly gross sales. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur.

A 10% increase in monthly gross sales would increase total lease payments by 1.9% (2022: 1.9%).

(d) Information on the financial risk of lease liabilities is disclosed in Note 39 to the financial statements.

(e) Reconciliation of liabilities arising from financing activities:

	Group 2023 RM'000	Group 2022 RM'000
At 1 July 2022/2021	62,562	49,134
Cash flows:		
- Net of repayments of borrowings	(29,159)	(21,858)
- Interest paid	14	22
	(29,145)	(21,836)
Non-cash flows:		
- Reassessment and modification	6,745	15,105
- Additions	27,073	21,606
- Unwinding of interest	2,910	2,115
- Lease concessions	-	(3,874)
- Reclassification from assets held for distribution (Note 26)	6,001	-
- Effect of foreign exchange	1,699	312
	44,428	35,264
At 30 June 2023/2022	77,845	62,562

8. LEASES (continued)

The Group as lessor

The Group has entered into non-cancellable lease agreements for offices and freehold land for terms of between one (1) to three (3) years (2022: one (1) to three (3) years) with options to renew for terms of between one (1) to six (6) years (2022: one (1) to six (6) years). The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

Group	2023 RM'000	2022 RM'000
Less than one (1) year	1,336	1,335
One (1) to two (2) years	1,235	1,147
Two (2) to three (3) years	1,057	941
Three (3) to four (4) years	861	923
Four (4) to five (5) years	840	843
More than five (5) years	1,160	2,000
	6,489	7,189

9. INVESTMENT PROPERTIES

Group

	Balance as at 1.7.2022 RM'000	Fair value adjustment (Note 31) RM'000	Translation adjustment RM'000	Balance as at 30.6.2023 RM'000
At fair value				
Freehold land, shoplots and clubhouse	86,723	(4)	-	86,719
Long term leasehold land and shoplots	11,753	130	584	12,467
	98,476	126	584	99,186

Group

	Balance as at 1.7.2021 RM'000	Additions RM'000	Fair value adjustment (Note 31) RM'000	Translation adjustment RM'000	Balance as at 30.6.2022 RM'000
At fair value					
Freehold land, shoplots and clubhouse	87,302	407	(986)	-	86,723
Long term leasehold land and shoplots	11,650	-	(282)	385	11,753
	98,952	407	(1,268)	385	98,476

9. INVESTMENT PROPERTIES (continued)

(a) As at the end of the reporting period, certain investment properties of the Group with a total carrying amount of RM51,320,000 (2022: RM51,320,000) had been pledged as securities for banking facilities granted to the Group as disclosed in Note 22(b) to the financial statements.

(b) As at the end of reporting period, rental income of the Group derived from the investment properties amounted to RM2,924,000 (2022: RM2,514,000).

(c) The amounts of direct expenses recognised in profit or loss during the financial year are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Income generating units		
Quit rent and assessment	51	19
Non-income generating units		
Repairs and maintenance	43	43
Quit rent and assessment	12	12

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

	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
2023				
Freehold land, shoplots and clubhouse	-	-	86,719	86,719
Long term leasehold land and shoplots	-	-	12,467	12,467
	-	-	99,186	99,186
2022				
Freehold land, shoplots and clubhouse	-	-	86,723	86,723
Long term leasehold land and shoplots	-	-	11,753	11,753
	-	-	98,476	98,476

(i) There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 30 June 2023 and 30 June 2022.

(ii) As at 30 June 2023, the valuation of investment properties at Level 3 fair value amounting to RM99,186,000 (2022: RM98,476,000) were recommended by the Directors based on indicative market values from the valuation exercise carried out on an open market value basis by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The valuations were made based on the comparison method that makes reference to recent sales transactions of similar properties in the same locality on a price per square feet basis. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

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

(e) As at the end of the reporting period, the title deeds to investment properties of subsidiaries with carrying amounts of RM Nil (2022:RM720,000) are in the process of being transferred and registered in the names of the subsidiaries.

10. INTANGIBLE ASSETS

Group	Balance as at 1.7.2022 RM'000	Amortisation charge for the financial year RM'000	Translation adjustments RM'000	Balance as at 30.6.2023 RM'000
Carrying amount				
Goodwill	46,979	-	3,975	50,954
Trademarks	26,834	(1,405)	1,180	26,609
Other intangible assets	-	-	-	-
	73,813	(1,405)	5,155	77,563

	At 30.6.2023			
	Cost RM'000	Accumulated amortisation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Goodwill	64,466	-	(13,512)	50,954
Trademarks	54,836	(23,789)	(4,438)	26,609
Other intangible assets	2,576	(2,576)	-	-
	121,878	(26,365)	(17,950)	77,563

Group	Balance as at 1.7.2021 RM'000	Amortisation charge for the financial year RM'000	Translation adjustments RM'000	Balance as at 30.6.2022 RM'000
Carrying amount				
Goodwill	45,758	-	1,221	46,979
Trademarks	27,850	(1,388)	372	26,834
Other intangible assets	132	(132)	-	-
	73,740	(1,520)	1,593	73,813

	At 30.6.2022			
	Cost RM'000	Accumulated amortisation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Goodwill	60,265	-	(13,286)	46,979
Trademarks	52,424	(21,498)	(4,092)	26,834
Other intangible assets	8,301	(8,301)	-	-
	120,990	(29,799)	(17,378)	73,813

10. INTANGIBLE ASSETS (continued)

(a) Goodwill

For the purpose of impairment testing, the recoverable amount of the Cash Generating Units ("CGUs") is determined based on a "value-in-use" calculation. The value-in-use of the CGUs is determined by discounting the future cash flows to be generated from continuing use of the CGUs. The value-in-use is derived based on management's cash flow projections for five (5) (2022: five (5)) financial years from 2024 to 2028 (2022: 2023 to 2027).

The key assumptions used in the value-in-use calculations are as follows:

(i) The anticipated annual revenue growth rates used in the cash flow projections of the CGUs ranged from 2% to 9% (2022: 4% to 9%) per annum.

(ii) Profit margins are projected based on the historical profit margin achieved for the products.

(iii) Pre-tax discount rate of 10.5% (2022: 9.4%) was applied over the projection periods in determining the recoverable amount of the CGUs. The discount rate used is pre-tax plus a reasonable risk premium and reflects the overall weighted average cost of capital of the Group.

Based on these assumptions, management is of the view that no impairment loss is required in relation to goodwill as the recoverable amount determined is higher than the carrying amount of the CGUs.

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

(b) Trademarks

(i) Trademarks with finite useful life mainly represent the "Braun Buffel" trademark in the Asia Pacific Region.

For the purpose of impairment testing, the recoverable amount of the CGU is determined based on a "value-in-use" calculation. The value-in-use of the CGU is determined by discounting the future cash flows to be generated from continuing use of the CGU. The value-in-use is derived based on management's cash flow projections for five (5) (2022: five (5)) financial years from 2024 to 2028 (2022: 2023 to 2027).

The key assumptions used in the value-in-use calculations are as follows:

(i) The anticipated annual revenue growth rates used in the cash flow projections of the CGUs ranged from 2% to 9% (2022: 4% to 9%) per annum.

(ii) Profit margins are projected based on the historical profit margin achieved for the products.

(iii) Pre-tax discount rate of 10.5% (2022: 9.4%) was applied over the projection periods in determining the recoverable amount of the CGUs. The discount rate used is pre-tax plus a reasonable risk premium and reflects the overall weighted average cost of capital of the Group.

(ii) Included in trademarks are the rights of using "Braun Buffel" trademark in various countries worldwide ("BB Global Trademark") amounting to RM5,706,000 (2022: RM5,261,000). The BB Global Trademark has an indefinite useful life.

10. INTANGIBLE ASSETS (continued)

(b) Trademarks (continued)

(ii) (continued)

The BB Global Trademark is tested for impairment annually. The recoverable amount of the BB Global Trademark was determined based on a value-in-use calculation. The five (5) years (2022: five (5) years) cash flow forecast and projection used in the value-in-use calculation was based on the following key assumptions:

(i) The anticipated annual revenue growth rates used in the cash flow projections of the CGU ranged from 1.7% to 1.9% (2022: 2% to 2.5%) per annum.

(ii) Profit margins are projected based on the historical profit margin achieved for the products.

(iii) Pre-tax discount rate of 12.8% (2022: 12.5%) was applied over the projection periods in determining the recoverable amount of the CGU.

Based on these assumptions, management is of the view that no impairment loss is required in relation to trademarks as the recoverable amount determined is higher than the carrying amount of the CGUs.

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

(c) Other intangible assets represented customer contract and relationship acquired through the acquisition of IBB Pte. Ltd. in the previous financial years.

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	**2022 RM'000**
Unquoted shares - at cost	324,575	285,588
Less: Impairment losses	(29,671)	(29,671)
	294,904	255,917

(a) The details of the subsidiaries, whose countries of incorporation and principal places of business are in Malaysia, unless otherwise stated, are as follows:

	Effective interest in equity		
Name of company	**2023 %**	**2022 %**	**Principal activities**
Subsidiaries of Bonia Corporation Berhad			
CB Marketing Sdn. Bhd. ("CBM")	100	100	Designing, promoting and marketing of fashionable leather goods
CB Holdings (Malaysia) Sdn. Bhd. ("CBH")	100	100	Property investment, provision of management services and treasury management services
Eclat World Sdn. Bhd. ("ECW") (2)	100	100	In members' voluntary winding up
CB Franchising Sdn. Bhd. ("CBF")	100	100	Retailing of leather goods and apparels
BCB Properties Sdn. Bhd.	100	100	Property development
Long Bow Manufacturing Sdn. Bhd. ("LBM")	100	100	Manufacturing and marketing of leather goods

11. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The details of the subsidiaries, whose countries of incorporation and principal places of business are in Malaysia, unless otherwise stated, are as follows: (continued)

Name of company	Effective interest in equity 2023 %	2022 %	Principal activities
Subsidiaries of Bonia Corporation Berhad (continued)			
De Marts Marketing Sdn. Bhd. ("DMM")	100	100	Designing, promoting and marketing of fashionable ladies' footwear
Mcore Sdn. Bhd. ("Mcore")	60	60	Marketing and distribution of fashionable leather goods
Daily Frontier Sdn. Bhd. ("DFSB")	100	100	Marketing, distribution and export of fashionable goods and accessories
Banyan Sutera Sdn. Bhd. ("BSSB")	100	100	Marketing and distribution of fashionable goods
Active World Pte. Ltd. ("AWPL") (1) *(Incorporated in and having its principal place of business in Singapore)*	100	100	Wholesaling and retailing of fashionable leather goods and apparels
Dominion Directions Sdn. Bhd. ("DDSB")	100	100	Marketing and distribution of men's apparel and accessories
Ataly Industries Sdn. Bhd. ("AISB") (2)	100	100	In members' voluntary winding up
Luxury Parade Sdn. Bhd. ("LPSB")	100	100	Property investment
Maha Asia Capital Sdn. Bhd. ("MAC")	100	100	Property investment
Alpha Footwear Sdn. Bhd.	100	100	Marketing, retailing and distribution of men's and ladies' footwear
Jeco (Pte) Limited ("Jeco") (1) *(Incorporated in and having its principal place of business in Singapore)*	70	70	Intellectual property management and investment holding
Vista Assets Sdn. Bhd. ("VASB")	100	100	Intellectual property management
LBJR Marketing Sdn. Bhd. ("LBJR")	100	100	Marketing and distribution of fashionable goods and accessories
SBG Holdings Sdn. Bhd. ("SBG")	100	100	Investment holding and management services
Podium Retail Sdn. Bhd. ("PRSB")	100	100	Marketing and distribution of fashionable goods, accessories and beauty products
Casa Bologna Sdn. Bhd. ("CBSB")	68	68	Property investment and investment holding
Krinto Sdn. Bhd. ("KSB")	100	-	Creative design and brand management, advertising and production
Subsidiaries of Dominion Directions Sdn. Bhd.			
VR Directions Sdn. Bhd. ("VRD")	75	75	Marketing and distribution of men's apparels and accessories, and ladies' apparels
Galaxy Hallmark Sdn. Bhd. ("GHSB")	100	100	Marketing and distribution of all fashionable goods

11. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The details of the subsidiaries, whose countries of incorporation and principal places of business are in Malaysia, unless otherwise stated, are as follows: (continued)

