

# Minda Global Berhad

## MINDA GLOBAL BERHAD

(Registration No: 201601039044 (1209985-V))  
(Incorporated in Malaysia)

Dear Valued Shareholders of Minda Global Berhad ("the Company"),

We are pleased to invite you to the Extraordinary General Meeting ("EGM") of the Company, details as follows:

**Date : Monday, 31<sup>st</sup> October 2022**

**Time : 9.00 a.m.**

**Venue : Lecture Halls 3 and 4, Level 4, Academic Block, University of Cyberjaya Campus, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan**

The following documents of the Company are available at website  
<https://mindaglobal.com.my/>

1. Circular To Shareholders dated 6<sup>th</sup> October 2022
2. Notice of EGM
3. Proxy Form
4. Circular Requisition Form

Should you require a printed copy of the Circular, you may submit your request by completing the attached Requisition Form and returning the same to the office of our Company's Share Registrar by ordinary mail, fax or email, in accordance with the recipient details as provided therein. The Circular will be delivered as soon as reasonably practicable upon the receipt of your request.

If you wish to appoint a proxy to attend and vote on your behalf at the EGM, you may deposit your Proxy Form at the registered office of the Company at Level 5, Tower 8, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.

Should you require any assistance on the above, please contact our Share Registrar, Boardroom Share Registrars Sdn. Bhd. during office hours from Mondays to Fridays, 9.00 a.m. to 5.30 p.m. (except public holidays):-

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**Boardroom Share Registrars Sdn. Bhd.**

[Registration No. 199601006647(378993-d)]  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

General Line : +603 7890 4700  
Fax : +603 7890 4670  
Email : [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

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Yours faithfully,

**Maha Ramanathan Palan**  
Group Managing Director

6<sup>th</sup> October 2022

**THIS CIRCULAR TO SHAREHOLDERS OF MINDA GLOBAL BERHAD ("MINDA GLOBAL" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused Part C of this Circular prior to its issuance as it is an exempt circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular (*including the valuation certificate as set out in Appendix II of this Circular and the valuation report*), makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

# Minda Global Berhad

**MINDA GLOBAL BERHAD**  
(Registration No: 201601039044 (1209985-V))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO:-**

## PART A

- (I) **PROPOSED ACQUISITION OF THE SUBJECT LAND AND BUILDINGS (AS DEFINED HEREIN) BY UOC SDN BHD (A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY) FROM PERSADA MEWAH SDN BHD FOR A TOTAL CONSIDERATION OF RM180.0 MILLION TO BE SATISFIED IN THE FOLLOWING MANNER:-**
- (A) **RM155.0 MILLION IN CASH; AND**  
(B) **RM25.0 MILLION VIA THE ISSUANCE OF 357,142,857 CONSIDERATION SHARES (AS DEFINED HEREIN) AT AN ISSUE PRICE OF RM0.07 PER CONSIDERATION SHARE,**
- ("PROPOSED ACQUISITION");**
- (II) **PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF THE SHARE GRANT SCHEME INVOLVING UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES) FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF MINDA GLOBAL AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) ("PROPOSED SGS"); AND**
- (III) **PROPOSED GRANTING OF SGS SHARES (AS DEFINED HEREIN) TO THE DIRECTORS OF MINDA GLOBAL NAMELY, GENERAL TAN SRI DATO' SERI MOHD SHAHROM BIN DATO' HJ. NORDIN (RTD.), MAHA RAMANATHAN PALAN, TAN SRI DATO' DR. PALANIAPPAN A/L RAMANATHAN CHETTIAR, TAN SRI DATUK (DR.) RAFIAH BINTI SALIM, TAN SRI DATUK WIRA DR. MOHD SHUKOR BIN MAHFAR AND DATO' TAN CHOON HWA @ ESTHER TAN CHOON HWA**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

## PART B

**INDEPENDENT ADVICE LETTER FROM SIERAC CORPORATE ADVISERS SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF THE COMPANY IN RELATION TO THE PROPOSED ACQUISITION**

## PART C

**PROPOSED CHANGE OF THE COMPANY'S NAME FROM "MINDA GLOBAL BERHAD" TO "CYBERJAYA EDUCATION GROUP BERHAD" ("PROPOSED CHANGE OF NAME")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser for Part A**



**MERCURY SECURITIES SDN BHD**  
(Registration No: 198401000672 (113193-W))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Independent Adviser for Part B**



**SIERAC CORPORATE ADVISERS SDN BHD**  
(Registration No: 200001013247 (515853-A))

The Extraordinary General Meeting of the Company ("**EGM**") will be held at Lecture Hall 3 and 4, Level 4, Academic Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor on Monday, 31 October 2022 at 9.00 a.m. or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

You are requested to complete, sign and return the enclosed Form of Proxy and deposit it at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 24 hours before the time and date appointed for holding the EGM. The completion and lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last day, date and time for lodging the Form of Proxy : Sunday, 30 October 2022 at 9.00 a.m.  
Day, date and time of the EGM : Monday, 31 October 2022 at 9.00 a.m. or at any adjournment thereof

This Circular is dated 6 October 2022

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

<b>Act</b>	: Companies Act, 2016
<b>Agreed Liquidated Damage</b>	: The sum of RM18.0 million, being the amount to be paid by the defaulting party to the non-defaulting party under the SPA
<b>Balance Cash Consideration</b>	: The sum of RM140.0 million in cash to be satisfied via the loan to be undertaken by the Purchaser
<b>Board</b>	: Board of Directors of the Company
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (Registration No: 200301033577 (635998-W))
<b>By-laws</b>	: The rules, terms and conditions of the Scheme as may be modified, amended, varied or supplemented from time to time, a draft of which is appended in Appendix VII of this Circular
<b>Cash Consideration</b>	: The sum of RM155.0 million in cash comprising the RPGT Retention Sum, the Differential Sum and the Balance Cash Consideration
<b>Chargee</b>	: Ambank (M) Berhad (Registration No: 196901000166 (8515-D))
<b>Circular</b>	: This circular dated 6 October 2022
<b>Consideration Shares</b>	: 357,142,857 new Minda Global Shares to be issued to the Vendor in respect of the Proposed Acquisition
<b>Constitution</b>	: Constitution of the Company
<b>COVID-19</b>	: Coronavirus disease 2019
<b>Differential Sum</b>	: The sum of RM9.6 million in cash, being the Cash Consideration less the RPGT Retention Sum and the Balance Cash Consideration
<b>Director General</b>	: Director General of the Inland Revenue Board of Malaysia
<b>Directors</b>	: Directors shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and include any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or chief executive of the Company, its subsidiary or holding company
<b>EGM</b>	: Extraordinary general meeting
<b>Eligible Persons</b>	: Directors and/or employees of the Group ( <i>excluding dormant subsidiaries</i> ) who fulfil the eligibility criteria for participation in the Scheme as set out in the By-laws
<b>EPS</b>	: Earnings per Share
<b>Interested Directors</b>	: Collectively, Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar and Maha Ramanathan Palan

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**DEFINITIONS (*cont'd*)**

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<b>Interested Persons</b>	: Collectively, SMRP, SMRT Holdings Berhad, SMR Education Sdn Bhd, Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar and Maha Ramanathan Palan
<b>Issue Price</b>	: Issue price of RM0.07 per Consideration Share
<b>FPE</b>	: Financial period ended
<b>FYE</b>	: Financial year ended
<b>IAL</b>	: Independent advice letter dated 6 October 2022 issued by the Independent Adviser in relation to the Proposed Acquisition as set out in Part B of this Circular
<b>LAT</b>	: Loss after taxation
<b>Listing Requirements</b>	: Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	: 26 September 2022, being the latest practicable date prior to printing of this Circular
<b>LTD</b>	: 9 June 2022, being the last trading date prior to the signing of the SPA
<b>Major Shareholders</b>	: Major shareholders include any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other corporation which is its subsidiary or holding company
<b>Market Day</b>	: Any day on which Bursa Securities is open for trading in securities
<b>Master Lease</b>	: The lease agreement dated 17 October 2014 ( <i>as supplemented by the supplemental agreement dated 22 July 2016</i> ) entered into between SMRP ( <i>as lessee</i> ) and PMSB ( <i>as lessor</i> ) to lease the Subject Buildings
<b>Mercury Securities or Principal Adviser</b>	: Mercury Securities Sdn Bhd (Registration No: 198401000672 (113193-W))
<b>Minda Global or the Company</b>	: Minda Global Berhad (Registration No: 201601039044 (1209985-V))
<b>Minda Global Group or the Group</b>	: Collectively, Minda Global and its subsidiaries
<b>Minda Global Shares or the Shares</b>	: Ordinary shares in the Company
<b>NA</b>	: Net assets
<b>PAT</b>	: Profit after taxation
<b>PMSB or the Vendor</b>	: Persada Mewah Sdn Bhd (Registration No: 201001004668 (889283-P)), the vendor in relation to the Proposed Acquisition
<b>Proposals</b>	: Collectively, the Proposed Acquisition and Proposed SGS
<b>Proposed Acquisition</b>	: Proposed acquisition by UOCSB of the Subject Land and Buildings from PMSB upon the terms and conditions as set out in the SPA

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**DEFINITIONS (cont'd)**

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<b>Proposed Change of Name</b>	: Proposed change of the Company's name from "Minda Global Berhad" to "Cyberjaya Education Group Berhad"
<b>Proposed SGS</b>	: Proposed establishment and implementation of the SGS involving up to 15% of the total number of issued Shares ( <i>excluding treasury shares</i> ) for Eligible Persons
<b>Purchase Consideration</b>	: Total purchase consideration for the Proposed Acquisition of RM180.0 million to be satisfied in the following manner:-  (i) RM155.0 million in cash; and  (ii) RM25.0 million via the issuance of 357,142,857 Consideration Shares at an issue price of RM0.07 per Consideration Share
<b>Raine &amp; Horne or the Valuer</b>	: Raine & Horne International Zaki + Partners Sdn Bhd (Registration No: 198301004235 (99440-T))
<b>RPGT Retention Sum</b>	: The sum of RM5.4 million in cash, being the retention sum in relation to the real property gains tax
<b>RM and sen</b>	: Ringgit Malaysia and sen respectively
<b>SCA or the Independent Adviser</b>	: Sierac Corporate Advisers Sdn Bhd (Registration No: 200001013247 (515853-A))
<b>SGS or the Scheme</b>	: Share grant scheme for the granting of SGS Shares to the Eligible Persons upon the terms as set out in the By-laws
<b>SGS Award</b>	: A contingent award of SGS Shares made in writing by the SGS Committee to an Eligible Person to participate in the SGS in the manner set out in the By-Laws
<b>SGS Award Date</b>	: The date of which an SGS Award is made by the SGS Committee to the Eligible Persons to participate in the Scheme
<b>SGS Committee</b>	: The committee appointed and authorised by the Board to administer the Scheme in accordance with the By-laws, comprising such number of Directors and/or other persons identified and appointed from time to time by the Board
<b>SGS Effective Date</b>	: The date on which the Scheme shall take effect, to be determined and announced by the Board following full compliance with all relevant requirements of the Listing Requirements
<b>SGS Grantee</b>	: Any Eligible Person who has accepted an SGS Award in the manner provided in the By-laws
<b>SGS Maximum Shares</b>	: Maximum number of SGS Shares that may be granted under the Scheme which shall not in aggregate exceed 15% of the total number of issued Shares ( <i>excluding treasury shares</i> ) at any point of time over the duration of the Scheme
<b>SGS Shares</b>	: New Minda Global Shares to be issued pursuant to the SGS
<b>Shareholders</b>	: Shareholders of the Company

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**DEFINITIONS (cont'd)**

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<b>SPA</b>	: Conditional sale and purchase agreement dated 10 June 2022 entered into between the Vendor, the Purchaser and the Company in relation to the Proposed Acquisition
<b>SMRP</b>	: SMR Properties Management Sdn Bhd (Registration No: 201301014663 (1044502-W)), a wholly-owned subsidiary of SMRT Holdings Berhad which is listed on the ACE Market of Bursa Securities
<b>Subject Buildings</b>	: The buildings erected on the Subject Land, comprising:- <ul style="list-style-type: none"><li>(i) 1 administrative office block from upper ground level to level 8;</li><li>(ii) 1 academic block from upper ground level to level 5;</li><li>(iii) 4 storey car park from basement level to mezzanine level; and</li><li>(iv) other ancillary areas</li></ul>
<b>Subject Land</b>	: The land held under Geran 340365, Lot 120232, Bandar Cyberjaya, District of Sepang, Selangor Darul Ehsan
<b>Subject Land and Buildings</b>	: Collectively, the Subject Land and Subject Buildings
<b>Sub-Lease by CUCMS</b>	: The lease agreement dated 23 April 2018 ( <i>subsequently renewed on 30 July 2021</i> ) entered into between CUCMS Education Sdn Bhd ( <i>a wholly-owned subsidiary of Minda Global</i> ) ( <i>as lessee</i> ) and SMRP ( <i>as lessor</i> ) to lease part of the Subject Buildings
<b>UOC</b>	: University of Cyberjaya
<b>UOC SB or the Purchaser</b>	: UOC Sdn Bhd (Registration No: 201901030593 (1339923-X)), the purchaser in relation to the Proposed Acquisition
<b>VWAP</b>	: Volume weighted average market price

All references to “you” in this Circular are to the Shareholders.

In this Circular, words referring to the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to time and date in this Circular shall be a reference to Malaysian time and date, unless otherwise stated. Any discrepancies in the tables between the actual figures, amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

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**PART A**

**LETTER TO THE SHAREHOLDERS  
IN RELATION TO THE PROPOSALS**

# Minda Global Berhad

**MINDA GLOBAL BERHAD**  
(Registration No: 201601039044 (1209985-V))  
(Incorporated in Malaysia)

**Registered office:**

Level 5, Tower 8, Avenue 5, Horizon 2  
Bangsar South City  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

6 October 2022

**Board of Directors**

General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj. Nordin (Rtd.) (*Independent Non-Executive Chairman*)

Maha Ramanathan Palan (*Group Managing Director*)

Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar (*Non-Independent Non-Executive Director*)

Tan Sri Datuk (Dr.) Rafiah Binti Salim (*Senior Independent Non-Executive Director*)

Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar (*Independent Non-Executive Director*)

Dato' Tan Choon Hwa @ Esther Tan Choon Hwa (*Independent Non-Executive Director*)

**To: The Shareholders**

Dear Sir / Madam,

- (I) **PROPOSED ACQUISITION; AND**
- (II) **PROPOSED SGS**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

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**1. INTRODUCTION**

On 10 June 2022, Mercury Securities had, on behalf of the Board, announced that UOCBSB (*Purchaser*), PMSB (*Vendor*) and the Company (*issuer of the Consideration Shares*) had on even date entered into the SPA for the Proposed Acquisition. In addition to the Proposed Acquisition, the Company also proposed to undertake the Proposed SGS.

On 17 August 2022, following the initial announcement dated 10 June 2022, Mercury Securities had, on behalf of the Board, announced that the Board took note that the Proposed Acquisition shall be deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements due to the Master Lease and sub-leases of the Subject Land and Buildings by the Group (*which involve the interests of certain related parties as set out in Section 12, Part A of this Circular*).

Accordingly, SCA has been appointed as the Independent Adviser by the Board (*save for the Interested Directors*) to provide the non-interested Directors and non-interested Shareholders with:-

- (i) an opinion as to whether the Proposed Acquisition is fair and reasonable so far as the non-interested Shareholders are concerned and whether the Proposed Acquisition is to the detriment of the non-interested Shareholders; and

- (ii) a recommendation as to whether the non-interested Shareholders should vote in favour of the Proposed Acquisition.

Subsequently, on 29 September 2022, Mercury Securities had, on behalf of the Board, announced that Bursa Securities has, vide its letter dated 29 September 2022, resolved to approve the listing and quotation of the following:-

- (i) 357,142,857 new Shares to be issued pursuant to the Proposed Acquisition; and
- (ii) such number of new Shares, representing up to 15% of the total number of issued Shares (*excluding treasury shares*), to be issued pursuant to the Proposed SGS,

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in Section 10, Part A of this Circular.

**THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSALS AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR AND THE IAL AS SET OUT IN PART B OF THIS CIRCULAR, TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED ACQUISITION**

### **2.1 Background information on the Proposed Acquisition**

The Minda Global Group is principally engaged in the provision of education services. Currently, the Group via UOCBSB (*a wholly-owned subsidiary of Minda Global*) manages and operates its flagship university known as UOC from the Subject Buildings.

For the operation of UOC, the Minda Global Group has been leasing part of the Subject Buildings from SMRP since 2018 under the Sub-Lease by CUCMS (*details as set out in Appendix V of this Circular*) and in turn, SMRP has been leasing the Subject Buildings from PMSB under the Master Lease (*details as set out in Appendix IV of this Circular*). For information purposes, SMRP is a wholly-owned subsidiary of SMRT Holdings Berhad, which is in turn the holding company of Minda Global.

On 10 June 2022, UOCBSB (*Purchaser*), PMSB (*Vendor*) and the Company (*issuer of Consideration Shares*) had entered into the SPA for the Proposed Acquisition. Pursuant to the SPA, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Subject Land and Buildings for the Purchase Consideration of RM180.0 million to be satisfied in the following manner:-

- (i) RM155.0 million in cash; and
- (ii) RM25.0 million through issuance of 357,142,857 Consideration Shares at an issue price of RM0.07 per Consideration Share.

The salient terms of the SPA in relation to the Proposed Acquisition are set out in Appendix III of this Circular.

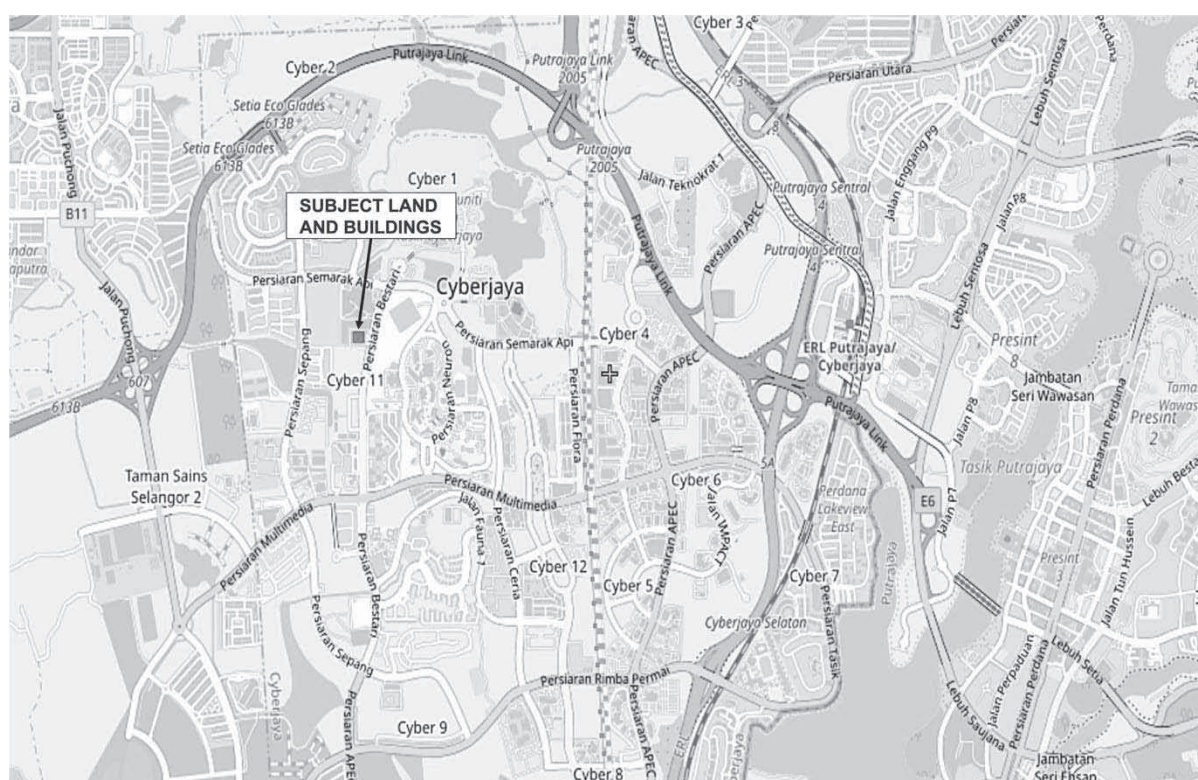
As the Minda Global Group is acquiring the entire Subject Land and Buildings pursuant to the Proposed Acquisition, the Master Lease entered into between SMRP (as lessee) and PMSB (as lessor) will be terminated as a consequence of the Proposed Acquisition. For the avoidance of doubt, SMRP had also on 5 October 2022 waived its first right of refusal and option to purchase the Subject Buildings as provided for in the Master Lease (details as set out in Appendix IV of this Circular).

Apart from the Sub-Lease by CUCMS, as at the LPD, SMRP had also sub-leased parts of the Subject Buildings to 6 other tenants (4 of which are wholly-owned subsidiaries of Minda Global with rental totalling to RM60,462.95 per month for a lettable floor area of approximately 34,000 square feet, while the other 2 tenants are, amongst others, bookstore and convenience stores operators with rental totalling to RM37,537.50 per month for a lettable floor area of approximately 25,000 square feet). These sub-leases will be terminated as a consequence of the Proposed Acquisition.

## 2.2 Details of the Subject Land and Buildings

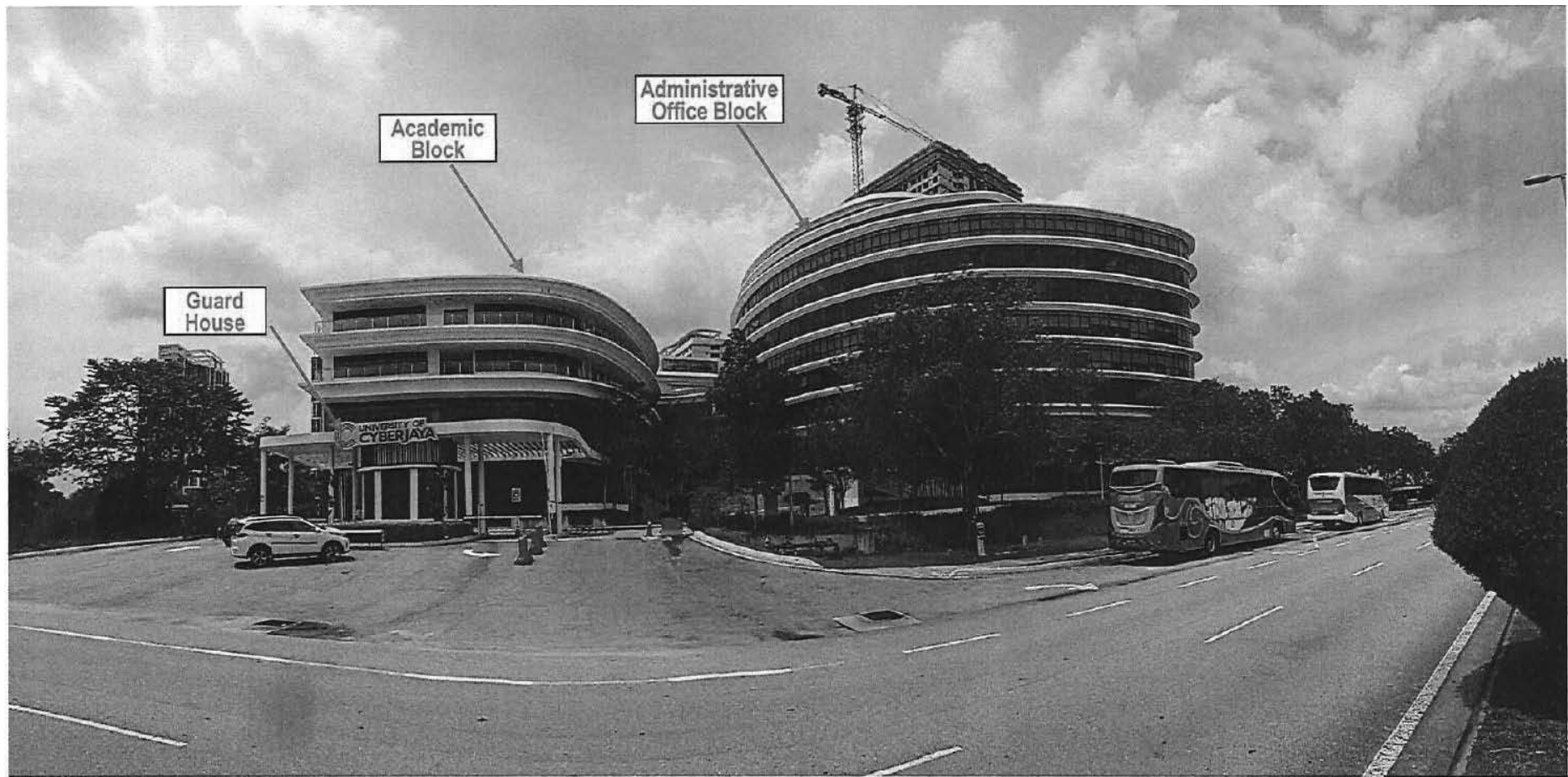
The Subject Land and Buildings are located at Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor and are currently primarily occupied by UOC, a private university. UOC relocated to the Subject Buildings in 2018 after the construction works and renovation for the Subject Buildings were completed. The Group had incurred approximately RM40 million on the renovation of, amongst others, faculty offices, meeting rooms, laboratories, simulation wards, lecture theatres and auditorium.

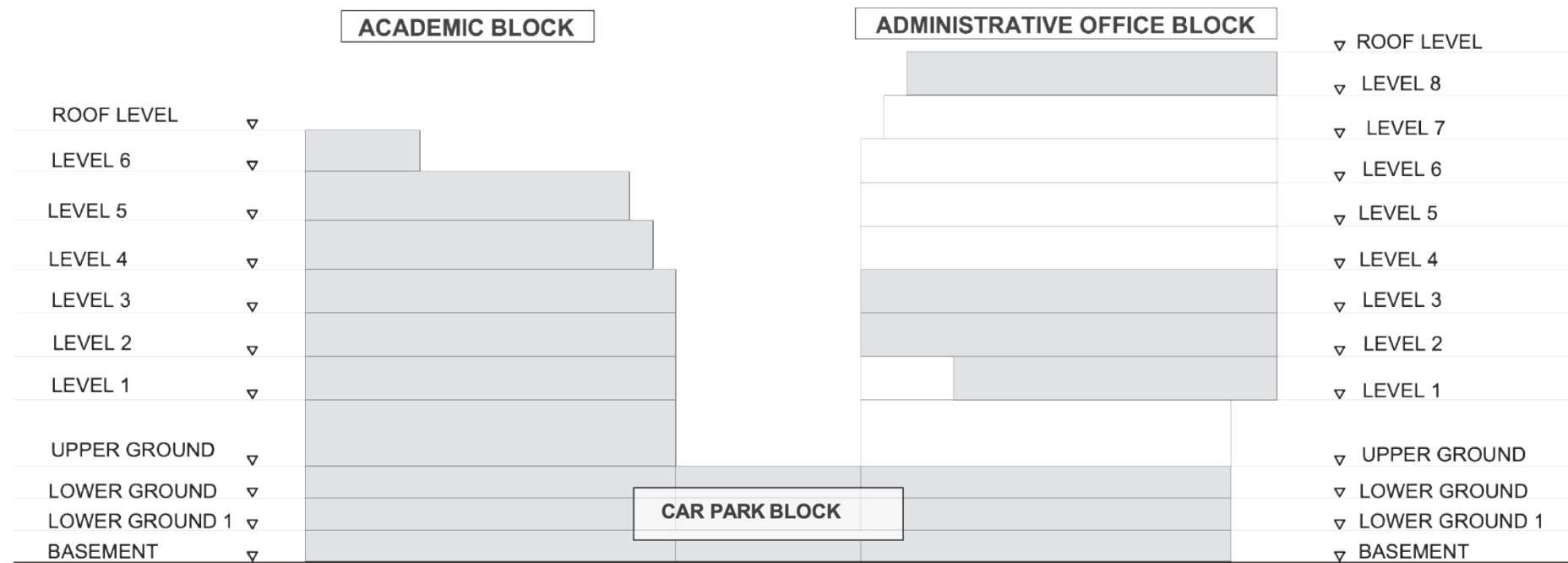
The location of the Subject Land and Buildings are as follows:-





The front view and layout of the Subject Buildings are as follows:-





 **AREAS OCCUPIED BY THE MINDA GLOBAL GROUP**

Further details of the Subject Land and Buildings are as follows:-

**Information on the Subject Land**

<b>Lot No.</b>	: Lot 120232, Bandar Cyberjaya, District of Sepang, Selangor Darul Ehsan
<b>Title No.</b>	: Geran 340365
<b>Registered owner</b>	: PMSB
<b>Category of land use</b>	: “Bangunan”
<b>Title land area</b>	: 16,208 square metres (174,461 square feet)
<b>Express condition</b>	: “Bangunan Perniagaan”
<b>Restriction In-Interest</b>	: “Tanah ini tidak boleh dipindahmilik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri”
<b>Tenure</b>	: Freehold
<b>Encumbrances</b>	: The title is charged twice to Ambank (M) Berhad, registered on 26 June 2012 and 19 October 2016 <sup>(1)</sup>
<b>Endorsement</b>	: Private caveat entered by Ambank (M) Berhad, registered on 18 June 2012 <sup>(1)</sup>

**Note:-**

(1) Pursuant to the SPA, the parties agreed that the Subject Land and Buildings shall be sold and purchased free from any encumbrances (including caveats). Hence, it is the parties' intention that the charge and private caveat by Ambank (M) Berhad shall be withdrawn prior to the completion of the Proposed Acquisition. Further, pursuant to the SPA, the presentation of the discharge of charge documents at the land registry is a condition for the release of loan less redemption sum (i.e. amount payable to Ambank (M) Berhad to redeem the Subject Land) by the Purchaser's financiers within the completion period of the Proposed Acquisition.

**Information on the Subject Buildings**

<b>Gross floor area</b>	: 862,850 square feet
<b>Net lettable area</b>	: 359,938 square feet
<b>Car park</b>	: 826 bays (including 10 disabled (OKU) bays)
<b>Age of buildings</b>	: Approximately 4 years

### **Other information on the Subject Land and Buildings**

**Postal address** : University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan

**Market value of the Subject Land and Buildings** : RM180.0 million as appraised by the Valuer as at the material date of valuation of 10 May 2022 using the cost approach and income approach of valuation

**Audited net book value of the Subject Land and Buildings** : RM143.3 million as at 30 June 2021

### **2.3 Basis of determining and justification for the Purchase Consideration**

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:-

- (i) market value of the Subject Land and Buildings as at 10 May 2022 (*being the material date of valuation*) of RM180.0 million as appraised by the Valuer;
- (ii) the rationale of the Proposed Acquisition as set out in Section 4.1, Part A of this Circular; and
- (iii) the prospects of the Subject Land and Buildings as set out in Section 5.3, Part A of this Circular.

In justifying the Purchase Consideration, the purchase consideration of RM180.0 million is equivalent to the market value of the Subject Land and Buildings on 10 May 2022 (*being the material date of valuation*) of RM180.0 million as appraised by the Valuer.

In arriving at its opinion of the market value of the Subject Land and Buildings, the Valuer has adopted the cost approach and income approach in the valuation of the Subject Land and Buildings.

The cost approach seeks to ascertain the value of the Subject Land and Buildings through the summation of the value components of the land and building. In determining the value of the land, the analysed apportionment value attributable to the land is adopted by comparing the subject property with other land in the vicinity whilst making due allowances to factors of location, plot size, accessibility and other relevant factors. In determining the value of the building, current rates on construction costs to erect equivalent buildings are adopted. Appropriate adjustments are then made for factors of obsolescence and existing physical condition of the building.

The income approach is derived from the capitalisation of net rent from a property. The net rent is the residue of gross annual rent less annual expenses required to sustain the rent with allowance for void and management fees.

The comparison approach was not adopted as there were insufficient recent transactions of campus buildings as this type of property is rarely sold in the open market.



The Valuer has adopted the market value derived from the cost approach as the main approach in the valuation of the Subject Land and Buildings, taking into consideration that there are sufficient sale evidences and information on the construction cost to provide a fair representation of the market value of the Subject Land and Buildings. The income approach is the secondary approach and used as a check on the market value. The income approach is sensitive to the estimated rental, outgoings and yield.

Please refer to Appendix II of this Circular for the valuation certificate for the Subject Land and Buildings.

## 2.4 Basis of determining and justification for the Issue Price

The Issue Price was arrived at after taking into consideration the market prices of the Minda Global Shares up to the LTD.

The Issue Price of RM0.07 represents a premium / (discount) to the following closing market price / VWAPs of the Minda Global Shares (*extracted from Bloomberg throughout the period up to and including the LTD*):-

	Closing market price / VWAP	Premium / (discount) of Issue Price to closing market price / VWAP	
	RM	RM	%
Last traded market price on the LTD (9 June 2022)	0.0700	-	-
<b>Up to and including the LTD:-</b>			
5-Market Day VWAP	0.0653	0.0047	7.20
1-month VWAP	0.0643	0.0057	8.86
3-month VWAP	0.0631	0.0069	10.94
6-month VWAP	0.0665	0.0035	5.26
1-year VWAP	0.0938	(0.0238)	(25.37)

(Source: Bloomberg)

The Issue Price is justifiable in view that it is the same as the last traded price of the Minda Global Shares on the LTD and represents a premium against the historical market prices of Minda Global Shares (*except for the 1-year VWAP up to and including the LTD*), whereby the highest being a premium of 10.94% to the 3-month VWAP of Minda Global Shares up to and including the LTD.

For information purposes, the Issue Price represents a premium of 27.27% to the last transacted price of Minda Global Shares as at the LPD and the 5-Market Day VWAP of Minda Global Shares up to and including the LPD of RM0.055.

## 2.5 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares.

## 2.6 Source of funding

The Cash Consideration of RM155.0 million shall be financed by internally generated funds of the Group of RM15.0 million and loan of RM140.0 million.

## 2.7 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees to be assumed by the Company and UOCBS arising from the Proposed Acquisition.

## 2.8 Additional financial commitment

There are no additional financial commitments required to put the Subject Land and Buildings on-stream immediately after completion of the Proposed Acquisition.

## 2.9 Information on the Vendor

PMSB was incorporated in Malaysia on 5 February 2010 as a private limited company. The company is principally engaged in property investment and development.

As at the LPD, the issued share capital of PMSB is RM1,000,000 comprising 1,000,000 ordinary shares in PMSB.

As at the LPD, the directors (*all Malaysians*) of PMSB are Ngadimin bin Rakijan, Wong Pui Chee and Krystle Lim Xin Ee and the shareholders of PMSB are as follows:-

Shareholders of the Vendor	Shareholding in PMSB			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
Tegas Mekar Sdn Bhd	300,000	30.00	-	-
Rexter Capital Sdn Bhd <sup>(1)(2)</sup>	700,000	70.00	-	-
Victor Lye Say Kuang <sup>(3)</sup>	-	-	300,000	30.00
Datuk Wira Lye Ek Seang <sup>(3)</sup>	-	-	300,000	30.00

### Notes:-

(1) Rexter Capital Sdn Bhd was incorporated in Malaysia on 15 March 2004 as a private limited company. The company is principally engaged in investment holding.

As at the LPD, the issued share capital of Rexter Capital Sdn Bhd is RM13,000,000 comprising 13,000,000 ordinary shares in Rexter Capital Sdn Bhd.

As at the LPD, the directors (*all Malaysians*) of Rexter Capital Sdn Bhd are Wong Pui Chee and Krystle Lim Xin Ee and the shareholders of Rexter Capital Sdn Bhd are as follows:-

Shareholders of Rexter Capital Sdn Bhd	Shareholding in Rexter Capital Sdn Bhd			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
Too Ching Hock	2,500,000	19.23	-	-
Dung Tai Sing	2,500,000	19.23	-	-
Jercy Khoo Ching Ching	2,500,000	19.23	-	-
Krystle Lim Xin Ee	2,100,000	16.15	-	-
Helynnna Khoo Ting Ting	2,000,000	15.39	-	-
Joseph Wong Fook Ming	1,400,000	10.77	-	-

(2) For information purpose, there is no shareholder who individually holds more than 20% equity interest in Rexter Capital Sdn Bhd.

(3) Deemed interested by virtue of his interest in Tegas Mekar Sdn Bhd pursuant to Section 8(4) of the Act.

### 3. DETAILS OF THE PROPOSED SGS

The Company proposes to establish and implement the SGS, which involves granting of SGS Shares to the Eligible Persons as set out in the By-laws.

The Scheme will be administered by the SGS Committee. The SGS Committee will comprise Directors and/or other persons identified and appointed from time to time by the Board. At this juncture, the composition of the SGS Committee has yet to be decided by the Board.

The SGS Committee will have the absolute discretion in administering the Scheme. Any liberty, power or discretion which may be exercised or any decision or determination which may be made by the SGS Committee shall be made pursuant to the By-laws. The decision of the SGS Committee shall be final and binding, but subject always to the Board's power to overrule any decision of the SGS Committee.

The discretion of the SGS Committee in respect of the Scheme includes to determine, amongst others:-

- (i) whether or not to stagger the SGS Award over the duration of the Scheme and each SGS Award shall be separate and independent from the others;
- (ii) the number of SGS Shares to be awarded in each SGS Award;
- (iii) whether or not the SGS Shares are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to performance target; and
- (iv) such other terms and conditions as it shall deem fit and appropriate to be imposed for the participation in the Scheme.

The SGS Shares to be issued and allotted to the SGS Grantees will be listed on the Main Market of Bursa Securities. For avoidance of doubt, the SGS Shares to be issued and allotted to the SGS Grantees will not require any payment from the SGS Grantees to the Company as the Proposed SGS serves to incentivise them to stay with the Group over a longer term and contribute towards long-term objectives of the Group as well as to align their interests to those of the Shareholders.

#### 3.1 Maximum number of SGS Shares available under the Scheme

The aggregate maximum number of SGS Shares which may be made available under the Scheme shall not in aggregate exceed 15% of the total number of issued Shares (*excluding treasury shares*) at any point of time over the duration of the Scheme.

Notwithstanding the above nor any other provision contained in the By-laws, in the event the number of SGS Shares granted under the Scheme exceeds the SGS Maximum Shares as a result of the Company purchasing its own Shares pursuant to the Act or the Company undertaking any corporate proposal and thereby diminishing the total number of issued Shares, then such SGS Shares granted prior to the adjustment of the total number of issued Shares (*excluding treasury shares*) shall remain valid in accordance with the By-laws.

However, in such a situation, the SGS Committee shall not make any further SGS Award unless the total number of SGS Shares granted under the Scheme falls below the SGS Maximum Shares at any point of time over the duration of the Scheme after such adjustment.

### 3.2 Basis of allotment and maximum allowable allocation of SGS Shares

Subject to the SGS Maximum Shares and any adjustments which may be made under the By-laws, the aggregate maximum number of SGS Shares that may be granted to any 1 category / designation of employment of the SGS Grantees shall be determined entirely at the discretion of the SGS Committee.

The number of SGS Shares to be allocated to any Eligible Person who, either singly or collectively through persons connected with such Eligible Person, holds 20% or more of the total number of issued Shares (*excluding treasury shares*), shall not exceed 10% of the total number of SGS Shares to be issued under the Scheme.

Not more than 60%<sup>(1)</sup> of the total number of SGS Shares available under the Scheme will be allocated in aggregate to the Directors (*including non-executive directors and/or independent directors*) and senior management personnel of the companies in the Group (*excluding dormant subsidiaries*).

Note:-

(1) *The threshold has been determined by the Company after taking into consideration, amongst others, the past contributions of the directors and senior management personnel of the Group whose contributions have steered the Group through difficult times especially during COVID-19 pandemic. Further, the Board also recognises that high-calibre individuals are hard to attract and/or retain and hence, the allocation of SGS Shares to such individuals will allow them to have direct participation in the equity of the Company, giving them a sense of ownership, loyalty and belonging to the Group.*

Subject to the By-laws, the aggregate maximum number of SGS Shares that may be granted to an Eligible Person under the Scheme shall be determined at the sole discretion of the SGS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the duration of the Scheme relating to employees' and/or directors' share issuance schemes and after taking into consideration the performance targets, position, annual appraised performance, seniority and length of service, contribution to the success and development of the Group, category or grade of employment of the Eligible Person or such other matters which the SGS Committee may in its sole discretion deem fit. In making an offer of the SGS Award to an Eligible Person, the SGS Committee shall set out the basis of the allocation and particulars of the SGS Award made to the Eligible Person.

