



| <b>UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2016</b>             |   |   |
|--|---|---|
| <b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>                            |   |   |
|  | <b>As At<br/>30 Jun 2016<br/>RM'000<br/>(UNAUDITED)</b> | <b>As At<br/>30 Jun 2015<br/>RM'000</b> |
| <b>ASSETS</b>  |   |   |
| <b>NON-CURRENT ASSETS</b>  |   |   |
| Property, plant and equipment  | 190,820   | 183,329                                 |
| Investment properties  | 32,801  | 38,044                                  |
| Intangible assets  | 93,171  | 69,006                                  |
| Investments in associates  | 84  | 97                                      |
| Other investments  | 1,298   | 1,137                                   |
| Deferred tax assets  | 2,113   | 3,430                                   |
| Trade and other receivable   | 10,729  | 0                                       |
| <b>Total non-current assets</b>  | <b>331,016</b>  | <b>295,043</b>                          |
| <b>CURRENT ASSETS</b>  |   |   |
| Inventories  | 149,426   | 153,523                                 |
| Trade and other receivables  | 113,777   | 133,867                                 |
| Current tax assets   | 7,099   | 3,658                                   |
| Cash and cash equivalents  | 101,329   | 78,775                                  |
| <b>Total current assets</b>  | <b>371,631</b>  | <b>369,823</b>                          |
| <b>Non-current Asset Classified As Held For Sale</b>                                     | 6,952   | -                                       |
| <b>TOTAL ASSETS</b>  | <b>709,599</b>  | <b>664,866</b>                          |
| <b>EQUITY AND LIABILITIES</b>  |   |   |
| Share capital  | 201,572   | 201,572                                 |
| Reserves   | 204,370   | 185,944                                 |
| <b>Total equity attributable to the owners of the parent</b>                             | <b>405,942</b>  | <b>387,516</b>                          |
| <b>Non-controlling Interest</b>  | <b>17,532</b>   | <b>16,789</b>                           |
| <b>Total equity</b>  | <b>423,474</b>  | <b>404,305</b>                          |
| <b>NON-CURRENT LIABILITIES</b>   |   |   |
| Long term borrowings   | 106,344   | 100,088                                 |
| Trade and other payables   | 5,775   | 4,893                                   |
| Provision for restoration costs  | 2,809   | 1,963                                   |
| Deferred tax liabilities   | 6,859   | 7,322                                   |
| <b>Total non-current liabilities</b>   | <b>121,787</b>  | <b>114,266</b>                          |
| <b>CURRENT LIABILITIES</b>   |   |   |
| Trade and other payables   | 114,987   | 98,452                                  |
| Bank borrowings  | 46,480  | 42,998                                  |
| Provision for restoration costs  | 87  | 447                                     |
| Current tax payables   | 2,784   | 4,398                                   |
| <b>Total current liabilities</b>   | <b>164,338</b>  | <b>146,295</b>                          |
| <b>Total liabilities</b>   | <b>286,125</b>  | <b>260,561</b>                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>709,599</b>  | <b>664,866</b>                          |
|  | -   | -                                       |
| <b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM) :</b> | <b>0.50</b>   | <b>0.48</b>                             |

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report of the Group for the financial year ended 30 June 2015)*



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | Individual Quarter                               |   | Cumulative Quarter                                |  |
|--|--|---|---|--|
|  | Current Year<br>Quarter<br>30 Jun 2016<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>30 Jun 2015<br>RM'000 | Current Year-<br>To-Date<br>30 Jun 2016<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>30 Jun 2015<br>RM'000 |
| <b>Revenue</b>   | <b>159,834</b>                                   | <b>148,306</b>  | <b>665,438</b>                                    | <b>695,329</b>   |
| Cost of sales  | (73,105)   | (60,628)  | (299,252)   | (284,520)  |
| <b>Gross profit</b>  | <b>86,729</b>                                    | <b>87,678</b>   | <b>366,186</b>                                    | <b>410,809</b>   |
| Selling and distribution expenses  | (49,609)   | (51,262)  | (197,187)   | (216,675)  |
| General and administration expenses                                      | (29,901)   | (28,207)  | (123,574)   | (122,354)  |
| Other operating income   | 5,133  | 4,354   | 11,486  | 11,573   |
| <b>Profit from operations</b>  | <b>12,352</b>                                    | <b>12,563</b>   | <b>56,911</b>                                     | <b>83,353</b>  |
| Finance costs  | (3,256)  | (2,787)   | (11,211)  | (10,438)   |
| Share of results of associates   | 28   | (287)   | 295   | (209)  |
| <b>Profit before tax</b>   | <b>9,124</b>                                     | <b>9,489</b>  | <b>45,995</b>                                     | <b>72,706</b>  |
| Taxation   | (3,119)  | (3,134)   | (15,941)  | (21,910)   |
| <b>Profit for the period</b>   | <b>6,005</b>                                     | <b>6,355</b>  | <b>30,054</b>                                     | <b>50,796</b>  |
| Other comprehensive income   |  |   |   |  |
| Fair value loss on available-for-sale financial assets                   | (25)   | -   | (25)  | -  |
| Foreign currency exchange differences arising from consolidation         | 767  | 2,220   | 4,280   | 3,814  |
| <b>Total comprehensive income for the period</b>                         | <b>6,747</b>                                     | <b>8,575</b>  | <b>34,309</b>                                     | <b>54,610</b>  |
| <b>Profit attributable to :</b>  |  |   |   |  |
| Owners of the parent   | 4,123  | 4,382   | 24,908  | 45,324   |
| Non-controlling Interests  | 1,882  | 1,973   | 5,146   | 5,472  |
|  | <b>6,005</b>                                     | <b>6,355</b>  | <b>30,054</b>                                     | <b>50,796</b>  |
| <b>Total comprehensive income attributable to :</b>                      |  |   |   |  |
| Owners of the parent   | 4,522  | 6,208   | 28,505  | 48,397   |
| Non-controlling Interests  | 2,225  | 2,367   | 5,804   | 6,213  |
|  | <b>6,747</b>                                     | <b>8,575</b>  | <b>34,309</b>                                     | <b>54,610</b>  |
| Net earnings per share attributable to owners of the parent<br>(Note 25) |  |   |   |  |
| - Basic (sen)  | 0.51   | 0.54  | 3.09  | 5.62   |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report of the Group for the financial year ended 30 June 2015)