Name of company	Effective interest in equity 2023 %	2022 %	Principal activities
Subsidiary of Banyan Sutera Sdn. Bhd.			
PT Banyan Cemerlang ("PTBC") [(1)] *(Incorporated in and having its principal place of business in Indonesia)*	100	100	Wholesaling of fashionable goods and accessories
Subsidiary of BCB Properties Sdn. Bhd.			
Apex Marble Sdn. Bhd. ("AMSB")	60	60	Marketing and distribution of fashionable goods
Subsidiary of Daily Frontier Sdn. Bhd.			
Daily Frontier (Vietnam) Company Limited [(1)] *(Incorporated in and having its principal place of business in Vietnam)*	100	100	Wholesaling, retailing, importing and exporting of fashionable products, accessories and cosmetics
Subsidiary of Vista Assets Sdn. Bhd.			
Krinto Sdn. Bhd. ("KSB")	-	51	Creative design and brand management, advertising and production
Subsidiaries of SBG Holdings Sdn. Bhd.			
SBL Marketing Sdn. Bhd.	100	100	Designing, promoting and marketing of fashionable leather goods
SBFW Marketing Sdn. Bhd.	100	100	Designing, promoting and marketing of fashionable goods, footwear and accessories
SB Boutique Sdn. Bhd.	100	100	Retailing of leather goods and apparels
SB International Sdn. Bhd.	100	100	Marketing and distribution of fashionable goods and accessories; and intellectual property management
SBA Marketing Sdn. Bhd.	100	100	Marketing and distribution of fashionable goods and accessories
SBM Marketing Sdn. Bhd.	100	100	Designing, promoting and marketing of fashionable men's footwear
SB Directions Sdn. Bhd. ("SBD")	100	100	Manufacturing and marketing of fashionable goods
Subsidiaries of Active World Pte. Ltd.			
Jetbest Enterprise Pte. Ltd. [(1)] *(Incorporated in and having its principal place of business in Singapore)*	100	100	Wholesaling, retailing, importing and exporting of leather goods and accessories
Active Franchise Pte. Ltd. [(1)] *(Incorporated in and having its principal place of business in Singapore)*	100	100	General wholesale trade including general importers and exporters
PT Active World ("PTAW") [(1)] *(Incorporated in and having its principal place of business in Indonesia)*	100	100	Investment holding

11. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The details of the subsidiaries, whose countries of incorporation and principal places of business are in Malaysia, unless otherwise stated, are as follows: (continued)

Name of company	Effective interest in equity 2023 %	2022 %	Principal activities
Subsidiaries of Jeco (Pte) Limited			
Lianbee-Jeco Pte. Ltd. (“LJPL”) (1) *(Incorporated in and having its principal place of business in Singapore)*	70	70	Retailing, importing and exporting leather goods and general merchandise
Lianbee-Jeco (M) Sdn. Bhd.	70	70	Trading in leather products
BB Global Holdings Pte. Ltd. (“BBGH”) (1) *(Incorporated in and having its principal place of business in Singapore)*	35.7	35.7	Intellectual property management
IBB Pte. Ltd. (“IBB”) (1) *(Incorporated in and having its principal place of business in Singapore)*	70	70	General wholesale trade, including general importers and exporters
PT Jeco Investment Indonesia (“PTJII”) (1) *(Incorporated in and having its principal place of business in Indonesia)*	70	70	Investment holding

(1) Audited by BDO PLT Member Firms.

(2) Consolidated based on its management accounts for the financial year ended 30 June 2023. The financial statement of these subsidiaries are not required to be audited as they are in the progress of members’ voluntary winding-up.

(b) During the financial year ended 30 June 2023:

(i) The Company subscribed for 31,957,000 ordinary shares in the share capital of MAC at a price of RM1.00 per share by way of cash subscription.

(ii) Amount owing by a subsidiary namely MAC amounting to RM8,565,000 had been capitalised as additional cost of investment of the Company in the subsidiary.

(iii) VASB acquired 4,900 ordinary shares representing a 49% equity interest in KSB for a total consideration of RM4,900. As a result, KSB became a wholly-owned subsidiary of VASB. Subsequently, VASB disposed its entire equity interest in KSB to the Company for a total consideration of RM25,151, resulted KSB to become a wholly-owned subsidiary of the Company.

(iv) The Company received total distributions of RM1,090,000 in cash from ECW under its members’ voluntary winding-up.

(v) The Company received total distributions of RM470,000 in cash from AISB under its members’ voluntary winding-up.

(c) In the previous financial year:

(i) Amount owing by a subsidiary namely SBG amounting to RM30,127,000 had been capitalised as additional cost of investment of the Company in the subsidiary.

(ii) Amount owing by a subsidiary namely CBSB amounting to RM2,925,000 had been capitalised as additional cost of investment of the Company in the subsidiary.

(iii) ECW and AISB had been placed under members’ voluntary winding-up.

(iv) SBG subdivided its 55,127,100 ordinary shares in issue to 200,995,123 subdivided shares.

11. INVESTMENTS IN SUBSIDIARIES (continued)

(d) The management has assessed whether there were any indicators of impairment during the financial year. Management has performed impairment assessments and the recoverable amounts are determined based on the value-in-use of Cash Generating Units ("CGUs").

The carrying amounts of costs of investments in certain subsidiaries which have indication of impairment amounted to RM94,443,000 as at 30 June 2023.

Management has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining the recoverable amount using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Based on these assumptions, management is of the view that no impairment loss is required in relation to cost of investments in subsidiaries as the recoverable amount determined is higher than the carrying amount of the CGUs.

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

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

	CBSB	VRD	Jeco Group	Other individual immaterial subsidiaries*	Total
2023					
NCI percentage of ownership interest and voting interest	32%	25%	30%	-	-
Carrying amount of NCI (RM'000)	4,286	353	23,663	(316)	27,986
(Loss)/Profit allocated to NCI (RM'000)	(133)	(74)	7,952	(150)	7,595
Total comprehensive (loss)/income allocated to NCI (RM'000)	(133)	(74)	8,907	(150)	8,550
2022					
NCI percentage of ownership interest and voting interest	32%	25%	30%	-	-
Carrying amount of NCI (RM'000)	4,419	427	20,137	(152)	24,831
(Loss)/Profit allocated to NCI (RM'000)	(187)	53	7,704	(17)	7,553
Total comprehensive (loss)/income allocated to NCI (RM'000)	(187)	53	7,896	(19)	7,743

* The NCI of the other subsidiaries of the Group are deemed to be immaterial.

11. INVESTMENTS IN SUBSIDIARIES (continued)

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

2023	CBSB RM'000	VRD RM'000	Jeco Group RM'000
Assets and liabilities			
Non-current assets	51,543	-	59,609
Current assets	3,316	1,419	96,880
Non-current liabilities	(40,336)	-	(34,264)
Current liabilities	(1,550)	(8)	(53,718)
Net assets	12,973	1,411	68,507
Results			
Revenue	1,218	226	149,322
(Loss)/Profit for the financial year	(415)	(294)	26,530
Total comprehensive (loss)/income	(415)	(294)	28,818
Cash flows from operating activities	1,047	20	8,794
Cash flows from investing activities	46	11	1,495
Cash flows used in financing activities	(2,145)	-	(9,557)
Net (decrease)/increase in cash and cash equivalents	(1,052)	31	732
Dividends paid to NCI	-	-	(5,381)

2022	CBSB RM'000	VRD RM'000	Jeco Group RM'000
Assets and liabilities			
Non-current assets	51,573	78	61,634
Current assets	4,221	1,780	79,868
Non-current liabilities	(41,238)	-	(35,046)
Current liabilities	(1,168)	(153)	(49,811)
Net assets	13,388	1,705	56,645
Results			
Revenue	831	6,267	125,017
(Loss)/Profit for the financial year	(584)	208	25,645
Total comprehensive (loss)/income	(584)	208	26,178
Cash flows from operating activities	939	750	45,300
Cash flows from/(used in) investing activities	-	928	(8,149)
Cash flows from/(used in) financing activities	660	(1,804)	(29,086)
Net increase/(decrease) in cash and cash equivalents	1,599	(126)	8,065
Dividends paid to NCI	-	(375)	(4,592)

12. INTERESTS IN ASSOCIATES

	Group	
	2023 RM'000	**2022 RM'000**
Unquoted equity shares, at cost	4,234	4,234
Share of post-acquisition profit, net of dividends received	1,160	494
Loan to an associate [1]	4,855	4,855
	10,249	9,583
Less: Impairment losses	(9,089)	(9,089)
	1,160	494

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

(a) The details of the associates, incorporated in Malaysia except otherwise stated, are as follows:

Name of company	Effective interest in equity 2023 %	2022 %	Principal activities
Associate of Bonia Corporation Berhad			
One Seafood Sdn. Bhd. ("OSF&B") [1] & [2]	30	30	Managing food and beverage business
Associates of Jeco (Pte) Limited			
Braun Verwaltungs-GmbH ("BVG") [3] *(Incorporated in Germany)*	34	34	Marketing and distribution of fashionable leather goods
Braun GmbH & Co. KG ("BBKG") [3] *(Incorporated in Germany)*	34	34	Marketing and distribution of fashionable leather goods

[1] Audited by firms of auditors other than BDO PLT.
[2] Equity accounted based on management accounts for the financial year ended 30 June 2023.
[3] Equity accounted based on management accounts for the financial year ended 30 June 2023 as these associates are not required to be audited.

12. INTERESTS IN ASSOCIATES (continued)

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

The summarised financial information of the associates are as follows:

2023	BVG and BBKG RM'000	OSF&B RM'000	Total RM'000
Assets			
Non-current assets	4,680	2,694	7,374
Current assets	13,232	3,348	16,580
Total assets	17,912	6,042	23,954
Liabilities			
Non-current liabilities	17,262	346	17,608
Current liabilities	5,578	283	5,861
Total liabilities	22,840	629	23,469
Results			
Revenue	38,571	13,646	52,217
(Loss)/Profit for the financial year	(1,194)	2,619	1,425

2022	BVG and BBKG RM'000	OSF&B RM'000	Total RM'000
Assets			
Non-current assets	4,358	2,752	7,110
Current assets	14,098	1,615	15,713
Total assets	18,456	4,367	22,823
Liabilities			
Non-current liabilities	16,336	435	16,771
Current liabilities	5,632	747	6,379
Total liabilities	21,968	1,182	23,150
Results			
Revenue	34,021	8,231	42,252
Profit for the financial year	1,304	849	2,153

12. INTERESTS IN ASSOCIATES (continued)

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

2023	BVG and BBKG RM'000	OSF&B RM'000	Total RM'000
Share of net (liabilities)/assets of the Group	(1,690)	1,621	(69)
Loan to an associate	4,855	-	4,855
Goodwill	9,726	-	9,726
Gain on dilution of interest	-	(461)	(461)
Unrecognised share of other reserves	(5,340)	-	(5,340)
Unrecognised share of losses of associates	2,262	-	2,262
	11,503	(461)	11,042
Less: Share by non-controlling interests	(724)	-	(724)
	10,779	(461)	10,318
	9,089	1,160	10,249
Less: Impairment losses	(9,089)	-	(9,089)
Carrying amount in the statements of financial position	-	1,160	1,160
Share of results of the Group			
Share of profit of the Group	-	786	786
Share of other comprehensive income of the Group	-	-	-
Share of total comprehensive income of the Group	-	786	786
Other information			
Dividend received	-	120	120

12. INTERESTS IN ASSOCIATES (continued)

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

2022	BVG and BBKG RM'000	OSF&B RM'000	Total RM'000
Share of net (liabilities)/assets of the Group	(1,205)	955	(250)
Loan to an associate	4,855	-	4,855
Goodwill	8,967	-	8,967
Gain on dilution of interest	-	(461)	(461)
Unrecognised share of other reserves	(4,536)	-	(4,536)
Unrecognised share of losses of associates	1,524	-	1,524
	10,810	(461)	10,349
Less: Share by non-controlling interests	(516)	-	(516)
	10,294	(461)	9,833
	9,089	494	9,583
Less: Impairment losses	(9,089)	-	(9,089)
Carrying amount in the statements of financial position	-	494	494
Share of results of the Group			
Share of profit of the Group	-	256	256
Share of other comprehensive income of the Group	-	-	-
Share of total comprehensive income of the Group	-	256	256
Other information			
Dividend received	-	-	-

(d) During the financial year, the cumulative unrecognised share of losses of associates amounted to RM2,262,000 (2022: RM1,524,000), and the net decrease in unrecognised share of gain amounted to RM738,000 (2022: net decrease of RM595,000). The Group has stopped recognising its share of losses since there is no further obligation in respect of those losses using the equity method of accounting.

