

BONIA CORPORATION BERHAD ("BONIA" OR THE "COMPANY")

- **PROPOSED DEMERGER AND PROPOSED LISTING OF CRG INCORPORATED SDN BHD ("CRG") ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")**
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1. INTRODUCTION

On behalf of the Board of Directors of the Company, TA Securities Holdings Berhad ("**TA Securities**") wishes to announce that the Company is contemplating the proposed demerger of CRG and its subsidiaries ("**CRG Group**") from Bonia ("**Proposed Demerger**") and the proposed listing of the CRG Group on the LEAP Market of Bursa Securities thereafter ("**Proposed Listing of CRG**"). The Proposed Demerger and Proposed Listing of CRG are collectively referred to as "**Proposals**".

The Proposals comprise:

- (i) Proposed Demerger, which includes the following proposals:
 - (a) Proposed conversion of CRG into a public company;
 - (b) Proposed capitalisation of part of the retained earnings of CRG Group into new ordinary shares in CRG;
 - (c) Proposed subdivision of all the existing ordinary shares in CRG into such number of new ordinary shares in CRG ("**CRG Shares**") to be determined later; and
 - (d) Proposed distribution of Bonia's entire shareholding in CRG by way of dividend-in-specie on pro-rata distribution to shareholders of Bonia whose names appear on Bonia's Record of Depositors on an entitlement date to be determined later ("**Entitled Shareholders**") ("**Proposed Dividend-in-Specie**").

Upon completion of the Proposed Dividend-in-Specie, the Entitled Shareholders shall hold CRG Shares directly.

- (ii) Proposed Listing of CRG

CRG will submit a listing application to Bursa Securities for its listing on the LEAP Market of Bursa Securities.

Further announcement in relation to the Proposals will be made in due course, once the details of the Proposals have been finalised.

2. BACKGROUND INFORMATION ON CRG

CRG, a wholly-owned subsidiary of Bonia, is an investment holding company while its subsidiaries are involved in the designing, manufacturing, promoting, marketing, distribution and retailing of Carlo Rino and CR2 branded fashion products. The details of the subsidiaries of CRG are as follows:

Name of Company	Country of Incorporation	Effective Interest in Equity	Principal Activities
CR Boutique Sdn. Bhd.	Malaysia	100%	Retailing of leather goods and apparels
CRF Marketing Sdn. Bhd.	Malaysia	100%	Designing, promoting and marketing of fashionable ladies' footwear
CRL Marketing Sdn. Bhd.	Malaysia	100%	Designing, promoting and marketing of fashionable leather goods
CRI Sdn. Bhd.	Malaysia	100%	Manufacturing and marketing of fashionable goods
CRV Sdn. Bhd.	Malaysia	100%	Marketing and distribution of fashionable goods and accessories, and provision of management services
CRG Viet Nam Company Limited	Vietnam	99%	Real estate activities with own or leased property
PT CRI Mitra Sejati	Indonesia	100%	Wholesaling of fashionable goods and accessories
CRR Vietnam Co., Ltd	Vietnam	100%	Management consultancy activities and to implement the right of import, distribution, wholesales of goods

Based on the latest audited consolidated financial statements of Bonia and its subsidiaries ("**Bonia Group**") and CRG Group for the financial year ended 30 June 2017, the contributions of CRG Group to the revenue, profit before tax and net assets of Bonia Group were approximately 15.5%, 8.8% and 15.0%, respectively.

3. RATIONALE FOR THE PROPOSALS

The rationale for the Proposals are as follows:

- (i) The Proposals are expected to reward the existing shareholders of Bonia for their continuous support for Bonia and to provide them with an opportunity to invest directly in CRG Group at zero subscription cost, and are expected to unlock Bonia's existing shareholders' value in CRG Group;
- (ii) The Proposals will enable the CRG Group, with distinct market segment, business strategies and focus as compared to the rest of Bonia Group, to gain recognition and corporate stature through the listing status of its own and further enhance its corporate reputation which will assist in its business expansion; and
- (iii) The Proposals will provide the CRG Group to access to more fund-raising options to fund its business expansion.

4. ADVISERS AND REGULATORY REQUIREMENTS

TA Securities has been appointed as the Adviser of Bonia for the Proposals and as the Approved Adviser of CRG for the Proposed Listing of CRG.

The Proposals are subject to, amongst others, the approval of the shareholders of Bonia at an extraordinary general meeting to be convened and the Proposed Listing of CRG is subject to the approval of Bursa Securities.

The Company will make further announcements in relation to the Proposals as and when appropriate.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of the Company as well as persons connected with them have any interest, direct or indirect, in the Proposals, save for their respective entitlements as shareholders under the Proposed Dividend-in-Specie which rights are also applicable on a pro-rata basis to all shareholders of the Company.

This announcement is dated 7 February 2018.