

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	Bonia Corporation Berhad Acquisition of Property by Subsidiary

The Board of Directors of Bonia Corporation Berhad (“BCB” or “Company”) wishes to announce that, Maha Asia Capital Sdn. Bhd. (“MASB” or “Purchaser”, a wholly-owned subsidiary) has on 07 December 2022, inked a Sale and Purchase Agreement (“SPA” or “Agreement”) with Resaa Properties Sdn. Bhd. (“RPSB” or “Vendor”) to acquire all that piece of freehold land held under Title Geran 25630 Lot 456 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring 1403.707 square meters in area (“Land”) together with a double storey bungalow and a guard house erected thereon bearing postal address at 8, Jalan Delima, 55100 Kuala Lumpur (collectively, “Property”) from RPSB at a total purchase price of RM35,507,000.00 (“Purchase Price”) (collectively, “Acquisition”).

1. Details of the Acquisition

The Acquisition entails the acquisition by MASB of the Property on an “as is where is” basis free from all caveats, prohibitory orders, charges, liens, leases, tenancies, easements, trusts, options and assignments (“Encumbrances”) with vacant possession and free from any occupiers, tenants, licensees, squatters, invitees whatsoever but subject to the conditions, express or implied, in the issue document of title to the Property (“Title”) at the Purchase Price and upon the terms and conditions appearing in the SPA.

Other information of the Property is set out below:

Description of buildings erected on the Land	Double storey bungalow	Guard house
Age of building erected thereon	23 years	23 years
Existing / proposed use for the Property	Currently tenanted to a law firm	Guard house

The Property is not subject to any restrictions-in-interest. The category of land use and express condition are as follows:

- (i) Category of land use: Tidak dinyatakan
- (ii) Express condition: Subject to the conditions and agreements expressed or implied in Grant for Land No. 2790 and to such restrictions in interest expressed therein and shown by memorial hereon and to such registered interest as are shown by memorial hereon.

The information of net book value of the Property is not made available to BCB nor MASB as the Property is owned by RPSB.

MASB had engaged Akram & Co. Sendirian Berhad (Company Registration Number: 911547-W) (“ACSB”), a registered property valuer to conduct an indicative valuation on the Property. ACSB has adopted a comparison method in arriving at the valuation as detailed in its indicative valuation report dated 11 November 2022 (“IVR”) and reported the market value of the Property at RM35,535,000 (ie. RM25,315 per square meter).

The following are the details of the SPA parties (“Parties”):

Particulars	Vendor ⁽¹⁾			Purchaser				
Place of incorporation	Malaysia			Malaysia				
Date of incorporation	09.12.1989			07.10.2013				
Issued and paid up shares (unit)	100 ordinary shares			20,500,000 ordinary shares				
Principal activity	1. Property management 2. Property investment holding			Property investment				
Directors	Siew Yew Ming Siew Yeow Wan Ang Saik Hoon			Chiang Sang Sem Dato’ Sri Chiang Fong Seng				
Existing shareholders and shareholdings	Name	Unit	%	Name	Unit	%		
	Raja Eleena Binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-Lah, Dato’ Seri	25	25.00	Bonia Corporation Berhad	20,500,000	100.00		
	Siew Yew Ming	25	25.00					
	Siew Yeow Wan	25	25.00					
	Ang Saik Hoon	25	25.00					
	Remark						MASB is desirous to undertake the Acquisition. Upon completion of the SPA, the Property shall be registered in the name of MASB	
RPSB is the registered proprietor of the Property, and is desirous of selling the Property to the Purchaser. RPSB has no relationship with BCB, MASB nor their Directors, major shareholders or persons connected to them								

Note(s):

(1) Source: SSM Corporate Information generated from SSM e-Info Services on 02 December 2022 (SSM = Suruhanjaya Syarikat Malaysia)

2. Basis of Arriving at the Purchase Price and Terms of Payment

The Purchase Price was determined at a willing buyer-willing seller basis after arm’s length negotiations by reference to the market value of RM35,535,000 (ie. RM25,315 per square meter) of the Property as indicated by a registered property valuer; and is paid/payable in full by the Purchaser in the following manner:

- a. upon execution of the SPA, (i) RM1,065,210.00 as real property gains tax retention sum has been paid to MASB’s solicitors who should remit the said sum to the Director General of Inland Revenue in compliance with section 21B(1) of the Real Property Gains Tax Act 1976, and (ii) RM2,485,490.00 being the balance deposit has been paid to the Vendor; and
- b. the balance purchase price of RM31,956,300.00 (“Balance Purchase Price”) shall be paid by the Purchaser to the Vendor’s solicitors as stakeholders within 4 months from the date of the SPA (“Completion Period”).