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | Attributable to owners of the parent |                         |                                      |  |                           |                             |                     | Non-controlling interests<br>RM'000 | Total Equity<br>RM'000 |
|---|--------------------------------------|-------------------------|--------------------------------------|--|---------------------------|-----------------------------|---------------------|-------------------------------------|------------------------|
|   | Non-Distributable                    |                         |                                      | Distributable                          |                           |                             |                     |                                     |                        |
|   | Share Capital<br>RM'000              | Share Premium<br>RM'000 | Available-for-sale Reserve<br>RM'000 | Exchange Translation Reserve<br>RM'000 | Treasury Shares<br>RM'000 | Retained Earnings<br>RM'000 | Sub-total<br>RM'000 |                                     |                        |
| <b>At 1 July 2015</b>                                       | 201,572                              | -                       | (12)                                 | 3,745                                  | -                         | 182,211                     | 387,516             | 16,789                              | 404,305                |
| Profit for the financial year                               | -                                    | -                       | -                                    | -                                      | -                         | 24,908                      | 24,908              | 5,146                               | 30,054                 |
| Fair value changes in available-for-sale financial assets   | -                                    | -                       | (25)                                 | -                                      | -                         | -                           | (25)                | -                                   | (25)                   |
| Foreign currency translations                               | -                                    | -                       | -                                    | 3,622                                  | -                         | -                           | 3,622               | 658                                 | 4,280                  |
| <b>Total comprehensive income for the period</b>            | -                                    | -                       | (25)                                 | 3,622                                  | -                         | 24,908                      | 28,505              | 5,804                               | 34,309                 |
| Transaction with owners:                                    |                                      |                         |                                      |  |                           |                             |                     |                                     |                        |
| Dividends paid  | -                                    | -                       | -                                    | -                                      | -                         | (10,079)                    | (10,079)            | -                                   | (10,079)               |
| Dividend paid to non-controlling interests of subsidiary    | -                                    | -                       | -                                    | -                                      | -                         | -                           | -                   | (5,061)                             | (5,061)                |
| <b>Total transactions with owners</b>                       | -                                    | -                       | -                                    | -                                      | -                         | (10,079)                    | (10,079)            | (5,061)                             | (15,140)               |
| <b>At 30 June 2016</b>                                      | <b>201,572</b>                       | <b>-</b>                | <b>(37)</b>                          | <b>7,367</b>                           | <b>-</b>                  | <b>197,040</b>              | <b>405,942</b>      | <b>17,532</b>                       | <b>423,474</b>         |
| <b>At 1 July 2014</b>                                       | 100,786                              | 476                     | (12)                                 | 672                                    | (1,706)                   | 246,270                     | 346,486             | 14,134                              | 360,620                |
| Profit for the financial year                               | -                                    | -                       | -                                    | -                                      | -                         | 45,324                      | 45,324              | 5,472                               | 50,796                 |
| Foreign currency translations                               | -                                    | -                       | -                                    | 3,073                                  | -                         | -                           | 3,073               | 741                                 | 3,814                  |
| <b>Total comprehensive income for the period</b>            | -                                    | -                       | -                                    | 3,073                                  | -                         | 45,324                      | 48,397              | 6,213                               | 54,610                 |
| Transaction with owners:                                    |                                      |                         |                                      |  |                           |                             |                     |                                     |                        |
| Resale of treasury shares                                   | -                                    | 1,006                   | -                                    | -                                      | 1,706                     | -                           | 2,712               | -                                   | 2,712                  |
| Bonus issue   | 100,786                              | (1,482)                 | -                                    | -                                      | -                         | (99,304)                    | -                   | -                                   | -                      |
| Dividends paid  | -                                    | -                       | -                                    | -                                      | -                         | (10,079)                    | (10,079)            | -                                   | (10,079)               |
| Dividends paid to non-controlling interests of subsidiaries | -                                    | -                       | -                                    | -                                      | -                         | -                           | -                   | (3,558)                             | (3,558)                |
| <b>Total transactions with owners</b>                       | 100,786                              | (476)                   | -                                    | -                                      | 1,706                     | (109,383)                   | (7,367)             | (3,558)                             | (10,925)               |
| <b>At 30 June 2015</b>                                      | <b>201,572</b>                       | <b>-</b>                | <b>(12)</b>                          | <b>3,745</b>                           | <b>-</b>                  | <b>182,211</b>              | <b>387,516</b>      | <b>16,789</b>                       | <b>404,305</b>         |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report of the Group for the financial year ended 30 June 2015)



