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**BONIA CORPORATION BERHAD**

Registration No. 199101013622 (223934-T)

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO THE**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE  
TO ENABLE BONIA CORPORATION BERHAD TO PURCHASE UP TO 10% OF ITS  
TOTAL NUMBER OF ISSUED SHARES**

The resolution pertaining to the above proposal will be tabled under Special Business at the Thirty-First Annual General Meeting ("31st AGM") of Bonia Corporation Berhad ("Company"). The Notice of 31st AGM together with the Proxy Form are set out in the Company's Annual Report 2022 which is available at the Company's website for downloading.

A member entitled to attend and vote at the Company's 31st AGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his behalf. If you wish to do so, kindly complete the Proxy Form in accordance with the instructions therein and deposit it at *the office of the Poll Administrator, AI Smartual Learning Sdn. Bhd., at 23-5, Menara Bangkok Bank, Berjaya Central Park, Jalan Ampang, 50450 Kuala Lumpur, Malaysia, alternatively to be submitted electronically through [proxy@aismartuallearning.com](mailto:proxy@aismartuallearning.com)*, not later than 48 hours before the time fixed for convening the 31st AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Should you wish to participate at our 31st AGM remotely, please register electronically via the online meeting platform at [www.vpoll.com.my](http://www.vpoll.com.my) by the registration cut-off date and time.

Last day and time for lodging the Proxy Form : Monday, 28 November 2022 at 9.30 am

Date and time of the 31st AGM : Wednesday, 30 November 2022 at 9.30 am

This Circular is dated 28 October 2022

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“AGM”	:	Annual general meeting of Bonia
“Bonia” or “Company”	:	Bonia Corporation Berhad Registration No. 199101013622 (223934-T)
“Bonia Group” or “Group”	:	Bonia and our subsidiaries, collectively
“Bonia Shares” or “Shares”	:	Ordinary shares in Bonia after the enforcement of the CA2016 on 31 January 2017 where Bonia Shares are in a no par value regime since 31 January 2017
“BMSB”	:	Bursa Malaysia Securities Berhad
“CA2016”	:	The Companies Act 2016
“Director”	:	Has the meaning given in Section 2 of the CA2016 and Section 2(1) of the Capital Markets and Services Act 2007, and for the purpose of this Circular, Director is a person who holds directorship in Bonia
“FYE”	:	Financial year ended/ending, as the case may be
“LPD”	:	30 September 2022, being the latest practicable date prior to printing of this Circular
“Major Shareholder”	:	A person who has an interest or interests in one or more voting shares in Bonia and the number, or aggregate number of those shares, is (a) 10% or more of the total number of voting shares in Bonia; or (b) 5% or more of the total number of voting shares in Bonia where such person is the largest shareholder of Bonia For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the CA2016
“Minister”	:	Minister charged with the responsibility for companies as interpreted in Section 2 of the CA2016
“MMLR”	:	The Main Market Listing Requirements of BMSB, including the practice notes or circulars as may be issued thereunder from time to time
“Person connected”	:	in relation to any person (referred to as “said Person”) means such person who falls under any 1 of the following categories: (a) a family member of the said Person, who falls within any 1 of the following categories: (i) spouse; (ii) parent; (iii) child including an adopted child and step-child; (iv) brother or sister; and (v) spouse of the person referred to in subparagraphs (iii) and (iv) above (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;

“Person connected”	(c) a partner of the said Person;
	(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
	(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
	(f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
	(g) a body corporate which is a related corporation of the said Person.
“Purchased Shares”	: Shares purchased or to be purchased pursuant to the Proposed Share Buy-Back as defined in this Circular
“Rules”	: Rules on Take-overs, Mergers and Compulsory Acquisitions issued by Securities Commission Malaysia on 15 August 2016
“Substantial Shareholder”	: Has the meaning given in Section 136 of the CA2016, and for the purpose of this Circular, Substantial Shareholder is a person who has an interest (either direct or indirect) in one or more voting shares in our Company and the number or the aggregate number of such Shares is not less than 5% of the total number of all the voting shares included in our Company For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the CA2016
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“31st AGM”	: Thirty-First Annual General Meeting of Bonia
“30th AGM”	: Thirtieth Annual General Meeting of Bonia

All references to “our Company” in this Circular are to Bonia, references to “our Group” are to our Company and our subsidiaries, and references to “our Board” are to our Board of Directors. All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, our Group. All references to “you” in this Circular are references to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

A reference to a statute or a statutory provision herein shall be deemed to include any modification, re-enactment or consolidation thereof and any regulations, rules, orders, guidelines, practice notes, practice directives, circulars or other statutory instruments made pursuant thereto.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancies/inconsistencies between the figures shown in this Circular and figures announced by Bonia, such as quarterly reports and annual reports, are due to rounding.

LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF  
SHAREHOLDERS' MANDATE TO ENABLE BONIA CORPORATION BERHAD TO  
PURCHASE UP TO 10% OF ITS TOTAL NUMBER OF ISSUED SHARES

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**BONIA CORPORATION BERHAD**

Registration No. 199101013622 (223934-T)

Registered Office  
No. 5-1, Jalan Radin Bagus 9  
Bandar Baru Sri Petaling, 57000 Kuala Lumpur  
Wilayah Persekutuan, Malaysia

28 October 2022

**Board of Directors:**

Chiang Sang Sem	- Founder and Group Executive Chairman
Dato' Sri Chiang Fong Tat	- Group Executive Director
Dato' Sri Chiang Fong Seng	- Group Executive Director
Datuk Chiang Heng Kieng	- Non-Independent Non-Executive Director
Dato' Sri Chiang Fong Yee	- Non-Independent Non-Executive Director
Chong Chin Look	- Non-Independent Non-Executive Director
Datuk Ng Peng Hong @ Ng Peng Hay	- Senior Independent Non-Executive Director
Law Wei Liang	- Independent Non-Executive Director
Azian Binti Mohd Yusof	- Independent Non-Executive Director
Chiang May Ling	- Alternate Director to Chiang Sang Sem
Chiang Fong Chyen	- Alternate Director to Datuk Chiang Heng Kieng

**To: The Shareholders of Bonia Corporation Berhad**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE  
TO ENABLE BONIA CORPORATION BERHAD TO PURCHASE  
UP TO 10% OF ITS TOTAL NUMBER OF ISSUED SHARES ("Proposed Share Buy-Back")**

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**1. INTRODUCTION**

Our Company had on 13 October 2022 announced to BMSB that Bonia proposes to seek our shareholders' approval for the Proposed Share Buy-Back at the forthcoming 31st AGM to renew the authorisation for share buy-backs granted by our shareholders in the 30th AGM of our Company held on 30 November 2021.

The purpose of this Circular is to provide you with details of the Proposed Share Buy-Back and to seek your approval for the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 31st AGM.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENT OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE BUY-BACK.

**2. DETAILS OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back involves Bonia purchasing not more than 10% of our own shares through the stock exchange of BMSB in accordance with Section 127 of the CA2016.

Pursuant to Chapter 12 of the MMLR:

- (1) the maximum number of Bonia Shares that may potentially buy-back by our Company under the Proposed Share Buy-Back (including treasury shares, if any) is 20,157,184 Bonia Shares representing 10% of the total number of issued shares of our Company of 201,571,842 ordinary shares as at the LPD.
- (2) our Company must ensure that all the purchases of our own shares under the Proposed Share Buy-Back are made wholly out of Bonia's (not out of the Group) retained profits only. For reference purposes, Bonia's retained profits stood at RM73,734,000 in the latest audited financial statements of our Company for the FYE 30 June 2022.
- (3) our Company may only purchase our own shares under the Proposed Share Buy-Back at a price which is not more than 15% above the weighted average market price for the shares for the 5 market days immediately before the purchase.
- (4) in the case of a resale of the Purchased Shares that are held as treasury shares, Bonia may only resell such treasury shares on BMSB at:
  - (i) a price which is not less than the weighted average market price for the shares for the 5 market days immediately prior to the resale; or
  - (ii) a discounted price of not more than 5% to the weighted average market price for the shares for the 5 market days immediately before to the resale provided that:
    - (a) the resale takes place no earlier than 30 days from the date of purchase; and
    - (b) the resale price is not less than the cost of purchase of the Shares being resold.

