



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	As At 31 Dec 2019 RM'000	As At 30 Jun 2019 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	114,634	119,775
Right-of-use assets	70,379	-
Investment properties	50,814	51,647
Intangible assets	81,999	83,223
Interests in associates	459	531
Other investments	1,187	1,203
Deferred tax assets	2,260	1,770
Other receivables	6,326	6,310
Total non-current assets	328,058	264,459
CURRENT ASSETS		
Inventories	102,880	93,118
Trade and other receivables	74,108	64,553
Current tax assets	2,890	3,271
Cash and bank balances	75,455	89,169
Short term funds	22,907	18,301
Total current assets	278,240	268,412
TOTAL ASSETS	606,298	532,871
EQUITY AND LIABILITIES		
Share capital	201,572	201,572
Reserves	179,218	174,664
Total equity attributable to the owners of the parent	380,790	376,236
Non-controlling Interests	22,685	19,910
Total equity	403,475	396,146
NON-CURRENT LIABILITIES		
Long term borrowings	31,555	35,024
Lease liabilities	51,096	-
Other payables	5,092	5,067
Provision for restoration costs	1,014	1,316
Deferred tax liabilities	7,126	7,505
Total non-current liabilities	95,883	48,912
CURRENT LIABILITIES		
Trade and other payables	39,907	38,302
Bank borrowings	18,208	21,008
Contract liabilities	22,437	23,551
Lease liabilities	20,817	-
Provision for restoration costs	1,457	1,341
Current tax liabilities	4,114	3,611
Total current liabilities	106,940	87,813
Total liabilities	202,823	136,725
TOTAL EQUITY AND LIABILITIES	606,298	532,871
	-	-
*NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM) :	1.9295	1.9037

* : The computation of net assets per share is based on the number of ordinary shares of 201,571,842, after the Share Consolidation completed on 23 December 2019, as disclosed in Note 6 of this Interim Report.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2019)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019				
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2019 RM'000	Preceding Year Corresponding Quarter 31 Dec 2018 RM'000	Current Year- To-Date 31 Dec 2019 RM'000	Preceding Year Corresponding Period 31 Dec 2018 RM'000
<u>CONTINUING OPERATIONS</u>				
Revenue	128,201	132,262	222,311	231,465
Cost of sales	(61,525)	(62,949)	(101,700)	(107,142)
Gross profit	66,676	69,313	120,611	124,323
Selling and distribution expenses	(32,394)	(33,650)	(62,172)	(65,189)
General and administration expenses	(21,337)	(16,316)	(39,820)	(38,352)
Other operating income	1,259	1,046	2,966	2,406
Profit from operations	14,204	20,393	21,585	23,188
Finance income	597	465	979	993
Finance costs	(1,669)	(1,315)	(3,071)	(2,669)
Share of results of an associate	80	46	129	48
Profit before tax	13,212	19,589	19,622	21,560
Taxation	(3,484)	(7,253)	(5,232)	(8,065)
Profit from continuing operations	9,728	12,336	14,390	13,495
<u>Discontinued operations</u>				
Profit from discontinued operations, net of tax	-	(251)	-	(147)
Profit for the period	9,728	12,085	14,390	13,348
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
<u>Continuing operations</u>				
Foreign currency exchange differences	167	1,001	66	833
<u>Discontinued operations</u>				
Foreign currency exchange differences	-	(80)	-	-
Total comprehensive income for the period	9,895	13,006	14,456	14,181
Profit attributable to :				
Owners of the parent				
- from continuing operations	7,475	9,741	11,429	9,869
- from discontinued operations	-	(251)	-	(147)
	7,475	9,490	11,429	9,722
Non-controlling interests				
- from continuing operations	2,253	2,595	2,961	3,626
	9,728	12,085	14,390	13,348
Total comprehensive income attributable to :				
Owners of the parent				
- from continuing operations	7,556	10,681	11,347	10,194
- from discontinued operations	-	(331)	-	(147)
	7,556	10,350	11,347	10,047
Non-controlling Interests				
- from continuing operations	2,339	2,656	3,109	4,134
	9,895	13,006	14,456	14,181
* Net earnings per share attributable to owners of the parent				
Basic (sen)				
- from continuing operations	3.79	4.84	5.79	4.90
- from discontinued operations	-	(0.12)	-	(0.07)
	3.79	4.72	5.79	4.83

