BONIA CORPORATION BERHAD (223934-T)
[Incorporated in Malaysia]

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31 Dec 2018 RM'000	As At 30 Jun 2018 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	131,846	134,671
Investment properties	16,679	21,442
Intangible assets	85,310	86,254
Interests in associates	377	749
Other investments	1,213	1,222
Deferred tax assets	1,889	1,354
Other receivables	8,904	8,569
Total non-current assets	**246,218**	**254,261**
CURRENT ASSETS		
Inventories	110,903	105,363
Trade and other receivables	75,347	83,236
Current tax assets	3,407	3,521
Short term funds	14,725	27,293
Cash and bank balances	81,789	84,029
Total current assets	286,171	303,442
Assets of disposal groups classified as held for distribution/ held for sale */**	28,844	121,020
TOTAL ASSETS	**561,233**	**678,723**
EQUITY AND LIABILITIES		
Share capital	201,572	201,572
Reserves	169,701	239,365
Total equity attributable to the owners of the parent	371,273	440,937
Non-controlling Interests	23,217	25,018
Total equity	**394,490**	**465,955**
NON-CURRENT LIABILITIES		
Long term borrowings	36,360	58,162
Other payables	5,278	4,820
Provision for restoration costs	1,812	1,700
Deferred tax liabilities	6,872	7,400
Total non-current liabilities	**50,322**	**72,082**
CURRENT LIABILITIES		
Trade and other payables	67,511	62,110
Bank borrowings	33,586	38,143
Provision for restoration costs	745	897
Current tax liabilities	4,311	2,918
Total current liabilities	**106,153**	**104,068**
Liabilities of disposal groups classified as held for distribution/ held for sale *	10,268	36,618
Total liabilities	**166,743**	**212,768**
TOTAL EQUITY AND LIABILITIES	**561,233**	**678,723**
	-	-
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM) :	**0.46**	**0.55**

* : The disposal groups are in respect of the assets and liabilities of CRG Group and Maha Asia Capital Sdn Bhd which are held for distribution to shareholders of the Company and held for sale respectively as disclosed in Note 6 of this interim report.

** : Comprising Luxury Parade Sdn Bhd's properties which are held for sale.

(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 2018)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2018 RM'000	Preceding Year Corresponding Quarter 31 Dec 2017 RM'000	Current Year-To-Date 31 Dec 2018 RM'000	Preceding Year Corresponding Period 31 Dec 2017 RM'000
CONTINUING OPERATIONS				
Revenue ^	**132,245**	**125,197**	**231,430**	**225,553**
Cost of sales	(62,949)	(48,299)	(107,142)	(87,316)
Gross profit	**69,296**	**76,898**	**124,288**	**138,237**
Selling and distribution expenses	(33,650)	(36,195)	(65,189)	(73,744)
General and administration expenses	(16,316)	(24,582)	(38,350)	(45,002)
Other operating income	1,046	2,267	2,406	3,324
Profit from operations	20,376	18,388	23,155	22,815
Finance income	465	529	993	1,056
Finance costs	(1,165)	(1,359)	(2,358)	(2,698)
Share of results of associates	46	83	48	222
Profit before tax	**19,722**	**17,641**	**21,838**	**21,395**
Taxation	(7,253)	(5,246)	(8,065)	(6,263)
Profit from continuing operations	**12,469**	**12,395**	**13,773**	**15,132**
Discontinued operations *				
Profit from discontinued operations, net of tax	(384)	2,425	(425)	1,414
Profit for the period	**12,085**	**14,820**	**13,348**	**16,546**
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Continuing operations				
Fair value loss on available-for-sale financial assets	-	(7)	-	(14)
Foreign currency exchange differences arising from consolidation	1,001	(1,292)	833	792
Discontinued operations				
Other comprehensive income/(loss) from discontinuing operations	(80)	(285)	-	(493)
Total comprehensive income for the period	**13,006**	**13,236**	**14,181**	**16,831**
Profit attributable to :				
Owners of the parent				
- from continuing operations	9,874	9,565	10,147	11,896
- from discontinued operations	(384)	2,425	(425)	1,414
	9,490	11,990	9,722	13,310
Non-controlling Interests				
- from continuing operations	2,595	2,830	3,626	3,236
	12,085	**14,820**	**13,348**	**16,546**
Total comprehensive income attributable to :				
Owners of the parent				
- from continuing operations	10,814	8,668	10,472	13,058
- from discontinued operations	(464)	2,139	(425)	921
Non-controlling Interests				
- from continuing operations	2,656	2,429	4,134	2,852
	13,006	**13,236**	**14,181**	**16,831**
Net earnings per share attributable to owners of the parent (Note 24)				
- from continuing operations	1.23	1.19	1.26	1.48
- from discontinuing operations	(0.05)	0.30	(0.05)	0.18
- Basic (sen)	1.18	1.49	1.21	1.66

^ : In the previous financial period, revenue from consignment counters is recognised net of sales trade margin. During the financial period, with the adoption of MFRS 15 *Revenue from Contracts with Customers* , the Group recognised revenue from consignment counters on gross basis, as disclosed in Note 11 of this interim report.

* : Pursuant to the corporate proposal as disclosed in Note 6 of this interim report, the disposal groups held for distribution is presented as discontinued operations in line with the requirementts 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 Annual Financial Report of the Group for the financial year ended 30 June 2018)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	← Non-distributable → Available-for-sale Reserve RM'000	Exchange Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total attributable to owners of the parent Sub-total RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1 July 2018 (as previously reported)	201,572	(355)	(93)	11,759	184	227,870	440,937	25,018	465,955
Adjustments arising from adoption of MFRS 9	-	-	93	259	-	(11,797)	(11,445)	(1,371)	(12,816)
Adjustments arising from adoption of MFRS 15	-	-	-	-	-	(266)	(266)	(21)	(287)
At 1 July 2018 (restated)	201,572	(355)	-	12,018	184	215,807	429,226	23,626	452,852
Profit for the financial year	-	-	-	-	-	9,722	9,722	3,626	13,348
Reclassification of exchange translation reserve to profit or loss upon demerger of subsidiaries	-	-	-	(157)	-	157	-	-	-
Foreign currency translations	-	-	-	325	-	-	325	508	833
Total comprehensive income for the period	-	-	-	168	-	9,879	10,047	4,134	14,181
Transaction with owners:									
Dividends paid	-	-	-	-	-	(68,000)	(68,000)	-	(68,000)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(4,543)	(4,543)
Total transactions with owners	-	-	-	-	-	(68,000)	(68,000)	(4,543)	(72,543)
At 31 December 2018	**201,572**	**(355)**	**-**	**12,186**	**184**	**157,686**	**371,273**	**23,217**	**394,490**
At 1 July 2017	201,572	(355)	(65)	13,622	-	218,156	432,930	22,337	455,267
Profit for the financial year	-	-	-	-	-	13,310	13,310	3,236	16,546
Fair value of available-for-sale financial assets	-	-	(14)	-	-	-	(14)	-	(14)
Foreign currency translations	-	-	-	683	-	-	683	(384)	299
Total comprehensive income for the period	-	-	(14)	683	-	13,310	13,979	2,852	16,831
Transaction with owners:									
Dividends paid	-	-	-	-	-	(10,071)	(10,071)	-	(10,071)
Total transactions with owners	-	-	-	-	-	(10,071)	(10,071)	-	(10,071)
At 31 December 2017	**201,572**	**(355)**	**(79)**	**14,305**	**-**	**221,395**	**436,838**	**25,189**	**462,027**