Accordingly, the Proposed Share Buy-Back will only be implemented after our Board's careful evaluation of the prevailing market conditions, the availability of the financial resources and the pricing parameters for such purchases as governed by the MMLR.

### **3. FUNDING**

The Proposed Share Buy-Back will be financed through internally generated funds and/or external borrowings that are backed by an equivalent amount of the retained profits of Bonia as disclosed in Section 2 above, the proportion of which will depend on the quantum of purchase consideration as well as the availability of the internally generated funds and/or external borrowings at the time of purchase(s).

In the event Bonia decides to utilise external borrowings to finance the Proposed Share Buy-Back, our Company will ensure that we have sufficient financial capability to repay the external borrowings and that the external borrowings will not have any material impact on the financial position of our Company.

### **4. TREATMENT OF THE SHARES PURCHASED**

The Bonia Shares purchased by our Company will be dealt with by our Board in accordance with Section 127 of the CA2016 in the following manner:

- (1) to cancel the Shares so purchased;
- (2) to retain the Shares so purchased as treasury shares for distribution as "share dividends" to the shareholders of our Company, or resell any of the Shares so purchased on BMSB in accordance with the relevant rules of BMSB, or transfer any of the Shares so purchased for the purposes of or under an employees' share schedule, or transfer any of the Shares so purchased as purchase consideration, or sell, transfer or otherwise use any of the Shares so purchased for such other purposes as the Minister may by order prescribe; or
- (3) to retain part of the Shares so purchased as treasury shares and cancel the remainder.

While the Shares so purchased are held as treasury shares in our Company's securities account(s), our Company shall not be conferred the right to attend or vote at meetings of shareholders and any purported exercise of such right is void, and the right to receive dividends or other distribution, whether cash or otherwise, of our Company's assets including any distribution of assets upon winding up of our Company.

Also, the treasury shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in our Company for any purposes including, without limitation to the generality of the provisions of any law or requirements of the Constitution of our Company or the MMLR on substantial shareholdings, takeover, notices, the requisitioning of meetings, the quorum and the result of a vote on a resolution at a meeting of shareholders.

However, this does not prevent an allotment of Shares as fully paid bonus shares in respect of the treasury shares (any Shares allotted as fully paid bonus shares in respect of the treasury shares shall be treated as if the shares were purchased by our Company at the time the Shares were allotted); or a subdivision of any treasury shares into treasury shares of a larger number, or consolidation of any treasury shares into treasury shares of a smaller number.

Where our Directors decide to distribute the treasury shares as share dividends, the costs of the treasury shares on the original purchase shall be applied in the reduction of the funds otherwise available for distribution as dividends. Where the Directors resolve to cancel the Purchased Shares or to cancel any treasury shares, the costs of the Purchased Shares shall be applied in the reduction of the profits otherwise available for distribution as dividends, and the issued capital of our Company shall be diminished by the Purchased Shares so cancelled.

## **5. VALIDITY OF THE PROPOSED SHARE BUY-BACK**

The authorisation for the Proposed Share Buy-Back, if obtained, shall continue to be in force until:

- (1) the conclusion of the next AGM of our Company following the general meeting at which the Proposed Share Buy-Back was passed at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (2) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (3) revoked or varied by an ordinary resolution passed by our shareholders in a general meeting;
- whichever occurs first.

However, such authorisation does not impose an obligation on our Company to purchase our own shares within the abovementioned time period.

## **6. RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back, if implemented, will enable our Company to utilise our financial resources which are not immediately required for use, to purchase our own shares. It may help to stabilise the supply and demand and price of Bonia Shares traded on BMSB, thereby supporting the fundamental value of the Bonia Shares.

It is expected to increase the earnings per share of our Company in the event the purchased Bonia Shares are cancelled, which in turn is expected to benefit the shareholders of our Company.

Apart from it, Bonia will have the opportunity to distribute the treasury shares as dividends, thus benefiting our shareholders. In addition, the treasury shares may also be resold on BMSB at a price higher than the purchase price, thereby realising a potential gain for our Company.

## **7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back will provide our Company with the opportunity to take pre-emptive measures if need be, to stabilise the supply and demand of Bonia Shares in the open market, thereby allowing the price of Bonia Shares to better reflect our fundamental value. The maintenance of the share price is important in order to maintain investors' confidence to facilitate our Company's future fund raising exercise via issues of equity shares, should there be any such exercises in future. In addition, the Proposed Share Buy-Back will also provide an opportunity for Bonia to make a gain when our Company resell the purchased Bonia Shares for cash when market conditions improve.

