



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As At 31 Mar 2019 RM'000 | As At 30 Jun 2018 RM'000 (Audited) |
|--|--------------------------------|---|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 120,373 | 134,671 |
| Investment properties | 23,567 | 21,442 |
| Intangible assets | 82,021 | 86,254 |
| Interests in associates | 538 | 749 |
| Other investments | 1,202 | 1,222 |
| Deferred tax assets | 1,533 | 1,354 |
| Other receivables | 8,786 | 8,569 |
| Total non-current assets | 238,020 | 254,261 |
| CURRENT ASSETS | | |
| Inventories | 100,680 | 105,363 |
| Trade and other receivables | 62,463 | 83,236 |
| Current tax assets | 3,864 | 3,521 |
| Short term funds | 9,381 | 27,293 |
| Cash and bank balances | 94,378 | 84,029 |
| Total current assets | 270,766 | 303,442 |
| Assets of disposal groups classified as held for distribution/ held for sale ** | 38,856 | 121,020 |
| TOTAL ASSETS | 547,642 | 678,723 |
| EQUITY AND LIABILITIES | | |
| Share capital | 201,572 | 201,572 |
| Reserves | 170,295 | 239,365 |
| Total equity attributable to the owners of the parent | 371,867 | 440,937 |
| Non-controlling Interests | 25,300 | 25,018 |
| Total equity | 397,167 | 465,955 |
| NON-CURRENT LIABILITIES | | |
| Long term borrowings | 35,709 | 58,162 |
| Other payables | 4,936 | 4,820 |
| Provision for restoration costs | 1,797 | 1,700 |
| Deferred tax liabilities | 7,101 | 7,400 |
| Total non-current liabilities | 49,543 | 72,082 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 59,904 | 62,110 |
| Bank borrowings | 25,619 | 38,143 |
| Provision for restoration costs | 787 | 897 |
| Current tax liabilities | 4,352 | 2,918 |
| Total current liabilities | 90,662 | 104,068 |
| Liabilities of disposal groups classified as held for distribution/ held for sale * | 10,270 | 36,618 |
| Total liabilities | 150,475 | 212,768 |
| TOTAL EQUITY AND LIABILITIES | 547,642 | 678,723 |
| | - | - |
| NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM) : | 0.46 | 0.55 |

* : As at 31.03.2019, the disposal groups are in respect of the assets and liabilities of Maha Asia Capital Sdn Bhd which are held for sale. As at 30.06.2018, the disposal groups were in respect of the assets and liabilities of CRG Group (the then subsidiaries of Bonia Group) and Maha Asia Capital Sdn Bhd which were 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 MARCH 2019 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | | | | |
|--|--|---|---|--|
| | Individual Quarter | | Cumulative Quarter | |
| | Current Year Quarter 31 Mar 2019 RM'000 | Preceding Year Corresponding Quarter 31 Mar 2018 RM'000 | Current Year- To-Date 31 Mar 2019 RM'000 | Preceding Year Corresponding Period 31 Mar 2018 RM'000 |
| CONTINUING OPERATIONS | | | | |
| Revenue [^] | 116,916 | 104,206 | 348,346 | 329,759 |
| Cost of sales | (50,437) | (39,613) | (157,579) | (126,929) |
| Gross profit | 66,479 | 64,593 | 190,767 | 202,830 |
| Selling and distribution expenses | (33,027) | (36,626) | (98,216) | (110,370) |
| General and administration expenses | (28,547) | (25,892) | (66,897) | (70,894) |
| Other operating income | 1,250 | 1,598 | 3,656 | 4,922 |
| Profit from operations | 6,155 | 3,673 | 29,310 | 26,488 |
| Finance income | 350 | 487 | 1,343 | 1,543 |
| Finance costs | (511) | (1,407) | (2,869) | (4,105) |
| Share of results of associates | 161 | 231 | 209 | 453 |
| Profit before tax | 6,155 | 2,984 | 27,993 | 24,379 |
| Taxation | (4,042) | (1,563) | (12,107) | (7,826) |
| Profit from continuing operations | 2,113 | 1,421 | 15,886 | 16,553 |
| Discontinued operations * | | | | |
| Profit from discontinued operations, net of tax | (140) | 837 | (565) | 2,251 |
| Profit for the period | 1,973 | 2,258 | 15,321 | 18,804 |
| 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) | - | (21) |
| Foreign currency exchange differences arising from consolidation | 704 | (2,382) | 1,537 | (1,590) |
| Discontinued operations | | | | |
| Other comprehensive income/(loss) from discontinuing operations | - | (76) | - | (569) |
| Total comprehensive income for the period | 2,677 | (207) | 16,858 | 16,624 |
| Profit attributable to : | | | | |
| Owners of the parent | | | | |
| - from continuing operations | (27) | 445 | 10,120 | 12,341 |
| - from discontinued operations | (140) | 837 | (565) | 2,251 |
| | (167) | 1,282 | 9,555 | 14,592 |
| Non-controlling Interests | | | | |
| - from continuing operations | 2,140 | 976 | 5,766 | 4,212 |
| | 1,973 | 2,258 | 15,321 | 18,804 |
| Total comprehensive income attributable to : | | | | |
| Owners of the parent | | | | |
| - from continuing operations | 734 | (1,557) | 11,206 | 11,501 |
| - from discontinued operations | (140) | 761 | (565) | 1,682 |
| | 594 | (796) | 10,641 | 13,183 |
| Non-controlling Interests | | | | |
| - from continuing operations | 2,083 | 589 | 6,217 | 3,441 |
| | 2,677 | (207) | 16,858 | 16,624 |
| Net earnings per share attributable to owners of the parent (Note 24) | | | | |
| - from continuing operations | - | 0.06 | 1.26 | 1.53 |
| - from discontinuing operations | (0.02) | 0.10 | (0.07) | 0.28 |
| - Basic (sen) | (0.02) | 0.16 | 1.19 | 1.81 |