13. OTHER INVESTMENTS

	Group 2023 RM'000	Group 2022 RM'000
Financial assets at fair value through profit or loss		
- Club memberships	1,073	1,105
- Quoted bonds outside Malaysia	1,693	6,339
	2,766	7,444

Information on the fair value hierarchy is disclosed in Note 38(d) to the financial statements.

14. DEFERRED TAX

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

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Balance as at 1 July 2022/2021	3,680	4,812	1	1
Recognised in profit or loss (Note 32)	702	(1,185)	-	-
Reclassification from disposal group held for distribution (Note 26)	95	-	-	-
Currency translation differences	116	53	-	-
Balance as at 30 June 2023/2022	4,593	3,680	1	1
Presented after appropriate offsetting as follows:				
Deferred tax assets, net	(1,115)	(1,878)	-	-
Deferred tax liabilities, net	5,708	5,558	1	1
	4,593	3,680	1	1

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

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	**Intangible assets RM'000**	**Lease liabilities RM'000**	**Other taxable temporary differences RM'000**	**Off-setting RM'000**	**Total RM'000**
At 1 July 2022	3,119	3,597	14	(1,181)	9	5,558
Recognised in profit or loss	(414)	(412)	(137)	866	-	(97)
Reclassification from disposal group held for distribution (Note 26)	138	-	22	(65)	-	95
Currency translation differences	122	-	(9)	53	(14)	152
At 30 June 2023	2,965	3,185	(110)	(327)	(5)	5,708
At 1 July 2021	3,509	3,597	15	(890)	9	6,240
Recognised in profit or loss	(436)	-	-	(318)	-	(754)
Currency translation differences	46	-	(1)	27	-	72
At 30 June 2022	3,119	3,597	14	(1,181)	9	5,558

14. DEFERRED TAX (continued)

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

Deferred tax assets of the Group

	Property, plant and equipment RM'000	Payables RM'000	Lease liabilities RM'000	Other deductible temporary differences RM'000	Off-setting RM'000	Total RM'000
At 1 July 2022	91	1,076	330	372	9	1,878
Recognised in profit or loss	(49)	(836)	(121)	207	-	(799)
Currency translation differences	6	6	21	17	(14)	36
At 30 June 2023	48	246	230	596	(5)	1,115
At 1 July 2021	179	2	284	954	9	1,428
Recognised in profit or loss	(90)	1,071	39	(589)	-	431
Currency translation differences	2	3	7	7	-	19
At 30 June 2022	91	1,076	330	372	9	1,878

Deferred tax liabilities of the Company

	Taxable temporary differences RM'000	Offsetting RM'000	Total RM'000
At 1 July 2022/30 June 2023	1	-	1
At 1 July 2021/30 June 2022	1	-	1

14. DEFERRED TAX (continued)

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

	Group	
	2023 RM'000	**2022 RM'000**
Unused tax losses:		
- Malaysian entities		
- Expires by 30 June 2028	569	569
- Expires by 30 June 2029	12,148	13,070
- Expires by 30 June 2030	1,938	3,485
- Expires by 30 June 2031	439	439
- Expires by 30 June 2032	2,336	2,336
- Expires by 30 June 2033	910	-
- Foreign entities	22	-
Unabsorbed capital allowances	6,714	7,570
Other deductible temporary differences	11,432	13,605
	36,508	41,074

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

For the Malaysian entities, any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and the tax legislation of the respective countries in which the subsidiaries operate.

15. INVENTORIES

	Group	
	2023 RM'000	**2022 RM'000**
Raw materials	9,449	8,783
Work-in-progress	1,279	1,689
Finished goods	83,246	43,246
Consumables	166	151
	94,140	53,869

During the financial year, inventories of the Group recognised cost of sales amounting to RM164,767,000 (2022: RM154,199,000).

16. TRADE AND OTHER RECEIVABLES

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current assets					
Other receivables					
Third parties		5,381	4,961	-	-
Amounts owing by subsidiaries	(d)	-	-	2,588	3,208
		5,381	4,961	2,588	3,208
Less: Impairment losses					
- third parties		(5,381)	(4,961)	-	-
- subsidiaries		-	-	(446)	(484)
		(5,381)	(4,961)	(446)	(484)
		-	-	2,142	2,724
Current assets					
Trade receivables					
Third parties		52,100	48,955	-	-
Amounts owing by associates		101	160	-	-
	(b)	52,201	49,115	-	-
Less: Impairment losses					
- third parties		(21,518)	(22,015)	-	-
		30,683	27,100	-	-
Other receivables and deposits					
Amounts owing by subsidiaries	(c)	-	-	1,012	4,854
Amounts owing by associates	(e)	1,757	1,619	-	-
Other receivables	(a)	5,066	6,185	5	35
Deposits		13,034	10,249	9	9
		19,857	18,053	1,026	4,898
Less: Impairment losses					
- subsidiaries		-	-	(155)	(3,792)
- associates		(1,757)	(1,619)	-	-
- deposits		(78)	(60)	-	-
- other receivables		(248)	(284)	-	-
		(2,083)	(1,963)	(155)	(3,792)
		17,774	16,090	871	1,106
Total trade and other receivables		48,457	43,190	871	1,106
Prepayments		6,675	7,239	-	-
Total trade and other receivables (current)		55,132	50,429	871	1,106
Total trade and other receivables (non-current and current)		55,132	50,429	3,013	3,830

16. TRADE AND OTHER RECEIVABLES (continued)

(a) Included in current other receivables are amounts owing from an exclusive authorised dealer of "Braun Buffel" brand of RM1,011,000 (2022: RM3,144,000). The amount receivable from the exclusive authorised dealer carries an interest rate of 7.53% (2022: 7.53%) per annum and is payable through instalments till 2023.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days (2022: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(c) Current amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, repayable within the next twelve (12) months in cash and cash equivalents and interest-free except for an amount of RM900,000 (2022: RM1,209,000) owing by a subsidiary which bears interest at 4.3% (2022: 3.4%) per annum.

(d) Non-current amounts owing by subsidiaries of RM2,588,000 (2022: RM3,208,000) represent the present value of advances of funds which are unsecured, repayable within the next four (4) years (2022: four (4) years) in cash and cash equivalents and bear interest at 4.3% (2022: 3.4%) per annum.

(e) Non-trade amounts owing by associates represent advances and payments made on behalf, which are unsecured, interest-free and have been fully impaired due to the associates' deficit in total equity position.

(f) Information on financial risks of trade and other receivables is disclosed in Note 39 to the financial statements.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	21,092	17,648	3,013	3,830
Singapore Dollar	25,043	24,694	-	-
Vietnamese Dong	65	61	-	-
Indonesian Rupiah	312	487	-	-
Euro	108	140	-	-
Others	1,837	160	-	-
	48,457	43,190	3,013	3,830

16. TRADE AND OTHER RECEIVABLES (continued)

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

Group 2023	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 30.6.2023 RM'000
Current	11,408	(148)	11,260
Past due:			
1 to 30 days	7,042	(68)	6,974
31 to 60 days	2,348	(106)	2,242
61 to 90 days	1,334	(53)	1,281
91 to 120 days	9,169	(433)	8,736
More than 120 days	4,469	(4,279)	190
	24,362	(4,939)	19,423
Credit impaired			
Individually impaired	16,431	(16,431)	-
	52,201	(21,518)	30,683

Group 2022	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 30.6.2022 RM'000
Current	14,474	(151)	14,323
Past due:			
1 to 30 days	6,590	(127)	6,463
31 to 60 days	926	(54)	872
61 to 90 days	1,397	(39)	1,358
91 to 120 days	3,662	(13)	3,649
More than 120 days	7,025	(6,590)	435
	19,600	(6,823)	12,777
Credit impaired			
Individually impaired	15,041	(15,041)	-
	49,115	(22,015)	27,100

16. TRADE AND OTHER RECEIVABLES (continued)

(i) The reconciliation of movements in the impairment losses on trade receivables is as follows:

Group	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 July 2022	6,974	15,041	22,015
Charge for the financial year (Note 31)	636	849	1,485
Reversal of impairment loss (Note 31)	(2,895)	-	(2,895)
Written off	-	(4)	(4)
Reclassification from assets held for distribution	137	-	137
Exchange differences	235	545	780
At 30 June 2023	5,087	16,431	21,518
At 1 July 2021	10,245	14,036	24,281
Charge for the financial year (Note 31)	560	539	1,099
Reversal of impairment loss (Note 31)	(3,986)	(6)	(3,992)
Written off	(144)	(6)	(150)
Exchange differences	299	478	777
At 30 June 2022	6,974	15,041	22,015

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

The Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than twelve (12) months as deemed credit impaired and assesses for their risk of loss individually.

The Group has identified the Gross Domestic Product ("GDP"), Overnight Policy Interest Rate ("OPR"), retail sales growth, unemployment rate and inflation rate, as the key macroeconomic factors in determining the lifetime expected credit loss for trade receivables.

(j) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group are summarised in the table below:

	Group	
	2023 RM'000	2022 RM'000
Maximum exposure	52,201	49,115
Collateral obtained	-	-
Impairment losses	(21,518)	(22,015)
Net exposure to credit risk	30,683	27,100

During the financial year, the Group did not renegotiate the terms of any trade receivables.

16. TRADE AND OTHER RECEIVABLES (continued)

(k) The reconciliation of movements in the impairment losses on other receivables, amounts owing by subsidiaries and amounts owing by related parties are as follows:

Group	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
At 1 July 2022	59	40	6,825	6,924
Charge for the financial year (Note 31)	-	-	1	1
Reversal of impairment loss (Note 31)	(4)	(1)	(35)	(40)
Reclassification from assets held for distribution	19	-	-	19
Exchange differences	-	3	557	560
At 30 June 2023	74	42	7,348	7,464
At 1 July 2021	442	40	6,655	7,137
Charge for the financial year (Note 31)	38	11	-	49
Reversal of impairment loss (Note 31)	(81)	(13)	-	(94)
Written off	(343)	-	-	(343)
Exchange differences	3	2	170	175
At 30 June 2022	59	40	6,825	6,924

Company	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total allowance RM'000
At 1 July 2022	4,276	-	4,276
Reversal of impairment loss (Note 31)	(3,675)	-	(3,675)
At 30 June 2023	601	-	601
At 1 July 2021	4,888	-	4,888
Reversal of impairment loss (Note 31)	(612)	-	(612)
At 30 June 2022	4,276	-	4,276

The Group and the Company have identified the Gross Domestic Product ("GDP"), Overnight Policy Interest Rate ("OPR"), retail sales growth, unemployment rate and inflation rate, as the key macroeconomic factors in determining the lifetime expected credit loss for other receivables, amounts owing by subsidiaries and amounts owing by related parties.

17. CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	59,132	84,543	232	1,590
Deposits with licensed banks	53,322	30,743	-	-
	112,454	115,286	232	1,590

(a) Included in deposits with licensed banks of the Group is an amount of RM1,179,000 (2022: RM1,204,000) pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Notes 21(a)(ii) and 22(b) to the financial statements.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	56,737	69,225	228	1,586
Chinese Renminbi	6,796	40	-	-
Hong Kong Dollar	3,685	5,887	-	-
Indonesian Rupiah	453	238	-	-
Singapore Dollar	42,727	37,565	-	-
United States Dollar	1,894	2,144	4	4
Vietnamese Dong	52	138	-	-
Others	110	49	-	-
	112,454	115,286	232	1,590

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	59,132	84,543	232	1,590
Deposits with licensed banks (not more than three (3) months)	53,322	30,743	-	-
	112,454	115,286	232	1,590
Add: Cash and cash equivalents classified as held for distribution (Note 26)	-	18,638	-	-
Less: Deposit pledged to licensed banks	(1,179)	(1,204)	-	-
Cash and cash equivalents included in the statements of cash flows	111,275	132,720	232	1,590

(d) No expected credit losses were recognised arising from deposits with financial institutions because the probability of default by these financial institutions were negligible.

(e) Information on financial risks of cash and bank balances is disclosed in Note 39 to the financial statements.

18. SHORT TERM FUNDS

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Fair value through profit or loss				
Short term funds	30,510	27,318	4,458	14,027

(a) Short term funds are classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in the fair value hierarchy. The short term funds of the Group and of the Company are denominated in RM.

