

Announcements / Filings to Bursa Malaysia

**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) :
NON RELATED PARTY TRANSACTIONS MINDA GLOBAL
BERHAD ("MINDA GLOBAL" OR "THE COMPANY") - DISPOSAL
OF PROPERTIES**

MINDA GLOBAL BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	MINDA GLOBAL BERHAD ("MINDA GLOBAL" OR "THE COMPANY") - DISPOSAL OF PROPERTIES

The Board of Directors of Minda Global Berhad wishes to announce that Asiamet (M) Sdn Bhd (Company No. 442341-P) ("Asiamet"), a wholly-owned indirect subsidiary of the Company has on 29 August 2019 entered into five (5) Sale and Purchase Agreements with Heng Kui Heng (NRIC No. 570209-03-5226) ("HKH SPAs"), five (5) Sale and Purchase Agreements with G N P Properties Sdn Bhd (Company No. 892001-K) ("GNP SPAs"), six (6) Sale and Purchase Agreements with Wee Shin Hong (NRIC No. 660901-03-5811) ("WSH SPAs") and seven (7) Sale and Purchase Agreements with Koh Siew Bin (NRIC No. 730205-03-5392) ("KSB SPAs") (collectively "SPAs") for the disposal of nineteen (19) units of three (3) storey intermediate terraced shops/offices, three (3) units of three (3) storey end terraced shops/offices and one (1) unit of three (3) storey corner terraced shops/offices for a total cash consideration of Ringgit Malaysia Thirteen Million (RM13,000,000.00) only ("Disposal Consideration") (collectively "Proposed Disposal").

Please refer to the attachment below.

Company Name	MINDA GLOBAL BERHAD
Stock Name	MINDA
Date Announced	29 Aug 2019
Category	General Announcement for PLC
Reference Number	GA1-29082019-00049

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

1. INTRODUCTION

The Board of Directors of Minda Global Berhad wishes to announce that Asiamet (M) Sdn Bhd (Company No. 442341-P) (“Asiamet”), a wholly-owned indirect subsidiary of the Company has on 29 August 2019 entered into five (5) Sale and Purchase Agreements with Heng Kui Heng (NRIC No. 570209-03-5226) (“HKH SPAs”), five (5) Sale and Purchase Agreements with G N P Properties Sdn Bhd (Company No. 892001-K) (“GNP SPAs”), six (6) Sale and Purchase Agreements with Wee Shin Hong (NRIC No. 660901-03-5811) (“WSH SPAs”) and seven (7) Sale and Purchase Agreements with Koh Siew Bin (NRIC No. 730205-03-5392) (“KSB SPAs”) (collectively “SPAs”) for the disposal of nineteen (19) units of three (3) storey intermediate terraced shops/offices, three (3) units of three (3) storey end terraced shops/offices and one (1) unit of three (3) storey corner terraced shops/offices for a total cash consideration of Ringgit Malaysia Thirteen Million (RM13,000,000.00) only (“Disposal Consideration”) (collectively “Proposed Disposal”).

2. INFORMATION ON THE PROPOSED DISPOSAL

2.1. Detail of the Properties

Description	Nineteen (19) units of three (3) storey intermediate terraced shops/offices, three (3) units of three (3) storey end terraced shops/offices and one (1) unit of three (3) storey corner terraced shops/offices
Title Nos.	Pajakan Negeri 7596 to 7605, Lot 615 to Lot 624 Seksyen 17 and H.S.(D) 3575 to 3587, PT 331 to 343 Seksyen 17 of Jajahan Kota Bharu, Bandar Kota Bharu, Negeri Kelantan Darul Naim.
Postal Address	No. 31-A to 31-H, 31-J to 31-K, No. 32-A to 32-H and 32-J to 32-N, Bandar Baru Lembah Sireh, Bandar Lama (Seksyen 17), 15050 Kota Bharu, Kelantan.
Land area/ Built-up area	36,549 sq ft / 107,185 sq ft
Tenure	Leasehold for 99 years expiring on 20 August 2102

Approximate age of building	Nine (9) years
Date of Acquisition	20 July 2010
Audited Net Book Value as at 31 December 2018	RM16,141,000.00
Encumbrances	Charged to AmBank Islamic Berhad (formerly known as AmIslamic Bank Berhad)
Original cost of investment	RM31,221,000.00
Market value	RM20,000,000.00

2.2. Information on the Purchasers

- (a) Heng Kui Heng (NRIC No. 570209-03-5226) is a Malaysian citizen of full age with her address at PT 264 Taman Koperatif, Jalan Wakaf Mek Zainab, 15300 Kota Bharu, Kelantan (“HKH”);
- (b) G N P Properties Sdn Bhd (Company No. 892001-K) is a private limited company incorporated in Malaysia under the Companies Act 2016 having its place of business at Lot 1441 Taman Koperatif, Jalan Wakaf Mek Zainab, 15300 Kota Bharu, Kelantan (“GNP”) and the principal business of GNP is construction and renovation works and manufacturing of ready mix and dry mix concrete and mortars.
- (c) Wee Shin Hong (NRIC No. 660901-03-5811) is a Malaysian citizen of full age with his address at Lot PT 691, Kawasan Perindustrian, Pengkalan Chepa Pasa 2, 16100 Kota Bahru, Kelantan (“WSH”); and
- (d) Koh Siew Bin (NRIC No. 730205-03-5392) is a Malaysian citizen of full age with her address at Lot PT 691, Kawasan Perindustrian, Pengkalan Chepa Pasa 2, 16100 Kota Bahru, Kelantan (“KSB”).

