

The history of bonia corporation berhad marketing essay



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The first section of this financial audit report is to briefly explain the company background of the companies of Bonia Corporation Berhad and Parkson Holdings Berhad, which have included corporate goal, financial performance and reporting and future forecasting. Through the corporate goal, the author can evaluate the main objectives of the companies.

Following by the first section, the second section is to examine the market share price movement of the companies especially the formulas of correlation coefficient of the share prices and regression line of the best fit, to measure that risk and relation when invests in market share prices.

Therefore, through the market share prices movements, this report also has explained the efficient market hypothesis and random walk theory. Author can compare the 2 companies of market share price which are risky and which are suitable to invest. There has appropriate theory concepts and frameworks which has involves in financial management has apply in this report.

Lastly, this report also identifies the definition of security valuation and capital budgeting and the different between the 2 companies. There have some security valuation methods which are needed to mention when the author wants to value the share prices of the companies. Besides that, this report also presents important of capital budgeting and how to use capital budgeting in decision ruling when appraises investment in projects.

Bonia Corporation Berhad

Company Background

Bonia Corporation Berhad is mainly focuses in fashion retailing, marketing and manufacturing in branded leather goods. There have 883 sales outlets and 103 boutiques around the world, which are in Malaysia, Singapore, Brunei, Vietnam, Taiwan, Japan, Hong Kong, China, Indonesia, Thailand, Mynmar, Kingdom of Saudi Arabia, and Oman. There have 77 boutiques in Malaysia. Bonia Group has provided high quality and fashion of leatherwear, footwear, accessories for men and women.

The Bonia's history was started in 1977 year, which Mr. Chiang Sang Sem, the Bonia's founder, and now was Executive Chairman cum Chief Executive Officer in Bonia Group, had found the idea of Bonia to apply in the brand name. It was because Mr. Chiang was inspired from the artwork of Giambologna, Italy. Then he had started the business with Bonia name in Singapore, which was involved in designing, wholesaling, and manufacturing of leather goods. In 1980, the Bonia Group had succeed became market leader in Malaysia and Singapore. After that Bonia Group had expanded the branches and boutique to another country. Finally, it was listed on the Bursa Malaysia, Kuala Lumpur Stock Exchange (KLSE). Then Bonia Group had succeed expanded and had its subsidiaries company, which was CB Marketing Sdn. Bhd., CB Holdings (Malaysia) Sdn. Bhd., SBL Marketing Sdn. Bhd., Luxury Parade Sdn. Bhd., Eclat World Sdn. Bhd., CB Franchising Sdn. Bhd., BCB Properties Sdn. Bhd., CRL Marketing Sdn. Bhd. and De Marts Marketing Sdn. Bhd. And Mr. Chiang Sang Sem directly becomes Executive

Chairman cum Chief Executive Officer in Bonia Group. His responsibilities in company are to create and formulate Bonia Group's strategy and policies.

Now the Bonia Group has succeed added more international brands, which are Pierre Cardin, Braun Bruno, Magli, Buffel, and Renoma to its collection of brands with the gaining of 70% equity in Jeco (Pte) Limited. Besides, Bonia Group has also upgraded from its brand image.

Corporate Goal

The main corporate goal of Bonia Corporation Behad is to be the recognized international brand so that can make the company lists in the public listed companies in the region. For Bonia Group's vision in 2015 year, Bonia Group will establish in more 30 countries and will focus in 5 countries. Besides, Bonia Group forecasts to have 1billion earnings and at least have 12% before the tax in yearly.

Financial Reporting and Performance

In Bonia Group, the board needs to prepare and present an important and balanced assessment of the company which is financial performance of the company. When assumes in preparing financial report, the Bonia Group needs to follow accounting policies which is reasonable in assuming.

As a result, in the financial year 2011, Bonia Group's profits have increased 28% to RM461. 4million, which have increased profit of RM54. 8 million from contribution of Jeco (Pte) Limited and RM24. 0 million in consignment sales Malaysia. Then Bonia Group has earned RM56. 5 million before tax, which has increased 24% and RM14. 8 million before tax in Jeco (Pte) Limited's

contribution. However, there still have losses of RM5. 4 million from joint venture business in Vietnam.

Future Forecast

Apart on Malaysia's economy had increased 4. 4% on early year of 2011, Bonia Group has chances to forecast and expand its business. Renoma Café Gallery has chosen as the master Franchisee from Licensor, Renoma S. T. A. R. for the Singapore, Indonesia and Malaysia. Then the 1st concept will start in the early year of 2012. Besides, Bonia Group has argued with partner in Vietnam therefore has rebuild the retail. Bonia Group forecasts this will be the temporary because of supporting by Vietnam's departmental stores. The plan of Bonia Group is launch first boutique at Grand Indonesia Shopping Town in Jakarta.

1. 2 Parkson Holdings Berhad

Company Background

Parkson Holdings Berhad is a Malaysia investment holding company which was under Companies Act in 1965 year and under the name of Amalgamated Cement Mills Sdn Bhd in 1982 year. Then Parkson Group had named as Amalgamated Containers Sdn Bhd in 1988 year. Finally in 1992 year, it had changed to a public company and had used Pakson name and had listed to Bursa Malaysia in 1993 year. Parkson Group had joint venture in Parkson Retail Group Limited and Parkson Retail Asia. Parkson Group has 89 department stores in China, Indonesia, Vietnam, and Malaysia, which 7 stores in Indonesia are under the brand name of a Kem Chicks Supermarket

and Centro Lifestyle Department Store, and 8 stores in Vietnam, 37 stores in Malaysia are under brand name of Parkson.

Corporate Goal

Parkson Group has the corporate goal which offers more international brands to join the Parkson Group in consignment, in the department stores. To achieve the successful, Parkson Group is using the strategy of consistent market positioning and localization. Besides, Parkson Group has focusing Fashion, Cosmetics, Household and Electrical. The consumers especially young and contemporary market segment are the target market of the Parkson Group to achieve their objectives.

Financial Reporting and Performance

In 2011, Parkson Group has earned gross sales of RM9.49 billion, which had increased 10% and earned operating profit of RM971 million which had increased 11%. Besides, Parkson Group also had earned the net profit RM348 million, which had increased 22%. Besides, Balance sheet of Parkson Group maintains healthy in 2011 with funds of more than RM2 billion to shareholders.

Future Forecast

Parkson Group has planning to focus in expanded new retail markets to more countries. Therefore, Parkson Group in Malaysia has to maintain partnership with the Indonesia which has following the listing of shares of SGX-ST for future forecast. Parkson Loyalty Card programme, which is emphasized by Parkson Group, also is the future forecast of the company to gain more

consumers. Providing the strong balance sheet, strong business model and brand equity also are the future forecast for the company.