The Proposed Share Buy-Back, if implemented, will however, reduce the financial resources of Bonia Group and may result in our Company foregoing any investment opportunities arising in the future or any interest income that may be derived from depositing such funds with interest bearing instruments.

In view thereof, the Proposed Share Buy-Back will be implemented by our Board only after careful consideration of the financial resources of Bonia Group as well as the resultant impact on Bonia Group and the shareholders of our Company.

## **8. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK**

### **8.1 *Issued and Paid-up Share Capital***

The Proposed Share Buy-Back will have no effect on the issued and paid-up share capital of Bonia if all Shares purchased by our Company are held as treasury shares and/or distributed as dividends. However, if our Board decided to cancel the Bonia Shares held in treasury, the issued and paid-up share capital of our Company will be reduced by the number of Shares so cancelled.

In the event that the maximum number of shares representing 10% of the total number of issued shares of Bonia are repurchased in full and cancelled, the pro forma effect on our Company's issued and paid-up capital is illustrated below:

	No. of Bonia Shares	RM
Issued and paid-up share capital as at the LPD	201,571,842	201,571,850
Less: Maximum number of Bonia Shares that may be purchased and cancelled under the Proposed Share Buy-Back	(20,157,184)	(20,157,185)
Resultant issued and paid-up share capital	181,414,658	181,414,665

## 8.2 *Net Assets ("NA")*

The effect of the Proposed Share Buy-Back on the NA per share of Bonia Group will depend on the quantity and purchase price of the Bonia Shares so purchased, the effective funding cost thereof as well as our Board's decision whether to retain the Purchased Shares as treasury shares or to resell them on BMSB.

If the Purchased Shares are retained as treasury shares, the effect of the Proposed Share Buy-Back on the NA of the Bonia Group would be as follows:

- (1) the NA would decrease by the quantum of the cost of the treasury shares due to the requirement that the treasury shares were held at cost and be offset against equity;
- (2) the NA would increase if our Company realises a gain from the resale of the treasury shares and vice versa;
- (3) the NA would decrease by the quantum of the cost of the treasury shares if the treasury shares were distributed as share dividends; and
- (4) the NA per share would decrease if the purchase price exceeds the audited NA per share of the Bonia Group at the time of the purchase and conversely the Proposed Share Buy-Back will increase the NA per share of the Bonia Group if the purchase price is less than the audited NA per share of the Bonia Group at the time of purchase.

## 8.3 *Working Capital*

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital of the Bonia Group, the quantum of which depends on the quantity and purchase price of the Bonia Shares so purchased and the effective funding cost thereof.

The working capital of our Company will increase upon the resale of our treasury shares, the quantum being dependent on the actual selling price of the treasury shares and the quantity of the treasury shares resold.

## 8.4 *Earnings*

The effect of the Proposed Share Buy-Back on our Company's consolidated earnings per share ("EPS") is dependent on the quantity and purchase price of the Bonia Shares so purchased and the effective funding cost thereof.

Where the Purchased Shares are held as treasury shares and/or cancelled subsequently, the EPS of the Bonia Group may increase as a result of the corresponding reduction in the issued and paid-up share capital of our Company.

## 8.5 *Dividends*

Barring any unforeseen circumstances, our Board does not expect the Proposed Share Buy-Back to materially affect any declaration or recommendation of dividends by our Company. The actual dividend rate to be declared and paid will depend on, inter alia, the actual results of Bonia Group, its cash reserves, capital commitment and future funding requirements. Nonetheless, if the Shares so purchased are retained as treasury shares, the dividend rate will also be increased with the suspension of the rights attaching to the treasury shares as to dividend entitlement. Moreover, the treasury shares so purchased may be distributed as dividends to shareholders of our Company if our Company so decides.



## 8.6 Shareholdings of Directors and Substantial Shareholders

Shares bought back by Bonia under the Proposed Share Buy-Back that are retained as treasury shares will result in proportionate increase in the percentage shareholdings of our Directors and Substantial Shareholders in Bonia.