For the avoidance of doubt, the SGS Committee shall have the sole discretion in determining whether the SGS Shares available for vesting under the Scheme are to be offered to the Eligible Persons via:-

- (i) 1 single SGS Award at a time determined by the SGS Committee; or
- (ii) several SGS Awards, where the vesting of the SGS Shares comprised in those SGS Awards is staggered or made in several tranches at such times and on terms determined by the SGS Committee.

### 3.3 Basis and justification for the issue price of the SGS Shares

The SGS Shares will be issued at no cost to the SGS Grantees for the objectives as detailed in Section 4.2, Part A of this Circular.

For the purposes of recognition of expenses arising from the granting of the SGS Awards under Malaysian Financial Reporting Standards 2 ("**MFRS 2**"), the fair value of the SGS Shares will take into consideration the 5-day VWAP of the Shares up to and including the last trading day immediately preceding the SGS Award Date.

### 3.4 Eligibility to participate in the Scheme

Only Eligible Persons who fulfil the following conditions shall be eligible to participate in the Scheme:-

- (i) in respect of an employee of the Group (*excluding any dormant subsidiary*), the employee must fulfil the following criteria as at the SGS Award Date:-
  - (a) he/she is at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
  - (b) he/she is employed and is on the payroll of any company in the Group
  - (c) his/her employment has been confirmed by any company in the Group; and
  - (d) such employee falls within any other eligibility criteria that may be determined by the SGS Committee from time to time at its sole discretion, whose decision shall be final and binding;
- (ii) in respect of a Director of the Group (*excluding any dormant subsidiary*), the Director must fulfil the following criteria as at the SGS Award Date:-
  - (a) he/she is at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
  - (b) he/she has been appointed as a director (*including non-executive directors and/or independent directors*) of the Company or any other company in the Group (*excluding any dormant subsidiary*); and
  - (c) such Director fulfils any other criteria as may be determined by the SGS Committee from time to time at its sole discretion, whose decision shall be final and binding;
- (iii) in respect of a Director, a chief executive officer, Major Shareholders of the Company or a person connected with a Director, chief executive officer or Major Shareholder of the Company, the specific allocation of SGS Shares granted under the Scheme must have been approved by the Shareholders at a general meeting; and
- (iv) if the Eligible Person is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the SGS Award Date:-
  - (a) he/she is at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
  - (b) he/she is employed on a full time basis and is on the payroll of the newly acquired company; and
  - (c) his/her employment has been confirmed by the newly acquired company.

The Eligible Person must fulfil any other criteria and/or fall within such category / designation of employment as may be determined by the SGS Committee from time to time at its sole discretion, whose decision shall be final and binding.

Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the SGS Shares unless an SGS Award has been made by the SGS Committee to the Eligible Person and the Eligible Person has accepted the SGS Award in accordance with the By-laws.

Except as may be prescribed by the SGS Committee or as stipulated in an SGS Award, there are no performance targets to be achieved by the SGS Grantee before SGS Shares can be vested.

Eligible Persons shall not participate in the deliberation or discussion of their own allocation and allocation to person(s) connected to them.

### **3.5 Duration of the Proposed SGS**

The Scheme shall be in force for a duration of 10 years from the SGS Effective Date.

The Scheme may be terminated by the SGS Committee at any time before its expiry provided that the Company shall make an announcement immediately through Bursa Securities. The announcement shall include the effective date of termination of the Scheme ("**SGS Termination Date**"), the number of SGS Shares vested under the Scheme and the reasons and justification for termination.

In the event of termination of the Scheme, the following provisions shall apply:-

- (i) no further SGS Awards shall be made by the SGS Committee from the SGS Termination Date;
- (ii) all SGS Awards which have yet to be accepted by the Eligible Persons shall automatically lapse on the SGS Termination Date; and
- (iii) all SGS Awards which have yet to be vested in the Eligible Persons shall automatically lapse on the SGS Termination Date.

Approval or consent of Shareholders by way of a resolution in a general meeting and written consent of the Eligible Persons who have yet to vest their SGS Awards are not required to effect a termination of the Scheme.

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any SGS Awards or the Scheme pursuant to the provisions of the By-laws.

### **3.6 Ranking of the SGS Shares**

The SGS Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares.

### **3.7 Retention period**

The SGS Shares to be allotted and issued and/or transferred to an SGS Grantee under the Scheme may be subject to such reasonable retention period or restriction on transfer (*if any / applicable*) as may be imposed / determined by the SGS Committee from time to time at its discretion. The Company encourages SGS Grantees to hold the SGS Shares granted to them as an investment rather than for any speculative purposes and/or for realisation of any immediate gain.

Notwithstanding the above, pursuant to Paragraph 8.20 of the Listing Requirements, an SGS Grantee who is a non-executive director of any company within the Group (*excluding any dormant subsidiary*) must not sell, transfer or assign his/her SGS Shares obtained through an SGS Award pursuant to the Scheme within 1 year from the SGS Award Date of such SGS Shares.

### **3.8 Alteration of share capital and adjustments**

In the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction or any other alteration in the capital structure of the Company or otherwise howsoever, the SGS Committee may, in its discretion, determine whether (i) the number of SGS Shares which are the subject of the SGS Award to the extent not yet vested and/or (ii) the maximum number of existing SGS Shares which may be delivered in settlement pursuant to the SGS Awards shall be adjusted, and if so, the manner in which such adjustments should be made.

This provision shall not be applicable where an alteration in the capital structure of the Company arises from the following:-

- (i) an issue of SGS Shares pursuant to the vesting of SGS Awards under the Scheme;
- (ii) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business;
- (iii) an issue of securities as a private placement;
- (iv) any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;
- (v) a restricted issue of securities;
- (vi) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
- (vii) a purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.

### **3.9 Modification, variation and/or amendment to the Scheme**

Subject to the compliance with the Listing Requirements and any other relevant authorities, the SGS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of the By-laws as it shall at its discretion think fit. The approval of the Shareholders in a general meeting shall not be required in respect of the additions or amendments to or modifications or deletion of the By-laws provided that no additions, modifications or amendments to or deletions shall be made which will:-

- (i) prejudice any rights which have accrued to any SGS Grantee without the prior consent or sanction of that SGS Grantee;
- (ii) increase the number of SGS Shares available under the Scheme beyond the SGS Maximum Shares; or

- (iii) alter any matter which are required to be contained in the By-laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or SGS Grantee.

#### 4. RATIONALE FOR THE PROPOSALS

##### 4.1 Rationale for the Proposed Acquisition

Currently, the flagship university of the Group, UOC, is operating at the Subject Buildings which has been sub-leased from SMRP (*which in turn leases the Subject Buildings from PMSB via the Master Lease*) since 2018. UOC is a top-tier healthcare university in Malaysia and has been rated 5 Stars for Employability, Inclusiveness, Teaching and Facilities under the QS STARS exercise led by the publishers of the QS World University Rankings as well as having been granted Tier-5 (Excellent) SETARA Rating by the Malaysian Qualifications Agency for Higher Education Institutions in Malaysia.

As UOC is the flagship university of the Group, the majority of the Group's revenue from FYE 31 December 2018 to FYE 31 December 2021 as well as 6-month FPE 30 June 2022 was derived from UOC as shown below:-

Revenue	Audited								Unaudited	
	FYE 31 December 2018		FYE 31 December 2019		FYE 31 December 2020		FYE 31 December 2021		6-month FPE 30 June 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
UOC	67,432	74.2	69,649	71.4	64,493	71.9	77,129	71.5	41,956	75.6
Others	23,498	25.8	27,852	28.6	25,185	28.1	30,787	28.5	13,573	24.4
<b>Total</b>	<b>90,930</b>	<b>100.0</b>	<b>97,501</b>	<b>100.0</b>	<b>89,678</b>	<b>100.0</b>	<b>107,916</b>	<b>100.0</b>	<b>55,529</b>	<b>100.0</b>

As at 30 June 2022, UOC has a total of 3,938 students from local and foreign countries, which is an increase of 51.6% from 2,597 students as at 31 December 2018.

The Proposed Acquisition will enable the Group to have full control over the property and this provides the Group with more certainty and flexibility in undertaking its future plans in respect of the operation of UOC on the Subject Buildings.

The Proposed Acquisition is expected to bring the following benefits to the Group:-

##### (i) Eliminate risk of non-renewal of tenancy

Pursuant to the renewal of tenancy agreement between the Group and SMRP dated 30 July 2021, the tenancy was renewed for a period of 3 years commencing from 1 August 2021. Any subsequent extension or renewal of the tenancy shall be agreed by the parties upon the expiry of the current tenancy. In the event that the sub-leases between the Group and SMRP are not renewed due to non-renewal of the Master Lease and/or renewal terms cannot be mutually agreed upon between the Group and SMRP, UOC will have to be relocated. In view of the total number of students in UOC as well as the total renovation cost incurred on the Subject Buildings, relocation of UOC to another campus is expected to be costly and disruptive to the operation of UOC.



**(ii) Flexibility in undertaking future expansion plans**

Through the Proposed Acquisition, the Group will become the owner of the Subject Land and Buildings and have full control over the property. This provides the Group with more certainty and flexibility in undertaking any future expansion plans including refurbishment and renovation of the Subject Buildings for the operation of UOC as well as marketing and advertising of UOC located in the Subject Buildings in Cyberjaya.

The Group has decided to satisfy the Purchase Consideration through a combination of cash and issuance of the Consideration Shares after taking into account the Group's financial position and capital structure as well as negotiations with the Vendor. The issuance of the Consideration Shares to the Vendor to satisfy part of the Purchase Consideration will enable the Group to conserve cash and/or avoid having to further increase its borrowings. This also provides more certainty to the timely completion of the Proposed Acquisition as compared to undertaking fundraising exercises such as private placement and rights issue to fund the Proposed Acquisition.

**4.2 Rationale for the Proposed SGS**

The Scheme to be established and implemented under the Proposed SGS serves to achieve the following objectives:-

- (i) to drive and motivate the Eligible Persons to work towards achieving the Group's goals and objectives;
- (ii) to recognise and reward the Eligible Persons in recognition of their accumulated contribution to the operations and continued growth of the Group;
- (iii) to retain, incentivise and motivate Eligible Persons by giving the Eligible Persons a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company and thereby provide an incentive for the Eligible Persons to participate in the future growth of the Group and motivate them towards better performance through greater productivity and loyalty;
- (iv) to align the interests of the Eligible Persons with the interests of the Shareholders via direct participation in the equity of the Company; and
- (v) to attract and retain high-calibre prospective employee(s).

The allocation of SGS Shares to non-executive Directors is to recognise the contributions and efforts made by the non-executive Directors as they play a constructive role in contributing towards the growth and performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as to enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company who will assist in the overall strategic decisions of the Group.

## 5. INDUSTRY OVERVIEW AND PROSPECTS

### 5.1 Malaysian economy

The Malaysian economy improved in 2021, registering a growth of 3.1%. The recovery momentum in the early part of the year was affected by the reimposition of nationwide containment measures from June to September 2021, following a rapid resurgence of cases due to the Delta variant. However, unlike the movement restrictions in the second quarter of 2020, more essential economic sectors were allowed to operate, while businesses and households were better adapted to the containment measures and standard operating procedures (SOPs).

Notwithstanding this, some sectors, such as high-touch services, tourism-related industries and construction, were slower to recover due to continued restrictions on movement and operating capacity. As these restrictions were eventually lifted in October 2021 amid rapid progress in domestic vaccinations, economic activities picked up and labour market conditions improved.

The expansion in employment and subsequent increase in private sector wages contributed towards increased household spending. Private investment growth was supported by expansion in productive capacity, especially in the manufacturing sector, alongside higher capital spending by firms on automation and digitalisation. In addition, external demand also provided additional support to the economic growth in 2021.

The Malaysian economy is expected to improve further, with growth projected to be between 5.3% and 6.3% in 2022. The economic recovery is underpinned by the continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. In addition, the implementation of investment projects and targeted policy measures will provide further support to economic activity and aggregate demand.

Stronger private sector recovery, supported by labour market improvements, are to be the main driver of growth in 2022. As economic activity picks up, the unemployment rate is expected to decline further in 2022 to around 4% of the labour force. The recovery in the labour market will be further supported by targeted measures to boost labour demand, facilitate re-skilling and up-skilling and reduce labour market frictions. A sustained recovery in employment and income is expected to drive an improvement in household spending.

Additionally, progress in vaccinations and upliftment of containment measures will lead to an improvement in consumer confidence and some materialisation of pent-up demand. As a result, private consumption is expected to grow by 9.0% (2021: 1.9%). Private investment is also expected to recover, growing by 5.3% (2021: 2.6%), supported by the continued expansion in global demand and the implementation of new and ongoing investment projects.

*(Source: Economic and Monetary Review 2021, Bank Negara Malaysia)*

The Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). While growth was lifted to some extent by the low base from the Full Movement Control Order (FMCO) in June 2021, growth in April and May 2022 was particularly robust, underpinned by the continued recovery in labour market conditions and policy support. The improvement also reflected normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for electrical and electronics products. In terms of economic activity, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (1Q 2022: 3.8%).

Key economic sectors continued to expand in the second quarter of 2022. The services sector grew by 12.0% (1Q 2022: 6.5%). Consumer-related subsectors such as retail and leisure-related activities continued to recover amid the transition to endemicity, reopening of the international borders, improving labour market conditions and the additional support from policy assistance. The strong expansion was also seen in business-related activities including transport and storage, due in part to higher growth in air passenger traffic and tourist arrivals. Furthermore, growth of the real estate subsector continued to improve as property transactions recovered. Additionally, the information and communication subsector provided further support to growth following greater usage of e-commerce services.

*(Source: BNM Quarterly Bulletin Second Quarter 2022, Bank Negara Malaysia)*

## **5.2 Outlook of the education industry in Malaysia**

Total revenue of services sector recorded RM506.5 billion in second quarter 2022, registered positive growth of 25.2% as compared to the same quarter 2021. A total of RM15.1 billion revenue was generated for private health, private education and arts, entertainment & recreation segment in the second quarter of 2022 with 24.4% increase as compared to the second quarter of 2021.

*(Source: Revenue for Services Sector Second Quarter 2022, Department of Statistics Malaysia)*

Despite positive growth in the private health segment, the other services subsector contracted by 3.3% in the first half of 2021, mainly due to a decline in private education as well as the arts, entertainment and recreation segments. The fall was in line with lower enrolments in private colleges and universities as well as restrictions on sports and recreational activities during the MCO period in May and June. The subsector is expected to rise marginally by 0.6% in the second half of the year, supported by a gradual increase in healthcare travellers and resumption of sport and recreational activities. Overall, the subsector is anticipated to decline by 1.3% in 2021.

*(Source: Economic Outlook 2022, Ministry of Finance Malaysia)*

The Ministry of Education Malaysia will continue to receive the largest allocation of RM52.6 billion or 16% of the total estimated Federal expenditure. The Ministry of Higher Education will be allocated a total of RM14.5 billion.

To strengthen the agenda for special needs education, the Government will provide RM50 million, among others, to fund the purchase of teaching aids and to improve the facilities in special needs schools. In addition, a total of eight new blocks for special needs education will also be built, among them at SMK Tuanku Lailatul Shahreen in Perlis and SK Kampung Tun Razak, Bukit Katil in Melaka.

In order to ensure that education for B40 students are not disrupted, the Government in collaboration with selected telecommunication companies will implement the PerantiSiswa Keluarga Malaysia initiative to supply a tablet to every B40 student in institutions of higher learning. For this purpose, the Government will provide an allocation of RM450 million in addition to a commitment of RM65 million from the telecommunication companies. A total of 600,000 students from B40 families are expected to benefit from this initiative.

Under the Twelfth Malaysia Plan, the Government has identified Technical and Vocational Education and Training (TVET) as one of the game changers to meet the labour demand from our industry. To strengthen the TVET sector, the Government will provide RM6.6 billion to implement various initiatives under the relevant ministries and agencies. Emphasis will be on meeting the current needs of the industry. Accordingly, an additional allocation of RM200 million will be provided for collaboration with industries including the National Dual Training System and industry certification programmes.

(Source: Budget 2022, Ministry of Finance Malaysia)

### **5.3 Implication of COVID-19 on the Group**

In light of the unprecedented COVID-19 pandemic globally, the Malaysian Government had effected containment measures from mid-March 2020 until mid-2022 through the implementation of movement control order (*including subsequent phases of movement control orders*) ("MCO") including, amongst others, travel bans and measures to promote physical distancing. This had negatively affected the business performance and operations of the Group.

During the affected period, the enrolments of both international and local students of the Group had been adversely affected due to the closing of country borders and implementation of domestic and international travel restrictions. In addition, the rescheduling / postponement of the Sijil Pelajaran Malaysia (SPM) and Sijil Tinggi Persekolahan Malaysia (STPM) examinations had an adverse domino / chain effect on private higher education institutions as student intakes for colleges / universities had to be deferred accordingly.

Further, the implementation of physical distancing measures, compulsory temperature screening, wearing of face masks in crowded areas and provision of hand sanitising amenities had resulted in higher operating costs for the Group whilst operating at a lower capacity.

In adapting to the new norms of physical distancing and restricted movement control, all learning institutions of the Group had converted their teaching methods from the traditional face-to-face delivery into on-line learning platform. As such, most of the scheduled teaching and learning had activities proceeded as scheduled while certain number of sessions that involve clinical, bed-side teaching, laboratory sessions and internship were postponed.

Notwithstanding the above, as Malaysia moves from the COVID-19 pandemic into an endemic phase with the upliftment of MCO, the Group's student enrolments have since recovered and this will bode well for the Group's financial performance.

### **5.4 Prospects and future plans of the Subject Land and Buildings**

The Government intends to develop Cyberjaya (*where the Subject Land and Buildings is situated in*) into a centre of learning and research for the Multimedia Super Corridor (MSC) in Malaysia. Cyberjaya has the highest concentration of technology companies in Malaysia. For the past 2 decades, Cyberjaya has attracted global brands such as Dell, DHL, HTC Global, Huawei, China Mobile International and Modality Systems, among others, to set up their presence there. Cyberjaya has also attracted homegrown technology companies such as Aerodyne, IX Telecom, Monsta and Wau Animation. The most recent significant entry into Cyberjaya is Microsoft Corporation who announced its plans to build its first data centre region in Cyberjaya in 2021.

Apart from technology companies, Cyberjaya has been developed with hard infrastructure and community development components such as office buildings, retail shops, housing development, hospital, hotel, academy as well as public amenities and such extensive building activities augur well for the education sector.

Properties in the immediate vicinity of the Subject Land and Buildings are predominantly commercial and residential in character comprising service apartments, stratified shop/office lots, office buildings, condominium developments, townhouses, government quarters as well as colleges and universities. The Cyberjaya town centre which accommodates office buildings and retail centres is located about 3 kilometres from the Subject Land and Buildings, whilst educational institutions located in the vicinity of the Subject Land and Buildings include Multimedia University, Lim Kok Wing University of Creative Technology, Universiti Islam Malaysia, University Malaysia of Computer Science & Engineering, Asia Metropolitan University, FTMS College and ELC International School.

Furthermore, the ongoing developments in the vicinity of the Subject Land and Buildings including, amongst others, the following:-

- (i) a mixed development developed by HCK Group comprising residential and commercial development known as “Edusphere @ Cyberjaya”, which is located adjacent to the north and west of the Subject Land and Buildings;
- (ii) Cyberjaya Hospital, which is located a short distance from south-west of the Subject Land and Buildings;
- (iii) other commercial developments such as The Street Mall Shopping Centre, D’Pulze Shopping Centre, Tamarind Square, Shaftsbury Square, Cyberjaya Transport Terminal, and Autoville Cyberjaya; and
- (iv) residential developments including Setia Eco Glades, Cyberia Smarthomes and Ceria Residence Cyberjaya.

The opening of the borders will also bode well for international students’ enrolment which will benefit the usage of the Subject Buildings as campus buildings. As of December 2021, a total of 40,000 new applications have been received from international students to continue their studies at public universities and private institutions of higher learning in Malaysia. Despite the challenging market conditions, Raine & Horne has a positive outlook for the Subject Land and Buildings and of the opinion that the market value will sustain in the medium to long term.

*(Source: Raine & Horne Valuation Report)*

UOC has grown since its relocation to Cyberjaya, from 2,597 students as at 31 December 2018 to 3,938 students as at 30 June 2022. The management of UOC intends to increase marketing and advertising for UOC to further grow its student population. Upon completion of the Proposed Acquisition, the Group will have full control over the Subject Land and Buildings and this provides the Group with more certainty and flexibility in undertaking any future expansion plans including refurbishment and renovation of the Subject Buildings for the operation of UOC. As at the LPD, the management has no plans for major refurbishment and renovation plans of the Subject Buildings.

Premised on the above, the Board is cautiously optimistic of the prospects of the Subject Land and Buildings moving forward.

## **6. RISK FACTORS IN RELATION TO THE PROPOSED ACQUISITION**

### **6.1 Acquisition risk**

Whilst the Group expects to realise the benefits of the Proposed Acquisition as set out in Section 4.1, Part A of this Circular, there is no assurance that the Group will be able to generate sufficient returns from the investments to offset the costs of investments.

Notwithstanding that the Proposed Acquisition will require a significant capital expenditure from the Group and hence increases the Group's risk exposure, the business risk upon completion of the Proposed Acquisition is still in the education industry which the Group is already involved in. Such risks may include decline in student enrolment due to competition from other education providers, which can be mitigated by keeping abreast with market developments and introducing new courses to increase UOC's diversity of course offerings to attract more students. Furthermore, the Group believes that it is in a strategic position to benefit from the growth in healthcare demand in Malaysia by undertaking the Proposed Acquisition as it will enable the Group to have full control over the property and this provides the Group with more certainty and flexibility in undertaking its future plans including any expansion plans in respect of the operation of UOC on the Subject Buildings.

### **6.2 Financing risk**

The Group intends to fund a significant portion of the Purchase Consideration (*approximately 78%*) for the Proposed Acquisition through debt financing, which would result in new interest and principal servicing obligations. The financing costs are dependent on prevailing interest rates and any future increase in interest rates could impact the Group's financial performance and cash flows which may, in turn, have an adverse impact to distributions to its Shareholders and market price of Minda Global Shares.

Nevertheless, the management will actively review the Group's debt portfolio, by taking into consideration the level, structure and nature of the Group's borrowings and seeking to adopt cost effective and optimal mix of financing options to address any increase in interest rates that could occur in the future.

### **6.3 Compulsory acquisition**

The Government has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of the applicable legislation including the Land Acquisition Act 1960 for certain purposes where the compensation to be awarded is based on the fair market value of a property assessed on the basis prescribed in the Land Acquisition Act 1960 and other relevant laws. Compulsory acquisition by the Government, depending on the quantum of compensation being awarded, could adversely affect the value of the Subject Land and Buildings, which could impair the Group's financial position and results of operations.

In the event of any compulsory acquisition of the Subject Land, the Group will seek to minimise any potential losses from such situations by invoking the relevant provisions in the Land Acquisition Act, 1960 in relation to the Group's rights to submit an objection in respect of compensation, where necessary.

## 7. EFFECTS OF THE PROPOSALS

### 7.1 Share capital

The Proposed SGS is not expected to have an immediate effect on the issued share capital of the Company until such time when the SGS Shares are issued pursuant to the Proposed SGS. Any potential effect on the issued share capital of the Company pursuant to the Proposed SGS will depend on the number of SGS Shares to be issued and allotted pursuant to the vesting of the SGS Shares under the Proposed SGS.

For illustration purposes, the pro forma effects of the Proposals on the issued share capital of the Company as at the LPD are as follows:-

	<b>No. of Shares</b>	<b>Share capital (RM)</b>
Issued share capital as at the LPD	1,321,905,790	388,129,122
Consideration Shares to be issued pursuant to the Proposed Acquisition	357,142,857	25,000,000
<b>Enlarged issued share capital after the Proposed Acquisition</b>	<b>1,679,048,647</b>	<b>413,129,122</b>
Assuming full granting, vesting and issuance of the SGS Shares	251,857,200	13,852,146 <sup>(1)</sup>
<b>Enlarged issued share capital after the Proposals</b>	<b>1,930,905,847</b>	<b>426,981,268</b>

Note:-

(1) Based on an illustrative issue price which is equivalent to the 5-Market Day VWAP of the Shares up to and including the LPD of RM0.0550 (Source: Bloomberg)).

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## 7.2 Substantial Shareholders' shareholdings

### 7.2.1 Proposed Acquisition

The pro forma effects of the Proposed Acquisition on the substantial Shareholders' shareholdings in the Company based on the register of substantial Shareholders of the Company as at the LPD are as follows:-

Substantial Shareholders	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(2)</sup>
SMR Education Sdn Bhd	706,500,212	53.45	-	-	706,500,212	42.08	-	-
SMRT Holdings Berhad	-	-	706,500,212 <sup>(3)</sup>	53.45	-	-	706,500,212 <sup>(3)</sup>	42.08
Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar	-	-	706,500,212 <sup>(4)</sup>	53.45	-	-	706,500,212 <sup>(4)</sup>	42.08
PMSB	-	-	-	-	357,142,857	21.27	-	-

Notes:-

(1) Based on the issued share capital of 1,321,905,790 Shares as at the LPD.

(2) Based on the enlarged issued share capital of 1,679,048,647 Shares after the Proposed Acquisition.

(3) Deemed interested by virtue of its interest in SMR Education Sdn Bhd pursuant to Section 8(4) of the Act.

(4) Deemed interested by virtue of his interest in SMR Education Sdn Bhd and SMRT Holdings Berhad pursuant to Section 8(4) of the Act.

### 7.2.2 Proposed SGS

The Proposed SGS is not expected to have any immediate effect on the substantial Shareholders' shareholdings in the Company until such time when the SGS Shares are issued and allotted pursuant to the Proposed SGS. Any potential effect on the substantial Shareholders' shareholdings in the Company will depend on the number of SGS Shares to be issued and allotted pursuant to the vesting of the SGS Shares at the relevant point of time.



## 7.3 NA and gearing

### 7.3.1 Proposed Acquisition

For illustration purposes, assuming the Proposed Acquisition had been effected on 31 December 2021, the pro forma effects of the Proposed Acquisition on the NA and gearing of the Group are as follows:-

	Audited as at 31 December 2021 (RM'000)	After the Proposed Acquisition (RM'000)
Share capital	388,129	413,129
Capital reorganisation deficit	(7,064)	(7,064)
Revaluation reserve	14,484	14,484
Accumulated losses	(192,930)	(181,081) <sup>(1)(2)</sup>
<b>NA / Total equity</b>	<b>202,619</b>	<b>239,468</b>
No. of Shares in issue ('000)	1,321,906	1,679,049
NA per Share (RM)	0.15	0.14
Total borrowings, including lease liabilities (RM'000)	162,412	195,173 <sup>(2)(3)</sup>
Gearing (times)	0.80	0.82

Notes:-

- (1) After deducting the estimated expenses in relation to the Proposals of approximately RM0.72 million.
- (2) After derecognising the right-of-use asset amounting to RM94.67 million and the corresponding lease liabilities amounting to RM107.24 million and recognising a one-off gain on modification of lease amounting to RM12.57 million.
- (3) After taking into consideration the loan of RM140.0 million to be undertaken by the Purchaser for the Proposed Acquisition.

### 7.3.2 Proposed SGS

The Proposed SGS is not expected to have an immediate effect on the NA, NA per Share and gearing of the Group until such time when the SGS Shares are granted, vested and issued pursuant to the Proposed SGS. Any potential effect on the NA per Share will depend on the number of SGS Shares to be granted, vested and issued which will only be determined at the relevant point of time.

## 7.4 Earnings and EPS

### 7.4.1 Proposed Acquisition

For illustration purposes, assuming the Proposed Acquisition had been effected on 1 January 2021 (i.e. the beginning of FYE 31 December 2021), the pro forma effects of the Proposed Acquisition on the earnings and EPS of Minda Global are as follows:-

	Audited FYE 31 December 2021 (RM'000)	After the Proposed Acquisition (RM'000)
Profit attributable to the owners of the Company	3,502	19,053 <sup>(1)(2)</sup>
Weighted average number of Shares in issue ('000)	1,306,629	1,663,772
<b>EPS (sen)</b>	<b>0.27</b>	<b>1.15</b>

Notes:-

- (1) After deducting the estimated expenses in relation to the Proposals of approximately RM0.72 million and recognising a one-off gain on modification of lease amounting to RM12.57 million.
- (2) After accounting for the estimated annual net increase in earnings computed based on the following assumptions:-

	<b>RM'000</b>
Annual reduction in amortisation of right-of-use assets	6,773
Annual reduction in interest expenses in relation to lease liabilities	6,814
Annual reduction in rental expenses in relation to sub-leases by Minda Global Group with SMRP (excluding the Sub-Lease by CUCMS)	628
Less:	
Annual cost of financing (assuming interest rate of 4.46% per annum for the debt financing to fund the Balance Cash Consideration)	(6,244)
Annual depreciation expense	(3,100)
Annual increase in earnings	4,871
Assuming corporate tax rate of 24%	(1,169)
<b>Annual net increase in earnings</b>	<b>3,702</b>

#### 7.4.2 Proposed SGS

The Proposed SGS is not expected to have any immediate effect on the earnings and EPS of Minda Global until such time when the new Shares are granted, vested and issued pursuant to the Proposed SGS. Any potential effect on the earnings and EPS of Minda Global in the future will depend on the number of SGS Shares granted, vested and issued at the relevant point of time, the fair value of the new Shares to be issued as at the granting date and the non-cash expenses arising from the granting of the SGS Award under MFRS 2.

The quantum of the impact of MFRS 2 cannot be determined at this juncture as the cost arising from the granting of the SGS Awards will be measured at the SGS Award Date and recognised as an expense over the vesting period of the SGS Shares comprised in such SGS Awards in accordance with MFRS 2. However, it should be noted that the estimated cost does not represent a cash outflow by the Group as it is only an accounting treatment.

The Board takes note of the potential impact of MFRS 2 on the Group's future earnings and will take proactive measures to manage the earnings impact in the granting of the SGS Awards and/or the vesting of the SGS Shares pursuant to the Proposed SGS.

#### 7.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

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## 8. ADDITIONAL INFORMATION OF THE GROUP

### 8.1 Historical financial information of the Group

The following table sets out a summary of the financial performance of the Group for the FYE 31 December 2019, FYE 31 December 2020 and FYE 31 December 2021 as well as the 6-month FPE 30 June 2022:-

	Unaudited	Audited		
	6-month FPE 30 June 2022 (RM'000)	FYE 31 December 2021 (RM'000)	FYE 31 December 2020 (RM'000)	FYE 31 December 2019 (RM'000)
Revenue	55,529	107,916	89,678	97,501
Cost of services	(28,337)	(48,256)	(56,081)	(60,090)
<b>Gross profit</b>	<b>27,192</b>	<b>59,660</b>	<b>33,597</b>	<b>37,411</b>
Other income	1,908	1,761	19,390	10,507
Administrative expenses	(22,126)	(41,351)	(44,309)	(50,783)
Net impairment loss on receivables	-	(4,373)	(2,562)	(969)
Other expenses	-	-	-	(18,145)
Finance costs	(5,022)	(11,871)	(18,163)	(20,086)
Finance income	8	76	35	25
<b>Profit / (Loss) before tax</b>	<b>1,960</b>	<b>3,902</b>	<b>(12,012)</b>	<b>(42,040)</b>
Taxation	23	(400)	1,800	4,257
<b>PAT / (LAT) attributable to owners of the Company</b>	<b>1,983</b>	<b>3,502</b>	<b>(10,212)</b>	<b>(37,783)</b>
Gross profit margin (%)	48.97	55.28	37.46	38.37
PAT / (LAT) margin (%)	3.57	3.25	(11.39)	(38.75)
Weighted average number of Shares in issue ('000)	1,321,906	1,306,629	1,239,906	1,239,906
Basic and diluted earnings / (loss) per Share (sen)	0.15	0.27	(0.82)	(3.05)

#### (i) 6-month FPE 30 June 2022 vs 6-month FPE 30 June 2021

For the 6-month FPE 30 June 2022, the Group recorded revenue of RM55.53 million, an increase of approximately 14.64% from RM48.44 million for the 6-month FPE 30 June 2021. The increase in revenue was mainly attributable to the higher course fees received due to an increase in the number of active students. As at 30 June 2022, there are 6,823 active students (30 June 2021: 5,787 active students).

The Group recorded a PAT of RM1.98 million for the 6-month FPE 30 June 2022, an increase of approximately 78.38% from RM1.11 million for the 6-month FPE 30 June 2021. The increase in PAT was mainly due to the increase in revenue and the gain arising from the divestment of 100% equity interest in Minda Global International Education Sdn Bhd of RM1.32 million which was completed on 1 March 2022.

#### (ii) FYE 31 December 2021 vs FYE 31 December 2020

For the FYE 31 December 2021, the Group recorded revenue of RM107.92 million, an increase of approximately 20.34% from RM89.68 million for the FYE 31 December 2020. The increase was mainly due to the increase in course fees received due to a sustained increase in the number of students over the past three years due to successive growth in the past student intake cycles. As at 31 December 2021, there are 7,055 active students (31 December 2020: 6,150 active students).

The Group recorded a PAT of RM3.50 million for the FYE 31 December 2021 as compared to the LAT of RM10.21 million recorded for the FYE 31 December 2020. The PAT recorded was mainly due to the following:-

- (a) increase in revenue as detailed above;
- (b) continued implementation of cost savings strategy which reduced the cost of services by 13.94% or RM7.82 million to RM48.26 million for the FYE 31 December 2021 (FYE 31 December 2020: RM56.08 million); and
- (c) decrease in lease expenses of RM2.52 million or 16.13% to RM13.10 million for the FYE 31 December 2021 (FYE 31 December 2020: RM15.62 million) by optimizing the Group's lease portfolio that caters for rented campuses, resource centers and student accommodation units.

**(iii) FYE 31 December 2020 vs FYE 31 December 2019**

For the FYE 31 December 2020, the Group recorded revenue of RM89.68 million, a decrease of approximately 8.02% from RM97.50 million for the FYE 31 December 2019. The decrease was mainly due to a decline in international recruitment coupled with the deferment of the new academic calendar due to the COVID-19 pandemic.

Despite the lower revenue, the Group recorded a lower LAT of RM10.21 million for the FYE 31 December 2020, a decrease of 72.98% from RM37.78 million for the FYE 31 December 2019. The decrease in LAT was mainly due to the following:-

- (a) an impairment loss of RM15.0 million incurred in the FYE 31 December 2019 in respect of the goodwill on consolidation arising from the acquisition of CUCMS Education Sdn Bhd;
- (b) one-time gain from lease modification amounting to RM6.5 million (FYE 31 December 2019: RM1.5 million) arising from the termination of a long-term lease rental; and
- (c) rental waivers received from campuses and hostels amounting to RM4.0 million (FYE 31 December 2019: nil).

**(iv) FYE 31 December 2019 vs FYE 31 December 2018**

For the FYE 31 December 2019, the Group recorded revenue of RM97.50 million, an increase of approximately 7.23% from RM90.93 million for the FYE 31 December 2018. The increase was mainly due to an increase of 24% in new student enrolments for the Group's core Bachelor of Medicine and Bachelor of Surgery programme as well as a 29.9% growth in new student enrolments from the international market segment.

Despite the higher revenue, the Group recorded a higher LAT of RM37.78 million for the FYE 31 December 2019, an increase of 137.01% from RM15.94 million for the FYE 31 December 2018. The increase in LAT was mainly due to the following:-

- (a) an impairment loss of RM15.0 million (FYE 31 December 2018: Nil) in respect of the goodwill on consolidation arising from the acquisition of 100% equity interest in CUCMS Education Sdn Bhd for a purchase consideration of RM166.0 million, which was completed on 27 December 2017; and

- (b) the adoption of Malaysian Financial Reporting Standards (MFRS) 16 *Leases* which resulted in depreciation charges of RM14.4 million and interest charges of RM17.6 million for the FYE 31 December 2019 which totals to RM32.0 million, as compared to operating lease charges of RM19.8 million if recognised under previous MFRS 117 *Leases*, shows a negative impact of RM12.2 million to the profit or loss of the Group for the FYE 31 December 2019 (FYE 31 December 2018: Operating lease charges of RM20.1 million).

## 8.2 Steps taken and to be taken by the Group to improve its financial condition

During the past few years, the Group had undertaken various steps to improve its financial and operational performance including, amongst others:-

- (i) In response to the COVID-19 pandemic, all of the Group's institutions had made the rapid transition to digital and online educational delivery mechanisms. This was principally achieved by leveraging pre-existing systems that prior to the pandemic were designed to serve students as an extension to their learning experience outside of the traditional classroom setting. With regards to healthcare-based programmes, the Group has engaged with the Ministry of Higher Education and the Ministry of Health to develop a safe mechanism to allow students to partake in lab sessions and clinicals with no expected delays to their graduation timelines.
- (ii) The acquisition of assets / businesses which are synergistic and complementary to the Group's operations such as the acquisition of Cyberjaya University College of Medical Science during the FYE 31 December 2017, which has contributed positively to the revenue and profitability of the Group.

Further, the Group had completed the acquisition of SMR HR Group Sdn Bhd ("SMRHRG") on 18 February 2020 for an aggregate consideration of RM5.23 million. SMRHRG primarily provides human resources development solutions covering training, consulting, outsourcing, events, learning resources and advisory support services. The acquisition of SMRHRG will increase complementary revenue streams for the Group which include the provision of learning and training solutions and synergise education, learning and training, and executive certificates, diplomas and degrees for companies within Minda Global Group. The integration of Minda Global's businesses and that of SMRHRG's operations will also realise synergies such as cost savings in capital and operational expenditure.

- (iii) Increasing student enrolments starting from Certificate and Foundation programmes which will serve as feeders into their respective degree and diploma programmes in the future. Amongst the initiatives taken by the Group include adopting a targeted pricing strategy, increasing scholarship grants as well as establishing partnerships with well-known educational institutions such as the Oxford English Academy, the United Kingdom and the University of Illinois, Chicago to enhance students' learning experience.

In addition, the Group also works with agent networks and international education fairs to expand its reach to the international market in order to increase international student enrolments, which account for higher fees and margins.

- (iv) Integration and rebranding of the Group's colleges which are now co-branded alongside the Group's flagship institution, UOC, as well as improving cost efficiency and academic delivery of existing programmes by rationalising the Group's programme offerings in all of its institutions through merging of faculties and phasing out of non-profitable programmes. Further, the Group had in August 2019 relocated its select Asia Metropolitan University programmes from Cyberjaya and Cheras to the Johor Bahru campus, which has closer proximity to Singapore and the southern Malaysian market. The relocation was undertaken to achieve better economies of scale as well as to widen the Group's reach to the pool of students in the southern region.
- (v) The disposal of non-core assets to raise funds for working capital requirements and/or repayment of borrowings of the Group including the following:-
  - (a) 11 units of shop / office lots in Kota Bharu, Kelantan for a cash consideration of RM10.20 million, which was completed on 23 January 2018;
  - (b) 6 adjoining units of 4-storey intermediate terraced shops / offices and 2 units of 4-storey corner terraced shops / offices in Kota Kinabalu, Sabah for a total cash consideration of RM14.70 million, which was completed on 29 March 2019;
  - (c) 19 units of 3-storey intermediate terraced shops / offices, 3 units of 3-storey end terraced shops / offices and 1 unit of 3-storey corner terraced shop / office in Kota Bharu, Kelantan for a total cash consideration of RM13.00 million, of which the last disposal was completed on 14 December 2020;
  - (d) divestment of 100% equity interest in Minda Global International Education Sdn Bhd, which was involved in the K-12 education sector, for a cash consideration of RM0.6 million, which was completed on 1 March 2022. The divestment allows the management to now fully focus on the higher education section; and
  - (e) institutional premises comprising 15 contiguous units of 4-storey terraced shop offices / offices (Academic Block), a single-storey auditorium, 11 units of stratified ground floor shop offices / offices, 5 units of stratified first floor shop offices / offices and 3 units of stratified second floor shop offices / offices and a car park area in Ulu Langat, Selangor Darul Ehsan for a total cash consideration of RM30.00 million. The disposal is pending completion as at the LPD.

