

Type	Announcement
Subject	OTHERS
Description	Bonia Corporation Berhad - Letter of intent in respect of the proposed subscription of new ordinary shares in IT SEA Holdings Sdn. Bhd. by Bonia Corporation Berhad

The Board of Directors (“Board”) of Bonia Corporation Berhad (“Bonia” or “Company” or “Proposed Subscriber”, and references to “Bonia Group” or “Group” are to Bonia and our subsidiaries) wishes to inform that the Company had on 19 March 2024, entered into a letter of intent (“LOI-ITSH”) with IT SEA Holdings Sdn. Bhd. (“ITSH”) to further discuss and explore the potential subscription by Bonia of 6,193,000 new ordinary shares equivalent to or representing 30% of the total enlarged number of issued shares of ITSH (post-Proposed Subscription) at the total subscription consideration of RM7,500,000.00 based on discounted cashflow valuation subject to the final findings, results and valuation from or of the due diligence exercise to be conducted on ITSH and its subsidiaries/associate. (collectively, “Proposed Subscription”).

1. Details of the LOI-ITSH parties

The following are the details of the LOI-ITSH parties (“Parties”):

Particulars	Bonia	ITSH ⁽¹⁾				
Place of incorporation	Malaysia	Malaysia				
Date of incorporation	28.08.1991	07.09.2018				
Issued and paid-up capital	Amount: RM201,571,850	Amount: RM14,450,286.30				
	Unit: 201,571,842 ordinary shares (inclusive of 576,719 treasury shares)	Unit: 14,450,000 ordinary shares				
Principal activity	Investment holding and management company	Retail sale of articles of clothing, articles of fur and clothing accessories Brand(s) carried and Territory: “A Bathing Ape”, Malaysia				
Director(s)	Chiang Sang Sem ⁽³⁾ Dato’ Sri Chiang Fong Seng ^{(2) & (3)} Dato’ Sri Chiang Fong Tat ⁽³⁾ Chiang May Ling ⁽³⁾ Datuk Chiang Heng Kieng ⁽³⁾ Chong Chin Look Datuk Ng Peng Hong @ Ng Peng Hay Azian Binti Mohd Yusof Law Wei Liang Chiang Fong Xiang (Alternate Director) ⁽³⁾	Yuen Soon Seng Ta Wee Dher Ta Hui Hean				
Existing shareholder(s) and shareholding(s)	Name Unit %	Name Unit %				
			Bonia is a public listed company of which all of our ordinary shares in issue are quoted and traded on Bursa Malaysia Securities Berhad	Dato’ Chang Kheng Chia	361,250	2.50
				Dato’ Chang Kheng Hoe	361,250	2.50
				Ta Hui Hean	2,167,500	15.00
				Ta Hui May	1,445,000	10.00
				Ta Wee Dher	2,890,000	20.00
				Ta Shun Dher	5,794,500	40.10
				Dato’ Sri Chiang Fong Seng ^{(2) & (3)}	1,430,500	9.90
	Total:	14,450,000	100.00			

Note(s):

- (1) Source: SSM Corporate Information generated from SSM e-Info Services on 07 March 2024 (SSM = Suruhanjaya Syarikat Malaysia)
- (2) Dato' Sri Chiang Fong Seng is the Group Executive Director/CEO and a shareholder of Bonia, holding 6,148,014 ordinary shares (equivalent to approximately 3.06%) of the total ordinary shares of Bonia in issue (excluding treasury shares)
- (3) Chiang Sang Sem, Datuk Chiang Heng Kieng, Dato' Sri Chiang Fong Tat, Dato' Sri Chiang Fong Seng, Chiang May Ling and Chiang Fong Xiang have family relationships

2. Information on the subsidiaries and associate of ITSH

The information on the subsidiaries and associate of ITSH as at the date of this announcement is as follows:

No.	Status	Company Name	Place of incorporation	Issued and paid-up capital	Principal activity	Brand(s) carried and Territory
i.	Wholly-owned subsidiary	Bape Cafe Sdn. Bhd.	Malaysia	RM2.00 comprising 2 ordinary shares	Food or beverage, food and beverage preparation in market stalls/hawkers	"Bape Cafe", Malaysia
ii.	Wholly-owned subsidiary	Aape Sea Sdn. Bhd.	Malaysia	RM2.00 comprising 2 ordinary shares	Retail sale of articles of clothing, articles of fur and clothing accessories	"Aape", Malaysia
iii.	85%-owned subsidiary	IT SEA Store Sdn. Bhd.	Malaysia	RM100.00 comprising 100 ordinary shares	Retail sale of games and toys, made of all materials	"I.T.", Malaysia
iv.	70%-owned subsidiary	Infinite 23 Pte Ltd	Singapore	SGD300,000.00 comprising 300,000 ordinary shares	Trading of apparels, shoes and accessories	"Aape", Singapore
v.	Associate	Infinite 23 Co. Ltd	Thailand	THB1,000,000.00 comprising 10,000 ordinary shares	Retail of articles of clothing, fur and related accessories	"Aape", Thailand

3. Purpose and Salient Terms of the LOI-ITSH

Pursuant to the LOI-ITSH:

- the Parties set forth in the LOI-ITSH their commercial understanding on the Proposed Subscription that would form the basis for the negotiation and finalisation of the relevant definitive agreements; and
- until the Parties execute the relevant definitive agreements for the Proposed Subscription, the LOI-ITSH constitutes a valid and binding obligation and agreement of the Parties thereto.

