

**BONIA CORPORATION BERHAD**

Registration No. 199101013622 (223934-T)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	As At 31 Dec 2020 RM'000 Unaudited	As At 30 Jun 2020 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	159,202	111,556
Right-of-use assets	56,095	66,855
Investment properties	37,661	38,105
Intangible assets	76,277	77,738
Interests in associates	320	449
Other investments	1,126	1,178
Deferred tax assets	1,783	1,241
Other receivables	4,460	4,193
	336,924	301,315
CURRENT ASSETS		
Inventories	80,775	96,457
Trade and other receivables	58,094	51,369
Current tax assets	3,148	2,193
Cash and bank balances	90,459	77,709
Short term funds	27,359	23,416
	259,835	251,144
Non-current assets classified as held for sale	-	12,910
TOTAL ASSETS	596,759	565,369
EQUITY AND LIABILITIES		
Equity attributable to the owners of the parent		
Share capital	201,572	201,572
Reserves	166,857	164,734
	368,429	366,306
Non-controlling interests	22,575	20,259
TOTAL EQUITY	391,004	386,565
NON-CURRENT LIABILITIES		
Borrowings	68,901	30,102
Lease liabilities	41,858	45,439
Other payables	4,891	4,888
Provision for restoration costs	1,850	1,678
Deferred tax liabilities	6,249	6,795
	123,749	88,902
CURRENT LIABILITIES		
Trade and other payables	35,494	30,600
Borrowings	4,255	9,301
Contract liabilities	20,484	22,242
Lease liabilities	17,468	24,634
Provision for restoration costs	532	568
Current tax liabilities	3,773	2,557
	82,006	89,902
TOTAL LIABILITIES	205,755	178,804
TOTAL EQUITY AND LIABILITIES	596,759	565,369
	-	-
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM) :	1.9588	1.8668

(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 2020)


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Registration No. 199101013622 (223934-T)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter 31 Dec 2019 RM'000	Current Year- To-Date 31 Dec 2020 RM'000	Preceding Year Corresponding Period 31 Dec 2019 RM'000
Revenue	83,048	128,201	161,063	222,311
Cost of sales	(39,208)	(61,525)	(75,818)	(101,700)
Gross profit	43,840	66,676	85,245	120,611
Selling and distribution expenses	(23,643)	(32,394)	(45,525)	(62,172)
General and administration expenses	(16,632)	(21,337)	(33,518)	(39,820)
Other operating income	6,527	1,259	12,930	2,966
Profit/(Loss) from operations	10,092	14,204	19,132	21,585
Finance income	280	597	558	979
Finance costs	(1,344)	(1,669)	(2,613)	(3,071)
Share of results of an associate	(24)	80	(18)	129
Profit/(Loss) before tax	9,004	13,212	17,059	19,622
Taxation	(1,475)	(3,484)	(3,075)	(5,232)
Profit/(Loss) for the period	7,529	9,728	13,984	14,390
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Reclassification of exchange translation reserve to profit or loss upon deregistration of a foreign subsidiary	-	-	50	-
Foreign currency exchange differences	791	167	(1,436)	66
Total comprehensive income for the period	8,320	9,895	12,598	14,456
Profit/(Loss) attributable to :				
Owners of the parent	6,391	7,475	11,753	11,429
Non-controlling interests	1,138	2,253	2,231	2,961
	7,529	9,728	13,984	14,390
Total comprehensive income attributable to :				
Owners of the parent	6,994	7,556	10,282	11,347
Non-controlling interests	1,326	2,339	2,316	3,109
	8,320	9,895	12,598	14,456
Net earnings per share attributable to owners of the parent :				
Basic (sen)	3.35	3.79	6.15	5.79

