



BONIA CORPORATION BERHAD

Registration No. 199101013622 (223934-T)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021**


BONIA CORPORATION BERHAD

 Registration No. 199101013622 (223934-T)
 (Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	As At 31/12/2021 RM'000 Unaudited	As At 30/6/2021 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	86,660	87,522
Right-of-use assets	45,010	44,953
Investment properties	99,183	98,952
Intangible assets	72,879	73,740
Interests in associates	324	238
Other investments	1,106	1,120
Deferred tax assets	1,223	1,428
Other receivables	2,297	2,092
	308,682	310,045
CURRENT ASSETS		
Inventories	54,096	60,792
Trade and other receivables	52,919	43,351
Current tax assets	1,269	1,644
Cash and bank balances	106,940	85,203
Short term funds	13,646	15,493
	228,870	206,483
Assets of disposal group classified as held for sale/held for distribution*	66,512	65,149
TOTAL ASSETS	604,064	581,677
EQUITY AND LIABILITIES		
Equity attributable to the owners of the parent		
Share capital	201,572	201,572
Treasury shares	(485)	(485)
Reserves	174,049	163,468
	375,136	364,555
Non-controlling interests	21,641	20,480
TOTAL EQUITY	396,777	385,035
NON-CURRENT LIABILITIES		
Borrowings	72,926	75,046
Lease liabilities	31,217	28,288
Other payables	5,059	5,015
Provision for restoration costs	1,418	1,370
Deferred tax liabilities	6,088	6,240
	116,708	115,959
CURRENT LIABILITIES		
Trade and other payables	26,849	20,943
Borrowings	11,703	6,834
Contract liabilities	20,608	21,137
Lease liabilities	17,363	20,846
Provision for restoration costs	317	415
Current tax liabilities	3,268	1,250
	80,108	71,425
Liabilities of disposal group classified as held for distribution*	10,471	9,258
TOTAL LIABILITIES	207,287	196,642
TOTAL EQUITY AND LIABILITIES	604,064	581,677
	-	-
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM) :	1.8664	1.8138

* The disposal group is in respect of the assets and liabilities of SBG Holdings Sdn Bhd and its subsidiaries which is held for distribution to shareholders of the Company.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2021)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000
<u>Continuing operations</u>				
Revenue	102,200	75,893	145,048	145,479
Cost of sales	(44,581)	(36,564)	(64,794)	(69,905)
Gross profit	57,619	39,329	80,254	75,574
Selling and distribution expenses	(23,478)	(21,538)	(40,485)	(41,224)
General and administration expenses	(15,314)	(14,658)	(29,678)	(29,218)
Other operating income	4,599	6,224	11,769	12,099
Profit from operations	23,426	9,357	21,860	17,231
Finance income	156	196	304	385
Finance costs	(1,252)	(1,234)	(2,450)	(2,373)
Share of results of an associate	134	(24)	86	(18)
Profit before tax	22,464	8,295	19,800	15,225
Taxation	(1,955)	(1,643)	(2,575)	(3,341)
Profit for the period	20,509	6,652	17,225	11,884
<u>Discontinuing operations</u> *				
Profit from discontinuing operations, net of tax	2,578	877	847	2,100
Profit for the period	23,087	7,529	18,072	13,984
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
<u>Continuing operations</u>				
Reclassification of exchange translation reserve to profit or loss upon deregistration of a foreign subsidiary	-	-	-	50
Foreign currency exchange differences	96	791	(30)	(1,436)
Total comprehensive income for the period	23,183	8,320	18,042	12,598
Profit attributable to :				
Owners of the parent				
- from continuing operations	16,850	5,514	13,740	9,653
- from discontinuing operations	2,578	877	847	2,100
	19,428	6,391	14,587	11,753
Non-controlling interests				
- from continuing operations	3,659	1,138	3,485	2,231
Total comprehensive income attributable to :	23,087	7,529	18,072	13,984
Owners of the parent				
- from continuing operations	16,957	6,117	13,754	8,182
- from discontinuing operations	2,578	877	847	2,100
	19,535	6,994	14,601	10,282
Non-controlling interests				
- from continuing operations	3,648	1,326	3,441	2,316
Total comprehensive income attributable to :	23,183	8,320	18,042	12,598
Net earnings per share attributable to owners of the parent :				
Basic (sen)				
- from continuing operations	8.38	2.89	6.84	5.05
- from discontinuing operations	1.28	0.46	0.42	1.10
	9.66	3.35	7.26	6.15

