

**OTHERS INSAS BERHAD ("INSAS" OR "THE COMPANY") -
PROPOSED DISPOSAL OF 51% EQUITY INTEREST IN J & C
PACIFIC SDN BHD****INSAS BERHAD**

Type	Announcement
Subject	OTHERS
Description	INSAS BERHAD ("INSAS" OR "THE COMPANY") - PROPOSED DISPOSAL OF 51% EQUITY INTEREST IN J & C PACIFIC SDN BHD

Please see details of the announcement in the attached file.

Please refer attachment below.

Attachments

disposal announcement.pdf
133.8 kB

Announcement Info

Company Name	INSAS BERHAD
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PROPOSED DISPOSAL OF 51% EQUITY INTEREST IN J & C PACIFIC SDN BHD

1. INTRODUCTION

The Board of Directors of Insas Berhad ("**Insas**") wishes to announce that its wholly-owned subsidiary, Insas Technology Berhad ("**ITB**") together with the 49% minority shareholders (collectively referred to as "**the Vendors**") of J&C Pacific Sdn Bhd ("**J&C**") had on 23 June 2015 entered into a Share Sale Agreement ("**SSA**") with Numoni Pte Ltd ("**Numoni**") for the proposed disposal of 1,250,000 ordinary shares of RM1 each representing the entire issued and paid up share capital of J&C to Numoni at a total sale price of RM12,000,000, to be fully satisfied by the issue of 1,361,740 Series A1 Convertible Preference Shares ("**CPS**") in the capital of Numoni at an issue price of S\$3.30 each.

Pursuant to the SSA, ITB shall sell its entire 637,500 ordinary shares representing 51% equity interest in J&C to Numoni for a sale consideration of RM6,120,000, to be satisfied by the issue of 694,487 CPS ("**Proposed Disposal**").

Upon completion of the Proposed Disposal, J&C will cease to be an indirect subsidiary, but it will become an indirect associate company of Insas.

2. INFORMATION ON J&C

J&C is a private limited company incorporated in Malaysia on 14 April 1997. The authorised share capital of J&C is RM5,000,000 divided into 4,999,999 ordinary shares of RM1 each and 1 redeemable preference share of RM1, of which 1,250,000 ordinary shares have been issued and fully paid-up. The principal activity of J&C is the provision of mobile telecommunication products and services. J&C has installed and operates a network of about 1,500 Flexi Airtime Reload Terminals nationwide in Malaysia under the brand "Woopit". J&C has 2 subsidiaries, 100% owned J&C Collaboration Sdn Bhd and 91.25% owned ECI Communications Sdn Bhd.

J&C is presently a 51% indirect subsidiary of Insas.

3. INFORMATION ON NUMONI

Numoni is a private limited company incorporated in Singapore on 1 January 2012 and its principal activities are in Financial Technology ("**Fintech**"), comprising investment holding in e-wallet, e-payment and e-lending businesses, and self service terminals. Its issued and fully paid-up share capital comprises of SGD4,563,480 ordinary shares and SGD11,742,913 convertible preference shares.

Numoni is presently a 21.26% indirect associate company of Insas, which is held by Insas Technology Pte Ltd, an indirect wholly owned subsidiary incorporated in Singapore.

Upon completion of the Proposed Disposal, Insas will hold an indirect interest of 26.56% in the enlarged issued and paid-up share capital of Numoni.

4. SALIENT TERMS OF THE PROPOSED DISPOSAL

4.1 Sale and Purchase of the Sale Shares

The Vendors agree to sell and Numoni agrees to purchase the entire issued and paid-up share capital of J&C comprising 1,250,000 ordinary shares ("**Sale Shares**"), on a willing buyer willing seller basis, free from all liens and encumbrances at the sale price of RM12,000,000 or equivalent to S\$4,493,742 ("**Sale Price**"), upon the terms and conditions contained in the SSA.

4.2 Basis of Arriving at the Sale Price

The Sale Price was arrived at based on a willing-buyer, willing-seller basis after taking into consideration the audited net asset value of J&C of RM8.05 million ("**Audited NAV**") based on the latest audited financial statements of J&C for the year ended 31 December 2014.