| <b>UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2016</b> |                    |                    |
|--|--------------------|--------------------|
| <b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS</b>                        |                    |                    |
|  | <b>30 Jun 2016</b> | <b>30 Jun 2015</b> |
|  | <b>RM'000</b>      | <b>RM'000</b>      |
| <b>Cash flows from operating activities</b>                                  |                    |                    |
| Profit before tax  | 45,995             | 72,706             |
| Adjustments for non-cash flow:   |                    |                    |
| Amortisation of trademarks   | 2,067              | 512                |
| Accretion of non-current other payable                                       | 551                | 569                |
| Bad debts written off  | 32                 | 8                  |
| Depreciation of property, plant and equipment                                | 22,968             | 21,905             |
| Fair value adjustments on investment properties                              | 2,656              | (666)              |
| Gain on disposal of property, plant and equipment                            | (163)              | (644)              |
| Impairment loss on :-  |                    |                    |
| - trade and other receivables  | 1,290              | -                  |
| - amounts owing by associates  | 1,273              | 1,556              |
| - property, plant and equipment  | 1,259              | -                  |
| - interests in associates  | 308                | 352                |
| Interest expense   | 7,421              | 6,490              |
| Interest income  | (1,221)            | (1,029)            |
| Inventories written off  | 77                 | 440                |
| Loss on disposal of long term investment                                     | 26                 | -                  |
| Loss on disposal of investment property                                      | 85                 | -                  |
| Net gain on disposal of a subsidiary   | (107)              | -                  |
| Stock written down   | 1,147              | -                  |
| Properties, plant and equipment written off                                  | 781                | 386                |
| Share of (gain)/loss of associates   | (295)              | 209                |
| Unwinding of discount on provision for restoration costs                     | 91                 | 104                |
| Unrealised gain on foreign exchange, net                                     | (1,294)            | (619)              |
| <b>Operating profit before changes in working capital</b>                    | <b>84,947</b>      | <b>102,279</b>     |
| Changes in working capital   |                    |                    |
| Net change in current assets   | 16,885             | (31,074)           |
| Net change in current liabilities  | (1,439)            | 9,922              |
| <b>Cash generated from operations</b>  | <b>100,393</b>     | <b>81,127</b>      |
| Tax paid   | (20,396)           | (28,620)           |
| Net cash from operating activities   | 79,997             | 52,507             |
| <b>Cash flows used in investing activities</b>                               |                    |                    |
| Acquisition of subsidiaries  | (2,989)            | -                  |
| Interest received  | 1,221              | 1,029              |
| Advances to associates   | (1,279)            | (1,160)            |
| Net cash outflow from disposal of a subsidiary                               | (2)                | -                  |
| Replacements of deposits pledged to licensed banks                           | (4)                | (5)                |
| Proceeds from disposal of property, plant and equipment                      | 718                | 1,236              |
| Proceeds from disposal of investment properties                              | 900                | -                  |
| Proceeds from disposal of other long term investment                         | 10                 | -                  |
| Purchase of Trademarks   | (8,835)            | (50)               |
| Purchase of property, plant and equipment                                    | (36,352)           | (19,807)           |
| Purchase of investment properties  | (98)               | (1,083)            |
| Purchase of other long term investment                                       | (190)              | -                  |
| Net cash used in investing activities  | (46,900)           | (19,840)           |
| <b>Cash flows used in financing activities</b>                               |                    |                    |
| Interest paid  | (7,421)            | (6,490)            |
| Dividends paid to owners of the parent                                       | (10,079)           | (10,079)           |
| Dividends paid to non-controlling interests                                  | (5,061)            | (3,558)            |
| Proceeds from sale of treasury shares  | -                  | 2,712              |
| Net financing from bank borrowings   | 11,020             | (12,818)           |
| Net cash used in financing activities  | (11,541)           | (30,233)           |
| <b>Net increase in cash and cash equivalents</b>                             | <b>21,556</b>      | <b>2,434</b>       |
| <b>Cash and cash equivalents at beginning of the financial year</b>          | <b>71,679</b>      | <b>66,241</b>      |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>          | <b>3,135</b>       | <b>3,004</b>       |
| <b>Cash and cash equivalents at end of the financial year (Note A16)</b>     | <b>96,370</b>      | <b>71,679</b>      |

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report of the Group for the financial year ended 30 June 2015)*



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2016**

**1. Basis of Preparation**

This Interim Financial Report is unaudited and have 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. This Report also complies 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 2015.

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 2015.

