Minda Global
Berhad
(1209985-V)

Announcements / Filings to Bursa Malaysia

SUBDIVISION / CONSOLIDATION OF SHARES (CHAPTER 13 OF LISTING REQUIREMENTS) MINDA GLOBAL BERHAD ("MINDA" OR "COMPANY") PROPOSED CONSOLIDATION OF 10 EXISTING ORDINARY SHARES IN MINDA INTO 1 NEW ORDINARY SHARE IN MINDA ("PROPOSED SHARE CONSOLIDATION")

MINDA GLOBAL BERHAD

Type	Announcement
Subject	SUBDIVISION / CONSOLIDATION OF SHARES (CHAPTER 13 OF LISTING REQUIREMENTS)
Description	MINDA GLOBAL BERHAD ("MINDA" OR "COMPANY") PROPOSED CONSOLIDATION OF 10 EXISTING ORDINARY SHARES IN MINDA INTO 1 NEW ORDINARY SHARE IN MINDA ("PROPOSED SHARE CONSOLIDATION")

On behalf of the Board of Directors of Minda, M & A Securities Sdn Bhd wishes to announce that the Company is proposing to consolidate 10 existing ordinary shares in Minda into 1 new ordinary share in Minda.

Kindly refer to the attachment for the complete announcement.

This announcement is dated 14 February 2020.

Please refer attachment below.

Company Name	MINDA GLOBAL BERHAD
Stock Name	MINDA
Date Announced	14 Feb 2020
Category	General Announcement for PLC
Reference Number	GA1-11022020-00055

MINDA GLOBAL BERHAD ("MINDA" OR "COMPANY")

PROPOSED CONSOLIDATION OF 10 EXISTING ORDINARY SHARES IN MINDA INTO 1 NEW ORDINARY SHARE IN MINDA ("PROPOSED SHARE CONSOLIDATION")

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1. INTRODUCTION

On behalf of the Board of Directors of Minda ("**Board**"), M & A Securities Sdn Bhd ("**M&A Securities**") wishes to announce that the Company is proposing to consolidate 10 existing ordinary shares in Minda ("**Minda Shares**" or "**Shares**") into 1 new ordinary share in Minda ("**Consolidated Share**") ("**Proposed Share Consolidation**").

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

The Proposed Share Consolidation entails the consolidation of 10 existing Minda Shares held by the Company's shareholders on an entitlement date to be determined ("**Entitlement Date**"), into 1 Consolidated Share.

As at 13 February 2020, being the latest practicable date prior to the date of this announcement ("**LPD**"), the share capital of the Company is RM383,209,120 comprising 1,239,905,790 Minda Shares and does not hold any treasury shares.

Upon completion of the Proposed Share Consolidation, the resultant issued share capital of Minda will be RM383,209,120 comprising 123,990,579 Consolidated Shares.

Any fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company.

The Consolidated Shares will, upon allotment and issuance, rank equally in all respect with each other.

The Proposed Share Consolidation will result in an adjustment to the reference price and number of Minda Shares, as quoted on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), but will not have any impact on the total market value of the Shares held by the Company's shareholders.

For illustration purposes, based on the last transacted market price of Minda Shares as at LPD, the theoretical adjusted reference price and number of the Consolidated Shares upon completion of the Proposed Share Consolidation will be as follows:

	No. of Minda Shares	**Closing market price/ Theoretical adjusted reference price RM**	**Total market value RM**
As at LPD	1,239,905,790	0.05	61,995,289
After Proposed Share Consolidation	123,990,579	(1)0.50	61,995,289

Note:

(1) The theoretical adjusted reference price is calculated as follows:

$$\text{Theoretical adjusted reference price} = \text{Market price} \times \frac{\text{Number of Shares before Proposed Share Consolidation}}{\text{Number of Consolidated Shares after Proposed Share Consolidation}}$$

$$= \text{RM}0.05 \times \frac{1{,}239{,}905{,}790}{123{,}990{,}579}$$

$$= \text{RM}0.50$$

As Minda Shares are prescribed securities, the Consolidated Shares will be credited directly into the respective central depository system accounts of the entitled shareholders whose names appear in the Record of Depositors of the Company on the Entitlement Date and no physical certificate will be issued. In addition, no suspension will be imposed on the trading of Minda Shares on the Main Market of Bursa Securities for the purpose of implementing the Proposed Share Consolidation. The Consolidated Shares shall be listed and quoted on the Main Market of Bursa Securities on the next market day following the Entitlement Date.