(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 2018)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31 Dec 2018 RM'000	31 Dec 2017 RM'000
Cash flows from operating activities		
Profit before tax		
From continuing operations	21,838	21,395
From discontinued operations	223	2,556
	22,061	23,951
Adjustments for non-cash flow:		
Accretion of non-current other payables	-	33
Amortisation of trademarks	687	692
Amortisation of intangible assets	879	1,274
Bad debts written off	-	32
Depreciation of property, plant and equipment	8,144	8,336
Gain on disposals of property, plant and equipment, net	(106)	(137)
Impairment loss on property, plant and equipment	13	-
Interest expense and profit payment on Islamic financing	2,953	3,469
Interest income & distribution income from short term funds	(1,091)	(1,083)
Fair value gain on short term funds	(217)	(50)
Loss on disposal of other investment	2	-
Reversal of provision for potential loss on proposed demerger of CRG Group	(2,961)	-
Property, plant and equipment written off	273	360
Reversal of impairment losses on trade and other receivables	(368)	(698)
Share of (profit)/loss of associates	(48)	(222)
Unrealised (gain)/loss on foreign exchange, net	(343)	1,329
Operating profit before changes in working capital	29,878	37,286
Changes in working capital		
Net change in current assets	(5,582)	(32,410)
Net change in current liabilities	7,939	(7,836)
Cash generated from/(used in) operations	32,235	(2,960)
Tax paid	(7,139)	(6,928)
Net cash from/(used in) operating activities	25,096	(9,888)
Cash flows used in investing activities		
Interest received	1,091	1,083
Advances to associates	-	(289)
Increase in deposits pledged to licensed banks	(20)	-
Withdrawls/(placements) of short term funds	12,785	(13,395)
Proceeds from disposal of property, plant and equipment	115	224
Proceeds from disposal of other investment	7	-
Demerger of subsidiaries, net of cash on demerger	(15,429)	-
Purchase of property, plant and equipment	(4,918)	(6,426)
Net cash used in investing activities	(6,369)	(18,803)
Cash flows used in financing activities		
Interest paid and profit paid on Islamic financing	(2,953)	(3,469)
Dividends paid to owners of the parent	-	(10,071)
Dividends paid to non-controlling interests	(4,543)	-
Net financing from bank borrowings	(27,016)	9,665
Net cash used in financing activities	(34,512)	(3,875)
Net decrease in cash and cash equivalents	(15,785)	(32,566)
Cash and cash equivalents at beginning of financial year	95,655	114,991
Effects of exchange rate changes on cash and cash equivalents	(1,374)	2,041
Cash and cash equivalents at end of financial year (Note A17)	78,496	84,466

(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 2018*)

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 ("BMSB"). 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 2018.

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 2018.

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 2018 except for the adoption of the following new accounting standards and amendments and interpretation:-

2.1 Adoption of MRFS and Amendments effective for financial periods beginning on or after 1 January 2018

The adoption of the following accounting standards and amendments has no significant impact on the financial statements of the Group except for the adoption of MFRS 9 and MFRS 15.

Title	Effective Date
Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 - 2017 Cycle*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014 - 2017 Cycle*	1 January 2018
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to MFRS 140 *Transfers of Investment Property*	1 January 2018
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*	See MFRS 4 Paragraphs 46 and 48

(a) MFRS 9, Financial Instruments

MFRS 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. MFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early application permitted.

2. Accounting Policies (cont'd)

Classification and measurements of financial instruments

Under MFRS 9 financial assets are classified according to the entity's business model for managing the assets and the asset's contractual cash flow characteristics. The new standard contains three principal classification categories for financial assets measured at amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

- Amortised cost - a financial assets is measured at amortised cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income - a financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Fair value through profit or loss - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Upon adoption of MFRS 9, the Group has reclassified RM1.23 million of the Group's other investment previously classified as available-for-sale financial assets as financial assets at FVTPL as at 1 July 2018.

MFRS 9 retains most of the MRFS 139 requirements for classification and measurement of financial liabilities. The new requirements only affect the accounting for financial liabilities that are designated at FVTPL.

The Group does not anticipate that the application of the classification and measurement requirement will have a material impact on accounting for its financial liabilities.

Impairment

MFRS 9 replaces the Incurred Loss model in MFRS 139 with a forward-looking Expected Credit Loss ("ECL") model. The ECL model applies to financial assets that are measured at amortised cost or at FVOCI and issued financial guarantee contracts.

The Group uses the Simplified Approach to calculate expected credit loss for trade receivables based on its historical credit loss experience with trade receivables of similar credit risk characteristics, adjusted for forward-looking factors specific to the category of debtors and the economic environment.

In accordance with the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and has performed assessment on the impact on accounting to its financial assets as at 1 July 2018, of which the effects will be adjusted in the opening balances of the current period.

(b) MFRS 15, Revenue From Contracts With Customers

MFRS 15 establishes principles for reporting useful information to users of financial statements related to nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. MFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early application permitted.

2. Accounting Policies (cont'd)

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the considerations to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying a five – step model as follows:-

1) Identify the contracts with customer;
2) Identify the separate performance obligations;
3) Determine the transaction price;
4) Allocate the transaction price to the performance obligations in the contract ; and
5) Recognise revenue when each performance obligation is satisfied

The Group has assessed its revenue from contracts with customers and the effects of adoption of MFRS 15 arise mainly due to changes in the timing of revenue recognition.