**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 2015.

The Group has not adopted the following new/revised MFRSs, Amendments to MFRSs and Interpretation that were in issue but not yet effective:

***MFRS and Amendments effective for financial periods beginning on or after 1 January 2016***

|   |   |                |
|---|---|----------------|
| MFRS 14                                     | <i>Regulatory Deferral Accounts</i>   | 1 January 2016 |
| Amendments to MFRS 10, MFRS 12 and MFRS 128 | <i>Investment Entities : Applying the Consolidation Exception</i>                             | 1 January 2016 |
| Amendments to MFRS 101                      | <i>Disclosure Initiative</i>  | 1 January 2016 |
| Amendments to MFRS 116 and MFRS 138         | <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>                   | 1 January 2016 |
| Amendments to MFRS 11                       | <i>Accounting for Acquisitions of Interests in Joint Operations</i>                           | 1 January 2016 |
| Amendments to MFRS 116 and MFRS 141         | <i>Agriculture: Bearer Plants</i>   | 1 January 2016 |
| Amendments to MFRS 127                      | <i>Equity Method in Separate Financial Statements</i>   | 1 January 2016 |
| Amendments to MFRSs                         | <i>Annual Improvements to 2012-2014 Cycle</i>   | 1 January 2016 |
| Amendments to MFRS 112                      | <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>                               | 1 January 2017 |
| Amendments to MFRS 107                      | <i>Disclosure Initiative</i>  | 1 January 2017 |
| MFRS 15                                     | <i>Revenue from Contracts with Customers</i>  | 1 January 2018 |
| Clarification to MFRS 15                    |   | 1 January 2018 |
| MFRS 9                                      | <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>                            | 1 January 2018 |
| MFRS 16                                     | <i>Leases</i>   | 1 January 2019 |
| Amendments to MFRS 10 and MFRS 128          | <i>Sale or Contribution of Assets between an Investor and its associates or Joint Venture</i> | Deferred       |

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



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2016**

**3. Seasonality or Cyclicity of Interim Operations**

The business operations of the Group are generally dependent on the Malaysian economy, consumer confidence and Government support, as well as major festive seasons.

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

There were no unusual items as a result of their nature, size or incidence that had affected this Interim Financial Report for the financial quarter ended 30 June 2016.

**5. Debts and Equity Securities**

There were no issuance, cancellation, repurchase, resale or repayments of debts and equity securities for the current quarter under review.

**6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this Report.

**7. Qualification of Preceding Annual Financial Statements**

The Company's preceding Audited Financial Statements for the financial year ended 30 June 2015 did not contain any qualification.

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

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

Following the Company's announcement on the "Acquisition of 100% equity interest in IBB Pte Ltd by Jeco (Pte) Limited, from Helgo Neugebauer for a cash consideration of SGD6,000,000" dated 2 February 2016, the level of achievability of the guaranteed Profit After Tax ("PAT") of at least SGD2,000,000 for the financial period of 1 January 2016 to 31 December 2016 by IBB Pte Ltd as warranted by the vendor, will be announced after the completion of an interim audit on the financial statements of IBB Pte Ltd for the relevant financial period of which will be carried out by the external auditors of IBB Pte Ltd in due course.

**9. Dividend**

The Directors did not declare any interim dividend in respect of the financial quarter ended 30 June 2016.

The total dividend for the current financial year to date comprised a final single tier dividend of 5% per ordinary shares of RM0.25 each in respect of the financial ended 30 June 2015 duly paid on 31 December 2015.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2016**

**10. Segmental Information - Operating Segments**

**Results for 3 months ended 30 June 2016  
(current quarter)**

|  | Retailing<br>RM'000 | Manufac-<br>turing<br>RM'000 | Investment and<br>property<br>development<br>RM'000 | Elimination<br>RM'000 | Consolidation<br>RM'000 |
|--|---------------------|------------------------------|---|-----------------------|-------------------------|
| <i>Revenue</i>                                   |                     |                              |   |                       |                         |
| External revenue                                 | 159,393             | 127                          | 314   | -                     | 159,834                 |
| Inter-segment revenue                            | -                   | 7,438                        | 37,572  | (45,010)              | -                       |
| Total revenue                                    | <u>159,393</u>      | <u>7,565</u>                 | <u>37,886</u>                                       | <u>(45,010)</u>       | <u>159,834</u>          |
| <i>Results</i>                                   |                     |                              |   |                       |                         |
| Operating results                                | 1,713               | 406                          | 16,298  | (7,918)               | 10,499                  |
| Interest income                                  | 599                 | -                            | 144   | -                     | 743                     |
| Interest expense                                 | (510)               | (116)                        | (1,520)   | -                     | (2,146)                 |
| Share of results of associates<br>egment results | -                   | -                            | 28  | -                     | 28                      |
|  | <u>1,802</u>        | <u>290</u>                   | <u>14,950</u>                                       | <u>(7,918)</u>        | <u>9,124</u>            |
| Tax expense                                      |                     |                              |   |                       | (3,119)                 |
| Profit for the current quarter                   |                     |                              |   |                       | <u>6,005</u>            |