[^] : 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 proposals as disclosed in Note 6 of this interim report, the disposal groups held for sale was presented as discontinued operations in line with the requirements of MFRS 5 *Non-current Assets held for Sale and Discontinued Operations*.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report of the Group for the financial year ended 30 June 2018)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share Capital RM'000 | Treasury Shares RM'000 | Non-distributable | | | Retained Earnings RM'000 | Total attributable to owners of the parent Sub-total RM'000 | Non-controlling interests RM'000 | Total Equity RM'000 |
|--|-------------------------|---------------------------|--------------------------------------|--|-------------------------------|-----------------------------|--|-------------------------------------|------------------------|
| | | | Available-for-sale Reserve RM'000 | Exchange Translation Reserve RM'000 | Revaluation Reserve 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 | - | - | - | - | - | 9,555 | 9,555 | 5,766 | 15,321 |
| Reclassification of exchange translation reserve to profit or loss upon demerger of subsidiaries | - | - | - | (51) | - | 51 | - | - | - |
| Foreign currency translations | - | - | - | 1,086 | - | - | 1,086 | 451 | 1,537 |
| Total comprehensive income for the period | - | - | - | 1,035 | - | 9,606 | 10,641 | 6,217 | 16,858 |
| 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 March 2019 | 201,572 | (355) | - | 13,053 | 184 | 157,413 | 371,867 | 25,300 | 397,167 |
| At 1 July 2017 | 201,572 | (355) | (65) | 13,622 | - | 218,156 | 432,930 | 22,337 | 455,267 |
| Profit for the financial year | - | - | - | - | - | 14,592 | 14,592 | 4,212 | 18,804 |
| Fair value of available-for-sale financial assets | - | - | (21) | - | - | - | (21) | - | (21) |
| Foreign currency translations | - | - | - | (1,388) | - | - | (1,388) | (771) | (2,159) |
| Total comprehensive income for the period | - | - | (21) | (1,388) | - | 14,592 | 13,183 | 3,441 | 16,624 |
| Transaction with owners: | | | | | | | | | |
| Dividends paid | - | - | - | - | - | (10,071) | (10,071) | - | (10,071) |
| Total transactions with owners | - | - | - | - | - | (10,071) | (10,071) | - | (10,071) |
| At 31 March 2018 | 201,572 | (355) | (86) | 12,234 | - | 222,677 | 436,042 | 25,778 | 461,820 |

(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 MARCH 2019 | | |
|---|--------------------|--------------------|
| CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS | | |
| | 31 Mar 2019 | 31 Mar 2018 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | | |
| From continuing operations | 27,993 | 24,379 |
| From discontinued operations | 83 | 3,860 |
| | 28,076 | 28,239 |
| Adjustments for non-cash flow: | | |
| Accretion of non-current other payables | - | 66 |
| Amortisation of trademarks | 1,031 | 1,033 |
| Amortisation of intangible assets | 978 | 1,885 |
| Bad debts written off | - | 1,416 |
| Depreciation of property, plant and equipment | 11,507 | 12,613 |
| Gain on disposals of property, plant and equipment, net | (106) | (139) |
| Impairment loss on goodwill | 2,671 | - |
| Impairment loss and written off of property, plant and equipment | 2,775 | 682 |
| Reversal of impairment losses on trade and other receivables | (1,435) | (510) |
| Interest expense and profit payment on Islamic financing | 3,607 | 5,245 |
| Interest income & distribution income from short term funds | (1,441) | (1,617) |
| Fair value gain on short term funds | (320) | (146) |
| Loss on disposal of other investment | 2 | - |
| Reversal of provision for potential loss on proposed demerger of CRG Group | (2,961) | - |
| Share of profit of an associate | (209) | (453) |
| Unwinding of discount on provision for restoration costs | - | (5) |
| Unrealised (gain)/loss on foreign exchange, net | (280) | 2,717 |
| Operating profit before changes in working capital | 43,895 | 51,026 |
| Changes in working capital | | |
| Net change in current assets | 17,621 | (1,606) |
| Net change in current liabilities | 355 | (22,000) |
| Cash generated from operations | 61,871 | 27,420 |
| Tax paid | (11,023) | (10,057) |
| Net cash from operating activities | 50,848 | 17,363 |
| Cash flows used in investing activities | | |
| Interest received | 1,441 | 1,617 |
| Advances to associates | - | (97) |
| Increase in deposits pledged to licensed banks | (15) | - |
| Withdrawals/(placements) of short term funds | 18,232 | (12,445) |
| Proceeds from disposal of property, plant and equipment | 115 | 226 |
| Proceeds from disposal of other investment | 7 | - |
| Demerger of subsidiaries, net of cash on demerger | (15,429) | - |
| Purchase of property, plant and equipment | (6,567) | (7,783) |
| Net cash used in investing activities | (2,216) | (18,482) |
| Cash flows used in financing activities | | |
| Interest paid and profit paid on Islamic financing | (3,607) | (5,245) |
| Dividends paid to owners of the parent | - | (10,071) |
| Dividends paid to non-controlling interests | (4,543) | - |
| Net financing/(repayments) of bank borrowings | (33,747) | 2,835 |
| Net cash used in financing activities | (41,897) | (12,481) |
| Net decrease in cash and cash equivalents | 6,735 | (13,600) |
| Cash and cash equivalents at beginning of financial period | 95,655 | 114,991 |
| Effects of exchange rate changes on cash and cash equivalents | 492 | 1,472 |
| Cash and cash equivalents at end of financial period (Note A17) | 102,882 | 102,863 |

(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)



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**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 March 2019**

1. Basis of Preparation

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRS”) MFRS 134: “Interim Financial Reporting” and Chapter 9 Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). This Report also 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 MFRS 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 <i>Annual Improvements to MFRS Standards 2014 - 2017 Cycle</i> | 1 January 2018 |
| 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 |
| Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i> | 1 January 2018 |
| Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2017 Cycle</i> | 1 January 2018 |
| IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i> | 1 January 2018 |
| Amendments to MFRS 140 <i>Transfers of Investment Property</i> | 1 January 2018 |
| Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i> | 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)

(a) MFRS 9, Financial Instruments (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 asset is classified and measured at fair value through other comprehensive income if the asset is 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 investments previously classified as available-for-sale financial assets as financial assets at FVTPL as at 1 July 2018.