In accordance with the transitional provisions of MFRS 15, the Group has elected to adopt the cumulative effect method, of which the cumulative effect of initially applying this Standard are adjusted to the opening balance of retained earnings as at 1 July 2018.

The financial effects arising from the initial adoption of MFRS 9 and MFRS 15 are as follow :-

	As previously reported as at 1 July 2018 RM'000	Effects of adoption of MFRS 9 RM'000	Effects of adoption of MFRS 15 RM'000	Restated as at 1 July 2018 RM'000
Condensed Consolidated Statement of Financial Position Assets				
Deferred tax assets	1,354	59	20	1,433
Trade receivables	55,140	(10,869)	-	44,271
Assets of disposal groups classified as held for sale/held for distribution	121,020	(3,115)	-	117,905
Impact to assets	177,514	(13,925)	20	163,609
Liabilities				
Deferred tax liabilities	7,400	(1,107)	(2)	6,291
Contract liabilities	-	-	307	307
Impact to liabilities	7,400	(1,107)	305	6,598
Equity				
Available-for-sale reserve	(93)	93	-	-
Retained earnings	227,870	(11,797)	(266)	215,807
Exchange translation reserve	11,759	259	-	12,018
Non-controlling interests	25,018	(1,371)	(21)	23,626
Impact to equity	264,554	(12,816)	(287)	251,451

2. Accounting Policies (cont'd)

2.2 MFRS and Amendments effective for financial periods beginning on or after 1 January 2019

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
MFRS 16 *Leases*	1 January 2019
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 *Insurance Contracts*	1 January 2021
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

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

3. Seasonality or Cyclicality of Interim Operations

The business operations of the Group are generally dependent on the Malaysia's 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 31 December 2018.

5. Debts and Equity Securities

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

6. Status of Corporate Proposals

6.1 Proposed Listing

On 13 November 2018, Bonia completed the distribution of its entire equity interest in CRG Incorporated Berhad ("CRG") to its shareholders via a distribution of Dividend-In-Specie. Following the distribution, CRG and its subsidiaries (collectively, "CRG Group") have demerged and ceased as subsidiaries of Bonia.

On 28 November 2018, CRG successfully listed by way of introduction of its entire issued share capital on the LEAP Market of BMSB

6.2 On 8 May 2018, the Company entered into a conditional share sale agreement with a Director, Mr. Chiang Sang Sem for the disposal of 500,000 ordinary shares in a wholly-owned subsidiary, Maha Asia Capital Sdn. Bhd. ("Maha Asia"), representing 100% equity interest in Maha Asia for a disposal price of RM2,491,000, which is subject to adjustments as mentioned below. On the latest practical date prior to completion of the proposed disposal of Maha Asia ("Cut-Off Date"):

(i) where the total assets (excluding the net book value of Maha Asia's property) of Maha Asia on the Cut-Off Date is higher than that in Maha Asia's management accounts as at 31 March 2018 ("Accounts"), the purchase price shall be increased by that amount of total assets that has been increased and correspondingly in the event the total assets (excluding the net book value of Maha Asia's property) is lower than in the Accounts, the purchase price shall be reduced by the amount; and

(ii) where the total liabilities of Maha Asia on the Cut-Off Date is higher than that in the Accounts, the purchase price shall be reduced by the amount of total liabilities that has been increased and correspondingly in the event the total liabilities is lower than in the Accounts, the purchase price shall be increased by the amount.

As at 31 March 2018, the total assets (excluding the net book value of Maha Asia's property) and total liabilities of Maha Asia is RM1,190,000 and RM24,699,000 respectively. The Company and Mr. Chiang Sang Sem have agreed vide a supplementary letter dated 8 August 2018 to extend the Cut-Off Date for a period of two (2) months to 7 October 2018. Subsequently, the Cut-Off Date was further extended for a period of six (6) months from 7 October 2018 to 7 April 2019 vide another supplementary letter dated 4 October 2018 agreed between the Company and Mr. Chiang Sang Sem.

Accordingly, the assets and liabilities of Maha Asia in this Report are classified in the consolidated statement of financial position under assets of disposal groups classified as held for distribution and held for sale and liabilities of disposal groups classified as held for distribution and held for sale. Their financial performance and cash flows are presented separately as discontinuing operations in the consolidated statements of profit or loss and other comprehensive income and consolidated statement of cash flows

6.3 On 27 December 2018, the Company's wholly owned subsidiary company, Luxury Parade Sdn Bhd ("LPSB") entered into 2 Sale and Purchase Agreements with a related party, Future Diversity Sdn Bhd ("FDSB") for the disposal of the following properties ("Properties") to FDSB for a total cash consideration of RM3,600,000 ("Disposal").

(i) Property1 – All that leasehold property held under H.S.(D) 72947 PT No. 3865 Mukim Petaling Daerah Kuala Lumpur Negeri Wilayah Persekutuan KL measuring approximately 178 square metres together with a 6-storey shop/office erected thereon with a postal address of No.3, Jalan 8/146 (also known as Jalan Tasik Selatan 8), Bandar Tasik Selatan, 57000 Kuala Lumpur, and

6. Status of Corporate Proposals (cont'd)

(ii) Property2 - All that leasehold property held under H.S.(D) 72948 PT No. 3866 Mukim Petaling Daerah Kuala Lumpur Negeri Wilayah Persekutuan KL measuring approximately 178 square metres together with a 6-storey shop/office erected thereon with a postal address of No.5, Jalan 8/146 (also known as Jalan Tasik Selatan 8), Bandar Tasik Selatan, 57000 Kuala Lumpur.

Accordingly, the Properties are classified as assets of disposal groups classified as held for distribution and held for sales in the consolidated statement of financial position.

Save as disclosed, there were no corporate proposals announced but pending 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 2018 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.

9. Dividend

On 13 November 2018, Bonia completed the distribution of Bonia's entire shareholding in CRG Incorporated Berhad ("CRG") and its rights to CRG's 805,651,400 ordinary shares (equivalent to CRG's then issued share capital of RM68,000,000) by way of dividend-in-specie on the basis of 1 CRG share for every 1 Bonia share held on the Entitlement Date from its retained earnings, to Bonia's Entitled Shareholders as detailed in our Circular to Shareholders in relation to the "Proposed Listing of CRG Incorporated Sdn Bhd and its subsidiaries on the Leap Market of Bursa Malaysia Securities Berhad" dated 8 May 2018 as well as our subsequent announcements to BMSB.