**Results for 3 months ended 30 June 2015  
(corresponding quarter of preceding year)**

|   | Retailing<br>RM'000 | Manufac-<br>turing<br>RM'000 | Investment and<br>property<br>development<br>RM'000 | Elimination<br>RM'000 | Consolidation<br>RM'000 |
|---|---------------------|------------------------------|---|-----------------------|-------------------------|
| <i>Revenue</i>                                    |                     |                              |   |                       |                         |
| External revenue                                  | 148,002             | 24                           | 280   | -                     | 148,306                 |
| Inter-segment revenue                             | -                   | 6,003                        | 10,275  | (16,278)              | -                       |
| Total revenue                                     | <u>148,002</u>      | <u>6,027</u>                 | <u>10,555</u>                                       | <u>(16,278)</u>       | <u>148,306</u>          |
| <i>Results</i>                                    |                     |                              |   |                       |                         |
| Operating results                                 | 12,020              | 294                          | 567   | (1,663)               | 11,218                  |
| Interest income                                   | 358                 | 2                            | 132   | -                     | 492                     |
| Interest expense                                  | (488)               | (118)                        | (1,328)   | -                     | (1,934)                 |
| Share of results of associates<br>Segment results | -                   | -                            | (287)   | -                     | (287)                   |
|   | <u>11,890</u>       | <u>178</u>                   | <u>(916)</u>  | <u>(1,663)</u>        | <u>9,489</u>            |
| Tax expense                                       |                     |                              |   |                       | (3,134)                 |
| Profit for the current quarter                    |                     |                              |   |                       | <u>6,355</u>            |



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2016**

**10. Segmental Information - Operating Segments (cont'd)**

**Results for 12 months ended 30 June 2016  
(current financial year-to-date)**

|                                 | Retailing<br>RM'000 | Manufac-<br>turing<br>RM'000 | Investment<br>and property<br>development<br>RM'000 | Elimination<br>RM'000 | Consolidation<br>RM'000 |
|---------------------------------|---------------------|------------------------------|---|-----------------------|-------------------------|
| <i>Revenue</i>                  |                     |                              |   |                       |                         |
| External revenue                | 663,568             | 819                          | 1,051   | -                     | 665,438                 |
| Inter-segment revenue           | -                   | 28,640                       | 79,929  | (108,569)             | -                       |
| Total revenue                   | <u>663,568</u>      | <u>29,459</u>                | <u>80,980</u>                                       | <u>(108,569)</u>      | <u>665,438</u>          |
| <i>Results</i>                  |                     |                              |   |                       |                         |
| Operating results               | 45,693              | 1,932                        | 29,111  | (24,836)              | 51,900                  |
| Interest income                 | 665                 | -                            | 556   | -                     | 1,221                   |
| Interest expense                | (1,846)             | (479)                        | (5,096)   | -                     | (7,421)                 |
| Share of results of associates  | -                   | -                            | 295   | -                     | 295                     |
| Segment results                 | <u>44,512</u>       | <u>1,453</u>                 | <u>24,866</u>                                       | <u>(24,836)</u>       | <u>45,995</u>           |
| Tax expense                     |                     |                              |   |                       | (15,941)                |
| Profit for the financial period |                     |                              |   |                       | <u>30,054</u>           |

**Results for 12 months ended 30 June 2015  
(corresponding period of preceding financial year-to-date)**

|                                 | Retailing<br>RM'000 | Manufac-<br>turing<br>RM'000 | Investment<br>and property<br>development<br>RM'000 | Elimination<br>RM'000 | Consolidation<br>RM'000 |
|---------------------------------|---------------------|------------------------------|---|-----------------------|-------------------------|
| <i>Revenue</i>                  |                     |                              |   |                       |                         |
| External revenue                | 694,165             | 58                           | 1,106   | -                     | 695,329                 |
| Inter-segment revenue           | -                   | 24,167                       | 53,325  | (77,492)              | -                       |
| Total revenue                   | <u>694,165</u>      | <u>24,225</u>                | <u>54,431</u>                                       | <u>(77,492)</u>       | <u>695,329</u>          |
| <i>Results</i>                  |                     |                              |   |                       |                         |
| Operating results               | 80,083              | 1,296                        | 16,638  | (19,641)              | 78,376                  |
| Interest income                 | 464                 | 5                            | 560   | -                     | 1,029                   |
| Interest expense                | (1,726)             | (509)                        | (4,255)   | -                     | (6,490)                 |
| Share of results of associates  | -                   | -                            | (209)   | -                     | (209)                   |
| Segment results                 | <u>78,821</u>       | <u>792</u>                   | <u>12,734</u>                                       | <u>(19,641)</u>       | <u>72,706</u>           |
| Tax expense                     |                     |                              |   |                       | (21,910)                |
| Profit for the financial period |                     |                              |   |                       | <u>50,796</u>           |





**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2016**

**11. Review of Performance of the Company and its Subsidiaries**

*4Q16 vs.4Q15*

For the current quarter, the Group reported a marginally lower profit before taxation (“PBT”) of RM9.12 million as compared to the PBT of RM9.49 million reported for 4Q15.

Despite the revenue had increased 7.8% to RM159.83 million as compared to RM148.31 million reported for 4Q15, operating profit was lower due to a drop in gross profit (“GP”) margin. The GP margin had decreased to 54.3% from 59.1% due to higher cost of imported goods caused by weakened Ringgit as well as higher sales discount given in order to boost sales. A lower PBT also attributable to impairment losses arising from fair value adjustments on investment property and property, plant and equipment (“PPE”) amounting to RM2.66 million (2015 : gain RM 0.66 million) and RM1.26 million respectively. In addition, there are provision for and write off of trade receivables of RM1.32 million and inventories of RM1.22 million respectively. Excluding these impairment losses, provisions and write off, the Group would have recorded a PBT of RM15.58 million.