(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 2020)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non-distributable → Distributable					Total Attributable to Owners of the Parent RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Exchange Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000			
Balance as at 1 July 2020	201,572	(6,100)	14,876	2,521	153,437	366,306	20,259	386,565
Profit for the financial period	-	-	-	-	11,753	11,753	2,231	13,984
Foreign currency translations	-	-	(1,521)	-	-	(1,521)	85	(1,436)
Reclassification of exchange translation reserve to profit or loss upon deregistration of a foreign subsidiary	-	-	50	-	-	50	-	50
Total comprehensive income for the period	-	-	(1,471)	-	11,753	10,282	2,316	12,598
Transaction with owners :								
Dividends paid	-	-	-	-	(3,815)	(3,815)	-	(3,815)
Repurchase of treasury shares	-	(4,344)	-	-	-	(4,344)	-	(4,344)
Transfer of reserves	-	-	-	(2,337)	2,337	-	-	-
Total transactions with owners	-	(4,344)	-	(2,337)	(1,478)	(8,159)	-	(8,159)
Balance as at 31 December 2020	201,572	(10,444)	13,405	184	163,712	368,429	22,575	391,004
Balance as 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)
Balance as at 1 July 2019 (as 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 transaction with owners	-	(350)	-	-	(3,947)	(4,297)	-	(4,297)
Balance as at 31 December 2019	201,572	(5,009)	15,114	2,521	166,592	380,790	22,685	403,475

(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 2020)

**BONIA CORPORATION BERHAD**

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
	31 Dec 2020	31 Dec 2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	17,059	19,622
Adjustments for :		
Amortisation of intangible assets	201	200
Amortisation of trademarks	689	688
Bad debts written off	7	-
Depreciation of property, plant and equipment	5,260	6,080
Depreciation of right-of-use assets	12,945	15,194
Fair value adjustments on investment properties	-	-
Fair value loss on other investment	14	14
Fair value loss on short term funds	497	10
Gain on disposals of property, plant and equipment, net	(210)	(24)
Gain on disposals of investment property	(170)	-
Gain on reassessments and modifications of leases	(60)	-
(Reversal of)/Impairment loss on :-		
- trade and other receivables	853	2,721
- property, plant and equipment	-	(18)
Interest income and distribution income from short term funds	(558)	(979)
Interest expense and profit payment on Islamic financing	2,471	3,071
Lease concessions	(2,763)	-
Loss on disposal of other investment	27	-
Loss on deregistration of a foreign subsidiary	50	-
Property, plant and equipment written off	206	49
Share of (profit) /loss of an associate	18	(129)
Unwinding of discount on provision for restoration costs	142	-
Unrealised (gain)/loss on foreign exchange, net	334	21
Operating profit before changes in working capital	37,012	46,520
Changes in working capital		
Net change in current assets	6,605	(30,099)
Net change in current liabilities	3,923	6,630
Cash generated from/(used in) operations	47,540	23,051
Tax (paid)/refunded, net	(3,683)	(4,654)
Net cash from/(used in) operating activities	43,857	18,397
Cash flows from investing activities		
Advances to an associates	-	290
Interest received	558	979
Placements of short term funds	(4,440)	(4,616)
Proceeds from disposal of property, plant and equipment	170	30
Proceeds from disposal of investment properties	13,080	900
Proceeds from disposal of other investment	6	-
Purchase of property, plant and equipment	(53,188)	(1,836)
Purchase of right-of-use assets	(89)	-
Net cash from/(used in) investing activities	(43,903)	(4,253)
Cash flows from financing activities		
Interest paid and profit paid on Islamic financing	(919)	(1,287)
Dividends paid to owners of the parent	(3,815)	(3,947)
Net financing/(repayments) of bank borrowings	33,759	(6,519)
Payments of lease liabilities	(11,505)	(16,378)
Repurchase of own shares	(4,344)	(350)
Net cash from/(used in) financing activities	13,176	(28,481)
Net decrease in cash and cash equivalents	13,130	(14,337)
Cash and cash equivalents at beginning of financial period	77,644	87,627
Effects of exchange rate changes on cash and cash equivalents	(380)	345
Cash and cash equivalents at end of financial period (Note 17)	90,394	73,635

(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 2020)

**BONIA CORPORATION BERHAD**Registration No. 199101013622 (223934-T)
(Incorporated in Malaysia)**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020****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 2020.

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 2020.

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 2020 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 2020

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>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendments to MFRS 4 Insurance Contract – Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020

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

2.2 MFRS and Amendments effective for financial years beginning on or after 1 January 2021

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

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred



BONIA CORPORATION BERHAD

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

NOTES TO INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020

2. Accounting Policies (cont'd)

2.2 MFRS and Amendments effective for financial years beginning on or after 1 January 2021 (Cont'd)

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 restrictions and policies on retail operations, 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

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 2020 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 2 October 2020, the Board of Directors declared a single tier interim dividend of 2.00 sen per ordinary share of approximately RM3,815,000 in respect of the financial year ending 30 June 2021, which has been paid out to the entitle shareholders of the Company on 3 November 2020.