(b) Information on financial risks of short term funds is disclosed in Note 39 to the financial statements.

19. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Ordinary shares:				
Issued and fully paid	201,572	201,572	201,572	201,572

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

20. RESERVES

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Exchange translation reserve	(a)	26,993	16,514	-	-
Revaluation reserve	(b)	184	184	-	-
Treasury shares	(c)	(485)	(485)	(485)	(485)
		26,692	16,213	(485)	(485)
Retained earnings		199,354	180,534	90,083	73,734
		226,046	196,747	89,598	73,249

20. RESERVES (continued)

(a) Exchange translation reserve

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

(b) Revaluation reserve

The revaluation reserve arises from the revaluation surplus of properties of the subsidiaries upon transfer from property, plant and equipment to investment properties.

(c) Treasury shares

As at 30 June 2023, the Company held 576,719 (2022: 576,719) treasury shares out of its total issued shares of 201,571,842 (2022: 201,571,842) ordinary shares. Such treasury shares are recorded at carrying amount of RM485,000 (2022: RM485,000).

There were no share re-issuance, cancellations, resale and buybacks for the current and previous financial year.

Pursuant to Section 127 of the Companies Act 2016, the Directors of the Company may resolve:

(1) to cancel the shares so purchased;

(2) to retain the shares so purchased as treasury shares for distribution as “share dividends” to the shareholders, or resell any of the shares so purchased on Bursa Malaysia Securities Berhad in accordance with the relevant rules of Bursa Malaysia Securities Berhad, or transfer any of the shares so purchased for the purposes of or under an employees’ share schedule, or transfer any of the shares so purchased as purchase consideration, or sell, transfer or otherwise use any of the shares so purchased for such other purposes as the Minister may by order prescribe; or

(3) to retain part of the shares so purchased as treasury shares and cancel the remainder.

While the shares so purchased are held as treasury shares, the rights attached to the treasury shares in relation to voting, dividends and participation in any other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purposes including, without limitation to the generality of the provisions of any law or requirements of the Constitution of the Company or the listing rules of Bursa Malaysia Securities Berhad on substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum and the result of a vote on a resolution at a meeting of shareholders.

21. BORROWINGS

	Note	Group 2023 RM'000	Group 2022 RM'000
Current liabilities			
Conventional financing facilities - Secured			
Term loans	22	2,685	2,875
Islamic financing facilities - Secured			
Revolving credit		8,400	-
Terms financing-i	22	1,924	2,287
Total secured borrowings		13,009	5,162
Conventional financing facilities - Unsecured			
Bankers' acceptances		2,754	350
Trust receipts		6,639	4,670
Total unsecured borrowings		9,393	5,020
Total		22,402	10,182
Non-current liabilities			
Conventional financing facilities - Secured			
Term loans		11,271	13,514
Islamic financing facilities - Secured			
Terms financing-i		56,327	56,659
Total	22	67,598	70,173
Total borrowings			
Bankers' acceptances		2,754	350
Term loans and terms financing-i	22	72,207	75,335
Revolving credit		8,400	-
Trust receipts		6,639	4,670
		90,000	80,355

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

(i) first fixed charges over certain lands and buildings of subsidiaries as disclosed in Note 7 to the financial statements; and

(ii) fixed deposit of a subsidiary as disclosed in Note 17(a) to the financial statements.

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

	Group 2023 RM'000	Group 2022 RM'000
Ringgit Malaysia	77,322	67,775
Singapore Dollar	12,678	12,580
	90,000	80,355

21. BORROWINGS (continued)

(c) Information on financial risks of borrowings is disclosed in Note 39 to the financial statements.

(d) Reconciliation of liabilities from financing activities:

	Term loans and terms financing-i RM'000	Bankers' acceptances RM'000	Trust receipts RM'000	Revolving credit RM'000	Total RM'000
Group					
At 1 July 2022	75,335	350	4,670	-	80,355
Cash flows:					
- Net of repayments and drawdowns of borrowings	(6,579)	2,280	1,218	8,305	5,224
Non-cash flows:					
- Unwinding of interest	2,883	124	293	95	3,395
- Effect of foreign exchange	568	-	458	-	1,026
At 30 June 2023	72,207	2,754	6,639	8,400	90,000

	Term loans and terms financing-i RM'000	Bankers' acceptances RM'000	Trust receipts RM'000	Total RM'000
Group				
At 1 July 2021	77,773	85	4,022	81,880
Cash flows:				
- Net of repayments and drawdowns of borrowings	(5,065)	217	390	(4,458)
Non-cash flows:				
- Unwinding of interest	2,415	48	141	2,604
- Effect of foreign exchange	212	-	117	329
At 30 June 2022	75,335	350	4,670	80,355

22. TERM LOANS AND TERMS FINANCING-I ("TF-I")

	Group	
	2023 RM'000	**2022 RM'000**
Term loans - Secured		
Term loan I is repayable as follows:		
- 240 equal monthly instalments of RM64,878 each commencing November 2014	7,205	7,717
Term loan II is repayable as follows:		
- 240 monthly instalments of RM1,688 each commencing April 2015	186	199
Term loan III is repayable as follows:		
- 240 monthly instalments of RM2,396 each commencing April 2015	263	282
Term loan IV is repayable as follows:		
- 240 monthly instalments of RM2,396 each commencing April 2015	263	282
Term loan V is repayable as follows:		
- 36 monthly instalments of SGD11,111 each commencing August 2020		
- Final instalment of SGD11,115 in July 2023	38	458
Term loan VI is repayable as follows:		
- 48 monthly instalments of SGD52,083 each commencing April 2022		
- Final instalment of SGD52,083 in March 2026	6,001	7,451
	13,956	16,389
Terms Financing-I ("TF-I") - Secured		
TF-I I is repayable as follows:		
- 77 equal monthly instalments of RM180,000 each commencing September 2016	-	16,838
TF-I II is repayable as follows:		
- 24 equal monthly instalments of RM154,216 each commencing January 2021		
- 36 equal monthly instalments of RM220,308 each commencing January 2023		
- 60 equal monthly instalments of RM308,431 each commencing January 2026		
- 60 equal monthly instalments of RM378,930 each commencing January 2031		
- Final instalment of RM378,930 in December 2035	41,662	42,108
TF-I III is repayable as follows:		
- 240 equal monthly instalments of RM94,452 each commencing September 2022	16,589	-
	58,251	58,946
	72,207	75,335
Secured		
Repayable as follows:		
Current liabilities		
- not later than one (1) year	4,609	5,162
Non-current liabilities		
- later than one (1) year but not later than five (5) years	17,619	30,550
- later than five (5) years	49,979	39,623
	67,598	70,173
	72,207	75,335

22. TERM LOANS AND TERMS FINANCING-I ("TF-I") (continued)

(a) Term loan I, II, III and IV are secured by means of legal charges over certain freehold land and buildings of the Group (Note 7), assignment of rental proceeds and are guaranteed by the Company.

Term loans V and VI are only guaranteed by the Company.

(b) The term financing-I of the Group are Islamic financing facilities that are secured by means of legal charges over certain investment properties of the Group (Note 9), fixed deposit of a subsidiary (Note 17) and are guaranteed by the Company.

23. PROVISION FOR RESTORATION COSTS

	Group	
	2023 RM'000	**2022 RM'000**
Non-current		
Provision for restoration costs	1,518	1,113
Current		
Provision for restoration costs	702	552
	2,220	1,665

(a) Provision for restoration costs comprises estimates of reinstatement costs for stores upon termination of tenancy.

(b) A reconciliation of the provision for restoration costs is as follows:

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Balance as at 1 July 2022/2021		1,665	1,785
Reclassification from disposal group held for distribution	26	271	-
Recognised in right-of-use assets	8(d)	494	187
Reversal of provision for restoration costs		(20)	(49)
Recognised in profit or loss	31		
- unwinding of discount on provision for restoration costs		135	27
- under/(over)-provision of restoration costs		55	(61)
Utilised during the financial year		(437)	(240)
Translation adjustments		57	16
Balance as at 30 June 2023/2022		2,220	1,665

24. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current liabilities					
Other payable					
Other payable	(a)	5,796	5,246	-	-
Current liabilities					
Trade payables					
Third parties	(b)	6,499	7,316	-	-
Other payables, deposits and accruals					
Amount owing to subsidiaries	(d)	-	-	9,007	-
Amount owing to an associate	(c)	-	1	-	-
Other payables		8,080	8,168	1,819	11
Deposits		2,544	806	-	-
Accruals		12,109	16,662	662	559
		22,733	25,637	11,488	570
Total trade and other payables (current)		29,232	32,953	11,488	570
Total trade and other payables (current and non-current)		35,028	38,199	11,488	570

(a) Non-current other payable represents loans from a shareholder of a subsidiary for the acquisition of intellectual property rights, which are unsecured, bear interest at 2% (2022: 2%) per annum and are repayable on or before 30 August 2025.

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2022: 30 to 90 days).

(c) In the previous financial year, amount owing to an associate represented advances and payments made on behalf, which were unsecured, interest-free and repayable upon demand.

(d) Amounts owing to subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and repayable upon demand.

(e) Information on financial risks of trade and other payables is disclosed in Note 39 to the financial statements.

(f) The currency exposure profile of payables are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	18,712	20,009	11,488	570
Chinese Renminbi	346	39	-	-
Indonesian Rupiah	82	713	-	-
Hong Kong Dollar	345	742	-	-
Singapore Dollar	13,673	14,842	-	-
United States Dollar	1,837	1,767	-	-
Vietnamese Dong	33	85	-	-
Others	-	2	-	-
	35,028	38,199	11,488	570

25. CONTRACT LIABILITIES

	Group	
	2023 RM'000	**2022 RM'000**
Deferred revenue	20,776	19,645

(a) Deferred revenue mainly represents advance consideration received from customers in respect of royalty arrangement. Deferred revenue will be recognised as revenue when performance obligations are fulfilled.

(b) Revenue expected to be recognised in future relating to performance obligations that are unsatisfied (or partially satisfied) at the end of the reporting period, are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Within one (1) year	1,970	1,789
Between one (1) year and five (5) years	1,653	1,524
More than five (5) years	17,153	16,332
	20,776	19,645

26. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/HELD FOR DISTRIBUTION

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Non-current assets/disposal group classified as held for sale/held for distribution:			
- Assets of disposal group	26(a)	-	64,824
		-	64,824
Liabilities of disposal group classified as held for distribution	26(a)	-	(8,062)
		-	56,762

(a) On 25 February 2021, the Group announced to Bursa Malaysia Securities Berhad the proposed listing of the subsidiary of the Company, SBG Holdings Sdn. Bhd. ("SBG") and its subsidiaries ("collectively as SBG Group") on the LEAP Market of Bursa Malaysia Securities Berhad ("Proposed Listing").

In conjunction with the Proposed Listing, the Company would undertake the proposed demerger of SBG Group which comprised the Proposed Capitalisation, Proposed Subdivision, Proposed Conversion and Proposed Dividend-in-Specie (collectively as "Proposed Demerger") (details of which were set out in the Circular to Shareholders of the Company dated 22 July 2021). Details of the Proposed Demerger are described in Note 40(a) to the financial statements.

Accordingly, the assets and liabilities of SBG Group were classified as disposal group held for distribution and the financial results of SBG Group were classified as discontinuing operations.

As at the end of the previous financial year, the Proposed Demerger exercise & Proposed Listing were pending completion.

Subsequently on 21 June 2023, the Group has announced not to proceed with the Proposed Demerger and Proposed Listings. Accordingly, the statements of profit or loss and other comprehensive income for the financial year ended 30 June 2022 have been re-presented retrospectively. Refer to Note 41 on Comparatives.

26. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/HELD FOR DISTRIBUTION (continued)

(a) (continued)

(i) The assets and the associated liabilities held for distribution are as follows:

	Note	SBG Group 2022 RM'000
Assets held for distribution		
Property, plant and equipment	7	13,470
Right-of-use assets	8	4,327
Inventories		7,071
Receivables		6,066
Current tax assets		856
Cash and bank balances	17(c)	18,638
Short term funds		14,396
		64,824
Liabilities associated with assets held for distribution		
Lease liabilities	8	6,001
Deferred tax liabilities	14	95
Provision for restoration cost	23	271
Current tax payables		102
Payables		1,593
		8,062

(ii) Analysis of the results of the discontinuing operations was as follows:

	SBG Group 2022 RM'000
Statement of Profit or Loss and Other Comprehensive Income	
Revenue	36,246
Cost of sales	(13,682)
Gross profit	22,564
Other operating income	1,905
Selling and distribution expenses	(7,836)
General and administrative expenses	(10,232)
Finance cost	(343)
Profit before tax	6,058
Tax expense	(941)
Profit for the financial year/Total comprehensive income, net of tax	5,117

26. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/HELD FOR DISTRIBUTION (continued)

(a) (continued)

(ii) Analysis of the results of the discontinuing operations was as follows: (continued)

	SBG Group 2022 RM'000
Profit before tax is arrived after charging:	
Auditors' remuneration:	
- Statutory	
- current year	53
- Non-statutory	
- current year	11
Depreciation of property, plant and equipment	922
Depreciation of right-of-use assets	2,543
Impairment losses on:	
- trade and other receivables	44
- property, plant and equipment	2
- right-of-use assets	641
Interest expense and profit payment on borrowings:	
- lease liabilities	342
- unwinding of discount on provision for restoration costs	1
	343
Property, plant and equipment written off	35
Realised loss on foreign exchange	3
Rental commission	527
Rental of premises	85
And crediting:	
Fair value gain on short term funds	55
Gain on reassessment and modification of leases	364
Interest income from:	
- deposits with licensed banks	141
- bank balances	7
- short term funds	175
Lease concessions	584
Unrealised gain on foreign exchange	57

26. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/HELD FOR DISTRIBUTION (continued)

(a) (continued)

(iii) Analysis of the cash flows of the discontinuing operations was as follows:

	SBG Group 2022 RM'000
Statement of Cash Flows	
Net cash from operating activities	10,169
Net cash used in investing activities	(1,905)
Net cash used in financing activities	(2,345)
Net increase in cash and cash equivalents	5,919
Effect of exchange rate difference on cash and cash equivalents	57
Cash and cash equivalents at beginning of the financial year	12,662
Cash and cash equivalents at the end of the financial year	18,638

27. CAPITAL COMMITMENTS

	Group 2023 RM'000	Group 2022 RM'000
Continuing operations		
Property, plant and equipment:		
Renovation for boutiques, offices and warehouses		
- Approved and contracted for	1,288	1,508

28. CONTINGENT LIABILITIES

	Company 2023 RM'000	Company 2022 RM'000
Unsecured corporate guarantees given to financial institutions and third parties for facilities granted to certain subsidiaries:		
- Limit of guarantee	158,723	159,145
- Amounts utilised:		
In favour of licensed banks for banking facilities granted to subsidiaries	90,000	80,355
In favour of third parties for tenancy agreements entered into by subsidiaries	3,730	3,802
	93,730	84,157

The Directors are of the view that the probability of the subsidiaries defaulting on the banking facilities and tenancy agreements and the chances of the financial institutions to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.

29. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
Sale of goods	416,755	361,582	-	-
Royalty income	4,512	5,232	-	-
	421,267	366,814	-	-
Others				
Rental income	2,881	2,443	-	-
Dividend income from unquoted investments in subsidiaries and an associate	-	-	49,690	46,882
	424,148	369,257	49,690	46,882
Timing of revenue recognition				
Transferred at a point in time	416,755	361,582	-	-
Transferred over time	4,512	5,232	-	-
	421,267	366,814	-	-

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group.

30 June 2023	Retailing RM'000	Manufacturing RM'000	Total RM'000
Major goods and services			
Sales of goods	416,750	5	416,755
Royalty income	4,512	-	4,512
Total revenue from contracts with customers	421,262	5	421,267
Geographical markets			
Malaysia	261,324	5	261,329
Singapore	132,212	-	132,212
Indonesia	20,130	-	20,130
Others	7,596	-	7,596
Total revenue from contracts with customers	421,262	5	421,267
Timing of revenue recognition			
Transferred at a point in time	416,750	5	416,755
Transferred over time	4,512	-	4,512
Total revenue from contracts with customers	421,262	5	421,267

29. REVENUE (continued)

Disaggregation of revenue from contracts with customers (continued)

Revenue from contracts with customers is disaggregated in the table below by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the reportable segments of the Group. (continued)

30 June 2022	Retailing RM'000	Manufacturing RM'000	Total RM'000
Major goods and services			
Sales of goods	361,582	-	361,582
Royalty income	5,232	-	5,232
Total revenue from contracts with customers	366,814	-	366,814
Geographical markets			
Malaysia	220,679	-	220,679
Singapore	124,995	-	124,995
Indonesia	13,188	-	13,188
Vietnam	378	-	378
Others	7,574	-	7,574
Total revenue from contracts with customers	366,814	-	366,814
Timing of revenue recognition			
Transferred at a point in time	361,582	-	361,582
Transferred over time	5,232	-	5,232
Total revenue from contracts with customers	366,814	-	366,814

(a) There is no significant financing component in the revenue arising from sales of products and services rendered as the products and services are made on normal credit terms not exceeding twelve (12) months.

(b) Revenue from contracts with customers recognised by the Group during the financial year included RM4,175,000 (2022: RM3,014,000) that were included in contract liabilities at the beginning of the financial year.

30. COST OF SALES

	Group	
	2023 RM'000	2022 RM'000
Inventories sold	164,767	154,199

31. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
After charging:					
Auditors' remuneration:					
- Statutory					
- Auditors of the Company					
- current year		312	312	65	65
- Affiliate of the Company's auditor					
- current year		418	386	-	-
- over-provision in prior years		(3)	(4)	-	-
- Non-statutory					
- current year		21	34	3	3
- under-provision in prior year		10	-	-	-
Bad debts written off on trade and other receivables		26	-	-	-
Depreciation of property, plant and equipment	7,26	8,451	8,266	-	-
Depreciation of right-of-use assets	8,26	26,812	25,006	-	-
Fair value adjustments on investment properties	9	-	1,268	-	-
Fair value loss on long term investments	38(e)	30	28	-	-
Fair value loss on short term funds		-	20	-	-
Fair value loss on other investments		101	120	-	-
Loss on disposals of other investments		53	-	-	-
Impairment losses on:					
- trade and other receivables	16,26	1,486	1,192	-	-
- property, plant and equipment	7,26	-	39	-	-
- right-of-use assets	26	-	641	-	-
Interest expense and profit payment on borrowings:					
- bank guarantees		47	-	-	-
- bankers' acceptances		124	48	-	-
- lease liabilities	8,26	2,924	2,479	-	-
- term loans and terms financing-i		2,883	2,415	-	-
- trust receipts		293	141	-	-
- revolving credit		95	-	-	-
- unwinding of discount on provision for restoration costs	23,26	135	28	-	-
- others		102	97	-	-
		6,603	5,208	-	-

31. PROFIT BEFORE TAX (continued)

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at: (continued)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
After charging: (continued)					
Property, plant and equipment written off	7,26	218	128	-	-
Right-of-use assets written off	8	-	7	-	-
Realised loss on foreign exchange		496	247	-	-
Rental commission		7,325	5,343	-	-
Rental of office equipment		48	42	-	-
Rental of premises		1,536	232	-	-
Unrealised loss on foreign exchange		1,286	37	-	-
Under-provision of restoration cost	23	55	-	-	-
And crediting:					
Bad debt recovered		138	-	-	-
Fair value gain on short term funds		812	66	242	10
Fair value adjustments on non-current amounts owing by subsidiaries		-	-	37	186
Fair value adjustments on investment properties	9	126	-	-	-
Gain on disposals of:					
- property, plant and equipment, net		110	118	-	-
- non-current assets held for sale		-	3,468	-	-
Gain on reassessment and modification of leases		325	509	-	-
Interest income from:					
- amount owing by a subsidiary		-	-	172	273
- short term funds		266	508	39	167
- deposits with licensed banks		1,384	331	-	-
- bank balances		252	78	59	16
- others		239	381	-	-
Rent concessions:					
- landlord	8,26	-	4,458	-	-
- government and others		-	2,303	-	-
Over-provision of restoration cost	23	-	61	-	-
Reversal of impairment losses on:					
- amounts owing by subsidiaries	16	-	-	3,675	612
- trade and other receivables	16	2,935	4,086	-	-
Realised gain on foreign exchange		16	63	-	-
Rental income		661	503	-	-
Unrealised gain on foreign exchange		98	196	-	-
Payables written off		-	1	-	-

32. TAX EXPENSE

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Current tax expense based on profit for the financial year:				
Malaysian income tax	9,218	7,369	34	55
Foreign income tax	8,014	5,920	-	-
	17,232	13,289	34	55
(Over)/Under-provision in prior years:				
Malaysian income tax	(47)	(236)	19	(2)
Foreign income tax	(521)	(2,055)	-	-
	(568)	(2,291)	19	(2)
	16,664	10,998	53	53
Deferred tax (Note 14)				
Relating to origination and reversal of temporary differences	470	(1,026)	-	-
Under/(Over)-provision in prior years	232	(151)	-	-
	702	(1,177)	-	-
	17,366	9,821	53	53

The Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profits for the fiscal year.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Profit before tax	79,961	62,382	52,582	45,438
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	19,191	14,972	12,620	10,905
Tax effects in respect of:				
Non-allowable expenses	957	3,290	168	444
Non-taxable income	(610)	(6,047)	(12,754)	(11,294)
Lower tax rates in foreign jurisdiction	(558)	905	-	-
Deferred tax assets not recognised	212	1,184	-	-
Tax incentive and allowances	(182)	(252)	-	-
Utilisation of previously unrecognised deferred tax assets	(1,308)	(1,789)	-	-
	17,702	12,263	34	55
(Over)/Under-provision of income tax in prior years	(568)	(2,291)	19	(2)
Under/(Over)-provision of deferred tax in prior years	232	(151)	-	-
	17,366	9,821	53	53

32. TAX EXPENSE (continued)

Tax on each component of other comprehensive income is as follows:

	Group		
	Before tax RM'000	**Tax effect RM'000**	**After tax RM'000**
2023			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	11,434	-	11,434
2022			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	3,016	-	3,016

33. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year, after taking into consideration of treasury shares held by the Company.

	Group	
	2023	**2022**
Profit attributable to equity holders of the parent (RM'000)	55,000	45,008
Weighted average number of ordinary shares applicable to basic earnings per ordinary share ('000)	200,995	200,995
Basic earnings per ordinary share for profit for the financial year (sen)	27.36	22.39

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there is no dilutive potential ordinary shares outstanding during the financial year.

34. DIVIDENDS

	Company			
	2023		2022	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
In respect of the financial year ended 30 June 2022:				
Single tier interim dividend, paid on 28 October 2021	-	-	2.0	4,020
Single tier interim dividend, paid on 29 March 2022	-	-	2.0	4,020
Single tier special dividend, paid on 29 March 2022	-	-	1.0	2,010
Single tier interim dividend, paid on 16 June 2022	-	-	2.0	4,020
Single tier interim dividend, paid on 30 September 2022	2.0	4,020	-	-
Single tier special dividend, paid on 30 September 2022	10.0	20,100	-	-
In respect of the financial year ended 30 June 2023:				
Single tier interim dividend, paid on 6 January 2023	2.0	4,020	-	-
Single tier interim dividend, paid on 11 April 2023	2.0	4,020	-	-
Single tier special dividend, paid on 28 June 2023	2.0	4,020	-	-
	18.0	36,180	7.0	14,070

The Directors do not recommend any final dividend in respect of the financial year ended 30 June 2023.

On 25 August 2023, the Board of Directors declared a single tier interim dividend of 2.00 sen per ordinary share and a single tier special dividend of 4.00 sen per ordinary share of approximately RM4,020,000 and RM8,040,000 respectively in respect of the financial year ending 30 June 2024, that were paid on 29 September 2023 to the shareholders whose names appeared in the Record of Depositors of the Company as at 12 September 2023. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2024.

35. EMPLOYEE BENEFITS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, salaries and bonuses	58,167	61,757	652	1,624
Contributions to defined contribution plan	7,973	7,966	42	164
Social security contributions	644	533	-	-
Other benefits	11,861	10,325	-	-
	78,645	80,581	694	1,788

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration of the Group and of the Company amounting to RM9,321,000 (2022: RM8,077,000) and RM263,000 (2022: RM1,401,000) respectively.

36. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Company include:

(i) Its subsidiaries, fellow subsidiaries, and associates;

(ii) Any entities with joint control of, or significant influence over the Company; and

(iii) Key management personnel of the Company.