* : The computation of net earning per share is based on the weighted average number of ordinary shares after the Share Consolidation completed on 23 December 2019, as disclosed in Note 24 of this Interim Report.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2019)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 2019 (as previously reported)	201,572	(4,659)	-	15,196	2,521	161,606	376,236	19,910	396,146
Adjustments arising from adoption of MFRS 16	-	-	-	-	-	(2,496)	(2,496)	(334)	(2,830)
At 1 July 2019 (restated)	201,572	(4,659)	-	15,196	2,521	159,110	373,740	19,576	393,316
Profit for the financial period	-	-	-	-	-	11,429	11,429	2,961	14,390
Foreign currency translations	-	-	-	(82)	-	-	(82)	148	66
Total comprehensive income for the period	-	-	-	(82)	-	11,429	11,347	3,109	14,456
Transaction with owners:									
Dividends paid	-	-	-	-	-	(3,947)	(3,947)	-	(3,947)
Repurchase of treasury shares	-	(350)	-	-	-	-	(350)	-	(350)
Total transactions with owners	-	(350)	-	-	-	(3,947)	(4,297)	-	(4,297)
At 31 December 2019	201,572	(5,009)	-	15,114	2,521	166,592	380,790	22,685	403,475
At 1 July 2018	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 period	-	-	-	-	-	9,722	9,722	3,626	13,348
Foreign currency translations	-	-	-	325	-	-	325	508	833
Reclassification of exchange translation reserve to profit or loss upon deregistration of foreign subsidiaries	-	-	-	(157)	-	157	-	-	-
Total comprehensive income for the period	-	-	-	168	-	9,879	10,047	4,134	14,181
Transactions 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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2019)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
	31 Dec 2019	31 Dec 2018
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax		
From continuing operations	19,622	21,560
From discontinued operations	-	501
	19,622	22,061
Adjustments for non-cash flow items:		
Amortisation of trademarks	688	687
Amortisation of intangible assets	200	879
Amortisation of right-of-use assets	15,194	-
Depreciation of property, plant and equipment	6,080	8,144
Fair value loss on other investment	14	-
Fair value loss/(gain) on short term funds	10	(217)
(Gain)/Loss on disposals of property, plant and equipment, net	(24)	(106)
(Reversal of)/Impairment loss on :-		
- trade and other receivables	2,721	(368)
- property, plant and equipment	(18)	13
Interest income & distribution income from short term funds	(979)	(1,091)
Interest expense and profit payment on Islamic financing	1,287	2,953
Lease interest expense	1,784	-
Loss on disposal of other investment	-	2
Property, plant and equipment written off	49	273
Reversal of provision for loss on demerger of CRG Group	-	(2,961)
Share of profit of an associate	(129)	(48)
Unrealised loss/(gain) on foreign exchange, net	21	(343)
Operating profit before changes in working capital	46,520	29,878
Changes in working capital		
Net change in current assets	(30,099)	(5,582)
Net change in current liabilities	6,630	7,939
Cash (used in)/generated from operations	23,051	32,235
Tax (paid)/refunded, net	(4,654)	(7,139)
Net cash (used in)/ from operating activities	18,397	25,096
Cash flow used in investing activities		
Interest received	979	1,091
Advances to an associates	290	-
Placements of deposits pledged with licensed banks	-	(20)
(Placements)/Withdrawals of short term funds	(4,616)	12,785
Proceeds from disposal of property, plant and equipment	30	115
Proceeds from disposal of investment property	900	-
Proceeds from disposal of other investment	-	7
Demerger of subsidiaries, net of cash on demerger	-	(15,429)
Purchase of property, plant and equipment	(1,836)	(4,918)
Net cash used in investing activities	(4,253)	(6,369)
Cash flows used in financing activities		
Interest paid and profit paid on Islamic financing	(1,287)	(2,953)
Dividends paid to owners of the parent	(3,947)	-
Dividends paid to non-controlling interests	-	(4,543)
Net financing/(repayments) of bank borrowings	(6,519)	(27,016)
Payments of lease interest	(1,784)	-
Payments of lease liabilities	(14,594)	-
Repurchase of own shares	(350)	-
Net cash used in financing activities	(28,481)	(34,512)
Net decrease in cash and cash equivalents	(14,337)	(15,785)
Cash and cash equivalents at beginning of financial period	87,627	95,655
Effects of exchange rate changes on cash and cash equivalents	345	(1,374)
Cash and cash equivalents at end of financial period (Note 17)	73,635	78,496

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2019)



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**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 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 complied with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

This Report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 30 June 2019.