10. Segmental Information

The Group operates mainly in Malaysia, Singapore, Indonesia and Vietnam. The revenue disclosed in geographical segments is based on the geographical location of customers. Segment assets are based on geographical locations of the assets. The Group's segmental results for the financial period ended 31 December 2018 are as follows:-

2nd quarter - 31.12.2018	Retailing: Malaysia	Retailing: Singapore	Retailing: Indonesia	Retailing: Vietnam	Other countries	Manufac -turing	Management services/ investment holdings/ investment properties	Total Continuing Operations	Discont'd Operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
Total Revenue	141,840	71,031	11,575	1,756	4,423	11,073	32,037	273,735	37,652	311,387
Inter-segment revenue	-	-	-	-	-	(10,819)	(31,486)	(42,305)	(3,430)	(45,735)
Revenue from external customers	141,840	71,031	11,575	1,756	4,423	254	551	231,430	34,222	265,652
Results										
Operating profit/(loss)	14,452	9,127	(102)	(1,414)	-	(337)	1,429	23,155	720	23,875
Interest income	385	406	6	-	-	4	192	993	98	1,091
Finance costs	(406)	(240)	(29)	(69)	-	(48)	(1,566)	(2,358)	(595)	(2,953)
Net finance income/(expense)	(21)	166	(23)	(69)	-	(44)	(1,374)	(1,365)	(497)	(1,862)
Share of profit of an associate	-	-	-	-	-	-	48	48	-	48
Profit/(Loss) before tax	14,431	9,293	(125)	(1,483)	-	(381)	103	21,838	223	22,061
Segment assets	175,008	108,599	23,646	5,140	-	24,056	190,644	527,093	28,844	555,937
Segment liabilities	32,695	55,372	1,307	6,754	-	2,595	46,569	145,292	10,108	155,400

10. Segmental Information (cont'd)

	Retailing									
2nd quarter	**Malaysia**	**Singapore**	**Indonesia**	**Vietnam**	**Other countries**	**Manufac-turing**	**Management services/ investment holdings/ investment properties**	**Total Continuing Operations**	**Discont'd Operations**	**Total**
- 31.12.2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
Total Revenue	131,781	69,192	14,679	2,319	6,462	14,024	26,468	264,925	62,062	326,987
Inter-segment revenue	-	-	-	-	-	(13,581)	(25,791)	(39,372)	(8,387)	(47,759)
Revenue from external customers	131,781	69,192	14,679	2,319	6,462	443	677	225,553	53,675	279,228
Results										
Operating profit/(loss)	14,168	8,891	382	60	-	31	(717)	22,815	3,300	26,115
Interest income	248	444	3	-	-		361	1,056	27	1,083
Finance costs	(411)	(354)	(6)	(56)	-	(126)	(1,745)	(2,698)	(771)	(3,469)
Net finance income/(expense)	(163)	90	(3)	(56)	-	(126)	(1,384)	(1,642)	(744)	(2,386)
Share of profit of an associate	-	-	-	-	-	-	222	222	-	222
Profit/(Loss) before tax	14,005	8,981	379	4	-	(95)	(1,879)	21,395	2,556	23,951
Segment assets	210,375	127,471	26,108	4,727	-	25,411	189,503	583,595	122,802	706,397
Segment liabilities	45,613	59,968	4,897	1,794	-	7,466	76,089	195,827	45,868	241,695

11. Performance Review

11.1 Table 1: Financial review for current quarter

2QFY2019 vs 2QFY2018

	Quarter ended 31 December		Increase/(Decrease)	
	2018	2017		
	RM'000	RM'000	RM'000	%
Continuing Operations				
Revenue				
- Retailing				
• Malaysia	84,468	76,006	8,462	11.1
• Singapore	38,059	38,411	(352)	(0.9)
• Indonesia	6,672	7,081	(409)	(5.8)
• Vietnam	995	1,293	(298)	(23.0)
• Other countries	1,687	2,202	(515)	(23.4)
Total overseas market	47,413	48,987	(1,574)	(3.2)
- Manufacturing	78	13	65	>100.0
- Management services/investment holdings/investment properties	286	191	95	49.7
	132,245	125,197	7,048	5.6
Operating profit/(loss)				
- Retailing				
• Malaysia	10,533	10,492	41	0.4
• Singapore	7,545	8,043	(498)	(6.2)
• Indonesia	1,216	153	1,063	>100.0
• Vietnam	(309)	58	(367)	(>100.0)
• Other countries	-	-	-	-
Total overseas market	8,452	8,254	198	2.4
- Manufacturing	(222)	76	(298)	(>100.0)
- Management services/investment holdings/investment properties	1,613	(434)	2,047	>100.0
	20,376	18,388	1,988	10.8
Interest income	465	529	(64)	(12.1)
Finance costs	(1,165)	(1,359)	194	14.3
Share of results of an associate	46	83	(37)	(44.6)
Profit before taxation	19,722	17,641	2,081	11.8
Taxation	(7,253)	(5,246)	(2,007)	(38.3)
Profit from continuing operations	12,469	12,395	74	0.6
Profit/(Loss) from discontinued operations	(384)	2,425	(2,809)	(>100)
Profit for the period	12,085	14,820	(2,735)	(18.5)

11. Performance Review (cont'd)

11.1 Table 1: Financial review for current quarter (cont'd)

2QFY2019 vs 2QFY2018 (cont'd)

Continuing Operations
In the previous year corresponding quarter, revenue from consignment counters is recognised net of sales trade margin. During the current quarter, with the adoption of MFRS15, the Group recognised revenue from consignment counters on gross basis, where the corresponding sales trade margin amounting to RM16.8 million is recognised in the cost of sales (collectively, "reclassification"). Without the said reclassification, the Group reported a revenue of RM115.4 million for the current quarter as compared to revenue of RM125.2 million reported in the previous year corresponding quarter. Similarly, without taking into account the reclassification, the revenue decreased by RM9.8 million or 7.8% as compared to the previous year corresponding quarter mainly due to lower revenue contribution from the retailing segment.

The retailing segment reported a revenue RM115.0 million (without the reclassification) for current quarter as compared to revenue of RM125.0 million reported in the previous year corresponding quarter. The lower revenue reported by this segment was due to the Group continuing its rationalisation process by closing of non-performing outlets, weak retail market as well as pervaded by numerous online market portals.