Related parties other than those disclosed elsewhere in the financial statements and their relationship with the Group are as follows:

Related parties	Relationship
Bonia International Holdings Pte. Ltd.	A company in which a Director, who is also a substantial shareholder of the Company, has substantial financial interests.
Speciale Eyewear Sdn. Bhd.	A company in which a Director, who is also a director of certain subsidiaries of the Company, has substantial financial interests.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Received/receivable from subsidiaries				
Dividends	-	-	49,570	46,882
Administrative fee	-	-	20	28
Interest income	-	-	172	273
Paid/payable to subsidiaries				
Secretarial fees	-	-	60	60
Received from an associate				
Dividend	120	-	120	-
Received/receivable from other related party				
Rental income				
- Speciale Eyewear Sdn. Bhd.	32	33	-	-
Purchases				
- Speciale Eyewear Sdn. Bhd.	223	180	-	-
Royalties				
- Bonia International Holdings Pte. Ltd.	840	523	-	-

Save for the dividends received from subsidiaries, the related parties transactions described above were carried out in the normal course of business and have been established under negotiated and mutually agreed terms.

36. RELATED PARTIES DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons responsible for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company:				
Non-executive Directors				
Directors' fees	445	324	345	300
Short term employee benefits	363	223	72	73
Contributions to defined contribution plan	37	35	14	14
	845	582	431	387
Executive Directors				
Directors' fees	920	873	235	280
Short term employee benefits	4,398	2,873	-	971
Contributions to defined contribution plan	515	314	28	150
	5,833	4,060	263	1,401
Directors of the subsidiaries:				
Executive Directors				
Directors' fees	482	467	-	-
Short term employee benefits	2,692	3,171	-	-
Contributions to defined contribution plan	314	379	-	-
	3,488	4,017	-	-
	10,166	8,659	694	1,788

37. OPERATING SEGMENTS

Bonia Corporation Berhad and its subsidiaries are principally engaged in designing, manufacturing, marketing, retailing and wholesaling of fashionable leather goods, apparels and accessories for the local and overseas markets, property development and investment holding.

The Group has arrived at three (3) reportable operating segments that are organised and managed separately according to the nature of products and services and specific expertise, which requires different business and marketing strategies. The reportable segments are summarised as follows:

Retailing	Designing, promoting, advertising and marketing of fashionable apparels, footwear, accessories and leather goods.
Manufacturing	Manufacturing and marketing of fashionable leather goods.
Investment and property development	Investment holding and rental and development of commercial properties.

37. OPERATING SEGMENTS (continued)

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the similar lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets.

Segment liabilities exclude tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirement).

Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

2023	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Total RM'000
Revenue				
Total revenue	421,262	19,661	68,287	509,210
Inter-segment revenue	-	(19,656)	(65,406)	(85,062)
Revenue from external customers	421,262	5	2,881	424,148
Interest income	2,003	12	126	2,141
Interest expense and profit payment on borrowings	(3,703)	(8)	(2,892)	(6,603)
Net interest expense and profit payment on borrowings	(1,700)	4	(2,766)	(4,462)
Segment profit/(loss) before tax	80,675	31	(745)	79,961
Share of profit of an associate, net of tax	-	-	786	786
Tax expense	(16,413)	59	(1,012)	(17,366)
Material items:				
- realised loss on foreign exchange, net	(746)	(77)	343	(480)
- rental commission	(7,325)	-	-	(7,325)
- rental of premises	(1,410)	-	(126)	(1,536)
- rental income	327	334	-	661
Other material non-cash items:				
- amortisation of trademarks	(1,405)	-	-	(1,405)
- depreciation of property, plant and equipment	(6,401)	(407)	(1,643)	(8,451)
- depreciation of right-of-use assets	(26,296)	(58)	(458)	(26,812)
- fair value gain on short term funds, net	548	-	264	812
- fair value adjustment on investment properties	24	-	102	126

37. OPERATING SEGMENTS (continued)

2023	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Total RM'000
Other material non-cash items: (continued)				
- fair value loss on long term investments	(30)	-	-	(30)
- fair value loss on other investments	(101)	-	-	(101)
- impairment losses on trade and other receivables	(1,481)	-	(5)	(1,486)
- under-provision of restoration cost	(55)	-	-	(55)
- bad debts recovered	138	-	-	138
- bad debts written off	(26)	-	-	(26)
- property, plant and equipment written off	(211)	-	(7)	(218)
- gain on disposals of property, plant and equipment	39	5	66	110
- loss on disposals of other investments	(53)	-	-	(53)
- gain on reassessment and modification of leases	294	-	31	325
- rental of office equipment	(48)	-	-	(48)
- reversal of impairment losses on trade and other receivables	2,896	-	39	2,935
- unrealised loss on foreign exchange, net	(356)	(140)	(692)	(1,188)
- unwinding of discount on provision for restoration costs	(135)	-	-	(135)
Interests in associates	-	-	1,160	1,160
Additions to non-current assets other than financial instruments and deferred tax assets	39,504	343	37,659	77,506
Segment assets	398,125	22,526	270,263	690,914
Segment liabilities	149,280	1,412	75,177	225,869

2022	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Total RM'000
Revenue				
Total revenue	366,814	13,088	67,282	447,184
Inter-segment revenue	-	(13,088)	(64,839)	(77,927)
Revenue from external customers	366,814	-	2,443	369,257
Interest income	1,089	11	198	1,298
Interest expense and profit payment on borrowings	(2,705)	(14)	(2,489)	(5,208)
Net interest expense and profit payment on borrowings	(1,616)	(3)	(2,291)	(3,910)
Segment profit/(loss) before tax	66,966	(557)	(4,027)	62,382
Share of profit of an associate, net of tax	-	-	256	256
Tax expense	(9,167)	189	(843)	(9,821)

37. OPERATING SEGMENTS (continued)

2022	Retailing RM'000	Manufacturing RM'000	Investment and property development RM'000	Total RM'000
Material items:				
- realised loss on foreign exchange, net	(123)	(61)	-	(184)
- rental commission	(5,343)	-	-	(5,343)
- rental of premises	(232)	-	-	(232)
- rental income	300	203	-	503
Other material non-cash items:				
- amortisation of trademarks	(411)	-	(977)	(1,388)
- amortisation of other intangible assets	(132)	-	-	(132)
- depreciation of property, plant and equipment	(6,244)	(405)	(1,617)	(8,266)
- depreciation of right-of-use assets	(24,234)	(61)	(711)	(25,006)
- fair value gain on short term funds, net	37	-	9	46
- fair value adjustment on investment properties	-	-	(1,268)	(1,268)
- fair value loss on long term investments	(28)	-	-	(28)
- fair value loss on other investments	(120)	-	-	(120)
- impairment losses on property, plant and equipment	(39)	-	-	(39)
- impairment losses on right-of-use assets	(641)	-	-	(641)
- impairment losses on trade and other receivables	(1,182)	-	(10)	(1,192)
- over-provision of restoration cost	61	-	-	61
- property, plant and equipment written off	(128)	-	-	(128)
- right-of-use assets written off	(7)	-	-	(7)
- gain on disposal of assets held for sale	-	376	3,092	3,468
- gain on disposals of property, plant and equipment	94	-	24	118
- gain on reassessment and modification of leases	813	2	(306)	509
- rent concessions from landlord	4,435	-	23	4,458
- rent concessions from government and others	2,303	-	-	2,303
- rental of office equipment	(42)	-	-	(42)
- reversal of impairment losses on trade and other receivables	3,707	1	378	4,086
- unrealised gain/(loss) on foreign exchange, net	195	(36)	-	159
- unwinding of discount on provision for restoration costs	(28)	-	-	(28)
- payables written off	1	-	-	1
Interests in associates	-	-	494	494
Additions to non-current assets other than financial instruments and deferred tax assets*	29,535	113	4,011	33,659
Segment assets	376,689	22,424	242,137	641,250
Segment liabilities	133,481	2,323	74,487	210,291

* Included addition to assets held for distribution amounted to RM1,305,000.

37. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2023 RM'000	2022 RM'000
Revenue		
Total revenue for reportable segments	509,210	447,184
Elimination of inter-segment revenues	(85,062)	(77,927)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	424,148	369,257
Profit for the financial year		
Profit before tax	79,961	62,382
Tax expense	(17,366)	(9,821)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	62,595	52,561
Assets		
Total assets for reportable segments	690,914	577,282
Tax assets	3,068	3,392
Assets of disposal group relating to discontinuing operations:		
Total assets for discontinuing operations:	-	63,968
Tax assets	-	856
Total assets of the Group per consolidated statement of financial position	693,982	645,498
Liabilities		
Total liabilities for reportable segments	225,869	202,426
Tax liabilities	12,509	11,860
Liabilities of disposal group relating to discontinuing operations:		
Total liabilities for discontinuing operations:	-	7,865
Tax liabilities	-	197
Total liabilities of the Group per consolidated statement of financial position	238,378	222,348

37. OPERATING SEGMENTS (continued)

Geographical information

The Group operates mainly in Malaysia, Singapore and Indonesia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers.

The composition of each geographical segment is as follows:

(i) Malaysia : Manufacturing, designing, promoting and marketing of fashionable apparel, footwear, accessories and leather goods, and development of commercial properties.

(ii) Singapore : Designing, promoting and marketing of fashionable apparels, footwear, accessories and leather goods.

(iii) Indonesia : Marketing and distribution of fashionable goods and accessories.

(iv) Others [(1)] : Marketing and distribution of fashionable goods and accessories.

[(1)] Others represent the marketing and distribution of fashionable goods and accessories to East Asia and other ASEAN Countries.

Segment assets are based on the geographical location of the assets of the Group. The non-current assets do not include financial instruments, deferred tax assets and interests in associates.

	2023 RM'000	2022 RM'000
Revenue from external customers		
Malaysia	263,672	222,866
Singapore	132,212	124,995
Indonesia	20,668	13,444
Vietnam	-	378
Others	7,596	7,574
	424,148	369,257
Non-current assets		
Malaysia	266,480	261,505
Singapore	117,416	49,193
Indonesia	10,856	11,744
	394,752	322,442

Major customers

There were no major customers who contributed more than ten percent (10%) of the total revenue of the Group. As such, information on major customers is not presented.

38. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2023 and 30 June 2022.

The Group monitors capital using gearing ratios, i.e. gearing ratio and net gearing ratio. Gearing ratio represents borrowings and lease liabilities divided by total capital whereas net gearing ratio represents borrowings and lease liabilities less cash and bank balances and short term funds divided by total capital. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Borrowings	90,000	80,355	-	-
Lease liabilities	77,845	62,562	-	-
Less: Short term funds	(30,510)	(27,318)	(4,458)	(14,027)
Less: Cash and bank balances	(112,454)	(115,286)	(232)	(1,590)
	24,881	313	(4,690)	(15,617)
Total capital	427,618	398,319	291,170	274,821
Gearing ratio (1)	39%	36%	N/A	N/A
Net gearing ratio (2)	6%	#	N/A	N/A

(1) without taking cash and bank balances and short term funds into consideration
(2) taking cash and bank balances and short term funds into consideration

Amount is less than 1%

Pursuant to Practice Note No. 17/2005 issued by Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than the twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2023.

The Group is not subject to any other externally imposed capital requirements.

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

Group **2023**	**Amortised cost RM'000**	**Fair value through profit or loss RM'000**	**Total RM'000**
Financial assets			
Other investments	-	2,766	2,766
Trade and other receivables, net of prepayments	48,457	-	48,457
Short term funds	-	30,510	30,510
Cash and bank balances	112,454	-	112,454
	160,911	33,276	194,187

	Amortised cost RM'000	**Total RM'000**
Financial liabilities		
Borrowings	90,000	90,000
Trade and other payables	35,028	35,028
	125,028	125,028

Company **2023**	**Amortised cost RM'000**	**Fair value through profit or loss RM'000**	**Total RM'000**
Financial assets			
Other receivables	3,013	-	3,013
Short term funds	-	4,458	4,458
Cash and bank balances	232	-	232
	3,245	4,458	7,703

	Amortised cost RM'000	**Total RM'000**
Financial liability		
Other payables	11,488	11,488

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

Group **2022**	**Amortised cost RM'000**	**Fair value through profit or loss RM'000**	**Total RM'000**
Financial assets			
Other investments	-	7,444	7,444
Trade and other receivables, net of prepayments	43,190	-	43,190
Short term funds	-	27,318	27,318
Cash and bank balances	115,286	-	115,286
	158,476	34,762	193,238

	Amortised cost RM'000	**Total RM'000**
Financial liabilities		
Borrowings	80,355	80,355
Trade and other payables	38,199	38,199
	118,554	118,554

Company **2022**	**Amortised cost RM'000**	**Fair value through profit or loss RM'000**	**Total RM'000**
Financial assets			
Other receivables	3,830	-	3,830
Short term funds	-	14,027	14,027
Cash and bank balances	1,590	-	1,590
	5,420	14,027	19,447

	Amortised cost RM'000	**Total RM'000**
Financial liability		
Other payables	570	570

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

i. Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities, such as trade receivables and current other receivables, trade payables and current other payables and borrowings are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

38. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair value (continued)

ii. Other investments

The fair values for club memberships are estimated based on references to current available counter party quotation of the same investment.