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 2019.

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 2019 except for the adoption of the following new accounting standards and amendments and interpretation:-

2.1 Adoption of MFRS and Amendments effective for financial years beginning on or after 1 January 2019

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 16.

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

(a) MFRS 16, Leases

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease – Incentives and IC Interpretation 127 Evaluating the Substance of Transaction Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires for lessee to account for all leases under a single on-balance sheet model. The standard requires the lessee to recognise the right-of-use of the underlying lease asset and future lease payments liabilities in the statements of financial position. The lessor accounting under MFRS 16 is substantially the same as the accounting under the MFRS 117. Lessor continues to classify leases as either operating or finance lease.



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2. Accounting Policies (cont'd)

(a) MFRS 16, Leases (cont'd)

The right-of-use asset is initially measure at cost, and subsequently at cost less accumulated depreciation, accumulated impairment loss and adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payment discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group's incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability, decreased by lease payment made and remeasured the carrying amount to reflect any reassessment or lease modification.

The Group has elected to adopt the cumulative effect method, the cumulative effect of initial application of this standard is adjusted to the opening balances of retained earnings as at 1 July 2019.

Other than the above, the Group elected to apply exemption for leases of premises and equipment expiring within twelve (12) months. The lease payments of these premises and equipment are recognised as an expense on a straight line basis over the remaining lease terms.

The financial effects arising from the initial adoption of MFRS 16 is as follows :

	As previously reported as at <u>1 July 2019</u> RM'000	Effects of adoption of <u>MFRS 16</u> RM'000	Restated as at <u>1 July 2019</u> RM'000
<u>Condensed Consolidated</u>			
<u>Statement of Financial Position Assets</u>			
Property, plant and equipment	119,775	(812)	118,963
Right-to-use assets	-	77,887	77,887
Deferred tax assets	1,770	295	2,065
Impact to assets	121,545	77,370	198,915
<u>Non-Current Liabilities</u>			
Lease liabilities	-	52,404	52,404
Provision for restoration costs	1,316	302	1,618
Deferred tax liabilities	7,505	(225)	7,280
Impact to non-current liabilities	8,821	52,481	61,302
<u>Current Liabilities</u>			
Lease liabilities	-	28,195	28,195
Provision for restoration costs	1,341	(476)	865
Impact to current liabilities	1,341	27,719	29,060
<u>Equity</u>			
Retained earnings	161,606	(2,496)	159,110
Non-controlling interests	19,910	(334)	19,576
Impact to equity	181,516	(2,830)	178,686



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**NOTES TO INTERIM FINANCIAL REPORT
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2. Accounting Policies (cont'd)

2.2 MFRS and Amendments effective for financial years beginning on or after 1 January 2020

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
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 10 and MFRS 128 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 quarter under review.

5. Debts and Equity Securities

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

6. Status of Corporate Proposals

6.1 On 28 November 2019, the shareholders of the Company had granted their approval for the Company to undertake the Proposed Share Consolidation as detailed in its circular to shareholder dated 30 October 2019.

On 23 December 2019, the Company completed its Share Consolidation following the listing of and quotation for 201,571,842 Consolidation Shares (inclusive of 4,220,600 consolidated treasury shares) on the Main Market of Bursa Malaysia Securities Berhad.

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



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**NOTES TO INTERIM FINANCIAL REPORT
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7. Qualification of Preceding Annual Financial Statements

The Company's preceding Audited Financial Statements for the financial year ended 30 June 2019 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 29 August 2019, the Board has approved a single tier interim dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2019 and such interim dividend of RM3,947,024.96 has been paid on 10 October 2019 to shareholders of the Company whose names appeared in the Record of Depositors on 18 September 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 year ended 31 December 2019 are as follows:-