*4Q16 YTD vs.4Q15 YTD*

For the 12 months of FY2016, the Group’s revenue decreased by RM29.89 million or 4.3% as compared to the preceding year. The tough operating environment after the implementation of GST couple with weakened consumer sentiments have caused the revenue dropped by 4.3%.

The Group reported a PBT of RM45.99 million, which is 36.7% lower than the PBT of RM72.71 million reported in the preceding year. Earnings weakened drastically as GP margin were affected due to promotional activities and higher discount given to drive sales. The drop in GP margin also attributable to the increase in the merchandise costs due to weakened Ringgit, with the absorption of GST cost in view of the weakened consumer sentiments. A lower PBT also attributable to impairment losses arising from fair value adjustment on investment property and PPE amounting to RM2.66 million and RM1.32 million respectively. In addition, there are provision for and write off of trade receivables of RM1.32 million and inventories of RM1.22 million respectively. Excluding these impairment losses, provisions and write off, the Group would have recorded a PBT of RM52.46 million.

**12. Comments on Material Changes in the Profit Before Taxation for the Quarter under Review as Compared with Immediate Preceding Quarter**

*4Q16 vs. 3Q16*

For the current quarter under review, the Group posted a PBT of RM9.12 million as compared to RM8.52 million in the preceding quarter ended 31 March 2016.

Despite the revenue for the current quarter under review had decreased by RM2.60 million or 1.6% to RM159.83 million as compared to RM162.43 million reported in the preceding quarter, the PBT had increased. The increase in PBT was attributable to reduction of operation expenses by 3.1% for the current quarter under review.

**13. Prospect**

On the local front, Malaysia’s economy is expected to continue at a slower pace for the remaining financial year. Consumers are expected to be very cautious in their spending in view of the slowing Malaysia economy as well as rising costs of living partly due to weakening Malaysian Ringgit and implementation of GST.

The retail sector has becoming more challenging due to rising costs of doing business, weakened Ringgit which has risen merchandise costs. The rise in the cost of living has resulted in the lower consumer spending. Dampening commodity prices which the country is based upon, has also negatively affecting consumer sentiments.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2016**

**13. Prospect (cont'd)**

Giving the uncertain economic outlook, the Group's prospects for the remaining financial year are expected to be challenging. With the continue increase in the merchandise costs due to the weakened Ringgit, the Group will continue to monitor its operating costs and cautiously adjust its selling price to cope with falling gross margin. The Group will also embark on business consolidation and rationalisation as well as cost control exercise while continue its expansion plan in overseas markets in particularly Vietnam, Indonesia, Cambodia and other Middle East countries.

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

**14. Valuation of Property, Plant and Equipment**

As at 30 June 2016, the Group engaged First Pacific Valuers Property Consultants Sdn Bhd, a registered independent professional valuer to revalue the carrying amount of its "Property, Plant and Equipment" on an open market indicative basis for existing use, and impairment of RM356,000 has been recognised directly to the income statement to reflect its recoverable amount.

**15. Changes in Contingent Liabilities**

The contingent liabilities of the Company as at 30 June 2016 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries amounted to RM324.48 million of which utilised by these subsidiaries amounted to RM137.34 million.

**16. Capital Commitments**

The amount of capital commitments as at 30 June 2016 is as follows:

|   | RM'000 |
|---|--------|
| Authorised and contracted for:          |        |
| Property, plant and equipment:          |        |
| - Others                                | 537    |
| - Renovation for offices and warehouses | 434    |
|   | 971    |
|   | 971    |

**17. Cash and Cash equivalents**

|   | 30.06.2016<br>RM'000 | 30.06.2015<br>RM'000 |
|---|----------------------|----------------------|
| Cash and bank balances                    | 100,457              | 68,757               |
| Fixed deposits with licensed banks        | 872                  | 818                  |
| Short term placements with licensed banks | -                    | 9,200                |
| Bank overdrafts                           | (4,087)              | (6,278)              |
|   | 97,242               | 72,497               |
| Less: Fixed deposit pledged               | (872)                | (818)                |
|   | 96,370               | 71,679               |

The details of the major components on the operating, investing and financing activities of the Group have been included in the Condensed Consolidated Statement of Cash Flows of this report.



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2016**

**18. Taxation**

|                                      | Current year to-date ended<br>30.06.2016<br>RM'000 | Preceding year to-date ended<br>30.06.2015<br>RM'000 |
|--------------------------------------|--|--|
| Current year tax expense             | 14,500   | 22,090   |
| Under/(Over) provision in prior year | (507)  | 25   |
| Deferred tax expense                 | 1,948  | (205)  |
|                                      | 15,941   | 21,910   |

The tax charge for the Group reflects an effective tax rate which is higher than the statutory tax rate due mainly to certain expenses which are not deductible for tax purposes.