MASB proposed to finance the Acquisition through a combination of internally generated funds and bank borrowings.

3. Liabilities to be Assumed by MASB

There are no liabilities, including contingent liabilities and guarantees to be assumed by MASB arising from the Acquisition.

4. Salient Terms of the SPA

The salient terms of the SPA are reproduced in Annex A of this announcement.

5. Source of Funding

The Purchase Price will be fully satisfied in cash, which shall be financed by internally generated funds and bank borrowings to be obtained by MASB.

6. Rationale, Prospects and Risks Factors

The strategic location of the Property and connectivity to public transport infrastructure has made them a sought after address in Bukit Bintang, Kuala Lumpur. The Property is located next to a piece of land that is currently owned by MASB that is approximately the same size. BCB and MASB opined that the Purchase Price is reasonable and affordable. The Acquisition is a good opportunity for BCB and MASB to potentially enjoy both capital appreciation and rental income due to the strategic location of the Property. Besides, BCB and MASB can also further increase its source of revenue and income stream from the Property.

However, the Acquisition will also expose BCB and MASB to risks inherent to the property industry, which are broadly similar to those currently faced by the Property Segment of BCB Group.

Apart from it, some of other risk factors in relation to the Acquisition are as follows:

- compulsory acquisition by the Government;
- adverse changes in national or economic conditions;
- changes in relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market;
- competition among property owners for tenants; and
- acts of God, uninsurable losses and other factors.

7. Financial Effects

7.1 The Acquisition will not have any effect on the share capital and substantial shareholders' shareholdings of BCB.

7.2 Net assets (“NA”), NA per share, gearing, and earnings and earnings per share (“EPS”)

The Acquisition is not expected to have material effect on the NA and NA per share of BCB Group for the financial year ending 30 June 2023.

As set out in Item 5, the Acquisition would be funded via a combination of internally generated funds and bank borrowings of which the exact funding mix will be determined by the management of MASB at a later stage. The effect of the Acquisition on the gearing of BCB Group will be dependent on the funding mix and timing of utilisation of bank borrowings to fund the Acquisition. For illustration purposes, assuming that 28% of the Purchase Price is funded through bank borrowings, the pro forma effects of the Acquisition on the gearing of BCB Group based on its audited financial statements for the financial year ended 30 June 2022 are as follows:

	Audited as at 30 June 2022 RM'000	After the Acquisition RM'000
Share capital	201,572	201,572
Reverses ^(a)	196,797	194,997
Shareholders' fund / NA	398,369	396,569
Number of shares ('000) ^(b)	200,995	200,995
NA per share (RM)	1.98	1.97
Total borrowings (RM'000) ^(c)	80,355	90,355
Gearings (times)	0.20	0.23
Profit attributable to ordinary equity holders of the parent ^(a)	45,008	43,208
Weighted average number of Shares ('000) ^(b)	200,995	200,995
EPS (sen)	22.39	21.50

^(a) Including the estimated expenses of the Acquisition of approximately RM1.8 million

^(b) Excluding 576,719 treasury share as at 30 June 2022

^(c) Based on the estimated borrowing of 28% of the Purchase Price

The Acquisition is not expected to have any material effect on the earnings and EPS of BCB Group for the financial year ending 30 June 2023 except for interest costs to be incurred to fund the Acquisition.

8. Highest Percentage Ratio

The highest percentage ratio applicable to the Acquisition and calculated pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements based on the audited financial statements of BCB for the financial year ended 30 June 2022 is 8.39%.

9. Approvals Required

To the best knowledge of the Board of BCB, the Acquisition is not subject to the approval of shareholders of BCB save for the approvals of the relevant land office authorities.

The application to the relevant authorities is expected to be submitted within 30 days from the date of the SPA.

10. Interests of Directors, Major Shareholders and Persons Connected

None of the Directors of BCB and to the best knowledge of the Directors, none of the major shareholders or person connected to them has any interest, direct or indirect in the Acquisition.

11. Statement by Directors

The Board of Directors of BCB, having taken into consideration various aspects of the Acquisition, is of the opinion that the Acquisition is fair and reasonable and in the best interest of BCB Group.