Moving forward, the Group shall focus on widening its product base and education pathways such as introducing new courses to increase the Group's universities' and colleges' diversity of course offerings to attract more students as well as the growth of both local and international students enrolment.

### **8.3 Impact of the Proposals to the Company and its Shareholders**

The issuance of Consideration Shares pursuant to the Proposed Acquisition will enable the Group to satisfy part of the Purchase Consideration without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing costs and preserving the Group's cash flow.

Although the issuance of Consideration Shares is expected to result in dilution to the shareholdings of existing Shareholders, the Proposed Acquisition is expected to contribute positively to the future earnings of the Group as detailed in Section 4.1, Part A of this Circular.

Upon completion of the Proposed Acquisition, the enlarged capital base is also expected to further strengthen the financial position of the Group.

On the other hand, the Scheme to be established and implemented under the Proposed SGS serves to, amongst others, retain, incentivise and motivate the Eligible Persons as detailed in Section 4.2, Part A of this Circular.

Further details on the effects of the Proposals are set out in Section 7, Part A of this Circular.

#### **8.4 Value creation to the Company and its Shareholders**

As set out in Section 4, Part A of this Circular, the Proposed Acquisition is expected to benefit the Group by eliminating risk of non-renewal of the sub-leases and Master Lease and providing the Group with flexibility in undertaking future expansion plans for UOC, while the Proposed SGS serves to, amongst others, retain, incentivise and motivate Eligible Persons.

### **9. TENTATIVE TIMELINE**

Subject to all relevant approvals being obtained, the Proposals are expected to be completed based on the following tentative timeline of events:-

<b>Date</b>	<b>Events</b>
31 October 2022	<ul style="list-style-type: none"><li>• EGM for the Proposals</li></ul>
November 2022	<ul style="list-style-type: none"><li>• Establishment of the SGS</li><li>• Fulfilment of the conditions precedent to the SPA</li></ul>
December 2022	<ul style="list-style-type: none"><li>• Completion of the Proposed Acquisition</li></ul>

### **10. APPROVALS REQUIRED AND CONDITIONALITY**

The Proposals are subject to approvals and/or consents being obtained from the following:-

- (i) Bursa Securities for the listing and quotation of:-
  - (a) the Consideration Shares to be issued pursuant to the Proposed Acquisition; and
  - (b) such number of new Shares, representing up to 15% of the total number of issued Shares (*excluding treasury shares*), to be issued pursuant to the Proposed SGS

on the Main Market of Bursa Securities.

The approval of Bursa Securities was obtained vide a letter dated 29 September 2022, subject to the following conditions:-

Conditions imposed	Status of compliance
(1) Minda Global and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals	To be complied
(2) Minda Global is required to furnish Bursa Securities with certified true copy of the resolutions passed by the Shareholders at the EGM approving the Proposals	To be complied
(3) Minda Global and Mercury Securities are required to inform Bursa Securities upon completion of the Proposals	To be complied
(4) Minda Global is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed	To be complied
(5) Minda Global is required to submit a confirmation to Bursa Securities of full compliance of the Proposed SGS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation	To be complied
(6) Payment of additional listing fees pertaining to the listing of new Shares issued pursuant to the Proposed SGS, if relevant. In this respect, Minda Global is required to furnish Bursa Securities on a quarterly basis a summary of the total number of new Shares listed pursuant to the Proposed SGS as at the end of each quarter together with a detailed computation of the listing fees payable	To be complied

- (ii) the non-interested Shareholders at the forthcoming EGM to be convened for the Proposals;
- (iii) the consent in writing of the Selangor state authority in relation to the transfer of the Subject Land and Buildings to the Purchaser to be obtained by the Vendor which forms part of the conditions precedent of the SPA as detailed in Section 2, Appendix III of this Circular; and
- (iv) any other relevant authorities and/or parties, if required.

The Proposed Acquisition and Proposed SGS are not conditional upon each other.

The Proposals are not conditional upon any other corporate exercise / scheme being or proposed to be undertaken by the Company.

#### Percentage ratio

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is 208.53%.



## 11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

As at the LPD, save as disclosed below, there are no other corporate exercises which have been announced by the Company but are pending completion:-

- (i) the Proposals;
- (ii) the Proposed Change of Name; and
- (iii) the disposal of institutional premises comprising 15 contiguous units of 4-storey terraced shop offices / offices (Academic Block), a single-storey auditorium, 11 units of stratified ground floor shop offices / offices, 5 units of stratified first floor shop offices / offices and 3 units of stratified second floor shop offices / offices and a car park area in Ulu Langat, Selangor Darul Ehsan for a total cash consideration of RM30.00 million as announced by the Company on 25 February 2020. The disposal is pending completion as at the LPD.

## 12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

### 12.1 Proposed Acquisition

Save as disclosed below, none of the Directors, Major Shareholders, chief executive of the Company and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisition:-

- (i) SMRP, a party to the Master Lease and sub-leases to the Group, is a wholly-owned subsidiary of SMRT Holdings Berhad, which in turn is a Major Shareholder of Minda Global;
- (ii) SMRT Holdings Berhad, a Major Shareholder of Minda Global, is the sole shareholder of SMRP;
- (iii) SMR Education Sdn Bhd, a Major Shareholder of Minda Global, is a person connected to SMRP by virtue of it being a common subsidiary of SMRT Holdings Berhad;
- (iv) Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar, the Non-Independent Non-Executive Director and a Major Shareholder of Minda Global, is the Non-Independent Non-Executive Chairman and a major shareholder of SMRT Holdings Berhad (*the holding company of SMRP*) and he is deemed interested in 100% equity interest in SMRP through his shareholdings in SMRT Holdings Berhad pursuant to Section 8(4) of the Act. He is also the father of Maha Ramanathan Palan; and
- (v) Maha Ramanathan Palan, the Group Managing Director of Minda Global, is the Group Managing Director of SMRT Holdings Berhad (*the holding company of SMRP*). He is also the son of Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar.

The shareholdings of the Interested Persons in Minda Global as at the LPD are as follows:-

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
SMRP	-	-	-	-
SMRT Holdings Berhad	-	-	706,500,212 <sup>(1)</sup>	53.45
SMR Education Sdn Bhd	706,500,212	53.45	-	-
Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar	-	-	706,500,212 <sup>(2)</sup>	53.45
Maha Ramanathan Palan	-	-	-	-

Notes:-

- (1) Deemed interested by virtue of its shareholdings in SMR Education Sdn Bhd under Section 8 of the Act.
- (2) Deemed interested by virtue of his shareholdings in SMRT Holdings Berhad under Section 8 of the Act.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings in respect of the Proposed Acquisition.

The Interested Persons will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM. Further, the Interested Persons will ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM.

Save for the Proposed Acquisition and recurrent related party transactions for which shareholder mandates have been sought or which are not subject to disclosure pursuant to Paragraph 10.09(1)(a) of the Listing Requirements, there were no transactions entered into between the Minda Global Group and the Interested Persons and/or persons connected with them for the preceding 12 months up to the LPD.

## 12.2 Proposed SGS

All Directors are eligible to participate in the Proposed SGS and hence, are deemed interested in the Proposed SGS to the extent of their respective allocations as well as allocations to persons connected with them, if any.

They have abstained and will continue to abstain from deliberating and making any recommendations at all relevant Board meetings on the resolutions pertaining to their respective allocations as well as allocations to persons connected with them, if any, under the Proposed SGS.

They will also abstain and ensure that persons connected with them, if any, abstain from voting in respect of their direct and/or indirect interests in the Company, if any, on the resolutions pertaining to their respective allocations as well as allocations to persons connected with them, if any, under the Proposed SGS at the forthcoming EGM to be convened.

As at the LPD, the direct and indirect interests of the Directors in Minda Global are as follows:-

Name	Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj. Nordin (Rtd.)	-	-	-	-
Maha Ramanathan Palan	-	-	-	-
Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar	-	-	706,500,212 <sup>(2)</sup>	53.45
Tan Sri Datuk (Dr.) Rafiah Binti Salim	-	-	-	-
Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar	-	-	-	-
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	-	-	-	-

Notes:-

(1) Based on 1,321,905,790 Minda Global Shares as at the LPD.

(2) Deemed interested by virtue of his shareholdings in SMRT Holdings Berhad under Section 8 of the Act.

Save as disclosed above, none of the Directors, Major Shareholders, chief executive of the Company and/or persons connected with them have any interest, whether direct or indirect, in the Proposed SGS.

### 13. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

The Audit and Risk Management Committee of the Company, after having considered, amongst others, the views of the Independent Adviser as well as all aspects of the Proposed Acquisition, including the salient terms of the SPA, the consequential termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group, the basis and justification for the Purchase Consideration, the rationale of the Proposed Acquisition as well as effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition *(including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group)* is:-

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

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## **14. DIRECTORS' STATEMENT AND RECOMMENDATION**

### **14.1 Proposed Acquisition**

The Board (*save for the Interested Directors*), having considered, amongst others, the interests of the related parties, the views of the Independent Adviser as well as all aspects of the Proposed Acquisition including the consequential termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group, rationale for the Proposed Acquisition, basis and justification for the Purchase Consideration and the Issue Price as well as the terms and conditions of the SPA, risk factors as well as effects of the Proposed Acquisition and after careful deliberation, is of the opinion that the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) are in the best interests of the Company.

Accordingly, the Board (*save for the Interested Directors*) recommends that you vote in favour of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

### **14.2 Proposed SGS**

In view that all Directors are eligible to participate in the Proposed SGS, they have abstained and will continue to abstain from deliberating and making any recommendations at all relevant Board meetings on the resolutions pertaining to their respective allocations as well as allocations to persons connected with them, if any, under the Proposed SGS. They will also abstain and ensure that persons connected with them, if any, abstain from voting in respect of their direct and/or indirect interests in the Company, if any, on the resolutions pertaining to their respective allocations as well as allocations to persons connected with them, if any, under the Proposed SGS at the forthcoming EGM to be convened.

Where the resolutions are not related to their respective allocations or to the persons connected with them, if any, the Directors, after having considered all aspects of the Proposed SGS including the rationale for the Proposed SGS, terms and conditions of the draft By-laws as well as effects of the Proposed SGS and after careful deliberation, are of the opinion that the Proposed SGS is in the best interests of the Company.

Accordingly, the Directors, where the resolutions are not related to their respective allocations or to the persons connected with them, if any, recommend that you vote in favour of the resolutions pertaining to the Proposed SGS to be tabled at the forthcoming EGM.

## **15. INDEPENDENT ADVICE LETTER**

The Proposed Acquisition is deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Persons as set out in Section 12, Part A of this Circular. Accordingly, SCA has been appointed as the Independent Adviser to provide the non-interested Directors and non-interested Shareholders with:-

- (i) an opinion as to whether the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) is fair and reasonable so far as the non-interested Shareholders are concerned and whether the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) is to the detriment of the non-interested Shareholders; and
- (ii) a recommendation as to whether the non-interested Shareholders should vote in favour of the Proposed Acquisition.

The IAL from SCA is set out in Part B of this Circular. You should read the contents of Part A of this Circular (*including the IAL*) carefully before voting on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

## 16. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Lecture Hall 3 and 4, Level 4, Academic Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor on Monday, 31 October 2022 at 9.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions, with or without any modifications, to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 24 hours before the time set for holding the EGM or at any adjournment thereof. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

## 17. IMPLICATIONS FOR VOTING IN FAVOUR OF THE PROPOSALS

Section 85(1) of the Act provides that:-

*“Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders”.*

Clause 64 of the Constitution of the Company states that:-

*“Subject to any direction to the contrary that may be given by the Company in general meeting, any unissued shares for the time being and any new shares or other convertible securities from time to time to be created shall before they are issued, be offered to the Members in proportion as nearly as the circumstances admit, to the number of existing shares or securities to which they are entitled. Such offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new shares or securities which by reason of the proportion borne by them to the number of shares or securities held by the persons entitled to such offer as aforesaid cannot, in the opinion of the Directors be conveniently offered in the manner herein provided.”*

Section 85(1) of the Act, when read together with Clause 64 of the Company's Constitution, may be construed to mean that all new shares or other convertible securities of the Company shall, before they are issued, be first offered to such persons for the time being holding Shares, in proportion as nearly as the circumstances admit, to the number of existing shares or securities to which they are entitled (**“Pre-emptive Rights”**).

Accordingly, if the Proposals are approved by the Shareholders at the forthcoming EGM, such approval is tantamount to the Shareholders agreeing to waive their Pre-emptive Rights in respect of the allotment and issuance of the Consideration Shares and SGS Shares pursuant to the Proposed Acquisition and Proposed SGS respectively, which will result in a dilution to their shareholding in the Company.

**18. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
**MINDA GLOBAL BERHAD**

**MAHA RAMANATHAN PALAN**  
Group Managing Director

**PART B**

**IAL FROM SCA TO THE NON-INTERESTED SHAREHOLDERS OF MINDA GLOBAL IN  
RELATION TO THE PROPOSED ACQUISITION**

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## EXECUTIVE SUMMARY

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All definitions used in the Executive Summary shall have the same meaning as the words and expressions as defined in the “Definitions” section as well as the relevant sections in Part A of the Circular except where the context otherwise requires or where otherwise defined in this IAL. All references to “you” are references to the non-interested Shareholders of Minda Global, whilst references to “we, us or our” are references to SCA, being the Independent Adviser for the Proposed Acquisition.

**This Executive Summary summarises this IAL. You are advised to read and understand this IAL in its entirety, together with the letter from the Board as set out in Part A of the Circular together with the accompanying appendices for other relevant information and not to rely solely on the Executive Summary before forming an opinion on the Proposed Acquisition.**

**You are also advised to carefully consider the recommendations contained in both the letters before voting on the resolution to give effect to the Proposed Acquisition to be tabled at the forthcoming EGM of the Company.**

**If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

### 1. INTRODUCTION

On 10 June 2022, on behalf of the Board, Mercury Securities announced that UOCBSB (Purchaser), a wholly-owned subsidiary of Minda Global, PMSB (Vendor) and the Company (issuer of the Consideration Shares) had entered into the SPA for the Proposed Acquisition.

On 17 August 2022, following the initial announcement dated 10 June 2022, Mercury Securities had, on behalf of the Board, announced that the Board took note that the Proposed Acquisition shall be deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements due to the Master Lease and sub-leases of the Subject Land and Buildings by the Group (which involve the interests of certain related parties as set out in Section 12.1, Part A of this Circular).

Accordingly, SCA has been appointed as the Independent Adviser by the Board (save for the Interested Directors) to provide the non-interested Shareholders on whether the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) is fair and reasonable and not detrimental to the interests of the non-interested Shareholders of Minda Global.

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## EXECUTIVE SUMMARY (CONT'D)

### 2. EVALUATION ON THE PROPOSED ACQUISITION

In evaluating the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*), we have taken into consideration the following:-

Section in this IAL	Area of evaluation	SCA's comments
5.1	Rationale for the Proposed Acquisition	<p>We are of the view that the rationale of the Proposed Acquisition is <b>reasonable</b> and <b>not detrimental</b> to the non-interested Shareholders of Minda Global.</p> <p>The Proposed Acquisition is expected to bring the following benefits to the Group:-</p> <p><b>(i) Eliminate risk of non-renewal of tenancy</b></p> <p>The Proposed Acquisition expects to:-</p> <p>(a) mitigate the operation risk that the Group may encounter and preserve the Renovation Cost (defined herein) incurred if the existing sub-leases or Master Lease for the Subject Buildings is terminated or not renewed; and</p> <p>(b) reduce the Group's operational risk by owning a permanent purpose-built building and thereby ensuring its business continuity.</p> <p><b>(ii) Flexibility in undertaking future expansion plans</b></p> <p>The Group will be the registered owner of the Subject Land and Buildings and has full control over the Property upon completion of the Proposed Acquisition.</p> <p>This provides the Group with more certainty and flexibility in undertaking any future expansion plans including refurbishment and renovation of the Subject Buildings for the operation of UOC as well as marketing and advertising of UOC located in Cyberjaya.</p> <p>Being the owner of the Subject Land and Buildings, Minda Global will be able to modify, enhance and/or expand the Subject Buildings without any restrictions. This will augur well for Minda Global when planning for additional facilities and/or expansion of new faculties, subject to the availability of the Subject Buildings' space and approval from the relevant authorities.</p> <p><b>(iii) Settlement of the Purchase Consideration through combination of cash and issuance of the Consideration Shares</b></p> <p>Issuance of the Consideration Shares allows the Group to complete the Proposed Acquisition in a shorter timeframe and conserve its cash for working capital purposes. In view of the increase in the NA and earnings of the Group subsequent to the</p>

## EXECUTIVE SUMMARY (CONT'D)

Section in this IAL	Area of evaluation	SCA's comments
		<p>completion of the Proposed Acquisition, we are of the opinion that the mode of settlement of Purchase Consideration is reasonable.</p> <p><b>(iv) Result in an estimated RM3.7 million annual net increase in earnings for the Group.</b></p> <p>Please refer to Section 7.4.1, Part A of the Circular for further information.</p>
5.2	<b>Basis and justification for the Purchase Consideration</b>	<p>The Purchase Consideration for the Proposed Acquisition was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of RM180.0 million for the Subject Land and Buildings as appraised by the Valuer, the rationale for the Proposed Acquisition and prospects of the Subject Land and Buildings.</p> <p>As the Purchase Consideration is equivalent to the market value of RM180.0 million for the Subject Land and Buildings, we are of the view that the Purchase Consideration for the Proposed Acquisition is justifiable and not detrimental to the non-interested Shareholders.</p> <p>We have relied on the Valuation Report (defined herein) prepared by the Valuer and have assessed the fairness of the Purchase Consideration of RM180.0 million as follows:-</p> <p><b>Cost approach (primary approach)</b></p> <p>(i) the adjusted land value of RM145 psf (defined herein) is fair as it is within the range of RM103.73 psf and RM160.00 psf. of the comparable; and</p> <p>(ii) construction cost of RM230 psf for upper floors is fair as it is slightly below the range of average construction costs for standard offices for high rise which ranged between RM236 psf to RM316 psf and the construction cost of RM138 psf for basement to mezzanine floors is fair as it comprises mainly of carpark bays and have simpler finishes compared to the upper floors.</p> <p><b>Income approach (secondary approach)</b></p> <p>We note that the yield of 6.50% of the Subject Land and Buildings is within the yield range for comparables selected by the Valuer.</p> <p>Please refer to Section 5.2 of this IAL for our detailed evaluation of the Purchase Consideration for the Proposed Acquisition, which we are of the view that the Purchase Consideration is <b><u>fair</u></b> and the valuation approach applied by the Valuer is <b><u>reasonable</u></b> and <b><u>not detrimental</u></b> to the interests of the non-interested Shareholders.</p>

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**EXECUTIVE SUMMARY (CONT'D)**


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Section in this IAL	Area of evaluation	SCA's comments
5.3	<b>Basis and justification for the Issue Price of the Consideration Shares</b>	<p>We noted that the Issue Price of the Consideration Shares of RM0.070 per share was arrived at after taking into consideration the closing market price on the LTD of 9 June 2022.</p> <p>Thus, we have primarily made reference to the following:-</p> <ul style="list-style-type: none"> <li>(i) the historical price performance of Minda Global Shares (being the historical 12-month VWAP up to and including the LTD); and</li> <li>(ii) the daily closing prices of Minda Global Shares for the 12-month period prior to the LTD (i.e. from 10 June 2021 to the LTD).</li> </ul> <p>As per Section 2.4, Part A of the Circular, the closing market price on LTD was adopted as the basis for the Issue Price as it reflects the latest price of Minda Global Shares.</p> <p>We noted that the Issue Price of RM0.070 represents a premium of 4.48%, 6.22%, 8.02% and 4.32% over the VWAP for the 5-day, 1-month, 3-month and 6-month up to LTD.</p> <p>We noted that the Issue Price of RM0.070 is within the closing price range of Minda Global Shares for the past twelve (12) months prior to the LTD.</p> <p>Premised on the above, we are of the view that the Issue Price of the Consideration Shares is <b><u>fair</u></b> and the basis of arriving at the Issue Price is <b><u>reasonable</u></b> and <b><u>not detrimental</u></b> to the non-interested Shareholders of the Company.</p>
5.4	<b>Salient terms of the SPA and termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group</b>	<p>We are of the opinion that the salient terms of the SPA and termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group are generally <b><u>reasonable</u></b> and <b><u>not detrimental</u></b> to the interests of the non-interested Shareholders.</p>
5.5	<b>Effects of the Proposed Acquisition</b>	<p>The Proposed Acquisition is expected to result in positive financial effects to the Group due to an increase in NA and earnings of the Group.</p> <p>Thus, we are of the view that the Proposed Acquisition is expected to be <b><u>fair</u></b> and <b><u>not detrimental</u></b> to the interests of the non-interested Shareholders of Minda Global.</p>

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**EXECUTIVE SUMMARY (CONT'D)**

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Section in this IAL	Area of evaluation	SCA's comments
5.6	Industry overview and future prospects	<p>We noted that the normalising of economic activities and the easing of containment measures contributed to the economic growth in the Second Quarter of 2022 GDP of the Malaysian economy.</p> <p>In the education sector, the government had placed great emphasis on the enhancement of education standard with the Education Ministry allocated RM52.6 billion for Budget 2022 to aid the recovery of this sector as human capital is essential for the country's economic growth and socioeconomic development.</p> <p>Premised on the above, we are of the view that the Proposed Acquisition is <b>reasonable</b> and <b>not detrimental</b> to the Group and non-interested Shareholders of Minda Global.</p>
5.7	Risk factors of the Proposed Acquisition	<p>We are of the view that the risk factors associated with the Proposed Acquisition have been adequately considered by Minda Global and that the Proposed Acquisition is likely to yield benefits which would outweigh the indicated risks.</p>

### 3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*). Based on our evaluation in Section 5 of this IAL, we are of the opinion that, on the basis of the information available to us, the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) is **fair** and **reasonable** insofar as you are concerned.

In the absence of unforeseen circumstances, the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) is in the **best interest** of the Minda Global Group and **not detrimental** to the interests of the non-interested Shareholders of Minda Global.

Accordingly, we recommend that you should **vote in favour** of the resolution to give effect to the Proposed Acquisition to be tabled at the forthcoming EGM of the Company.

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Unit 12-07, Menara 1MK, Kompleks Mont' Kiara  
No. 1, Jalan Kiara, Mont' Kiara  
50480 Kuala Lumpur  
Tel: +603-23893697 Fax: +603-62010062

6 October 2022

To: **The non-interested Shareholders of Minda Global Berhad**

Dear Sir/Madam,

## INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED ACQUISITION

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*This IAL is prepared for inclusion in the Circular. All the definitions used in this IAL shall have the same meaning as the words and expressions defined in the "Definitions" section of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to "we", "us" or "our" are references to SCA, being the Independent Adviser for the Proposed Acquisition.*

### 1. INTRODUCTION

On 10 June 2022, on behalf of the Board, Mercury Securities announced that UOCBSB (Purchaser), a wholly-owned subsidiary of Minda Global, PMSB (Vendor) and the Company (issuer of the Consideration Shares) had entered into the SPA for the Proposed Acquisition.

On 17 August 2022, following the initial announcement dated 10 June 2022, Mercury Securities had, on behalf of the Board, announced that the Board took note that the Proposed Acquisition shall be deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements due to the Master Lease and sub-leases of the Subject Land and Building by the Group (which involve the interests of certain related parties as set out in Section 12.1, Part A of this Circular).

Accordingly, SCA has been appointed as the Independent Adviser by the Board (save for the Interested Directors) to provide the non-interested Shareholders on whether the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) is fair and reasonable and not detrimental to the interests of the non-interested Shareholders of Minda Global.

The purpose of this IAL is to provide the non-interested Shareholders of Minda Global with an independent evaluation on the fairness and reasonableness of the Proposed Acquisition and whether it is detrimental to the non-interested Shareholders of Minda Global together with our recommendation thereon, subject to the scope and limitations of our role and evaluation specified therein.

Nonetheless, the non-interested Shareholders of Minda Global should rely on their own evaluation of the merits of the Proposed Acquisition before making a decision on the course of action to be taken at the forthcoming EGM of the Company.

This IAL is prepared solely for the use of the non-interested Shareholders of Minda Global to consider the Proposed Acquisition and should not be used or relied upon by any other party for any other purpose whatsoever.

**YOU ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND THE LETTER FROM THE BOARD AS SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN BOTH THE LETTERS BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## **2. LIMITATIONS TO THE EVALUATION OF THE PROPOSED ACQUISITION**

SCA was not involved in any formulation of or any deliberations and negotiations on the terms and conditions pertaining to the Proposed Acquisition. The terms of reference of our appointment as the Independent Adviser are in accordance with the requirements relating to Independent Adviser as set out in the Best Practice Guide in relation to IALs ("**IAL Guide**") issued by Bursa Securities.

Our terms of reference as the Independent Adviser are limited to expressing an independent opinion on the fairness and reasonableness of the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) insofar as the non-interested Shareholders of the Company are concerned based on information and documents made available to us as set out below:-

- (i) information contained in Part A of the Circular and the accompanying appendices;
- (ii) the SPA, Master Lease and sub-leases;
- (iii) the valuation report dated 10 May 2022 in relation to Subject Land and Subject Buildings by the Valuer ("**Valuation Report**") and the valuation certificate prepared by the Valuer;
- (iv) information contained in the annual report of Minda Global for the FYE 31 December 2019, FYE 31 December 2020 and FYE 31 December 2021;
- (v) discussion and relevant information, documents and/or representations provided by the management and Valuer; and
- (vi) other publicly available information which we deemed relevant.

We have made all reasonable enquiries, performed reasonableness checks and corroborated relevant information with independent sources, where possible. We are also guided by the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities. We have relied on Representatives of Minda Global and Representatives of PMSB to take due care in ensuring that all information, documents and/or representations provided to us to facilitate our evaluation and which have been used, referred to and/or relied upon in this IAL have been fully disclosed to us, and are accurate, reasonable, valid and complete in all material aspects and free from material omission.

The Board (save for the Interested Directors) has confirmed in writing to us that:-

- (i) after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein inaccurate, incomplete or misleading in any respect;
- (ii) all material facts and information required for the purpose of our evaluation of the Proposed Acquisition have indeed been disclosed to SCA, and there are no facts or information, the omission

of which would make any information, confirmation and documents supplied to us misleading, or would materially affect the evaluation, view and recommendations of SCA in this IAL; and

- (iii) they have seen, reviewed and accepted this IAL and they individually and collectively accept full responsibility for the accuracy and correctness of the information contained herein.

After having made all reasonable enquiries to the Board (save for the Interested Directors), Representatives of Minda Global, as well as Representatives of PMSB, and to the best of our knowledge and belief, the information used is reasonable, accurate, complete and free from material omission. We are satisfied that sufficient information has been disclosed to us in enabling us to formulate our recommendation. SCA shall not undertake any responsibility or liability for any misstatement of fact or from any omissions herein.

The scope of our responsibilities regarding the evaluation and recommendation contained herein is confined to the assessment of the fairness and reasonableness and other implications of the Proposed Acquisition and whether the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) is detrimental to the non-interested Shareholders of Minda Global.

In rendering our advice, we have taken note of the pertinent matters, which we believe are necessary and of importance to an assessment of the implication of the Proposed Acquisition and therefore are of general concern to the non-interested Shareholders of Minda Global to consider and form their views thereon.

Notwithstanding the foregoing, we:-

- (i) do not express any opinion on the commercial risks or commercial merits of the Proposed Acquisition which remains the sole responsibility of the Board, and where comments or points of consideration are included in certain pertinent matters which may be commercially oriented, these are incidental to our overall evaluation and matters of concern which may be deemed material for disclosure;
- (ii) do not express an opinion on legal, accounting and taxation issues relating to the Proposed Acquisition; and
- (iii) have not given consideration to the specific investment objective, risk profile, financial situation or particular needs of any individual shareholder or any specific group of shareholders. We recommend that any individual shareholder or group of shareholders who is/are in doubt as to the action to be taken or require advice in relation to the Proposed Acquisition in the context of their individual investment objectives, risk profiles, financial situations and particular needs to consult their respective stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately. We will not be able to take responsibility for any damages or losses of any kind sustained or suffered by any individual shareholder or group of shareholders in reliance on the opinion stated herein for any purpose whatsoever.

Our views expressed in this IAL are, amongst others, based on economic, market and other conditions prevailing and the information and/or documents made available to us as at the LPD or such other period as specified herein. It is also based on the assumption that the parties to the SPA are able to fulfil their respective obligations thereto. Such conditions may change significantly over a short period of time. In addition, it should be noted that our evaluation and opinion expressed in this IAL do not take into account the information, events or conditions arising after the LPD or such other period as specified herein, as the case may be.

The following are disclosure requirements made pursuant to the IAL Guide:-

- (i) We confirm that we are not aware of any conflict-of-interest situation or potential conflict of interest situation that may affect our ability to act independently and objectively as the Independent Adviser for the Proposed Acquisition;

- (ii) We confirm that we have not had any professional relationship with Minda Global in the past 2 years; and
- (iii) We are a holder of a Capital Markets Services License issued by the SC as a Corporate Finance Adviser who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act, 2007. We provide a wide range of corporate finance services which includes advising on initial public offerings, IALs, fairness opinions, mergers and acquisitions, valuation exercises and transactions services.

Our credential and experiences as an Independent Adviser for the past 3 years comprises the following:-

**(i) IAL dated 21 February 2020 included in the circular of Sand Nisko Capital Berhad (“SNCB”)**

Independent advice to the non-interested shareholders of SNCB in relation to the proposed disposal by SNCB of its entire equity interest in Len Cheong Furniture Sdn Bhd, its wholly-owned subsidiary to DPS Realty Sdn Bhd for a total cash consideration of RM10.0 million.

**(ii) IAL dated 14 May 2020 included in the circular of Dolphin International Berhad (“Dolphin”)**

Independent advice to the non-interested shareholders of Dolphin in relation to the following:-

- (a) proposed disposal by Dolphin of its 80% equity interest in Dolphin Biogas Sdn Bhd to Asia Poly Green Energy Sdn Bhd for approximately RM2.1 million cash; and
- (b) proposed acquisition of 6,000,000 ordinary shares in Asia Poly Food and Beverage Sdn Bhd, representing its entire equity interest, by Dolphin from Uncle Don’s Holding Sdn Bhd and Asia Poly Holdings Berhad for a purchase consideration of RM22.0 million to be satisfied via issuance of 131,578,947 new Dolphin shares at an issue price of RM0.076 each and RM12.0 million cash.

**(iii) IAL dated 15 June 2020 included in the circular of YKGI Holdings Berhad (“YKGI”)**

Independent advice to the non-interested shareholders of YKGI in relation to the proposed repayment of the amount owing by YKGI to Marubeni-Itochu Steel Inc, who is a major shareholder of YKGI, in cash and the other terms and conditions of which are as contained in the repayment agreement.

**(iv) IAL dated 11 September 2020 included in the circular of Annum Berhad (formerly known as Cymao Holdings Berhad) (“Cymao”)**

Independent advice to the non-interested shareholders of Cymao in relation to the proposed disposal by Cymao of its entire equity interest in Poly-ply Industries Sdn Bhd to Zinton (formerly known as Prima Composite Sdn Bhd) for a cash consideration of RM9.1 million.

**(v) IAL dated 19 November 2020 included in the circular of Vertice Berhad (“Vertice”)**

Independent advice to the non-interested shareholders of Vertice in relation to the proposed disposal of 60% equity interest in Kumpulan Voir Sdn Bhd for a total cash consideration of approximately RM16.41 million.

**(vi) IAL dated 30 November 2020 included in the circular of Anzo Holdings Berhad (“Anzo”)**

Independent advice to the non-interested shareholders of Anzo in relation to the supply agreement, proposed ratification and proposed diversification.



**(vii) IAL dated 29 July 2021 included in the circular of Green Packet Berhad (“GPB”)**

Independent advice to the non-interested shareholders of GPB in relation to the proposed disposal of up to 612,570,900 ordinary shares of G3 Global Berhad to Puan Chan Cheong for a cash consideration of up to RM91,885,635.

**(viii) IAL dated 10 June 2022 included in the circular of Dolphin**

Independent advice to the non-interested shareholders of Dolphin in relation to the proposed acquisition of 5,008,148 ordinary shares in High Reserve F&B Sdn Bhd (“**High Reserve**”), representing the entire enlarged equity interest in High Reserve, for a purchase consideration of RM36 million to be satisfied via the allotment and issuance of 282,874,617 new ordinary shares in Dolphin at the issue price of RM0.0654 each and RM17.5 million in cash.

**(ix) IAL dated 30 August 2022 included in the circular of Eonmetall Group Berhad (“Eonmetall”)**

Independent advice to the non-interested shareholders of Eonmetall in relation to the following:-

- (a) proposed disposal of up to 15,300,000 ordinary shares of Lienteh Technology Sdn Bhd to Envy Venture Sdn Bhd, EMT Systems Sdn Bhd, Medical Spring International Health Management (Hong Kong) Co. Limited and Elogistic and Industrial Estate Developer Sdn Bhd (collectively, the “**Lienteh Shareholders**”) for a cash consideration of RM35.7 million; and
- (b) proposed rescission of the profit guarantee and call option granted by the Lienteh Shareholders to Eonmetall.

Premised on the foregoing, SCA has the capability and competency to carry out its role as the Independent Adviser of Minda Global to advise the non-interested Shareholders in relation to the Proposed Acquisition and is able to discharge its duties and responsibilities.

**3. DETAILS OF THE PROPOSED ACQUISITION**

The full details of the Proposed Acquisition are set out in Section 2, Part A of the Circular and should be read and fully understood in its entirety by the non-interested Shareholders of Minda Global.

**4. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

The interests of directors, major shareholders, chief executive and/or persons connected with them are set out in Section 12.1, Part A of the Circular.

The Interested Directors, Major Shareholders and Interested Persons will abstain from voting in respect of its direct and/or indirect shareholdings in Minda Global on the resolution approving the Proposed Acquisition to be tabled at the forthcoming EGM.

The Interested Directors, Major Shareholders and Interested Persons have also undertaken that it will also ensure that persons connected with them who have interests in the Minda Global Shares will abstain from voting in respect of their direct and/or indirect shareholdings in Minda Global on the resolution in relation to the Proposed Acquisition to be tabled at the forthcoming EGM.

## 5. EVALUATION OF THE PROPOSED ACQUISITION

In evaluating the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*), we have taken into consideration the following factors in forming our opinion:-

		Section of the IAL
(a)	Rationale for the Proposed Acquisition	Section 5.1
(b)	Basis and justification for the Purchase Consideration	Section 5.2
(c)	Basis and justification for the Issue Price of the Consideration Shares	Section 5.3
(d)	Salient terms of the SPA and termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group	Section 5.4
(e)	Effects of the Proposed Acquisition	Section 5.5
(f)	Industry overview and future prospects	Section 5.6
(g)	Risk factors of the Proposed Acquisition	Section 5.7

### 5.1. Rationale for the Proposed Acquisition

The rationale of the Proposed Acquisition is set out in Section 4.1, Part A of the Circular.

#### **SCA's commentary**

In evaluating the rationale for the Proposed Acquisition, we have considered the following:-

#### **5.1.1. Proposed Acquisition**

We noted that the Proposed Acquisition will enable the Group to have full control over the property and this provides the Group with more certainty and flexibility in undertaking its future plans in respect of the operation of UOC on the Subject Buildings.

Minda Global Group is principally engaged in the provision of education services. Currently, the Group via UOC SB manages and operates its flagship university known as UOC from the Subject Buildings which has been sub-leased from SMRP since 2018.

UOC relocated to the Subject Buildings in 2018 after the construction works and renovation for the Subject Buildings were completed. The Group had incurred approximately RM40 million on the renovation of, amongst others, faculty offices, meeting rooms, laboratories, simulation wards, lecture theatres and auditorium ("**Renovation Cost**").

*[The rest of this page is intentionally left blank]*

We noted the majority of the Group's revenue from FYE 31 December 2018 to FYE 31 December 2021 as well as 6-month FPE 30 June 2022 was derived from UOC as shown below:-

	Audited								Unaudited	
	FYE 31 December 2018		FYE 31 December 2019		FYE 31 December 2020		FYE 31 December 2021		6-month FPE 30 June 2022	
Revenue	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
UOC	67,432	74.2	69,649	71.4	64,493	71.9	77,129	71.5	41,956	75.6
Others	23,498	25.8	27,852	28.6	25,185	28.1	30,787	28.5	13,573	24.4
<b>Total</b>	<b>90,930</b>	<b>100.0</b>	<b>97,501</b>	<b>100.0</b>	<b>89,678</b>	<b>100.0</b>	<b>107,916</b>	<b>100.0</b>	<b>55,529</b>	<b>100.0</b>

As shown above, UOC was a key revenue contributor. As at 30 June 2022, UOC has a total of 3,938 students from local and foreign countries, which is an increase of 51.6% from 2,597 students as at 31 December 2018.

We also noted the revenue of UOC has increased 14.38% to RM77.13 million in FYE 31 December 2021 as compared to RM67.42 million in FYE 31 December 2018.

**(i) Eliminate risk of non-renewal of tenancy**

With reference to Section 4.1(i), Part A of the Circular: *"Pursuant to the renewal of tenancy agreement between the Group and SMRP dated 30 July 2021, the tenancy was renewed for a period of 3 years commencing from 1 August 2021. Any subsequent extension or renewal of the tenancy shall be agreed by the parties upon the expiry of the current tenancy. In the event that the sub-leases between the Group and SMRP are not renewed due to non-renewal of the Master Lease and/or renewal terms cannot be mutually agreed upon between the Group and SMRP, UOC will have to be relocated. In view of the total number of students in UOC as well as the total renovation cost incurred on the Subject Buildings, relocation of UOC to another campus is expected to be costly and disruptive to the operation of UOC."*

Minda Global is therefore entering into the Proposed Acquisition to mitigate the operational risk that Minda Global may encounter and preserve the Renovation Cost incurred if the existing sub-leases or Master Lease for the Subject Buildings are terminated or not renewed.

Referring to the above, the Proposed Acquisition is expected to reduce Minda Global's operational risk by owning a permanent purpose-built building and thereby ensuring its business continuity.

**(ii) Flexibility in undertaking future expansion plans**

We noted the Proposed Acquisition will enable the Group to be the registered owner of the Subject Land and Buildings and have full control over the property.

This provides the Group with more certainty and flexibility in undertaking any future expansion plans including refurbishment and renovation of the Subject Buildings for the operation of UOC as well as marketing and advertising of UOC located in the Subject Buildings in Cyberjaya.

*[The rest of this page is intentionally left blank]*

Being the owner of the Subject Land and Buildings, Minda Global will be able to modify, enhance and/or expand the Subject Buildings without any restrictions. This will augur well for Minda Global when planning for additional facilities and/or expansion of new faculties, subject to the availability of Subject Buildings' space and approval from the relevant authorities.

In addition, Minda Global will also be able to charge the Subject Land and Buildings to any financial institutions to obtain bank financing as and when required.

**(iii) Settlement of the Purchase Consideration through combination of cash and issuance of the Consideration Shares**

We noted that the settlement of the Purchase Consideration through combination of cash and issuance of the Consideration Shares enables the Group to complete the Proposed Acquisition in a shorter timeframe as compared to fundraising such as private placement and rights issue. Moreover, Minda Global will be able to conserve its cash which can be used as working capital, and avoid incurring additional interest expenses on borrowings, as opposed to being settled entirely in cash sourced from bank borrowings.

The issuance of Consideration Shares puts the Group on a stronger financial footing in view of the increase in the NA and earnings of the Group subsequent to the completion of the Proposed Acquisition. Please refer to Sections 7.3.1 and 7.4.1, Part A of the Circular for further details.