**19. Recurrent Related Party Transactions**

19.1 The aggregate value of the recurrent related party transactions ("RRPT") conducted between the transacting subsidiaries of the Company (collectively, "Bonia Group") with the related parties during the current financial period under review are as follows :-

| No. | Transacting Party | Transacting Related party              | Interested directors, major shareholders and/or persons connected with them   | Nature of transactions  | Estimated aggregate value during the validity period of the Proposed RRPT Mandate pursuant to Circular to Shareholders dated 29.10.2015 duly approved at the 24th AGM held on 25.11.2015<br>RM'000 | Actual aggregate value transacted from 25.11.2015 up to 30.06.16<br>RM'000 |
|-----|-------------------|--|---|---|--|--|
| 1.  | Bonia Group       | Bonia International Holdings Pte. Ltd. | Chiang Sang Sem and persons connected with him (including their family)   | <ul style="list-style-type: none"> <li>Payment of <i>Bonia</i>, <i>Carlo Rino</i>, <i>Sembonia</i> and <i>CR2</i> trademarks royalties</li> </ul> | 4,600  | 2,071  |
| 2.  | Bonia Group       | Long Bow Manufacturing (S) Pte. Ltd.   | Chiang Sang Sem and persons connected with him (including their family); and<br>Chiang Boon Tian (a director of Bonia's subsidiaries) and persons connected with him (including their family) | <ul style="list-style-type: none"> <li>Payment of office and warehouse rental</li> </ul>  | 2,000  | 1,074  |
| 3.  | Bonia Group       | Cassardi International Co. Ltd.        | Boonnarn Boonnamsap (a major shareholder of Bonia's subsidiary) and persons connected with him (including their family)   | <ul style="list-style-type: none"> <li>Purchase of men's apparels</li> <li>Payment of <i>Valentino Rudy</i> trademark royalty</li> </ul>          | N/A  | 385  |

19.2 The actual value transacted up to 30 June 2016 did not exceed the estimated aggregate value during the validity period of the existing shareholdings' mandate obtained on 25 November 2015 by 10% or more.

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



**NOTES TO INTERIM FINANCIAL REPORT  
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**20. Group Borrowings**

The total Group borrowings and debts securities were as follows:

|                       | 30.06.2016                        |                                  | 30.06.2015                        |                                  |
|-----------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
|                       | Short Term<br>Borrowing<br>RM'000 | Long Term<br>Borrowing<br>RM'000 | Short Term<br>Borrowing<br>RM'000 | Long Term<br>Borrowing<br>RM'000 |
| <i>Secured</i>        |                                   |                                  |                                   |                                  |
| Bank overdrafts       | 75                                | -                                | 543                               | -                                |
| Bankers' acceptances  | 2,640                             | -                                | 454                               | -                                |
| Hire-purchase & lease | 236                               | 357                              | 718                               | 694                              |
| Term loans            | 12,221                            | 99,014                           | 8,879                             | 98,868                           |
|                       | <u>15,172</u>                     | <u>99,371</u>                    | <u>10,594</u>                     | <u>99,562</u>                    |
| <i>Unsecured</i>      |                                   |                                  |                                   |                                  |
| Bank overdrafts       | 4,012                             | -                                | 5,735                             | -                                |
| Bankers' acceptances  | 15,326                            | -                                | 15,414                            | -                                |
| Trust Receipt         | 7,923                             | -                                | 9,153                             | -                                |
| Term loans            | 4,047                             | 6,973                            | 2,102                             | 526                              |
|                       | <u>31,308</u>                     | <u>6,973</u>                     | <u>32,404</u>                     | <u>526</u>                       |
| <b>Total</b>          | <u>46,480</u>                     | <u>106,344</u>                   | <u>42,998</u>                     | <u>100,088</u>                   |

The above which included borrowings denominated in foreign currency were as follows:

|                         | 30.06.2016                  |                       | 30.06.2015                  |                       |
|-------------------------|-----------------------------|-----------------------|-----------------------------|-----------------------|
|                         | Foreign<br>Currency<br>'000 | RM Equivalent<br>'000 | Foreign<br>Currency<br>'000 | RM Equivalent<br>'000 |
| <u>Singapore Dollar</u> |                             |                       |                             |                       |
| <u>Secured</u>          |                             |                       |                             |                       |
| Hire-purchase           | 14                          | 43                    | 174                         | 487                   |
| Term Loan               | 500                         | 1,493                 | 526                         | 1,473                 |
| Trust Receipt           | 988                         | 2,952                 | -                           | -                     |
|                         | <u>1,502</u>                | <u>4,488</u>          | <u>700</u>                  | <u>1,960</u>          |
| <u>Unsecured</u>        |                             |                       |                             |                       |
| Bank overdraft          | -                           | -                     | 446                         | 1,249                 |
| Term Loan               | 3,687                       | 11,020                | 938                         | 2,628                 |
| Trust Receipt           | 1,663                       | 4,970                 | 3,265                       | 9,153                 |
|                         | <u>5,350</u>                | <u>15,990</u>         | <u>4,649</u>                | <u>13,030</u>         |
| <u>U.S. Dollar</u>      |                             |                       |                             |                       |
| <u>Unsecured</u>        |                             |                       |                             |                       |
| Bankers' acceptances    | 725                         | 2,916                 | 953                         | 3,597                 |
|                         | <u>725</u>                  | <u>2,916</u>          | <u>953</u>                  | <u>3,597</u>          |
| <b>Total</b>            | <u>7,577</u>                | <u>23,394</u>         | <u>6,302</u>                | <u>18,587</u>         |



**NOTES TO INTERIM FINANCIAL REPORT  
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**21. Realised and Unrealised Profits Disclosure**