Revenue from management services, investment holding and investment properties segment is increased at RM0.3 million as compared to the revenue of RM0.2 million reported in the last year same quarter. The slight increase in the revenue was due to higher rental income for current quarter.

The decrease in the Group revenue has resulted its gross profit declining by RM7.6 million or 9.9%. Nevertheless, the Group profit before tax ("PBT") increased by RM2.1 million, this was mainly due to (i) the reversal of provision for potential loss on proposed demerger of CRG group amounting to RM2.96 million, (ii) the reversal of provision for impairment loss on trade receivables amounting to RM2.2 million, as well as, (iii) the reduction in operating costs following by the implementation of the rationalisation exercise during the current year quarter under review.

Table 2: Financial review for current quarter

2QFY2019 vs 2QFY2018

	Quarter ended 31 December		Increase/(Decrease)	
	2018	2017		
Discontinued Operations	RM'000	RM'000	RM'000	%
Revenue	12,643	35,147	(22,504)	(64%)
Operating profit/(loss)	117	4,037	(3,920)	(97.1)
Interest income	33	19	14	73.7
Finance costs	(241)	(397)	156	39.3
Profit/(Loss) before tax	(91)	3,659	(3,750)	(>100.0)
Taxation	(293)	(1,234)	941	76.3
Profit/(Loss) for the period	(384)	2,425	(2,809)	(>100.0)

Discontinued Operations
The discontinued operations reported a revenue of RM12.6 million (RM11.5 million without the reclassification) and operating profit of RM0.1 million in the current quarter as compared to revenue of RM35.1 million and operating profit of RM4.0 million reported in the previous year corresponding quarter. The significant decrease in revenue and operating profit was mainly due to demerger of CRG Group during the current quarter, as such only one and a half months of the CRG Group's results being consolidated in the current quarter under review.

11.2 Table 1: Financial review for current financial period YTD vs corresponding last financial period YTD

2QFY2019 YTD vs 2QFY2018 YTD

	Cumulative Period		Increase/(Decrease)	
	Current Year Todate	Preceding Corresponding Period		
	RM'000	RM'000	RM'000	%
Continuing Operations				
Revenue				
- Retailing				
• Malaysia	141,840	131,781	10,059	7.6
• Singapore	71,031	69,192	1,839	2.7
• Indonesia	11,575	14,679	(3,104)	(21.1)
• Vietnam	1,756	2,319	(563)	(24.3)
• Other countries	4,423	6,462	(2,039)	(31.6)
Total overseas market	88,785	92,652	(3,867)	(4.2)
- Manufacturing	254	443	(189)	(42.7)
- Management services/investment holdings/investment properties	551	677	(126)	(18.6)
	231,430	225,553	5,877	2.6
Operating profit/(loss)				
- Retailing				
• Malaysia	14,452	14,168	284	2.0
• Singapore	9,127	8,891	236	2.7
• Indonesia	(102)	382	(484)	(>100.0)
• Vietnam	(1,414)	60	(1,474)	(>100.0)
• Other countries	-	-	-	-
Total overseas market	7,611	9,333	(1,722)	(18.5)
- Manufacturing	(337)	31	(368)	(>100.0)
- Management services/investment holdings/investment properties	1,429	(717)	2,146	>100.0
	23,155	22,815	340	1.5
Interest income	993	1,056	(63)	(6.0)
Finance costs	(2,358)	(2,698)	340	12.6
Share of results of an associate	48	222	(174)	(78.4)
Profit before taxation	21,838	21,395	443	2.1
Taxation	(8,065)	(6,263)	(1,802)	(28.8)
Profit from continuing operations	13,773	15,132	(1,359)	(9.0)
Profit/(Loss) from discontinued operations	(425)	1,414	(1,839)	(>100)
Profit for the period	13,348	16,546	(3,198)	(19.3)

11. Performance Review (cont'd)

11.2 Table 1: Financial review for current financial period YTD vs corresponding last financial period YTD (cont'd)

2QFY2019 YTD vs 2QFY2018 YTD (cont'd)

Continuing Operations
In the previous year corresponding period, revenue from consignment counters is recognised net of sales trade margin. During the current financial period, with the adoption of MFRS 15, the Group recognised revenue from consignment counters on gross basis, where the corresponding sales trade margin amounting to RM29.3 million is recognised in the cost of sales (collectively, "reclassification"). Without taking into account the said reclassification, the Group reported a revenue of RM202.1 million for the current financial period as compared to revenue of RM225.6 million reported in the previous year corresponding period. The revenue decreased by RM23.5 million or 10.4% as compared to the previous year corresponding period mainly due to lower revenue contribution from retailing segment.

The retailing segment registered a revenue of RM201.2 million (without the reclassification) for current financial period as compared to revenue of RM224.5 million reported in the previous year corresponding period. The reasons for the lower revenue are similar to those reasons mentioned in the performance review on revenue of retailing segment for the current quarter.

The manufacturing segment recorded a revenue of RM0.3 for current financial period as compared to revenue of RM0.4 million recorded in the previous year corresponding period, the slight decrease in revenue was mainly due to weaker consumer sentiment, which has resulted in lowered sales order from customers.

Revenue from management services, investment holding and investment properties segment was RM0.6 million for current financial period as compared to the revenue of RM0.7 million reported in the previous year corresponding period. The decrease of revenue was due to lower rental income received for the current financial period under review.

The decrease in the Group revenue has resulted its gross profit declining by RM13.9 million or 10.1%. Nevertheless, the Group PBT increased by RM0.4 million. This was mainly due to (i) the reversal of provision for potential loss on proposed demerger of CRG group amounting to RM2.96 million, (ii) the reversal of provision for impairment loss on trade receivables amounting to RM1.4 million, as well as, (iii) the reduction in operating costs following by the implementation of rationalisation exercise to close several non-performing outlets during the current financial period under review.