	← Retailing →					Manufac- turing	Management services/ investment holdings and investment properties	Total Continuing Operations	Discontinued Operations	Total
	Malaysia	Singapore	Indonesia	Vietnam	Other countries					
2nd quarter - 31.12.2019	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	125,604	73,681	18,409	1,994	2,127	8,564	17,976	248,355	-	248,355
Inter-segment revenue	-	-	-	-	-	(8,534)	(17,510)	(26,044)	-	(26,044)
Revenue from external customers	125,604	73,681	18,409	1,994	2,127	30	466	222,311	-	222,311
<u>Results</u>										
Operating profit/(loss)	15,435	8,510	(2,443)	673	-	71	(661)	21,585	-	21,585
Interest income	573	302	5	-	-	1	98	979	-	979
Finance costs	(1,123)	(961)	-	(30)	-	(4)	(953)	(3,071)	-	(3,071)
Net finance income/(expense)	(550)	(659)	5	(30)	-	(3)	(855)	(2,092)	-	(2,092)
Share of profit of an associate	-	-	-	-	-	-	129	129	-	129
Profit/(Loss) before tax	14,885	7,850	(2,438)	643	-	68	(1,387)	19,622	-	19,622
Segment assets	211,683	137,316	18,232	4,441	-	23,912	205,564	601,148	-	601,148
Segment liabilities	68,221	79,117	1,299	5,859	-	1,679	35,408	191,583	-	191,583



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10. Segmental Information (cont'd)

2 nd quarter - 31.12.2018	Retailing					Manufacturing RM'000	Management services/ investment holdings and investment properties RM'000	Total Continuing Operations RM'000	Discontinued 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	141,840	71,031	11,575	1,756	4,423	11,073	32,072	273,770	37,617	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	586	231,465	34,187	265,652
<u>Results</u>										
Operating profit/(loss)	14,452	9,127	(102)	(1,414)	-	(337)	1,462	23,188	687	23,875
Interest income	385	406	6	-	-	4	192	993	98	1,091
Finance costs	(406)	(240)	(29)	(69)	-	(48)	(1,877)	(2,669)	(284)	(2,953)
Net finance income/(expense)	(21)	166	(23)	(69)	-	(44)	(1,685)	(1,676)	(186)	(1,862)
Share of profit of an associate	-	-	-	-	-	-	48	48	-	48
Profit/(Loss) before tax	14,431	9,293	(125)	(1,483)	-	(381)	(175)	21,560	501	22,061
Segment assets	175,008	108,599	23,646	5,140	-	24,056	219,488	555,937	-	555,937
Segment liabilities	32,695	55,372	1,307	6,754	-	2,595	56,837	155,560	-	155,560



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11. Performance Review

11.1 Table 1: Financial review for current quarter

2QFY2020 vs 2QFY2019

	Quarter ended 31 December		Increase/(Decrease)	
	Current Quarter	Preceding Corresponding Quarter		
	RM'000	RM'000	RM'000	%
Continuing Operations				
Revenue				
- Retailing				
• Malaysia	72,972	84,468	(11,496)	(13.6)
• Singapore	48,132	38,059	10,073	26.5
• Indonesia	4,681	6,672	(1,991)	(29.8)
• Vietnam	1,462	995	467	46.9
• Other countries	719	1,687	(968)	(57.4)
Total overseas market	54,994	47,413	7,581	16.0
- Manufacturing	1	78	(77)	(98.8)
- Management services/investment holdings and investment properties	234	303	(69)	(22.7)
	128,201	132,262	(4,061)	(3.1)
Operating profit/(loss)				
- Retailing				
• Malaysia	9,228	10,533	(1,305)	(12.4)
• Singapore	7,014	7,545	(531)	(7.0)
• Indonesia	(2,203)	1,216	(3,419)	(>100.0)
• Vietnam	540	(309)	849	>100.0
• Other countries	-	-	-	-
Total overseas market	5,351	8,452	(3,101)	(36.7)
- Manufacturing	57	(222)	279	(>100.0)
- Management services/investment holdings and investment properties	(432)	1,630	(2,062)	(>100.0)
	14,204	20,393	(6,189)	(30.3)
Interest income	597	465	132	28.4
Finance costs	(1,669)	(1,315)	(354)	26.9
Share of results of an associate	80	46	34	73.9
Profit before tax	13,212	19,589	(6,377)	(32.6)
Taxation	(3,484)	(7,253)	3,769	52.0
Profit from continuing operations	9,728	12,336	(2,608)	(21.1)
Profit from discontinued operations	-	(251)	251	>100.0
Profit for the period	9,728	12,085	(2,357)	(19.5)



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

11. Performance Review (cont'd)

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

2QFY2020 vs 2QFY2019 (cont'd)

Continuing Operations

The Group reported a revenue of RM128.2 million for the current quarter as compared to a revenue of RM132.3 million reported in the previous year's corresponding quarter. The revenue decreased by RM4.1 million or 3.1% as compared to the previous year's corresponding quarter mainly due to the weak retail market with subdued consumer spending.