12. Estimated timeframe for completion

Barring any unforeseen circumstances, the Acquisition is expected to be completed within 4 months from the date of the SPA.

13. Documents for Inspection

The following documents (or copies thereof) are available for inspection at the Registered Office of the Company at No. 5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from 9.00 am to 5.00 pm from Monday to Friday (excluding public holidays and days on which the office is closed due to regulations imposed by the Malaysian government to curb the spread of Covid-19 pandemic) for a period of 3 months from the date of this announcement:

- SPA; and
- IVR.

This announcement is dated 07 December 2022.

Salient Terms of the SPA

PURCHASER'S DEFAULT

Subject to the Vendor having complied with all its duties and obligations as provided herein, in the event the Purchaser fails, refuses and/or neglects to pay the Balance Purchase Price within the time stipulated in this Agreement or any extended period granted by the Vendor (if any), the Vendor shall be entitled to terminate this Agreement by giving a written notice of termination to the Purchaser or the Purchaser's Solicitors and forfeit the Deposit as agreed liquidated damages. The Vendor shall refund or cause the Vendor's Solicitors to refund (which the Vendor's Solicitors are hereby authorized to) to the Purchaser or the Purchaser's Financier as the case may be other sums in excess of the Deposit paid by the Purchaser towards account of the Purchase Price (if any) within fourteen (14) days from such termination free of interest in exchange for the Purchaser:

- (a) return all documents with respect to the said Property which have been forwarded to the Purchaser, the Purchaser's Solicitors, the Purchaser's Financier and/or the Purchaser's Financier's Solicitors with the Vendor's interest therein remains intact Provided That in the event the Memorandum of Transfer in favour of the Purchaser has been duly stamped with ad valorem stamp duty then, the Purchaser shall be entitled to retain the Memorandum of Transfer to submit the same to the relevant stamp office for refund of stamp duty paid thereon and return the Memorandum of Transfer to the Vendor for cancellation upon receipt of refund of stamp duty;
- (b) at its own cost and expense, withdraw and/or cause to be withdrawn any private caveat lodged by the Purchaser and/or the Purchaser's Financier on the said Property and deliver the documentary proof that caveat(s) lodged by the Purchaser and/or the Purchaser's Financier has/have been withdrawn to the Vendor's Solicitors; and
- (c) redeliver vacant possession of the said Property to the Vendor (if the same has been delivered) in the same state and condition as it was delivered by the Vendor to the Purchaser (fair wear and tear excepted).

Thereafter this Agreement shall be null and void and shall have no further effect and neither party hereto shall have any claim against the other save and except for any antecedent breach of this Agreement. The Vendor shall be at liberty to deal with the said Property in any manner as the Vendor shall deem fit without further reference to the Purchaser.

VENDOR'S DEFAULT

Subject to the Purchaser having complied with all its duties and obligations as provided herein, in the event that:

- (i) the Vendor refuses and/or neglects to complete the sale and purchase transaction herein in the manner provided for in this Agreement; or
- (ii) the Vendor shall suffer or permit to be presented against it a petition for its winding up or the Vendor has become wound up (including voluntary winding up) or otherwise become insolvent,

the Purchaser shall be entitled to seek the remedy in law of specific performance of this Agreement against the Vendor. Alternatively, the Purchaser may (which it is entitled but not obliged to), by notice in writing to the Vendor elect to accept a sum equivalent to the Deposit from the Vendor as agreed liquidated damages and to terminate this Agreement whereupon the Vendor shall within fourteen (14) days upon receipt of such termination notice from the Purchaser or the Purchaser's Solicitors, pay to the Purchaser a sum equivalent to the Deposit as agreed liquidated damages and refund or cause to be refunded to the Purchaser or the Purchaser's Financier as the case may be all monies paid by the Purchaser towards account of the Purchase Price herein free of interest in exchange for the Purchaser:

- (a) return all documents with respect to the said Property which have been forwarded to the Purchaser, the Purchaser's Solicitors, the Purchaser's Financier and/or the Purchaser's Financier's Solicitors with the Vendor's interest therein remains intact Provided That in the event the Memorandum of Transfer in favour of the Purchaser has been stamped with ad valorem stamp duty then, the Purchaser shall be entitled to retain the Memorandum of Transfer to submit the same to the relevant stamp office for refund of stamp duty paid thereon and return the Memorandum of Transfer to the Vendor for cancellation upon receipt of refund of stamp duty;
- (b) at its own cost and expense, withdraw and/or cause to be withdrawn any private caveat lodged by the Purchaser and/or the Purchaser's Financier on the said Property and deliver the documentary proof that caveat(s) lodged by the Purchaser and/or the Purchaser's Financier has/have been withdrawn to the Vendor's solicitors; and
- (c) redeliver vacant possession of the said Property to the Vendor (if the same has been delivered) in the same state and condition as it was delivered by the Vendor to the Purchaser (fair wear and tear excepted).