The fair values for quoted bonds are estimated by reference to the exchange quoted market prices at the close of the business on the reporting date.

iii. Non-current other receivables and other payable

The fair value of non-current other receivables and other payable are estimated by discounting expected future cash flows at the market incremental borrowing rate for similar types of lending.

The carrying amounts of the non-current other receivables and other payable are reasonable approximations of their fair values.

iv. Financial guarantees

The Company provides corporate guarantees to financial institutions and certain third parties for banking facilities utilised and tenancy agreements entered into by certain subsidiaries. The fair values of such corporate guarantees are negligible as the probability of the subsidiaries defaulting on the banking facilities and tenancy agreements are remote.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below.

Financial instruments	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Financial assets			
Amounts owing by subsidiaries	Discounted cash flows approach	Discount rate (10.5%)	The higher the discount rate, the lower the fair value of the asset would be.
Club memberships	Market approach	Counter party quotation	The higher the counter party quotation, the higher the fair value of the club memberships.

38. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
2023 Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
Financial assets										
Fair value through profit or loss										
- Short term funds	30,510	-	-	30,510	-	-	-	-	30,510	30,510
- Club memberships	-	-	1,073	1,073	-	-	-	-	1,073	1,073
- Quoted bonds outside Malaysia	1,693	-	-	1,693	-	-	-	-	1,693	1,693
Company										
Financial assets										
Amortised cost										
- Amount owing by a subsidiary	-	-	-	-	-	-	2,142	2,142	2,142	2,142
Fair value through profit or loss										
- Short term funds	4,458	-	-	4,458	-	-	-	-	4,458	4,458

38. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. (continued)

2022 Group	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Financial assets										
Fair value through profit or loss										
- Short term funds	27,318	-	-	27,318	-	-	-	-	27,318	27,318
- Club memberships	-	-	1,105	1,105	-	-	-	-	1,105	1,105
- Quoted bonds outside Malaysia	6,339	-	-	6,339	-	-	-	-	6,339	6,339
Company										
Financial assets										
Amortised cost										
- Amount owing by a subsidiary	-	-	-	-	-	-	2,724	2,724	2,724	2,724
Fair value through profit or loss										
- Short term funds	14,027	-	-	14,027	-	-	-	-	14,027	14,027

38. FINANCIAL INSTRUMENTS (continued)

(e) The following table shows a reconciliation of Level 3 fair values:

	Group	
	2023 RM'000	**2022 RM'000**
Financial assets		
Balance as at 1 July 2022/2021	1,105	1,120
Fair value loss recognised	(30)	(28)
Disposal	(45)	-
Translation adjustments	43	13
Balance as at 30 June 2023/2022	1,073	1,105

Sensitivities for the Level 3 fair value measurements of the financial assets and financial liabilities are not disclosed as they are not material to the Group.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to safeguard the shareholders' investment and the Group's assets whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management and internal control framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables while the Company's primary exposure is through the amounts owing by subsidiaries. The trading terms of the Group with its customers are mainly on credit, except for boutique sales, where the transactions are performed on cash term. The credit period is generally for a period of 30 days, extending up to 120 days for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

As at the end of each reporting period, no collateral has been obtained by the Group. The maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Credit risk (continued)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of each reporting period are as follows:

	Group			
	2023		2022	
	RM'000	% of total	RM'000	% of total
By country				
Malaysia	12,021	39	10,057	37
Singapore	18,136	59	16,539	61
Indonesia	183	1	358	1
Others	343	1	146	1
	30,683	100	27,100	100
By industry sectors				
Retailing	30,432	100	26,844	100
Investment property	251	#	256	#
	30,683	100	27,100	100

Amount is less than 1%

At the end of each reporting period, there was no significant concentration of credit risk for the Company other than amounts owing by subsidiaries, net of impairment to the Company of RM2,999,000 (2022: RM3,786,000).

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 30 June 2023				
Group				
Financial liabilities				
Trade and other payables	29,232	6,026	-	35,258
Borrowings	24,081	23,231	50,867	98,179
Lease liabilities	27,809	53,925	1,907	83,641
Total undiscounted financial liabilities	81,122	83,182	52,774	217,078
Company				
Financial liabilities				
Other payables	11,488	-	-	11,488
Financial guarantees*	158,723	-	-	158,723
Total undiscounted financial liabilities	170,211	-	-	170,211
As at 30 June 2022				
Group				
Financial liabilities				
Trade and other payables	32,953	5,458	-	38,411
Borrowings	12,755	37,128	54,409	104,292
Lease liabilities	22,151	41,340	3,564	67,055
Total undiscounted financial liabilities	67,859	83,926	57,973	209,758
Company				
Financial liabilities				
Other payables	570	-	-	570
Financial guarantees*	159,145	-	-	159,145
Total undiscounted financial liabilities	159,715	-	-	159,715

* This disclosure represents the maximum liquidity risk exposure.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from deposits with licensed banks, short term funds, interest-bearing amount owing by a subsidiary, interest-bearing borrowings and lease liabilities. The Group does not use derivative financial instruments to hedge these risk.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of each reporting period changed by fifty (50) basis points with all other variables held constant:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Profit after tax				
- increase by 0.5% (2022: 0.5%)	(337)	(330)	30	70
- decrease by 0.5% (2022: 0.5%)	337	330	(30)	(70)

The sensitivity of the Group is higher in 2023 than in 2022 is primarily because of the increase in borrowings during the financial year.

The sensitivity of the Company is lower in 2023 than in 2022 because of the decrease in amount owing by a subsidiary during the financial year.

The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Group									
At 30 June 2023									
Fixed rates									
Other receivables	16(a)	7.53	1,011	-	-	-	-	-	1,011
Deposits with licensed banks	17	3.14	32,196	-	-	-	-	-	32,196
Lease liabilities	8	2.35 - 6.69*	(25,175)	(22,073)	(15,315)	(8,307)	(5,110)	(1,865)	(77,845)
Other payable	24	2.00	-	-	(5,796)	-	-	-	(5,796)
Floating rates									
Deposits with licensed banks	17	1.90	21,126	-	-	-	-	-	21,126
Short term funds	18	2.06	30,510	-	-	-	-	-	30,510
Bankers' acceptances	21	4.75	(2,754)	-	-	-	-	-	(2,754)
Revolving credit	21	3.88	(8,400)	-	-	-	-	-	(8,400)
Trust receipts	21	6.69	(6,639)	-	-	-	-	-	(6,639)
Term loans and terms financing-i	22	3.68	(4,609)	(4,658)	(4,915)	(3,954)	(4,092)	(49,979)	(72,207)

* Incremental borrowing rate

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk: (continued)

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Group									
At 30 June 2022									
Fixed rates									
Other receivables	16(a)	7.53	3,144	-	-	-	-	-	3,144
Deposits with licensed banks	17	0.83	7,543	-	-	-	-	-	7,543
Lease liabilities	8	2.35 - 5.10*	(20,240)	(15,283)	(11,814)	(7,231)	(4,366)	(3,628)	(62,562)
Other payable	24	2.00	-	-	-	(5,246)	-	-	(5,246)
Floating rates									
Deposits with licensed banks	17	1.90	23,200	-	-	-	-	-	23,200
Short term funds	18	1.27	27,318	-	-	-	-	-	27,318
Bankers' acceptances	21	3.50	(350)	-	-	-	-	-	(350)
Trust receipts	21	4.01	(4,670)	-	-	-	-	-	(4,670)
Term loans and terms financing-i	22	3.25	(5,162)	(22,761)	(1,901)	(2,583)	(3,305)	(39,623)	(75,335)

* Incremental borrowing rate

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk: (continued)

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Company									
At 30 June 2023									
Fixed rate									
Amount owing by a subsidiary	16	4.30	900	848	798	751	191	-	3,488
Floating rate									
Short term funds	18	1.88	4,458	-	-	-	-	-	4,458
At 30 June 2022									
Fixed rate									
Amount owing by a subsidiary	16	3.40	1,209	1,132	1,068	1,008	-	-	4,417
Floating rate									
Short term funds	18	1.45	14,027	-	-	-	-	-	14,027

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Subsidiaries operating in Singapore, Vietnam and Indonesia have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the end of each reporting period, such foreign currency balances amounted to RM55,717,000 (2022: RM46,061,000) (see Note 17(b) to the financial statements) for the Group.

The Group did not enter into any material forward foreign exchange contract during the financial year.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group and of the Company to a reasonably possible change in the Singapore Dollar ("SGD"), United States Dollar ("USD"), Indonesian Rupiah ("IDR"), Hong Kong Dollar ("HKD") and Chinese Renminbi ("RMB") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

		Group		Company	
		2023	2022	2023	2022
Profit after tax		**RM'000**	**RM'000**	**RM'000**	**RM'000**
SGD/RM	- strengthen by 3% (2022: 3%)	+944	+794	-	-
	- weaken by 3% (2022: 3%)	-944	-794	-	-
USD/RM	- strengthen by 3% (2022: 3%)	+25	+10	-	-
	- weaken by 3% (2022: 3%)	-25	-10	-	-
IDR/RM	- strengthen by 3% (2022: 3%)	+16	-	-	-
	- weaken by 3% (2022: 3%)	-16	-	-	-
HKD/RM	- strengthen by 3% (2022: 3%)	+88	+117	-	-
	- weaken by 3% (2022: 3%)	-88	-117	-	-
RMB/RM	- strengthen by 3% (2022: 3%)	+153	+2	-	-
	- weaken by 3% (2022: 3%)	-153	-2	-	-

The exposure to the other currencies are not significant, hence the effects of changes in exchange rates are not presented.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 25 February 2021, the Group announced to Bursa Malaysia Securities Berhad the proposed listing of the subsidiary of the Company, SBG Holdings Sdn. Bhd. ("SBG") and its subsidiaries ("collectively as SBG Group") on the LEAP Market of Bursa Malaysia Securities Berhad ("Proposed Listing").

In conjunction with the Proposed Listing, the Company would undertake the proposed demerger of SBG Group which comprises the Proposed Capitalisation, Proposed Subdivision, Proposed Conversion and Proposed Dividend-in-Specie (collectively as "Proposed Demerger") (details of which were set out in the Circular to Shareholders of the Company dated 22 July 2021).

The Proposed Demerger of SBG Group from the Company involved the following series of transactions and should be implemented in the following sequence:

(i) Proposed Capitalisation

To facilitate the Proposed Capitalisation, SBL Marketing Sdn. Bhd. ("SBL") and SBFW Marketing Sdn. Bhd. ("SBFW") (both being wholly-owned subsidiaries of SBG) proposed to declare dividend of RM11,997,300 and RM2,703,000 respectively to SBG ("Proposed Dividend by SBL" and "Dividend by SBFW").

Upon completion of the Dividend by SBFW and Proposed Dividend by SBL, SBG proposed to declare dividend of RM30,127,100 to the Company ("Proposed Dividend by SBG"). The Proposed Dividend by SBG would be settled entirely by way of capitalisation via issuance of 30,127,100 new ordinary shares in SBG to the Company.

The Proposed Dividend by SBG was to facilitate the Proposed Dividend-in-Specie as disclosed in Note 40(a)(iv) to the financial statements.

The Dividend by SBFW was completed on 15 June 2021, whilst the Proposed Dividend by SBL and Proposed Dividend by SBG were completed on 16 August 2021 and 30 September 2021, respectively.

(ii) Proposed Subdivision

The issued share capital of SBG was RM25,000,000 comprising 25,000,000 ordinary shares in SBG. Upon completion of the Proposed Capitalisation, the total number of ordinary shares in SBG in issue would increase from 25,000,000 to 55,127,100.

