

Announcements / Filings to Bursa Malaysia

**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) :
RELATED PARTY TRANSACTIONS MINDA GLOBAL BERHAD
("MINDA GLOBAL" OR "THE COMPANY") - ACQUISITION OF
SMR HR GROUP SDN BHD**

MINDA GLOBAL BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) RELATED PARTY TRANSACTIONS
Description	MINDA GLOBAL BERHAD ("MINDA GLOBAL" OR "THE COMPANY") - ACQUISITION OF SMR HR GROUP SDN BHD

The Board of Directors of Minda Global Berhad ("Minda" or "the Company" or "the Purchaser") wishes to announce that the Company has on 11 November 2019 entered into a share sale agreement ("SSA") with SMRT Holdings Berhad ("SMRT" or "the Vendor") for the proposed acquisition of 20,786,000 ordinary shares of RM1.00 each in SMR HR Group Sdn Bhd ("SMRHRG") *("Sale Shares"), representing the entire equity interest in SMRHRG, for an aggregate consideration of RM5,230,000.00 (Ringgit Malaysia Five Million Two Hundred and Thirty Thousand only) ("Purchase Consideration") ("Proposed Acquisition").

Please refer to the attachment below.

Company Name	MINDA GLOBAL BERHAD
Stock Name	MINDA
Date Announced	11 Nov 2019
Category	General Announcement for PLC
Reference Number	GA1-11112019-00068

MINDA GLOBAL BERHAD (“MINDA” OR THE “COMPANY”)

PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SMR HR GROUP SDN BHD (“SMRHRG”) FROM SMRT HOLDINGS BERHAD (“SMRT” OR “THE VENDOR”)

1. INTRODUCTION

The Board of Directors of Minda Global Berhad (“Minda” or “the Company” or “the Purchaser”) wishes to announce that the Company has on 11 November 2019 entered into a share sale agreement (“SSA”) with SMRT Holdings Berhad (“SMRT” or “the Vendor”) for the proposed acquisition of 20,786,000 ordinary shares of RM1.00 each in SMR HR Group Sdn Bhd (“SMRHRG”) (“Sale Shares”), representing the entire equity interest in SMRHRG, for an aggregate consideration of RM5,230,000.00 (Ringgit Malaysia Five Million Two Hundred and Thirty Thousand only) (“Purchase Consideration”) (“Proposed Acquisition”).

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information of SMRT

SMRT was incorporated in Malaysia as a private company on 14 July 2004 under the name of SMR Technologies Sdn Bhd. It has been converted to a public company under the name of SMR Technologies Berhad on 11 September 2004. SMRT assumed its present name on 5 July 2013. SMRT was listed on the ACE market of Bursa Malaysia Securities Berhad on 13 March 2006.

SMRT is a major shareholder of the Company.

SMRT is an investment holding company. Its subsidiaries provide tertiary education and offer technology-driven integrated human resource development solutions and workforce education.

As at 31 October 2019, being the latest practicable date (“LPD”), the issued share capital of SMRT is RM84,504,033 comprising 407,046,775 ordinary shares (including treasury shares of 626,100 ordinary shares).

As at the LPD, the Directors of SMRT and their respective shareholdings in SMRT are as follows :

No.	Directors	Direct		Indirect	
		No. of Shareholdings	%	No. of Shareholdings	%
1.	Tan Sri Dato’ Dr Palaniappan A/L Ramanathan Chettiar (“Tan Sri Dr Palan”)	59,368,515	14.608	71,419,272	17.573 ⁽¹⁾
2.	Dato’ (Dr) Asariah Binti Mior Shahahuddin	-	-	-	-
3.	Datuk Mohd Radzif Bin Mohd Yunus	-	-	-	-
4.	Leow Nan Chye	-	-	-	-
5.	Soh Eng Hooi	-	-	-	-
6.	Malayandi @ Kalaiarasu	49,999	0.012	-	-
7.	Maha Ramanathan Palan (“Mr Maha Palan”)	-	-	-	-

As at the LDP, the substantial shareholders of SMRT and their respective shareholdings in SMRT are as follows :