The management services, investment holding and investment properties segment also recorded a minor decrease in revenue mainly due to lower rental income for the current quarter under review.

The Group's profit before tax ("PBT") decreased by RM6.4 million or 32.6%. This was mainly due to slight decrease in gross profit margin as well as lower revenue achieved for the current quarter. In comparison, the higher PBT for previous year's corresponding quarter was due to the reversal of provision for potential loss on the demerger of CRG Group amounting to RM2.96 million and the reversal of provision for impairment loss on trade and other receivables amounting to RM2.2 million.

Table 2: Financial review for current quarter

2QFY2020 vs 2QFY2019

	Quarter ended 31 December		Increase/(Decrease)	
	2019	2018	RM'000	%
<u>Discontinued Operations</u>	RM'000	RM'000	RM'000	%
Revenue	-	12,626	(12,626)	(100.0)
Operating profit	-	100	(100)	(100.0)
Interest income	-	33	(33)	(100.0)
Finance costs	-	(91)	91	100.0
Profit before tax	-	42	(42)	(100.0)
Taxation	-	(293)	293	100.0
Profit for the period	-	(251)	251	(100.0)

Discontinued Operations

The discontinued operations represented the results of CRG and its subsidiaries' ("CRG Group"). CRG Group was demerged and ceased as subsidiaries of the Group in the previous financial year.



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11. Performance Review (cont'd)

11.2 Table 3: Financial review for current financial period YTD vs corresponding last financial period YTD

2QFY2020 YTD vs 2QFY2019 YTD

	Cumulative period		Increase/(Decrease)	
	Current Period To-date	Preceding Corresponding Period		
	RM'000	RM'000	RM'000	%
Continuing Operations				
Revenue				
- Retailing				
• Malaysia	125,604	141,840	(16,236)	(11.4)
• Singapore	73,681	71,031	2,650	3.7
• Indonesia	18,409	11,575	6,834	59.0
• Vietnam	1,994	1,756	238	13.6
• Other countries	2,127	4,423	(2,296)	(51.9)
Total overseas market	96,211	88,785	7,426	8.4
- Manufacturing	30	254	(224)	(88.2)
- Management services/investment holdings/investment properties	466	586	(120)	(20.4)
	222,311	231,465	(9,154)	(4.0)
Operating profit/(loss)				
- Retailing				
• Malaysia	15,435	14,452	983	6.8
• Singapore	8,510	9,127	(617)	(6.8)
• Indonesia	(2,443)	(102)	(2,341)	(>100.0)
• Vietnam	673	(1,414)	2,087	>100.0
• Other countries	-	-	-	-
Total overseas market	6,740	7,611	(871)	(11.4)
- Manufacturing	71	(337)	408	>100.0
- Management services/investment holdings/investment properties	(661)	1,462	(2,123)	(100.0)
	21,585	23,188	(1,603)	(6.9)
Interest income	979	993	(14)	(1.4)
Finance costs	(3,071)	(2,669)	(402)	15.1
Share of results of an associate	129	48	81	>100.0
Profit before tax	19,622	21,560	(1,938)	(9.0)
Taxation	(5,232)	(8,065)	2,833	(35.1)
Profit from continuing operations	14,390	13,495	895	6.6
Profit/(Loss) from discontinued operations	-	(147)	147	>100.0
Profit for the period	14,390	13,348	1,042	7.8



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11. Performance Review (cont'd)

11.2 Table 3: Financial review for current financial period YTD vs corresponding last financial period YTD

Continuing Operations

The Group reported a revenue of RM222.3 million for the current financial period as compared to a revenue of RM231.5 million reported in the previous year's corresponding period. The revenue decreased by RM9.2 million or 4.0% 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 RM221.8 million for the current financial period as compared to a revenue of RM230.6 million reported in the previous year's corresponding period. The revenue decreased by RM8.8 million or 3.8% primarily due to the Group's rationalisation process of closing its non-performing outlets over the previous years as well as a weak retail market with subdued consumer spending.