MFRS 9 retains most of the MFRS 139 requirements for classification and measurement of financial liabilities. The new requirements only affects 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.



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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 is 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 follows :-

| | As previously reported as at <u>1 July 2018</u> RM'000 | Effects of adoption of <u>MFRS 9</u> RM'000 | Effects of adoption of <u>MFRS 15</u> RM'000 | Restated as at <u>1 July 2018</u> RM'000 |
|---|---|--|---|---|
| Condensed Consolidated | | | | |
| <u>Statement of Financial Position Assets</u> | | | | |
| 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 | <u>177,514</u> | <u>(13,925)</u> | <u>20</u> | <u>163,609</u> |
| <u>Liabilities</u> | | | | |
| Deferred tax liabilities | 7,400 | (1,107) | (2) | 6,291 |
| Contract liabilities | - | - | 307 | 307 |
| Impact to liabilities | <u>7,400</u> | <u>(1,107)</u> | <u>305</u> | <u>6,598</u> |
| <u>Equity</u> | | | | |
| 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 | <u>264,554</u> | <u>(12,816)</u> | <u>(287)</u> | <u>251,451</u> |



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

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 extended for a period of six (6) months from 7 October 2018 to 7 April 2019 vide a supplementary letter dated 4 October 2018. Thereafter, the Cut-Off Date was further extended to 7 October 2019 vide another supplementary letter dated 5 April 2019 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



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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 completion 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 have 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.

The Directors did not declare any interim dividend for the financial quarter ended 31 March 2019.



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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 March 2019 are as follows:-

| | ← Retailing → | | | | | Manufac- turing | Management services/ investment holdings/ investment properties | Total Continuing Operations | Discont'd Operations | Total |
|------------------------------------|---------------|-----------|-----------|---------|--------------------|--------------------|--|-----------------------------------|-------------------------|----------|
| | Malaysia | Singapore | Indonesia | Vietnam | Other countries | | | | | |
| 3rd quarter - 31.03.2019 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Revenue</u> | | | | | | | | | | |
| Total revenue | 206,630 | 114,482 | 17,589 | 2,507 | 5,888 | 14,952 | 37,324 | 399,372 | 37,664 | 437,036 |
| Inter-segment revenue | - | - | - | - | - | (14,462) | (36,564) | (51,026) | (3,430) | (54,456) |
| Revenue from external customers | 206,630 | 114,482 | 17,589 | 2,507 | 5,888 | 490 | 760 | 348,346 | 34,234 | 382,580 |
| <u>Results</u> | | | | | | | | | | |
| Operating profit/(loss) | 21,939 | 11,968 | 283 | (1,803) | - | 275 | (3,352) | 29,310 | 723 | 30,033 |
| Interest income | 534 | 521 | 8 | - | - | 10 | 270 | 1,343 | 98 | 1,441 |
| Finance costs | (610) | 14 | (31) | (88) | - | (53) | (2,101) | (2,869) | (738) | (3,607) |
| Net finance income/(expense) | (76) | 535 | (23) | (88) | - | (43) | (1,831) | (1,526) | (640) | (2,166) |
| Share of profit of an associate | - | - | - | - | - | - | 209 | 209 | - | 209 |
| Profit/(Loss) before tax | 21,863 | 12,503 | 260 | (1,891) | - | 232 | (4,974) | 27,993 | 83 | 28,076 |
| Segment assets | 166,062 | 103,896 | 25,834 | 4,177 | - | 23,853 | 179,567 | 503,389 | 38,856 | 542,245 |
| Segment liabilities | 25,231 | 46,619 | 3,234 | 6,172 | - | 1,651 | 45,833 | 128,740 | 10,110 | 138,850 |



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10. Segmental Information (cont'd)

| 3rd quarter - 31.03.2018 | Retailing | | | | | Manufacturing RM'000 | Management services/ investment holdings/ investment properties RM'000 | Total Continuing Operations RM'000 | Discont'd Operations RM'000 | Total RM'000 |
|---------------------------------|--------------------|---------------------|---------------------|-------------------|---------------------------|-------------------------|---|---------------------------------------|--------------------------------|-----------------|
| | Malaysia RM'000 | Singapore RM'000 | Indonesia RM'000 | Vietnam RM'000 | Other countries RM'000 | | | | | |
| <u>Revenue</u> | | | | | | | | | | |
| Total Revenue | 197,242 | 97,976 | 21,660 | 3,276 | 8,236 | 19,894 | 38,345 | 386,629 | 86,716 | 473,345 |
| Inter-segment revenue | (3) | - | - | - | - | (19,412) | (37,455) | (56,870) | (9,432) | (66,302) |
| Revenue from external customers | 197,239 | 97,976 | 21,660 | 3,276 | 8,236 | 482 | 890 | 329,759 | 77,284 | 407,043 |
| <u>Results</u> | | | | | | | | | | |
| Operating profit/(loss) | 19,103 | 8,291 | 914 | (348) | - | (50) | (1,422) | 26,488 | 4,926 | 31,414 |
| Interest income | 395 | 626 | 6 | - | - | - | 516 | 1,543 | 74 | 1,617 |
| Finance costs | (693) | (514) | (29) | (77) | - | (184) | (2,608) | (4,105) | (1,140) | (5,245) |
| Net finance income/(expense) | (298) | 112 | (23) | (77) | - | (184) | (2,092) | (2,562) | (1,066) | (3,628) |
| Share of profit of an associate | - | - | - | - | - | - | 453 | 453 | - | 453 |
| Profit/(Loss) before tax | 18,805 | 8,403 | 891 | (425) | - | (234) | (3,061) | 24,379 | 3,860 | 28,239 |
| Segment assets | 198,191 | 114,280 | 24,351 | 3,745 | - | 25,060 | 198,310 | 563,937 | 117,177 | 681,114 |
| Segment liabilities | 36,945 | 55,624 | 3,304 | 1,518 | - | 5,652 | 75,901 | 178,944 | 38,941 | 217,885 |