The notices of allotment of the Consolidated Shares will be issued and despatched to the entitled shareholders within 4 market days after the listing of and quotation for the Consolidated Shares on the Main Market of Bursa Securities, or such other period as may be determined by Bursa Securities.

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The Proposed Share Consolidation will improve the Company's capital structure by consolidating the existing Minda Shares which will reduce the number of Minda Shares available in the market.

As the Company has a large share base and a relatively low trading price range, the Board noted that a small movement in the Share price may result in a high percentage of movement in the Share trading price. The Proposed Share Consolidation is expected to bring about a corresponding upward adjustment in the trading price of the Shares. This is expected to enhance Minda's corporate image and will encourage investors to view the Consolidated Shares as a long term investment rather than a "penny stock" prone to speculative pressures.

Further, the Company shall benefit from easier management of a smaller share base at no expense to either the Company or its shareholders as the Proposed Share Consolidation will not have any impact on the total value of Minda Shares held by its shareholders.

4. EFFECTS OF THE PROPOSED SHARE CONSOLIDATION

4.1 Share capital

The effects of the Proposed Share Consolidation on the share capital of Minda are as follows:

	No. of shares	Share capital RM
Share capital as at LPD	1,239,905,790	383,209,120
Proposed Share Consolidation	(1,115,915,211)	-
After Proposed Share Consolidation	**123,990,579**	**383,209,120**

4.2 Net asset ("NA")

For illustrative purposes, based on the audited consolidated statement of financial position of Minda and its subsidiaries ("**Minda Group**" or "**Group**") as at 31 December 2018 and on the assumption that the Proposed Share Consolidation had been effected on that date, the pro forma effects of the Proposed Share Consolidation on the NA and NA per share are as follows:

	As at 31 December 2018	After Proposed Share Consolidation
	RM'000	**RM'000**
Share capital	383,209	383,209
Capital reorganisation deficit	(3,453)	(3,453)
Accumulated losses	(148,437)	[1](148,537)
Total equity	**231,319**	**231,219**
Number of Minda Shares	1,239,905,790	123,990,579
NA per Minda Share (RM)	0.19	1.86

Note:

(1) After deducting estimated expenses of approximately RM100,000 for the Proposed Share Consolidation.

4.3 Earnings and earnings per share ("EPS")

Save for estimated expenses to be incurred in relation to the Proposed Share Consolidation of approximately RM100,000, the Proposed Share Consolidation will not have any material impact on the earnings of the Group except for the proportionate increase in the Group's EPS as a result of the reduction in the number of Shares in issue upon completion of the Proposed Share Consolidation.

5. APPROVALS REQUIRED

The Proposed Share Consolidation is subject to the following approvals being obtained:

(a) Bursa Securities, for the Proposed Share Consolidation;

(b) Shareholders of Minda at an extraordinary general meeting to be convened; and

(c) Any other relevant authorities or parties, if required.

The Proposed Share Consolidation is not conditional upon any other corporate proposal to be implemented by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of Minda and/or persons connected to them have any interest, either direct or indirect, in the Proposed Share Consolidation, save for their respective entitlements as shareholders of the Company to the Proposed Share Consolidation, to which all the shareholders of the Company are similarly entitled.

7. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Share Consolidation including the rationale and financial effects, is of the opinion that the Proposed Share Consolidation is in the best interest of the Group.

8. ADVISER

M&A Securities has been appointed as the Principal Adviser to Minda for the Proposed Share Consolidation.

9. ESTIMATED TIMEFRAME FOR SUBMISSION AND COMPLETION

The application to the relevant authorities will be made within 1 month from the date of this announcement.

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Share Consolidation is expected to be completed in the second quarter of 2020.

This announcement is dated 14 February 2020.