Thereafter this Agreement shall be null and void and shall have no further effect and neither party hereto shall have any claim against the other save and except for any antecedent breach of this Agreement. The Vendor shall be at liberty to deal with the said Property in any manner as the Vendor shall deem fit without further reference to the Purchaser.

NON REGISTRATION OF MEMORANDUM OF TRANSFER

Both parties hereto hereby undertake to do all acts and things, execute and sign further documents if and when necessary to procure and/or ensure the registration of the Memorandum of Transfer in favour of the Purchaser free from all Encumbrances save and except the Encumbrances attributable to the Purchaser.

Subject to Clause 9.1 above, in the event that the Memorandum of Transfer in favour of the Purchaser cannot be registered due to no fault of the parties hereto, the Vendor and the Purchaser hereby agree that they shall take all actions to rectify the same within thirty (30) days of being notified in writing by the other Party. In the event that after all remedial actions have been exhausted but the Memorandum of Transfer in favour of the Purchaser remains cannot be registered, then either party hereto may terminate this Agreement by written notice to the other party whereupon the Vendor shall forthwith on demand by the Purchaser refund or cause to be refunded to the Purchaser or the Purchaser's Financier as the case may be, free of interest, within fourteen (14) days from the Vendor's receipt of the written demand from the Purchaser or the Purchaser's Solicitors, the full Purchase Price (including the Deposit) or such part thereof as shall have been already paid by the Purchaser to the Vendor or the Vendor's Solicitors (as the case may be) in exchange for the Purchaser:

- (a) return all documents with respect to the said Property which have been forwarded to the Purchaser, the Purchaser's Solicitors, the Purchaser's Financier and/or the Purchaser's Financier's Solicitors with the Vendor's interest therein remains intact Provided That the Purchaser shall be entitled to retain the Memorandum of Transfer to submit the same to the relevant stamp office for refund of stamp duty paid thereon and return the Memorandum of Transfer to the Vendor for cancellation upon receipt of refund of stamp duty;
- (b) at its own cost and expense, withdraw and/or cause to be withdrawn any private caveat lodged by the Purchaser and/or the Purchaser's Financier on the said Property and deliver the documentary proof that caveat(s) lodged by the Purchaser and/or the Purchaser's Financier has/have been withdrawn to the Vendor's Solicitors; and
- (c) redeliver vacant possession of the said Property to the Vendor (if the same has been delivered) in the same state and condition as it was delivered by the Vendor to the Purchaser (fair wear and tear excepted).

Thereafter this Agreement shall be null and void and shall have no further effect and neither party hereto shall have any claims against the other save and except for any antecedent breach of this Agreement. The Vendor shall be at liberty to deal with the said Property in any manner as the Vendor shall deem fit without further reference to the Purchaser.

VACANT POSSESSION

The parties hereto mutually agree that notwithstanding the full settlement of the Purchase Price by the Purchaser under this Agreement, vacant possession of the said Property free from any occupiers, tenants, licensees, squatters, invitees whatsoever shall only be delivered by the Vendor to the Purchaser in substantially the same condition as at the date of the joint inspection on 7 November 2022, fair wear and tear excepted, by delivery of all keys to the said Property to the Purchaser within seven (7) months from the date of this Agreement (hereinafter referred to as “the Delivery Period”).

In the event of the Vendor fails, refuses or neglects to deliver vacant possession of the said Property to the Purchaser upon the expiry of the Delivery Period, the Purchaser shall grant an automatic extension of time of two (2) months from the expiry of the Delivery Period (hereinafter referred to as “Extended Delivery Period”) for the Vendor to deliver vacant possession of the said Property to the Purchaser in accordance with Clause 10.1 subject to the payment of interest from the Vendor to the Purchaser to be calculated at the rate of four per centum (4%) per annum on the Purchase Price on daily basis commencing from the date immediately after the expiry of the Delivery Period until the date when vacant possession of the said Property is actually delivered by the Vendor to the Purchaser in accordance with Clause 10.1. The interest for late delivery of vacant possession (if any) shall be paid on the Actual Delivery Date.