Based on the Record of Depositors, Register of Directors' Shareholdings and Register of Substantial Shareholders of our Company as at the LPD and assuming the Proposed Share Buy-Back is implemented in full and that the Purchased Shares are from the shareholders other than our Directors and Substantial Shareholders in Bonia, the effect of the Proposed Share Buy-Back on the shareholdings of our Directors and Substantial Shareholders of Bonia is illustrated below:

	Before Proposed Share Buy-Back <sup>(5)</sup>				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>Directors:</i>								
Chiang Sang Sem	21,655,840	10.77	123,992,697	61.69 <sup>(1)</sup>	21,655,840	11.94	123,992,697	68.35 <sup>(1)</sup>
Dato' Sri Chiang Fong Tat	963,638	0.48	27,000	0.01 <sup>(2)</sup>	963,638	0.53	27,000	0.01 <sup>(2)</sup>
Dato' Sri Chiang Fong Seng	6,023,014	3.00	~	~	6,023,014	3.32	~	~
Datuk Chiang Heng Kieng	~	~	47,520	0.02 <sup>(2)</sup>	~	~	47,520	0.03 <sup>(2)</sup>
Dato' Sri Chiang Fong Yee	~	~	~	~	~	~	~	~
Chong Chin Look	~	~	~	~	~	~	~	~
Datuk Ng Peng Hong @ Ng Peng Hay	~	~	~	~	~	~	~	~
Azian Binti Mohd Yusof	~	~	~	~	~	~	~	~
Law Wei Liang	~	~	~	~	~	~	~	~
Chiang May Ling (Alternate Director)	209,000	0.10	~	~	209,000	0.12	~	~
Chiang Fong Chyen (Alternate Director)	216,000	0.11	~	~	216,000	0.12	~	~
<i>Substantial Shareholders:</i>								
Bonia Holdings Sdn. Bhd.	54,776,484	27.25	~	~	54,776,484	30.19	~	~
Freeway Team Sdn. Bhd.	44,643,403	22.21	~	~	44,643,403	24.61	~	~
Chiang Family Holdings Ltd	~	~	44,643,403	22.21 <sup>(3)</sup>	~	~	44,643,403	24.61 <sup>(3)</sup>
Chiang Sang Sem	21,655,840	10.77	112,161,983	55.80 <sup>(4)</sup>	21,655,840	11.94	112,161,983	61.83 <sup>(4)</sup>

Note(s):

- (1) Deemed interest by virtue of his interests in Bonia Holdings Sdn. Bhd., Freeway Team Sdn. Bhd., Kontrak Kosmomaz Sdn. Bhd., and Able Wealth Assets Ltd pursuant to Section 8 of the Companies Act 2016; AND indirect interest by virtue of his spouse and children's direct interests pursuant to Section 59(11)(c) of the Companies Act 2016
- (2) Indirect interest by virtue of his spouse's interest pursuant to Section 59(11)(c) of the Companies Act 2016
- (3) Deemed interest by virtue of its interest in Freeway Team Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016
- (4) Deemed interest by virtue of his interests in Bonia Holdings Sdn. Bhd., Freeway Team Sdn. Bhd., Kontrak Kosmomaz Sdn. Bhd., and Able Wealth Assets Ltd pursuant to Section 8 of the Companies Act 2016
- (5) The shareholdings are based on the issued shares of our Company after deducting 576,719 treasury shares as reflected in the Record of Depositors as at LPD provided by Bursa Malaysia Depository Sdn. Bhd.

## **9. PUBLIC SHAREHOLDING SPREAD**

Our Board will take cognizance of the requirements of the MMLR that any purchase of Bonia Shares by our Company must not result in the public shareholding spread of Bonia falling below 25% of our total number of issued shares (excluding treasury shares, if any).

The public shareholding spread of our Company based on the Record of Depositors as at the LPD was approximately 25.55%. Assuming our Company implements the Proposed Share Buy-Back in full, and on the basis that all the purchases are from the market from shareholders of Bonia who are deemed public, held as treasury shares and the shareholdings of our Company's Directors, Substantial Shareholders and their Persons connected remained unchanged as at the LPD, the pro forma public shareholding spread of Bonia will decrease to approximately 17.51%.

