

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : RELATED PARTY TRANSACTIONS INSAS BERHAD ("INSAS" OR "THE COMPANY") RELATED PARTY TRANSACTION - DISPOSAL OF INDIRECT SUBSIDIARIES

INSAS BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) RELATED PARTY TRANSACTIONS
Description	INSAS BERHAD ("INSAS" OR "THE COMPANY") RELATED PARTY TRANSACTION - DISPOSAL OF INDIRECT SUBSIDIARIES

The Board of Directors of Insas wishes to announce that on 21 November 2019, Roset Logistics Holdings Pte Ltd ("RLH"), a 79.46% indirect subsidiary of Insas, had entered into a share sale agreement ("SSA") with Epica Holdings Pte Ltd ("Epica") for the disposal of its 100% equity interest in Roset Limousine Services Pte Ltd ("RLS") and Roset Auto Care Services Pte Ltd ("RAC") for a total cash consideration of SGD3,773,434 (approximately RM11,509,000 based on exchange rate of SDG1 : RM3.05) ("**Disposal Consideration**") ("**Disposal**").

Please see details of the announcement in the attached file.

Please refer attachment below.

Attachments

Insas_RPT_Roset Disposal.pdf
110.8 kB

Announcement Info

Company Name	INSAS BERHAD
Stock Name	INSAS
Date Announced	21 Nov 2019
Category	General Announcement for PLC
Reference Number	GA1-21112019-00056

**INSAS BERHAD ("INSAS" OR "THE COMPANY")
RELATED PARTY TRANSACTION - DISPOSAL OF INDIRECT SUBSIDIARIES**

1. INTRODUCTION

The Board of Directors of Insas wishes to announce that on 21 November 2019, Roset Logistics Holdings Pte Ltd ("RLH"), a 79.46% indirect subsidiary of Insas, had entered into a share sale agreement ("SSA") with Epica Holdings Pte Ltd ("Epica") for the disposal of its 100% equity interest in Roset Limousine Services Pte Ltd ("RLS") and Roset Auto Care Services Pte Ltd ("RAC") for a total cash consideration of SGD3,773,434 (approximately RM11,509,000 based on exchange rate of SGD1 : RM3.05) ("Disposal Consideration") ("Disposal").

Upon completion of the Disposal, RLS and RAC will cease to be indirect subsidiaries of the Company.

2. DETAILS OF THE DISPOSAL

2.1 Information on the parties

	RLH	Epica	RLS	RAC
Country and date of incorporation	Singapore/ 19 March 2013	Singapore/ 6 August 2019	Singapore/ 1 June 2004	Singapore/ 1 July 2016
Issued capital and shares	SGD5,607,525 5,607,525 ordinary shares	SGD1.00 1 ordinary share	SGD2,500,000 500,000 ordinary shares	SGD1.00 1 ordinary share
Principal activities	Investment holding and provision of management services	Holding company and value added logistics provider.	Provision of premium limousines services and self drive car rental services	Provision of car repair and maintenance services

Wong Yew Kiang ("AW") is the managing director of RLH and owns 956,469 ordinary shares representing 17.06% of RLH, and AW is deemed to be a related party by virtue of him being the sole director and sole shareholder of Epica.

2.2 Basis of arriving at the Disposal Consideration

The Disposal Consideration was arrived at on a willing-buyer willing-seller basis based on the audited shareholders' equity/net tangible assets of RLS and RAC as at 30 June 2019.

2.3 Original Cost of Investment

RLS and RAC are 100% owned subsidiaries of RLH and the date and original cost of investment in RLS and RAC are as follows :

<u>Date of investment</u>	<u>Cost of Investment</u>
<u>RLS</u>	
	SGD
29/09/2015	800,311.00 cash
30/09/2015	1,151,667.00 cash
09/12/2016	1,150,000.00 scrip dividend

RAC

01/07/2016

1.00 cash

2.4 Assumption of Liabilities

There is no liabilities to be assumed by Epica under the SSA.

2.5 Salient Terms of the SSA

➤ Payment Terms

The Disposal Consideration shall be paid by Epica to RLH in the following manner :

- (a) SGD2,600,000 shall be paid within 2 weeks from the date of SSA or such other dates as may be agreed by RLH; and
- (b) the balance SGD1,173,434 shall be paid within a period of 6 months from the date of SSA or such other dates as may be mutually agreed by the parties.

➤ Conditions Precedent

The SSA shall be conditional upon :

- (a) The approval of the directors and shareholders of Epica;
- (b) The approval of the directors and shareholders of RLH;
- (c) Epica and/or AW providing documentary evidence to the satisfaction of RLH that Epica has sufficient funding resources to pay.

3. RATIONALE

The Disposal is part of the rationalisation exercise of the Group's car rental division wherein the Group will exit the competitive car rental businesses in Singapore by selling the ownership of RLS and RAC back to the original founder (AW) and principal director, and the Company will re-acquire 100% ownership of Insas Pacific Rent-A-Car Sdn Bhd ("PRAC") from RLH. PRAC owns and operates more than 460 hire & drive cars in Malaysia with principal offices at Kuala Lumpur, Johor Bahru, KLIA, KLIA2, Penang International Airport and Senai International Airport.

The Board is of the opinion that the Disposal provides an opportunity for the Company to unlock and realise the value of its overseas investment in RLS and RAC, and to bring back the foreign exchange investment and earnings back to invest further in its car rental operations in Malaysia.

4. EFFECTS OF THE DISPOSAL

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

Other than gain on disposal of approximately RM1.7 million, the Disposal will not have any material effect on the net assets, earnings and gearing of Insas Group for the financial year ending 30 June 2020.

5. TOTAL AMOUNT TRANSACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

There was no other transactions with AW and/or persons connected with him that is not in the ordinary course of business for the 12 months preceding the date of this announcement.

6. APPLICABLE PERCENTAGE RATIOS

The highest percentage ratio applicable to the Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.53% based on the audited consolidated financial statements of Insas for the financial year ended 30 June 2019.

7. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

Save for AW who is a director and a 17.06% shareholder of RLH and the sole director and shareholder of Epica, none of the Directors and major shareholders of Insas and/or persons connected with them have any direct or indirect interest in the Disposal.

8. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Insas is of the opinion that the Disposal is in the best interest of Insas and its shareholders and not detrimental to the Group.

9. AUDIT COMMITTEE STATEMENT

The Audit Committee is of the opinion that the Disposal is in the best interest of Insas and is fair, reasonable and on normal commercial terms; and not detrimental to the interest of the minority shareholders of Insas.

10. APPROVAL REQUIRED

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

11. 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. 47-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

This announcement is dated 21 November 2019