* Pursuant to the corporate proposal as disclosed in Note 19 of this interim report, the disposal group held for distribution was presented as discontinuing operations in line with the requirements of MFRS 5 *Non-current Assets held for Sale and Discontinued Operations*.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2021)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Owners of the Parent →					Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Exchange Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000			
Balance as at 1 July 2021	201,572	(485)	13,688	184	149,596	364,555	20,480	385,035
Profit for the financial period	-	-	-	-	14,587	14,587	3,485	18,072
Foreign currency translations	-	-	14	-	-	14	(44)	(30)
Total comprehensive loss for the period	-	-	14	-	14,587	14,601	3,441	18,042
Transaction with owners :								
Dividends paid	-	-	-	-	(4,020)	(4,020)	-	(4,020)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(2,280)	(2,280)
Total transactions with owners	-	-	-	-	(4,020)	(4,020)	(2,280)	(6,300)
Balance as at 31 December 2021	201,572	(485)	13,702	184	160,163	375,136	21,641	396,777
Balance as at 1 July 2020	201,572	(6,100)	14,876	2,521	153,437	366,306	20,259	386,565
Profit for the financial period	-	-	-	-	11,753	11,753	2,231	13,984
Foreign currency translations	-	-	(1,521)	-	-	(1,521)	85	(1,436)
Reclassification of exchange translation reserve to profit or loss upon deregistration of a foreign subsidiary	-	-	50	-	-	50	-	50
Total comprehensive loss for the period	-	-	(1,471)	-	11,753	10,282	2,316	12,598
Transaction with owners :								
Dividends paid	-	-	-	-	(3,815)	(3,815)	-	(3,815)
Repurchase of treasury shares	-	(4,344)	-	-	-	(4,344)	-	(4,344)
Transfer of reserves	-	-	-	(2,337)	2,337	-	-	-
Total transaction with owners	-	(4,344)	-	(2,337)	(1,478)	(8,159)	-	(8,159)
Balance as at 31 December 2020	201,572	(10,444)	13,405	184	163,712	368,429	22,575	391,004

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2021)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
	Cumulative Quarter	
	31/12/2021	31/12/2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax :		
From continuing operations	19,800	15,225
From discontinuing operations	1,222	1,834
	21,022	17,059
Adjustments for :		
Amortisation of intangible assets	691	201
Amortisation of trademarks	132	689
Bad debts written off	-	7
Depreciation of property, plant and equipment	4,251	5,260
Depreciation of right-of-use assets	12,190	12,945
Fair value loss on other investment	14	14
Fair value (gain)/loss on short term funds	(38)	497
Gain on disposals of property, plant and equipment, net	(26)	(210)
Gain on disposal of right-of-use asset	(376)	-
Gain on disposals of investment properties	-	(170)
Loss on deregistration of a foreign subsidiary	-	50
Gain on reassessments and modifications of leases	(24)	(60)
(reversal of impairment loss)/Impairment loss, net on:		
- trade and other receivables	(381)	853
Interest income and distribution income from cash and bank balances and short term funds	(476)	(558)
Interest expense and profit payment on borrowings	2,646	2,613
Lease concessions	(5,845)	(2,763)
Loss on disposal of other investment	-	27
Property, plant and equipment written off	44	206
Share of (profit)/loss of an associate	(86)	18
Unrealised (gain)/loss on foreign exchange, net	(116)	334
Operating profit before changes in working capital	33,622	37,012
Changes in working capital		
Net change in current assets	(2,913)	6,605
Net change in current liabilities	6,303	3,923
Cash generated from/(used in) operations	37,012	47,540
Tax (paid)/refunded, net	(356)	(3,683)
Net cash from/(used in) operating activities	36,656	43,857
Cash flows from investing activities		
Interest received	476	558
Placement of short term funds	1,516	(4,440)
Proceeds from disposal of property, plant and equipment	26	170
Proceeds from disposal of investment property	-	13,080
Proceeds from disposal of other investment	-	6
Proceeds from disposal of right-of-use asset	1,000	-
Purchase of property, plant and equipment	(2,948)	(53,188)
Purchase of right-of-use assets	-	(89)
Net cash from/(used in) investing activities	70	(43,903)
Cash flows from financing activities		
Interest paid and profit paid on borrowings	(1,422)	(919)
Dividends paid to owners of the parent	(4,020)	(3,815)
Dividends paid to non-controlling interests	(2,280)	-
Net financing/(repayments) of bank borrowings	2,758	33,759
Payments of lease liabilities	(8,113)	(11,505)
Repurchase of own shares	-	(4,344)
Net cash from/(used in) financing activities	(13,077)	13,176
Net changes in cash and cash equivalents	23,649	13,130
Cash and cash equivalents at beginning of financial period	97,800	77,644
Effects of exchange rate changes on cash and cash equivalents	(509)	(380)
Cash and cash equivalents at end of financial period	120,940	90,394