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11. Performance Review

11.1 Table 1: Financial review for current quarter

3QFY2019 vs 3QFY2018

| | Quarter ended 31 March | | Increase/(Decrease) | |
|---|------------------------|----------------|---------------------|---------------|
| | 2019 | 2018 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Continuing Operations | | | | |
| Revenue | | | | |
| - Retailing | | | | |
| • Malaysia | 64,790 | 65,457 | (667) | (1.0) |
| • Singapore | 43,451 | 28,784 | 14,667 | 51.0 |
| • Indonesia | 6,014 | 6,981 | (967) | (13.9) |
| • Vietnam | 751 | 957 | (206) | (21.5) |
| • Other countries | 1,465 | 1,774 | (309) | (17.4) |
| Total overseas market | 51,681 | 38,496 | 13,185 | 34.3 |
| - Manufacturing | 236 | 40 | 196 | >100.0 |
| - Management services/investment holdings/investment properties | 209 | 213 | (4) | (1.9) |
| | <u>116,916</u> | <u>104,206</u> | <u>12,710</u> | <u>12.2</u> |
| Operating profit/(loss) | | | | |
| - Retailing | | | | |
| • Malaysia | 7,486 | 4,934 | 2,552 | 51.7 |
| • Singapore | 2,841 | (600) | 3,441 | >100.0 |
| • Indonesia | 385 | 532 | (147) | (27.6) |
| • Vietnam | (389) | (408) | 19 | 4.7 |
| • Other countries | - | - | - | - |
| Total overseas market | 2,837 | (476) | 3,313 | >100.0 |
| - Manufacturing | 612 | (81) | 693 | >100.0 |
| - Management services/investment holdings/investment properties | (4,780) | (704) | (4,076) | (>100.0) |
| | <u>6,155</u> | <u>3,673</u> | <u>2,482</u> | <u>67.6</u> |
| Interest income | 350 | 487 | (137) | (28.1) |
| Finance costs | (511) | (1,407) | 896 | 63.7 |
| Share of results of an associate | 161 | 231 | (70) | (30.3) |
| Profit before tax | 6,155 | 2,984 | 3,171 | >100.0 |
| Taxation | (4,042) | (1,563) | (2,479) | (>100.0) |
| Profit from continuing operations | 2,113 | 1,421 | 692 | 48.7 |
| Profit/(Loss) from discontinued operations | (140) | 837 | (977) | (>100.0) |
| Profit for the period | <u>1,973</u> | <u>2,258</u> | <u>(285)</u> | <u>(12.6)</u> |



11. Performance Review (cont'd)

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

3QFY2019 vs 3QFY2018 (cont'd)

Continuing Operations

In the previous year's corresponding quarter, revenue from consignment counters was 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 RM15.2 million was recognised in the cost of sales (collectively, "reclassification"). Without the said reclassification, the Group reported a revenue of RM101.7 million for the current quarter as compared to revenue of RM104.2 million reported in the previous year's corresponding quarter. The decrease in revenue by RM2.5 million or 2.4% was mainly due to lower revenue contribution from the retailing segment.

The retailing segment reported a revenue of RM101.3 million (without the reclassification) for the current quarter as compared to revenue of RM103.9 million reported in the previous year's corresponding quarter. The lower revenue reported by this segment was due to the Group's continuing rationalisation process of closing its non-performing outlets, as well as a weak retail market exacerbated by numerous online market portals.

Revenue from the manufacturing segment recorded slight increase due to higher sales for the current quarter under review.

Revenue from management services, investment holding and investment properties segment recorded slight decrease due to lower rental income for the current quarter under review.

Despite the decrease in the Group's revenue, impairment loss on goodwill of RM2.7 million and a net impairment loss and written off of property, plant and equipment ("PPE") of RM2.5 million, the Group reported profit before tax ("PBT") of RM6.2 million in the current quarter as compared to the PBT of RM3.0 million reported in the previous year's same quarter. The Group's PBT increased by RM3.2 million was mainly due to the reversal of provision for impairment loss on trade receivables amounting to RM1.1 million as well as the reduction in operating cost, particularly staff costs, as a result of its consolidation and rationalisation exercise.

The exceptional high in taxation was mainly due to an under provision in previous years from an oversea subsidiary company amounting to RM1.1 million as well as deferred tax assets have not been recognised for the temporary differences arising from the unutilised tax losses of the loss making subsidiaries.

11.1 Table 2: Financial review for current quarter

3QFY2019 vs 3QFY2018

| | Quarter ended 31 March | | Increase/(Decrease) | |
|-------------------------------------|------------------------|------------|---------------------|--------------------|
| | 2019 | 2018 | | |
| | RM'000 | RM'000 | RM'000 | % |
| <u>Discontinued Operations</u> | | | | |
| Revenue | 12 | 23,611 | (23,599) | (99.9) |
| Operating profit/(loss) | 4 | 1,625 | (1,621) | (99.8) |
| Interest income | - | 48 | (48) | (100.0) |
| Finance costs | (144) | (369) | 225 | 61.0 |
| Profit/(Loss) before tax | (140) | 1,304 | (1,444) | (>100.0) |
| Taxation | - | (467) | 467 | 100.0 |
| Profit/(Loss) for the period | (140) | 837 | (977) | (>100.0) |



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11. Performance Review (cont'd)

11.1 Table 2: Financial review for current quarter (cont'd)

Discontinued Operations

The discontinued operations reported a revenue of RM0.01 million and operating profit of RM0.004 million in the current quarter as compared to a revenue of RM23.6 million and operating profit of RM1.6 million reported in the previous year's corresponding quarter. The significant decrease in revenue and operating profit was mainly due to the demerger of CRG Group had been completed in the immediate preceding quarter.

