

MULTIPLE PROPOSALS CN ASIA CORPORATION BHD (CN ASIA OR COMPANY) (I) PROPOSED PAR VALUE REDUCTION; (II) PROPOSED RIGHTS ISSUE WITH WARRANTS; (III) PROPOSED ACQUISITIONS; (IV) PROPOSED DIVERSIFICATION; (V) PROPOSED ESOS; AND (VI) PROPOSED IASC (THE "PROPOSALS")

CN ASIA CORPORATION BHD

Type	Announcement
Subject	MULTIPLE PROPOSALS
Description	CN ASIA CORPORATION BHD (CN ASIA OR COMPANY)
	(I) PROPOSED PAR VALUE REDUCTION;
	(II) PROPOSED RIGHTS ISSUE WITH WARRANTS;
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(THE "PROPOSALS")

On behalf of the Board of Directors of CN Asia ("Board"), M&A Securities Sdn Bhd ("M&A Securities") wishes to announce that the Company proposes to undertake the following:

1. Proposed reduction of its existing issued and paid-up share capital from RM45,382,500 comprising 45,382,500 ordinary shares of RM1.00 each in CN Asia to RM22,691,250 comprising 45,382,500 ordinary shares of RM0.50 each in CN Asia ("CN Asia Shares" or "Shares") via the cancellation of RM0.50 from the par value of each existing ordinary share of RM1.00 each in CN Asia, pursuant to Section 64(1) of the Companies Act, 1965 ("Proposed Par Value Reduction");
2. Proposed renounceable rights issue of up to 90,765,000 new CN Asia Shares ("Rights Shares") together with up to 68,073,750 free detachable warrants ("Warrants") at an indicative issue price of RM0.50 per Rights Share on the basis of two (2) Rights Shares for every CN Asia Share held together with three (3) free Warrants for every four (4) Rights Shares subscribed at an entitlement date to be determined and announced later (after the Proposed Par Value Reduction) ("Proposed Rights Issue with Warrants");
3. Proposed diversification of the business of the Company and its subsidiaries into the property development sector ("Proposed Diversification");
4. Proposed acquisitions via two (2) separate sale and purchase agreements dated 22 May 2015 ("SPAs") entered into between Crystal Bond Sdn Bhd ("Crystal Bond"), Marvellous Production Sdn Bhd ("Marvellous Production") and CN Asia Capital Sdn Bhd, a wholly-owned subsidiary of CN Asia, to acquire the following:

Description of properties	Purchase Consideration (RM'mil)
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(a)	one (1) leasehold land measuring approximately 51,253.11 square feet, held under Title No. H.S.(M) 20481, Lot No. PT 17042 within Mukim and District of Petaling, State of Selangor Darul Ehsan (“Crystal Bond Land”)	9.70
(b)	one (1) leasehold land measuring approximately 52,194.2 square feet held under Title No. Hakmilik 8925, Lot No. 1196 within Pekan Baru Sungai Besi, District of Petaling, State of Selangor Darul Ehsan (“Marvellous Production Land”)	10.80
Total		20.50

(Collectively referred to as the “Proposed Acquisitions”);

5. Proposed establishment of an employees’ share option scheme (“ESOS”) of up to 15.0% of the enlarged issued and paid-up share capital of CN Asia (“Proposed ESOS”); and

6. Proposed increase in the authorised share capital of CN Asia from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each to RM500,000,000 comprising 1,000,000,000 CN Asia Shares (“Proposed IASC”).

Further details of the Proposals are set out in the attachments.

This announcement is dated 22 May 2015.

Please refer attachment below.

Attachments

[CN Asia - Proposals.pdf](#)

477.5 kB