(HKH, GNP, WSH and KSB is hereinafter known individually as “Purchaser” and collectively as “Purchasers”)

2.3. Basis of Arriving at the Disposal Consideration

The total Disposal Consideration of RM13,000,000.00 was arrived at on a “willing buyer willing seller” basis based on the negotiation between Asiamet and the Purchasers after taking into consideration of the following:

- (i) Net book value of the Properties as at 31 December 2018 of RM16,141,000.00; and
- (ii) The market value of RM20,000,000.00 as appraised by Cheston International (KL) Sdn Bhd based on its valuation letter dated 31 December 2018.

The Disposal Consideration of RM13,000,000.00 represents a discount of approximately 19.5% to the net book value of the Properties as at 31 December 2018 of RM16,141,000.00 and a discount of 35.0% of the Properties’ market value of RM20,000,000.00.

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

Asiamet has been advertising the Properties for sale for several years. The Purchasers were recently identified and the offers were received after extensive negotiations with the Purchasers. The Board is of the opinion that the Proposed Disposal is in the best interest of the Company and its subsidiaries (“the Group”) despite the 35.0% discount from the market value.

3. SALIENT TERMS OF THE SPAs

The salient terms of the SPAs are as follows:

3.1. Agreement for Sale

In consideration of the Disposal Consideration to be paid by the Purchasers to Asiamet, Asiamet agrees to sell and the Purchasers agree to purchase the Properties on an “as is where is” basis and with existing licensees, if any, or with vacant possession, as the case may be, free from encumbrances but subject to the terms and conditions expressed or implied and such restriction-in-interest and conditions of title to the Properties upon the terms and conditions as stated in the SPAs.

3.2. Disposal Consideration Payment Manner

The Disposal Consideration will be paid in the following manner:

- (i) Upon execution of the SPAs, the Purchasers shall pay a sum equivalent to ten per centum (10%) of the Purchase Price (as defined in each respective SPA) to Asiamet, which shall form the deposit and part payment towards the account of the Purchase Price (hereinafter referred to as “the Deposit”).
- (ii) A sum equivalent to ninety per centum (90%) of the Purchase Price (hereinafter referred to as “the Balance Purchase Price”) shall be paid by the Purchasers to Asiamet’s Solicitors as stakeholder within three (3) months from the date of the SPAs (hereinafter referred to as “the Completion Period” and the last date of the Completion Period shall be referred to as “the Completion Date”).
- (iii) In the event the Purchasers are unable to pay the Balance Purchase Price on or before the Completion Date, Asiamet shall automatically grant the Purchasers an extension of three (3) months from the Completion Date (hereinafter referred to as “the Extended Completion Period and the last day of the Extended Completion Period shall be referred to as the “Extended Completion Date”) to pay the Balance Purchase Price in consideration of which the Purchasers agree to pay to Asiamet interest at the rate of eight per centum (8%) per annum (hereinafter referred to as “the Late Payment Interest”) on the outstanding sum due to Asiamet calculated on daily basis from the date next following the Completion Date until the receipt of the same in full by Asiamet’s Solicitors on or before the Extended Completion Date.

3.3. Express Condition

The sale and purchase of the Properties is subject to the express condition as follow:

- (i) The HKH SPAs shall be regarded as part of one and the same transaction and the completion of the HKH SPAs are conditional and dependent on the contemporaneous fulfilment of the express conditional and completion of the sale and purchase of the properties under HKH SPAs. In the event any of the HKH SPAs is not completed, the HKH SPAs may at Asiamet’s option be rescinded;
- (ii) The GNP SPAs shall be regarded as part of one and the same transaction and the completion of the GNP SPAs are conditional and dependent on the contemporaneous fulfilment of the express conditional and completion of the sale and purchase of the properties under GNP SPAs. In

the event any of the GNP SPAs is not completed, the GNP SPAs may at Asiamet's option be rescinded;

- (iii) The WSH SPAs shall be regarded as part of one and the same transaction and the completion of the WSH SPAs are conditional and dependent on the contemporaneous fulfilment of the express conditional and completion of the sale and purchase of the properties under WSH SPAs. In the event any of the WSH SPAs is not completed, the WSH SPAs may at Asiamet's option be rescinded; and
- (iv) The KSB SPAs shall be regarded as part of one and the same transaction and the completion of the KSB SPAs are conditional and dependent on the contemporaneous fulfilment of the express conditional and completion of the sale and purchase of the properties under KSB SPAs. In the event any of the KSB SPAs is not completed, the KSB SPAs may at Asiamet's option be rescinded.