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

3QFY2019 YTD vs 3QFY2018 YTD

| | Cumulative Period | | Increase/(Decrease) | |
|---|-------------------------|--------------------------------------|---------------------|------------|
| | Current Year To-date | Preceding Corresponding Period | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % |
| <u>Continuing Operations</u> | | | | |
| <u>Revenue</u> | | | | |
| - Retailing | | | | |
| • Malaysia | 206,630 | 197,239 | 9,391 | 4.8 |
| • Singapore | 114,482 | 97,976 | 16,506 | 16.8 |
| • Indonesia | 17,589 | 21,660 | (4,071) | (18.8) |
| • Vietnam | 2,507 | 3,276 | (769) | (23.5) |
| • Other countries | 5,888 | 8,236 | (2,348) | (28.5) |
| Total overseas market | 140,466 | 131,148 | 9,318 | 7.1 |
| - Manufacturing | 490 | 482 | 8 | 1.7 |
| - Management services/investment holdings/investment properties | 760 | 890 | (130) | (14.6) |
| | 348,346 | 329,759 | 18,587 | 5.6 |
| <u>Operating profit/(loss)</u> | | | | |
| - Retailing | | | | |
| • Malaysia | 21,939 | 19,103 | 2,836 | 14.8 |
| • Singapore | 11,968 | 8,291 | 3,677 | 44.3 |
| • Indonesia | 283 | 914 | (631) | (69.0) |
| • Vietnam | (1,803) | (348) | (1,455) | (>100.0) |
| • Other countries | - | - | - | - |
| Total overseas market | 10,448 | 8,857 | 1,591 | 18.0 |
| - Manufacturing | 275 | (50) | 325 | >100.0 |
| - Management services/investment holdings/investment properties | (3,352) | (1,422) | (1,930) | (>100.0) |
| | 29,310 | 26,488 | 2,822 | 10.7 |
| Interest income | 1,343 | 1,543 | (200) | (13.0) |
| Finance costs | (2,869) | (4,105) | 1,236 | 30.1 |
| Share of results of an associate | 209 | 453 | (244) | (53.9) |
| Profit before tax | 27,993 | 24,379 | 3,614 | 14.8 |
| Taxation | (12,107) | (7,826) | (4,281) | (54.7) |



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11. Performance Review (cont'd)

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

3QFY2019 YTD vs 3QFY2018 YTD (cont'd)

| | Cumulative Period | | Increase/(Decrease) | |
|--|----------------------|--------------------------------|---------------------|---------------|
| | Current Year To-date | Preceding Corresponding Period | | |
| | RM'000 | RM'000 | RM'000 | % |
| Profit from continuing operations | 15,886 | 16,553 | (667) | (4.0) |
| Profit/(Loss) from discontinued operations | (565) | 2,251 | (2,816) | (>100.0) |
| Profit for the period | <u>15,321</u> | <u>18,804</u> | <u>(3,483)</u> | <u>(18.5)</u> |

Continuing Operations

In the previous year's corresponding period, revenue from consignment counters was 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 RM44.5 million was recognised in the cost of sales (collectively, "reclassification"). Without taking into account the said reclassification, the Group reported a revenue of RM303.9 million for the current financial period as compared to a revenue of RM329.8 million reported in the previous year's corresponding period. The revenue decreased by RM25.9 million or 7.9% as compared to the previous year's corresponding period mainly due to lower revenue contribution from the retailing segment.

The retailing segment registered a revenue of RM302.6 million (without the reclassification) for the current financial period as compared to a revenue of RM328.4 million reported in the previous year's corresponding period. The reasons for the lower revenue achieved are primarily due to the Group's continuing rationalisation process of closing its non-performing outlets, as well as a weak retail market exacerbated by numerous online market portals.

Revenue from the manufacturing segment recorded slight increase due to higher sales for the current financial period.

The management services, investment holding and investment properties segment recorded a revenue of RM0.8 million for the current financial period as compared to the revenue of RM0.9 million reported in the previous year's corresponding period. The slight decrease in revenue was primary due to lower rental income for the current financial period under review.

The decrease in the Group's revenue has resulted its gross profit declined by RM12.1 million or 5.9%. Nevertheless, the Group PBT increased by RM3.6 million or 14.8%. This was mainly due to (i) the reversal of provision for potential loss on the proposed demerger of CRG group amounting to RM2.96 million, (ii) the reversal of provision for impairment loss on trade receivables amounting to RM2.5 million, as well as, (iii) the reduction in operating costs, particularly staff costs, as a result of its consolidation and rationalisation exercise to close several non-performing outlets. The Group's PBT had been lowered by two exceptional expenses, (i) the impairment loss on goodwill of RM2.7 million, and (ii) the impairment loss and written off of PPE of RM2.5 million.

The exceptional high in taxation was mainly due to the under provision in the previous years from an oversea subsidiary company amounting to RM1.6 million as well as deferred tax assets have not been recognised for temporary differences arising from the unutilised tax losses of loss making subsidiaries.



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11. Performance Review (cont'd)

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

3QFY2019 YTD vs 3QFY2018 YTD

| | Cumulative Period | | Increase/(Decrease) | |
|-------------------------------------|-------------------------|--------------------------------------|---------------------|--------------------|
| | Current Year To-date | Preceding Corresponding Period | | |
| | RM'000 | RM'000 | RM'000 | % |
| <u>Discontinued Operations</u> | | | | |
| <u>Revenue</u> | 34,234 | 77,284 | (43,050) | (55.7) |
| Operating profit/(loss) | 723 | 4,926 | (4,203) | (85.3) |
| Interest income | 98 | 74 | 24 | 32.4 |
| Finance costs | (738) | (1,140) | 402 | 35.2 |
| Profit/(Loss) before tax | 83 | 3,860 | (3,777) | (97.8) |
| Taxation | (648) | (1,609) | 961 | 59.7 |
| Profit/(Loss) for the period | (565) | 2,251 | (2,816) | (>100.0) |

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 a revenue of RM77.3 million and operating profit of RM4.9 million reported in the previous year's 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's results being consolidated in the current financial period.