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2021)

**BONIA CORPORATION BERHAD**Registration No. 199101013622 (223934-T)
(Incorporated in Malaysia)**NOTES TO INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021****1. Basis of Preparation**

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRS”) MFRS 134: “Interim Financial Reporting” and Chapter 9 Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). This Report also complied with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

This Report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2021.

The explanatory notes attached to this Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

2. Accounting Policies

The significant accounting policies adopted by the Group in this Report are consistent with those adopted in the Audited Financial Statements of the Group for the financial year ended 30 June 2021 except for the adoption of the following new accounting standards and amendments and interpretation:

2.1 Standards of MFRS and Amendments effective for financial years beginning on or after 1 July 2021

Title
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform – Phase 2</i>
Amendments to MFRS 16 <i>Covid-19 – Related Rent Concessions beyond 30 June 2021</i>

The adoption of the above standards and amendments has no significant impact on the financial statements of the Group for the current quarter.

2.2 Standards of MFRS and Amendments issued but not yet effective and not early adopted

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been early adopted by the Group and the Company:

Title	Effective date
Annual Improvements to MFRS Standards 2018 - 2020	1 July 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 July 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 July 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 July 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 July 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 July 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 July 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 July 2023
MFRS 17 <i>Insurance Contracts</i>	1 July 2023
Amendments to MFRS 112 <i>Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 July 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 July 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred



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2. Accounting Policies (Cont'd)

**2.2 Standards of MFRS and Amendments issued but not yet effective and not early adopted
(Cont'd)**

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments in the year of initial application.

3. Seasonality or Cyclicity of Interim Operations

The business operations of the Group are generally dependent on the regional economy, consumer confidence and Government restrictions and policies on retail operations, as well as major festive seasons.

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

Other than the Covid-19 impact as disclosed in Note 15, there were no unusual items as a result of their nature, size or incidence that had affected this Interim Financial Report during the financial period.

5. Material Changes in Estimation

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current financial period.

6. Debts and Equity Securities

There were no issuance, cancellation, resale or repayments of debts and equity securities for the financial period ended 31 December 2021.

7. Dividends Paid

The dividend paid during the financial period ended 31 December 2021 is as follows:

RM'000

In respect of the financial year ending 30 June 2022:

- Single tier interim dividend of 2.00 sen per ordinary share, paid on 28 October 2021 4,020



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**NOTES TO INTERIM FINANCIAL REPORT
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8. Segmental Information

The Group reported operating segments that are according to the nature of products and services which are requires different business and marketing strategies. The Group operates mainly in Malaysia, Singapore and Indonesia. The Group segmental analysis for six months ended 31 December 2021 are as follows:-

6-month ended 31.12.2021	Retailing				Manufacturing	Investment and Property Development	Total Continuing Operations	Discontinuing Operations	Total
	Malaysia	Singapore	Indonesia	Other Countries					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>									
Total Revenue	81,096	50,653	6,780	5,421	4,796	43,001	191,747	12,589	204,336
Inter-segment revenue	-	-	-	-	(4,796)	(41,903)	(46,699)	-	(46,699)
Revenue from external customers	81,096	50,653	6,780	5,421	-	1,098	145,048	12,589	157,637
<u>Results</u>									
Operating profit/(loss)	13,408	9,366	932	(46)	(237)	(1,563)	21,860	1,246	23,106
Finance income	85	145	3	-	2	69	304	172	476
Finance costs	(807)	(383)	(1)	-	(5)	(1,254)	(2,450)	(196)	(2,646)
Net finance income/(expense)	(722)	(238)	2	-	(3)	(1,185)	(2,146)	(24)	(2,170)
Share of results of an associate	-	-	-	-	-	86	86	-	86
Profit/(Loss) before tax	12,686	9,128	934	(46)	(240)	(2,662)	19,800	1,222	21,022
Segment assets	147,611	119,849	7,909	779	22,040	240,237	538,425	62,246	600,671
Segment liabilities	49,580	58,471	1,068	63	1,340	76,938	187,460	10,165	197,625