No.	Substantial Shareholders	Direct		Indirect	
		No. of Shareholdings	%	No. of Shareholdings	%
1.	Tan Sri Dr Palan	59,368,515	14.608	71,419,272	17.573 ⁽¹⁾
2.	Puan Sri Datin Kamatchi @ Valliammai A/P Malayandi	130,000	0.032	130,657,787	32.148 ⁽²⁾
3.	Special Flagship Holdings Sdn Bhd (“Special Flagship”)	71,289,272	17.541	-	
4.	Dayatahan Sdn Bhd	57,300,715	14.099	7,000,000	1.722 ⁽³⁾
5.	Dato’ Aziz Bin Sheikh Fadzir	13,972,700	3.438	64,300,715	15.821 ⁽⁴⁾
6.	Teniza Holdings Sdn.Bhd	30,739,200	7.563	-	

Notes:

- (1) Deemed interested by virtue of his shareholdings in Special Flagship and the shareholdings of his wife, Puan Sri Datin Kamatchi @ Valliammai A/P Malayandi pursuant to Section 8 and Section 197 of the Companies Act 2016.
- (2) Deemed interested by virtue of her shareholdings in Special Flagship and the shareholdings of her husband, Tan Sri Dr Palan pursuant to Section 8 and Section 197 of the Companies Act 2016.
- (3) Deemed interested by virtue of his shareholdings in Goldleaf Pavilion Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (4) Deemed interested by virtue of his shareholdings in Dayatahan Sdn Bhd and Goldleaf Pavilion Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

2.2 Information of SMRHRG

SMRHRG was incorporated in Malaysia as a private limited company on 9 January 1989 under the name of Specialist Management Resources Sdn Bhd. SMRHRG assumed its present name on 8 January 2010. SMRHRG is currently a wholly-owned subsidiary of SMRT.

SMRHRG is principally engaged in the business of providing Human Resources Development (“HRD”) solutions covering training, consulting, outsourcing, events, learning resources and advisory support services. SMRHRG owns two trademarks related to HRD and training. SMRHRG is the sole authorised training provider in Malaysia to conduct Chartered Institute of Personnel Development (“CIPD”), an internationally recognised United Kingdom based training qualification. SMRHRG has also been conducting training programmes accredited by Institute of Leadership and Management.

As at the LPD, the issued share capital of SMRHRG is RM20,786,000 comprising 20,786,000 ordinary shares.

As at the LPD, the Directors of SMRHRG are Murugappan Kalaimani, Zalina Binti Mat Zin and Ow Yin Lee. None of the Directors of SMRHRG hold any shares in SMRHRG.

Below are the financial information of SMRHRG :

	Audited as at 31/12/18 RM ‘000	Proforma ⁽¹⁾ 31/12/18 RM ‘000
Net loss after tax	(1,284)	(1,284)
Total Assets	18,785	3,439
Total Equity	(16,280)	1,792
Total Liabilities	35,065	1,647
Total Equity & liabilities	18,785	3,439

Note 1:

- One of the condition precedents of SSA between Minda and SMRT is that SMRHRG being free from any debts and/or loans owing to or from SMRHRG within its existing group of companies.

Therefore, any outstanding balances owing to / (from) related companies shall be fully settled prior to the completion of the Proposed Acquisition

- *The net amount due to related companies and ultimate holding company of SMRHRG of RM18.07 million has been capitalised as share capital of SMRHRG on 2 October 2019.*

2.3 Salient terms of the SSA

2.3.1 Purchase Consideration

The total Purchase Consideration for the Sale Shares is Ringgit Malaysia Five Million Two Hundred and Thirty Thousand (RM5,230,000.00) only.