However, the issuance of the Consideration Shares pursuant to the Proposed Acquisition is expected to result in dilution to the shareholdings of the non-interested Shareholders of Minda Global as well as to the EPS and NA per Share of Minda Global, to the extent of the additional new Minda Global Shares to be issued to the Vendors. Nevertheless, going forward, such dilution impact may be mitigated through contribution of potential capital gain on the appreciation of the market value of the Subject Land and Buildings in the future.

Please refer to our evaluation for the Issue Price of the Consideration Shares in Section 5.3 of this IAL.

Based on the above, we are of the opinion that the mode of settlement of Purchase Consideration is **reasonable**.

**(iv) Annual net increase in earnings for the Group**

The Proposed Acquisition will result in an estimated RM3.7 million annual net increase in earnings for the Group. Please refer to Section 7.4.1, Part A of the Circular for further details.

Taking into consideration the above, we are of the view that the rationale for the Proposed Acquisition is **reasonable** and **not detrimental** to the non-interested Shareholders.

**5.2. Basis and justification for the Purchase Consideration**

The basis and justification for the Purchase Consideration is set out in Section 2.3, Part A of the Circular.

**SCA's commentary**

We take note that the Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis after taking into consideration, amongst others:-

- (i) the market value of the Subject Land and Buildings as at 10 May 2022 (*being the material date of valuation*) of RM180.0 million as appraised by the Valuer;

- (ii) the rationale of the Proposed Acquisition as set out in Section 4.1, Part A of the Circular; and
- (iii) the prospects of the Subject Land and Buildings as set out in Section 5.4, Part A of the Circular.

In considering the fairness of the Purchase Consideration, we have relied on the Valuation Report in arriving at our opinion on the fairness of the Purchase Consideration. We have evaluated and are satisfied with the results of the valuation based on the reasonableness of the methodologies.

#### 5.2.1. Valuation of Subject Land and Buildings

We noted that the Valuer applied the following methods in arriving at the market value of the Subject Land and Buildings:-

Method of Valuation	Description	Market Value
Cost approach (Primary approach)	<p>For the cost approach, the value is ascertained through the summation of the value components of the Subject Land and Buildings.</p> <p>In determining the value of the Subject Land, the analysed apportionment value attributable to the Subject Land is adopted as described in the Comparison Approach whilst making due allowances to factors of location, plot size, accessibility and other relevant factors.</p> <p>In determining the value of the Subject Buildings, current rates on construction costs to erect equivalent buildings are adopted. Appropriate adjustments are then made for factors of obsolescence and existing physical condition of the buildings.</p>	RM180.0 million
Income approach (Secondary approach)	For the income approach, the value is derived from the capitalisation of net rent from a Subject Land and Buildings. Net rent is the residue of gross annual rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.	RM180.0 million

#### SCA's commentary

We have reviewed the contents of the Valuation Report and valuation certificate, and are satisfied with the bases and assumptions applied by the Valuer in arriving at the fair values of the Subject Land and Buildings. We concur with the Valuer insofar as:-

- (i) the cost approach is the most appropriate and primary valuation methodology to be applied to the Subject Land and Buildings. The cost approach derived the estimated cost of reconstructing the building of the same kind and design based on current prices for the materials, labour cost and other related fee and charges. For the Subject Land, a comparison approach was used to take into consideration the comparable sale evidence according to en-bloc and adjustments made for differences in time factor, location/visibility, size, tenure and other relevant characteristics to arrive at the market value of the Subject Land; and
- (ii) the income approach is an appropriate counter-check for the valuation of the Subject Land and Buildings based on the existing lease arrangement to reflect the expected return on investment from the Subject Land and Buildings.

Our analysis of the cost approach and income approach are detailed in Section 5.2.2 and Section 5.2.3 of this IAL respectively.

Nonetheless, we wish to highlight that any significant departure in the assumptions mentioned therein may have a material impact on the valuations. The cost approach and income approach of valuations are based on prevailing economic, market and other conditions as at the date of valuation, as well as publicly available information and the information provided by the Company's management and such conditions may change significantly over a short period of time. The resultant effect of such changes may materially and/or adversely affect the valuation.

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### 5.2.2. Cost approach

For the cost approach, the value of the Subject Land as an improved site is added to the replacement cost of the building and other improvements. The value of the site is determined by comparison with similar lands that were sold recently in the vicinity with appropriate adjustments made for location, size, improvements and other value factors. The replacement cost of the building is derived from the estimated cost of reconstructing a new building of same kind and design based on current market prices for materials and labour, other related fees and charges, and present construction techniques. In practice, the approach also involves an estimate of depreciation for older and/or less functional properties where an estimate of cost unreasonably exceeds the likely price that would be paid for the appraised property.

Cost approach valuation		Area		Rate	
1)	Land:	174,461	square feet ("sf") @	RM145 per square feet ("psf")	RM25,296,845
2)	Buildings:				
Description	Use	Gross Floor Area		Construction Cost New Rate	
Levels UG, 1 to 8	Administrative and academic blocks	490,642	sf @	RM230 psf	RM112,847,660
Basement, LG1, LG and Mezzanine	Car parks, entrance lobby, mechanical & electrical rooms and laboratory	372,208	sf @	RM138 psf	RM51,364,704
		862,850			RM164,212,364
Less Depreciation		1.50%	sf @	4 years	RM9,852,742
					RM154,359,622
					RM154,359,622
				Market Value	RM179,656,467
				<b>Market Value, say</b>	<b>RM180,000,000</b>

(Source: Valuation Report)

*[The rest of this page is intentionally left blank]*

Notes:-

**(i) Land value is based on comparison approach**

The comparison approach was used to take into consideration the comparable sale evidence according to en-bloc and adjustments made for differences in time factor, location/visibility, size, tenure and other relevant characteristics to arrive at the market value of the Subject Land.

The Valuer has identified and analysed the selected recent transactions of property sales in the immediate and surrounding vicinity of the Subject Land and Buildings and summarised details as below:-

	<b>Land Comparable 1</b>	<b>Land Comparable 2</b>	<b>Land Comparable 3</b>	<b>Land Comparable 4</b>	<b>Land Comparable 5</b>	<b>Land Comparable 6</b>
<b>Locality</b>	Bangunan CJ1, Off Lingkaran Cyber Point Selatan, Cyberjaya	Quill Building 5, Jalan Teknokrat 3, Cyberjaya	Off Lingkaran Cyber Point Selatan, Cyberjaya	Persiaran Cyber Point 4, Cyberjaya	Persiaran APEC, Cyberjaya	Persiaran Sepang, Cyberjaya
<b>Property Type</b>	4 storey data centre with annexed 4 storey office and mezzanine floor	5 storey office building with 1.5 storey basement	A vacant parcel of commercial land (currently under construction for a data centre)	A vacant parcel of commercial land (currently under construction for a data centre)	A vacant parcel of commercial land	A vacant parcel of commercial land (currently under construction partly for a petrol station)
<b>Tenure</b>	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
<b>Land Area (sf)</b>	79,978	69,752	1,272,336	74,919	420,958	117,132
<b>Approximate Gross Floor Area (sf)</b>	240,000	227,030	-	-	-	-
<b>Consideration (RM)</b>	70,000,000	45,000,000	156,378,600	10,860,000	63,141,600	15,812,280
<b>Date of Transaction</b>	24 December 2020	12 November 2020	21 December 2020	16 December 2020	31 May 2019	2 May 2019
<b>Adjustment</b>	Land size, zoning	Land size, zoning	Land size, zoning, site improvement	Land size, zoning, site improvement	Land size, zoning, site improvement	Land size, zoning, site improvement
<b>Unadjusted Analysis (psf)</b>	RM158.79	RM115.26	RM122.91	RM144.96	RM150.00	RM135.00
<b>Adjusted Analysis (psf)</b>	RM142.91	RM103.73	RM145.20	RM140.46	RM160.00	RM134.87

(Source: Valuation Report)



We note that the Valuer, having considered all relevant factors and taking into consideration of various dissimilarities including but not limited to location or establishment, accessibility or exposure, plot ratio, category of land use, express condition and planning approval, the Valuer considered Land Comparable 1 as more reliable being the latest sale transaction and has similar characteristics to the Subject Land as an improved land. Land Comparable 1 is adjusted to RM143 psf and is well supported by the recent vacant commercial land transactions in Land Comparables 3 and 4 which range from RM141 to RM145 psf. The Valuer is of the opinion that the adjusted base land value of the Subject Land should be RM145 psf.

Thus, we are of the opinion that the adjusted land value of RM145 psf is fair as it is within the range of RM103.73 psf and RM160.00 psf.

**(ii) Building construction cost**

The Valuer had also taken the total construction cost of the Subject Buildings excluding land cost of RM25,296,845 or RM145 psf and compared this construction cost against data published by JUBM Sdn Bhd and Arcadis Projekts Sdn Bhd in the Construction Cost Handbook Malaysia 2022 (“**Handbook**”).

There is no index for the construction of campus building and as the construction of campus building is almost similar to an office building, the Valuer made reference to the average standard offices for high rise and adopted the lower range of the construction cost at RM236 psf and rounded down to RM230 psf. This is because the design and finishes of the campus building is much simpler compared to a purpose-built office building.

The basement to mezzanine floors were adopted at 60% of the construction cost at RM138 psf as these floors comprise mainly car park bays and have simpler finishes compared to the upper floors. The ancillary floor area is normally adopted at 50% of the construction cost of the main floor area, however, in the valuation of the basement to mezzanine floors of the Subject Buildings, the Valuer noted the enclosed walls and hence, they have used a higher rate of 60%. The total construction cost is calculated at RM164.2 million.

In arriving at the construction cost, the Valuer has also taken into consideration of the following factors:-

- a) Construction cost has increased due to the increase in raw materials prices ("Department of Statistics Malaysia (DOSM): Building materials cost index increases in 2021", The Star, 10 January 2022);
- b) The Valuer's verbal enquiries with the registered owner (lessor) revealed that the original construction cost of the building was approximately RM143.9 million. Comparing on the original cost in 2016 with the estimated construction cost of RM164.2 million, this represents an increase of 14.1% over 6 years or an average of 2.4% per annum which is consistent but higher than the average inflation rate of Malaysia for the same period. The Valuer is therefore of the opinion the estimated construction cost is fair; and
- c) In the calculation of the floor area in the approved building plans, there is a landscape deck of 23,680.8 square feet on the level upper ground. The Valuer did not ascribe a separate value for this area as it is an open space but the value is included in the overall construction cost of the Subject Buildings.

The gross floor area (levels upper ground to 8) is based on the approved building plans and verified via site verification. The car park area (basement to mezzanine floors) is based on the approved building plans, information provided by the Company and also verified via site verification.

We noted that the Valuer estimated the cost of reconstructing the buildings of the Subject Buildings based on current prices for the materials, labour cost and other related fees and charges used to construct similar buildings in the Cyberjaya vicinity. When arriving at the current prices, the Handbook is used as a guide to determine the current prices. We understand that the Handbook is commonly used amongst the valuers to estimate the cost of constructing different types of buildings within Malaysia.

Thus, we are of the opinion that the construction cost of RM230 psf for upper floors adopted by the Valuer is fair due to the following:-

- (a) there is no readily available index for the construction of campus building and as the construction of campus building is similar to an office building, the construction cost of RM230 psf for upper floors adopted by the Valuer is slightly below the range of average construction costs for standard offices for high rise which ranged between RM236 psf to RM316 psf; and
- (b) the design and finishes of the campus building has simpler finishes compared to a purpose-built office building. Therefore, the lower range of the construction cost at RM236 psf and rounded down to RM230 psf is a fair representation.

Additionally, we are of the opinion that the construction cost of RM138 psf for basement to mezzanine floors adopted by the Valuer is fair due to the following:-

- (a) The basement to mezzanine floors are adopted at 60% of the construction cost at RM138 psf as these floors comprise mainly of carpark bays and have simpler finishes compared to the upper floors.

**(iii) Depreciation rate**

A depreciation rate of 1.5% per annum is adopted by the Valuer which translates to a building lifespan of 66.67 years. Depreciation for buildings is usually adopted based on the economic lifespan of 60 years which is 1.66% per annum and has been rounded down to 1.5% in view that the building is still new and in a state of good decorative repair. We consider the basis of 1.5% adopted by the Valuer as fair, taking into consideration that the building has only been completed for 4 years and is still considered relatively new.

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### 5.2.3. Income approach

The Valuer adopted the income approach as a cross-check for the cost approach detailed in Section 5.2.2 of this IAL. As the income approach is sensitive to the estimated rental, outgoings and yield and the Valuer has therefore adopted is as the secondary approach and for check on the cost approach.

The workings of income approach of valuation are set out as below:-

<b>Gross rental</b>				RM
Administrative office block	176,577	sq. ft @	RM4.00 psf	706,308
Academic block	183,361	sq. ft @	RM3.60 psf	660,100
Total	359,938	sq. ft @		1,366,408
Car park bays	826	bays	RM100.00 per bay	82,600
<b>Gross rental</b>				<b>1,449,008</b>
Less outgoings			RM1.00 psf	359,938
				1,089,070
Less voids on gross rental			8.0%	115,921
<b>Net rental</b>				<b>973,149</b>
				x 12 months
<b>Net annual rental</b>				<b>11,677,788</b>
			Capitalise	6.50%
				179,658,275
			<b>Market value, say</b>	<b>180,000,000</b>

(Source: Valuation Report)

#### (a) Gross rental

Rental rates of the commercial properties:-

No.	Property	Net Lettable Area ("NLA") (sf)	Net rental	Analysis net rental (psf/month)	Add estimated outgoings (psf/month)	Analysed gross rental (psf/month)
1	SEGi University, Kota Damansara, Selangor	337,710	RM13,158,750	RM3.25	RM1.00	RM4.25
2	SEGi College, USJ 1, Selangor	131,387	RM4,105,500	RM2.60	RM1.00	RM3.60
3	SEGi University, Edumetro @ Subang Jaya, Selangor	148,273	RM4,533,972	RM2.55	RM1.00	RM3.55
4	HELP University Damansara Heights, Kuala Lumpur	125,227	RM5,415,422	RM3.60	RM1.00	RM4.60

(Source: Valuation Report)

We note the comparables selected by Valuer are located in Selangor and Kuala Lumpur due to lack of rental evidence for campus premises in Cyberjaya.

The Valuer included estimated outgoings of RM1.00 psf in arriving at the analysed gross rental ranged from RM3.55 psf to RM4.60 psf.

We note the followings represent the gross rental of office buildings in Cyberjaya range from RM4.36 psf to RM6.83 psf:-

No.	Property	Type of property	Average gross rental (psf/month)	Occupancy rate
1	Prima 9, Prima Avenue II, Block 3547, Persiaran Apec, Cyberjaya	7 storey office building with 2 levels basement	RM6.83	41.7%
2	Prima 10, Prima Avenue II, Block 3544, Persiaran Apec, Cyberjaya	7 storey office building with 2 levels basement	RM4.36	83.9%
3	Contraves Building, Jalan Teknokrat 5, Cyberjaya	4 storey office building with 1 level basement	RM5.61	100.0%

(Source: Valuation Report)

We take note that the following represent the asking gross rental rates of education premises and office space in Cyberjaya:-

No.	Property	Asking gross rental (psf/month)
1	Cyberjaya International College, Cyberjaya	RM4.68
2	Cyber 11 Corporate Tower, Cyberjaya	RM4.09
3	MKN Embassy Techzone, Cyberjaya	RM4.23
4	Wisma Mustapha Kamal, Cyberjaya	RM4.58
5	Quill 18 (IBM), Cyberjaya	RM5.15
6	Wisma Mustapha Kamal, Cyberjaya	RM4.82
7	Quill 18 (IBM), Cyberjaya	RM5.48
8	Cyberview Garden Villas Resort Office, Cyberjaya	RM3.87
9	Star Central @ Cyberjaya, Cyberjaya	RM3.80
10	Cyberjaya Modern Corporate Tower 10, Cyberjaya	RM4.44

(Source: Valuation Report)

Based on the above asking rentals, we note that the rental rate range from RM3.80 psf to RM5.48 psf for office space whilst there is one asking rental of RM4.68 psf for college premises.

Using Prima 10 as the best comparable which is 83.9% occupied and adjusting 10% downwards for size and building, the Valuer adopted a gross rental of RM4.00 psf for the administrative office block of Subject Buildings. The academic block is adopted at RM3.60 psf which is 10% lesser as the design and finishes of the academic block is much simpler compared to the administrative office block.

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The analysis of the gross rental for the Subject Buildings is as follows:-

Building	NLA (sf)	Gross rental (psf/month)	Gross rental
Administrative Office Block	176,577	RM4.00	RM706,308
Academic Block	183,361	RM3.60	RM660,100
<b>Total</b>	<b>359,938</b>		<b>RM1,366,408</b>
<b>Overall Gross Rental</b>			<b>RM3.80 psf/month</b>

(Source: Valuation Report)

We take note both the rental rates of administrative office block and academic block are lower than the range of comparables. The gross rental rate of administrative office block is RM4.00 psf, which is lower than the range from RM4.36 psf and RM6.83 psf. The gross rental rate of academic block is RM3.60 psf, which is lower than the range of RM3.80 psf and RM5.48 psf.

Premised on the above, we note the summation of gross rental rates of both administrative office block and academic block by the Valuer in arriving at the overall gross rental rate of the Subject Buildings, which is RM3.80 psf. We are of the view that the overall gross rental rate of RM3.80 psf is fair as it is within the analysed gross rental rates of the comparables, which range from RM3.55 psf to RM4.60 psf.

The following comprises of comparable car park charges of commercial buildings in Cyberjaya:-

No.	Property	Car park rental per month
1	MKN Embassy Techzon, Cyberjaya	RM130.00
2	Cyber 11 Corporate Tower, Cyberjaya	RM150.00
3	Cyberjaya Modern Corporate Tower 10, Cyberjaya	RM150.00
4	Century Square, Cyberjaya	RM105.00

(Source: Valuation Report)

For the car park income, there were two types of season pass, i.e. season rate offered to students at RM100.00 per bay monthly and season rate offered to Lessee's non-related companies ranged from RM130.00 to RM150.00 per bay monthly. We take note the Valuer had adopted car park income at RM100.00 per bay monthly after taking into consideration the occupancy rate on the office is not high. We are of the opinion that the car park income adopted by the Valuer is fair.

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**(b) Outgoings**

The past three (3) years' outgoing for the Subject Buildings were analysed by the Valuer as follows:-

Item	2019	2020	2021
Fixed outgoing	RM1,145,961	RM1,126,657	RM1,129,892
Variable outgoing	RM2,345,330	RM1,788,523	RM1,559,288
Total	RM3,491,292	RM2,915,180	RM2,689,179
Occupancy rate	77.5%	83.4%	83.4%
Adjusted variable outgoing to 100% occupancy	RM3,025,950	RM2,145,436	RM1,870,455
Adjusted total fixed and variable outgoing	RM4,171,911	RM3,272,093	RM3,000,347
Analysed outgoing on NLA (psf/month)	RM0.97	RM0.76	RM0.69
Adjusted for inflation to current year	6%	4%	2%
Adjusted outgoing to current year (psf/month)	RM1.02 psf	RM0.79 psf	RM0.71 psf

(Source: Valuation Report)

The Valuer have also compared the pre-COVID-19 outgoing of other office buildings in Cyberjaya as follows:-

No.	Property	Type of building	NLA (sf)	Year	Annual outgoing	Analysed outgoing (psf/month)
1	Quill Building 2, Jalan Teknokrat 3, Cyberjaya	4 storey office building with a sub-basement	184,453	2019	RM2,107,310	RM0.95
2	Quill Building 5, Jalan Teknokrat 3, Cyberjaya	5 storey office building with a sub-basement and 1½ levels basement	81,602	2019	RM1,061,000	RM1.08
3	Prima 9, Prima Avenue II, Block 3547, Persiaran Apec, Cyberjaya	7 storey office building with 2 levels basement	111,224	2019	RM1,100,000	RM0.82
4	Prima 10, Prima Avenue II, Block 3544, Persiaran Apec, Cyberjaya	7 storey office building with 2 levels basement	100,272	2019	RM1,400,000	RM1.16

(Source: Valuation Report)

We note the adjusted outgoings of the Subject Buildings for the past three years ranged from RM0.71 psf to RM1.02 psf, the outgoings in 2020 and 2021 were lower than 2019 due to partial occupancy rate caused by the COVID-19 pandemic as the Subject Buildings were not fully opened and staff were asked to work from home.

After adjusting for full occupancy rate for the variable outgoings and overall inflation to current year, the analysed outgoings are in the range of RM0.71 psf to RM1.02 psf. Based on the data in 2019 which is pre-COVID-19 pandemic, the Valuer adopted an outgoings of RM1.00 psf for the Subject Buildings.

We are of the opinion that the adopted outgoings rate of RM1.00 psf is fair and it is within the range of outgoings rate of comparables from RM0.82 psf to RM1.16 psf.

**(c) Net rental**

<b>Gross Rental</b>		
Administrative Office Block	176,577 sf @ RM4.00 psf/month	RM706,308
Academic Block	183,361 sf @ RM3.60 psf/month	RM660,100
Total	359,938 sf	RM1,366,408
Car Park Bays	826 bays @ RM1.00 per bay/month	RM82,600
Gross Rental		RM1,449,008
Less Outgoings	359,938 sf @ RM1.00 psf/month	RM359,938
<b>Net Rental (Per Month)</b>		<b>RM1,089,070</b>

*(Source: Valuation Report)*

The monthly net rental arrived at RM1,089,070 after deducting the monthly outgoings of RM359,938. We note the monthly net rental of RM1,089,070 is comparable to the lease rental which was RM1,035,590 during the Second and Third Year Term. We take note that the lease rental was increased by 22% for the Fourth and Fifth Term as stipulated in the Master Lease taking into account inflation and the current property market condition. We are of the opinion that the monthly net rental of RM1,089,070 is fair.

**(d) Void allowance**

A void allowance is provided to reflect unforeseen vacancies, possible rent-free periods, fitting-out periods and possibility of bad debts. The current occupancy rate of the Subject Buildings is 83.4%. We note that the standard void allowance for multiple tenancies is 5%. However, the Subject Buildings are built for special purpose and designed for a single operator, we are of the view that 8% of void allowance adopted by the Valuer is fair due to risk of unforeseen vacancy and the longer period required to secure new tenant.

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(e) **Yield**

A yield is used to compute the capitalisation rate that reflects the rate of return on the investment of a property, i.e. net yield, and is used to discount the net annual income stream that is expected to be received to arrive at a present value.

We note the following yields were used for the capitalisation of the net annual rent for the properties which were acquired between 2018 to 2020 by the various Real Estate Investment Trusts (“REITs”) as well as revaluation of properties held under the REITs:-

No.	Property	Type of property	Date of transaction	Acquisition price	Yield
1	The Pinnacle, Bandar Sunway, Selangor Darul Ehsan	Office building	29/06/2020	RM450,000,000	6.25%
2	UOA Corporate Tower, Bangsar South, Kuala Lumpur	Office building	28/09/2020	RM700,000,000	5.50%
3	Menara Guoco, Damansara Heights, Kuala Lumpur	Office building	02/03/2020	RM242,100,000	5.75%
4	Purpose-built campus, Jalan Universiti, Bandar Sunway, Selangor Darul Ehsan	Campus building	24/12/2018	RM550,000,000	6.75%

No.	Property	Type of property	NLA (sf)	Approximate net rental	Yield
1	SEGi University, Kota Damansara	Campus building	337,710	RM13,158,750	7.10%
2	SEGi College, USJ 1	Campus building	131,387	RM4,105,500	5.60%
3	Help University, Damansara Heights	Campus building	125,227	RM5,415,422	7.30%

(Source: Valuation Report)

The important factor affecting yield is the degree of risk inherent in the investment and comparable yields from other forms of investments. We also note that the current interest rate is low due to the cut in the base lending rate which is the result of the slowdown in the economy caused by COVID-19.

Based on the Valuer’s yield analysis, the yields for office buildings range from 5.50% to 6.25% whilst for campus buildings range from 5.60% to 7.30%.

The yield adopted for the Subject Land and Buildings is 6.50% after benchmarking against existing yields of office buildings and campus buildings in Klang Valley. The Valuer have also considered the prevailing market condition, location, concept and design of the building. There is no requirement to compute the yield for the term as the Subject Land and Buildings are valued on the basis of vacant possession.

We note that the yield of 6.50% of the Subject Land and Buildings is within the yield range for comparables selected by the Valuer.



Premised on the above, we are of the view that the market value of RM180.0 million for the Subject Land and Buildings is **fair** and is **not detrimental** to the non-interested Shareholders of Minda Global, based on the cost approach (*being the primary valuation method*) and supported by the income approach (*being the secondary valuation method*).

### 5.3. Basis and justification for the Issue Price of the Consideration Shares

The basis and justification for the issue price of the Consideration Shares are set out in Section 2.4, Part A of the Circular.

#### SCA's commentary

Based on the 5-day VWAP up to 9 June 2022, the 5-day VWAP of Minda Global is RM0.067.

The Issue Price of RM0.070 for the Consideration Shares was arrived at based on the closing market price as at the LTD of 9 June 2022.

In assessing the fairness and reasonableness of the issue price, we have primarily made reference to the historical price performance of Minda Global Shares. We have compared the issue price of the Consideration Shares of RM0.070 against:-

- (i) Closing price of Minda Global Shares on 9 June 2022 of RM0.070;
- (ii) 5-day VWAP of Minda Global Shares up to and including 9 June 2022 of RM0.067; and
- (iii) Respective VWAPs of Minda Global Shares as set out in the table below:

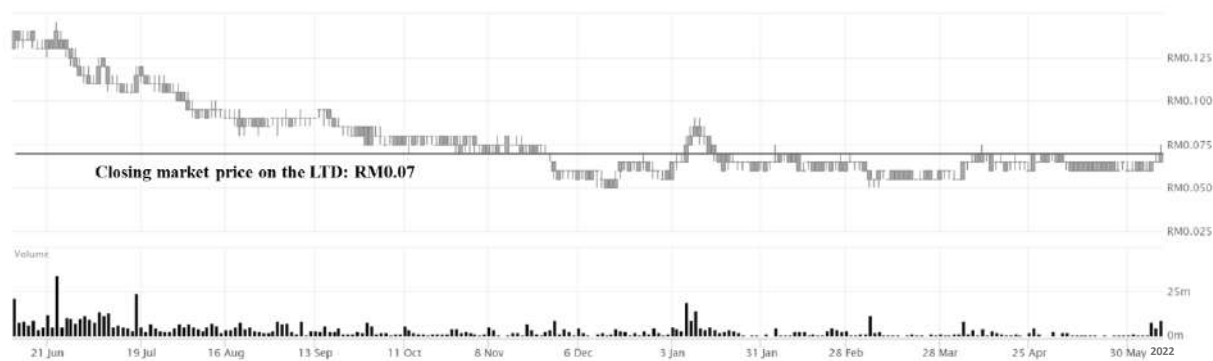
Basis of comparison based on	VWAP / Closing price RM	Premium/ (discount) of the issue price of RM0.070 RM	%
Closing market price on the LTD	0.0700	-	-
5-day VWAP up to and including the LTD	0.0670	0.0030	4.48
VWAP for the 1-month up to and including the LTD	0.0659	0.0041	6.22
VWAP for the 3-month up to and including the LTD	0.0648	0.0052	8.02
VWAP for the 6-month up to and including the LTD	0.0671	0.0029	4.32
VWAP for the 12-month up to and including the LTD	0.0940	(0.0240)	(25.53)

(Source: Wall Street Journal)

Based on the table above, we noted that the Issue Price of RM0.070 per Consideration Share to be issued as part of the Acquisition Consideration, represents a premium of 4.48%, 6.22%, 8.02% and 4.32% over the VWAP for the 5-day, 1-month, 3-month and 6-month up to LTD. The Issue Price of RM0.070 per Consideration Share, represents a discount of 25.53% over the VWAP for the 12-month up to and including the LTD.

Set out in the chart below are the daily closing market prices of Minda Global Shares on Bursa Securities from 10 June 2021 to 9 June 2022 ("**Review Period**").

We consider that the Review Period which covers a full year prior to the signing of the SPA represents a reasonable period to provide a general overview of the historical trend of Minda Global Shares price when assessing the Issue Price.



(Source: Wall Street Journal)

As shown in the chart, the 1 year prior to the LTD closing prices of Minda Global Shares ranged from RM0.0500 to RM0.1450 with an average closing price of RM0.0793. Thus, the Issue Price of RM0.070:

- (i) is within the closing price range of Minda Global Shares 1 year prior to the LTD;
- (ii) represents a **discount of 11.73%** to the average closing price of RM0.0793;
- (iii) represents a **discount of 51.72%** to the maximum closing price of RM0.1450; and
- (iv) represents a **premium of 40.00%** to the minimum closing price of RM0.0500.

The issuance of the Consideration Shares pursuant to the Proposed Acquisition is expected to result in dilution to the shareholdings of the non-interested Shareholders of Minda Global as well as to the EPS and NA per Share of Minda Global, to the extent of the additional new Minda Global Shares to be issued to the Vendors.

Although the Issue Price represents a premium of RM0.003 or 4.48% to the 5-day VWAP of Minda Global Shares as at the LTD, the number of the Consideration Shares to be issued to fulfil the Purchase Consideration would result in a dilution to the holdings of non-interested Shareholders of Minda Global. Nevertheless, we are of the opinion that the benefits to be realised from the Proposed Acquisition outweigh the dilution effects to the non-interested Shareholders.

Premised on the above, taken as a whole, we are of the view that the Issue Price of the Consideration Shares is **fair** and the basis of arriving at the Issue Price is **reasonable** and **not detrimental** to the non-interested Shareholders of the Company.

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## 5.4. Salient terms of the SPA and termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group

### 5.4.1. Salient terms of the SPA

The salient terms and conditions of the SPA are as follows:

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
Section 1	<p><b>1. Agreement for sale and purchase of the Subject Land and Buildings</b></p> <p>Subject to the terms and conditions contained in the SPA, the Vendor shall sell and the Purchaser shall purchase the Subject Land and Buildings free from any encumbrances, without vacant possession<sup>(1)</sup>, on an “as is where is basis” and subject to all conditions of title and restrictions-in-interest expressed or implied relating to the Subject Land and Buildings.</p> <p><i>Note:-</i>  <i>(1) The Purchaser shall purchase the Subject Land and Buildings without vacant possession as various parts of the Subject Land and Buildings are currently sub-leased by SMRP to the Group and 2 other tenants until the completion of the Proposed Acquisition. Notwithstanding that, there will not be any material implications to the Group as the SPA provides that the Master Lease (between PMSB and SMRP) shall be terminated via a deed of surrender of lease to be entered into. These sub-leases will be terminated as a consequence of the Proposed Acquisition.</i></p>	<p>We take note that the Company shall purchase the Subject Land and Buildings without vacant possession as various parts of the Subject Buildings have been sub-leased to 6 other tenants. The delivery of the Subject Land and Buildings free from all encumbrances on an “as is where is basis” and subject to all conditions of the title is reasonable and is a normal commercial arrangement for any property transaction.</p> <p>This term is reasonable and not detrimental to the non-interested Shareholders.</p>
Section 2	<p><b>2. Conditions precedent</b></p> <p>(i) The SPA is conditional upon the following conditions precedent being fulfilled <i>(or if not fulfilled, waived by agreement of the parties in writing)</i> within Compliance</p>	<p>The terms are reasonable as they relate to the relevant approvals required for the implementation of the Proposed Acquisition.</p>

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
	<p>Period or such other period as may be agreed between the parties in writing:</p> <ul style="list-style-type: none"> <li>(a) the Vendor having obtained the consent in writing of the Selangor state authority in relation to the transfer of the Subject Land and Buildings to the Purchaser at its own costs and expense;</li> <li>(b) the Company having obtained the Shareholders' approval at an EGM at its own costs and expense; and</li> <li>(c) any other approvals or consents from third parties and any other matter as may be agreed in writing by the parties.</li> </ul> <p>(ii) If any condition precedent is not fulfilled by the last day of the Compliance Period, either party may terminate the SPA by notice in writing to the other, whereupon the following shall take place in the following order:-</p> <ul style="list-style-type: none"> <li>(a) the Company shall immediately cease to have any obligation to issue the Consideration Shares or any other obligation whatsoever under the SPA;</li> <li>(b) if the RPGT Retention Sum, is paid to the Purchaser's solicitors as stakeholder, the RPGT Retention Sum shall be refunded to the Purchaser and if the RPGT Retention Sum is paid to the Director General, the Vendor shall seek the refund of the same and pay the RPGT Retention Sum to the Purchaser;</li> <li>(c) the Purchaser shall comply with all applicable Purchaser's Termination Obligations<sup>(1)</sup>; and thereafter</li> </ul>	<p>We note that the SPA is conditional upon the conditions precedent being fulfilled, or if not fulfilled, waived by agreement of the parties in writing. We understand that the Company will endeavour to ensure that the conditions precedents will be fulfilled within 6 months. If the conditions precedents are not fulfilled and/or waived by agreement of the parties, either party is entitled to terminate the SPA and these terms set out the consequences in case of the termination of the SPA.</p> <p>These terms are reasonable and not detrimental to the non-interested Shareholders.</p>

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
	<p><i>Note:-</i></p> <p><i>(1) The obligations of the Purchaser in the case of the termination of the SPA are as follows:-</i></p> <p><i>i. the Purchaser shall, at its own cost and expense, withdraw or procure to be withdrawn any caveat lodged by the Purchaser and/or Bank Islam Malaysia Berhad or such other financier as may be notified by the Purchaser to the Vendor in writing from whom the Purchaser takes the loan for the Balance Cash Consideration over the Subject Land and Buildings;</i></p> <p><i>ii. the Purchaser shall return to the Vendor all documents given by the Vendor to the Purchaser, the Purchaser's solicitors, the Financier and/or the Financier's solicitors with the interest of the Vendor in the Subject Land and Buildings remaining intact provided always that in the case where stamp duty has been paid on the transfer of the Subject Land and Buildings, the Purchaser shall be entitled to deliver the same to the collector of stamp duties for refund of stamp duty paid thereon;</i></p> <p><i>iii. if the transfer of the Subject Land and Buildings to the Purchaser and/or the Financier's charge has/have been presented for registration at the land registry, the Purchaser shall immediately</i></p>	

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
	<p><i>withdraw the application to register the transfer of the Subject Land and Buildings and/or the Financier's charge and/or procure the cancellation of any such registration by the land registry if the application to register the relevant dealing cannot be withdrawn; and</i></p> <p><i>iv. in the case where possession of the Subject Land and Buildings has been delivered by the Vendor to the Purchaser, the Purchaser shall re-deliver possession of the Subject Land and Buildings to the Vendor in substantially the same state and condition as possession of the Subject Land and Buildings was delivered to the Purchaser;</i></p> <p>(d) the SPA shall terminate and be null and void and of no further effect and neither party shall have any claim against the other party, save and except for antecedent breach. The Vendor shall thereafter be at liberty to sell or otherwise deal with the Subject Land and Buildings in any manner as the Vendor deems fit.</p>	
Section 3	<p><b>3. Purchase Consideration</b></p> <p>The Purchase Consideration for the Subject Land and Buildings agreed on a willing buyer and willing seller basis, is RM180.0 million, to be satisfied in the following manner:-</p> <p>(i) Cash Consideration of RM155.0 million in the following manner:-</p>	<p>Kindly refer to our evaluation in relation to the Purchase Consideration in Section 5.2 of this IAL.</p> <p>The payment of the Purchase Consideration, is reasonable, in view of the following:</p> <p>(i) The Purchase Consideration of RM180.0 million, consists of the RPGT Retention Sum of RM5.4 million or 3% of the Purchase</p>

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
	<p>a. RPGT Retention Sum of RM5.4 million to be settled on or before the later of (i) the date falling 30 days after the Purchaser receives a copy of the consent in writing of the Selangor State Authority in relation to the transfer of the Subject Land and Buildings to the Purchaser; and (ii) the date falling 60 days after the date of the SPA, whereby the Purchaser shall pay the RPGT Retention Sum to the Purchaser's solicitors as stakeholders and the Purchaser's solicitors are authorised to on-pay the same to the Director General;</p> <p>b. Differential Sum of RM9.6 million to be paid within the within 90 days from the fulfilment of all the conditions precedent <i>(or, as applicable, 30 days from the day after expiry of the Completion Period)</i> to the Vendor's solicitors to hold as stakeholder; and</p> <p>c. Balance Cash Consideration of RM140.0 million to be settled within the Completion Period or Extended Completion Period, as the case may be, by the Purchaser by procuring the Financier to release the loan for the Balance Cash Consideration; and</p> <p>(ii) RM25.0 million through issuance of 357,142,857 Consideration Shares by Minda Global at an issue price of RM0.07 per Consideration Share to the Vendor within the Completion Period or Extended Completion Period, as the case may be.</p>	<p>Consideration, being the retention sum in relation to the real property gains tax. The 3% RPGT Retention Sum is reasonable and commonly adopted in property transactions. As RPGT is a gains tax on profit from disposing a real property, the seller has the responsibility to pay the RPGT. However, in practice, the buyer or the buyer's solicitor will retain the RPGT from the deposit paid for the real property and thereafter remit the RPGT to the Inland Revenue. Pursuant to Section 21(B) of Real Property Gains Tax Act 1976, the Purchaser shall retain a sum not exceeding 3% of the Purchase Consideration, and shall within 60 days after the date of SPA pay to the Director General. This practice is commonly adopted in property transactions.</p> <p>(ii) The Deferential Sum will be paid within 90 days from the fulfilment of all the conditions precedent;</p> <p>(iii) The Balance Cash Consideration will also be paid within 90 days from the fulfilment of all the conditions precedent by way of release of the loan by the Financier; and</p> <p>(iv) RM25.0 million through issuance of 357,142,857 Consideration Shares. Please refer to our evaluation of the Consideration Shares in Section 5.3 of this IAL.</p> <p>These terms are fair and reasonable and not detrimental to the non-interested Shareholders.</p>

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
Section 4	<p><b>4. Completion</b></p> <p>The completion of the Proposed Acquisition shall take place on the completion date, falling within the Completion Period or Extended Completion Period, as the case may be.</p>	<p>This term sets out the completion date of the Proposed Acquisition.</p> <p>We are of the opinion that the Completion Period or Extended Completion Period is reasonable as it provides sufficient time frame for the Company and the Vendor to complete the Proposed Acquisition.</p>
Section 5	<p><b>5. Default</b></p> <p><u>Default by the Purchaser</u></p> <p>If, for any reason whatsoever <i>(save and except where any such failure is due or attributable to an act or default on the part of the Vendor):-</i></p> <ul style="list-style-type: none"> <li>(i) the Purchaser fails to pay an amount due to the Vendor in accordance with the provisions of the SPA;</li> <li>(ii) the Purchaser fails to observe or perform any material obligation on its part contained in the SPA <i>(other than that provided in (i) above and for the purpose hereof, the failure of the Company to issue the Consideration Shares shall constitute a material failure on the part of the Purchaser)</i> and if such failure is capable of remedy, the Purchaser having failed to remedy or to procure the remedy of the same to the reasonable satisfaction of the Vendor within 10 days from the date of written notice from the Vendor to the Purchaser requesting remedy thereof; or</li> <li>(iii) any of the representations or warranties of the Purchaser or the Company stipulated in the SPA shall at any time be found to be incorrect, untrue or misleading in any material aspect,</li> </ul>	<p>These terms are reasonable as it safeguards the interests of the non-defaulting parties from the defaulting parties in the event of breach of material terms, conditions or covenants of the SPA.</p> <p>These terms are reasonable and not detrimental to the non-interested Shareholders.</p>



Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
	<p>the Vendor shall be entitled to terminate the SPA by notice in writing to the Purchaser, whereupon:-</p> <p>(i) the Company shall immediately cease to have any obligation to issue the Consideration Shares or any other obligation whatsoever under the SPA if the Consideration Shares have not been issued at the time of issue of the notice of termination. If the Consideration Shares have been issued, the Vendor shall do all things necessary or appropriate on written request of the Company to facilitate the cancellation of the Consideration Shares<sup>(1)</sup> at the cost and expense of the Company. If the Company buys back the Consideration Shares<sup>(1)</sup>, the Vendor agrees to a nominal consideration of RM1.00 for all Consideration Shares purchased by the Company;</p> <p><i>Note:-</i></p> <p>(1) <i>Pursuant to the termination of SPA, the issuance of the Consideration Shares would need to be unwound. This may be achieved by way of :-</i></p> <p>(i) <i>Cancellation of the Consideration Shares via a share capital reduction to be undertaken pursuant to Section 116 or 117 of the Act.</i></p> <p><i>A share capital reduction pursuant to Section 116 of the Act is subject to approval from the Shareholders and confirmation by the High Court of Malaya for the share capital reduction whereas a share capital reduction pursuant to Section 117 of the Act is subject to the solvency requirements and approval from the Shareholders; and/or</i></p>	

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
	<p>(ii) <i>Buy-back of the Consideration Shares by the Company via a share buy-back authority, which is subject to approval from the Shareholders for the Company to purchase its own Shares in accordance with Section 127 of the Act and Chapter 12 of the Listing Requirements. As at the LPD, the Company does not have a share buy-back authority.</i></p> <p>(ii) the Vendor's solicitors shall deduct and pay to the Vendor the Agreed Liquidated Damages or applicable part thereof from the Cash Consideration received <i>(and for this purpose if the RPGT Retention Sum has been paid to the Director General, the RPGT Retention Sum shall be treated to have been paid to the Vendor)</i>.</p> <p>If there is any shortfall, the Purchaser shall pay the Vendor the shortfall in the Agreed Liquidated Damages within 14 market days from date of Purchaser's receipt of the notice of termination from the Vendor, failing which the Vendor shall be entitled to charge late payment interest on the amount due and remaining unpaid commencing from due date until date of full and final settlement <i>(whether before or after judgment)</i>;</p> <p>(iii) if the Cash Consideration paid exceeds the Agreed Liquidated Damages, the Vendor shall refund and/or procure the refund of all such excess amount paid by the Purchaser together with interests accrued thereon;</p> <p>in exchange of the full refund and/or cancellation / buy-back of the Consideration Shares:-</p> <p>(iv) the Purchaser shall perform the Purchaser's Termination Obligations; and thereafter;</p>	

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
	<p>(v) the SPA shall forthwith terminate and be null and void and be of no further effect and neither party shall have any claim against the other <i>(save and except for antecedent breach)</i>.</p> <p>The Vendor shall thereafter be at liberty to sell or otherwise deal with the Subject Land and Buildings in any manner as the Vendor deems fit.</p> <p><u>Default by the Vendor</u></p> <p>If, for any reason whatsoever <i>(save and except where any such failure is due or attributable to an act or default on the part of the Purchaser)</i>:-</p> <p>(i) the Vendor fails to perform any material obligation on its part contained in the SPA and if such failure is capable of remedy, the Vendor having failed to remedy the same to the reasonable satisfaction of the Purchaser within 10 days from date of written notice from the Purchaser to the Vendor requesting remedy thereof; or</p> <p>(ii) any of Vendor's warranties as set out in the SPA shall at any time be found to be incorrect, untrue or misleading in any material aspect,</p> <p>then in any such event and notwithstanding anything to the contrary contained in the SPA, the Purchaser shall be entitled to the remedy at law for specific performance. Alternatively, at the election of the Purchaser, the Purchaser may terminate the SPA by notice in writing to the Vendor whereupon:-</p>	

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
	<p>(i) the Company shall immediately cease to have any obligation to issue the Consideration Shares or any other obligation whatsoever under the SPA if the Consideration Shares have not been issued at the time of issue of the notice of termination. If the Consideration Shares have been issued, the Vendor shall do all things necessary or appropriate on written request of the Company to facilitate the cancellation of the Consideration Shares at the cost and expense of the Company. If the Company buys back the Consideration Shares, the Vendor agrees to a nominal consideration of RM1.00 for all Consideration Shares purchased by the Company;</p> <p>(ii) the Vendor shall refund and/or procure the refund of all amounts paid by the Purchaser towards the Cash Consideration together with any interest accrued thereon <i>(and if the sum required to redeem the Subject Land and Buildings from the Chargee has been paid to the Chargee or the RPGT Retention Sum paid to the Director General, the Vendor shall refund or procure the full refund of the amounts paid and pending refund, shall be personally liable for the payment of such amounts, or if the RPGT Retention Sum has not been paid to the Director General for the account of the Vendor, the Purchaser's solicitors are irrevocably instructed to pay all amounts held by them as stakeholder to the Purchaser together with all interests accrued thereon);</i></p> <p>(iii) the Vendor shall pay the Agreed Liquidated Damages to the Purchaser within 14 market days from date of Vendor's receipt of the notice of termination from the Purchaser;</p> <p>in exchange for the full refund, payment and/or cancellation / buy-back of the Consideration Shares:-</p>	

Reference in Appendix III of the Circular	Salient terms of the SPA	SCA's commentary
	<p>(iv) the Purchaser shall perform the Purchaser's Termination Obligations; and thereafter;</p> <p>(v) the SPA shall forthwith terminate and be null and void and be of no further effect and neither party shall have any claim against the other <i>(save and except for antecedent breach)</i>.</p> <p>The Vendor shall thereafter be at liberty to sell or otherwise deal with the Subject Land and Buildings in any manner as the Vendor deems fit.</p>	

*[The rest of this page is intentionally left blank]*

#### **5.4.2. Termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group**

We take note from Section 2.1 of Part A of the Circular: *“As the Minda Global Group is acquiring the entire Subject Land and Buildings pursuant to the Proposed Acquisition, the Master Lease entered into between SMRP (as lessee) and PMSB (as lessor) will be terminated as a consequence of the Proposed Acquisition. For the avoidance of doubt, SMRP had also on 5 October 2022 waived its first right of refusal and option to purchase the Subject Buildings as provided for in the Master Lease (details as set out in Appendix IV of this Circular).”*

*Apart from the Sub-Lease by CUCMS, as at the LPD, SMRP had also sub-leased parts of the Subject Buildings to 6 other tenants (4 of which are wholly-owned subsidiaries of Minda Global with rental totalling to RM60,462.95 per month for a lettable floor area of approximately 34,000 square feet, while the other 2 tenants are, amongst others, bookstore and convenience stores operators with rental totalling to RM37,537.50 per month for a lettable floor area of approximately 25,000 square feet). These sub-leases will be terminated as a consequence of the Proposed Acquisition.”*

We note from the termination clause of the Sub-Lease by CUCMS: *“The Sub-Lease by CUCMS may be terminated by mutual agreement of the parties in writing prior to the expiry of the lease period. The Sub-Lease by CUCMS shall be coterminous with the Master Lease. Should the Master Lease be terminated, the Sub-Lease by CUCMS shall automatically be terminated.”*

Whereas the termination clause of the remaining sub-leases states: *“The sub-lease may be terminated on written notice due to, amongst others, breach of the terms and conditions of the sub-lease by the lessee and in the event the said premise is rendered to be unfit for occupation or use as a result of fire.”*

#### **SCA’s commentary**

We are of the opinion that the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group is reasonable and not detrimental to the non-interested Shareholders due to the following reasons:

- (i) The purchase consideration of RM180.0 million in relation to the Proposed Acquisition is equivalent to the market value of the Subject Land and Buildings and hence, the Proposed Acquisition will not be detrimental to the interests of the non-interested Shareholders of Minda Global. Please refer to Section 5.2 of this IAL for our evaluation on the basis and justification for the Purchase Consideration;
- (ii) The termination of the Master Lease and the Sub-Lease by CUCMS is a consequence of the Proposed Acquisition. In any event, based on the agreements in respect of the Master Lease and the Sub-Lease by CUCMS, the SMRP and CUCMS may mutually terminate the respective tenancy agreements prior to the expiry of its term, whether due to the Proposed Acquisition or otherwise;
- (iii) The total rent for the Master Lease of RM1,262,915.00 per month (RM2.50 psf) (without outgoings) is lower than the gross rental ranging from RM2.55 psf to RM3.60 psf of the analysed gross rental rates of the comparables (without outgoings);
- (iv) The Proposed Acquisition is expected to be beneficial to the Group (and hence, to its shareholders) as it allows the Group to:
  - i. become the owner of the Subject Land and Buildings (instead of being a sub-lease tenant to SMRP, which in turn leases the Subject Land and Buildings from the PMSB). Being the owner of the Subject Land and Buildings, the Group will have full control

over the property and this provides the Group with more certainty and flexibility in undertaking its future expansion plans;

- ii. eliminate the risk of non-renewal of tenancy in respect of part of the Subject Land and Buildings in which UOC operates in view that relocation of UOC to other campus is expected to be very costly and disruptive to the operation of UOC; and
- iii. the Proposed Acquisition will result in an estimated RM3.7 million annual net increase in earnings for the Group. Please refer to Section 7.4.1, Part A of the Circular for further details.

## 5.5. Effects of the Proposed Acquisition

The effects of the Proposed Acquisition are set out in Section 7, Part A of the Circular.

### 5.5.1. Issued Share Capital

The issued number of Minda Global Shares and issued capital will increase pursuant to Proposed Acquisition, in the manner set out below:

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at the LPD	1,321,905,790	388,129,122
To be issued pursuant to the Proposed Acquisition	357,142,857	25,000,000
<b>Enlarged issued share capital</b>	<b>1,679,048,647</b>	<b>413,129,122</b>

In view that the partial settlement of RM180.0 million of the Purchase Consideration is via the issuance of 357,142,857 new Minda Global Shares at RM0.070, the issued share capital will increase by RM25.0 million pursuant to Proposed Acquisition.

The balance of RM155.0 million Purchase Consideration is via cash, and has no impact on the issued share capital.

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### 5.5.2. Substantial Shareholders' shareholdings

The pro forma effects of the Proposed Acquisition on the Company's substantial Shareholders' shareholdings are as follows:

Name	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(i)%	No. of Shares	(i)%	No. of Shares	(ii)%	No. of Shares	(ii)%
SMR Education Sdn Bhd	706,500,212	53.45	-	-	706,500,212	42.08	-	-
SMRT Holdings Berhad	-	-	706,500,212 <sup>(iii)</sup>	53.45	-	-	706,500,212 <sup>(iii)</sup>	42.08
Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar	-	-	706,500,212 <sup>(iv)</sup>	53.45	-	-	706,500,212 <sup>(iv)</sup>	42.08
PMSB	-	-	-	-	357,142,857	21.27	-	-

Notes:

- (i) Based on the issued share capital of 1,321,905,790 Shares as at the LPD.
- (ii) Based on the enlarged issued share capital of 1,679,048,647 Shares after the Proposed Acquisition.
- (iii) Deemed interested by virtue of its interest in SMR Education Sdn Bhd pursuant to Section 8(4) of the Act.
- (iv) Deemed interested by virtue of its interest in SMR Education Sdn Bhd and SMRT Holdings Berhad pursuant to Section 8(4) of the Act.

#### **SCA's commentary**

Upon completion of the Proposed Acquisition, the Consideration Shares would represent 21.27% of the enlarged number of Minda Global Shares. SMR Education Sdn Bhd, a substantial Shareholder of Minda Global, will see a dilution of its shareholdings, from 53.45% to 42.08%, while PMSB will emerge as a substantial Shareholder, with a 21.27% direct stake in Minda Global, as a result of receiving the Consideration Shares pursuant to the Proposed Acquisition.

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### 5.5.3. NA and gearing

Based on Minda Global's audited consolidated statement of financial position as at 31 December 2021 and assuming the Proposed Acquisition has been completed as at that date, the pro forma effects of the Proposed Acquisition on Minda Global Group's NA, NA per Share and gearing are as follows:

	<b>Audited As at 31 December 2021</b>	<b>After the Proposed Acquisition</b>
	<b>RM'000</b>	<b>RM'000</b>
Share capital	388,129	413,129
Capital reorganisation deficit	(7,064)	(7,064)
Revaluation reserve	14,484	14,484
Accumulated losses	(192,930)	(181,081) <sup>(i)(ii)</sup>
<b>NA / Total equity</b>	<b>202,619</b>	<b>239,468</b>
No. of Shares in issue ('000)	1,321,906	1,679,049
NA per Share (RM)	0.15	0.14
 Total borrowings, including lease liabilities	 162,412	 195,713 <sup>(ii)(iii)</sup>
Gearing (times)	0.80	0.82

Notes:

- (i) After deducting the estimated expenses in relation to the Proposals of approximately RM0.72 million.
- (ii) After derecognising the right-of-use asset amounting to RM94.67 million and the corresponding lease liabilities amounting to RM107.24 million and recognising a one-off gain on modification of lease amounting to RM12.57 million.
- (iii) After taking into consideration the loan of RM140.0 million to be undertaken by the Purchaser for the Proposed Acquisition.

The Proposed Acquisition would result in increase in the pro forma consolidated NA of Minda Global. As per the illustration above, the NA of Minda Global will increase to RM239.5 million according to the Proposed Acquisition, from RM202.6 million as at 31 December 2021.

Consequent to the Proposed Acquisition, the pro forma gearing would increase, in the manner set out in the illustration above.

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#### 5.5.4. Earnings and EPS

Based on Minda Global's audited consolidated financial statement 31 December 2021, and assuming the Proposed Acquisition had been effected on 1 January 2022 (i.e. the beginning of FYE 31 December 2021), the pro forma effects of the Proposed Acquisition on the Group's earnings and EPS are as follows:-

	<b>Audited FYE 30 December 2021</b>	<b>After the Proposed Acquisition</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to the owners of the Company	3,502	19,053 <sup>(i)(ii)</sup>
Weighted average number of Shares in issue ('000)	1,306,629	1,663,772
<b>EPS (sen)</b>	<b>0.27</b>	<b>1.15</b>

Notes:-

- (i) After deducting the estimated expenses in relation to the Proposals of approximately RM0.72 million and recognising a one-off gain on modification of lease amounting to RM12.57 million.
- (ii) After accounting for the estimated annual net increase in earnings computed based on the following assumptions:-

	<b>RM'000</b>
Annual reduction in amortisation of right-of-use assets	6,773
Annual reduction in interest expenses in relation to lease liabilities	6,814
Annual reduction in rental expenses in relation to sub-leases by Minda Global Group with SMRP (excluding the Sub-Lease by CUCMS)	628
Less:	
Annual cost of financing (assuming interest rate of 4.46% per annum for the debt financing to fund the Balance Cash Consideration)	(6,244)
Annual depreciation expense	(3,100)
Annual increase in earnings	4,871
Assuming corporate tax rate of 24%	(1,169)
<b>Annual net increase in earnings</b>	<b>3,702</b>

The Proposed Acquisition is expected to contribute positively to the future consolidated earnings of the Group, which would in turn improve the EPS of the Group.

Premised on the above, the Proposed Acquisition is expected to result in positive financial effects to the Group. Thus, we are of the view that the financial effects of the Proposed Acquisition, taken as a whole, are **fair**, expected to be beneficial and **not detrimental** to the interests of the non-interested Shareholders of Minda Global.

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## 5.6. Industry overview and future prospects

We refer to the industry overview and prospects as set out in Section 5, Part A of the Circular. We also wish to draw the attention of the Board (save for the Interested Directors) and non-interested Shareholders to the following additional industry overview associated with the Proposed Acquisition, which were not mentioned in Section 5, Part A of the Circular.

### 5.6.1. Overview and outlook of the Malaysian economy

The Malaysian economy is projected to expand further for the remainder of the year. Economic growth will be underpinned by firm domestic demand as external demand is expected to moderate, weighed by headwinds to global growth. Going forward, growth would continue to benefit from improving labour market conditions and recovery in tourism-related sectors, following the reopening of international borders.

During the quarter, domestic demand registered a higher growth of 13.0% (1Q 2022: 4.4%). This was mainly supported by a robust growth in private expenditure amid further normalisation of economic activity, as well as improving labour market conditions. On the external front, demand for Malaysia's exports, particularly for E&E products, remained strong.

Private consumption grew at a faster pace of 18.3% (1Q 2022: 5.5%), driven by higher spending on necessities and selected discretionary items such as restaurants and hotels, recreational services and household furnishings. The strength in consumer expenditure was primarily driven by the recovery in the labour market. Policy support, including the implementation of minimum wage hike, Bantuan Keluarga Malaysia and an Employees Provident Fund (EPF)-related measure also provided additional lift to consumer spending.

*(Source: Quarterly Bulletin for Second Quarter of 2022, Bank Negara Malaysia)*

For the Malaysian economy, economic activity continued to strengthen in recent months. Exports and retail spending indicators affirm the positive growth momentum, supported by the transition to endemicity. In the labour market, the unemployment rate declined further, with higher labour participation and improving income prospects. Looking ahead, while external demand is expected to moderate, weighed by headwinds to global growth, economic growth will be supported by firm domestic demand. Additionally, the reopening of international borders since 1 April 2022 would facilitate the recovery in tourism-related sectors. Investment activity and prospects continue to be supported by the realisation of multi-year projects. However, the downside risks to growth continue to stem from a weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions.

Year-to-date, headline inflation has averaged 2.4%. While it is projected to remain within the 2.2%-3.2% forecast range for the year, headline inflation may be higher in some months due mainly to the base effect from electricity prices. Underlying inflation, as measured by core inflation, is expected to average between 2.0%-3.0% in 2022 as demand continues to improve amid the high-cost environment. Nevertheless, the extent of upward pressures on inflation will remain partly contained by existing price controls, fuel subsidies and the continued spare capacity in the economy. The inflation outlook continues to be subject to global commodity price developments, arising mainly from the ongoing military conflict in Ukraine and prolonged supply-related disruptions, as well as domestic policy measures.

*(Source: Monetary Policy Statement, Bank Negara Malaysia, 6 July 2022)*

### 5.6.2. Overview and outlook of the education industry in Malaysia

Human capital is a key driver of economic growth and socioeconomic development. Efforts to accelerate manpower development through higher education was derailed by the pandemic but resumed its recovery trajectory in some areas. According to the Department of Statistics Malaysia (DOSM), about 32 per cent of the Malaysian labour force possess tertiary qualifications. This achievement is more than a threefold increase since 1990. The number of university graduates in Malaysia increased by 4.4 per cent in 2020 from 5.13 million graduates in 2019. This is inline with the growth of Malaysia's Private Higher Education Institutions (PHEIs) in recent decades, supplying a constant stream of human capital for the country as well as the wider ASEAN region.

The enhancement of the education standard remains a priority for Malaysia. This includes improving technical and vocational education and training (TVET), strengthening lifelong learning (LLL) and increasing the efficiency of the labour market to meet industry demands, especially since the Fourth Industrial Revolution (4IR) brings diverse new technologies that impact education diverse new technologies that impact education and training. Confronting this reality, the Twelfth Malaysia Plan (12MP) focuses on realigning the labour market for inclusive and sustainable growth, increasing job opportunities for Malaysians as well as developing future-ready talent.

The country's ongoing efforts were recognised in the QS World University Rankings for Asia 2022 where University Malaya (UM) along with 24 other Malaysian tertiary institutions showed improvements. UM went up one spot to rank eighth in Asia and privately owned UCSI University breached the top 100, climbing 28 levels to the 77th position.

Nonetheless, disruptions in the higher education sector continued through 2021 with the closure of institutions and international borders for almost a year, necessitating a more sophisticated delivery of online and distance learning. Cognisant of this, the Education Ministry was allocated RM52.6 billion for Budget 2022 to aid the recovery of this sector. The Higher Education Ministry was granted RM14.5 billion to improve the online learning system, enhance digital access and flexible learning options, while TVET received RM6.6 billion to upgrade their upskilling and re-skilling programmes, with an emphasis on getting industry accreditation.

To help close the gaps between the needs of the industry and the supply of young local talents, one of MIDA's latest initiatives, the Artificial Intelligence for Universities (AI4U) Programme was organised in collaboration with Intel Malaysia and the Malaysia Productivity Corporation (MPC). (Other initiatives by MIDA can be found on page 68-69, Box Article: Strengthening Malaysia's Talent Readiness).

PHEIs including TVET institutions may apply for the Domestic Investment Strategic Fund (DISF) and the Smart Automation Grant (SAG) under PENJANA to support the adoption of technology and innovation. The funds will cater to expenditures incurred in training Malaysians, R&D activities, automation, modernisation and upgrading of facilities, obtaining international standards/certification, and licensing or purchasing new/high technology. In 2021, MIDA approved a SAG for a private college engaged in the adoption of smart digital technology. The college made an additional investment of RM1.9 million for the introduction of advanced digital ultrasound machines for students of Medical Imaging and Advanced Diploma in Medical Ultrasonography for their practical learning. Learning and teaching methods that combine sophisticated digital media and simulation are well aligned with the National 4IR Policy.

Investment opportunities abound in niche TVET areas such as aerospace, aeronautics, digital electronics, creative industries and hospitality. MIDA welcomes both local and foreign companies to venture into new growth areas of high value-added, knowledge-based technology towards creating a conducive and engaging lifelong learning environment in Malaysia.

*(Source: Malaysia Investment Performance Report 2021, Malaysian Investment Development Authority)*

### 5.6.3. Prospects and future plans of the Subject Land and Buildings

We noted from Section 4.1 of Part A of the Circular that through the Proposed Acquisition, the Group will become the owner of the Subject Land and Buildings and have full control over the Subject Land and Buildings. This provides the Group with more certainty and flexibility in undertaking any future expansion plans including refurbishment and renovation of the Subject Buildings for the operation of UOC as well as marketing and advertising of UOC located in the Subject Buildings in Cyberjaya.

#### SCA's commentary

As the country moved towards endemicity and reopened international borders, we noted that the normalising of economic activities and the easing of containment measures enabled a strong growth of 8.9% in the Second Quarter 2022 GDP of the Malaysian economy.

In the education sector, the government had placed great emphasis on the enhancement of education standard with the Education Ministry allocated RM52.6 billion for Budget 2022 to aid in the recovery of this sector. We noted that great importance is placed in this sector as human capital is essential for the country's economic growth and socioeconomic development.

We also noted from Section 5.3, Part A of the Circular, during mid-March 2020 until 2<sup>nd</sup> half 2022, the enrolments of both international and local students of the Group had been adversely affected due to domestic and international travel restrictions as well as rescheduling / postponement of the Sijil Pelajaran Malaysia (SPM) and Sijil Tinggi Persekolahan Malaysia (STPM) examinations, which had an adverse domino / chain effect on private higher education institutions as student intakes for colleges / universities. We also note that moving forward as Malaysia is transitioning from a pandemic to endemic phase, higher enrolment rates can be expected as the easing of travel restrictions will enable students to travel for education purposes. The relaxation of containment measures will also enable students to have the full university experience with face-to-face interaction through physical classes and other student activities.

Taking into consideration the above, we are of the view that it is **reasonable** for the Minda Global Group to proceed with the Proposed Acquisition.

### 5.7. Risk factors of the Proposed Acquisition

In evaluating the Proposed Acquisition, you should carefully consider the risk factors as set out in Section 6, Part A of the Circular before voting on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM.

Additionally, we set out below additional risk factor pertaining to the Proposed Acquisition:

#### 5.7.1. Non-completion risk of the Proposed Acquisition

We take note that the completion of the Proposed Acquisition is subject to certain conditions such as the approvals from the non-interested Shareholders and from the relevant authorities (if any). In the event any of conditions precedent as set out in Section 5.4, Part A of this IAL is not fulfilled and/or in the event an extension of time is not agreed upon between the parties to the SPA, the SPA will be terminated and become null and void. As such, the rationale and prospects to be realised from the Proposed Acquisition will not materialise.

We wish to highlight that although efforts and measures have been taken by Minda Global Group to mitigate and contain the risks associated with the Proposed Acquisition, no assurance can be given that one or a combination of risk factors as stated in Section 6, Part A of the Circular and as mentioned above will not occur and give material adverse impact on the business and operation of the Minda Global Group, its financial performance or prospects thereon.

## 6. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) after taking into consideration the various factors as set out in Section 5 of this IAL. In arriving at our conclusion and recommendation, we have considered and summarised the following pertinent factors, which the non-interested Shareholders should consider when forming their views on the Proposed Acquisition.

A summary of our evaluations are as follows:-

Section in this IAL	Area of evaluation	SCA's comments
5.1	<b>Rationale for the Proposed Acquisition</b>	<p>We are of the view that the rationale of the Proposed Acquisition is <b><u>reasonable</u></b> and <b><u>not detrimental</u></b> to the non-interested Shareholders of Minda Global.</p> <p>The Proposed Acquisition is expected to bring the following benefits to the Group:-</p> <p><b>(i) Eliminate risk of non-renewal of tenancy</b></p> <p>The Proposed Acquisition expects to:-</p> <p>(a) mitigate the operation risk that the Group may encounter and preserve the Renovation Cost incurred if the existing sub-leases or Master Lease for the Subject Buildings is terminated or not renewed; and</p> <p>(b) reduce the Group's operational risk by owning a permanent purpose-built building and thereby ensuring its business continuity.</p> <p><b>(ii) Flexibility in undertaking future expansion plans</b></p> <p>The Group will be the registered owner of the Subject Land and Buildings and has full control over the Property upon completion of the Proposed Acquisition.</p> <p>This provides the Group with more certainty and flexibility in undertaking any future expansion plans including refurbishment and renovation of the Subject Buildings for the operation of UOC as well as marketing and advertising of UOC located in Cyberjaya.</p> <p>Being the owner of the Subject Land and Buildings, Minda Global will be able to modify, enhance and/or expand the Subject Buildings without any restrictions. This will augur well for Minda Global when planning for additional facilities and/or expansion of new faculties, subject to the availability of the Subject Buildings' space and approval from the relevant authorities.</p> <p><b>(iii) Settlement of the Purchase Consideration through combination of cash and issuance of the Consideration Shares</b></p> <p>Issuance of the Consideration Shares allows the Group to complete the Proposed Acquisition in a shorter timeframe</p>

Section in this IAL	Area of evaluation	SCA's comments
		<p>and conserve its cash for working capital purposes. In view of the increase in the NA and earnings of the Group subsequent to the completion of the Proposed Acquisition, we are of the opinion that the mode of settlement of Purchase Consideration is reasonable.</p> <p><b>(iv) Result in an estimated RM3.7 million annual net increase in earnings for the Group.</b></p> <p>Please refer to Section 7.4.1, Part A of the Circular for further information.</p>
5.2	<b>Basis and justification for the Purchase Consideration</b>	<p>The Purchase Consideration for the Proposed Acquisition was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of RM180.0 million for the Subject Land and Buildings as appraised by the Valuer, the rationale for the Proposed Acquisition and prospects of the Subject Land and Buildings.</p> <p>As the Purchase Consideration is equivalent to the market value of RM180.0 million for the Subject Land and Buildings, we are of the view that the Purchase Consideration for the Proposed Acquisition is justifiable and not detrimental to the non-interested Shareholders.</p> <p>We have relied on the Valuation Report prepared by the Valuer and have assessed the fairness of the Purchase Consideration of RM180.0 million as follows:</p> <p><b>Cost approach (primary approach)</b></p> <p>(i) the adjusted land value of RM145 psf is fair as it is within the range of RM103.73 psf and RM160.00 psf. of the comparable; and</p> <p>(ii) construction cost of RM230 psf for upper floors is fair as it is slightly below the range of average construction costs for standard offices for high rise which ranged between RM236 psf to RM316 psf and the construction cost of RM138 psf for basement to mezzanine floors is fair as it comprises mainly of carpark bays and have simpler finishes compared to the upper floors.</p> <p><b>Income approach (secondary approach)</b></p> <p>We note that the yield of 6.50% of the Subject Land and Buildings is within the yield range for comparables selected by the Valuer.</p> <p>Please refer to Section 5.2 of this IAL for our detailed evaluation of the Purchase Consideration for the Proposed Acquisition, which we are of the view that the Purchase Consideration is <b><u>fair</u></b> and the valuation approach applied by the Valuer is <b><u>reasonable</u></b> and <b><u>not detrimental</u></b> to the interests of the non-interested Shareholders.</p>

Section in this IAL	Area of evaluation	SCA's comments
5.3	<b>Basis and justification for the Issue Price of the Consideration Shares</b>	<p>We noted that the Issue Price of the Consideration Shares of RM0.070 per share was arrived at after taking into consideration the closing market price on the LTD of 9 June 2022.</p> <p>Thus, we have primarily made reference to the following:-</p> <ul style="list-style-type: none"> <li>(i) the historical price performance of Minda Global Shares (being the historical 12-month VWAP up to and including the LTD); and</li> <li>(ii) the daily closing prices of Minda Global Shares for the 12-month period prior to the LTD (i.e. from 10 June 2021 to the LTD).</li> </ul> <p>As per Section 2.4, Part A of the Circular, the closing market price on LTD was adopted as the basis for the Issue Price as it reflects the latest price of Minda Global Shares.</p> <p>We noted that the Issue Price of RM0.070 represents a premium of 4.48%, 6.22%, 8.02% and 4.32% over the VWAP for the 5-day, 1-month, 3-month and 6-month up to LTD.</p> <p>We noted that the Issue Price of RM0.070 is within the closing price range of Minda Global Shares for the past twelve (12) months prior to the LTD.</p> <p>Premised on the above, we are of the view that the Issue Price of the Consideration Shares is <b>fair</b> and the basis of arriving at the Issue Price is <b>reasonable</b> and <b>not detrimental</b> to the non-interested Shareholders of the Company.</p>
5.4	<b>Salient terms of the SPA and termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group</b>	<p>We are of the opinion that the salient terms of the SPA and termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group are generally <b>reasonable</b> and <b>not detrimental</b> to the interests of the non-interested Shareholders.</p>
5.5	<b>Effects of the Proposed Acquisition</b>	<p>The Proposed Acquisition is expected to result in positive financial effects to the Group due to an increase in NA and earnings of the Group.</p> <p>Thus, we are of the view that the Proposed Acquisition is expected to be <b>fair</b> and <b>not detrimental</b> to the interests of the non-interested Shareholders of Minda Global.</p>
5.6	<b>Industry overview and future prospects</b>	<p>We noted that the normalising of economic activities and the easing of containment measures contributed to the economic growth in the Second Quarter of 2022 GDP of the Malaysian economy.</p> <p>In the education sector, the government had placed great emphasis on the enhancement of education standard with the Education Ministry allocated RM52.6 billion for Budget 2022 to aid the recovery of this sector as human capital is essential for the country's economic growth and socioeconomic development.</p>



Section in this IAL	Area of evaluation	SCA's comments
		Premised on the above, we are of the view that the Proposed Acquisition is <b>reasonable</b> and <b>not detrimental</b> to the Group and non-interested Shareholders of Minda Global.
<b>5.7</b>	<b>Risk factors of the Proposed Acquisition</b>	We are of the view that the risk factors associated with the Proposed Acquisition have been adequately considered by Minda Global and that the Proposed Acquisition is likely to yield benefits which would outweigh the indicated risks.

Based on our evaluation as set out in this IAL and summarised in the above section, we are of the opinion that the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) is **fair** and **reasonable** insofar as you are concerned.

Therefore, in the absence of unforeseen circumstances, the Proposed Acquisition (*including the termination of the Master Lease and sub-leases of the Subject Land and Buildings by the Group*) is in the **best interest** of the Minda Global Group and **not detrimental** to the interests of the non-interested Shareholders of Minda Global.

Accordingly, we recommend that you should **vote in favour** of the resolution to give effect to the Proposed Acquisition to be tabled at the forthcoming EGM of the Company.

Yours faithfully,  
for and on behalf of  
**SIERAC CORPORATE ADVISERS SDN BHD**

**TEH SEW HONG**  
Executive Director

**TAN HOOI WEN**  
Associate Director, Corporate Finance

**PART C**

**LETTER TO THE SHAREHOLDERS  
IN RELATION TO THE PROPOSED CHANGE OF NAME**

# Minda Global Berhad

**MINDA GLOBAL BERHAD**  
(Registration No: 201601039044 (1209985-V))  
(Incorporated in Malaysia)

**Registered office:**

Level 5, Tower 8, Avenue 5, Horizon 2  
Bangsar South City  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

6 October 2022

**Board of Directors**

General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj. Nordin (Rtd.) (*Independent Non-Executive Chairman*)

Maha Ramanathan Palan (*Group Managing Director*)

Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar (*Non-Independent Non-Executive Director*)

Tan Sri Datuk (Dr.) Rafiah Binti Salim (*Senior Independent Non-Executive Director*)

Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar (*Independent Non-Executive Director*)

Dato' Tan Choon Hwa @ Esther Tan Choon Hwa (*Independent Non-Executive Director*)

**To: The Shareholders**

Dear Sir / Madam,

**PROPOSED CHANGE OF NAME**

---

**1. INTRODUCTION**

On 4 October 2022, the Board announced that the Company is proposing to change its name from "Minda Global Berhad" to "Cyberjaya Education Group Berhad".

**THE PURPOSE OF PART C OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED CHANGE OF NAME AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED CHANGE OF NAME WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART C OF THIS CIRCULAR TOGETHER WITH ITS APPENDICES BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED CHANGE OF NAME TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED CHANGE OF NAME**

The proposed name “Cyberjaya Education Group Berhad” was approved by the Companies Commission of Malaysia on 23 September 2022. The Proposed Change of Name, if approved by the shareholders, will be effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia.

## **3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED CHANGE OF NAME**

The Proposed Change of Name is in line with the Company’s rebranding exercise, which began in 2021, to reflect its flagship university, UOC. This new corporate identity offers a better reflection of the Group’s presence and focus in the education business.

## **4. EFFECTS OF THE PROPOSED CHANGE OF NAME**

The Proposed Change of Name will not have any effect on the issued share capital and substantial Shareholders’ shareholdings in the Company, and the NA, NA per Share, gearing, earnings and EPS of the Group.

## **5. APPROVALS REQUIRED AND CONDITIONALITY**

The Proposed Change of Name is subject to the approval of the Shareholders at the forthcoming EGM.

The Proposed Change of Name is not conditional upon any other corporate exercise / scheme being or proposed to be undertaken by the Company.

## **6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors, Major Shareholders, chief executive of the Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Change of Name.

## **7. DIRECTORS’ STATEMENT AND RECOMMENDATION**

The Board, having considered all aspects of the Proposed Change of Name, is of the opinion that the Proposed Change of Name is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Change of Name to be tabled at the forthcoming EGM.

## **8. EGM**

The EGM, the notice of which is enclosed in this Circular, will be held at Lecture Hall 3 and 4, Level 4, Academic Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor on Monday, 31 October 2022 at 9.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposed Change of Name.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 24 hours before the time set for holding the EGM or at any adjournment thereof. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

## **9. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
**MINDA GLOBAL BERHAD**

**MAHA RAMANATHAN PALAN**  
Group Managing Director

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

The Board has seen and approved this Circular and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular. They confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts and information which, if omitted, would make any statement in this Circular false or misleading.

The information relating to the Vendor has been obtained from the Vendor and the sole responsibility of the Board is limited to ensuring that such information is accurately reproduced in this Circular and the Board accepts no further or other responsibility in respect of such information.

Further, the Board has seen and approved the IAL. The responsibility of the Board in respect of the independent advice and expression of opinion by SCA in relation to the Proposed Acquisition as set out in the IAL is to ensure that all statements, facts and/or information in relation to the Group that is relevant to SCA's evaluation of the Proposed Acquisition have been reasonably, accurately and completely disclosed and provided to SCA and is free from material omission.

**2. CONSENT AND CONFLICT OF INTEREST****Mercury Securities**

Mercury Securities, being the Principal Adviser to the Company for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Mercury Securities confirms that it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposals.

**SCA**

SCA, being the Independent Adviser to the Company for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

SCA confirms that it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser for the Proposed Acquisition.

**Raine & Horne**

Raine & Horne, being the Valuer for the Subject Land and Buildings, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the valuation certificate for the Subject Land and Buildings as set out in Appendix II of this Circular and all references thereto in the form and context in which they appear in this Circular.

Raine & Horne confirms that it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Valuer for the Subject Land and Buildings.

**Baker Tilly Monteiro Heng PLT**

Baker Tilly Monteiro Heng PLT, being the Reporting Accountants for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the proforma consolidated statement of financial position of the Group as at 31 December 2021 together with the Reporting Accountants' letter thereon as set out in Appendix VI of this Circular and all references thereto in the form and context in which they appear in this Circular.

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**APPENDIX I – FURTHER INFORMATION (cont'd)**

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Baker Tilly Monteiro Heng PLT confirms that it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Reporting Accountants for the Proposed Acquisition.

### 3. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of the Shares as transacted for the past 12 months preceding the date of this Circular as well as the last transacted market prices of the Shares on the relevant dates are as follows:-

	High	Low
	RM	RM
<b>2021</b>		
October	0.085	0.070
November	0.080	0.055
December	0.070	0.050
<b>2022</b>		
January	0.090	0.055
February	0.075	0.060
March	0.070	0.050
April	0.075	0.055
May	0.070	0.060
June	0.080	0.060
July	0.075	0.060
August	0.065	0.055
September	0.060	0.045
	<b>RM</b>	
Last transacted market price of the Shares on the LTD	0.070	
Last transacted market price of the Shares on the LPD	0.055	

(Source: Bloomberg)

### 4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

#### Material commitments

As at the LPD, the Board confirmed that save for the Proposed Acquisition, there are no other material commitments incurred or known to be incurred by the Minda Global Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Minda Global Group.

#### Contingent liabilities

As at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Minda Global Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Minda Global Group.

### 5. MATERIAL LITIGATION

As at the LPD, the Vendor confirmed that there is no material litigations, claims and/or arbitration involving the Subject Land and Buildings, and the Vendor confirmed that there is no proceeding, pending or threatened, involving the Subject Land and Buildings.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours on Mondays to Fridays (*except public holidays*) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) Constitution of the Company;
- (ii) audited consolidated financial statements of the Company for the FYE 31 December 2020 and FYE 31 December 2021 as well as the unaudited consolidated financial statements of the Company for the 6-month FPE 30 June 2022;
- (iii) the valuation certificate by Raine & Horne referred to in Appendix II of this Circular, as well as the valuation report;
- (iv) the SPA;
- (v) the Master Lease and sub-leases of the Subject Land and Buildings by the Group referred to in in Appendix IV and V of this Circular respectively;
- (vi) letters of consent and declaration of conflict of interest referred to in Section 2 of this Appendix I;
- (vii) the proforma consolidated statement of financial position of the Group as at 31 December 2021 together with the reporting accountants' letter thereon as set out in Appendix VI of this Circular; and
- (viii) draft By-laws as set out in Appendix VII of this Circular.



## APPENDIX II – VALUATION CERTIFICATE FOR THE SUBJECT LAND AND BUILDINGS

Our Reference : VSJ22.186.01

10 May 2022

The Board of Directors  
**UOC SDN BHD**  
Level 8, Tower Block  
University of Cyberjaya Campus  
Persiaran Bestari, Cyber 11  
63000 Cyberjaya  
Selangor Darul Ehsan

Dear Sirs,

### VALUATION CERTIFICATE FOR:

**VALUATION OF LOT 120232, BANDAR CYBERJAYA, DISTRICT OF SEPANG, SELANGOR DARUL EHSAN COMPRISING A PARCEL OF COMMERCIAL LAND AND THE BUILDINGS ERECTED THEREON (WHICH ARE USED AS A CAMPUS BUILDING PRIMARILY AS A PRIVATE UNIVERSITY AND BEARING ADDRESS UNIVERSITY OF CYBERJAYA, PERSIARAN BESTARI, CYBER 11, 63000 CYBERJAYA, SELANGOR DARUL EHSAN) (HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTY")**

This Valuation Certificate has been prepared for inclusion in the Circular to Shareholders of Minda Global Berhad in relation to a proposed acquisition of the Subject Property by UOC Sdn Bhd ("UOC"), the wholly owned subsidiary of Minda Global Berhad ("MGB"), for a total consideration of RM180.0 million ("Proposed Acquisition").

In accordance with your instructions to value the Subject Property for the purpose of submission to Bursa Malaysia Securities Berhad and inclusion in the Circular, we have inspected the Subject Property on 10 May 2022 and the material date of valuation is as at 10 May 2022.