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**NOTES TO INTERIM FINANCIAL REPORT
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8. Segmental Information (Cont'd)

6-month ended 31.12.2020	← Retailing →				Manufacturing	Investment and Property Development	Total Continuing Operations	Discontinuing Operations	Total
	Malaysia	Singapore	Indonesia	Other Countries					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>									
Total Revenue	80,985	50,900	8,544	4,297	9,624	12,591	166,941	15,584	182,525
Inter-segment revenue	-	-	-	-	(9,545)	(11,917)	(21,462)	-	(21,462)
Revenue from external customers	80,985	50,900	8,544	4,297	79	674	145,479	15,584	161,063
<u>Results</u>									
Operating profit/(loss)	11,256	7,911	(1,970)	(21)	684	(629)	17,231	1,901	19,132
Finance income	93	223	2	-	-	67	385	173	558
Finance costs	(1,199)	(342)	-	-	(10)	(822)	(2,373)	(240)	(2,613)
Net finance income/(expense)	(1,106)	(119)	2	-	(10)	(755)	(1,988)	(67)	(2,055)
Share of results of an associate	-	-	-	-	-	(18)	(18)	-	(18)
Profit/(Loss) before tax	10,150	7,792	(1,968)	(21)	674	(1,402)	15,225	1,834	17,059
Segment assets	202,373	115,642	11,727	1,735	22,184	176,009	529,670	62,158	591,828
Segment liabilities	45,042	52,004	1,058	4,514	1,950	80,654	185,222	10,511	195,733

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There were no material event subsequent to the end of the current quarter under review up to the date of this report.

10. Changes in the Composition of the Group

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

11. Changes in Contingent Liabilities

The contingent liabilities of the Company as at 31 December 2021 comprised of corporate guarantees given to financial institutions for credit facilities granted to certain subsidiaries amounting to RM185.4 million of which RM88.4 million have been utilised by these subsidiaries.

12. Capital Commitments

Capital commitments as at 31 December 2021 are as follows:

Continuing operations

Authorised and contracted for:
Property, plant and equipment

RM'000

2,403**13. Recurrent Related Party Transactions (“RRPT”)**

The aggregate value of the RRPT conducted by the transacting subsidiaries of the Company (collectively, “Bonia Group”) with the related parties are as follows:

No.	Transacting party	Transacting related party	Interested directors, major shareholders and/or persons connected with them	Nature of transactions	Aggregate value transacted for the financial period ended 31.12.2021 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	78
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	16
3.	Bonia Group	Bonia International Holdings Pte. Ltd. (“BIH”)	Chiang Sang Sem and persons connected with him (including their family)	• Payment of <i>Bonia</i> and <i>Sembonia</i> trademark royalties to BIH	224

Save as disclosed above, there were no other RRPT during the current financial period under review.

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The Group uses the following hierarchy for determining the fair value of financial instruments carried at fair value :

- (i) Level 1 : Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- (ii) Level 2 : Input other than quoted prices including within Level 1 that are observable for the assets and liabilities, either direct or indirect.
- (iii) Level 3 : Input for asset or liability that are not based on observable market data (unobservable inputs).

The following tables set out financial instruments carries at fair value and for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	As at 31 December 2021				
	Fair Value of Financial Instruments Carried at Fair Value				
Continuing Operations	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
Financial Assets Fair value through profit or loss					
- Short term funds	13,646	-	-	13,646	13,646
- Club memberships	-	-	1,106	1,106	1,106

	As at 31 December 2021				
	Fair Value of Financial Instruments Carried at Fair Value				
Discontinuing Operations	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
Financial Assets Fair value through profit or loss					
- Short term funds	13,564	-	-	13,564	13,564

There have been no transfers between the levels of the fair value hierarchy for the financial period ended 31 December 2021.

There were no gain or loss arising from fair value changes of the financial liabilities for the financial period ended 31 December 2021.