2.3.2 Representations and warranties

(A) Representations and warranties by the Vendor

The Vendor represents and warrants to the Purchaser with respect to the Sale Shares that:

- (a) all the Sale Shares are and shall have been authorised, validly issued, allotted and fully paid-up;
- (b) the Vendor will on completion of the acquisition of the Sale Shares by the Purchaser from the Vendor ("Completion") be legally and beneficially entitled to or is able to transfer, or to secure the transfer of the Sale Shares to the Purchaser under the SSA; and
- (c) the Sale Shares will on Completion be free from all and any encumbrances, debt or loans owing to or from any party(s) whatsoever, and no other person shall have any rights of pre-emption over the Sale Shares and that the Sale Shares shall be freely registrable in the name of the Purchaser
- (d) it has the power to enter into the SSA and to exercise its rights and obligations herein contained
- (e) it has full power and authority to enter into and perform the transaction contemplated under the SSA
- (f) the SSA constitutes legal, valid and binding obligations enforceable against it in accordance with its terms and the execution, delivery, observance and performance of its obligations under the SSA does not contravene, conflict with or constitute a default under its constitutional documents or its equivalent or any provision of any applicable law or regulation or any judgment, injunction, order, decree or agreement or instrument or obligation binding upon it or to which it is a party or by which it or any part of its undertaking, assets, property or revenues are bound or may be bound;
- (g) all authorisations necessary or advisable for or in connection with the execution, validity, performance or enforceability of the SSA have been obtained by it and are in full force and effect; and
- (h) that the warranties given therein are true, correct and not misleading as at the date of this Agreement, and that they will be fulfilled down to, and will be continue to be true, correct and accurate in all respects and not be misleading at, Completion as if they had been entered into afresh at Completion and with reference to the circumstances then existing at Completion.

(B) Representations and warranties by the Purchaser

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it has the power to enter into the SSA and to exercise its rights and obligations herein contained
- (b) it has full power and authority to enter into and perform the transaction contemplated under the SSA
- (c) the SSA constitutes legal, valid and binding obligations enforceable against it in accordance with its terms and the execution, delivery, observance and performance of its obligations under the SSA does not contravene, conflict with or constitute a default under its constitutional documents or its equivalent or any provision of any applicable law or regulation or any judgment, injunction, order, decree or agreement or instrument or obligation binding upon it or to which it is a party or by which it or any part of its undertaking, assets, property or revenues are bound or may be bound;
- (d) all authorisations necessary or advisable for or in connection with the execution, validity, performance or enforceability of the SSA have been obtained by it and are in full force and effect; and
- (e) the warranties given are true, correct and not misleading as at the date of the SSA, and that they will be fulfilled down to, and will be continue to be true, correct and accurate in all respects and not be misleading at Completion as if they had been entered into afresh at Completion and with reference to the circumstances then existing at Completion.

2.3.3 Completion

The Completion is subject to and conditional upon the following conditions being satisfied and/or waived by the Purchaser and Vendor ("the Parties") on the Completion Date:-

- (a) the Vendor shall deliver, or shall procure the delivery of the following documents ("Completion Documents") to the Purchaser (or to such other party as the Purchaser may direct)
 - (i) the relevant original share certificate in respect of the Sale Shares; and
 - (ii) a valid and registrable share transfer form of the Sale Shares in the prescribed form, duly executed by the Vendor; and
- (b) the Purchaser pay to the Vendor the Purchase Consideration. The Purchaser may set-off any amount due and owing from the Vendor to the Purchaser as at the Completion Date and pay the balance of the Purchase Consideration, if any, in cash to the Vendor.
- (c) the Company being free from any debts and/or loans owing to or from the Company within its existing group of companies.
- (d) the Completion shall take place within ninety (90) days from the date of signing SSA.

2.3.4 Termination

- (A) Termination by the Vendor, if
 - (i) there is a material breach of any representations, warranties or statement which is made by the Purchaser in the SSA;

- (ii) there is a material breach of any terms or conditions of the SSA or a failure to perform or observe any undertaking, obligation or agreement in the SSA by the Purchaser, which the Purchaser has refused or is unable to remedy the breach within fourteen (14) days from the date of receipt of the notice of the breach by the Purchaser from the Vendor, or
- (iii) there is an order made or resolution passed or analogous proceeding taken for the winding up or dissolution of the Purchaser or if the Purchaser is unable to pay its debts or has a receiver and manager appointed over all or a substantial part of its undertakings and assets;

then the Vendor shall be entitled to terminate the SSA by giving written notice to the Purchaser before or on the Completion Date, which termination shall take effect from such date stipulated on the notice whereupon the SSA shall cease to have any legal effect save for any right and obligation of the parties pursuant to any antecedent breach of the SSA.