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(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

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 2020 are as follows:-

	← Retailing →					Manufacturing RM'000	Investment and property development RM'000	Total RM'000
	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Vietnam RM'000	Other countries RM'000			
2nd quarter - 31.12.2020								
<u>Revenue</u>								
Total revenue	96,544	50,900	8,544	761	3,561	9,624	14,870	184,804
Inter-segment revenue	-	-	-	-	-	(9,545)	(14,196)	(23,741)
Revenue from external customers	96,544	50,900	8,544	761	3,561	79	674	161,063
<u>Results</u>								
Operating profit/(loss)	13,204	7,911	(1,970)	(21)	-	684	(676)	19,132
Finance income	233	223	2	-	-	-	100	558
Finance costs	(1,439)	(342)	-	(1)	-	(10)	(821)	(2,613)
Net finance income/(expense)	(1,206)	(119)	2	(1)	-	(10)	(721)	(2,055)
Share of profit/(loss) of an associate	-	-	-	-	-	-	(18)	(18)
Profit/(Loss) before tax	11,998	7,792	(1,968)	(22)	-	674	(1,415)	17,059
Segment assets	247,055	115,642	11,727	1,735	-	22,184	193,485	591,828
Segment liabilities	55,270	52,004	1,058	4,514	-	1,950	80,937	195,733



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(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

10. Segmental Information (cont'd)

2nd quarter - 31.12.2019	← Retailing →					Manufacturing RM'000	Investment and property development 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	125,604	73,681	18,409	1,994	2,127	8,564	17,976	248,355
Inter-segment revenue	-	-	-	-	-	(8,534)	(17,510)	(26,044)
Revenue from external customers	125,604	73,681	18,409	1,994	2,127	30	466	222,311
<u>Results</u>								
Operating profit/(loss)	15,435	8,510	(2,443)	673	-	71	(661)	21,585
Finance income	573	302	5	-	-	1	98	979
Finance costs	(1,123)	(961)	-	(30)	-	(4)	(953)	(3,071)
Net finance income/(expense)	(550)	(659)	5	(30)	-	(3)	(855)	(2,092)
Share of profit/(loss) of an associate	-	-	-	-	-	-	129	129
Profit/(Loss) before tax	14,885	7,851	(2,438)	643	-	68	(1,387)	19,622
Segment assets	211,683	137,316	18,232	4,441	-	23,912	205,564	601,148
Segment liabilities	68,221	79,117	1,299	5,859	-	1,679	35,408	191,583



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(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

11. Performance Review

11.1 Financial review for current quarter

2QFY2021 vs 2QFY2020

	Quarter ended 31 December		Increase/(Decrease)	
	Current Quarter	Preceding Corresponding Quarter		
	RM'000	RM'000	RM'000	%
Revenue				
- Retailing				
• Malaysia	45,150	72,972	(27,822)	(38.1)
• Singapore	28,419	48,132	(19,713)	(41.0)
• Indonesia	5,732	4,681	1,051	22.5
• Vietnam	480	1,462	(982)	(67.2)
• Other countries	2,783	719	2,064	(287.1)
	82,564	127,966	(45,402)	(35.5)
- Manufacturing	72	1	71	>100.0
- Investment and property development	412	234	178	76
	83,048	128,201	(45,153)	(35.2)
Operating profit/(loss)				
- Retailing				
• Malaysia	6,900	9,228	(2,328)	(25.2)
• Singapore	4,798	7,014	(2,216)	(31.6)
• Indonesia	(1,315)	(2,203)	888	40.3
• Vietnam	(8)	540	(548)	(>100.0)
• Other countries	-	-	-	-
	10,375	14,579	(4,204)	(28.8)
- Manufacturing	386	57	329	>100.0
- Investment and property development	(669)	(432)	(237)	(54.9)
	10,092	14,204	(4,112)	(28.9)
Finance income	280	597	(317)	(53.1)
Finance costs	(1,344)	(1,669)	325	(19.5)
Share of results of an associate	(24)	80	(104)	(>100.0)
Profit/(Loss) before tax	9,004	13,212	(4,208)	(31.8)
Taxation	(1,475)	(3,484)	2,009	57.7
Profit/(Loss) for the period	7,529	9,728	(2,199)	(22.6)



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**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

11. Performance Review (cont'd)

11.1 Financial review for current quarter (cont'd)

2QFY2021 vs 2QFY2020 (cont'd)

The Group registered a revenue of RM83.0 million for the current quarter as compared to a revenue of RM128.2 million recorded in the previous year's corresponding quarter. The revenue decreased by RM45.2 million or about 35.2% was primarily due to subdued consumer spending as a result of the increasing number of the COVID 19 confirmed cases in domestic and overseas markets.