3.4. Delivery of Possession

Upon receipt of the Balance Purchase Price and Late Payment Interest (if any) by Asiamet's Solicitors as stakeholder, the Purchasers shall be entitled to all rights, title, interest and legal possession with existing licensee or vacant possession of the said Property, as the case may be.

4. LIABILITIES TO BE ASSUMED BY THE PURCHASERS

There is no liability to be assumed by the Purchasers arising from the Proposed Disposal.

5. RATIONALE FOR THE PROPOSED DISPOSAL

The Company is in the opinion that the Proposed Disposal is in the best interest of the Company as the Proposed Disposal will enable the Company to raise funds for the working capital requirements and/or repayment of borrowings of the Company and/or its subsidiaries.

6. COST OF INVESTMENT AND EXPECTED GAINS/LOSSES ON PROPOSED DISPOSAL

The original cost and date of investment, and the latest audited net book value of the Properties based on the latest audited consolidated financial statements of the Company as at 31 December 2018 are as follows:

Date of Acquisition	20 July 2010
Audited Net Book Value as at 31 December 2018	RM16,141,000.00
Original cost of investment	RM31,221,000.00

The Proposed Disposal is expected to result in a loss on disposal of RM3,281,000.00 derived as follows:

	RM'000
Disposal Consideration/proceeds	13,000
Disposal related expenses (estimated)	<u>(140)</u>
Net disposal proceeds	12,860
Net book value as at 31 December 2018 (audited)	<u>(16,141)</u>
Loss arising from the Proposed Disposal	<u>(3,281)</u>

7. UTILISATION OF PROCEEDS

The net proceeds arising from the Proposed Disposal 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 Proposed Disposal.

8. RISK FACTORS

Notwithstanding that each of HKH SPAs, GNP SPAs, WSH SPAs and KSB SPAs are regarded as part of one and the same transaction and the completion of the sale and purchase of the Properties being dependent for its effectiveness on the contemporaneous completion of the sale and purchase of all the Properties, for the purposes of delivery of legal possession or vacant possession, as the case may be, all SPAs are independent of each other and may be completed on different dates.

To mitigate the risk of non-completion of the SPAs, Asiamet has on 29 August 2019 entered into a Deed of Performance Guarantee and Indemnity with Guok Nguong Peng (NRIC No. 510926-08-6187), a Malaysian citizen of full age with his address at PT 264 Taman Koperatif, Jalan Wakaf Mek Zainab, 15300 Kota Bharu, Kelantan ("Guarantor") wherein the Guarantor guarantee as a continuing obligation the performance and completion of the SPAs by the Purchasers.

9. EFFECTS OF THE PROPOSED DISPOSAL

9.1. Share Capital and Substantial Shareholders' Shareholding

The Proposed Disposal will not have any effect on the share capital and substantial shareholdings of the Company.

9.2. Net Assets Per Share and Gearing

The Proposed Disposal is not expected to have any material effect on the net assets per share and gearing of the Company for the financial year ending 31 December 2019.

9.3. Earnings Per Share

For illustrative purposes only, based on the audited consolidated statement of profit or loss and other comprehensive income of the Group for the financial year ended 31 December 2018 and on the assumption that the Proposed Disposal had been effected on that date, the pro-forma effects of the Proposed Disposal on the loss per share of the Group are as follows:

	Audited 31 December 2018	Pro-forma for the financial year ended 31 December 2018 after the Proposed Disposal
Net loss for the year (RM'000)	(15,943)	(19,224)
No. of outstanding issued Ordinary Shares	1,239,905,790	1,239,905,790
Basic loss per Ordinary Share (Sen)	(1.29)	(1.55)

10. APPROVAL REQUIRED

The Proposed Disposal is not subject to the regulatory approval of any government authority or the approval of the shareholders of the Company.

11. INTEREST OF DIRECTORS, MAJOR SHAREHOLDER AND/OR PERSON CONNECTED TO THEM

None of the Directors, major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Disposal.

12. DIRECTORS' STATEMENT

The Board having considered all aspects of the Proposed Disposal is of the opinion that the Proposed Disposal is in the best interest of the Company. The Proposed Disposal is fair, reasonable and on normal commercial terms which are not detrimental to the interest of the minority shareholders.

13. ESTIMATED TIMEFRAME FOR COMPLETION

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

14. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 6.98%.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The SPAs and the valuation letter are available for inspection at the registered office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, during normal working hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

16. ADDITIONAL INFORMATION

Under the SPAs, the Purchasers are entitled to nominate any person (other than a foreign interest or such person which is prohibited under Kelantan Land Rules to acquire real properties in Kelantan) to purchase the Properties from Asiamet at any time during the Completion Period or the Extended Completion Period subjected always to the terms and conditions as stated in the SPAs. A deed of novation will be entered between Asiamet, the Purchaser and the nominee to regulate the novation of the novated SPAs.

This announcement is dated 29 August 2019.