11.3 Financial review for current quarter compared with immediate preceding quarter

3QFY2019 vs 2QFY2019

| | 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 | 116,916 | 12 | 116,928 | 132,245 | 12,643 | 144,888 | (15,329) | (12,631) |
| Operating profit | 6,155 | 4 | 6,159 | 20,376 | 117 | 20,493 | (14,221) | (113) |
| Interest income | 350 | - | 350 | 465 | 33 | 498 | (115) | (33) |
| Finance costs | (511) | (144) | (655) | (1,165) | (241) | (1,406) | 654 | 97 |
| Share of results of an associate | 161 | - | 161 | 46 | - | 46 | 115 | - |
| Profit before tax | 6,155 | (140) | 6,015 | 19,722 | (91) | 19,631 | (13,567) | (49) |
| Taxation | (4,042) | - | (4,042) | (7,253) | (293) | (7,546) | 3,211 | 293 |
| Profit for the period | 2,113 | (140) | 1,973 | 12,469 | (384) | 12,085 | (10,356) | 244 |



11.3 Financial review for current quarter compared with immediate preceding quarter (cont'd)

Continuing Operations

For the quarter under review, the Group registered a revenue of RM116.9 million (RM101.7 million without the reclassification) as compared to the revenue of RM132.2 million (RM115.4 million without the reclassification) reported in the immediate preceding quarter. The Group's revenue decreased by RM15.3 million or 11.6% (RM13.7 million or 11.9% without the reclassification), and was mainly due to the Christmas season and year-end promotion events that occur in the preceding quarter.

The lower revenue achieved a coupled with the reasons mentioned at the Note 11.1 above, had resulted in the Group's PBT decreased by RM13.6 million or 68.8% in the current quarter as compared to the immediate preceding quarter.

Discontinued Operations

The discontinued operations reported a revenue of RM0.01 million and operating profit of RM0.004 million in the current quarter as compared to a revenue of RM12.6 million and operating profit of RM0.1 million reported in the immediate preceding quarter. The significant decrease in revenue and operating profit was primarily due to the demerger of CRG Group had been completed in the immediate preceding quarter.

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 the 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 March 2019 comprised of corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries amounting to RM248.3 million of which utilised by these subsidiaries amounted to RM71.6 million.

15. Capital Commitments

The total capital commitments as at 31 March 2019 are as follows:

Authorised and contracted for:
Property, plant and equipment:
- Others

RM'000

537



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16. Short Term Funds

The short term funds represent investments in money market funds.

17. Cash and Cash equivalents

| Continuing operations | 31.03.2019 | 31.03.2018 |
|---|----------------|----------------|
| | RM'000 | RM'000 |
| Cash and bank balances | 77,205 | 79,469 |
| Fixed deposits with licensed banks | 17,173 | 11,846 |
| | <u>94,378</u> | <u>91,315</u> |
| Less : Bank overdrafts | (690) | (3,549) |
| Less : Fixed deposits pledged | (889) | (866) |
| Add : Cash and cash classified as held for distribution /held for sale | 10,083 | 15,963 |
| | <u>102,882</u> | <u>102,863</u> |

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 | 31.03.2019 | 31.03.2018 |
|---|---------------|---------------|
| | RM'000 | RM'000 |
| Net cash used in operating activities | (17) | (2,289) |
| Net cash from investing activities | 11,350 | 122 |
| Net cash from/(used in) financing activities | (1,459) | 1,837 |
| Net increase/(decrease) in cash and cash equivalent | <u>9,874</u> | <u>(330)</u> |
| Cash and cash equivalent at beginning of financial period | 209 | 17,186 |
| Effect of exchange rate changes on cash and cash equivalent | - | (893) |
| | <u>10,083</u> | <u>15,963</u> |

18. Taxation

| | Current year to-date ended 31.03.2019 | Preceding year to-date ended 31.03.2018 |
|--------------------------------|---|---|
| | RM'000 | RM'000 |
| Continuing operations | | |
| Current year tax expense | 9,918 | 8,283 |
| Over provision in prior years | 1,501 | (444) |
| Deferred tax expense | 688 | (13) |
| | <u>12,107</u> | <u>7,826</u> |
| Discontinued operations | | |
| Current year tax expense | 680 | 1,426 |
| Over provision in prior years | - | (26) |
| Deferred tax expense | (32) | 209 |
| | <u>648</u> | <u>1,609</u> |

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.



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19. Share Capital of the Company

| | 31.03.2019 | | 31.03.2018 | |
|------------------------|--------------------------|------------------|--------------------------|------------------|
| | Number of shares '000 | Amount RM'000 | Number of shares '000 | Amount RM'000 |
| Ordinary shares | | | | |
| Issued and fully paid | 806,287 | 201,572 | 806,287 | 201,572 |

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 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 31.03.2019 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 | 275 |
| 2. | Bonia Group | Speciale Eyewear Sdn. Bhd. | Datuk Chiang Heng Kieng and persons connected with him (including their family) | • Purchase of eyewear | 500 | 64 |
| 3. | Bonia Group | Speciale Eyewear Sdn. Bhd. | Datuk Chiang Heng Kieng and persons connected with him (including their family) | • Sell of bags and accessories | 200 | - |
| 4. | Bonia Group | Bonia International Holdings Pte. Ltd. | Chiang Sang Sem and persons connected with him (including their family) | • Payment of <i>Bonia, Sembonia, Carlo Rino, and CR2</i> trademarks royalties | 3,000 | 496 |
| 5. | Bonia Group | Bonia International Holdings Pte. Ltd. | Chiang Sang Sem and persons connected with him (including their family) | • Payment of fixed <i>Carlo Rino, and CR2</i> trademarks royalties for licensed territories and licensed products | 100 | - |



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20. Recurrent Related Party Transactions (“RRPT”) (Cont’d)

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

RPT 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 31.03.2019 did not exceed the estimated aggregate value during the validity period of the RRPT mandate obtained on 26.11.2018 by 10% or more.