To facilitate the Proposed Dividend-in-Specie, it was proposed that the 55,127,100 ordinary shares in SBG be subdivided into 200,995,123 ordinary shares in SBG such that SBG would have the same total number of issued shares as the Company (excluding treasury shares). Following the completion of the Proposed Subdivision, the issued share capital of SBG would be RM55,127,100 comprising 200,995,123 ordinary shares in SBG.

The Proposed Subdivision would be effected before the implementation of the Proposed Conversion and the Proposed Dividend-in-Specie. The Proposed Subdivision was completed on 10 December 2021.

(iii) Proposed Conversion

SBG would be converted into a public limited company prior to the implementation of the Proposed Dividend-in-Specie to facilitate the Proposed Listing.

(iv) Proposed Dividend-in-Specie

Following the completion of the Proposed Capitalisation, Proposed Subdivision and Proposed Conversion as well as after the receipt of the approval-in-principle from Bursa Malaysia Securities Berhad for the Proposed Listing, the Company would distribute via a dividend-in-specie, its entire shareholdings in SBG and rights attaching to ordinary shares in SBG to the shareholders of the Company whose names appear in the Company's Record of Depositors ("Entitled Shareholders") on the basis of one (1) ordinary share in SBG for every one (1) ordinary share in the Company ("Bonia Share") held on an entitlement date to be determined and announced later ("Entitlement Date") (excluding treasury shares) from its retained earnings.

The completion of the Proposed Dividend-in-Specie would result in the demerger of SBG Group from the Company.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

(a) (continued)

On 21 June 2023, the Proposed Conversion and Proposed Dividend-in-Specie were pending completion. However, the Board, after due deliberations and having considered the then current economic conditions amid the elevated inflationary pressure, changes in the monetary policy and prognosis of global recession which might affect the consumers' sentiment, had decided not to proceed with the Proposals at that juncture. Such decision was made as the Company has been continuously evaluating the structural changes in the retail environment brought on by recent market and economic conditions in order to drive the business growth of each unique in-house brand within the Group.

(b) The Company subscribed for 31,957,000 ordinary shares in the share capital of MAC at a price of RM1.00 per share by way of cash subscription.

(c) Amount owing by a subsidiary namely MAC amounting to RM8,565,000 had been capitalised as additional cost of investment of the Company in the subsidiary.

(d) VASB acquired 4,900 ordinary shares representing a 49% equity interest in KSB for a total consideration of RM4,900. As a result, KSB became a wholly-owned subsidiary of VASB. Subsequently, VASB disposed its entire equity interest in KSB to the Company for a total consideration of RM25,151, resulted KSB to become a wholly-owned subsidiary of the Company.

(e) The Company received total distributions of RM1,090,000 in cash from ECW under its members' voluntary winding-up.

(f) The Company received total distributions of RM470,000 in cash from AISB under its members' voluntary winding-up.

(g) The Company had on 21 June 2023, inked a conditional Share Sale Agreement ("SSA") with a related party, Remarkable Success Sdn. Bhd. ("RSSB", a company controlled by Dato' Sri Chiang Fong Tat) to dispose 30% of the Company's equity interest (equivalent to the then 60,298,537 ordinary shares in issue of SBG) held in SBG Holdings Sdn. Bhd. (a then wholly-owned subsidiary of the Company) to RSSB at a disposal consideration of RM17,597,330 ("Disposal Consideration") to be satisfied entirely in cash (collectively, "Disposal").

The Disposal was completed on 1 September 2023 following: (i) the Company's receipt of the balance Disposal Consideration of RM15,837,597 from RSSB, and (ii) the fulfilment of all conditions precedent in the SSA by both the Company and RSSB.

(h) On 7 December 2022, a subsidiary of the Company, MAC entered into a Sale and Purchase Agreement with a third party for the acquisition of all that piece of freehold land held under Title Geran 25630 Lot 456 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring 1403.707 square meters in area together with a double storey bungalow and a guard house erected thereon bearing postal address at 8, Jalan Delima, 55100 Kuala Lumpur at a total purchase consideration of RM35,507,000. The transaction has been completed as at the end of the reporting period.

(i) Material litigation

The 60% owned subsidiaries of the Company, AMSB and Mcore (collectively referred as "the Plaintiffs") had filed a civil suit on 3 August 2011 against Leong Tat Yan ("the Defendant"). AMSB and Mcore claimed against Leong Tat Yan for a sum of RM946,000 and RM2,250,000 respectively, being the proceeds of sale from the joint venture business owed by Leong Tat Yan.

Leong Tat Yan owns 40% of the equity interest in AMSB and he is also a controlling shareholder of 388 Venture Corporation Sdn. Bhd. which owns 40% of the equity interest in Mcore.

There are losses of RM5,389,000 arising from the dispute of which management had made the necessary impairment in the previous financial year. The losses includes impairment loss of trade receivables amounting to RM3,196,000 and inventories written off of RM2,193,000 (before non-controlling interest's share of loss).

The Plaintiffs filed a Notice of Appeal on 9 April 2013 against part of the decision of the High Court dated 27 March 2013 in connection with the service of Writ of Summons and Statement of Claim on the Defendant. The Defendant also filed a Notice of Appeal against part of the decision of the High Court dated 27 March 2013 in connection with jurisdiction and forum.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

(i) Material litigation (continued)

On the hearing date of 8 July 2013, the Court of Appeal allowed the Defendant's appeal with costs of RM10,000 and the Plaintiffs' appeal was accordingly withdrawn with no order as to costs as it was no longer sustainable.

After discussing with their legal advisors, the Plaintiffs (also referred to as "Applicants") had on 7 August 2013, filed a Notice of Motion in the Federal Court for the following orders:

(i) the Applicants be granted leave to appeal to the Federal Court against the whole of the decision of the Court of Appeal given on the 8 July 2013 in Civil Appeal No. W-02(IM)(NCVC)-797-04/2013 pursuant to Sections 96 and 97 of the Courts of Judicature Act, 1964 read with Rules 55, 107 and/or 108 of the Federal Court Rules, 1995 and/or the inherent jurisdiction of the Federal Court.

(ii) in the event that leave to appeal is granted by the Federal Court, the Applicants be granted leave to file and serve a Notice of Appeal to the Federal Court within 7 days from the date of the order pursuant to Rule 108 of the Federal Court Rules, 1995.

(iii) the costs of the application filed by the Applicants be costs in the cause.

(iv) such further or other relief of the Federal Court may deem fit.

Leave to appeal to the Federal Court was granted on 29 January 2015.

On the hearing date of 9 November 2015, the Federal Court allowed the Applicant's appeal and set aside the Court of Appeal's Order dated 8 July 2013 in whole, thereby reversing the Court of Appeal's decision that the High Court has no jurisdiction over Leong Tat Yan.

The Plaintiffs had on 31 October 2016 filed a Writ of Summon and Statement of Claim against the Defendant and served the same on the Defendant on 2 November 2016.

On 21 November 2016, the Defendant filed two (2) separate applications for a declaration that the Malaysian Court has no jurisdiction over the Defendant and for consequential relief (Enclosure 10), and for a declaration that the Malaysian Court is not the appropriate forum to try the Plaintiffs' claim and consequently for a stay of proceedings (Enclosure 11).

On 16 December 2016, the Defendant filed two (2) separate applications to strike out the Writ of Summons dated 31 October 2016 for lack of authority (Enclosure 20) and for a stay of proceedings pending arbitration (Enclosure 22).

On 25 January 2017, the Defendant withdrew Enclosure 20 with no order as to costs.

On 25 April 2017, the High Court dismissed Enclosures 10 and 11 with costs of RM5,000 for each enclosure.

On 3 May 2017, the Defendant filed two (2) appeals against the High Court's decisions on Enclosures 10 and 11 ("Appeals").

On 8 May 2017, the Defendant filed an application to stay the proceedings pending the disposal of the Appeals (Enclosure 43).

On 11 May 2017, the Defendant filed two (2) separate applications for an extension of time to file his Defence (Enclosure 47) and to strike out the Writ of Summons for abuse of process (Enclosure 50).

On 23 May 2017, the High Court dismissed Enclosure 43 with costs of RM1,500. The Judge also granted Enclosure 47 with no order as to costs, and directed the Defendant to file his Defence by 23 June 2017. The Defendant also withdrew Enclosure 50, which was accordingly struck out with no order as to costs.

On 22 June 2017, the Defendant filed his Defence and Counterclaim claiming general damages, exemplary damages, and costs for abuse of process. The Plaintiffs filed their Reply and Defence to Counterclaim on 24 July 2017.

On 17 October 2017, the Court of Appeal dismissed the Appeals with costs of RM5,000 for each appeal.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

(i) Material litigation (continued)

On 5 January 2018, the High Court allowed the Defendant's application to stay the proceedings pending reference of the dispute to arbitration, with costs of RM5,000 to follow the outcome of the arbitration.

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

On 26 June 2018, the Court of Appeal allowed the Plaintiffs' appeal and reversed the decision of the High Court, with costs of RM15,000 for the Court of Appeal and High Court proceedings awarded to the Plaintiffs.

On 3 July 2018, the Respondent filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal.

On 20 July 2018, the Defendant filed an application to stay the proceedings pending the disposal of the Federal Court proceedings (Enclosure 7).

On 30 July 2018, the Plaintiffs filed an application for security for costs (Enclosure 13).

On 8 October 2018, the Federal Court allowed the Defendant's application to stay the proceedings in full and the Plaintiffs' application for security for costs in part.

The Defendant's application for leave to appeal to the Federal Court on Enclosure 22 is fixed for Case Management on 26 November 2020.

On 26 February 2021, the Defendant's application for leave to appeal to the Federal Court on Enclosure 22 was dismissed and the matter was remitted to the High Court for trial.

On 30 August 2023, the High Court allowed the Plaintiffs' claim against the Defendant and made the following orders:

i. The Defendant is to pay the 1st Plaintiff, ie. AMSB the following sums:
   a. RM946,496.39;
   b. RM3,303,671.00; and
   c. Interest on the sums in (a) and (b) above at the rate of 5% per annum from the date of judgment to the date of full realisation.
ii. The Defendant is to pay the 2nd Plaintiff, ie. Mcore the following sums:
   a. RM2,249,751.08;
   b. RM14,871,167.03; and
   c. Interest on the sums in (a) and (b) above at the rate of 5% per annum from the date of judgment to the date of full realisation.
iii. The Defendant is to pay the Plaintiffs costs of RM100,000.
iv. The Defendant's counterclaim is dismissed.

The Defendant filed an appeal against the decision of the High Court on 21 September 2023. No hearing date has been fixed yet.

41. COMPARATIVES

On 25 February 2021, the Group announced to Bursa Malaysia Securities Berhad the proposed listing of the subsidiary of the Company, SBG Holdings Sdn. Bhd. ("SBG") and its subsidiaries ("collectively as SBG Group") on the LEAP Market of Bursa Malaysia Securities Berhad ("Proposed Listing"). In conjunction with the Proposed Listing, the Company would undertake the proposed demerger of SBG Group which comprised the Proposed Capitalisation, Proposed Subdivision, Proposed Conversion and Proposed Dividend-in-Specie (collectively as "Proposed Demerger"). Accordingly, the assets and liabilities of SBG Group were classified as disposal group held for distribution and the financial results of SBG Group were classified as discontinuing operations.

41. COMPARATIVES (continued)

Subsequently on 21 June 2023, the Group announced not to proceed with the Proposed Demerger and Proposed Listings. Accordingly, the statements of profit or loss and other comprehensive income for the financial year ended 30 June 2022 have been re-presented retrospectively.

The effects of the reclassifications are as follows:

	As previously reported RM'000	Results from discontinuing operations RM'000	As re-presented RM'000
Group			
2022			
Revenue	333,011	36,246	369,257
Cost of sales	(140,517)	(13,682)	(154,199)
Gross profit	192,494	22,564	215,058
Other operating income	22,444	1,905	24,349
Selling and distribution expenses	(90,404)	(7,836)	(98,240)
General and administrative expenses	(63,601)	(10,232)	(73,833)
Finance costs	(4,865)	(343)	(5,208)
Share of profit of an associate, net of tax	256	-	256
Profit before tax	56,324	6,058	62,382
Tax expense	(8,880)	(941)	(9,821)
Profit for the financial year	47,444	5,117	52,561
Profit for the financial year for discontinuing operations, net of tax	5,117	(5,117)	-
	52,561	-	52,561

BONIA CORPORATION BERHAD

Registration No. 199101013622 (223934-T)