4.3 Satisfaction of the Sale Price

The Sale Price shall be fully satisfied by Numoni by the allotment and issuance of 1,361,740 CPS in the capital of Numoni at the issue price of S\$3.30 for each CPS.

4.4 Principal terms of the CPS

The CPS shall have the key rights, benefits and privileges :

Voting rights	In all events, the CPS shall enjoy the voting rights and other rights on an as-converted basis.
Ranking	Save as set out in the SSA, the CPS shall rank pari passu with all the ordinary shares in Numoni.
Conversion ratio	Each CPS is convertible into newly issued ordinary shares in Numoni at the conversion ratio of one (1) CPS to one (1) ordinary share.

4.5 Post-Completion Adjustments

The Sale Price shall be subject to post-completion adjustments if the net asset value of J&C on the completion date as determined by a special audit to be conducted by the auditors appointed by Numoni exceeds or is less than the Audited NAV by 5% or more of the Audited NAV.

4.6 Conditions Precedent in the SSA

The Proposed Disposal is conditional upon the following being satisfied or fulfilled :

- (a) the completion of due diligence investigations of J&C by Numoni and its professional legal and financial advisors and consultants and the results thereof being reasonably satisfactory to Numoni;
- (b) the amendment of the Numoni's memorandum and articles of association to reflect the terms and conditions of the CPS;
- (c) the execution of a ratification and accession agreement by the Vendors to the Shareholders' Agreement dated 13 November 2013;
- (d) the waiver of any pre-emption rights by the shareholders of Numoni;
- (e) the approval of the directors and shareholders of Numoni;

- (f) the approval of the shareholders of the Vendors, as the case may be and if required by any law or regulations;
- (g) the delivery of a disclosure letter by the Vendors to Numoni; and
- (h) all governmental and regulatory approvals and consents necessary or desirable for the transactions contemplated by the SSA, if required.

4.7 Call Option

Numoni has vide an option letter granted to the Vendors a call option to require Numoni to sell to the Vendors all of the Sale Shares in the proportions of their respective shareholdings in the event that Numoni did not achieve an Exit Event, including and not limited to a Qualified IPO or Trade Sale by 29 February 2016, or such later date as the Parties may agree in writing.

5. **DATE AND ORIGINAL COST OF INVESTMENT**

ITB's investment in J&C was made in April 2013 and May 2014 and the original cost of investment is RM3,000,000.

The Proposed Disposal is expected to result in a gain on disposal of approximately RM1,614,000.

6. **RATIONALE**

J&C's existing business in Flexi Airtime Reload Terminals is a good fit with Numoni's Cash Transaction Terminal strategy for the global market as J&C has already installed a nationwide network of terminals in Malaysia. This will enhance Numoni's regional terminal networks already rolled out in Singapore, Indonesia and Hong Kong. J&C's 1,500 installed terminals will be upgraded to process new reload products as part of the integration into Numoni's business operations and future Fintech strategies.

By combining Numoni and J&C, ITB will enhance its current investment objectives in the area of Fintech by making the combined company a larger entity with good synergy, a more global footprint and better upside potential.

7. **LIABILITIES TO BE ASSUMED BY NUMONI**

There is no liabilities to be assumed by Numoni in relation to the Sale Shares.

8. **FINANCIAL EFFECTS**

The Proposed Disposal has no effect on the share capital or the substantial shareholders' shareholdings of Insas.

Other than the gain on disposal, the Proposed Disposal will not have any material effect on the net assets, earnings and gearing of Insas Group for the financial year ending 30 June 2015.

9. APPLICABLE PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.51% based on the audited consolidated financial statements of Insas for the financial year ended 30 June 2014.

10. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

Save for Insas' indirect interest in Numoni, none of the Directors and major shareholders of Insas and/or persons connected with them have any direct or indirect interest in the Proposed Disposal.

11. APPROVAL REQUIRED

The Proposed Disposal is not subject to the approval of the shareholders of Insas and any regulatory authorities.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The SSA is available for inspection for 3 months from the date of this announcement during normal business hours at the Registered Office of Insas at No. 45-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

This announcement is dated 23 June 2015.