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



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21. Group Borrowings

The total Group borrowings and debts securities are as follows:

| | 31.03.2019 | | | 31.03.2018 | | |
|--|-----------------------------------|----------------------------------|-----------------|-----------------------------------|----------------------------------|-----------------|
| | 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 |
| <u>Continuing Operations</u> | | | | | | |
| <i>Conventional financing facilities - Secured</i> | | | | | | |
| Bankers' acceptances | 1,383 | - | 1,383 | 3,363 | - | 3,363 |
| Revolving Credit | - | - | - | 1,500 | - | 1,500 |
| Hire-purchase & lease creditors | 153 | 138 | 291 | 211 | 253 | 464 |
| Term loans | 7,631 | 14,739 | 22,370 | 10,718 | 24,399 | 35,117 |
| | 9,167 | 14,877 | 24,044 | 15,792 | 24,652 | 40,444 |
| <i>Islamic financing facilities - Secured</i> | | | | | | |
| Term financing-i | 1,567 | 20,832 | 22,399 | 7,047 | 37,386 | 44,433 |
| | 1,567 | 20,832 | 22,399 | 7,047 | 37,386 | 44,433 |
| <i>Total secured borrowings</i> | 10,734 | 35,709 | 46,443 | 22,839 | 62,038 | 84,877 |
| <i>Conventional financing facilities - Unsecured</i> | | | | | | |
| Bank overdrafts | 458 | - | 458 | 2,035 | - | 2,035 |
| Bankers' acceptances | 7,214 | - | 7,214 | 12,360 | - | 12,360 |
| Revolving Credit | 1,000 | - | 1,000 | 1,000 | - | 1,000 |
| Trust Receipts | 4,900 | - | 4,900 | 8,582 | - | 8,582 |
| | 13,572 | - | 13,572 | 23,977 | - | 23,977 |
| <i>Islamic financing facilities - Unsecured</i> | | | | | | |
| Bank overdrafts | 232 | - | 232 | 1,514 | - | 1,514 |
| Bankers' acceptances | 1,081 | - | 1,081 | 1,291 | - | 1,291 |
| | 1,313 | - | 1,313 | 2,805 | - | 2,805 |
| <i>Total unsecured borrowings</i> | 14,885 | - | 14,885 | 26,782 | - | 26,782 |
| Total | 25,619 | 35,709 | 61,328 | 49,621 | 62,038 | 111,659 |
| <u>Discontinued Operations</u> | | | | | | |
| <i>Conventional financing facilities - Secured</i> | | | | | | |
| Term Loan | 10,050 | - | 10,050 | 12,769 | 15,335 | 28,104 |
| <i>Total secured borrowings</i> | 10,050 | - | 10,050 | 12,769 | 15,335 | 28,104 |
| <i>Conventional financing facilities - Unsecured</i> | | | | | | |
| Bankers' acceptances | - | - | - | 4,534 | - | 4,534 |
| <i>Total unsecured borrowings</i> | - | - | - | 4,534 | - | 4,534 |
| Total | 10,050 | - | 10,050 | 17,303 | 15,335 | 32,638 |



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21. Group Borrowings (cont'd)

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

| | As at 31.03.2019 | | | | | |
|---------------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | Long Term | | Short Term | | Total Borrowings | |
| | Foreign Currency '000 | RM Equivalent '000 | Foreign Currency '000 | RM Equivalent '000 | Foreign Currency '000 | RM Equivalent '000 |
| <u>Secured</u> | | | | | | |
| <u>Singapore Dollar</u> | | | | | | |
| Hire-purchase & lease creditors | 34 | 104 | 27 | 81 | 61 | 185 |
| Term Loan | - | - | 389 | 1,172 | 389 | 1,172 |
| | 34 | 104 | 416 | 1,253 | 450 | 1,357 |
| <u>Vietnamese Dong</u> | | | | | | |
| Term Loan | - | - | 4,426,278 | 779 | 4,426,278 | 779 |
| <u>Unsecured</u> | | | | | | |
| <u>Singapore Dollar</u> | | | | | | |
| Trust Receipt | - | - | 1,626 | 4,900 | 1,626 | 4,900 |
| Total | | 104 | | 6,932 | | 7,036 |

| | As at 31.03.2018 | | | | | |
|---------------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | Long Term | | Short Term | | Total Borrowings | |
| | Foreign Currency '000 | RM Equivalent '000 | Foreign Currency '000 | RM Equivalent '000 | Foreign Currency '000 | RM Equivalent '000 |
| <u>Secured</u> | | | | | | |
| <u>Singapore Dollar</u> | | | | | | |
| Hire-purchase & lease creditors | 61 | 180 | 23 | 68 | 84 | 248 |
| Trust Receipt | - | - | 767 | 2,262 | 767 | 2,262 |
| Term Loan | 389 | 1,147 | 1,167 | 3,441 | 1,556 | 4,588 |
| | 450 | 1,327 | 1,957 | 5,771 | 2,407 | 7,098 |
| <u>Vietnamese Dong</u> | | | | | | |
| Term Loan | - | - | 5,937,113 | 1,003 | 5,937,113 | 1,003 |
| <u>Unsecured</u> | | | | | | |
| <u>Singapore Dollar</u> | | | | | | |
| Trust Receipt | - | - | 1,424 | 4,199 | 1,424 | 4,199 |
| <u>Rupiah</u> | | | | | | |
| Trust Receipt | - | - | 7,548,344 | 2,121 | 7,548,344 | 2,121 |
| Total | | 1,327 | | 13,094 | | 14,421 |

| <u>Exchange rates applied</u> | As at 31.03.2019 | As at 31.03.2018 |
|-------------------------------|------------------|------------------|
| SGD/RM | 3.0142 | 2.9494 |
| VDN100/RM | 0.0176 | 0.0169 |
| IDR100/RM | 0.0287 | 0.0281 |



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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 acceptan- ces 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 drawdown of borrowings | (134) | (32,444) | 1,213 | (2,449) | (1,182) | (1200) | (36,196) |
| Non-cash flows: | | | | | | | |
| - Effect of foreign exchange | 4 | 116 | - | - | 94 | - | 214 |
| - Reclassification to disposal groups held for distribution/held for sale | - | (10,050) | - | - | - | - | (10,050) |
| - Demerger of CRG Group | - | (15,865) | (639) | - | - | - | (16,504) |
| | 4 | (25,799) | (639) | - | 94 | - | (26,340) |
| At 31 March 2019 | 291 | 44,769 | 9,678 | 690 | 4,900 | 1,000 | 61,328 |

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.



