

Announcements / Filings to Bursa Malaysia

Disposal of six (6) adjoining units of four (4) storey intermediate terraced shops/offices and two (2) units of four (4) storey corner terraced shops/offices for a total cash consideration of RM14,700,000.00 (Disposal Consideration) only by Asiamet (M) Sdn Bhd, a wholly-owned indirect subsidiary of the Company, to Koperasi NLFCS Berhad (Purchaser) (Disposal of Properties)

MINDA GLOBAL BERHAD

Type	Reply to Query
Reply to Bursa Malaysia's Query Letter - Reference ID	IQL-02012019-00001
Subject	Disposal of six (6) adjoining units of four (4) storey intermediate terraced shops/offices and two (2) units of four (4) storey corner terraced shops/offices for a total cash consideration of RM14,700,000.00 (Disposal Consideration) only by Asiamet (M) Sdn Bhd, a wholly-owned indirect subsidiary of the Company, to Koperasi NLFCS Berhad (Purchaser) (Disposal of Properties)
Description	Disposal of six (6) adjoining units of four (4) storey intermediate terraced shops/offices and two (2) units of four (4) storey corner terraced shops/offices for a total cash consideration of RM14,700,000.00 (Disposal Consideration) only by Asiamet (M) Sdn Bhd, a wholly-owned indirect subsidiary of the Company, to Koperasi NLFCS Berhad (Purchaser) (Disposal of Properties)
Query Letter Contents	<p>We refer to your Company's announcement dated 31 December 2018 in respect of the aforesaid matter.</p> <p>In this connection, kindly furnish Bursa Securities with the following additional information for public release:-</p> <ol style="list-style-type: none"> 1. The method of valuation carried out on the Properties. 2. Justification for the discount of 6.4% from the market value of the Properties for the Disposal Consideration. 3. The breakdown of utilization of proceeds arising from the Disposal of Properties between working capital and repayment of borrowings, and the timeframe for the full utilisation of proceeds. 4. Expected gain or loss to the Group arising from the Disposal of Properties. 5. The effect of the Disposal of Properties on the earnings per share of the Group for financial year ending 31

December 2019.

6. Whether the Disposal of Properties is subject to the relevant government authorities' approval and the estimated time frame for submission of the application to the relevant authorities.
7. The rent payable to the Purchaser per month/annum during the Initial Term, Second Term and Third Term respectively and the basis thereof.
8. Whether the directors and/or major shareholders and/or persons connected with a director or major shareholder have any interest, direct or indirect, in the Disposal of Properties and the nature and extent of their interests.

Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.

Yours faithfully

TAN YEW ENG
Vice President, Issuers
Listing, Regulation

TYE/NMA

Cc : Market Surveillance Dept., Securities Commission (via fax)

(Unless otherwise stated, the defined terms used in this announcement shall carry the same meaning as defined in the earlier announcement dated 31 December 2018)

We refer to our announcement dated 31 December 2018 in relation to the disposal of six (6) adjoining units of four (4) storey intermediate terraced shops/offices and two (2) units of four (4) storey corner terraced shops/offices held by Asiamet, to the Purchaser, the Board of Directors of the Company wishes to provide the additional information.

Please refer to the attachment for further details.

This announcement is dated 3 January 2019

Please refer attachment below.

**MINDA GLOBAL BERHAD (“MINDA GLOBAL” OR THE “COMPANY”)
- DISPOSAL OF PROPERTIES**

(Unless otherwise stated, the defined terms used in this announcement shall carry the same meaning as defined in the earlier announcement dated 31 December 2018)

We refer to our announcement dated 31 December 2018 in relation to the disposal of six (6) adjoining units of four (4) storey intermediate terraced shops/offices and two (2) units of four (4) storey corner terraced shops/offices held by Asiamet, to the Purchaser, the Board of Directors of the Company wishes to provide the following additional information :

1. The method of valuation carried out on the Properties

The valuation carried out on the Properties is using the Comparison Method as main valuation methodology and Investment Method as supportive methodology.

2. Justification for the discount of 6.4% from the market value of the Properties for the Disposal Consideration

Asiamet has engaged property agents to market the Properties. The Purchaser was identified by a property agent and the offer was received after extensive negotiations with the Purchaser. The Board is of the opinion that the Proposed Disposal is in the best interest of the Group despite the 6.4% discount from the market value.

3. The breakdown of utilisation of proceeds arising from the Disposal of Properties between working capital and repayment of borrowings and the timeframe for the full utilisation of proceeds

The net proceeds arising from the Disposal of Properties are expected to be utilised for the working capital and/or repayment of borrowings of the Company and/or its subsidiaries, which the proportion has yet to be determined at this juncture. The net proceeds are expected to be fully utilised within twelve (12) months from the completion of the Disposal of Properties.

4. Expected gain or loss to the Group arising from the Disposal of Properties

The estimated gain arising from the Disposal of Properties is expected to be in the region of RM2.7 million, as calculated below:

	RM'000
Disposal Consideration/proceeds	14,700
Disposal related expenses (estimated)	<u>(600)</u>
Net disposal proceeds	14,100
Net book value as at 31 December 2017 (audited)	<u>(11,380)</u>
Gain arising from the Disposal of Properties	<u>2,720</u>

5. The effect of the Disposal of Properties on the earnings per share of the Group for financial year ending 31 December 2019

For illustrative purposes only, based on the pro-forma consolidated statement of profit or loss and other comprehensive income of the Group for the financial year ended 31 December 2017 and on the assumption that the Disposal of Properties had been effected on that date, the pro-forma effects of the Disposal of Properties on the loss per share of the Group are as follows:

	Pro-forma for the financial year ended 31 December 2017 after the Disposal of Properties	Pro-forma for the financial year ended 31 December 2017
Net loss for the year (RM'000)	<u>(28,858)</u>	<u>(26,138)</u>
No. of outstanding issued Ordinary Shares	1,239,905,780	1,239,905,780
Basic loss per Ordinary Share (Sen)	(2.33)	(2.11)

6. Whether the Disposal of Properties is subject to the relevant government authorities' approval and the estimated time frame for submission of the application to the relevant authorities

The Disposal of Properties is not subject to any government authorities' approval.

7. The rent payable to the Purchaser per month/annum during the Initial Term, Second Term and Third Term respectively and the basis thereof

The rent payable to the Purchaser per month during the Initial Term is RM98,000.00, Second Term is RM102,900.00 and Third Term is RM108,045.00. The rent payable for the Initial Term is based on rental yield of 8% per annum for a fully furnished college campus. The rent payable for the Second Term and Third Term is an increment of 5% of the preceding term's rental rate.

8. Whether the directors and/or major shareholders and/or persons connected with a director or major shareholder have any interest, direct or indirect, in the Disposal of Properties and the nature and extent of their interests.

Kindly refer to Section 10.0 - INTEREST OF DIRECTORS, MAJOR SHAREHOLDER AND/OR PERSON CONNECTED TO THEM in our earlier announcement dated 31 December 2018.

This announcement is dated 3 January 2019.