## **10. IMPLICATIONS RELATING TO THE RULES**

Pursuant to the Rules, where a person and/or his persons acting in concert obtains control in a company, ie. the stake in a company is increased beyond 33%, or if his/their existing shareholding is between 33% to 50% and increases by more than 2% in any 6 months period, the affected person and/or his persons acting in concert will be obliged to undertake a mandatory offer for the remainder shares not already held by him/them. However, an exemption to undertake a mandatory offer may be granted by the Securities Commission Malaysia under the Rules, subject to the affected person and/or his persons acting in concert complying with certain conditions as specified in Paragraph 4.15 of the Rules.

In the event that the Proposed Share Buy-Back is carried out in full and resulting the equity interest of any of our Company's substantial shareholder and/or his persons acting in concert to trigger the Rules, he and/or his persons acting in concert may apply to Securities Commission Malaysia for an exemption to undertake a mandatory offer for the remainder Bonia Shares not held by him/them collectively.

## **11. PURCHASE, RESALE OR CANCELLATION OF TREASURY SHARES IN THE PRECEDING 12 MONTHS**

The Company has not made any purchase, resale, transfer or cancellation of its own shares in the 12 months preceding the LPD under the existing mandate.

Total treasury shares held by the Company as at the LPD stood at 576,719 shares bought back by the Company at the total consideration of RM444,583 (excluding transaction costs).

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The decision whether to retain the purchased shares as treasury shares, to cancel the shares purchased, distribute the treasury shares as share dividends and/or re-sell the treasury shares on BMSB will be made by the Board at the appropriate time.

## **12. HISTORICAL PRICES OF BONIA SHARES**

The monthly highest and lowest prices of Bonia Shares as traded on BMSB for the past 12 months are as follows:

Year	Month	Highest RM	Lowest RM
2021	October	0.900	0.840
	November	0.885	0.820
	December	1.030	0.820
2022	January	1.620	0.960
	February	2.150	1.370
	March	2.100	1.530
	April	2.530	1.990
	May	2.830	2.160
	June	2.860	1.850
	July	2.320	1.750
	August	2.540	2.030
	September	2.290	1.900

The last transacted price of Bonia Shares on the LPD was RM1.930.

Note(s):

Source: information is available at <https://boniacorp.com/historical-price.html>, and was provided by ShareInvestor Pte Ltd, an Authorised Information Vendor subscribing to Bursa Malaysia's Real Time Market Information as stated at [https://www.bursamalaysia.com/market\\_information/market\\_data/information\\_vendors](https://www.bursamalaysia.com/market_information/market_data/information_vendors)

## **13. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED**

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Share Buy-Back, none of our Directors and to the best knowledge of our Directors, none of the Substantial Shareholders and/or their Persons connected has any interest, direct or indirect in the Proposed Share Buy-Back or resale of treasury shares.

## **14. CONDITIONS TO THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back is conditional upon the approval of the shareholders of Bonia at the forthcoming 31st AGM.

## **15. DIRECTORS' RECOMMENDATION**

Our Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of our Company and our shareholders. Accordingly, our Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 31st AGM to give effect to the proposal.

**16. 31st AGM**

The 31st AGM of our Company will be held on Wednesday, 30 November 2022 at 9.30 am (and any adjournment thereof) as a fully virtual meeting via the online platform at [www.vpoll.com.my](http://www.vpoll.com.my) (Domain Registration No. with MyNIC Berhad: D1A457149) provided by AI Smartual Learning Sdn. Bhd. in Malaysia for the purpose of, inter alia, considering and, if thought fit, approving the ordinary resolution on the Proposed Share Buy-Back as set out in the Notice of 31st AGM. An extract of the said resolution is enclosed as Appendix II of this Circular.

**17. FURTHER INFORMATION**

Shareholders of our Company are advised to refer to the appendices for further information.