The management services, investment holding and investment properties segment recorded decrease in revenue mainly due to lower rental income for the current financial period under review.

The Group's profit before tax ("PBT") decreased by RM1.9 million or 9.0% mainly due to lower revenue achieved as well as the net provision for impairment loss on trade and other receivables amounting to RM2.7 million for the current period. In comparison, the higher PBT for the previous year's corresponding period was due to the reversal of provision for potential loss on the demerger of CRG Group amounting to RM2.96 million and the reversal of provision for impairment loss on trade and other receivables amounting to RM1.4 million.

Nevertheless, the Group's profit after tax ("PAT") was higher by 6.6% as compared to the previous year's corresponding period. This was mainly due to high effective tax rate in the previous year's corresponding period as a result of the under provision of income tax in the previous years from an oversea subsidiary company.

11.2 Table 4: Financial review for current financial period YTD vs corresponding last financial period YTD

2QFY2020 YTD vs 2QFY2019 YTD

	Cumulative Year		Increase/(Decrease)	
	Current Period To-date	Preceding Corresponding Period		
	RM'000	RM'000	RM'000	%
<u>Discontinued Operations</u>				
Revenue	-	34,187	(34,187)	(100.0)
Operating profit/(loss)	-	687	(687)	(100.0)
Interest income	-	98	(98)	(100.0)
Finance costs	-	(284)	284	100.0
Profit/(Loss) before tax	-	501	(501)	(100.0)
Taxation	-	(648)	684	100.0
Profit/(Loss) for the period	-	(147)	147	100.0

Discontinued Operations

The discontinued operations represented the results of CRG and its subsidiaries' ("CRG Group"). CRG Group was demerged and ceased as subsidiaries of the Group in the previous financial year.



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11. Performance Review (cont'd)

11.3 Table 5: Financial review for current quarter compared with immediate preceding quarter

2QFY2020 vs 1QFY2020

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	128,201	94,110	34,092	36.2
Operating profit	14,204	7,381	6,823	92.4
Interest income	597	382	215	56.3
Finance costs	(1,669)	(1,402)	(267)	(19.0)
Share of results of an associate	80	49	31	63.3
Profit before tax	13,212	6,410	6,802	>100.0
Taxation	(3,484)	(1,748)	(1,736)	(99.3)
Profit for the period	9,728	4,662	5,066	>100.0

For the quarter under review, the Group registered a revenue of RM128.2 million and PBT of RM13.2 million as compared to the revenue of RM94.1 million and PBT of RM6.4 million reported in the immediate preceding quarter. The higher revenue and PBT achieved in the current quarter mainly due to the Christmas and Year End Sales Festival fall on the current quarter.

12. Prospect

The outbreak of novel coronavirus (COVID-19) is expected to severely impact the already soft retail market and further weakened and subdued market sentiments as well as consumer spending. As advised by our Government, whilst the market currently faces serious challenges, we should persevere so that we are ready to take advantage of the economic rebound once the COVID-19 threat is over.

The Group has undertaken a series of rationalization and process consolidation exercises over the past few years which have put it on a much stronger foothold both operationally and financially. Since the outbreak of COVID-19, the Group has taken swift actions and measures to reorganize and mobilize its resources including rescheduling its productions, purchases and expenditures as well as manpower planning its work force. In addition, certain inventories have been channeled to certain overseas markets that are not affected by the COVID-19, in particularly, Indonesia.

We expect to face further challenges as the global economy remains highly uncertain while the domestic economy will take times to recover from the effects of the COVID-19 and overall subdued consumer sentiment. The Group remains prudent in resource management and continues its efforts on brand building to improve brand image and recognition in order to ensure long term and sustainable business performance. New initiatives to be adopted include investments in the digital environment, enhance presence in social media and digital advertising.

Based on the uncertain retail economy and despite the initiatives taken by the Group, the Board remains cautious of the Group's performance for the remaining financial period.



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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 for the financial year ended 30 June 2019.

14. Changes in Contingent Liabilities

The contingent liabilities of the Company as at 31 December 2019 comprised of corporate guarantees given to financial institutions for credit facilities granted to certain subsidiaries amounting to RM202.5 million of which utilised by these subsidiaries amounted to RM53.8 million.

15. Capital Commitments

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

	RM'000
Authorised and contracted for:	
Property, plant and equipment:	
- Others	<u>366</u>

16. Short Term Funds

The short term funds represent investments in money market funds.