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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 31.03.2019 RM'000 | Preceding year quarter 31.03.2018 RM'000 | Current year to-date 31.03.2019 RM'000 | Preceding year period 31.03.2018 RM'000 |
|---|---|---|---|--|
| Profit attributable to equity holders of the parent | | | | |
| - Continuing operations | (27) | 445 | 10,120 | 12,341 |
| - Discontinued operations | (140) | 837 | (565) | 2,251 |
| | (167) | 1,282 | 9,555 | 14,592 |

Number of ordinary shares (basic)

| | Current year quarter 31.03.2019 RM'000 | Preceding year quarter 31.03.2018 RM'000 | Current year to-date 31.03.2019 RM'000 | Preceding year period 31.03.2018 RM'000 |
|---|---|---|---|--|
| Weighted average number of ordinary shares ('000) * | 805,651 | 805,651 | 805,651 | 805,651 |
| Basic earnings per share (sen) | | | | |
| - Continuing operations | - | 0.06 | 1.26 | 1.53 |
| - Discontinued operations | (0.02) | 0.10 | (0.07) | 0.28 |
| | (0.02) | 0.16 | 1.19 | 1.81 |

Note:

* Excluding the treasury shares of 636,000.



25. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

| | 9 months ended 31.03.2019 | | | 9 months ended 31.03.2018 | | |
|--|---------------------------------|-----------------------------------|-----------------|---------------------------------|-----------------------------------|-----------------|
| | Continuing operations RM'000 | Discontinued operations RM'000 | Total RM'000 | Continuing operations RM'000 | Discontinued operations RM'000 | Total RM'000 |
| Interest income & distribution income from short term funds | (1,343) | (98) | (1,441) | (1,543) | (74) | (1,617) |
| Interest expense | 2,869 | 738 | 3,607 | 4,105 | 1,140 | 5,245 |
| Depreciation of property, plant and equipment | 10,399 | 1,108 | 11,507 | 10,466 | 2,147 | 12,613 |
| Amortisation of intangible assets | 978 | - | 978 | 1,885 | - | 1,885 |
| Amortisation of trademarks | 1,031 | - | 1,031 | 1,033 | - | 1,033 |
| Bad debts written off | - | - | - | 1,416 | - | 1,416 |
| Net (reversal of)/provision for trade receivables | (2,484) | 1,049 | (1,435) | (510) | - | (510) |
| Provision for and write off of inventories | - | - | - | - | - | - |
| (Gain)/loss on disposal of PPE | (105) | (1) | (106) | (137) | (2) | (139) |
| Loss on disposal of quoted/unquoted investments | 2 | - | 2 | - | - | - |
| Gain on foreign exchange | (627) | (64) | (691) | (138) | (70) | (208) |
| Loss on foreign exchange | 830 | 49 | 879 | 3,328 | 602 | 3,930 |
| Gain or loss on derivatives ⁽¹⁾ | - | - | - | - | - | - |
| Impairment loss on goodwill | 2,671 | - | 2,671 | - | - | - |
| Net impairment loss and written off of PPE | 2,521 | 254 | 2,775 | 667 | 15 | 682 |
| Reversal of provision for potential loss on proposed demerger of CRG Group | (2,961) | - | (2,961) | - | - | - |

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.



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

On 21 November 2016, the Defendant filed 2 separate applications for a declaration that the Malaysian Court has no jurisdiction over the Defendant and for consequential relief (Enclosure 10), and for a declaration that the Malaysian Court is not the appropriate forum to try the Plaintiffs’ claim and consequently for a stay of proceedings (Enclosure 11).

On 16 December 2016, the Defendant filed 2 separate applications to strike out the Writ of Summons dated 31 October 2016 for lack of authority (Enclosure 20), and for a stay of proceedings pending arbitration (Enclosure 22).

On 25 January 2017, the Defendant withdrew Enclosure 20 with no order as to costs.

On 25 April 2017, the High Court dismissed Enclosures 10 and 11 with costs of RM5,000 for each enclosure.

On 3 May 2017, the Defendant filed 2 appeals against the High Court’s decisions on Enclosures 10 and 11 (“Appeals”).

On 8 May 2017, the Defendant filed an application to stay the proceedings pending the disposal of the Appeals (Enclosure 43).

On 11 May 2017, the Defendant filed 2 separate applications for an extension of time to file his Defence (Enclosure 47), and to strike out the Writ of Summons for abuse of process (Enclosure 50).

On 23 May 2017, the High Court dismissed Enclosure 43 with costs of RM1,500. The Judge also granted Enclosure 47 with no order as to costs, and directed the Defendant to file his Defence by 23 June 2017. The Defendant also withdrew Enclosure 50, which was accordingly struck out with no order as to costs.

On 22 June 2017, the Defendant filed his Defence and Counterclaim claiming general damages, exemplary damages, and costs for abuse of process. The Plaintiffs filed their Reply and Defence to Counterclaim on 24 July 2017.

On 17 October 2017, the Court of Appeal dismissed the Appeals with costs of RM5,000 for each appeal.

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

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

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

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

On 20 July 2018, the 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).



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26. Material Litigation (cont'd)

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 May 2019