The valuation has been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia and with the necessary professional responsibility and due diligence.

Our basis of valuation is the "Market Value" which is defined in the Malaysian Valuation Standards as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

We note that UOC ("the Purchaser") has proposed to enter into a sale and purchase agreement ("SPA") with the registered owner and Lessor of the Subject Property, namely Persada Mewah Sdn Bhd ("PMSB") ("the Vendor") and MGB ("the Issuer") whereby:

- (i) PMSB has leased the Subject Property to SMR Properties Management Sdn Bhd ("SMRPM") (the "Lessee") upon the terms and conditions of the existing Lease and the Lessee has sub-let various parts of the Subject Property to the Tenants;
- (ii) The Purchaser is desirous of purchasing, and the Vendor is desirous of selling the Subject Property together with Fixtures and Fittings and all other appurtenant thereto (excluding always any fixtures, fittings and any other property of the Lessee and the Tenants);
- (iii) the Subject Property is sold without vacant possession (it being noted that various parts of the Subject Property have been let out to the Tenants);

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- (iv) the existing Lease shall be surrendered and terminated in accordance with the Deed of Surrender of Lease;

We also note that PMSB ("the Lessor") has proposed to enter into a Deed of Surrender of Lease with SMRPM ("the Lessee") whereby the Lessee is agreeable at the request of the Lessor to the surrender and termination of the Lease on the date when the sale and purchase transaction under the SPA is completed.

In view of the existing Lease which will be terminated, the tenancies that are sub-let will therefore be terminated by the Lessee. Hence, our valuation of the Subject Property is on the basis of vacant possession.

The details of the Subject Properties are as follows:

## **1.0 IDENTIFICATION OF PROPERTY**

### **1.1 Property Address**

University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan.

### **1.2 Type of Property**

A parcel of commercial land and the buildings erected thereon (which are used as a campus building primarily as a private university).

### **1.3 Title Particulars**

The title particulars of the subject property are as follow:-

Title No.	:	Geran 340365.
Lot / Mukim / District / State	:	Lot 120232, Bandar Cyberjaya, District of Sepang, Selangor Darul Ehsan.
Title Area	:	16,208 square metres.
Tenure	:	Freehold.
Annual Rent	:	RM17,862.00.
Registered Owner	:	Persada Mewah Sdn Bhd.
Category of Land Use	:	Bangunan.
Express Condition	:	Bangunan Perniagaan.
Restriction in Interest	:	Tanah ini tidak boleh dipindahmilik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri.
Encumbrance	:	The title is charged twice to <b>AMBANK (M) BERHAD</b> , registered on 26 June 2012 and 19 October 2016.
Endorsement	:	Private caveat entered by <b>AMBANK (M) BERHAD</b> , registered on 18 June 2012.

Note:

The title has a restriction in-interest whereby the land cannot be transferred, leased or charged without the consent from the State Authority. Our valuation is also on the basis that consent from the State Authority permitting transfer, lease or charge will not unreasonably be withheld.

## **2.0 PROPERTY DESCRIPTION**

### **2.1 Location**

The Subject Property is located in Cyberjaya and within the precinct of Cyber 11 which is sited off the left (eastern) side of North–South Expressway Central Link (ELITE), travelling from Shah Alam and Putra Heights towards Kuala Lumpur International Airport (KLIA) and Nilai. It is also sited off the left (western) side of Putrajaya–Cyberjaya Expressway, travelling from Kuala Lumpur International Airport (KLIA) and Dengkil towards Seri Kembangan and Puchong.

The federal administrative centre in Putrajaya is located approximately 8 kilometres due south-east of the Subject Property whilst Kuala Lumpur city centre is located approximately 30 kilometres due north-east. The Subject Property is either accessible from North–South Expressway Central Link (ELITE) or Maju Expressway (MEX) via Lingkaran Putrajaya, Persiaran Sepang, Persiaran Multimedia and Persiaran Bestari. Alternatively, it is also accessible from the Putrajaya–Cyberjaya Expressway via Persiaran Apec, Persiaran Multimedia and Persiaran Bestari.

Properties in the immediate vicinity of the Subject Property are predominantly commercial and residential in character comprising office buildings, stratified shop/office lots, service apartments and condominium developments, townhouses as well as colleges and universities.

Cyberjaya which was launched in 1996 is a city that forms a key part of the Multimedia Super Corridor in Malaysia. The Subject Property is located within the West District which is designated for nurturing talent for technology hub and a hub for the convergence of academia and working communities. The Subject Property forms part of the on-going Edusphere @ Cyberjaya, a 24-acre mixed development developed by HCK Group comprising residential and commercial development.

Multimedia University (MMU Cyberjaya) is located directly opposite the Subject Property whilst other educational institutions located in the vicinity include Lim Kok Wing University of Creative Technology, Universiti Islam Malaysia, University Malaysia of Computer Science & Engineering (UNIMY), Asia Metropolitan University, FTMS College and ELC International School.

## **2.2 Site**

The subject site comprises a parcel of commercial land zoned for private institution use which is almost rectangular in shape and having a title land area of 16,208 square metres (174,461 square feet). The site is generally flat in terrain and slopes gently downwards from the eastern boundary towards the western boundary. The eastern portion of the subject site lies slightly above the level of the frontage metalled road, Persiaran Bestari. The site boundaries are generally demarcated by metal mesh fencing whilst the main entrance to the site from Persiaran Bestari is secured by a guard house with boom gates. The internal circulation areas of the site are laid with reinforced concrete and is well landscaped.

## **2.3 Buildings And Fixtures**

The site accommodates a campus building used as a private university known as University of Cyberjaya. University of Cyberjaya is a healthcare university with over 3,500 students who are enrolled in more than 20 programmes ranging from degree to postgraduate research courses.

The buildings are four (4) years old and in a good state of decorative repair. The buildings comprised basic structural finishes such as cement rendering and cement plaster within the lettable areas. The common areas such as lift toilets, toilets and staircases are finished with tiles.

We note that the buildings have subsequently renovated and fitted-out by the Lessee to incorporate internal works for the use as a private university that included the following:

- i) Part of the lower ground floor of the car park block was renovated to accommodate a morgue cum cold room and a morgue lecture hall.
- ii) The flooring in the administrative office block on the first to fourth floors and eight floors is of porcelain tiles, timber flooring, homogeneous tiles and wall-to wall carpet whilst the ceiling is of plasterboards and suspended mineral fibreboards. Part of the internal walls on the eight floor is fitted with timber panels / wall papers;
- iii) The flooring in the academic block is of porcelain tiles, timber flooring, homogeneous tiles and wall-to wall carpet whilst the ceiling is of plasterboards and suspended mineral fibreboards;
- iv) The cafeteria and library located in the academic block accommodates mezzanine levels;
- v) The internal walls of the auditorium and multi-purpose hall in the academic block are generally fitted with timber panels and wall papers.

## APPENDIX II – VALUATION CERTIFICATE FOR THE SUBJECT LAND AND BUILDINGS (cont'd)



The renovation and fit-out of the building were mostly carried out during the final phase of construction of the building and were based on the layout of the approved building plans vide ref. no. MPSepang 600-34/2/76 dated 4 December 2017. Subsequently, the building was issued with the Certificate of Completion and Compliance (CCC) on 30 March 2018. We were informed by our client UOC Sdn Bhd, that the taking of possession of the building by the Lessee was in May 2018 and the first intake of students was in August 2018. Hence the lecture halls, meeting rooms, faculty offices, laboratories, simulation wards and auditorium already form part of the accommodation layout in the approved building plans. In addition, the approved plan on the Level Lower Ground for 'Bilik Kuliah' is used as the morgue lab and morgue lecture room.

There is an additional building plan approval vide ref. no. MPSepang 600-35/2/1094 (64) dated 20 May 2020 for the renovation of the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 8<sup>th</sup> Floors of the Administration Office Block from general office areas into office & meeting rooms and classrooms as follows:

- i) 1<sup>st</sup> Floor – for classrooms and office rooms
- ii) 2<sup>nd</sup>, 3<sup>rd</sup> & 8<sup>th</sup> Floors – for office & meeting rooms

As the sale of the Subject Property is excluding any fixtures, fittings and any other property of the Lessee and the Tenants, we have therefore excluded the Lessee's and Tenants' renovations and valued the Subject Property with basic structural finishes. There is no impact to the valuation conducted.

The construction, accommodation and built-up area of the buildings are as follows:-

Buildings	Gross Floor Area (sf)	Net Lettable Area (sf)	Description
Four (4) storey car park from basement to mezzanine floor	372,208	-	The building is constructed of reinforced concrete frame with plastered brickwalls. The flooring is of reinforced concrete floor slab generally finished with cement render and vinyl tiles. The accommodation generally comprises administration/office entrance lobby, auditorium loading lobby, workshop, bilik kuliah (morgue lab and morgue lecture room), utility room (vivarium lab), utility rooms, mechanical & electrical rooms, 816 car parking bays and 10 bays for disabled persons.
Nine (9) storey administrative office block from upper ground floor to eighth floor	490,642	176,577	The building is constructed of reinforced concrete frame with plastered brickwalls and reinforced concrete flat roof. The flooring is of reinforced concrete floor slab generally finished with homogeneous tiles, porcelain tiles, timber flooring and wall-to-wall carpet. The accommodation generally comprises administration/office areas, retail lots, office rooms, lift lobby, toilets and mechanical & electrical rooms. The building is further provided with air-cooled ducted centralised air-conditioning system and supplemented with either wall mounted or ceiling cassette split unit air conditioners.
Six (6) storey academic block from upper ground floor to fifth floor		183,361	The building is constructed of reinforced concrete frame with plastered brickwalls and reinforced concrete flat roof. The flooring is of reinforced concrete floor slab generally finished with homogeneous tiles, vinyl tiles and wall-to-wall carpet. The accommodation generally comprises classrooms, lecture halls, auditorium, office rooms, library, café, utility rooms, laboratory, gymnasium, lift lobby, toilets and mechanical & electrical rooms. The building is further provided with air-cooled ducted centralised air-conditioning system and supplemented with either wall mounted or ceiling cassette split unit air conditioners.
Guard House		-	The guard house is sited at the eastern entrance to the site and constructed of reinforced concrete frame with reinforced concrete flat roof and plastered brickwalls finished with aluminium bonded sheets. The accommodation comprises a guard house and toilet
<b>Total</b>	<b>862,850</b>	<b>359,938</b>	

The building plans to the Subject Property were approved by Majlis Perbandaran Sepang (MPS) vide reference no. MPSepang 600-34/2/76 dated 4 December 2017 whilst the Certificate of Completion and Compliance (CCC) bearing Reference No. LAM/S/No. 25474 was issued on 30 March 2018.

## 2.4 Occupancy Status

Based on the photocopy of **Agreement To Lease** made between **PMSB (the Lessor)** and **SMRPM (the Lessee)** dated 17 October 2014 and the subsequent **Supplement Agreement** made between the same parties dated 22 July 2016, we note that the Subject Property has been leased for a term of fifteen (15) years with an option to renew for a further term of ten (10) years subject to the following terms and conditions:

- i) The total area leased shall be 505,166 square feet subject to the confirmation of the final net lettable area by the lessor's architect.
- ii) The Rent shall be calculated at the following rates:-

Rent Period	Rate (per sq. ft.)	Monthly Rental
First year	RM1.50	RM757,749.00
Second and Third Years	RM2.05	RM1,035,590.30
Fourth and Fifth years	RM2.50	RM1,262,915.00
Sixth and Seventh years	RM2.65	RM1,338,689.90
Eighth, Ninth and Tenth years	RM2.70	RM1,363,948.20

- iii) The Lease commencement date is four (4) months from the date the Certificate of Completion and Compliance (CCC) is obtained.
- iv) In respect of the period of 11<sup>th</sup> year to 15<sup>th</sup> year of the Term, any revision of the Monthly Rental upwards shall be based on prevailing market rates but shall not be an increase of more than 15% of the last Monthly Rental paid.
- v) In respect of the period of 16<sup>th</sup> year to 20<sup>th</sup> year of the extended term, any revision of the Monthly Rental upwards shall be based on prevailing market rates but shall not be an increase of more than 15% of the last Monthly Rental paid.
- vi) In respect of the period of 21<sup>st</sup> year to 25<sup>th</sup> year of the extended term, any revision of the Monthly Rental upwards shall be based on prevailing market rates but shall not be an increase of more than 15% of the last Monthly Rental paid.
- vii) The Lessee is granted the exclusive right and option to purchase the Building upon the commencement of the 6<sup>th</sup> year to the 10<sup>th</sup> year of the Lease (Option Period) for a purchase consideration to be calculated based on the market rate of the Building, less five per centum (5%).
- viii) The Lessee shall be entitled to commence renovation and fitting out works on the Building immediately upon notification by the Lessor that the CCC has been issued.
- ix) The Lessor's main responsibilities:
  - a) Permit the Lessee to have quiet enjoyment of the building.
  - b) Payment of quit rent.
  - c) Upkeep and maintenance of external walls
  - d) Repairs which are not of a trifling nature and of any circumstances likely to cause any danger, risk or hazard to the building or any person
- x) The Lessee's main responsibilities:
  - a) Payment of the rent reserve.
  - b) Payment for assessment, telecommunications, water, electricity, sewerage and other utilities.
  - c) Payment for insurance of the building.
  - d) Upkeep and maintain the building and to attend all repairs whether arising from normal wear and tear or which may have become beyond repair.
  - e) Upkeep and maintain the building and all electrical apparatus, sewers and drains to the satisfaction of the authorities.
  - f) Upkeep, maintain and repair the lifts and escalators and to ensure in good working condition.
  - g) Cleanliness and security of the building.



## APPENDIX II – VALUATION CERTIFICATE FOR THE SUBJECT LAND AND BUILDINGS (cont'd)



- h) Pest control.
- i) Entitled to transfer or assign the lease, grant sub-leases or underlet or grant licenses of the building to third parties.

We were informed by the Client that the present rental paid to the Lessor is in the period of fourth to fifth years at RM1,262,915.00.

Notwithstanding the above, we note that under the draft Deed of Surrender of Lease between PMSB ("the Lessor") and SMRPM ("the Lessee"), the Lessee is agreeable at the request of the Lessor to the surrender and termination of the Lease on the date when the sale and purchase transaction under the SPA is completed.

Our valuation is on the basis the Lessee has waived the exclusive right and option to purchase the Subject Property and the provisions of the draft SPA and Deed of Surrender of Lease will be similar to the final SPA and Deed of Surrender of Lease signed and executed between the relevant parties.

We also note the Lessee has sub-let various parts of the Subject Property. The following table shows the details of the tenants and tenancy status as informed by our Client:

No.	Unit	Tenant	Floor Area (sf)	Rental Per Month	Rental Rate / Month (psf)	Term	Tenancy Status
1	Level Upper Ground	Aspen Entity Sdn Bhd	10,000	RM25,000.00	RM2.50	01/08/21 - 31/07/22	Tenant is related to the Vendor and tenancy will be terminated
2	Level Upper Ground	Ali Maju Food Industries Sdn Bhd	Cafeteria	RM1,000.00		01/11/21 - 30/04/22	Expired and not renewed
3	Link Bridge (library and anatomy centre)	Eversuccess Venture	500	RM1,100.00	RM2.20	02/12/19 - 01/12/21	Expired and not renewed
4	Unit No. 2, Level 1, Office Block	Asiamet (KB) Sdn Bhd	4,800	RM15,000.00	RM3.13	01/12/21 - 30/11/22	Tenant related to MGB Group and tenancy will be terminated
5	Unit No. 1, Level 1, Office Block	Minda Global Language Centre Sdn Bhd	3,990	RM12,400.00	RM3.11	01/12/21 - 30/11/22	Tenant related to MGB Group and tenancy will be terminated
6	Level 8, Office Block	Minda Global Management Sdn Bhd	16,609	RM18,062.95	RM1.09	01/01/22 - 31/12/22	Tenant related to MGB Group and tenancy will be terminated
7	Unit No. 3, Level 1, Office Block	N'osairis Technology Solutions Sdn Bhd	1,700	RM2,550.00	RM1.50	01/10/21 - 30/11/23	Tenancy will be terminated
8	R2 - Level Upper Ground	MyNews Retail Sdn Bhd	1,158	RM4,620.00	RM3.99	01/03/19 - 31/05/22	Tenancy will not be renewed upon expiry
9	Academic Block, Office Block (Levels 2 & 3), Link Bridge (Levels 2 & 3), Mezzanine @ Library	CUCMS Education Sdn Bhd	344,084	RM929,026.80	RM2.70	01/08/21 - 31/07/24	Tenant related to MGB Group and tenancy will be terminated
	Car Park Areas		372,208	RM372,208.00	RM1.00		
10	Level 6, Office Block	Scicom (MSC) Berhad	23,325	RM34,987.50	RM1.50	01/06/20 - 31/05/23	Tenancy will be terminated
11	Unit No. 2, Level 1, Office Block	RMHTC Sdn Bhd	5,000	RM10,000.00	RM2.00	10/09/20 - 09/09/22	Tenant requested for termination
12	Unit No. 3, Level 1, Office Block	Asiamet (M) Sdn Bhd	8,600	RM15,000.00	RM1.74	15/07/21 - 14/07/23	Tenant related to MGB Group and tenancy will be terminated

We understand from that all the abovementioned tenancies will be terminated by the Lessee. Hence, our valuation of the Subject Property is on the basis of vacant possession. Although the Subject Property is fully leased by the Lessee, we note that the current physical occupancy rate by the Lessee and the tenants is 83.4%.

## **2.5 Planning Details**

Based on Rancangan Tempatan Majlis Perbandaran Sepang 2025 and our enquiries at MPS, we note that the Subject Property is located within an area zoned for commercial use (private institution use) at a plot ratio of 1:3. The Subject Property as parcel of commercial land and the buildings erected thereon which are used as a campus building primarily as a private university has an approved plot ratio of 1:2.8.

## **3.0 VALUATION**

### **3.1 Date of Valuation**

The material date of valuation is 10 May 2022.

### **3.2 Methods of Valuation**

In arriving at the Market Value of the Subject Property, we have used the following approaches of valuation:-

#### **i) Cost Approach**

The **Cost Approach** of Valuation seeks to determine the value of the property through the summation of the value components of the land and buildings.

In determining the value of the land, the analysed apportionment value attributable to the land is adopted using the Comparison Approach whereby it seeks to determine the value of the land by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Where dissimilarities exist, adjustments are made.

In determining the value of the buildings, current estimates on construction costs to erect equivalent buildings are adopted. Appropriate adjustments are then made for factors of obsolescence and existing physical condition of the buildings.

#### **ii) Income Approach (Investment Method)**

As a check, we have used the **Income Approach (Investment Method)** of Valuation which is derived from the capitalisation of net rent from a property. Net rent is the residue of gross annual rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.

We have not adopted the Comparison Approach as we were unable to obtain recent transactions of campus buildings as this type of property is rarely sold in the open market.

## APPENDIX II – VALUATION CERTIFICATE FOR THE SUBJECT LAND AND BUILDINGS (cont'd)



### 3.2.1 Cost Approach

In analysing the apportionment of value attributable to the land, we have adopted the Comparison Approach to arrive at the adjusted improved land value of the subject property. The summary analysis of the sales evidence is as follows:-

Item	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Lot / Title Nos.	HSD 7131, PT 12163	HSD 30754, PT 43965	Geran 338528, Lot 124707	HSD 7132, PT 12164	Geran 314767, Lot 47239	HSD 34473, PT 48538
Mukim / District / State	Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan	Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan	Bandar Cyberjaya, District of Sepang, Selangor Darul Ehsan	Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan	Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan	Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan
Locality	Bangunan CJ1, Off Lingkaran Cyber Point Selatan, Cyberjaya	Quill Building 5, Jalan Teknokrat 3, Cyberjaya	Off Lingkaran Cyber Point Selatan, Cyberjaya	Persiaran Cyber Point 4, Cyberjaya	Persiaran APEC, Cyberjaya	Persiaran Sepang, Cyberjaya
Property Type	4 storey data centre with annexed 4 storey office and mezzanine floor	5 storey office building with 1.5 storey basement	A vacant parcel of commercial land (currently under construction for a data centre)	A vacant parcel of commercial land (currently under construction for a data centre)	A vacant parcel of commercial land	A vacant parcel of commercial land (currently under construction partly for a petrol station)
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
Town Planning	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Vendor	PCCW Solution Data Centres Malaysia	Maybank Trustees Bhd	Cyberview Sdn Bhd	Cyberview Sdn Bhd	Cyberview Sdn Bhd	Cyberview Sdn Bhd
Purchaser	FWD Tim Enterprises Sdn Bhd	Deriv Service Sdn Bhd	Microsoft Payments (Malaysia) Sdn Bhd	Mytelehaus Data Centres Sdn Bhd	NTT MSC Sdn Bhd	Coastal Route Platform Sdn Bhd
Date of Sale	24/12/2020	12/11/2020	21/12/2020	16/12/2020	31/05/2019	02/05/2019
Land Area (sf)	79,978	69,752	1,272,336	74,919	420,958	117,132
Consideration	RM70,000,000	RM45,000,000	RM156,378,600	RM10,860,000	RM63,141,600	RM15,812,280
Approx. Gross Floor Area (sf)	240,000	227,030	-	-	-	-
Adopted Depreciated Building Value	RM238.75 psf	RM162.80 psf	-	-	-	-
Analysed Building Value	RM57,300,000	RM36,960,484	-	-	-	-
Analysed Land Value	RM12,700,000	RM8,039,516	-	-	-	-
Analysed Land Value	RM158.79 psf	RM115.26 psf	RM122.91 psf	RM144.96 psf	RM150.00 psf	RM135.00 psf
Factors of Adjustment	Factors considered include time movement, location, land size, zoning and site improvements					
Adjusted Improved Land Value	RM142.91 psf	RM103.73 psf	RM145.20 psf	RM140.46 psf	RM160.00 psf	RM134.87 psf

(Source of Transactions: Jabatan Penilaian Dan Perkhidmatan Harta)

The adjusted improved land values of transacted properties are in the range of RM103.73 psf to RM160.00 psf. We have relied on the adjusted improved land value for commercial building in Comparable 1 as it is the latest transaction and has similar characteristics to the Subject Property as an improved land. Comparable 1 is adjusted to RM143 psf and is well supported by the recent vacant commercial land transactions in Comparables 3 and 4 which range from RM140 to RM145 psf. Having regard to the above, we have adopted an improved land value of RM145 psf as the land component for the subject property.



## APPENDIX II – VALUATION CERTIFICATE FOR THE SUBJECT LAND AND BUILDINGS (cont'd)



The building component is based on the Construction Cost Handbook Malaysia 2022 published by JUBM Sdn Bhd and Arcadis Projek Sdn Bhd which is shown below.

Type of Construction	Construction Cost New
Average standard offices, high rise	RM236 – RM316 psf

There is no index for the construction of campus building. As the construction of campus building is almost similar to an office building, we have therefore made reference to the average standard offices for high rise and adopted the lower range of the construction cost new at RM236 psf and rounded down to RM230 psf. This is due to the design and finishes of the campus building is much simpler and cheaper compared to a purpose-built office building. The basement to mezzanine floors are adopted at 60% of the construction cost new at RM138 psf as these floors comprise mainly car park bays and have simpler finishes compared to the upper floors. The ancillary floor area is normally adopted at 50% of the construction cost new of the main floor area, however, in the valuation of the basement to mezzanine floors of the Subject Property, we noted the enclosed walls and hence, we have adjusted a higher rate of 60%.

The total construction cost new adopted in the Cost Approach is RM164.2 million. In arriving at the construction cost new, we have also taken into consideration of the following factors:

- New construction cost has increased due to the increase in raw materials prices ("DOSM: Building materials cost index increases in 2021", The Star, 10 January 2022).
- Our verbal enquiries with the Lessor revealed that the original construction cost of the building was approximately RM143.9 million. Comparing on the original cost in 2016 with the estimated construction cost new of RM164.2 million, this represents an increase of 14.1% over 6 years or an average of 2.4% per annum which is consistent but higher than the average inflation rate of Malaysia for the same period. We are therefore of the opinion the estimated construction cost new is fair.
- In the calculation of the floor area in the approved building plans, there is a landscape deck of 23,680.8 square feet on the Level Upper Ground. We have not ascribed a separate value for this area as it is an open space but the value is included in the overall Construction Cost New of the buildings.

Depreciation for buildings is adopted based on the economic lifespan of 60 years which is 1.66% per annum. We have rounded the depreciation rate to 1.5% per annum in view of the building which is still new and in a state of good decorative repair. The CCC to the buildings was issued in 2018 and we have therefore applied the depreciation over a period of 4 years.

### 3.2.2 Income Approach

We have used the Income Approach as a check method. The parameters adopted are as follows:

Item	Remarks
<b>Gross Market Rental</b>	<p>The analysed gross rental for office buildings in Cyberjaya range from RM4.36 to RM6.83 psf. The current asking rentals of large office space in Cyberjaya range from RM3.80 psf to RM5.48 psf whilst there is one asking rental of RM4.68 psf for a college premises. From the rentals of selected education premises in Klang Valley, we note the analysed gross rental range from RM3.55 to RM4.60 psf/month.</p> <p>Using a selected office building in Cyberjaya as the best comparable and adjusting downwards for size and building, we have adopted a gross rental of RM4.00 psf for the administrative office block of subject property. The RM4.00 psf also falls within the range of asking office rentals that range from RM3.80 to RM5.48 psf.</p> <p>The academic block is adopted at RM3.60 psf which is 10% lesser as the design and finishes of the academic block is much simpler compared to the administrative office block.</p> <p>The overall gross rental for the combined administrative office and academic block is RM3.80 psf which falls within the range of the campus premises in Selangor and Kuala Lumpur. It is also comparable to the rentals of education premises of SEGi University, Edumetro @ Subang Jaya at RM3.55 psf and SEGi College, USJ 1 at RM3.60 psf.</p>

## APPENDIX II – VALUATION CERTIFICATE FOR THE SUBJECT LAND AND BUILDINGS (cont'd)



Item	Remarks
	For car park income, we have adopted a season rate of RM100.00 per bay/month. This is after taking into consideration of the car park rates that were previously charged to the students before the COVID-19 pandemic and also comparables of car park charges of commercial buildings in Cyberjaya.
<b>Outgoings &amp; Voids</b>	<p>The outgoings are based on the analysis of past three (3) years' actual expenses for the Subject Property and comparing to outgoings of similar buildings in Cyberjaya. We have placed greater consideration on the actual cost incurred during pre-pandemic year in 2019 and adjusted for inflation. The outgoings are adopted at RM1.00 psf per month.</p> <p>The voids are adopted to reflect rental for vacancy periods between rent reviews which include incentive for rent free periods fitting out periods, possibility of bad debts and other unforeseen vacancies. For standard properties with multiple tenancies, a void allowance of 5% is acceptable. However, as this is a campus building which is designed for a single operator, we have provided a higher void allowance of 8% for risk of unforeseen vacancy and the longer period needed to secure a new tenant.</p>
<b>Yield</b>	The analysis revealed that yields for office buildings range from 5.50% to 6.25% whilst for campus buildings range from 5.6% to 7.3%. The important factor affecting yield is the degree of risk inherent in the investment and comparable yields from other forms of investments. We also note that the current interest rate is low due to the cut in the base lending rate which is the result of the slowdown in the economy caused by COVID-19 pandemic. The yield adopted for the Subject Property is 6.5% after benchmarking against existing yields of office buildings and campus buildings in Klang Valley. We have also considered the prevailing market condition, location, concept and design of the building. There is no requirement to compute the yield for the term as the Subject Property is valued on the basis of vacant possession.

### 3.3 Reconciliation of Values

Considering our analysis based on the abovesaid approaches to valuation, we have derived the following results for reconciliation:

Valuation Approach	Derivation of Values
Cost Approach	RM180,000,000.00
Income Approach	RM180,000,000.00

We have adopted the Market Value of RM180,000,000.00 derived from the Cost Approach as the main approach in the valuation of the Subject Property. There are sufficient sale evidences of commercial land and also information on the construction cost to provide a fair representation of the Market Value of the Subject Property using this approach.

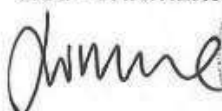
The Income Approach (Investment Method) also shows a Market Value of RM180,000,000. The Income Approach (Investment Method) is sensitive to the estimated rental, outgoings and yield and we have therefore adopted it as the secondary approach and for check on the Market Value.

**3.4 Market Value**

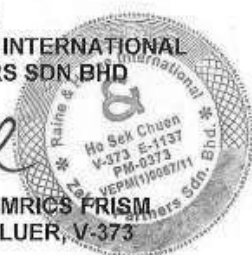
Our opinion of the Market Value of the freehold interest in Lot 120232, Bandar Cyberjaya, District of Sepang, Selangor Darul Ehsan comprising a parcel of commercial land and the buildings erected thereon (which are used as a campus building primarily as a private university and bearing address University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan), on the basis the title is free of all encumbrances and with vacant possession is **Ringgit Malaysia One Hundred And Eighty Million Only (RM180,000,000.00).**

Yours faithfully,  
For & on behalf of

**RAINE & HORNE INTERNATIONAL  
ZAKI + PARTNERS SDN BHD**



**HO SEK CHUEN, MRICS FRISM  
REGISTERED VALUER, V-373**



Date of Valuation: 10 May 2022

**1. Agreement for sale and purchase of the Subject Land and Buildings**

Subject to the terms and conditions contained in the SPA, the Vendor shall sell and the Purchaser shall purchase the Subject Land and Buildings free from any encumbrances, without vacant possession<sup>(1)</sup>, on an “as is where is basis” and subject to all conditions of title and restrictions-in-interest expressed or implied relating to the Subject Land and Buildings.

**Note:-**

- (1) *The Purchaser shall purchase the Subject Land and Buildings without vacant possession as various parts of the Subject Land and Buildings are currently sub-leased by SMRP to the Group and 2 other tenants until the completion of the Proposed Acquisition. Notwithstanding that, there will not be any material implications to the Group as the SPA provides that the Master Lease (between PMSB and SMRP) shall be terminated via a deed of surrender of lease to be entered into. These sub-leases will be terminated as a consequence of the Proposed Acquisition.*

**2. Conditions precedent**

The SPA is conditional upon the following conditions precedent being fulfilled (*or if not fulfilled, waived by agreement of the parties in writing*) within 6 months from the date of the SPA or such other period as may be agreed between the parties in writing (“**Compliance Period**”):-

- (i) the Vendor having obtained the consent in writing of the Selangor state authority in relation to the transfer of the Subject Land and Buildings to the Purchaser at its own costs and expense;
- (ii) the Company having obtained the Shareholders’ approval at an EGM at its own costs and expense; and
- (iii) any other approvals or consents from third parties and any other matter as may be agreed in writing by the parties.

If any condition precedent is not fulfilled by the last day of the Compliance Period, either party may terminate the SPA by notice in writing to the other, whereupon the following shall take place in the following order:-

- (i) the Company shall immediately cease to have any obligation to issue the Consideration Shares or any other obligation whatsoever under the SPA;
- (ii) if the RPGT Retention Sum is paid to the Purchaser’s solicitors as stakeholder, the RPGT Retention Sum shall be refunded to the Purchaser and if the RPGT Retention Sum is paid to the Director General, the Vendor shall seek the refund of the same and pay the RPGT Retention Sum to the Purchaser;
- (iii) the Purchaser shall comply with all applicable Purchaser’s Termination Obligations<sup>(1)</sup>; and thereafter

**Note:-**

- (1) *The obligations of the Purchaser in the case of the termination of the SPA are as follows:-*

- (a) *the Purchaser shall, at its own cost and expense, withdraw or procure to be withdrawn any caveat lodged by the Purchaser and/or Bank Islam Malaysia Berhad or such other financier as may be notified by the Purchaser to the Vendor in writing from whom the Purchaser takes the loan for the Balance Cash Consideration (“**Financier**”) over the Subject Land and Buildings;*
- (b) *the Purchaser shall return to the Vendor all documents given by the Vendor to the Purchaser, the Purchaser’s solicitors, the Financier and/or the Financier’s solicitors with the interest of the Vendor in the Subject Land and Buildings remaining intact provided always that in the case where stamp duty has been paid on the transfer of the Subject Land and Buildings, the Purchaser shall be entitled to deliver the same to the collector of stamp duties for refund of stamp duty paid thereon;*

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**APPENDIX III – SALIENT TERMS OF THE SPA (cont'd)**

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- (c) *if the transfer of the Subject Land and Buildings to the Purchaser and/or the Financier's charge has/have been presented for registration at the land registry, the Purchaser shall immediately withdraw the application to register the transfer of the Subject Land and Buildings and/or the Financier's charge and/or procure the cancellation of any such registration by the land registry if the application to register the relevant dealing cannot be withdrawn; and*
        - (d) *in the case where possession of the Subject Land and Buildings has been delivered by the Vendor to the Purchaser, the Purchaser shall re-deliver possession of the Subject Land and Buildings to the Vendor in substantially the same state and condition as possession of the Subject Land and Buildings was delivered to the Purchaser;*
- (iv) the SPA shall terminate and be null and void and of no further effect and neither party shall have any claim against the other party, save and except for antecedent breach. The Vendor shall thereafter be at liberty to sell or otherwise deal with the Subject Land and Buildings in any manner as the Vendor deems fit.

### **3. Purchase Consideration**

The Purchase Consideration for the Subject Land and Buildings agreed on a willing buyer and willing seller basis, is RM180.0 million, to be satisfied in the following manner:-

- (i) Cash Consideration of RM155.0 million in the following manner:-
  - (a) RPGT Retention Sum of RM5.4 million to be settled on or before the later of (i) the date falling 30 days after the Purchaser receives a copy of the consent in writing of the Selangor State Authority in relation to the transfer of the Subject Land and Buildings to the Purchaser; and (ii) the date falling 60 days after the date of the SPA, whereby the Purchaser shall pay the RPGT Retention Sum to the Purchaser's solicitors as stakeholders and the Purchaser's solicitors are authorised to on-pay the same to the Director General;
  - (b) Differential Sum of RM9.6 million to be paid within the within 90 days from the fulfilment of all the conditions precedent ("**Completion Period**") (or, as applicable, 30 days from the day after expiry of the Completion Period ("**Extended Completion Period**")) to the Vendor's solicitors to hold as stakeholder; and
  - (c) Balance Cash Consideration of RM140.0 million to be settled within the Completion Period or Extended Completion Period, as the case may be, by the Purchaser by procuring the Financier to release the loan for the Balance Cash Consideration; and
- (ii) RM25.0 million through issuance of 357,142,857 Consideration Shares by Minda Global at an issue price of RM0.07 per Consideration Share to the Vendor within the Completion Period or Extended Completion Period, as the case may be.

### **4. Completion**

The completion of the Proposed Acquisition shall take place on the completion date, falling within the Completion Period or Extended Completion Period, as the case may be.

**5. Default**Default by the Purchaser

If, for any reason whatsoever (*save and except where any such failure is due or attributable to an act or default on the part of the Vendor*):-

- (i) the Purchaser fails to pay an amount due to the Vendor in accordance with the provisions of the SPA;
- (ii) the Purchaser fails to observe or perform any material obligation on its part contained in the SPA (*other than that provided in (i) above and for the purpose hereof, the failure of the Company to issue the Consideration Shares shall constitute a material failure on the part of the Purchaser*) and if such failure is capable of remedy, the Purchaser having failed to remedy or to procure the remedy of the same to the reasonable satisfaction of the Vendor within 10 days from the date of written notice from the Vendor to the Purchaser requesting remedy thereof; or
- (iii) any of the representations or warranties of the Purchaser or the Company stipulated in the SPA shall at any time be found to be incorrect, untrue or misleading in any material aspect,

the Vendor shall be entitled to terminate the SPA by notice in writing to the Purchaser, whereupon:-

- (i) the Company shall immediately cease to have any obligation to issue the Consideration Shares or any other obligation whatsoever under the SPA if the Consideration Shares have not been issued at the time of issue of the notice of termination. If the Consideration Shares have been issued, the Vendor shall do all things necessary or appropriate on written request of the Company to facilitate the cancellation of the Consideration Shares<sup>(1)</sup> at the cost and expense of the Company. If the Company buys back the Consideration Shares<sup>(1)</sup>, the Vendor agrees to a nominal consideration of RM1.00 for all Consideration Shares purchased by the Company;

Note:-

(1) Pursuant to the termination of the SPA, the issuance of the Consideration Shares would need to be reversed. This may be achieved by way of:-

- (i) Cancellation of the Consideration Shares via a share capital reduction to be undertaken pursuant to Section 116 or 117 of the Act.

*A share capital reduction pursuant to Section 116 of the Act is subject to approval from the Shareholders and confirmation by the High Court of Malaya for the share capital reduction whereas a share capital reduction pursuant to Section 117 of the Act is subject to the solvency requirements and approval from the Shareholders; and/or*

- (ii) Buy-back of the Consideration Shares by the Company via a share buy-back authority, which is subject to approval from the Shareholders for the Company to purchase its own Shares in accordance with Section 127 of the Act and Chapter 12 of the Listing Requirements. As at the LPD, the Company does not have a share buy-back authority.

- (ii) the Vendor's solicitors shall deduct and pay to the Vendor the Agreed Liquidated Damages or applicable part thereof from the Cash Consideration received (*and for this purpose if the RPGT Retention Sum has been paid to the Director General, the RPGT Retention Sum shall be treated to have been paid to the Vendor*).



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**APPENDIX III – SALIENT TERMS OF THE SPA (cont'd)**

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If there is any shortfall, the Purchaser shall pay the Vendor the shortfall in the Agreed Liquidated Damages within 14 Market Days from date of Purchaser's receipt of the notice of termination from the Vendor, failing which the Vendor shall be entitled to charge late payment interest on the amount due and remaining unpaid commencing from due date until date of full and final settlement (*whether before or after judgment*);

- (iii) if the Cash Consideration paid exceeds the Agreed Liquidated Damages, the Vendor shall refund and/or procure the refund of all such excess amount paid by the Purchaser together with interests accrued thereon;

in exchange of the full refund and/or cancellation / buy-back of the Consideration Shares:-

- (iv) the Purchaser shall perform the Purchaser's Termination Obligations; and thereafter;
- (v) the SPA shall forthwith terminate and be null and void and be of no further effect and neither party shall have any claim against the other (*save and except for antecedent breach*).

The Vendor shall thereafter be at liberty to sell or otherwise deal with the Subject Land and Buildings in any manner as the Vendor deems fit.

Default by the Vendor

If, for any reason whatsoever (*save and except where any such failure is due or attributable to an act or default on the part of the Purchaser*):-

- (i) the Vendor fails to perform any material obligation on its part contained in the SPA and if such failure is capable of remedy, the Vendor having failed to remedy the same to the reasonable satisfaction of the Purchaser within 10 days from date of written notice from the Purchaser to the Vendor requesting remedy thereof; or
- (ii) any of Vendor's warranties as set out in the SPA shall at any time be found to be incorrect, untrue or misleading in any material aspect,

then in any such event and notwithstanding anything to the contrary contained in the SPA, the Purchaser shall be entitled to the remedy at law for specific performance. Alternatively, at the election of the Purchaser, the Purchaser may terminate the SPA by notice in writing to the Vendor whereupon:-

- (i) the Company shall immediately cease to have any obligation to issue the Consideration Shares or any other obligation whatsoever under the SPA if the Consideration Shares have not been issued at the time of issue of the notice of termination. If the Consideration Shares have been issued, the Vendor shall do all things necessary or appropriate on written request of the Company to facilitate the cancellation of the Consideration Shares at the cost and expense of the Company. If the Company buys back the Consideration Shares, the Vendor agrees to a nominal consideration of RM1.00 for all Consideration Shares purchased by the Company;
- (ii) the Vendor shall refund and/or procure the refund of all amounts paid by the Purchaser towards the Cash Consideration together with any interest accrued thereon (*and if the sum required to redeem the Subject Land and Buildings from the Chargee has been paid to the Chargee or the RPGT Retention Sum paid to the Director General, the Vendor shall refund or procure the full refund of the amounts paid and pending refund, shall be personally liable for the payment of such amounts, or if the RPGT Retention Sum has not been paid to the Director General for the account of the Vendor, the Purchaser's solicitors are irrevocably instructed to pay all amounts held by them as stakeholder to the Purchaser together with all interests accrued thereon*);

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**APPENDIX III – SALIENT TERMS OF THE SPA (cont'd)**

---

- (iii) the Vendor shall pay the Agreed Liquidated Damages to the Purchaser within 14 Market Days from date of Vendor's receipt of the notice of termination from the Purchaser;

in exchange for the full refund, payment and/or cancellation / buy-back of the Consideration Shares:-

- (iv) the Purchaser shall perform the Purchaser's Termination Obligations; and thereafter;
- (v) the SPA shall forthwith terminate and be null and void and be of no further effect and neither party shall have any claim against the other (*save and except for antecedent breach*).