The investment and property development segment recorded a minor increase in revenue mainly due to higher rental income received for the current quarter under review.

The Group's profit before tax ("PBT") of RM9.0 million reported in the current quarter as compared to the PBT of RM13.2 million reported in the previous year's corresponding quarter, the PBT decreased by RM4.2 million or 31.8% was mainly due to the lower revenue achieved for the current quarter.



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**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

11. Performance Review (cont'd)

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

2QFY2021 YTD vs 2QFY2020 YTD

	Cumulative period		Increase/(Decrease)	
	Current Period To-date	Preceding Corresponding Period		
	RM'000	RM'000	RM'000	%
Revenue				
- Retailing				
• Malaysia	96,544	125,604	(29,060)	(23.1)
• Singapore	50,900	73,681	(22,781)	(30.9)
• Indonesia	8,544	18,409	(9,865)	(53.6)
• Vietnam	761	1,994	(1,233)	(61.8)
• Other countries	3,561	2,127	1,434	67.4
	160,310	221,815	(61,505)	(27.7)
- Manufacturing	79	30	49	>100.0
- Investment and property development	674	466	208	44.6
	161,063	222,311	(61,248)	(27.6)
Operating profit/(loss)				
- Retailing				
• Malaysia	13,204	15,435	(2,231)	(14.5)
• Singapore	7,911	8,510	(599)	(7.0)
• Indonesia	(1,970)	(2,443)	473	19.4
• Vietnam	(21)	673	(694)	(>100.0)
• Other countries	-	-	-	-
	19,124	22,175	(3,051)	(13.8)
- Manufacturing	684	71	613	863.4
- Investment and property development	(676)	(661)	(15)	(2.3)
	19,132	21,585	(2,453)	(11.4)
Interest income	558	979	(421)	(43)
Finance costs	(2,613)	(3,071)	458	14.9
Share of results of an associate	(18)	129	(147)	(>100.0)
Profit before tax	17,059	19,622	(2,563)	(13.1)
Taxation	(3,075)	(5,232)	2,157	41.2
Profit for the period	13,984	14,390	(406)	(2.8)

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FOR THE QUARTER ENDED 31 DECEMBER 2020****11. Performance Review (cont'd)****11.2 Table 2: Financial review for current financial period YTD vs corresponding last financial period YTD**

The Group reported a revenue of RM161.1 million for the current financial period as compared to a revenue of RM222.3 million reported in the previous year's corresponding period. The revenue declined by RM61.2 million or 27.6% was mainly due to the weakened market sentiments as well as consumer spending as a results of the increasing number of the COVID 19 confirmed cases in domestic and overseas markets.

The investment and property development segment recorded a minor increase in revenue mainly due to higher rental income received for the current financial period under review.

The Group's profit before tax reported of RM17.1 million in the current financial period as compared to a PBT of RM19.6 million reported in the previous year's corresponding period. The PBT dropped by RM2.5 million or 13.1% was primarily due to lower revenue achieved in domestic and overseas markets.

11.3 Financial review for current quarter compared with immediate preceding quarter*2QFY2021 vs 1QFY2021*

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	83,048	78,015	5,033	6.5
Operating profit/(loss)	10,092	9,040	1,052	11.6
Finance income	280	278	2	0.7
Finance costs	(1,344)	(1,269)	(75)	(5.9)
Share of results of an associate	(24)	6	(30)	(>100.0)
Profit/(Loss) before tax	9,004	8,055	949	11.8
Taxation	(1,475)	(1,600)	125	7.8
Profit/(Loss) for the period	7,529	6,455	1,074	16.6

For the current quarter under review, the Group registered a revenue of RM83.0 million and PBT of RM9.0 million as compared to the revenue of RM78.0 million and PBT of RM8.1 million reported in the immediate preceding quarter. The increase in revenue and PBT for the current quarter was largely due to higher demand during the Christmas and Year End Sales Festival period.