Table 2: Financial review for current financial period YTD vs corresponding last financial period YTD

2QFY2019 YTD vs 2QFY2018 YTD

	Cumulative Period		Increase/(Decrease)	
	Current Year To-date	Preceding Corresponding Period		
Discontinued Operations	RM'000	RM'000	RM'000	%
Revenue	34,222	53,675	(19,453)	(36.2)
Operating profit/(loss)	720	3,300	(2,580)	(78.2)
Interest income	98	27	71	>100
Finance costs	(595)	(771)	176	22.8
Profit/(Loss) before tax	223	2,556	(2,333)	(91.3)
Taxation	(648)	(1,142)	494	43.3
Loss for the period	(425)	1,414	(1,839)	>100

11. Performance Review (cont'd)

11.2 Table 2: Financial review for current financial period YTD vs corresponding last financial period YTD (cont'd)

2QFY2019 YTD vs 2QFY2018 YTD (cont'd)

Discontinued Operations
The discontinued operations reported a revenue of RM34.2 million (RM31.0 million without the reclassification) and operating profit of RM0.7 million in the current financial period as compared to revenue of RM53.7 million and operating profit of RM3.3 million reported in the previous year corresponding period. The significant decrease in revenue and operating profit was mainly due to the demerger of CRG Group during the current financial period, as such only four and a half months of the CRG Group' results being consolidated in the current financial period.

11. 3 Financial review for current quarter compared with immediate preceding quarter

2QFY2019 vs 1QFY2019

	Current Quarter			Preceding Quarter			Increase/(Decrease)	
	Continuing Operations RM'000	Discont'd Operations RM'000	Total RM'000	Continuing Operations RM'000	Discont'd Operations RM'000	Total RM'000	Cont'g operations RM'000	Discont'd operations RM'000
Revenue	132,245	12,643	144,888	99,185	21,579	120,764	33,060	(8,936)
Operating profit	20,376	117	20,493	2,779	603	3,382	17,597	(486)
Interest income	465	33	498	528	65	593	(63)	(32)
Finance costs	(1,165)	(241)	(1,406)	(1,193)	(354)	(1,547)	28	113
Share of results of an associate	46	-	46	2	-	2	44	-
Profit Before Taxation	19,722	(91)	19,631	2,116	314	2,430	17,606	(405)
Taxation	(7,253)	(293)	(7,546)	(812)	(355)	(1,167)	(6,441)	62
Profit for the period	12,469	(384)	12,085	1,304	(41)	1,263	11,165	(343)

Continuing Operations
For the quarter under review, the Group registered a revenue of RM132.2 million (RM115.4 million without the reclassification) as compared to the revenue of RM99.2 million (RM86.7 million without the reclassification) reported in the immediate preceding quarter. The Group revenue increased by RM33.1 or 33.3% (RM28.7 million or 33.1% without the reclassification) was mainly due to the Christmas season that occurs during the current quarter under review.

The Group PBT increased by RM17.6 million in the current quarter as compared to the immediate preceding quarter was mainly due to (i) an increase of revenue in the Christmas season, (ii) the reversal of provision for potential loss on proposed demerger of CRG group amounting to RM2.96 million, (iii) the reversal of provision for impairment loss on trade receivables amounting to RM2.2 million, as well as, (iv) the reduction in operating costs following by the implementation of a rationalisation exercise during the current year quarter under review.

11. 3 Table 1: Financial review for current quarter compared with immediate preceding quarter (cont'd)

2QFY2019 *vs 1QFY2019 (cont'd)*

Discontinued Operations
The discontinued operations reported a revenue of RM12.6 million (RM11.5 million without the reclassification) and operating profit of RM0.1 million in the current quarter as compared to revenue of RM21.6 million (RM19.5 million without the reclassification) and operating profit of RM0.6 million reported in the immediate preceding quarter. The significant decrease in revenue and operating profit was primarily due to demerger of CRG Group during the current quarter, as such only one and a half months of the CRG Group's results being consolidated in the current quarter under review.

12. Prospect

The Group's consolidation and rationalisation exercise as well as prudent cost management strategy have had a positive impact on its performance during the financial period. In addition, our new organization structure, which is now streamlined by brands, will make the Group more focused on the specific needs of customers from the different target groups.

Moving forward with the demerger of the CRG Group, our focus will be on growing Bonia, Braun Buffel, Sembonia and licensed brands. With these initiatives, we are confident in maintaining our business momentum and performance for the remaining year.

13. Valuation of Property, plant and equipment

The values of the Property, plant and equipment have been brought forward without amendment from the previous Audited Financial Statements.

14. Changes in Contingent Liabilities

The contingent liabilities of the Company as at 31 December 2018 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries amounted to RM252.8 million of which utilised by these subsidiaries amounted to RM77.3 million.

15. Capital Commitments

The amount of capital commitments as at 31 December 2018 are as follows:

	RM'000
Authorised and contracted for:	
Property, plant and equipment:	
- Others	393

16. Short Term Funds

The short term funds represent investments in money market funds.

17. Cash and Cash equivalents

Continuing operations	31.12.2018	31.12.2017
	RM'000	RM'000
Cash and bank balances	70,930	60,790
Fixed deposits with licensed banks	10,859	10,388
	81,789	71,178
Less : Bank overdrafts	(2,470)	(4,238)
Less : Fixed deposits pledged	(894)	(888)
Add : Cash and cash classified as held for distribution /held for sale	71	18,414
	78,496	84,466

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.

Discontinued operations	31.12.2018	31.12.2017
	RM'000	RM'000
Net cash used in operating activities	(21)	(3,076)
Net cash from investing activities	1,200	141
Net cash from/(used in) financing activities	(1,317)	4,712
Net increase/ (decrease) in cash and cash equivalent	(138)	1,777
Cash and cash equivalent at beginning of financial year	209	17,186
Effect of exchange rate changes on cash and cash equivalent	-	(549)
	71	18,414

18. Taxation

	Current year to-date ended 31.12.2018	Preceding year to-date ended 31.12.2017
Continuing operations	RM'000	RM'000
Current year tax expense	7,970	5,866
Over provision in prior year	-	-
Deferred tax expense	95	397
	8,065	6,263
Discontinued operations		
Current year tax expense	680	1,102
Over provision in prior year	-	-
Deferred tax expense	(32)	40
	648	1,142

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. Share Capital of the Company

Upon the enforcement of the Companies Act 2016 ("CA2016") on 31 January 2017,

- the Company is no longer required to state its authorised capital,
- the Company's share capital is in a no par value regime since 31 January 2017, and
- the Company's share capital is not affected by Section 618 of the CA2016 as there is no amount standing to the credit of the Company's share premium account and capital redemption reserve upon the enforcement of the CA2016.