The Vendor shall thereafter be at liberty to sell or otherwise deal with the Subject Land and Buildings in any manner as the Vendor deems fit.

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**APPENDIX IV – SALIENT TERMS OF THE MASTER LEASE**

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The salient terms of the Master Lease between SMRP and PMSB are as follows:-

<b>Subject</b>	:	The buildings constructed on a commercial land held under H.S.(D) 28784, PT No. 41466, Mukim Dengkil, Daerah Sepang, Negeri Selangor															
<b>Lessor</b>	:	PMSB															
<b>Lessee</b>	:	SMRP															
<b>Net lettable area</b>	:	505,166 square feet, subject to the confirmation of the final net lettable area by the lessor's architect															
<b>Lease period</b>	:	Initial term of 15 years from the commencement date, with an option to renew or extend for a further period of 10 years upon rental terms to be mutually agreed upon between SMRP and PMSB															
<b>Rental</b>	:	<table><tr><td>Year 1</td><td>-</td><td>RM757,749.00 per month (RM1.50 per square foot)</td></tr><tr><td>Year 2-3</td><td>-</td><td>RM1,035,590.30 per month (RM2.05 per square foot)</td></tr><tr><td>Year 4-5</td><td>-</td><td>RM1,262,915.00 per month (RM2.50 per square foot)</td></tr><tr><td>Year 6-7</td><td>-</td><td>RM1,338,689.90 per month (RM2.65 per square foot)</td></tr><tr><td>Year 8-10</td><td>-</td><td>RM1,363,948.20 per month (RM2.70 per square foot)</td></tr></table>	Year 1	-	RM757,749.00 per month (RM1.50 per square foot)	Year 2-3	-	RM1,035,590.30 per month (RM2.05 per square foot)	Year 4-5	-	RM1,262,915.00 per month (RM2.50 per square foot)	Year 6-7	-	RM1,338,689.90 per month (RM2.65 per square foot)	Year 8-10	-	RM1,363,948.20 per month (RM2.70 per square foot)
Year 1	-	RM757,749.00 per month (RM1.50 per square foot)															
Year 2-3	-	RM1,035,590.30 per month (RM2.05 per square foot)															
Year 4-5	-	RM1,262,915.00 per month (RM2.50 per square foot)															
Year 6-7	-	RM1,338,689.90 per month (RM2.65 per square foot)															
Year 8-10	-	RM1,363,948.20 per month (RM2.70 per square foot)															

The average rental for the 10-year period is RM2.40 per square foot per month.

In respect of year 11-15, any revision in the monthly rental upwards shall be based on prevailing market rates but shall not be an increase of more than 15% of the last monthly rental paid.

For the extended lease tenure

In respect of year 16-20, any revision in the monthly rental upwards shall be based on prevailing market rates but shall not be an increase of more than 15% of the last monthly rental paid.

In respect of year 21-25, any revision in the monthly rental upwards shall be based on prevailing market rates but shall not be an increase of more than 15% of the last monthly rental paid

<b>Termination</b>	:	Parties may mutually terminate the Master Lease prior to the expiry of its term on such mutually agreed terms and conditions
<b>Deposit</b>	:	A sum equivalent to 4 months of the first year's rental ( <i>including 1 month of the first year's rental as utilities deposit</i> )
<b>Option to purchase</b>	:	Lessee is granted the exclusive right and option to purchase the Subject Buildings upon the commencement Year 6 to Year 10 of the lease period for a purchase consideration to be calculated based on the market rate of the Subject Buildings, less 5%
<b>First right of refusal</b>	:	Lessee is granted a first right of refusal in the event the lessor shall be desirous of selling the Subject Buildings. Lessor agrees and undertakes and covenants that it shall first make an offer in writing to the lessee to purchase the Subject Buildings calculated based on the market rate of the building less 5%

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## APPENDIX V – SALIENT TERMS OF THE SUB-LEASES

### 1. Sub-Lease by CUCMS

The salient terms of the sub-lease between CUCMS Education Sdn Bhd and SMRP are as follows:-

<b>Subject</b>	: Part of the buildings constructed on a commercial land held under H.S.(D) 28784 PT No. 41466, Mukim Dengkil, Daerah Sepang, Negeri Selangor
<b>Lessor</b>	: SMRP
<b>Lessee</b>	: CUCMS Education Sdn Bhd
<b>Gross floor area</b>	: 716,292 square feet

	<b>Gross floor area (square feet)</b>
Academic block (Level upper ground to Level 5)	255,021
Administrative office block (Part of Level 2 and 3)	77,696
Common areas (Part of Level Mezzanine, 2, 3)	11,367
Car park areas	372,208
<b>Total</b>	<b>716,292</b>

<b>Rental</b>	: Academic block, administrative office block and common areas	- RM929,026.80 per month (RM2.70 per square foot)
	Car park areas	- RM372,208.00 per month
	- Total 826 bays (including 10 disabled (OKU) bays)	(RM1.00 per square foot)
<b>Lease period</b>	: 3 years from 1 August 2021. Any subsequent extension or renewal of the tenancy shall be agreed by the parties upon the expiry of the current tenancy.	
<b>Termination</b>	: The Sub-Lease by CUCMS may be terminated by mutual agreement of the parties in writing prior to the expiry of the lease period.  The Sub-Lease by CUCMS shall be coterminous with the Master Lease. Should the Master Lease be terminated, the Sub-Lease by CUCMS shall automatically be terminated.	
<b>Deposit</b>	: A sum equivalent to 6 months of the rental (including 1 month of the rental as utilities deposit)	

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**2. Sub-lease by Asiamet (M) Sdn Bhd**

The salient terms of the sub-lease between Asiamet (M) Sdn Bhd and SMRP are as follows:-

<b>Subject</b>	: Unit 3, Level 1, Office Block, University of Cyberjaya, Persiaran Bestari, 63000 Cyberjaya, Selangor
<b>Lessor</b>	: SMRP
<b>Lessee</b>	: Asiamet (M) Sdn Bhd
<b>Built-up area</b>	: 8,600 square feet
<b>Rental</b>	: RM15,000.00 per month (RM1.74 per square foot)
<b>Lease period</b>	: 2 years from 15 July 2021, with an option to renew for another 2 years
<b>Termination</b>	: The sub-lease may be terminated on written notice due to, amongst others, breach of the terms and conditions of the sub-lease by Asiamet (M) Sdn Bhd and in the event the said premise is rendered to be unfit for occupation or use as a result of fire
<b>Deposit</b>	: A sum equivalent to 3 months of the rental ( <i>including 1 month of the rental as utilities deposit</i> )

**3. Sub-lease by Minda Global Management Sdn Bhd**

The salient terms of the sub-lease between Minda Global Management Sdn Bhd and SMRP are as follows:-

<b>Subject</b>	: Minda Office Area, Level 8, Office Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor
<b>Lessor</b>	: SMRP
<b>Lessee</b>	: Minda Global Management Sdn Bhd
<b>Rental</b>	: RM18,062.95 per month
<b>Lease period</b>	: 1 year from 1 January 2022
<b>Termination</b>	: The sub-lease may be terminated on written notice due to, amongst others, breach of the terms and conditions of the sub-lease by Minda Global Management Sdn Bhd and in the event the said premise is rendered to be unfit for occupation or use as a result of fire
<b>Deposit</b>	: A sum equivalent to 3 months of the rental ( <i>including 1 month of the rental as utilities deposit</i> )

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**APPENDIX V – SALIENT TERMS OF THE SUB-LEASES (cont'd)**

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**4. Sub-lease by Cyberjaya College Central Sdn Bhd (formerly known as Asiamet (KB) Sdn Bhd)**

The salient terms of the sub-lease between Cyberjaya College Central Sdn Bhd (formerly known as Asiamet (KB) Sdn Bhd) and SMRP are as follows:-

<b>Subject</b>	: Office Unit No. 2, Level 1, Office Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor
<b>Lessor</b>	: SMRP
<b>Lessee</b>	: Cyberjaya College Central Sdn Bhd (formerly known as Asiamet (KB) Sdn Bhd)
<b>Gross floor area</b>	: 4,800 square feet
<b>Rental</b>	: RM15,000.00 per month (RM3.13 per square foot)
<b>Lease period</b>	: 1 year from 1 December 2021
<b>Termination</b>	: The sub-lease may be terminated on written notice due to, amongst others, breach of the terms and conditions of the sub-lease by Cyberjaya College Central Sdn Bhd (formerly known as Asiamet (KB) Sdn Bhd) and in the event the said premise is rendered to be unfit for occupation or use as a result of fire
<b>Deposit</b>	: A sum equivalent to 3 months of the rental (including 1 month of the rental as utilities deposit)

**5. Sub-lease by Minda Global Language Centre Sdn Bhd**

The salient terms of the sub-lease between Minda Global Language Centre Sdn Bhd and SMRP are as follows:-

<b>Subject</b>	: Office Unit No. 1, Level 1, Office Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor
<b>Lessor</b>	: SMRP
<b>Lessee</b>	: Minda Global Language Centre Sdn Bhd
<b>Gross floor area</b>	: 3,990 square feet
<b>Rental</b>	: RM12,400.00 per month (RM3.11 per square foot)
<b>Lease period</b>	: 1 year from 1 December 2021
<b>Termination</b>	: The sub-lease may be terminated on written notice due to, amongst others, breach of the terms and conditions of the sub-lease by Minda Global Language Centre Sdn Bhd and in the event the said premise is rendered to be unfit for occupation or use as a result of fire
<b>Deposit</b>	: A sum equivalent to 3 months of the rental (including 1 month of the rental as utilities deposit)

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**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON**

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4 October 2022

The Board of Directors  
**Minda Global Berhad**  
Level 8, Tower Block  
UOC Campus  
Persiaran Bestari  
Cyber 11  
63000 Cyberjaya  
Selangor Darul Ehsan

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA)  
Chartered Accountants (AF 0117)  
Baker Tilly Tower,  
Level 10, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur, Malaysia

T : +603 2297 1000  
F : +603 2282 9980

info@bakertilly.my  
**www.bakertilly.my**

Dear Sirs,

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**MINDA GLOBAL BERHAD (“MGB” or the “Company”)**

**REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

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We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statement of Financial Position of MGB and its subsidiaries (the “Group”) as at 31 December 2021 for which the Directors of MGB (“Directors”) are solely responsible. The Pro Forma Consolidated Statement of Financial Position as at 31 December 2021 together with the accompanying notes thereon, for which we have stamped for the purpose of identification is prepared for inclusion in the circular to the shareholders of the Company in relation to, amongst others, the proposed acquisition of the land held under Geran 340365, Lot 120232, Bandar Cyberjaya, District of Sepang, Selangor Darul Ehsan together with the buildings erected thereon by UOC Sdn Bhd (a wholly-owned subsidiary of the Company) from Persada Mewah Sdn Bhd for a total purchase consideration of RM180 million (the “Proposed Acquisition”). Further details of the Proposed Acquisition are set out in Note 2 to the Pro Forma Consolidated Statement of Financial Position.

The applicable criteria on the basis of which the Directors of MGB (“Directors”) have compiled the Pro Forma Consolidated Statement of Financial Position are as described in Note 1 to the Pro Forma Consolidated Statement of Financial Position (“Applicable Criteria”).

The Pro Forma Consolidated Statement of Financial Position of the Group as at 31 December 2021 has been compiled by the Directors to illustrate the impact of the following proposals on the Group’s financial statements as at 31 December 2021, as if the Proposed Acquisition had taken place on 31 December 2021.

As part of this process, information about MGB’s financial position has been extracted by the Directors from the audited consolidated financial statements of the Group for the financial year ended 31 December 2021, which were reported by us to the members of MGB on 28 April 2022 without any modification.

Baker Tilly Monteiro Heng PLT 201906000600 (LLP0019411-LCA) (AF 0117) is a member of the Baker Tilly International network, the members of which are separate and independent legal entities

**MINDA GLOBAL BERHAD**

Report on the Compilation of the Pro Forma Consolidated Statement of Financial Position as at 31 December 2021

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**Directors’ Responsibility for the Pro Forma Consolidated Statement of Financial Position**

The Directors are responsible for compiling the Pro Forma Consolidated Statement of Financial Position based on the Applicable Criteria.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirement of the By-Laws (on Professional Ethics, Conduct and Practice) issued by the Malaysian Institute of Accountants and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, on whether the Pro Forma Consolidated Statement of Financial Position have been compiled, in all material respects, by the Directors based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statement of Financial Position based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statement of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statement of Financial Position.

The purpose of the Pro Forma Consolidated Statement of Financial Position included in the Circular to shareholders of MGB in relation to, amongst others, the Proposed Acquisition (“Circular”) is solely to illustrate the effects of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

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**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (cont’d)**

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**MINDA GLOBAL BERHAD**

Report on the Compilation of the Pro Forma Consolidated Statement of Financial Position as at 31 December 2021

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A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statement of Financial Position have been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Consolidated Statement of Financial Position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:-

- (a) the related pro forma adjustments give appropriate effect to those criteria; and
- (b) the Pro Forma Consolidated Statement of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statement of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statement of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:-

- (i) the Pro Forma Consolidated Statement of Financial Position of the Group have been properly compiled on the basis as set out in the accompanying notes to the Pro Forma Consolidated Statement of Financial Position based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 (which have been prepared by the Directors in accordance with the Malaysian Financial Reporting Standards), and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 31 December 2021; and
- (ii) each material adjustment made to the information used in the preparation of the Pro Forma Consolidated Statement of Financial Position is appropriate for the purpose of preparing the Pro Forma Consolidated Statement of Financial Position.

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**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (cont’d)**

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**MINDA GLOBAL BERHAD**

Report on the Compilation of the Pro Forma Consolidated  
Statement of Financial Position as at 31 December 2021

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**Other matters**

This report has been prepared solely for inclusion in the Circular. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

Kuala Lumpur

A handwritten signature in black ink, appearing to read "Paul Tan Hong".

Paul Tan Hong  
No. 03459/11/2023 J  
Chartered Accountant



**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (cont’d)**

**MINDA GLOBAL BERHAD**

**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

The Pro Forma Consolidated Statement of Financial Position of Minda Global Berhad (“MGB” or the “Company”) and its subsidiaries (the “Group”) as at 31 December 2021 as set out below for which the directors of MGB (“Directors”) are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 31 December 2021 had the Proposed Acquisition as described in Note 2 been effected on that date, and should be read in conjunction with the accompanying notes to the Pro Forma Consolidated Statement of Financial Position.

	<b>Audited Consolidated Statement of Financial Position as at 31 December 2021 RM'000</b>	<b>Pro Forma I After the Proposed Acquisition RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	76,057	256,057
Right-of-use assets	147,877	53,207
Goodwill on consolidation	75,683	75,683
Other intangible assets	54,068	54,068
Deferred tax assets	8,425	8,425
Contract costs	2,736	2,736
	364,846	450,176
<b>Current assets</b>		
Trade and other receivables	42,424	42,424
Contract costs	2,666	2,666
Current tax assets	537	537
Cash and bank balances	16,947	1,227
	62,574	46,854
Non-current assets held for sale	20,278	20,278
<b>TOTAL ASSETS</b>	447,698	517,308

**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)**

**MINDA GLOBAL BERHAD**

**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONTINUED)**

	Audited Consolidated Statement of Financial Position as at 31 December 2021 RM'000	Pro Forma I  After the Proposed Acquisition RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	388,129	413,129
Capital reorganisation deficit	(7,064)	(7,064)
Accumulated losses	(192,930)	(181,081)
Revaluation reserve	14,484	14,484
<b>TOTAL EQUITY</b>	<b>202,619</b>	<b>239,468</b>
<b>Non-current liabilities</b>		
Borrowings	16,184	156,184
Lease liabilities	130,539	33,150
Deferred tax liabilities	16,533	16,533
	163,256	205,867
<b>Current liabilities</b>		
Borrowings	1,268	1,268
Lease liabilities	14,421	4,572
Trade and other payables	36,208	36,208
Contract liabilities	29,926	29,926
	81,823	71,974
<b>TOTAL LIABILITIES</b>	<b>245,079</b>	<b>277,840</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>447,698</b>	<b>517,308</b>

**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)**

**MINDA GLOBAL BERHAD**

**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONTINUED)**

	<b>Audited Consolidated Statement of Financial Position as at 31 December 2021</b>	<b>Pro Forma I  After the Proposed Acquisition</b>
Number of ordinary shares in issue ('000)	1,321,906	1,679,049
Net Assets ("NA") attributable to the owners of the Company (RM'000)	202,619	239,468
NA per share attributable to the owners of the Company (RM)	0.15	0.14
Interest-bearing borrowings (RM'000)	162,412	195,173
Gearing (times)	0.80	0.82

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**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)**

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**MINDA GLOBAL BERHAD**

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**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

**1. Basis of Preparation**

- 1.1 The Pro Forma Consolidated Statement of Financial Position of the Group as at 31 December 2021, for which the Directors are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 31 December 2021 had the Proposed Acquisition as described in Note 2 been effected on that date, and should be read in conjunction with the accompanying notes to the Pro Forma Consolidated Statement of Financial Position.
- 1.2 The Pro Forma Consolidated Statement of Financial Position of the Group as at 31 December 2021 have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 31 December 2021, which have been prepared in accordance with the Malaysian Financial Reporting Standards.
- 1.3 The audited consolidated financial statements of MGB for the financial year ended 31 December 2021 were reported by the auditors to the members of MGB on 28 April 2022, without any modification.

**2. The Proposed Acquisition**

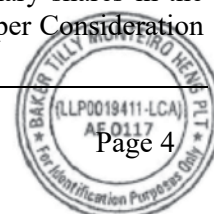
- 2.1 The proposals to be undertaken by MGB comprise the following:-

The Proposed Acquisition entails the acquisition of the land held under Geran 340365, Lot 120232, Bandar Cyberjaya, District of Sepang, Selangor Darul Ehsan together with the buildings erected thereon comprising:-

- (i) 1 administrative office block from upper ground level to level 8;
- (ii) 1 academic block from upper ground level to level 5;
- (iii) 4 storey car park from basement level to mezzanine level; and
- (iv) other ancillary areas,

by UOC Sdn Bhd (a wholly-owned subsidiary of the Company) from Persada Mewah Sdn Bhd for a total purchase consideration of RM180 million, to be satisfied in the following manner:-

- (i) RM155.0 million in cash, whereby RM15.0 million is from internal funds and RM140.0 million is to be financed via loan; and
- (ii) RM25.0 million through the issuance of 357,142,857 new ordinary shares in the Company ("Consideration Shares") at an issue price of RM0.07 per Consideration Share.



**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (cont’d)**

**MINDA GLOBAL BERHAD**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONTINUED)**

**3. Pro Forma Consolidated Statement of Financial Position**

**3.1 Pro Forma I**

Pro Forma I incorporates the effects of the Proposed Acquisition on the audited consolidated statement of financial position as at 31 December 2021 as follows:

	<b>Increase/(Decrease)</b>	
	<b>Effects on</b>	<b>Effects on</b>
	<b>Total Assets</b>	<b>Total Equity and</b>
	<b>RM'000</b>	<b>Liabilities</b>
		<b>RM'000</b>
Property and equipment	180,000	-
Right-of-use assets	(94,670)	
Cash and bank balances	(15,720)	-
Accumulated losses	-	11,849
Share capital	-	25,000
Borrowings	-	140,000
Lease liabilities - Non-current		(97,389)
Lease liabilities - Current		(9,849)
	<b>69,610</b>	<b>69,610</b>

The purchase consideration amounting to RM180 million will be debited to Property and Equipment Account.

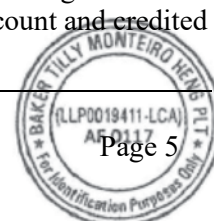
The purchase consideration will be partially settled via issuance of 357,142,857 Consideration Shares at an issue price of RM0.07 per Consideration Share for a total of RM25 million, which will be credited to Share Capital Account.

The balance consideration is to be financed via bank borrowings amounting to RM140 million which will be credited to Borrowings Account and internally generated funds of RM15 million which will be credited from Cash and Bank Balances Account.

Upon the completion of the Proposed Acquisition, the Group will cease its lease arrangement for the lessor. As such, the right-of-use asset amounting to RM94.67 million and the corresponding lease liabilities amounting to RM107.24 million will be derecognised from the financial statements. As a result, the interest expense amounting to RM12.57 million will be unwound in the Profit or Loss account.

The estimated expenses in relation to the Proposed Private Placement amounting to RM0.72 million, of which the amount will be debited to the accumulated losses account and credited from Cash and Bank Balances Account.

**Pro Forma Consolidated Statement of Financial Position  
as at 31 December 2021**



**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)**

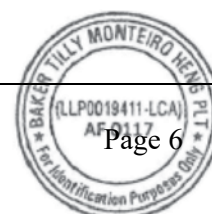
**MINDA GLOBAL BERHAD**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONTINUED)**

**4. Movements in Share Capital and Reserves**

The pro forma effects of the Proposed Acquisition on the issued share capital and reserves of the Company is as follows:

	← Share Capital →		Capital			Total RM
	Number of shares '000	Amount RM'000	Reorganisation Deficit RM'000	Accumulated losses RM'000	Revaluation Reserves RM'000	
<b>Audited as at 31 December 2021</b>	1,321,906	388,129	(7,064)	(192,930)	14,484	202,619
Arising from Proposed Acquisition	357,143	25,000	-	11,849	-	36,849
<b>As per Pro Forma I</b>	<b>1,679,049</b>	<b>413,129</b>	<b>(7,064)</b>	<b>(181,081)</b>	<b>14,484</b>	<b>239,468</b>



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**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)**

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**MINDA GLOBAL BERHAD**

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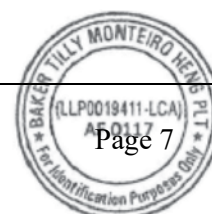
**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONTINUED)**

**5. Movements in Cash and Bank Balances**

	<b>RM'000</b>
<b>Audited as at 31 December 2021</b>	<b>16,947</b>
Arising from Proposed Acquisition	(15,720)
<b>As per Pro Forma I</b>	<b>1,227</b>

**6. Movements in Borrowings**

	<b>RM'000</b>
<b>Audited as at 31 December 2021</b>	<b>17,452</b>
Arising from Proposed Acquisition	140,000
<b>As per Pro Forma I</b>	<b>157,452</b>



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**APPENDIX VI – PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE  
GROUP AS AT 31 DECEMBER 2021 TOGETHER WITH THE REPORTING  
ACCOUNTANTS' LETTER THEREON (cont'd)**

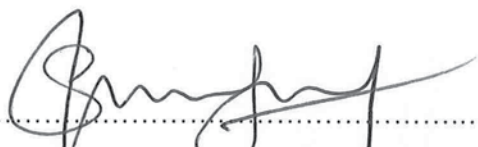
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**MINDA GLOBAL BERHAD**

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**APPROVAL BY BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of Minda Global Berhad in accordance with a resolution dated 10 June 2022



**Tan Sri Datuk Wira Dr. Mohd Shukor Bin**

**Mahfar**

Director



**Tan Sri Dato' Dr. Palaniappan A/L Ramanathan  
Chettiar**

Director



**BY-LAWS OF  
MINDA GLOBAL BERHAD'S SHARE GRANT SCHEME**

**PART I**

**1. NAME OF THE SCHEME**

This Scheme (as defined herein) shall be called the "*Minda Global Berhad's Share Grant Scheme*".

**2. OBJECTIVES OF SCHEME**

The objectives of the Scheme are as follows:

- 2.1 to drive and motivate the Eligible Persons (as defined herein) to work towards achieving the Group's goals and objectives;
- 2.2 to recognise and reward the Eligible Persons in recognition of their accumulated contribution to the operations and continued growth of the Group;
- 2.3 to retain, incentivise and motivate Eligible Persons by giving the Eligible Persons a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company and thereby provide an incentive for the Eligible Persons to participate in the future growth of the Group and motivate them towards better performance through greater productivity and loyalty;
- 2.4 to align the interests of the Eligible Persons with interests of the shareholders via direct participation in the equity of the Company; and
- 2.5 to attract and retain high-calibre prospective employee(s).

The allocation of SGS Shares to non-executive Directors is to recognise the contributions and efforts made by the non-executive Directors as they play a constructive role in contributing towards the growth and performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as to enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company who will assist in the overall strategic decisions of the Group.

**3. DEFINITIONS AND INTERPRETATION**

- 3.1 In these By-Laws, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

<b>Act</b>	The Companies Act 2016 of Malaysia
<b>Adviser</b>	A corporate finance adviser licensed to make submissions to the SC for corporate proposals
<b>Award Date or SGS Award Date</b>	The date of which an SGS Award is made by the SGS Committee to the Eligible Persons to participate in the Scheme
<b>Board</b>	Board of Directors of the Company
<b>Bursa Depository</b>	Bursa Malaysia Depository Sdn Bhd (165570-W)
<b>Bursa Securities</b>	Bursa Malaysia Securities Berhad (635998-W)

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**APPENDIX VII – DRAFT BY-LAWS (cont'd)**

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Minda Global Berhad  
Proposed SGS – By-laws

<b>By-Laws</b>	These rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 23) and a “ <b>By-Law</b> ” shall mean any one of them
<b>CDS</b>	Central Depository System
<b>CDS Account</b>	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
<b>Company or Minda Global</b>	Minda Global Berhad (Registration No: 201601039044 (1209985-V))
<b>Constitution</b>	The constitution of the Company, as amended from time to time
<b>Date of Expiry</b>	Last day of the Duration of the Scheme as defined in By-Law 21.1
<b>Director</b>	A director within the meaning stipulated in the Act
<b>Disciplinary Proceedings</b>	Proceedings instituted by a company within the Group against an SGS Grantee for any alleged misbehaviour, misconduct and/or any other act of the Employee deemed to be unacceptable by that company in the course of that SGS Grantee's directorship or employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such SGS Grantee
<b>Duration of the Scheme</b>	The duration of the Scheme as defined in By-Law 21.1 and includes any extension
<b>Eligible Persons</b>	Directors and/or Employee(s) of the Group who meet the criteria of eligibility for participation in the Scheme as set out in By-Law 5 and fall(s) within any other eligibility criteria that may be determined by the SGS Committee from time to time at its discretion and an “ <b>Eligible Person</b> ” means any one of them
<b>Employee</b>	A natural person who is employed by, and is on the payroll of any company within the Group
<b>Entitlement Date</b>	The date as at the close of business on which the names of the shareholders must appear in the Company's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotment and/or other distributions
<b>Group or Minda Global Group</b>	Collectively, Minda Global and its subsidiary company(ies) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the SGS Effective Date and subsidiaries which are incorporated or acquired at any time

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**APPENDIX VII – DRAFT BY-LAWS (cont'd)**


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*Minda Global Berhad*  
*Proposed SGS – By-laws*

		during the Duration of the SGS but exclude subsidiaries which have been divested in the manner provided in By-Law 19
<b>Listing Requirements</b>		The Main Market Listing Requirements of Bursa Securities
<b>Market Day</b>		Any day on which Bursa Securities is open for trading in securities
<b>Maximum Allotment</b>	<b>Allowable</b>	The maximum number of SGS Shares in respect of the SGS Awards that can be offered and allotted and/or transferred to an Eligible Person in accordance with the provisions of By-Law 6
<b>Performance Targets</b>		The performance targets determined by the SGS Committee, which are to be achieved by the SGS Grantee and/or Group and/or business units within the Group as determined by the SGS Committee, during such period as specified in the SGS Award
<b>Persons Connected</b>		Shall have the same meaning given in relation to 'persons connected' with a Director or Employee or persons connected with a major shareholder as defined in paragraph 1.01 of the Listing Requirements
<b>Representative</b>		The personal or legal representative of the deceased SGS Grantee as defined at By-Law 13.5
<b>Rules of Bursa Depository</b>		The rules of Bursa Depository, as issued pursuant to SICDA
<b>SC</b>		Securities Commission Malaysia
<b>SGS Awards</b>		The contingent awards of SGS Shares made in writing by the SGS Committee to the Eligible Persons to participate in the SGS in the manner set out in these By-Laws and <b>SGS Award</b> shall mean any one of them
<b>SGS Committee</b>		The committee appointed and authorised by the Board to administer the SGS, comprising such number of the Directors and/or management personnel of the Group identified from time to time by the Board
<b>SGS Effective Date</b>		The date on which the Scheme comes into force as provided in By-Law 21.1
<b>SGS or Scheme</b>		Minda Global Berhad's Share Grant Scheme
<b>SGS Shares</b>		New ordinary shares of the Company made available under the Scheme in the manner stipulated in By-Law 4.1
<b>SGS Grantee</b>		Collectively, the Eligible Persons who have accepted an SGS Award in accordance with By-Law 8, and an " <b>SGS Grantee</b> " means any one of them

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**APPENDIX VII – DRAFT BY-LAWS (cont'd)**

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*Minda Global Berhad*  
*Proposed SGS – By-laws*

- |                           |   |
|---------------------------|---|
| <b>Shares</b>             | Ordinary shares of the Company from time to time  |
| <b>SICDA</b>              | Securities Industry (Central Depositories) Act 1991, as amended from time to time   |
| <b>Vesting Conditions</b> | The conditions determined by the SGS Committee and stipulated in the SGS Award which must be fulfilled for the SGS Shares under an SGS Award to be vested in an SGS Grantee |
| <b>Vesting Date(s)</b>    | The date or dates on which all or some of the SGS Shares to which an SGS Award relates is / are vested pursuant to the SGS Award stipulated by the SGS Committee            |
| <b>Vesting Notice</b>     | Has the meaning ascribed to it in By-Law 9.3  |
- 3.2 Headings are for ease of reference only and do not affect the meaning of a By-Law.
- 3.3 Any reference to a statutory provision or an applicable law shall include a reference to:
- (a) any and all subsidiary legislation made from time to time under that provision or law;
  - (b) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or Bank Negara Malaysia and/or the SC;
  - (c) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to any SGS Award made, offered and/or accepted within the Duration of the Scheme; and
  - (d) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 3.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 3.5 Words importing the singular number shall include the plural number and vice versa.
- 3.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the Date of Expiry, then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.
- 3.7 Any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (a) by the Board, may be exercised in the Board's sole discretion and the Board shall not be under any obligation to give any reasons therefor; and
  - (b) by the SGS Committee, may be exercised in the SGS Committee's sole discretion and the SGS Committee shall not be under any obligation to give any reason therefor, subject always to the Board's power to overrule any decision of the SGS Committee.
- 3.8 In the event of any change in the name of the Company from its present name, all reference to "*Minda Global Berhad*" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new

name.

## **PART II**

### **4. MAXIMUM NUMBER OF SGS SHARES AVAILABLE UNDER THE SCHEME**

4.1 The aggregate maximum number of SGS Shares which may be made available under the Scheme (whether in the form of new Shares to be issued under the Scheme or the aggregate number of new Shares together with existing Shares made available for the purposes of the Scheme) ("**SGS Shares**"), shall not in aggregate exceed fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) (the "**SGS Maximum Shares**") at any point of time during the Duration of the Scheme.

4.2 Notwithstanding By-Law 4.1 or any other provision herein contained, in the event the number of SGS Shares granted under this Scheme exceeds in aggregate the SGS Maximum Shares as a result of:

- (a) the Company purchasing or cancelling its own shares pursuant to Section 127 of the Act, or
- (b) the Company undertaking any corporate proposal and thereby diminishing the issued shares of the Company,

then such SGS Awards granted prior to the adjustment of the issued share capital (excluding treasury shares, if any) of the Company shall remain valid in accordance with these By-Laws and the SGS Shares shall vest in accordance with the terms of the SGS Awards. However, in such a situation, the SGS Committee shall not make any further SGS Awards, unless the total number of SGS Shares to be issued under the Scheme falls below the SGS Maximum Shares.

### **5. ELIGIBILITY**

5.1 Eligible Persons who fulfil the following conditions shall be eligible to participate in the Scheme:

- (a) the Employee has fulfilled the following as at the Award Date:
  - (i) he/she is at least eighteen (18) years of age on the Award Date and is not an undischarged bankrupt; and
  - (ii) he/she is employed and is on the payroll of any company in the Group; and
  - (iii) his/her employment has been confirmed by any company in the Group; and
  - (iv) such Employee falls within any other eligibility criteria that may be determined by the SGS Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (b) in respect of a Director of the Group, the Director must fulfil the following criteria as at the Award Date:
  - (i) he/she is at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;

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**APPENDIX VII – DRAFT BY-LAWS (cont'd)**

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*Minda Global Berhad*  
*Proposed SGS – By-laws*

- (ii) he/she has been appointed as a director (including non-executive directors and/or independent directors) of the Company or any other company in the Group (excluding any dormant subsidiary);
  - (iii) such Director fulfils any other criteria as may be determined by the SGS Committee from time to time at its sole discretion, whose decision shall be final and binding, and
- (c) In respect of a Director, a chief executive officer, a major shareholder of the Company or a Person Connected with a Director, chief executive officer or major shareholder of the Company, the specific allocation of SGS Awards granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.
- (d) If the Eligible Person is employed by a company which is acquired by the Group during the Duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the Award Date to be eligible to participate in the Scheme:
  - (i) he/she is at least eighteen (18) years of age Award Date and is not an undischarged bankrupt; and
  - (ii) he/she is employed full time and is on the payroll of the newly acquired company; and
  - (iii) his/her employment has been confirmed by the newly acquired company.

The Eligible Person must fulfil any other criteria and/or fall within such category / designation of employment as may be determined by the SGS Committee from time to time at its sole discretion, whose decision shall be final and binding. For the avoidance of doubt, an Employee who attains the prescribed retirement age but is offered to continue to serve the Group on a full-time basis shall be treated as an employee of the Group.

- 5.2 Without prejudice to the generality of the foregoing and subject to the SGS Committee's discretion, any SGS Award made by the SGS Committee shall become void, of no effect and cease to be capable of acceptance by an Eligible Person upon the occurrence of any following events:
- (a) the death of the SGS Grantee;
  - (b) the SGS Grantee receiving a letter of termination or ceases to be an Employee or Director of the Group (whichever applicable), for any reason whatsoever;
  - (c) the SGS Grantee providing notice of his/her resignation from service/employment;
  - (d) the corporation which employs the SGS Grantee ceasing to be part of the Group; or
  - (e) without prejudice to the provisions of By-Law 13.7, the SGS Grantee is subject to Disciplinary Proceedings.
- 5.3 The SGS Committee may from time to time at its discretion, select and identify suitable Eligible Persons to be offered the SGS Awards.
- 5.4 For avoidance of doubt, an Eligible Person of a dormant company within the Group is not eligible to participate in the Scheme.

- 5.5 Eligibility under the Scheme does not confer upon the Eligible Persons a claim or right to participate in or any rights whatsoever under the Scheme, and an Eligible Person does not acquire or has any rights over the SGS Awards unless an SGS Award has been made in writing by the SGS Committee to the Eligible Person and the Eligible Person has accepted the SGS Award in accordance with By-Law 8 hereof.

**6. MAXIMUM ALLOWABLE ALLOTMENT AND BASIS OF ALLOTMENT**

- 6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 17, the aggregate maximum number of SGS Shares that may be granted to any 1 category / designation of employment of the EGSS Grantees ("**Maximum Allowable Allotment**") shall be determined entirely at the discretion of the SGS Committee taking into consideration criteria/basis of allotment including without limitation:
- (a) the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to employees' share issuance schemes; and
  - (b) after taking into consideration the Performance Targets, position, annual appraised performance, seniority and length of service, contribution to the success and development of the Group, category or grade of employment of the Eligible Person; or
  - (c) such other matters which the SGS Committee may in its sole discretion deem fit.

In making an offer of the SGS Award to an Eligible Person, the SGS Committee shall set out the basis of the allocation and particulars of the SGS Award pursuant to By-Law 7.3.

- 6.2 Notwithstanding By-Law 6.1, the Maximum Allowable Allotment for any Eligible Person who, either singly or collectively through Persons Connected with such Eligible Person, holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares), shall not exceed ten percent (10%) of the total number of SGS Shares to be issued under the Scheme.
- 6.3 Not more than sixty percent (60%) of the total number of SGS Shares available under the Scheme will be allocated in aggregate to the Directors (including non-executive directors and/or independent directors) and senior management personnel of the companies in the Group (excluding dormant subsidiaries).
- 6.4 The SGS Committee may make more than one (1) SGS Award to an Eligible Person **PROVIDED THAT** the aggregate number of SGS Shares so awarded to an Eligible Person throughout the entire Duration of the Scheme does not exceed the Maximum Allowable Allotment for such Eligible Person.
- 6.5 For the avoidance of doubt, the SGS Committee shall have sole discretion in determining whether the SGS Shares available for vesting under this Scheme are to be offered to an SGS Grantee via:
- (a) one (1) single SGS Award at a time determined by the SGS Committee; or
  - (b) several SGS Awards, where the vesting of SGS Shares comprised in those SGS Awards is staggered or made in several tranches at such times and on terms determined by the SGS Committee.
- 6.6 In the event the SGS Committee decides that the SGS Award is to be staggered, the number of SGS Shares to be offered in each SGS Award and the timing for the vesting

of the same shall be decided by the SGS Committee at its sole discretion and each SGS Award shall be separate and independent from the others.

- 6.7 No Eligible Person shall participate in the deliberation or discussion of their own respective allocations and/or allocations to Persons Connected with them under this Scheme.

### **PART III**

#### **7. SGS AWARD**

- 7.1 The SGS Committee may make to an Eligible Person an SGS Award at any time within the Duration of the Scheme. For the avoidance of doubt, the SGS Committee has the absolute discretion to determine whether or not any SGS Award is to be granted for any particular year.
- 7.2 Subject to the Maximum Allowable Allotment at By-Law 6, the SGS Committee may stipulate any terms and conditions it deems appropriate in its sole discretion in an SGS Award. Nothing herein shall require any SGS Award offered to be the same as any other share awards previously or subsequently offered, whether to the same or different Eligible Person.
- 7.3 In the document/letter stating the SGS Award ("**SGS Award Letter**") made to an Eligible Person, the SGS Committee shall state, amongst others:
- (a) the amount of SGS Award;
  - (b) the date of SGS Award;
  - (c) the basis of allocation pursuant to By-Law 6.1;
  - (d) the Vesting Conditions;
  - (e) the Vesting Date(s);
  - (f) the Validity Period (defined herein this By-Law 7.3);
  - (g) the retention period and/or restriction on transfer, if any/applicable, to an SGS Grantee pursuant to the vesting of the SGS Award; and
  - (h) any other information deemed necessary by the SGS Committee (including a written acceptance by the Eligible Person of the SGS Award, if required).

An SGS Award shall be valid for acceptance for a period of thirty (30) calendar days from the Award Date or such longer period as may be determined by the SGS Committee at its discretion determines on a case-to-case basis ("**Validity Period**").

- 7.4 Without prejudice to By-Law 24.6, in the event of an error on the part of the Company in stating any of the particulars of the SGS Award Letter, as soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental SGS Award Letter, stating the correct particulars referred to in By-Law 7.3.
- 7.5 The SGS Grantees are not required to pay for the SGS Shares they are entitled to receive upon vesting of the SGS Shares pursuant to the SGS Award.

#### **8. ACCEPTANCE OF SGS AWARD**

- 8.1 Unless an Eligible Person indicates in writing that he/she does not wish to accept the



SGS Award within the Validity Period, the SGS Award shall be deemed accepted by the Eligible Person upon the expiry of the Validity Period or in such other manner as may be prescribed by the SGS Committee from time to time. The Eligible Person who is deemed to have accepted the SGS Award shall be bound by the terms of these By-Laws, the terms and conditions of the SGS Award (as stipulated in the SGS Award Letter) and such other terms and conditions which are imposed/determined by the SGS Committee.