In the event that definitive agreements are reached or executed, further announcement will be made by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The salient terms of the LOI-ITSH are reproduced in "Annex A" of this announcement.

4. Rationale for the LOI-ITSH

Bonia believes that the Proposed Subscription, if materialised, will complement and increase Bonia's range of product offerings to provide a wider assortment of products to cater for the constant change and demands of the consumers in the fashion retail industry. This will add brand names such as "A Bathing Ape", "Aape", and the "I.T." multi-label brands to Bonia Group's existing suite of brand names. The addition of these established lifestyle fashion brands with strong brand equity offers significant growth opportunities and is in line with Bonia's long-term business strategy.

5. Effects of the LOI-ITSH

The LOI-ITSH will not have any effect on the issued share capital of the Company.

The professional costs and general expenses incurred/to be incurred by Bonia in connection with the LOI-ITSH such as valuation, due diligence, legal cost and incidental expenses of the arrangement as set out therein, will not have material effect on the net assets and earnings of Bonia Group for the financial year ending 30 June 2024.

6. Interests of Directors, Major Shareholders and Persons Connected

None of the directors and/or substantial shareholders of Bonia and/or person connected with them have any interest, whether direct or indirect, in the LOI-ITSH.

7. Directors' statement

The Board, having taken into consideration all aspects of the LOI-ITSH, is of the opinion that the LOI-ITSH is in the best interest of Bonia and our shareholders.

8. Approvals required

The LOI-ITSH is not subject to the approval of the shareholders of Bonia and any relevant authorities.

9. Documents available for inspection

The LOI-ITSH is available for inspection at the registered office of the Company at No.5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, Wilayah Persekutuan, Malaysia from Monday to Friday (except public holidays) during normal office hours for a period of 3 months from the date of this announcement.

This announcement is dated 19 March 2024.

Salient Terms of the LOI-ITSH

All capitalised terms used but not defined herein shall have the meanings set forth in the LOI-ITSH. All references herein to specific Clauses, Sections, Exhibits, Schedules and Appendices shall be deemed references to Clauses and Sections of, and Exhibits, Schedules and Appendices to the LOI-ITSH unless the context shall otherwise require.

- 8 Due Diligence
- (a) The Proposed Subscriber shall be entitled to commence and complete all financial, legal and operation due diligence on the Company and Company Subsidiaries and Associate (“Due Diligence Exercise”) within Sixty (60) days from the date of acceptance of this Letter by the Company (“Acceptance Date”) or such extended period as agreed by the relevant parties (“Due Diligence Period”).
 - (b) The professional team engaged by the Proposed Subscriber for the Due Diligence Exercise shall be given full access to information and documents required for the Due Diligence Exercise. The Company and Company Subsidiaries and Associate shall provide full and due co-operation, supports and assistance to the Proposed Subscriber required for the Due Diligence Exercise.
- 9 Definitive Agreements
- (a) Prior to or upon expiry of the Due Diligence Period, the Proposed Subscriber shall provide to the Company a written confirmation notice (“Notice of Confirmation”) to confirm whether to proceed with the Proposed Subscription.
 - (b) If the Proposed Subscriber has elected to proceed with the Proposed Subscription, all relevant parties shall prepare, finalise and execute all transaction documents including but not limited to Subscription Agreement and Shareholders Agreement (“Definitive Agreements”) within Thirty (30) days from the date of Notice of Confirmation. The Definitive Agreements shall reflect the intent and agreed terms set out in this Letter as well as other customary warranties, covenants and obligations applicable in equity investment transactions of this type.
 - (c) If the Proposed Subscriber has confirmed not to proceed with the Proposed Subscription, this Letter shall be deemed automatically terminated with mutual consent by both parties hereto without any liabilities to each other.
- 14 Confidentiality
- The terms and existence of this Letter are confidential and will not be disclosed by any parties hereto except as otherwise agreed in writing in advance by the Parties hereto or unless disclosed to the legal counsel or financial advisor or other advisors and consultants of the relevant party who is subject to the confidentiality obligations, or if the disclosure is required by an applicable legislation, law or the requirement of any court, regulatory body or stock exchange.