20. Recurrent Related Party Transactions ("RRPT")

20.1 Under the previous RRPT mandate obtained on 28.11.2017
Validity period: from 28.11.2017 to 26.11.2018

- The aggregate value of the RRPT conducted by the transacting subsidiaries of the Company (collectively, "Bonia Group") with the related parties during the validity period 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 previous RRPT mandate pursuant to Circular to Shareholders dated 27.10.2017 duly approved at the 26th AGM held on 28.11.2017 RM'000	Actual aggregate value transacted from 28.11.2017 up to 26.11.2018 RM'000
1.	Bonia Group	Bonia International Holdings Pte. Ltd.	Chiang Sang Sem and persons connected with him (including their family)	• Payment of *Bonia, Carlo Rino, Sembonia and CR2* trademarks royalties	4,200	2,096
2.	Bonia Group	Long Bow Manufacturing (S) Pte. Ltd.	Chiang Sang Sem and persons connected with him (including their family); and Chiang Boon Tian (a director of Bonia's subsidiaries) and persons connected with him (including their family)	• Payment of office and warehouse rental	2,200	1,295
3.	Bonia Group	Speciale Eye wear Sdn. Bhd.	Datuk Chiang Heng Kieng and persons connected with him (including their family)	• Purchase of eyewear	210	172
4.	Bonia Group	Cassardi International Co. Ltd.	Boonnam Boonnamsap (a major shareholder of Bonia's subsidiary) and persons connected with him (including their family)	• Purchase of men's apparels • Payment of *Valentino Rudy* trademark royalty	N/A	144

Notes:

RRPT 4 - (1) Falls within the interpretation of Paragraph 10.08(9) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

(2) Discontinued with effect from 31.12.2017

- The actual value transacted up to 26.11.2018 did not exceed the estimated aggregate value during the validity period of the RRPT mandate obtained on 28.11.2017 by 10% or more.

20. Recurrent Related Party Transactions ("RRPT") (Cont'd)

20.2 Under the existing RRPT mandate obtained on 26.11.2018
Validity period: from 26.11.2018 to the Company's next AGM in November 2019

- The aggregate value of the RRPT conducted by the transacting subsidiaries of the Company (collectively, "Bonia Group") with the related parties during the validity period 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 existing RRPT mandate pursuant to Circular to Shareholders dated 26.10.2018 duly approved at the 27th AGM held on 26.11.2018 RM'000	Actual aggregate value transacted from 26.11.2018 up to 31.12.2018 RM'000
1.	Bonia Group	Long Bow Manufac-turing (S) Pte. Ltd.	Chiang Sang Sem and persons connected with him (including their family); and Chiang Boon Tian (a director of Bonia's subsidiaries) and persons connected with him (including their family)	• Payment of office rental	2,000	72
2.	Bonia Group	Speciale Eyewear Sdn. Bhd.	Datuk Chiang Heng Kieng and persons connected with him (including their family)	• Purchase of eyewear	500	22
3.	Bonia Group	Speciale Eyewear Sdn. Bhd.	Datuk Chiang Heng Kieng and persons connected with him (including their family)	• Sell of bag and accessories	200	-
4.	Bonia Group	Bonia International Holdings Pte. Ltd.	Chiang Sang Sem and persons connected with him (including their family)	• Payment of *Bonia, Sembonia, Carlo Rino, and CR2* trademarks royalties	3,000	213
5.	Bonia Group	Bonia International Holdings Pte. Ltd.	Chiang Sang Sem and persons connected with him (including their family)	• Payment of fixed *Carlo Rino, and CR2* trademarks royalties for licensed territories and licensed products	100	-

Notes:

RRPT 4 - Payment of *Carlo Rino*, and *CR2* trademarks royalties from 13 November 2018 onwards be excluded from this report following the demerger of the then indirect transacting subsidiaries under CRG Incorporated Berhad Group from Bonia Group

RRPT 5 - Payment of fixed *Carlo Rino, and CR2* trademarks royalties for licensed territories and licensed products from 13 November 2018 onwards be excluded from this report following the demerger of the then indirect transacting subsidiary ie. CRG Incorporated Berhad from Bonia Group

- The actual value transacted up to 31.12.2018 did not exceed the estimated aggregate value during the validity period of the RRPT mandate obtained on 26.11.2018 by 10% or more.

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

21. Group Borrowings

The total Group borrowings and debts securities are as follows:

	31.12.2018			31.12.2017		
Continuing Operations	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000
Conventional financing facilities - Secured						
Bank overdrafts	-	-	-	32	-	32
Bankers' acceptances	2,144	-	2,144	3,564	-	3,564
Revolving Credit	600	-	600	1,200	-	1,200
Hire-purchase & lease creditors	171	167	338	196	318	514
Term loans	9,698	14,959	24,657	10,833	26,987	37,820
	12,613	15,126	27,739	15,825	27,305	43,130
Islamic financing facilities - Secured						
Term financing-i	1,550	21,234	22,784	7,033	36,433	43,466
	1,550	21,234	22,784	7,033	36,433	43,466
Total secured borrowings	14,163	36,360	50,523	22,858	63,738	86,596
Conventional financing facilities - Unsecured						
Bank overdrafts	1,997	-	1,997	2,670	-	2,670
Bankers' acceptances	9,767	-	9,767	11,475	-	11,475
Revolving Credit	1,000	-	1,000	1,000	-	1,000
Trust Receipts	5,051	-	5,051	10,407	-	10,407
	17,815	-	17,815	25,552	-	25,552
Islamic financing facilities - Unsecured						
Bank overdrafts	473	-	473	1,536	-	1,536
Bankers' acceptances	1,135	-	1,135	3,530	-	3,530
	1,608	-	1,608	5,066		5,066
Total unsecured borrowings	19,423	-	19,423	30,618	-	30,618
Total	33,586	36,360	69,946	53,476	63,738	117,214

Discontinued Operations	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000	Short Term Borrowing RM'000	Long Term Borrowing RM'000	Total RM'000
Conventional financing facilities - Secured						
Term Loan	10,048	-	10,048	2,700	25,568	28,268
Total secured borrowings	10,048	-	10,048	2,700	25,568	28,268
Conventional financing facilities - Unsecured						
Bankers' acceptances	-	-	-	5,774	-	5,774
Islamic financing facilities - Unsecured						
Bankers' acceptances	-	-	-	1,104	-	1,104
Total unsecured borrowings	-	-	-	6,878	-	6,878
Total	10,048	-	10,048	9,578	25,568	35,146