Yours truly  
For and on behalf of the Board of  
BONIA CORPORATION BERHAD

CHIANG SANG SEM  
Founder and Group Executive Chairman

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FURTHER INFORMATION

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of Bonia and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement in this Circular misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, Bonia and/or its subsidiaries have not entered into any other material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

*Sale and Purchase Agreement ("SPA") between Long Bow Manufacturing Sdn. Bhd. (a wholly-owned subsidiary of Bonia) and Family Store Resources Sdn. Bhd.*

The SPA was executed by Long Bow Manufacturing Sdn. Bhd. (being a wholly-owned subsidiary of our Company) as vendor and Family Store Resources Sdn. Bhd. as purchaser on 05 April 2022 where the vendor agreed to dispose to the purchaser all that piece of leasehold vacant land held under PM 454 Lot 3226, Mukim Sempang, Daerah Jasin, Melaka measuring 7,982 square metres for the sale price of RM1,000,000.00. The transaction was completed on 6 July 2022.

**3. MATERIAL LITIGATION, CONTINGENT LIABILITIES AND MATERIAL CAPITAL COMMITMENTS**

Save as disclosed below, as at the LPD, neither Bonia or its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board is not aware of any proceedings pending or threatened against the Company and/or its subsidiaries or any facts likely to give rise to any proceedings which may materially and adversely affect the position and/or business of the Company and/or its subsidiaries:

*Apex Marble Sdn. Bhd. and Mcore Sdn. Bhd. vs Leong Tat Yan*

The 60% owned subsidiaries of the Company, Apex Marble Sdn. Bhd. ("AMSB") and Mcore Sdn. Bhd. ("Mcore") (collectively referred as "the Plaintiffs") had filed a civil suit on 3 August 2011 against Leong Tat Yan ("the Defendant"). AMSB and Mcore claimed against Leong Tat Yan for a sum of RM946,000 and RM2,250,000 respectively, being the proceeds of sale from the joint venture business owed by Leong Tat Yan.

Leong Tat Yan owns 40% of the equity interest in AMSB and he is also a controlling shareholder of 388 Venture Corporation Sdn. Bhd. which owns 40% of the equity interest in Mcore.

There are losses of RM5,389,000 arising from the dispute of which management had made the necessary impairment in the previous financial year. The losses includes impairment loss of trade receivables amounting to RM3,196,000 and inventories written off of RM2,193,000 (before non-controlling interest's share of loss).

The Plaintiffs filed a Notice of Appeal on 9 April 2013 against part of the decision of the High Court dated 27 March 2013 in connection with the service of Writ of Summons and Statement of Claim on the Defendant. The Defendant also filed a Notice of Appeal against part of the decision of the High Court dated 27 March 2013 in connection with jurisdiction and forum.

On the hearing date of 8 July 2013, the Court of Appeal allowed the Defendant's appeal with costs of RM10,000 and the Plaintiffs' appeal was accordingly withdrawn with no order as to costs as it was no longer sustainable.

After discussing with their legal advisors, the Plaintiffs (also referred to as 'Applicants') had on 7 August 2013, filed a Notice of Motion in the Federal Court for the following orders:

- (i) the Applicants be granted leave to appeal to the Federal Court against the whole of the decision of the Court of Appeal given on the 8 July 2013 in Civil Appeal No. W-02(IM)(NCVC)-797-04/2013 pursuant to Sections 96 and 97 of the Courts of Judicature Act, 1964 read with Rules 55, 107 and/or 108 of the Federal Court Rules, 1995 and/or the inherent jurisdiction of the Federal Court.
- (ii) in the event that leave to appeal is granted by the Federal Court, the Applicants be granted leave to file and serve a Notice of Appeal to the Federal Court within 7 days from the date of the order pursuant to Rule 108 of the Federal Court Rules, 1995.
- (iii) the costs of the application filed by the Applicants be costs in the cause.
- (iv) such further or other relief of the Federal Court may deem fit.

Leave to appeal to the Federal Court was granted on 29 January 2015.

On the hearing date of 9 November 2015, the Federal Court allowed the Applicant's appeal and set aside the Court of Appeal's Order dated 8 July 2013 in whole, thereby reversing the Court of Appeal's decision that the High Court has no jurisdiction over Leong Tat Yan.

The Plaintiffs had on 31 October 2016 filed a Writ of Summon and Statement of Claim against the Defendant and served the same on the Defendant on 2 November 2016.

On 21 November 2016, the Defendant filed two (2) separate applications for a declaration that the Malaysian Court has no jurisdiction over the Defendant and for consequential relief (Enclosure 10), and for a declaration that the Malaysian Court is not the appropriate forum to try the Plaintiffs' claim and consequently for a stay of proceedings (Enclosure 11).