In the event of the Vendor fails, refuses or neglects to deliver vacant possession of the said Property to the Purchaser upon the expiry of the Extended Delivery Period, the Purchaser shall grant another automatic extension of time of one (1) month from the expiry of the Extended Delivery Period (hereinafter referred to as “Further Extended Delivery Period”) for the Vendor to deliver vacant possession of the said Property to the Purchaser in accordance with Clause 10.1 subject to the payment of interest from the Vendor to be calculated at the rate of eight per centum (8%) per annum on the Purchase Price on daily basis commencing from the date immediately after the expiry of the Extended Delivery Period until the date when vacant possession of the said Property is actually delivered by the Vendor to the Purchaser in accordance with Clause 10.1. The interest for late delivery of vacant possession (if any) shall be paid on the Actual Delivery Date.

In the event of the Vendor fails, refuses or neglects to deliver vacant possession of the said Property to the Purchaser upon the expiry of the Further Extended Delivery Period, then the Purchaser shall be entitled to at its absolute discretion to EITHER of the following options:-

- (a) grant a further extension of time for the Vendor to deliver vacant possession of the said Property to the Purchaser in accordance with Clause 10.1 subject to the payment of interest from the Vendor to be calculated at the rate of eight per centum (8%) per annum on the Purchase Price on daily basis commencing from the date immediately after the expiry of the Further Extended Delivery Period until the date when vacant possession of the said Property is actually delivered by the Vendor to the Purchaser in accordance with Clause 10.1; or
- (b) seek the remedy of specific performance against the Vendor.

The date when vacant possession of the said Property is actually delivered by the Vendor to the Purchaser in accordance with Clause 10.1 hereof within the Delivery Period or Extended Delivery Period or Further Extended Delivery Period or the further extension period granted by the Purchaser to the Vendor under Clause 10.4(a) above, as the case may be, shall hereinafter be referred to as “Actual Delivery Date”.

GOVERNMENT ACQUISITION

The Vendor hereby warrants to the Purchaser that as of the date of this Agreement, the Vendor has not received any notice nor is the Vendor aware of any intended acquisition of the said Property or any part thereof under the Land Acquisition Act 1960.

If the said Property or any part thereof shall, between the date of this Agreement and the Completion Date, be affected by the exercise of any rights or the taking of any steps under the Land Acquisition Act 1960 by the Federal Government or any authority having power in that behalf then the Vendor shall give notice to the Purchaser within fourteen (14) days of the receipt of notice thereof. In such event, the Purchaser shall have the option of terminating this Agreement or of proceeding with the purchase hereunder and shall notify the Vendor of its intention within fourteen (14) days from the Purchaser's receipt of the Vendor's written notification hereunder.

In the event that the Purchaser shall decide to terminate this Agreement pursuant to Clause 11.2, then all payments made under this Agreement shall be refunded to the Purchaser free of interest within fourteen (14) days upon the Vendor's receipt of the Purchaser's notice and the provisions under Clause 9 shall apply mutatis mutandis.

In the event that the Purchaser shall elect to proceed with the purchase of the said Property pursuant to Clause 11.2, the Vendor shall immediately upon the Vendor's receipt of the Purchaser's written notice thereof, notify the Government or the acquiring authority of the Purchaser's interest in the said Property and such acquisition shall not vitiate or annul this Agreement or in any way release the Purchaser from its obligations under this Agreement, nor shall the Purchaser be entitled to any reduction of the Purchase Price which shall nevertheless be payable in full in accordance with this Agreement. PROVIDED ALWAYS THAT the Purchase Price has been fully paid by the Purchaser to the Vendor in accordance with the provisions of this Agreement, the Purchaser shall be entitled to appear and attend at such enquiry or hearings either in the name of the Vendor or the Purchaser and be entitled to all compensation monies for such acquisition. If the compensation monies or any part thereof are received by the Vendor, the Vendor shall hold the same in trust for the Purchaser and shall immediately upon receiving any compensation monies paid pursuant to such acquisition pay the same to the Purchaser.

In the event the Purchaser fails to elect either to terminate or to proceed with this Agreement upon expiry of the fourteen (14) days period under Clause 11.2 above, the Purchaser shall be deemed to have elected to proceed with this Agreement and the provisions of Clause 11.4 shall apply.

[End]