12. Prospect

The COVID 19 cases are still rising robustly in Malaysia, as well as other part of the world, we expect to face further challenges as the domestic and global economies are remain highly uncertain 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.

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 2020.

**BONIA CORPORATION BERHAD**Registration No. 199101013622 (223934-T)
(Incorporated in Malaysia)**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020****14. Changes in Contingent Liabilities**

The contingent liabilities of the Company as at 31 December 2020 comprised of corporate guarantees given to financial institutions for credit facilities granted to certain subsidiaries amounting to RM194.1 million of which utilised by these subsidiaries amounted to RM77.1 million.

15. Capital Commitments

The total capital commitments as at 31 December 2020 are as follows:

	RM'000
Authorised and contracted for:	
Property, plant and equipment:	
- Others	<u>167</u>

16. Short Term Funds

The short term funds represent investments in money market funds.

17. Cash and Cash equivalents

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Cash and bank balances	81,657	64,167
Fixed deposits with licensed banks	<u>8,802</u>	<u>11,288</u>
	90,459	75,455
Less : Bank overdrafts	-	(1,757)
Less : Fixed deposits pledged	<u>(65)</u>	<u>(63)</u>
	<u>90,394</u>	<u>73,635</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.

18. Taxation

	Current year to date 31.12.2020 RM'000	Preceding year corresponding period 31.12.2019 RM'000
Current year tax expense	3,895	5,422
Under/(Over) provision in prior years	61	130
Deferred tax expense	<u>(881)</u>	<u>(320)</u>
	<u>3,075</u>	<u>5,232</u>

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



BONIA CORPORATION BERHAD

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

**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

19. Share Capital of the Company

	As at 31.12.2020		As at 31.12.2019	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Ordinary shares				
Issued and fully paid	201,572	201,572	201,572	201,572

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 30.11.2020 up to 31.12.2020 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	61
2.	Bonia Group	Speciale Eyewear Sdn. Bhd.	Datuk Chiang Heng Kieng and persons connected with him (including their family)	• Purchase of eyewear	39
3.	Bonia Group	Speciale Eyewear Sdn. Bhd.	Datuk Chiang Heng Kieng and persons connected with him (including their family)	• Sell of bags and accessories	-
4.	Bonia Group	Speciale Eyewear Sdn. Bhd.	Datuk Chiang Heng Kieng and persons connected with him (including their family)	• Receive of rental income	4
5.	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> trademark royalties	81

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



BONIA CORPORATION BERHAD

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

**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

21. Group Borrowings

The total Group borrowings and debts securities are as follows:

	As at 31.12.2020			As at 31.12.2019		
	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
Hire-purchase and lease creditors	-	-	-	110	159	269
Term loans	998	9,461	10,459	842	11,868	12,710
	998	9,461	10,459	2,917	12,027	14,944
<i>Islamic financing facilities - Secured</i>						
Term financing-i	1,833	59,440	61,273	375	19,528	19,903
Total secured borrowings	2,831	68,901	71,732	3,292	31,555	34,847
<i>Conventional financing facilities - Unsecured</i>						
Bank overdrafts	-	-	-	1,313	-	1,313
Bankers' acceptances	501	-	501	2,845	-	2,845
Revolving credit	-	-	-	1,000	-	1,000
Trust receipts	923	-	923	7,766	-	7,766
	1,424	-	1,424	12,924	-	12,924
<i>Islamic financing facilities - Unsecured</i>						
Bank overdrafts	-	-	-	444	-	444
Bankers' acceptances	-	-	-	1,548	-	1,548
	-	-	-	1,992	-	1,992
Total unsecured borrowings	1,424	-	1,424	14,916	-	14,916
Total borrowings	4,255	68,901	73,156	18,208	31,555	49,763

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

	As at 31.12.20					
	Short Term		Long Term		Total Borrowings	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<i>Conventional financing facilities - Secured (Singapore Dollar)</i>						
Term loan	126	384	218	663	344	1,047
	126	384	218	663	344	1,047
<i>Conventional financing facilities - Unsecured (Singapore Dollar)</i>						
Trust receipt	304	923	-	-	304	923
	304	923	-	-	304	923
Total borrowings		1,307		663		1,970