On 16 December 2016, the Defendant filed two (2) separate applications to strike out the Writ of Summons dated 31 October 2016 for lack of authority (Enclosure 20) and for a stay of proceedings pending arbitration (Enclosure 22).

On 25 January 2017, the Defendant withdrew Enclosure 20 with no order as to costs.

On 25 April 2017, the High Court dismissed Enclosures 10 and 11 with costs of RM5,000 for each enclosure.

On 3 May 2017, the Defendant filed two (2) appeals against the High Court's decisions on Enclosures 10 and 11 ("Appeals").

On 8 May 2017, the Defendant filed an application to stay the proceedings pending the disposal of the Appeals (Enclosure 43).

On 11 May 2017, the Defendant filed two (2) separate applications for an extension of time to file his Defence (Enclosure 47) and to strike out the Writ of Summons for abuse of process (Enclosure 50).

On 23 May 2017, the High Court dismissed Enclosure 43 with costs of RM1,500. The Judge also granted Enclosure 47 with no order as to costs, and directed the Defendant to file his Defence by 23 June 2017. The Defendant also withdrew Enclosure 50, which was accordingly struck out with no order as to costs.

On 22 June 2017, the Defendant filed his Defence and Counterclaim claiming general damages, exemplary damages, and costs for abuse of process. The Plaintiffs filed their Reply and Defence to Counterclaim on 24 July 2017.

On 17 October 2017, the Court of Appeal dismissed the Appeals with costs of RM5,000 for each appeal.

On 5 January 2018, the High Court allowed the Defendant's application to stay the proceedings pending reference of the dispute to arbitration, with costs of RM5,000 to follow the outcome of the arbitration.

On 26 January 2018, the Plaintiffs appealed to the Court of Appeal against the High Court's decision on Enclosure 22.

On 26 June 2018, the Court of Appeal allowed the Plaintiffs' appeal and reversed the decision of the High Court, with cost of RM15,000 for the Court of Appeal and High Court proceedings awarded to the Plaintiffs.

On 3 July 2018, the Respondent filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal.

On 20 July 2018, the Defendant filed an application to stay the proceedings pending the disposal of the Federal Court proceedings (Enclosure 7).

On 30 July 2018, the Plaintiffs filed an application for security for costs (Enclosure 13).

On 8 October 2018, the Federal Court allowed the Defendant's application to stay the proceedings in full and the Plaintiffs' application for security for costs in part.

The Defendant's application for leave to appeal to the Federal Court on Enclosure 22 is fixed for Case Management on 26 November 2020.

On 26 February 2021, the Defendant's application for leave to appeal to the Federal Court on Enclosure 22 was dismissed and the matter was remitted to the High Court for trial.

The matter is presently fixed for continued trial on 31 October 2022 and 5 December 2022 to 8 December 2022.

The solicitors are of the opinion that the prospects of successfully resisting the Defendant's leave application in the Federal Court are fair.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

**4. 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 the period commencing from the date of this Circular up to and including the date of the 31st AGM:

- (1) Constitution of Bonia;
- (2) Audited Financial Statements of the Company for the past 2 financial years ended 30 June 2021 and 30 June 2022;
- (3) The material contracts mentioned in Section 2 above; and
- (4) The relevant cause papers in respect of the material litigations mentioned in Section 3 above.

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EXTRACT OF RESOLUTION

to be tabled at the forthcoming 31st AGM of the Company:

ORDINARY RESOLUTION 10

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE  
TO ENABLE BONIA CORPORATION BERHAD TO PURCHASE  
UP TO 10% OF ITS TOTAL NUMBER OF ISSUED SHARES ("Proposed Share Buy-Back")**

"THAT subject to all the applicable laws and regulations, the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit and in the interests of the Company provided that the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed 10% of the total number of issued shares of the Company; and the funds allocated for the purchase of shares shall not exceed its retained profits for the time being.

THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion pursuant to Section 127(7) of the Companies Act 2016.

THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company following the general meeting at which the Proposed Share Buy-Back was passed at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting after that date is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.

AND THAT the Directors be and are hereby authorised to do all such acts and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to give effect to the aforesaid share buy-back in the best interest of the Company."

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