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FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021****15. Performance Review****15.1 Continuing Operations**

	Second Quarter Ended			6-Month Period Ended		
	31/12/2021 RM'000	31/12/2020 RM'000	Changes +/(-) %	31/12/2021 RM'000	31/12/2020 RM'000	Changes +/(-) %
Revenue	102,200	75,893	34.7	145,048	145,479	(0.3)
Profit from operations	23,426	9,357	150.4	21,860	17,231	26.9
Interest income	156	196	(20.4)	304	385	(21.0)
Finance costs	(1,252)	(1,234)	(1.5)	(2,450)	(2,373)	(3.2)
Share of results of an associate	134	(24)	658.3	86	(18)	577.8
Profit before tax	22,464	8,295	170.8	19,800	15,225	30.0
Taxation	(1,955)	(1,643)	(18.9)	(2,575)	(3,341)	22.9
Profit for the period	20,509	6,652	208.3	17,225	11,884	44.9

Current Quarter Performance

The increase in revenue by 34.7% to RM102.2 million during the quarter were mainly due to:

- Strong recovery of shopping malls traffic since the easing of lockdown measures in September 2021, coupled with the year-end festive seasons shopping;
- Increase in e-commerce sales of our core brands by 63% compared to 2Q21;
- Investment on digital marketing to enhance our brand presence in social media space; and
- Various in-store marketing and personalisation activities to engage with the customers.

Profit before tax for the quarter improved by 170.8% to RM22.5 million as a result of improving margin.

Year-To-Date Performance

There was a marginal decrease in revenue of 0.3% to RM145.0 million for the 6-Month period ended 31 December 2021. The Group recorded significantly lower revenue in 1Q22 due to the nationwide lockdown in Malaysia but this was offset with the strong rebound of revenue in 2Q22 as a result of the reopening of economic activities and the reinstatement of interstate travelling. During the current financial period, e-commerce revenue of our core brands have grown 70% to RM10.1 million as compared to the corresponding period.

Profit before tax for the period have improved 30% to RM19.8 million as a result of improving margin and scalability of the e-commerce business.

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FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021****15. Performance Review (Cont'd)****15.2 Discontinuing Operations**

	Second Quarter Ended			6-Month Period Ended		
	31/12/2021 RM'000	31/12/2020 RM'000	Changes +/(-) %	31/12/2021 RM'000	31/12/2020 RM'000	Changes +/(-) %
Revenue	10,239	7,155	43.1	12,589	15,584	(19.2)
Profit from operations	2,995	735	307.5	1,246	1,901	(34.5)
Interest income	88	84	4.8	172	173	(0.4)
Finance costs	(101)	(110)	7.9	(196)	(240)	18.2
Profit before tax	2,982	709	320.6	1,222	1,834	(33.4)
Taxation	(404)	168	(340.5)	(375)	266	(241.0)
Profit for the period	2,578	877	194.0	847	2,100	(59.7)

Current Quarter Performance

The increase in revenue of 43.1% in 2Q22 was mainly attributed to the strong recovery of footfall traffic since the easing of lockdown measures in September 2021, as well as the year-end festive seasons. The higher revenue also contributed to higher profit before tax of the discontinuing operations by 320.6% as compared to 2Q21.

Year-To-Date Performance

There was a decrease in revenue of 19.2% to RM12.6 million for the 6-month period ended 31 December 2021. The discontinuing operations suffered a significantly lower revenue in 1Q22 due to the nationwide lockdown in Malaysia from June to August 2021 but this was offset with the rebound in revenue since the reopening of economy. Overall, the discontinuing operations recorded profit before tax of RM1.2 million on cost control measures.



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15. Performance Review (Cont'd)

15.3 Performance of current quarter compared with immediate preceding quarter

	Current Quarter Ended 31/12/2021			Preceding Quarter Ended 30/09/2021			Changes	
	Cont'g Operations RM'000	Discont. Operations RM'000	Total RM'000	Cont'g Operations RM'000	Discont. Operations RM'000	Total RM'000	Cont'g Operations + / (-) %	Discont. Operations + / (-) %
Revenue	102,200	10,239	112,439	42,848	2,350	45,198	138.5	335.7
Profit/(Loss) from operations	23,426	2,995	26,421	(1,566)	(1,749)	(3,315)	1,595.9	271.2
Interest income	156	88	244	148	84	232	5.4	4.8
Finance costs	(1,252)	(101)	(1,353)	(1,198)	(95)	(1,293)	(4.5)	(6.3)
Share of results of an associate	134	-	134	(48)	-	(48)	379.2	-
Profit/(Loss) before tax	22,464	2,982	25,446	(2,664)	(1,760)	(4,424)	943.2	269.4
Taxation	(1,955)	(404)	(2,359)	(620)	29	(591)	(215.2)	(1,493.1)
Profit/(Loss) for the period	20,509	2,578	23,087	(3,284)	(1,731)	(5,015)	724.5	248.9