BONIA CORPORATION BERHAD

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

**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

21. Group Borrowings (cont'd)

	As at 31.12.2019					
	Short Term		Long Term		Total Borrowings	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<i>Conventional financing facilities - Secured (Singapore Dollar)</i>						
Hire-purchase & lease creditors	27	81	17	52	44	133
	27	81	17	52	44	133
<i>Conventional financing facilities - Unsecured (Singapore Dollar)</i>						
Trust Receipt	2,554	7,766	-	-	2,554	7,766
	2,554	7,766	-	-	2,554	7,766
Total borrowings		7,847		52		7,899

Exchange rates applied	As at 31.12.2020	As at 31.12.2019
SGD/RM	3.0396	3.0412
VDN100/RM	0.0174	0.0177
IDR100/RM	0.0286	0.0295

Reconciliation of liabilities from financing activities:

	Term loan and financing-i RM'000	Banker acceptances RM'000	Bank overdrafts RM'000	Trust receipts RM'000	Revolving credit RM'000	Total RM'000
At 1 July 2020	32,006	5,717	-	680	1,000	39,403
Cash flows :						
- Net of repayments and drawdown of borrowings	39,726	(5,216)	-	249	(1,000)	33,759
Non-cash flows :						
- Effect of foreign exchange	-	-	-	(6)	-	(6)
At 31 December 2020	<u>71,732</u>	<u>501</u>	<u>-</u>	<u>923</u>	<u>-</u>	<u>73,156</u>

**BONIA CORPORATION BERHAD**

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

**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

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) Serene Glow Sdn Bhd, an associate of the Company, had completed its striking off process.

23. Material Events Subsequent to the End of the Reporting Quarter

Save as disclosed below, there were no material event subsequent to the end of the current quarter under review up to the date of this report.

On 15 February 2021, the Company completed its distribution of share dividend in respect of the financial year ending 30 June 2021 on the basis of 8 treasury shares held by Bonia Corporation Bhd (“BCB” or “Company”) for every 100 ordinary shares held in BCB by the qualifying shareholders of the Company on the entitlement date as detailed in the Company’s announcement dated 11 January 2021.

24. Earnings Per Share

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

	Current quarter 31.12.2020 RM’000	Preceding corresponding quarter 31.12.2019 RM’000	Current year to date 31.12.2020 RM’000	Preceding corresponding Period 31.12.2019 RM’000
<i>Profit for the year (basic)</i>				
Profit attributable to equity holders of the parent	6,391	7,475	11,753	11,429
<i>Number of ordinary shares (basic)</i>				
Weighted average number of ordinary shares (‘000)	191,001	197,386	191,001	197,386
Basic earnings per share (sen)	3.35	3.79	6.15	5.79

**BONIA CORPORATION BERHAD**Registration No. 199101013622 (223934-T)
(Incorporated in Malaysia)**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020****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 31.12.2020 Total RM'000	6 Months ended 31.12.2019 Total RM'000
Amortisation of intangible assets	201	200
Amortisation of trademarks	689	688
Bad debts written off	7	-
Depreciation of property, plant and equipment	5,260	6,080
Depreciation of right-of-use assets	12,945	15,194
Fair value loss on other investment	14	14
(Gain)/Loss on disposal of properties, plant and equipment, net	(210)	(24)
(Gain)/Loss on disposal of investment property	(170)	-
(Gain)/Loss on disposal of other investment	27	-
(Gain)/Loss on deregistration of a foreign subsidiary	50	-
Interest expense	2,613	3,071
Interest income and distribution income from short term funds	(558)	(979)
Net provision/(reversal) of impairment loss on trade and other receivables	853	2,721
Net (reversal)/impairment loss of properties, plant and equipment		(18)
Net (reversal)/impairment loss of right-of-use assets	-	-
Property, plant and equipment written off	206	49
Realised (gain)/loss on foreign exchange, net	125	149
Unrealised (gain)/loss on foreign exchange, net	334	381

Note : 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.



BONIA CORPORATION BERHAD

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

NOTES TO INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020

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).



BONIA CORPORATION BERHAD

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

**NOTES TO INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020**

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 hearing on 26 February 2021.

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

25 February 2021