(B) Termination by the Purchaser, if

- (i) there is a material breach of any representations, warranties or statement which is made by the Vendor in the SSA;
- (ii) there is a material breach of any terms or conditions of the SSA or a failure to perform or observe any undertaking, obligation or agreement in the SSA by the Vendor, which the Vendor has refused or is unable to remedy the breach within fourteen (14) days from the date of receipt of the notice of the breach by the Vendor from the Purchaser, or
- (iii) there is an order made or resolution passed or analogous proceeding taken for the winding up or dissolution of the Vendor or the Company, or if the Vendor or the Company is unable to pay its debts or has a receiver and manager appointed over all or a substantial part of its undertakings and assets;

then the Purchaser shall be entitled to terminate the SSA immediate effect by giving written notice to the Vendor before or on the Completion Date which termination shall take effect from such date stipulated on the notice whereupon the SSA shall cease to have any legal effect save for any right and obligation of the Parties pursuant to any antecedent breach of the SSA.

2.4 Original cost of investment

SMRT's original cost of investment in SMRHRG are as follows :-

Date of Investment	No. of Ordinary Shares	Original Cost of Investment (RM)
30 June 2008	1,396,496	1,592,005.44
30 June 2008	489,502	558,032.28
30 June 2008	200,002	228,002.28
1 April 2009	1,500	1,710.00
31 July 2009	300,000	342,000.00
31 July 2009	200,000	228,000.00
31 July 2009	100,000	114,000.00
31 July 2009	1,500	1,710.00
3 May 2010	25,000	25,000.00
2 October 2019	18,072,000	18,072,000.00
Total	20,786,000	21,162,460.00

2.5 Liabilities to be assumed

There are no other liabilities, including contingent liabilities and guarantees, to be assumed by the Company pursuant to the Proposed Acquisition.

3. BASIS AND JUSTIFICATION OF ARRIVING AT THE PURCHASE CONSIDERATION

The Purchase Consideration for the Proposed Acquisition was arrived at on a willing buyer-willing seller basis, after taking into consideration, amongst other factors, the Company's strategic rationale for the Proposed Acquisition which is to expand into the learning and training industry in Malaysia to enhance its income base, the projected future cashflow of SMRHRG as well as the future prospects and earnings potential of SMRHRG vis-à-vis the learning and training industry in Malaysia.

The Purchase Consideration is expected to be fully satisfied in cash. The Purchase Consideration for the Proposed Acquisition will be funded by the Company via internally generated funds and/or bank borrowings.

4. RATIONALE AND PROSPECTS

The Proposed Acquisition represents another positive step for Minda group towards realising its vision of establishing itself as a major player in the private education as well as learning and training industry in Malaysia given that SMRHRG is a leading training company for the last 30 years with established customers regionally.

In line with Minda group's strategy to increase complementary revenue streams and to realise its vision of being a major player in the private education, learning and training industry, SMRHRG will synergise continuing education, learning and training and executive certificates, diplomas and degrees for companies within Minda group.

Other significant synergies are also expected to be realised from the integration of Minda group's existing businesses and that of SMRHRG's operations including, amongst others, cost savings on capital and operational expenditure.

Programmes offered by SMRHRG such as CIDP can be mapped with existing programmes offered by Minda owned educational institutions, results in additional option for the students to secure United Kingdom professional certificates.

5. RISK FACTORS

The Board of Minda does not foresee any extraordinary or material risk factors pertaining to the Proposed Acquisition, save for the business/operating risks normally associated with the private education, learning and training industry, in which Minda group is already involved, as well as changes in political, economic and regulatory conditions in Malaysia.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Share Capital and shareholdings of the Substantial Shareholders

The Proposed Acquisition will not have any effect on the issued share capital and substantial shareholders' shareholding of Minda as it does not involve any allotment or issuance of new shares by Minda.