21. Group Borrowings (cont'd)

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

As at 31.12.2018						
	Long Term		Short Term		Total Borrowings	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
Secured						
Singapore Dollar						
Hire-purchase & lease creditors	40	122	27	82	67	204
Trust Receipt	-	-	-	-	-	-
Term Loan	-	-	681	2,066	681	2,066
	40	122	708	2,148	748	2,270
Vietnamese Dong						
Term Loan	-	-	6,357,199	1,132	6,357,199	1,132
Unsecured						
Singapore Dollar						
Trust Receipt	-	-	1,664	5,051	1,664	5,051
Total		122		8,331		8,453

As at 31.12.2017						
	Long Term		Short Term		Total Borrowings	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
Secured						
Singapore Dollar						
Hire-purchase & lease creditors	67	204	23	69	90	273
Trust Receipt	-	-	720	2,180	720	2,180
Term Loan	681	2,062	1,167	3,534	1,848	5,596
	748	2,266	1,910	5,783	2,658	8,049
Vietnamese Dong						
Term Loan	-	-	6,619,564	1,178	6,619,564	1,178
Unsecured						
Singapore Dollar						
Trust Receipt	-	-	2,223	6,734	2,223	6,734
Rupiah						
Trust Receipt	-	-	5,012,418	1,494	5,012,418	1,494
Total		2,266		15,189		17,455

Exchange rates applied	**As at 31.12.2018**	**As at 31.12.2017**
SGD/RM	3.0355	3.0293
VDN100/RM	0.0178	0.0178
IDR100/RM	0.0288	0.0298

21. Group Borrowings (cont'd)

Reconciliation of liabilities from financing activities:

	Hire purchase and lease creditors RM'000	Term loan and financing-i RM'000	Banker acceptances RM'000	Bank overdrafts RM'000	Trust receipts RM'000	Revolving credit RM'000	Total RM'000
At 1 July 2018	421	103,012	9,104	3,139	5,988	2,200	123,864
Cash flow :							
- Net of repayments and drawdowns of borrowings	(89)	(29,801)	4,581	(669)	(1,107)	(600)	(27,685)
Non-cash flows:							
- Effect of foreign exchange	6	143	-	-	170	-	319
- Reclassification to disposal groups held for distribution/held for sale	-	(10,048)	-	-	-	-	(10,048)
- Demerger of subsidiaries	-	(15,865)	(639)	-	-	-	(16,504)
	6	(25,770)	(639)	-	170	-	(26,233)
At 31 December 2018	338	47,441	13,046	2,470	5,051	1,600	69,946

22. Changes in the Composition of the Group

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

(a) Kin Sheng Group Limited (former direct subsidiary of Bonia) was deregistered and dissolved following the publication of the final notice by The Companies Registry, Hong Kong in the Hong Kong Government Gazette dated 26 October 2018.

(b) On 13 November 2018, CRG and its subsidiaries demerged and ceased as subsidiaries of Bonia following the completion of Bonia's Dividend-In-Specie as detailed in our Circular to Shareholders in relation to the "Proposed Listing of CRG Incorporated Sdn Bhd and its subsidiaries on the Leap Market of Bursa Malaysia Securities Berhad" dated 8 May 2018.

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

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

24. 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 quarter 31.12.2018 RM'000	Preceding year quarter 31.12.2017 RM'000	Current year to-date 31.12.2018 RM'000	Preceding year period 31.12.2017 RM'000
Profit attributable to equity holders of the parent				
- Continuing operations	9,874	9,565	10,147	11,896
- Discontinuing operations	(384)	2,425	(425)	1,414
	9,490	11,990	9,722	13,310

Number of ordinary shares (basic)

	Current year quarter 31.12.2018 RM'000	Preceding year quarter 31.12.2017 RM'000	Current year to-date 31.12.2018 RM'000	Preceding year period 31.12.2017 RM'000
Weighted average number of ordinary shares ('000)	805,651	805,651	805,651	805,651
Basic earnings per share (sen)				
- Continuing operations	1.23	1.19	1.26	1.48
- Discontinuing operations	(0.05)	0.30	(0.05)	0.18
	1.18	1.49	1.21	1.66

25. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	6 months ended 31.12.2018				6 months ended 31.12.2017		
	Continuing operations RM'000	Discont'd operations RM'000	Total RM'000		Continuing operations RM'000	Discont'd operations RM'000	Total RM'000
Interest income & distribution income from short term funds	(993)	(98)	(1,091)		(1,056)	(27)	(1,083)
Interest expense	2,358	595	2,953		2,698	771	3,469
Depreciation of property, plant and equipment	7,036	1,108	8,144		6,918	1,418	8,336
Amortisation of intangible assets	879	-	879		1,274	-	1,274
Amortisation of trademarks	687	-	687		692	-	692
Bad debts written off	-	-	-		32	-	32
Net (reversal of)/provision for trade receivables	(1,417)	1,049	(368)		(698)	-	(698)
Provision for and write off of inventories	-	-	-		-	-	-
(Gain) or loss on disposal of PPE	(105)	(1)	(106)		(136)	(1)	(137)
Loss on disposal of quoted and/or unquoted investments	-	-	-		-	-	-
Reversal of provision for potential loss on proposed demerger of CRG Group	(2,961)	-	(2,961)		-	-	-
Gain on foreign exchange	(536)	(64)	(600)		(79)	(125)	(204)
Loss on foreign exchange	556	49	605		1,912	258	2,170
Gain or loss on derivatives (1)	-	-	-		-	-	-
Net provision for and PPE written off	19	254	273		345	15	360

Note: (1) There were no derivative financial instruments as at the end of the financial quarter under review

25.2 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.

26. 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 Summon and Statement of Claim against the Defendant and served the same on the Defendant on 2 November 2016.

On 21 November 2016, the Defendant filed 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.

26. Material Litigation (cont'd)

On 20 July 2018, the Plaintiffs filed an application to stay the proceedings pending the disposal of the Federal Court proceedings (Enclosure 7).

On 30 July 2018, the Plaintiffs filed an application for security for costs (Enclosure 13).

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

The Defendant's application for leave to appeal to the Federal Court on Enclosure 22 which was fixed for hearing on 19th February 2019 was adjourned pending the Grounds of Judgment from the Court of Appeal.

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

By Order of the Board,
BONIA CORPORATION BERHAD

CHONG CHIN LOOK
Group Finance Director
Kuala Lumpur
28 February 2019