17. Cash and Cash equivalents

Continuing operations	31.12.2019	31.12.2018
	RM'000	RM'000
Cash and bank balances	64,167	71,001
Fixed deposits with licensed banks	11,288	10,859
	<u>75,455</u>	<u>81,860</u>
Less : Bank overdrafts	(1,757)	(2,470)
Less : Fixed deposits pledged	(63)	(894)
Add : Cash and cash classified as held for distribution	-	-
	<u>73,635</u>	<u>78,496</u>



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17. Cash and Cash equivalents (cont'd)

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	31.12.2019	31.12.2018
	RM'000	RM'000
Net cash from operating activities	-	890
Net cash used in investing activities	-	(150)
Net cash used in financing activities	-	(894)
Repayment to continuing operations	-	(11)
Net decrease in cash and cash equivalent	-	(165)
Cash and cash equivalent at beginning of financial year	-	15,639
Effect of exchange rate changes on cash and cash equivalent	-	50
Demerger of subsidiaries	-	(15,314)
Reclassification to continuing operations	-	(210)
	-	-

18. Taxation

	Current period to-date ended 31.12.2019	Current period to-date ended 31.12.2018
	RM'000	RM'000
Continuing operations		
Current year tax expense	5,422	7,970
Over provision in prior years	130	-
Deferred tax expense	(320)	95
	<u>5,232</u>	<u>8,065</u>
Discontinued operations		
Current year tax expense	-	680
Over provision in prior years	-	-
Deferred tax expense	-	(32)
	<u>-</u>	<u>648</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

	31.12.2019		31.12.2018	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Ordinary shares				
Issued and fully paid	201,572	201,572	806,287	201,572

On 28 November 2019, the shareholders of the Company had granted their approval for the Company to undertake the Proposed Share Consolidation as detailed in its circular to shareholder dated 30 October 2019.

On 23 December 2019, the Company completed its Share Consolidation following the listing of and quotation for 201,571,842 Consolidation Shares (inclusive of 4,220,600 consolidated treasury shares) on the Main Market of Bursa Malaysia Securities Berhad.

20. Recurrent Related Party Transactions (“RRPT”)

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

No.	Transacting party	Transacting related party	Interested directors, major shareholders and/or persons connected with them	Nature of transactions	Actual aggregate value transacted from 28.11.2019 up to 31.12.2019 RM'000
1.	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 rental	64
2.	Bonia Group	Speciale Eyewear Sdn. Bhd.	Datuk Chiang Heng Kieng and persons connected with him (including their family)	• Purchase of eyewear	20
3.	Bonia Group	Speciale Eyewear Sdn. Bhd.	Datuk Chiang Heng Kieng and persons connected with him (including their family)	• Sell of bags and accessories	3
4.	Bonia Group	Bonia International Holdings Pte. Ltd.	Chiang Sang Sem and persons connected with him (including their family)	• Payment of <i>Bonia and Sembonia</i> trademarks royalties	121

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:

	As at 31.12.2019			As at 31.12.2018		
	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
<i>Conventional financing facilities - Secured</i>						
Bankers' acceptances	1,965	-	1,965	2,144	-	2,144
Revolving Credit	-	-	-	600	-	600
Hire-purchase and lease creditors	110	159	269	171	167	338
Term loans	842	11,868	12,710	19,746	14,959	34,705
	2,917	12,027	14,944	22,661	15,126	37,787
<i>Islamic financing facilities - Secured</i>						
Term financing-i	375	19,528	19,903	1,550	21,234	22,784
Total secured borrowings	3,292	31,555	34,847	24,211	36,360	60,571
<i>Conventional financing facilities - Unsecured</i>						
Bank overdrafts	1,313	-	1,313	1,997	-	1,997
Bankers' acceptances	2,845	-	2,845	9,767	-	9,767
Revolving Credit	1,000	-	1,000	1,000	-	1,000
Trust Receipts	7,766	-	7,766	5,051	-	5,051
	12,924	-	12,924	17,815	-	17,815
<i>Islamic financing facilities - Unsecured</i>						
Bank overdrafts	444	-	444	473	-	473
Bankers' acceptances	1,548	-	1,548	1,135	-	1,135
	1,992	-	1,992	1,608	-	1,608
Total unsecured borrowings	14,916	-	14,916	19,423	-	19,423
Total	18,208	31,555	49,763	43,634	36,360	79,994