- 8.2 If the Eligible Person has indicated in writing his/her non-acceptance of the SGS Award within the Validity Period, the SGS Award shall immediately lapse and be null and void and be of no further force and effect. The SGS Shares comprised in such SGS Award may, at the discretion of the SGS Committee, be re-offered to other Eligible Person(s).
- 8.3 The number of SGS Shares offered and accepted in an SGS Award shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of SGS Awards offered in the lapsed SGS Award, in any SGS Award made in the future. However, SGS Awards not taken up resulting from the non-acceptance of SGS Awards within the Validity Period specified shall thereafter form part of the balance of SGS Awards available under the SGS for future awards.

#### **9. SGS VESTING CONDITIONS AND SATISFACTION OF VESTING CONDITIONS**

- 9.1 The SGS Committee shall, as and when it deems practicable and necessary, review and determine at its own discretion the Vesting Conditions in respect of an SGS Award. The SGS Shares or such part thereof as may be specified in an SGS Award will only vest with the SGS Grantee on the Vesting Date(s) if the Vesting Conditions are fully and duly satisfied, which include, amongst others, the following:
- (a) the SGS Grantee must remain an Employee, or a Director (whichever applicable) as at the Vesting Date and has not given a notice to resign or received a notice of termination as at the Vesting Date;
  - (b) the SGS Grantee has not been adjudicated a bankrupt;
  - (c) the Performance Targets are fully and duly satisfied; and/or
  - (d) any other conditions which are determined by the SGS Committee has been fulfilled.
- 9.2 The SGS Committee shall have full discretion to determine whether the Performance Targets have been fully and duly satisfied. If the SGS Committee determines that the Performance Targets are not fully and duly satisfied, the Company may, at its discretion, adjust the number of SGS Shares (if any) which may vest in the SGS Grantee on the Vesting Date(s).
- 9.3 Where the SGS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the SGS Committee shall notify in writing the SGS Grantee of the number of SGS Shares vested or which will be vested in him/her on the Vesting Date ("**Vesting Notice**").
- 9.4 No SGS Grantee shall have any right to or interest in the Share awarded to him/her under an SGS Award until and unless the Vesting Notice is issued, whereupon the SGS Shares stipulated in the SGS Award Letter will be vested in the SGS Grantee with effect from the Vesting Date.
- 9.5 The SGS Grantee shall provide all information as required in the Vesting Notice, and the Company shall within eight (8) Market Days after the Vesting Date or such other period as may be prescribed or allowed by Bursa Securities, and subject to the

provisions of the Constitution, the SICDA and the Rules of Bursa Depository, allot and issue the relevant number of new SGS Shares and/or transfer the relevant number of existing Shares to the SGS Grantee accordingly and/or apply to Bursa Securities for the quotation of new SGS Shares arising from the vesting of an SGS Award (whichever applicable). The SGS Shares to be issued pursuant to the vesting of an SGS Award will be credited directly into the CDS Account and no physical share certificates will be delivered to the SGS Grantee or his authorised nominee (as the case may be).

#### **PART IV**

##### **10. NON-TRANSFERABILITY**

- 10.1 An SGS Award is personal to the SGS Grantee and subject to the provisions of By-Laws 10.2, 10.3 and 13.3, is vested only in the SGS Grantee personally during his/her lifetime whilst he/she is a Director or is in the employment of any company in the Group.
- 10.2 An SGS Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the SGS Grantee save and except in the event of the death of the SGS Grantee as provided under By-Law 13.5. Any such attempt to transfer, assign, dispose or encumber any SGS Award shall result in the automatic cancellation of the SGS Award.
- 10.3 Notwithstanding By-Law 10, in the event a SGS Grantee is transferred to another company within the Group which has its own share issuance scheme, the SGS Grantee shall be entitled to continue to receive, upon vesting, all SGS Shares under the SGS Awards granted under this Scheme in accordance with these By-Laws, but such SGS Grantee shall not upon be eligible to participate for further SGS Awards under the Scheme.

##### **11. RIGHTS ATTACHING TO SGS SHARES**

- 11.1 The new SGS Shares to be allotted and issued upon the vesting of any SGS Awards under the Scheme will be subjected to the provisions of the Constitution and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares of the Company, save and except that the SGS Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders, prior to the Entitlement Date (which is the date on which the existing SGS Shares are credited into the CDS Accounts of the SGS Grantee pursuant to the vesting of the SGS Award).
- 11.2 In respect of existing SGS Shares to be transferred to an SGS Grantee, such SGS Shares will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, prior to the Entitlement Date (which is the date on which the existing SGS Shares are credited into the CDS Accounts of the SGS Grantee pursuant to the vesting of the SGS Award).
- 11.3 The SGS Awards shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, an SGS Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his/her unvested SGS Shares.

##### **12. RESTRICTION ON DEALING/RETENTION PERIOD**

- 12.1 The SGS Shares to be allotted and issued and/or transferred to an SGS Grantee pursuant to the vesting of an SGS Award under the Scheme may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed/determined by the SGS Committee from time to time at its discretion.

- 12.2 Notwithstanding the above, pursuant to Paragraph 8.20 of the Listing Requirements, an SGS Grantee who is a non-executive director of any company within the Group (excluding any dormant subsidiary) must not sell, transfer or assign his/her SGS Shares obtained through an SGS Award pursuant to the Scheme within 1 year from the SGS Award Date of such SGS Shares.
- 12.3 The Company encourages the SGS Grantee(s) to hold the SGS Shares subscribed for by them for as long as possible. An SGS Grantee should note that the SGS Shares are intended for him/her to hold as an investment rather than for any speculative purposes and/or for the realisation of any immediate gain.

### **13. TERMINATION OF THE SGS AWARDS**

- 13.1 Prior to the full vesting of any SGS Award and/or the allotment or satisfaction by any other means of an SGS Award in the manner as provided for under By-Law 24.2, such SGS Awards that remain unvested or unsatisfied (as the case may be) shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group in the following circumstances:
- (a) termination or cessation of employment or directorship (whichever applicable) of the SGS Grantee with the Group for any reason whatsoever, in which event the SGS Awards shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the SGS Grantee's employer accepts his/her notice of resignation or the SGS Grantee's employer notifies the SGS Grantee of termination of his/her employment or on the day the SGS Grantee notifies his/her employer of his/her resignation or on the SGS Grantee's last day of employment, whichever is the earlier; or
  - (b) bankruptcy of the SGS Grantee, in which event the SGS Awards shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date a receiving order is made against the SGS Grantee by a court of competent jurisdiction; or
  - (c) upon the happening of any other event which results in the SGS Grantee being deprived of the beneficial ownership of the SGS Award, in which event the SGS Awards shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date such event occurs; or
  - (d) winding up or liquidation of the Company, in which event the SGS Awards shall be automatically terminated and/or cease to be valid on the following date:
    - (i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
    - (ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
  - (e) termination of the Scheme pursuant to By-Law 21.5, in which event the SGS Awards shall be automatically terminated and cease or cease to be valid without any claim against the Group on the Termination Date (as defined in By-Law 21.3(a)),

whichever shall be applicable.

Upon the termination of the SGS Awards pursuant to By-Laws 13.1, the SGS Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group for any loss of any right or benefit or prospective right

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## APPENDIX VII – DRAFT BY-LAWS (*cont'd*)

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or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any SGS Award.

- 13.2 A SGS Grantee will be allowed to continue to hold any unvested SGS Award upon retirement on or after attaining normal retirement age.
- 13.3 Notwithstanding By-Law 13.1, the SGS Committee may at its discretion allow an SGS Award to remain unvested and the SGS Shares shall vest in the SGS Grantee according to the SGS Award or within such shorter period as the SGS Committee shall determine on such terms and conditions as it shall deem fit, if the cessation of employment occurs as a result of:
- (a) ill-health, injury, physical or mental disability; or
  - (b) retirement before attaining the normal retirement age with the consent of his/her employer; or
  - (c) redundancy, retrenchment or voluntary separation scheme; or
  - (d) transfer to any company outside the Group at the direction of the Company; or
  - (e) any other circumstance as may be deemed as acceptable to the SGS Committee in its sole discretion.
- 13.4 Notwithstanding By-Law 13.3, in the event that an SGS Grantee is notified that he/she will be made redundant or retrenched or is given an offer to participate in a voluntary separation scheme, the SGS Grantee may be vested with such number of unvested SGS Shares under the SGS within thirty (30) calendar days after he/she receives such notice or accepts such offer, as the case may be. Thereafter, any such number of unvested SGS Shares at the expiry of the said thirty (30) day period shall automatically be terminated.
- 13.5 Subject to By-Law 21.4, in the event that an SGS Grantee dies before the Date of Expiry and, at the date of death, holds any SGS Shares under the SGS which remain unvested, such unvested SGS Shares may be vested in the personal or legal representative of the deceased SGS Grantee ("**Representative**") provided that the Representative submits such relevant documents (i.e. letter of administration or grant of probate) to the satisfaction of the SGS Committee prior to the Date of Expiry and vesting of the relevant SGS Shares occurs prior to the Date of Expiry.
- 13.6 The provisions of By-Law 13.5 shall constitute exceptions to the provisions of By-Law 5.1.
- 13.7 Notwithstanding anything to the contrary herein contained in these By-Laws, the SGS Committee shall have the right, at its discretion by notice in writing to the SGS Grantee, suspend immediately the right of any SGS Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such SGS Grantee or are found to have had no basis or justification) to have SGS Shares vested in him/her pending the outcome of such Disciplinary Proceedings.

In addition to this right of suspension, the SGS Committee may impose such terms and conditions as the SGS Committee shall deem appropriate at its sole discretion, on the SGS Grantee's right to have SGS Shares vested in him/her having regard to the nature of the charges made or brought against such SGS Grantee, **PROVIDED ALWAYS** that:

- (a) in the event such SGS Grantee is found not guilty of the charges which gave

rise to such Disciplinary Proceedings, the SGS Committee shall reinstate the right of such SGS Grantee to their SGS Award;

- (b) in the event the Disciplinary Proceedings result in a recommendation for the dismissal or termination of service of such SGS Grantee, the SGS Award shall immediately lapse and be null and void and of no further force and effect (and the unvested SGS Shares shall not thereafter vest), without notice to the SGS Grantee, upon pronouncement of the dismissal or termination of service of such SGS Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the SGS Grantee in any other forum;
- (c) in the event the SGS Grantee is found guilty but no dismissal or termination of service is recommended, the SGS Committee shall have the right to determine at its discretion whether or not the SGS Grantee may continue to have the SGS Shares vested in him/her or any part thereof and if so, to impose such terms and conditions as it deems appropriate; and
- (d) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the SGS Awards of such SGS Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the SGS Committee to enquire into or investigate the substantiveness and/or validity of such Disciplinary Proceeding(s) and the SGS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the SGS Committee's exercise of or failure to exercise any of its rights under this By-Law.

#### **14. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS**

All SGS Grantees shall be entitled to inspect a copy of the latest annual audited consolidated financial statements of the Company, which shall be made available on Bursa Securities' website as well as the Company's website.

#### **15. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme shall not confer or be construed to confer any special rights or privileges over any Employee's terms and conditions of employment in the Group under which the Employee is employed nor any rights additional to any compensation or damages that the Employee may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any employee of the Group.

#### **16. TAXES**

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes) that are incurred by an SGS Grantee pursuant to or relating to the vesting of any Share under the SGS Award, and any holding or dealing of such SGS Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that SGS Grantee for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

### **PART V**

#### **17. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS**

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**APPENDIX VII – DRAFT BY-LAWS (cont'd)**

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- 17.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction or any other alteration in the capital structure of the Company or otherwise howsoever, the SGS Committee may, in its discretion, determine whether:
- (a) the number of SGS Shares which are the subject of the SGS Award to the extent not yet vested; and/or
  - (b) the maximum number of existing SGS Shares which may be delivered in settlement pursuant to the SGS Awards,
- shall be adjusted, and if so, the manner in which such adjustments should be made.
- 17.2 The provisions of this By-Law 17 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of SGS Shares pursuant to the vesting of SGS Awards under the Scheme; or
  - (b) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
  - (c) an issue of securities as a private placement; or
  - (d) any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation; or
  - (e) a restricted issue of securities; or
  - (f) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
  - (g) a purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.
- 17.3 Save as expressly provided for herein, the external auditors of the Company or Adviser (acting as expert and not arbitrator) must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of such external auditor or Adviser shall be final, binding and conclusive.
- 17.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2 of Division 7 of Part III of the Act, By-Law 17.1 shall be applicable (subject to By-Law 17.2), in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company.
- 17.5 An adjustment pursuant to By-Law 17.1 shall be made according to the following terms:
- (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
  - (b) in the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date of allotment of shares of the Company in respect of such consolidation, subdivision or reduction.

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**APPENDIX VII – DRAFT BY-LAWS (cont'd)**

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- 17.6 Upon any adjustment required to be made pursuant to this By-Law 17, the Company shall notify the SGS Grantee (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth the number of SGS Shares comprised in the unvested SGS Awards which are the subject of the adjusted SGS Award. Any adjustment shall take effect upon such written notification being given or such date as may be specified in such written notification.
- 17.7 Any adjustment pursuant to By-Law 17.1 shall be made in such a manner as to give the SGS Grantee a fair and reasonable SGS Award entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.
- 17.8 Notwithstanding the provisions of this By-Law, the SGS Committee may exercise its discretion to determine whether any adjustments to the number SGS Shares shall be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the number of SGS Shares notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.
- 17.9 In the event that a fraction of a SGS Shares arises from the adjustments pursuant to this By-Law 17, the number of SGS Shares comprised in an SGS Award shall automatically be rounded down to the nearest whole number.

**18. TAKE-OVER OFFER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC**

In the event of:

- (a) a take-over offer being made for the Company through a general offer to acquire the whole of the issued share capital (or such part of the issued share capital not at the time owned by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of SGS Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date; or
- (c) the court sanctioning a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act,

the SGS Committee may at its discretion to the extent permitted by law allow the vesting of any SGS Awards (or any part thereof) by the SGS Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the Vesting Date is not due or has not occurred; and/or
- (ii) the other terms and conditions set out in the SGS Award have not been fulfilled or satisfied.

**19. DIVESTMENT FROM THE GROUP, ETC**

- 19.1 In the event that a company within the Group shall be divested from the Group, an SGS Grantee:
- (a) shall cease to be capable of being vested with any unvested SGS Shares



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## APPENDIX VII – DRAFT BY-LAWS (cont'd)

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under the SGS Award from the date of completion of such divestment, within a period of three (3) months from the date of completion of such divestment or the Date of Expiry, whichever expires first; and

- (b) shall no longer be eligible to participate for further SGS Awards under the Scheme as from the date of completion of such divestment, unless approved by the SGS Committee in writing.

- 19.2 For the purposes of By-Law 19.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the interest of the Company in such company is reduced from above fifty percent (50%) to fifty percent (50%) or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the SGS Committee as its discretion.

### 20. WINDING UP

- 20.1 All outstanding SGS Awards shall be automatically terminated and be of no further force and effect in the event that a resolution is passed, or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order (where applicable).
- 20.2 In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to vest the SGS Awards shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to vest the SGS Awards shall accordingly be unsuspended.

## **PART VI**

### 21. SGS EFFECTIVE DATE, DURATION, TERMINATION AND EXTENSION OF SCHEME

- 21.1 The SGS Effective Date for the implementation of the Scheme shall be such date to be determined and announced by the Board following full compliance with all relevant requirements of the Listing Requirements, including the following: -
- (a) submission of the final copy of the By-Laws to Bursa Securities;
  - (b) approval from Bursa Securities for the listing of and quotation for up to fifteen percent (15%) of the total number of issued Shares of the Company on the Main Market of Bursa Securities;
  - (c) procurement of shareholders' approval for the Scheme;
  - (d) receipt of approval of any other relevant authorities, where applicable; and
  - (e) fulfilment or waiver (as the case may be) of all conditions attached to the above proposals, if any.

The Scheme shall be in force for a duration of ten (10) years from the SGS Effective Date (or such longer duration as may from time to time be permitted by relevant authorities), ("**Duration of the Scheme**"). The date of expiry of the Scheme ("**Date of Expiry**") shall be at the end of the aforesaid ten (10) years from the SGS Effective Date.

- 21.2 An SGS Award may only be made during the Duration of the Scheme. Notwithstanding anything to the contrary, all SGS Awards shall lapse on the Date of Expiry.



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## APPENDIX VII – DRAFT BY-LAWS (*cont'd*)

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- 21.3 The Scheme may be terminated by the SGS Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities. The announcement shall include: -
- (a) the effective date of termination (“**Termination Date**” or “**SGS Termination Date**”);
  - (b) the number of SGS Shares vested under the SGS Award; and
  - (c) the reasons and justification for termination.
- 21.4 In the event of termination as stipulated in By-Law 21.3 above, the following provisions shall apply: -
- (a) no further SGS Awards shall be made by the SGS Committee from the Termination Date;
  - (b) all SGS Awards which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date; and
  - (c) all SGS Shares which have not yet vested in the Eligible Persons shall automatically lapse on the Termination Date.
- 21.5 Approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of SGS Grantees who have yet to accept or vest the unvested SGS Shares are not required to effect a termination of the Scheme.

## 22. NO COMPENSATION FOR TERMINATION

No Eligible Person shall be entitled to any compensation for damages arising from the termination of any SGS Award or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws: -

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the SGS Award or consideration for the SGS Award afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the SGS Award themselves) against the Company or any company of the Group, directly or indirectly;
- (c) no SGS Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the SGS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/grant of his/her SGS Award or his/her rights/SGS Award ceasing to be valid pursuant to the provisions of these By-Laws; and
- (d) the Company, the Board or the SGS Committee shall in no event be liable to the SGS Grantee or his/her personal or legal representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation loss of profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from

any other cause whatsoever.

**23. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME**

23.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the SGS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws **PROVIDED THAT** no additions, modifications, or amendments to or deletions of these By-Laws shall be made which will: -

- (a) prejudice any rights which have accrued to any SGS Grantee without the prior consent or sanction of that SGS Grantee; or
- (b) increase the number of SGS Shares available under the Scheme beyond the SGS Maximum Shares imposed by By-Law 4.1 and the Listing Requirements; or
- (c) alter any matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Persons and/or SGS Grantee,

unless allowed otherwise by the provisions of the Listing Requirements.

23.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 7, 8, 10, 11, 12, 16, 17 and 21 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.

23.3 Upon amending and for modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments, cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements in relation to the Scheme.

**PART VII**

**24. ADMINISTRATION AND TRUST**

24.1 The Scheme shall be administered by the SGS Committee. The SGS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board. The decision of the SGS Committee shall be final and binding.

24.2 In implementing the Scheme, the SGS Committee may in its discretion, after taking into consideration, amongst others, factors such as –

- (a) prevailing market price of the Shares,
- (b) funding considerations,
- (c) dilutive effects on the Company's capital base,
- (d) future returns and cash requirements of the Group,

decide that the SGS Shares to be awarded under the SGS shall be satisfied by any

of the following methods:

- (i) issuance of new Shares;
- (ii) acquisition and transfer of existing Shares;
- (iii) any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
- (iv) a combination of any of the above.

Further, the SGS Committee may, at its discretion, decide to make cash payments in lieu of issuance and allotment of new Shares upon such terms and conditions deemed fit or expedient by the SGS Committee in connection with an SGS Award to an Eligible Person.

- 24.3 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the SGS Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Securities and transferring them to SGS Grantees at such times as the SGS Committee shall direct ("**Trust**"). To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party to be paid into the bank account(s) to be established by the Trustee for the purpose of the Trust as the Trustee may direct for such payment.
- 24.4 The Trustee if and when a Trust is established shall administer the Trust in accordance with the terms of the trust deed to be entered into between the Company and the trustee constituting the trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the SGS Committee may in its sole discretion direct for the implementation and administration of the Trust.
- 24.5 The Company or SGS Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The SGS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 24.6 Without limiting the generality of By-Law 24.1, the SGS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an SGS Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 24.7 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the SGS Committee as it shall deem fit.

## **25. DISPUTES**

- 25.1 In the case of a dispute or difference between the SGS Committee and an Eligible Person or an SGS Grantee or in the event of an appeal by an Eligible Person (as the

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## APPENDIX VII – DRAFT BY-LAWS (*cont'd*)

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case may be) relating to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the SGS Committee during the Duration of the Scheme.

- 25.2 The SGS Committee shall then determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person and/or SGS Grantee, provided where the dispute is raised by a member of the SGS Committee, the said member shall abstain from voting in respect of the decision of the SGS Committee in that instance.
- 25.3 In the event the Eligible Person or SGS Grantee, as the case may be, disputes the written decision by written notice to the SGS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the SGS Committee shall abstain from voting.
- 25.4 Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference, or appeal brought by any party to the SGS Committee shall be borne by such party.
- 25.5 Notwithstanding the foregoing provisions of By-Law 25.1 above, matters concerning adjustments made pursuant to By-Law 17 shall be referred to external auditors of the Company or Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

### 26. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issuance and allotment and/or transfer of the SGS Shares pursuant to the SGS Award, shall be borne by the Company. For the avoidance of doubt, the Company shall not be liable for any costs and expenses incurred by the SGS Grantee for the opening and maintenance of his or her own CDS Account and for all trading activities after the SGS Shares have been successfully vested with the SGS Grantee.

### 27. CONSTITUTION

In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the Constitution shall prevail.

### 28. NOTICE

- 28.1 Any notice or request (including any notice relating to SGS Award and normal correspondences thereof) which the Company, Board or SGS Committee is required to give, or may desire to give, to any Eligible Person or the SGS Grantee pursuant to the Scheme shall be in writing and shall be deemed sufficiently given: -
- (a) if it is sent by ordinary post to the Eligible Person or the SGS Grantee at the last address known to the Company as being his/her address, such notice or request shall be deemed to have been received three (3) Market Days after posting; or
  - (b) if it is delivered by hand to the Eligible Person or the SGS Grantee, such notice or request shall be deemed to have been received three (3) Market Days the date of delivery; or
  - (c) if it is sent by electronic mail (or any other digital means) to the Eligible Person or the SGS Grantee (to such e mail addresses specified by such Eligible

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**APPENDIX VII – DRAFT BY-LAWS (cont'd)**

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*Minda Global Berhad*  
*Proposed SGS – By-laws*

Person or SGS Grantee), such notice or request shall be deemed to have been received by the recipient on the next Market Day immediately following the day on which the communication is effected.

Any change of address of the Eligible Person or the SGS Grantee shall be communicated in writing to the Company.

28.2 Any notice or request which an Eligible Person is required to give, or may desire to give, to the Company, the Board or the SGS Committee pursuant to the Scheme shall be in writing and shall be deemed sufficiently given: -

- (a) if it is delivered by hand, or
- (b) if it is delivered by registered post,

to the registered office of the Company (or such other office or place which the SGS Committee may have stipulated for this purpose), such notice shall be deemed to have been received at the time when such notice is received and duly acknowledged three (3) Market Days after such communication is effected.

28.3 Where any notice which the Company or the SGS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the SGS Grantee (as the case may be) pursuant to the Scheme, the Company or the SGS Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the SGS Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 28.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or SGS Grantee, as the case may be.

29. **SEVERABILITY**

Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

30. **GOVERNING LAW**

These By-Laws shall be governed and construed in accordance with the laws of Malaysia.

*[the rest of this page is left blank intentionally]*

# Minda Global Berhad

**MINDA GLOBAL BERHAD**  
(Registration No: 201601039044 (1209985-V))  
(Incorporated in Malaysia)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting of Minda Global Berhad ("**Minda Global**" or the "**Company**") will be held at Lecture Hall 3 and 4, Level 4, Academic Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor on Monday, 31 October 2022 at 9.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolutions, with or without any modifications:-

### ORDINARY RESOLUTION 1

**PROPOSED ACQUISITION OF THE LAND HELD UNDER GERAN 340365, LOT 120232, BANDAR CYBERJAYA, DISTRICT OF SEPANG, SELANGOR DARUL EHSAN TOGETHER WITH THE BUILDINGS ERECTED THEREON BY UOC SDN BHD (A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY) FROM PERSADA MEWAH SDN BHD FOR A TOTAL CONSIDERATION OF RM180.0 MILLION ("PROPOSED ACQUISITION")**

**"THAT** subject to all approvals and/or consents being obtained from all relevant authorities and/or parties, approval be and is hereby given to the Company's wholly-owned subsidiary, UOC Sdn Bhd, to undertake the Proposed Acquisition upon the terms and conditions as set out in the conditional sale and purchase agreement dated 10 June 2022 entered into between Persada Mewah Sdn Bhd, UOC Sdn Bhd and Minda Global in relation to the Proposed Acquisition ("**SPA**") for a total consideration of RM180.0 million, to be satisfied in the following manner:-

- (i) RM155.0 million in cash; and
- (ii) RM25.0 million through issuance of 357,142,857 new ordinary shares in the Company ("**Shares**") ("**Consideration Shares**") at an issue price of RM0.07 per Consideration Share;

**THAT** approval be and is hereby given to the Company to allot and issue the Consideration Shares to satisfy the purchase consideration in respect of the Proposed Acquisition in accordance with the terms and conditions as stipulated in the SPA;

**THAT** the Consideration Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares;

**THAT** pursuant to Section 85(1) of the Companies Act, 2016 read together with Clause 64 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Shares arising from the issuance and allotment of the Consideration Shares pursuant to the Proposed Acquisition **AND THAT** the Board of Directors of the Company ("**Board**") is exempted from the obligation to offer such Consideration Shares first to the existing shareholders of the Company provided however that if following the passing of this resolution, this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect<sup>1</sup>;

<sup>1</sup> See Explanatory Note below

**AND THAT** the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Proposed Acquisition with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Acquisition or as the Board may deem necessary or expedient; and deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Acquisition, in the interest of the Company.”

## **ORDINARY RESOLUTION 2**

### **PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF THE SHARE GRANT SCHEME INVOLVING UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES (*EXCLUDING TREASURY SHARES*) FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF MINDA GLOBAL AND ITS SUBSIDIARIES (*EXCLUDING DORMANT SUBSIDIARIES*) (“PROPOSED SGS”)**

“**THAT** subject to all approvals and/or consents being obtained from all relevant authorities and/or parties, approval be and is hereby given for the Company to establish the share grant scheme (“**SGS**” or the “**Scheme**”) involving up to 15% of the total number of issued Shares (*excluding treasury shares*) for eligible directors and employees of Minda Global and its subsidiaries (*excluding dormant subsidiaries*) and the Board be and is hereby authorised to:-

- (i) implement and administer the Scheme in accordance with the by-laws of the Scheme (“**By-laws**”), a draft of which is set out in Appendix VII of the circular to shareholders of the Company dated 6 October 2022 (“**Circular**”), to approve and adopt the By-laws and to give full effect to the Scheme with full powers to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities or as may be deemed fit or necessary by the Board at its discretion;
- (ii) make the necessary applications to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and do all the things necessary at the appropriate time or times for the listing and quotation of the new Shares to be issued pursuant to the Scheme (“**SGS Shares**”);
- (iii) allot and issue from time to time such number of new Shares as may be required pursuant to the granting of SGS Shares provided that the aggregate number of new Shares to be allotted and issued under the Scheme shall not exceed 15% of the total number of issued Shares (*excluding treasury shares*) at any point of time over the duration of the Scheme. The Shares to be allotted and issued pursuant to the granting of SGS Shares under the Scheme will be subject to the provisions of the Constitution of the Company and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares, save and except that the Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of such new Shares;
- (iv) modify and/or amend the By-laws from time to time as may be required or permitted by the authorities or deemed necessary by the authorities or the Board provided that such modifications and/or amendments are effected in accordance with the provisions of the By-laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme;
- (v) extend the duration of the Scheme, provided always that such extension of the Scheme made pursuant to the By-laws shall not in aggregate exceed a duration of 10 years from the date on which the Scheme shall take effect following full compliance with all relevant requirements without having to obtain any further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting; and

- (vi) to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as the Board may deem fit, necessary or expedient or appropriate in order to give full effect to the Proposed SGS and terms of the By-laws with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Board in the best interest of the Company;

**THAT** the By-laws of the Scheme, a draft of which is set out in Appendix VII of the Circular, be and is hereby approved and adopted;

**THAT** pursuant to Section 85(1) of the Companies Act, 2016 read together with Clause 64 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Shares arising from the issuance and allotment of the SGS Shares pursuant to the Proposed SGS **AND THAT** the Board is exempted from the obligation to offer such SGS Shares first to the existing shareholders of the Company provided however that if following the passing of this resolution, this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect<sup>2</sup>;

**AND THAT** the Board be and is hereby authorised to give effect to the Proposed SGS with full powers to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as the Board may deem fit or necessary at its absolute discretion."

### **ORDINARY RESOLUTIONS 3 TO 8**

#### **PROPOSED GRANTING OF SGS SHARES TO DIRECTORS**

"**THAT** subject to all approvals and/or consents of the relevant authorities and/or parties being obtained and subject to the passing of the Ordinary Resolution 2, approval be and is hereby given to the Board to authorise the SGS committee, at any time and from time to time throughout the duration of the Scheme, to award and grant to the following Directors, SGS Shares under the Scheme:-

- |    |   |                       |
|----|---|-----------------------|
| 1. | General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj. Nordin (Rtd.) | Ordinary Resolution 3 |
| 2. | Maha Ramanathan Palan   | Ordinary Resolution 4 |
| 3. | Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar               | Ordinary Resolution 5 |
| 4. | Tan Sri Datuk (Dr.) Rafiah Binti Salim                              | Ordinary Resolution 6 |
| 5. | Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar                       | Ordinary Resolution 7 |
| 6. | Dato' Tan Choon Hwa @ Esther Tan Choon Hwa                          | Ordinary Resolution 8 |

provided always that:-

- (i) he/she shall not participate in the deliberation or discussion of his/her own allocation as well as allocation to persons connected with him/her;
- (ii) the allocation to him/her, who singly or collectively through persons connected with him/her, holds 20% or more of the total number of issued Shares (*excluding treasury shares*), shall not exceed 10% of the total number of new Shares to be issued under the Scheme; and

<sup>2</sup> See Explanatory Note below



- (iii) such award and grant of SGS Shares are subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the By-laws, the Main Market Listing Requirements of Bursa Securities or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time;

**AND THAT** pursuant to Section 85(1) of the Companies Act, 2016 read together with Clause 64 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Shares arising from the issuance and allotment of the SGS Shares pursuant to the Proposed SGS **AND THAT** the Board is exempted from the obligation to offer such SGS Shares first to the existing shareholders of the Company provided however that if following the passing of this resolution, this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect<sup>3</sup>."

## **SPECIAL RESOLUTION 1**

### **PROPOSED CHANGE OF NAME OF THE COMPANY FROM "MINDA GLOBAL BERHAD" TO "CYBERJAYA EDUCATION GROUP BERHAD" ("PROPOSED CHANGE OF NAME")**

**"THAT** the name of the Company be and is hereby changed from "Minda Global Berhad" to "Cyberjaya Education Group Berhad" effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company and that the Constitution shall be hereby amended by replacing all references to "Minda Global Berhad" with "Cyberjaya Education Group Berhad" subject to and upon issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia;

**AND THAT** the Directors and/or the company secretary of the Company be and are hereby authorised and empowered to carry out all the necessary steps and formalities in effecting the Proposed Change of Name."

## **BY ORDER OF THE BOARD**

**WONG YOUN KIM (MAICSA 7018778)**

Practicing Certificate No. 201908000410

Company Secretary

Kuala Lumpur

6 October 2022

### Notes:-

1. *A member of the Company shall be entitled to be present and vote at the meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and there is no restriction as to the qualification of the proxy. A proxy appointed to attend and vote in a meeting of the Company shall have the same rights as the member to speak at the meeting.*
2. *A member of the Company shall be entitled to appoint more than 1 proxy to attend and vote at the same meeting. Where a member appoints more than 1 proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its officer or attorney duly authorised.*
3. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), as defined under the Securities Industry Central Depositories Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *The instrument appointing a proxy and the power of attorney or authority, if any, under which it is signed or notarially certified copy of that power or authority shall be deposited at the registered office of the Company at Acclime Corporate Services Sdn Bhd, Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.*

5. General Meeting Record of Depositors

*For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 78 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 24 October 2022. Only a depositor whose name appears on the Record of Depositors as at 24 October 2022 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.*

6. On 4 October 2022, the Board of Directors of the Company announced that the Company is proposing to change the Company's name from "Minda Global Berhad" to "Cyberjaya Education Group Berhad". The approval of Companies Commission of Malaysia ("CCM") for the use of the proposed name "Cyberjaya Education Group Berhad" was obtained via CCM's email dated 23 September 2022 and the reservation of name is valid for a period of thirty (30) days from 23 September 2022 and was further extended until 22 November 2022 ("**Validity Period**"). The Proposed Change of Name is subject to the approval of shareholders of the Company by way of Special Resolution which requires a majority of not less than three-fourth of such members of the Company as being entitled to vote in person or by proxy at the forthcoming EGM to be convened on 31 October 2022. The proposed Special Resolution if passed, would change the Company's name to "Cyberjaya Education Group Berhad" upon issuance of Notice of Registration of New Name by the CCM. Please refer to the Circular to Shareholders dated 6 October 2022 for further information.

<sup>3</sup> See Explanatory Note below

**Explanatory Note**

Kindly refer to Section 17, Part A of the Circular.

Section 85(1) of the Companies Act, 2016 provides that:-

*"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders".*

Clause 64 of the Constitution of the Company states that:-

*"Subject to any direction to the contrary that may be given by the Company in general meeting, any unissued shares for the time being and any new shares or other convertible securities from time to time to be created shall before they are issued, be offered to the Members in proportion as nearly as the circumstances admit, to the number of existing shares or securities to which they are entitled. Such offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new shares or securities which by reason of the proportion borne by them to the number of shares or securities held by the persons entitled to such offer as aforesaid cannot, in the opinion of the Directors be conveniently offered in the manner herein provided."*

Approving the issuance and allotment of the Consideration Shares and SGS Shares pursuant to the Proposed Acquisition and the Proposed SGS respectively shall have the effect of the shareholders of the Company hereby agreeing to waive their statutory pre-emptive rights pertaining to the Consideration Shares and SGS Shares pursuant to Section 85(1) of the Companies Act, 2016 and Clause 64 of the Constitution of the Company, which will result in a dilution to their shareholding in the Company.

# Minda Global Berhad

**MINDA GLOBAL BERHAD**  
(Registration No: 201601039044 (1209985-V))  
(Incorporated in Malaysia)

## FORM OF PROXY

I/We \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member / members of MINDA GLOBAL BERHAD, hereby appoint(s) the following person(s) or failing him/her, the Chairman of the meeting as my/our proxy / proxies to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Lecture Hall 3 and 4, Level 4, Academic Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor on Monday, 31 October 2022 at 9.00 a.m. or any adjournment thereof:-

Name of Proxy, NRIC/Passport No. & Address		No. of Share to be represented by Proxy
1.	Name : NRIC/Passport No. : Address : Email : Contact number :	
2.	Name : NRIC/Passport No. : Address : Email : Contact number :	

Ordinary Resolutions		For	Against
1.	Proposed Acquisition		
2.	Proposed SGS		
3.	Proposed granting of SGS Shares to General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj. Nordin (Rtd.)		
4.	Proposed granting of SGS Shares to Maha Ramanathan Palan		
5.	Proposed granting of SGS Shares to Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar		
6.	Proposed granting of SGS Shares to Tan Sri Datuk (Dr.) Rafiah Binti Salim		
7.	Proposed granting of SGS Shares to Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar		
8.	Proposed granting of SGS Shares to Dato' Tan Choon Hwa @ Esther Tan Choon Hwa		

Special Resolution		For	Against
1.	Proposed Change of Name		

Please indicate with an "X" in the appropriate boxes on how you wish your vote to be cast on the resolutions specified in the Notice of Meeting. Unless voting instructions are indicated in the space above, the proxy will vote as he/she thinks fit.

Number of shares	
CDS A/C No.	

.....  
Date

.....  
Signature / Common Seal of Shareholder



Notes:-

1. *A member of the Company shall be entitled to be present and vote at the meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and there is no restriction as to the qualification of the proxy. A proxy appointed to attend and vote in a meeting of the Company shall have the same rights as the member to speak at the meeting.*
2. *A member of the Company shall be entitled to appoint more than 1 proxy to attend and vote at the same meeting. Where a member appoints more than 1 proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its officer or attorney duly authorised.*
3. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), as defined under the Securities Industry Central Depositories Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *The instrument appointing a proxy and the power of attorney or authority, if any, under which it is signed or notarially certified copy of that power or authority shall be deposited at the registered office of the Company at Acclime Corporate Services Sdn Bhd, Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.*
5. *General Meeting Record of Depositors*  
  
*For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 78 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 24 October 2022. Only a depositor whose name appears on the Record of Depositors as at 24 October 2022 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.*
6. *On 4 October 2022, the Board of Directors of the Company announced that the Company is proposing to change the Company's name from "Minda Global Berhad" to "Cyberjaya Education Group Berhad". The approval of Companies Commission of Malaysia ("**CCM**") for the use of the proposed name "Cyberjaya Education Group Berhad" was obtained via CCM's email dated 23 September 2022 and the reservation of name is valid for a period of thirty (30) days from 23 September 2022 and was further extended until 22 November 2022 ("**Validity Period**"). The Proposed Change of Name is subject to the approval of shareholders of the Company by way of Special Resolution which requires a majority of not less than three-fourth of such members of the Company as being entitled to vote in person or by proxy at the forthcoming EGM to be convened on 31 October 2022. The proposed Special Resolution if passed, would change the Company's name to "Cyberjaya Education Group Berhad" upon issuance of Notice of Registration of New Name by the CCM. Please refer to the Circular to Shareholders dated 6 October 2022 for further information.*

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AFFIX  
STAMP

**The Company Secretary**  
**Minda Global Berhad** Registration No. 201601039044 (1209985-V)  
  
c/o Acclime Corporate Services Sdn Bhd  
Level 5, Tower 8, Avenue 5, Horizon 2  
Bangsar South City  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

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## REQUEST FORM

Dear Shareholders,

We are pleased to present you the Circular to Shareholders dated 6 October 2022 of the Company.

As part of our commitment to creating a culture of sustainability within the Group and the community and managing our impact on the environment, we have significantly reduced the number of printed copies of our Circular to Shareholders.

We urge you to join us in our support of “Go Green and Save Environment” by reading the digital copy of our Circular to Shareholders dated 6 October 2022 which is available at <http://mindaglobal.com.my/>.

Should you require a printed copy of the Circular to Shareholders, please complete the Request Form provided below and send it to the Company’s Registered Office.

For further enquiries, please contact the person stated below.

Thank you.

Yours sincerely,

**MAHA RAMANATHAN PALAN**  
Group Managing Director

---

Contact Person : Wong Youn Kim  
Tel No. : 603- 22806388  
Fax No. : 603- 22806399  
E-mail : yk.wong@acclimate.com

Registered Office : Acclimate Corporate Services Sdn Bhd  
Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City,  
59200 Kuala Lumpur, Malaysia

### REQUEST FORM FOR PRINTED COPY OF CIRCULAR TO SHAREHOLDERS DATED 6 OCTOBER 2022 OF MINDA GLOBAL BERHAD

Name of Shareholder : \_\_\_\_\_

NRIC No. /Passport No. /Company No. : \_\_\_\_\_

CDS Account No. : \_\_\_\_\_

Address : \_\_\_\_\_

Contact No. : \_\_\_\_\_

Date

Signature of Shareholder

\_\_\_\_\_

\_\_\_\_\_

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Affix  
Stamp  
here

The Company Secretary  
**Minda Global Berhad** Registration no. 20161039044 (1209985-V)

c/o Acclime Corporate Services Sdn  
Bhd Level 5, Tower 8, Avenue 5,  
Horizon 2,  
Bangsar South City,  
59200 Kuala Lumpur,  
Malaysia

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