Continuing Operations

The Group has seen a strong rebound in both revenue and profit before tax in 2Q22 since the reopening of economic activities in Malaysia in September 2021, coupled with the year-end festive seasons shopping. The Group gone through one of the toughest quarters in 1Q22 when the nationwide lockdown took place from June to August 2021 in Malaysia and had recorded loss before tax of RM2.7 million.

Discontinuing Operations

The discontinuing operations have turnaround the net loss of RM1.7 million recorded in 1Q22 to net profit of RM2.6 million in 2Q22. This was primarily due to the strong rebound in sales since the reopening of economic activities in Malaysia in September 2022.

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Moving forward, the Group will continue its effort to build its brand equity via product research and developments, launches of two new collections in a year (spring/summer and autumn/winter), brand building activities by collaborating with local and foreign celebrities, KOL and social influencers to create content that resemble our brands and to reach the target audience.

For offline channel, the Group will focus on opening of new boutiques at strategic locations and modernising the boutique design concept to enhance the brand retail experience for customers.

For e-commerce channel, the Group will continue to invest in digital performance marketing to generate traffic and sales for our own websites. The Group will also expand its presence to the regional market via the major marketplaces.

Barring the discovery of any contagious and deadly Covid-19 variants, the Board is cautiously optimistic for the remaining financial year as a result of reopening of all the economic and social activities in Malaysia and overseas market. In addition, the impending reopening of international borders will also see influx of tourist which will benefit the retail industry.

17. Achievability of Revenue or Profit Estimate, Forecast, Projection or Internal Targets

No revenue or profit estimate, forecast, projection or internal targets have been issued by the Group previously in any public document.

18. Taxation

	Current Quarter 31.12.2021 RM'000	Year-to-date 31.12.2021 RM'000
Continuing Operations		
Current Taxation :		
- Current year tax expense	4,183	4,761
- (Over)/Under provision in prior years	(2,238)	(2,238)
	<u>1,945</u>	<u>2,523</u>
Deferred Taxation :		
- Origination and reversal of temporary differences	69	111
- (Over)/Under provision in prior years	(59)	(59)
	<u>10</u>	<u>52</u>
	<u>1,955</u>	<u>2,575</u>
Discontinuing Operations		
Current Taxation :		
- Current year tax expense	439	553
Deferred Taxation :		
- Origination and reversal of temporary differences	(149)	(178)
	<u>290</u>	<u>375</u>

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The tax charge of the Group for the current financial period reflects an effective tax rate which is lower than the statutory tax rate primarily due to certain tax allowances received from the Government of Singapore.

19. Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but pending completion as at the date of this Report:

- (a) Proposals (ie. Proposed Demerger and Proposed Listing, collectively) - as detailed in the Company'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 (Note: The Company has obtained its shareholders' approval for the Proposed Listing at the Extraordinary General Meeting held on 11 August 2021); and
- (b) Proposed Share Buy-Back - as detailed in the Company's Circular to shareholders in relation to the Proposed Renewal Of Shareholders' Mandate To Enable Bonia Corporation Berhad To Purchase Up To 10% Of Its Total Number Of Issued Shares, dated 29 October 2021 (Note: The Company has obtained its shareholders' approval for the Proposed Share Buy-Back at the Annual General Meeting held on 30 November 2021).

20. Borrowings

Borrowings of the Group as at 31 December 2021 are as follows:

Continuing Operations	Current RM'000	Non-current RM'000	Total RM'000
<i>Secured</i>			
Term loan	2,272	14,905	17,177
Term financing-i	1,355	58,021	59,376
	3,627	72,926	76,553
<i>Unsecured</i>			
Bankers' acceptance	3,161	-	3,161
Trust receipt	4,915	-	4,915
	8,076	-	8,076
Total borrowings	11,703	72,926	84,629

Borrowings denominated in foreign currency are as follows:

	Foreign Currency '000	RM Equivalent '000
Singapore Dollar	4,304	13,279

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

	Current Quarter Ended 31/12/21			6-Month Ended 31/12/21		
	Continuing Operations RM'000	Discontinuing Operations RM'000	Total RM'000	Continuing Operations RM'000	Discontinuing Operations RM'000	Total RM'000
Amortisation of intangible assets	30	-	30	132	-	132
Amortisation of trademarks	345	-	345	691	-	691
Depreciation of property, plant and equipment	1,927	293	2,220	3,657	594	4,251
Depreciation of right-of-use assets	5,493	653	6,146	10,888	1,302	12,190
Fair value loss on other investment	7	-	7	14	-	14
(Gain)/Loss on disposal of property, plant and equipment	(26)	-	(26)	(26)	-	(26)
(Gain)/Loss on disposal of right-of-use asset	-	-	-	(376)	-	(376)
Interest expense	1,252	101	1,353	2,450	196	2,646
Interest income and distribution income from short term funds	(156)	(88)	(244)	(304)	(172)	(476)
Lease concession	(3,046)	(318)	(3,364)	(5,215)	(630)	(5,845)
Net provision/(reversal) of impairment loss on trade and other receivables	(1,361)	(479)	(1,840)	(420)	39	(381)
Property, plant and equipment written off	44	-	44	44	-	44
Realised (gain)/loss on foreign exchange, net	148	1	149	97	2	99
Unrealised (gain)/loss on foreign exchange, net	49	5	54	(113)	(3)	(116)

Save as disclosed, the Group does not have other material items that being recognised as profit/loss in the condensed consolidated statement of comprehensive income in this report.



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22. Material Litigation

Apex Marble Sdn. Bhd. And Mcore Sdn. Bhd. (collectively as “Plaintiffs”) vs Leong Tat Yan (“Defendant”)

Further to the announcement on the quarterly results (under Note B12) made on 22 November 2013, the Plaintiffs had on 31 October 2016 filed a Writ of Summons and Statement of Claim against the Defendant and served the same on the Defendant on 2 November 2016.

On 21 November 2016, the Defendant filed 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 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 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 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.

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

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

On 26 June 2018, the Court of Appeal allowed the appeal on Enclosure 22 with costs of RM15,000 for the Court of Appeal and High Court proceedings.

On 3 July 2018, the Defendant applied for leave to the Federal Court to appeal against the Court of Appeal’s decision on Enclosure 22.

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).

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On 8 October 2018, the Federal Court allowed Enclosure 7 in full and Enclosure 13 in part.

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.

The matter was fixed for trial on 10 to 13 January 2022. These trial dates were subsequently vacated.

The matter is fixed for Case Management in the High Court on 1 March 2022.

Save and except for the abovementioned litigation, there is no other material litigation filed by the Company at the date of this report.

23. Dividends

The Board is pleased to declare: (i) a single tier interim dividend of 2.00 sen per ordinary share; and (ii) a single tier special dividend of 1.00 sen per ordinary share for the financial year ending 30 June 2022 ("FY22"), payable on 29 March 2022 to the shareholders of the Company whose names appear in the Record of Depositors on 15 March 2022 (2Q2021: 2.00 sen per ordinary share).

This results in a total dividend declared for the current FY22 of 5.00 sen per ordinary share as at the date of this report (2Q2021: 2.00 sen per ordinary share).

24. Earnings Per Share

The basic earnings per ordinary share was computed by dividing the Group's profit for the financial period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial period.

	Individual Quarter		Cumulative Quarter	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
<i>Profit for the period</i>				
Profit attributable to owners of the parent :				
- Continuing operations	16,850	5,514	13,740	9,653
- Discontinuing operations	2,578	877	847	2,100
	<u>19,428</u>	<u>6,391</u>	<u>14,587</u>	<u>11,753</u>
<i>Number of ordinary shares</i>				
Weighted average number of ordinary shares ('000)				
	<u>200,995</u>	<u>190,482</u>	<u>200,995</u>	<u>191,001</u>
Basic earnings per share (sen) :				
- Continuing operations	8.38	2.89	6.84	5.05
- Discontinuing operations	1.28	0.46	0.42	1.10
	<u>9.66</u>	<u>3.35</u>	<u>7.26</u>	<u>6.15</u>



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25. Qualification of Preceding Annual Financial Statements

The Company's preceding Audited Financial Statements for the financial year ended 30 June 2021 did not contain any qualification.

By Order of the Board,

BONIA CORPORATION BERHAD

CHONG CHIN LOOK

Group Finance Director

Kuala Lumpur

24 February 2022