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

	As at 31.12.2019					
	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	17	52	27	81	44	133
<u>Unsecured</u> <u>Singapore Dollar</u>						
Trust Receipt	-	-	2,554	7,766	2,554	7,766
Total		52		7,847		7,899



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21. Group Borrowings (cont'd)

	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
<u>Secured</u>						
<u>Singapore Dollar</u>						
Hire-purchase & lease creditors	40	122	27	82	67	204
Term Loan	-	-	681	2,066	681	2,066
	40	122	708	2,148	748	2,270
<u>Vietnamese Dong</u>						
Term Loan	-	-	6,357,199	1,132	6,357,199	1,132
<u>Unsecured</u>						
<u>Singapore Dollar</u>						
Trust Receipt	-	-	1,664	5,051	1,664	5,051
Total		122		8,331		8,453

<u>Exchange rates applied</u>	As at 31.12.2019	As at 31.12.2018
SGD/RM	3.0412	3.0355
VDN100/RM	0.0177	0.0178
IDR100/RM	0.0295	0.0288

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 2019	249	41,842	6,044	1,479	5,418	1,000	56,032
Cash flow :							
- Net of repayments and drawdown of borrowings	21	(9,229)	314	278	2,375	-	(6,241)
Non-cash flows:							
- Effect of foreign exchange	(1)	-	-	-	(27)	-	(28)
As at 31 December 2019	269	32,613	6,358	1,757	7,766	1,000	49,763



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22. Changes in the Composition of the Group

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

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

There were no material event subsequent to the end of the 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 financial period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial period.

Profit for the period (basic)

	Current quarter 31.12.2019 RM'000	Preceding corresponding quarter 31.12.2018 RM'000	Current period to-date 31.12.2019 RM'000	Preceding corresponding period 31.12.2018 RM'000
Profit attributable to equity holders of the parent				
- Continuing operations	7,475	9,741	11,429	9,869
- Discontinued operations	-	(251)	-	(147)
	<u>7,475</u>	<u>9,490</u>	<u>11,429</u>	<u>9,722</u>

Number of ordinary shares (basic)

	Current quarter 31.12.2019 RM'000	Preceding corresponding quarter 31.12.2018 RM'000	Current period to-date 31.12.2019 RM'000	Preceding corresponding period 31.12.2018 RM'000
*Weighted average number of ordinary shares ('000)	197,386	201,413	197,386	201,413
Basic earnings per share (sen)				
- Continuing operations	3.79	4.84	5.79	4.90
- Discontinued operations	-	(0.12)	-	(0.07)
	<u>3.79</u>	<u>4.72</u>	<u>5.79</u>	<u>4.83</u>

Note: * The weighted average number of ordinary shares has adjusted the effect of Share Consolidation completed on 23 December 2019.



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25. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	6 months ended 31.12.2019			6 months ended 31.12.2018		
	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	(979)	-	(979)	(993)	(98)	(1,091)
Interest expense	3,071	-	3,071	2,669	284	2,953
Depreciation of property, plant and equipment	6,080	-	6,080	7,036	1,108	8,144
Amortisation of intangible assets	200	-	200	879	-	879
Amortisation of trademarks	688	-	688	687	-	687
Amortisation of right-of-use assets	15,194	-	15,194	-	-	-
Fair value loss on other investment	14	-	14	-	-	-
Bad debts written off	-	-	-	-	-	-
Fair value loss/(gain) on investment properties	-	-	-	-	-	-
Net provision/(reversal of) impairment loss on trade and other receivables	2,721	-	2,721	(1,417)	1,049	(368)
Provision for and write off of inventories	-	-	-	-	-	-
Loss/(Gain) on disposal of PPE, net	(24)	-	(24)	(105)	(1)	(106)
Loss on disposal of quoted/unquoted investments	-	-	-	-	-	-
Reversal of provision for potential loss on proposed demerger of CRG Group	-	-	-	2,961	-	2,961
Gain on foreign exchange	(108)	-	(108)	(536)	(64)	(600)
Loss on foreign exchange	638	-	638	556	49	605
Net reversal impairment loss and written off of PPE	(31)	-	(31)	19	254	273

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 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.

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 is fixed for Case Management on 13 January 2020.

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

26 February 2020