The breakdown of the retained profits of the Group as at 30 June 2016, into realised and unrealised profits is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

|   | As at 30.06.2016<br>RM'000 | As at 30.06.2015<br>RM'000 |
|---|----------------------------|----------------------------|
| Total retained profits of Bonia Corporation Berhad and its subsidiaries |                            |                            |
| - Realised  | 222,009                    | 220,271                    |
| - Unrealised  | 1,626                      | 2,861                      |
| Total share of retained profits from associated companies               |                            |                            |
| - Realised  | 295                        | (211)                      |
|   | <u>223,930</u>             | <u>222,921</u>             |
| Less : Consolidation adjustments  | (26,890)                   | (40,710)                   |
| Total Group retained profits  | <u>197,040</u>             | <u>182,211</u>             |

**22. Changes in the Composition of the Group**

The 2 foreign subsidiaries of the Company namely GuangZhou Jia Li Bao Leather Fashion Co. Ltd. and Bonia Italia Srl have completed their dissolution during the quarter under review.

PT Jeco Investment Indonesia and PT CRI Mitra Sejati have emerged as the subsidiaries of the Company during the quarter under review.

**23. Material Events Subsequent to the End of the Interim Period**

Save as disclosed below, there were no changes in the composition of the Group for the current quarter under review.

CRG Incorporated Sdn Bhd ("CRG"), a wholly-owned subsidiary of BCB, has incorporated a wholly-owned subsidiary company in Vietnam known as CRR Vietnam Co., Ltd ("CRR"). The relevant Investment Registration Certificate issued by the Department of Planning and Investment of Socialist Republic of Vietnam on 18 July 2016, was received by CRG on 27 July 2016.

The investment capital and contributed capital of CRR are VND4,500,000,000 (equivalent to RM823,500) and VND1,125,000,000 (equivalent to RM205,875) respectively. The intended business activities of CRR is to engage in management consultancy activities and to implement the right of import, distribution, wholesale of goods in Vietnam.



**NOTES TO INTERIM FINANCIAL REPORT  
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**24. Material Litigation**

*Apex Marble Sdn Bhd (“Apex Marble”) and Mcore Sdn Bhd (“Mcore”) (collectively as “Plaintiff”) vs Leong Tat Yan (“Defendant”)*

Further to the announcement on the quarterly results (under Note B12) made on 22 November 2013, the civil suit filed in the High Court of Malaya at Kuala Lumpur against the Defendant, by the 60% owned subsidiaries of the Company, 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.

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 advisers, 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<sup>th</sup> January 2015.

On the hearing date of 9 November 2015, the Federal Court allowed the Applicants’ 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.

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

**25. Earnings Per Share**

The basic earnings per ordinary share is calculated by dividing the Group’s profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

**Profit for the period (basic)**

|   | Current year<br>quarter<br>30.06.2016<br>RM’000 | Preceding<br>year quarter<br>30.06.2015<br>RM’000 | Current year<br>to-date<br>30.06.2016<br>RM’000 | Preceding<br>year period<br>30.06.2015<br>RM’000 |
|---|---|---|---|--|
| Profit attributable to equity holders of the parent | 4,123   | 4,382   | 24,908  | 45,324   |

**Number of ordinary shares (basic)**

|  | Current year<br>quarter<br>30.06.2016<br>’000 | Preceding<br>year quarter<br>30.06.2015<br>’000 | Current year<br>to-date<br>30.06.2016<br>’000 | Preceding<br>year period<br>30.06.2015<br>’000 |
|--|---|---|---|--|
| Weighted average number of ordinary shares | 806,287                                       | 806,287   | 806,287                                       | 806,287  |



**NOTES TO INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2016**

**26. Notes to the Condensed Consolidated Statement of Comprehensive Income**

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

|  | 12 months ended |            |
|--|-----------------|------------|
|  | 30.06.2016      | 30.06.2015 |
|  | RM'000          | RM'000     |
| Interest income  | (1,221)         | (1,029)    |
| Other income including investment income <sup>(1)</sup>        | (11,486)        | (11,573)   |
| Interest expense   | 7,421           | 6,490      |
| Depreciation of property, plant and equipment                  | 22,968          | 21,905     |
| Amortisation of trademarks                                     | 2,067           | 512        |
| Provision for and write off of receivables                     | 1,322           | 8          |
| Provision for and write off of inventories                     | 1,224           | 440        |
| Gain or loss on disposal of properties, plant and equipment    | (163)           | (644)      |
| Gain or loss on disposal of investment property                | 85              | -          |
| Gain or loss on disposal of quoted and/or unquoted investments | (81)            | -          |
| Impairment of property, plant and equipment                    | 1,259           | -          |
| Impairment of Investment property                              | 2,656           | (666)      |
| Foreign exchange (gain) or loss                                | (2,140)         | (1,010)    |
| Gain or loss on derivatives <sup>(2)</sup>                     | -               | -          |
| PPE written off  | 781             | 386        |
| Exceptional items  | -               | -          |

Notes:

(1) Including interest income and forex gain

(2) There were no derivative financial instruments as at the end of the financial quarter under review

26.2 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.

By Order of the Board,  
**BONIA CORPORATION BERHAD**

**CHONG CHIN LOOK**  
Group Finance Director  
Kuala Lumpur  
29 August 2016