

GENERAL ANNOUNCEMENT

BONIA CORPORATION BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	Acquisition of Property by Maha Asia Capital Sdn Bhd, a wholly-owned subsidiary of Bonia Corporation Berhad for a total consideration of RM19,989,200.00

1. **Introduction**

The Board of Directors of Bonia Corporation Berhad (“Bonía” or the “Company”) wishes to announce that Maha Asia Capital Sdn Bhd (“MAC” or “Purchaser”), a wholly-owned subsidiary of Bonia had on 29 October 2013 entered into an agreement (“Agreement”) with Megah Mahajaya Sdn Bhd (Company No. 778716-A) (“MMSB” or “Vendor”) for the purpose of acquiring a freehold property held under Geran 27239 Lot No. 457 Seksyen 67 Bandar and Daerah Kuala Lumpur together with a single-storey detached bungalow house erected thereon (the “Property”) for a total consideration of RM19,989,200.00 (the “Acquisition”).

2. **Information on the Acquisition**

2.1 **Details of MAC**

MAC is a wholly-owned subsidiary of Bonia, a private limited company incorporated in Malaysia on 7 October 2013 under the Companies Act, 1965 and having its registered office at 4th Floor, No. 62, Jalan Kilang Midah, Taman Midah, Cheras, 56000 Kuala Lumpur.

The authorised share capital of MAC is RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each of which 2 ordinary shares have been issued and paid-up. MAC is principally a property investment company.

2.2 **Details of MMSB**

MMSB is a private limited company incorporated in Malaysia and having its registered office at No.11-2-1, Jalan 4/101C, Cheras Business Centre, Taman Cheras, Batu 5, Jalan Cheras, 56100 Kuala Lumpur.

MMSB is the registered proprietor of the Property.

2.3 Details of the Property

The Property is all the freehold property held under Geran 27239 Lot No. 457 Seksyen 67 Bandar and Daerah Kuala Lumpur measuring approximately 1,403.741 square meters [15,109.00 square feet] together with a single-storey detached bungalow house erected thereon with a postal address of No.10, Jalan Delima, 55100 Kuala Lumpur, it is presently charged to OCBC Bank (Malaysia) Berhad (the “Chargee”) by MMSB.

The Property is currently tenanted to a Japanese restaurant pursuant to a tenancy agreement dated 15 April 2013 for a period of three (3) years commenced on 15 April 2013 and ending on 14 April 2016 (“Tenancy”).

2.4 Basis of Arriving at the Purchase Consideration

The purchase consideration of RM19,989,200.00 or approximately RM1,323.00 per square foot for the Property was arrived at a willing buyer-willing seller basis after taking into consideration the similar properties at the adjourned and surrounding area namely at Jalan Inai off Jalan Bukit Bintang/Jalan Tun Razak selling at approximately RM1,523.00 to RM1,700.00 per square feet.

The Company is not privy to the financial information on the investment cost or net profits attributed to the Property.

2.5 Salient Terms of the Agreement

2.5.1 Terms of payment of the purchase consideration for the Property are as follows:-

- i. A deposit of RM1,998,920.00 had been paid by the Purchaser to the Vendor upon signing of the Agreement; and
- ii. The balance purchase consideration of RM17,990,280.00 shall be paid by the Purchaser to the Vendor within a period of 3 months from the date of the Agreement. Failing which, the Vendor shall grant the Purchaser a further period of 30 days to pay such part of the said balance that remain unpaid at the interest rate of 8% to be calculated on a day to day basis.

2.5.2 the Vendor irrevocably authorises the Purchaser’s solicitors to redeem the Property from the Chargee and to obtain the redemption statement, a duly executed and valid and registrable discharge of the Chargee’s charge together with the original issue document of title to the Property and all relevant undertakings and documents as may be required or requested by the Purchaser’s solicitors.

2.5.3 The Purchaser is purchasing the Property subject to the Tenancy and in this respect, the Vendor shall, immediately upon the execution of the Agreement, execute in favour of the Purchaser a deed of assignment assigning all the Vendor’s rights, powers and duties as a landlord under and in the said Tenancy in favour of the Purchaser (“Deed of Assignment of Tenancy”) and deposit the same with the Purchaser’s solicitors who

shall hold the same as stakeholders pending the completion of the Agreement. Upon the completion of the Agreement, the Purchaser's solicitors are authorised to immediately date, stamp and forward the Deed of Assignment of Tenancy to the tenant and the Vendor shall give written notice to the tenant of the Deed of Assignment of Tenancy and instruct the tenant to effect the payments of rent to be henceforth paid to the Purchaser and to pay the relevant deposits to the Purchaser.

2.6 Liabilities to be assumed by MAC

There are no liabilities, including contingent liability and encumbrances, to be assumed by MAC arising from the Acquisition.

2.7 Source of funding

The source of funding for the Acquisition will be from the internally generated funds and partly financed by bank borrowing. The breakdown of the intended source of funding of the acquisition will be as below

Source of funds	Amount (RM)	%
Internally generated funds	4,997,300	25
Borrowings	14,991,900	75
Total	19,989,200	100

3. **Financial Effects**

The Acquisition is not expected to have any material impact on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholdings of Bonia for the financial year ending 30 June 2014.

4. **Risk factors**

The Board of Directors of Bonia is not aware of any material risk factors arising from the Acquisition other than the ordinary property market and global economic risks. However, the Board shall undertake various market studies, appropriate business strategies and measures to mitigate these risks.

5. **Highest percentage ratio**

The highest percentage ratio pursuant to Rule 10.02(g) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements is 6.33% based on the audited accounts for the year ended 30 June 2013.

6. **Approval Required**

The Acquisition is not subject to the approval of shareholders and any relevant government authorities.

7. Directors' and Major Shareholders' Interests

To the best knowledge of the Directors, none of the Directors and major shareholders of Bonia and persons connected to the Directors and major shareholders have any direct or indirect interest in the Acquisition.

8. Rationale and Prospects

Bonia opined that the purchase consideration is reasonable and affordable. The Acquisition is a good opportunity for Bonia to potentially enjoy both capital appreciation and rental income due to the strategic location of the Property which is located at the center of Kuala Lumpur. Besides, Bonia can also further increase its source of revenue and income stream from the property investment segment.

9. Statement by Directors

The Board of Directors of Bonia, having taken into consideration all aspects of the Acquisition, is of the opinion that the Acquisition is in the best interests of Bonia.

10. Estimated time frame for the completion of the Acquisition

The Acquisition is expected to be completed within three (3) months from the date of the Agreement.

11. Documents for Inspection

The Agreement is available for inspection at the registered office of the Company at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan from Monday to Friday (except public holidays) during normal office hours for a period of three (3) months from the date of this announcement.

This announcement is dated 30 October 2013.