6.2 Earnings, Earnings Per Share, Net Assets Per Share and Gearing

The Proposed Acquisition is not expected to have any material effect on the earnings, earnings per share (“EPS”), net assets per share and gearing of Minda group for the financial year ending 31 December 2019. However, the Proposed Acquisition is expected to contribute positively to the future earnings and EPS of Minda group.

7. APPROVALS REQUIRED AND ESTIMATED TIMEFRAME FOR COMPLETION OF THE PROPOSED ACQUISITION

The Proposed Acquisition does not require approval from the shareholders of Minda or any relevant government authorities.

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by first quarter of 2020.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors and/or major shareholders of Minda and/or persons connected with them have any interest, directly or indirectly, in the Proposed Acquisition :

(a) Interested Directors

- i. Tan Sri Dr Palan who is the Group Managing Director and a major shareholder of Minda, is also the Chairman and major shareholder of SMRT; and
- ii. Mr Maha Palan who is a Non-Independent Non-Executive Director of Minda is also a Non-Independent Non-Executive Director of SMRT. Mr Maha Palan is also the son of Tan Sri Dr Palan.

(collectively referred to as “Interested Directors”)

The details of Minda shares held by the Interested Directors as at LPD are as follows :

Name	Shareholdings			
	Direct	%	Indirect	%
Tan Sri Dr. Palan	-	-	706,500,212 ^{*1}	56.98
Mr Maha Palan	-	-	-	-

Note :

^{*1} Deemed interested by virtue of his shareholdings in SMRT, SMR Education Sdn Bhd (“SMR Education”) and Strategic Ambience Sdn Bhd (“SASB”) as per Section 8 of the Companies Act 2016.

The Interested Directors have declared their interest in the Proposed Acquisition and have abstained from deliberation and voting at the relevant Board meeting of Minda in relation to the Proposed Acquisition.

(b) Interested Major Shareholders

- i. SMRT, being the Vendor in the SSA and a major shareholder of Minda.
- ii. SMR Education, a wholly-owned subsidiary of SMRT and a major shareholder of Minda

(collectively referred as “Interested Major Shareholders”)

The details of Minda shares held by the Interested Major Shareholders as at LPD are as follows :

Name	Shareholdings			
	Direct	%	Indirect	%
SMRT	248,897,163	20.07	457,603,049 ^{*1}	36.91
SMR Education	371,102,837	29.93	-	-

Note :

^{*1} Deemed interested by virtue of its shareholdings in SMR Education and SASB as per Section 8 of the Companies Act 2016.

(c) Person Connected

SASB, a wholly-owned subsidiary of SMRT, is a substantial shareholder of Minda with 6.98% direct equity interest in Minda as at the LPD. SASB is a person connected with Tan Sri Dr Palan and SMRT (“Person Connected”).

9. AMOUNT TRANACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

There were no other transactions entered into by the Company with SMRT for the 12 months preceding the date of this announcement, other than the Proposed Acquisition and the profit guarantee related transactions arising from the disposal of CUCMS Education Sdn Bhd (“CESB”) by SMRT to Asiamet Education Group Sdn Bhd, a wholly owned subsidiary of Minda.

The CESB acquisition was completed on 27 December 2017.

10. BOARD OF DIRECTORS’ STATEMENT

After having considered all aspects of the Proposed Acquisition, the Board (save for the Interested Directors) is of the opinion that the Proposed Acquisition is in the best interests of the Company.

11. AUDIT AND RISK MANAGEMENT COMMITTEE’S STATEMENT

The Audit and Risk Management Committee of the Company, having considered all aspects of the Proposed Acquisition (including but not limited to the rationale and benefits, basis of and justification for the Purchase Consideration, effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is :-

- i. in the best interest of Minda;
- ii. fair, reasonable and on normal commercial terms; and
- iii. not detrimental to the interest of the non-interested shareholders of Minda.

12. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to paragraph 10.02(g) of the Listing Requirements is 2.26% based on the latest audited consolidated financial statements of Minda for the financial year ended 31 December 2018.

13. DOCUMENTS FOR INSPECTION

The SSA is available for inspection at the Company's registered office at Level 8, Tower Block, CUCMS Campus, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (excluding public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 11 November 2019.