

**MINDA GLOBAL BERHAD**

(Company No.: 1209985-V)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Current Period Quarter ended		Cumulative Quarter 12 months ended	
	31.12.20 Unaudited (RM'000)	31.12.19 Audited (RM'000)	31.12.20 Unaudited (RM'000)	31.12.19 Audited (RM'000)
Revenue	26,887	25,705	89,678	97,501
Cost of services	(13,719)	(21,052)	(55,154)	(60,090)
<b>Gross profit</b>	<b>13,168</b>	<b>4,653</b>	<b>34,524</b>	<b>37,411</b>
Other income	8,880	5,359	13,190	10,507
Administrative expenses	(13,291)	(31,348)	(45,049)	(68,928)
Net reversal of/(impairment loss) on receivables	3,702	(1,465)	3,702	(969)
Interest expense	(4,772)	(3,269)	(18,053)	(20,086)
Interest income	19	14	28	25
<b>Profit/(loss) before taxation</b>	<b>7,706</b>	<b>(26,056)</b>	<b>(11,658)</b>	<b>(42,040)</b>
Taxation	1,012	1,903	2,266	4,257
<b>Net profit/(loss) for the period</b>	<b>8,718</b>	<b>(24,153)</b>	<b>(9,392)</b>	<b>(37,783)</b>
<b>Profit/(loss) attributable to the owners of the Company</b>	<b>8,718</b>	<b>(24,153)</b>	<b>(9,392)</b>	<b>(37,783)</b>
<b>Total comprehensive profit/(loss) for the period</b>	<b>8,718</b>	<b>(24,153)</b>	<b>(9,392)</b>	<b>(37,783)</b>
<b>Basic profit/(loss) per ordinary share (Sen)</b>	<b>0.70</b>	<b>(1.95)</b>	<b>(0.76)</b>	<b>(3.05)</b>

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

**MINDA GLOBAL BERHAD**

(Company No.: 1209985-V)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	<b>As at 31.12.20 Unaudited (RM'000)</b>	<b>As at 31.12.19 Audited (RM'000)</b>
<b>ASSETS</b>		
Property and equipment	102,304	77,156
Right-of-use assets	108,479	187,928
Other intangible assets	54,988	50,609
Deferred tax assets	9,105	7,089
Goodwill on consolidation	75,683	75,683
<b>Total Non-Current Assets</b>	<b>350,559</b>	<b>398,465</b>
Trade and other receivables	40,467	36,208
Contract costs	3,882	3,316
Current tax asset	854	370
Cash and bank balances	11,546	4,581
Non-current assets held for sale	20,387	33,147
<b>Total Current Assets</b>	<b>77,136</b>	<b>77,622</b>
<b>TOTAL ASSETS</b>	<b>427,695</b>	<b>476,087</b>
<b>EQUITY</b>		
Share capital	383,209	383,209
Capital reorganisation deficit	(7,064)	(3,453)
Assets revaluation reserve	14,484	-
Accumulated losses	(195,612)	(186,220)
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>195,017</b>	<b>193,536</b>

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**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020 (Continued)**

	<b>As at 31.12.20 Unaudited (RM'000)</b>	<b>As at 31.12.19 Audited (RM'000)</b>
<b>LIABILITIES</b>		
Borrowings	25,574	-
Lease liabilities	113,980	184,074
Deferred tax liabilities	16,533	11,959
<b>Total Non-Current Liabilities</b>	<b>156,087</b>	<b>196,033</b>
Trade and other payables	36,298	49,727
Contract liabilities/Other current liabilities	31,953	15,056
Borrowings	-	16,482
Lease liabilities	8,340	5,253
<b>Total Current Liabilities</b>	<b>76,591</b>	<b>86,518</b>
<b>TOTAL LIABILITIES</b>	<b>232,678</b>	<b>282,551</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>427,695</b>	<b>476,087</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.16</b>	<b>0.16</b>

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

**MINDA GLOBAL BERHAD**

(Company No.: 1209985-V)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 - UNAUDITED**

← Equity Attributable to Owners of the Company →

	Share Capital RM'000	Capital Reorganisation Deficit RM'000	Assets Revaluation Reserve RM'000	Accumulated Losses RM'000	Total RM'000
<b>Balance as at 1 January 2020</b>	383,209	(3,453)	-	(186,220)	193,536
Reorganisation reserve	-	(3,611)	-	-	(3,611)
Revaluation as a change in accounting policy	-	-	14,484	-	14,484
Loss for the year	-	-	-	(9,392)	(9,392)
<b>Balance as at 31 December 2020</b>	383,209	(7,064)	14,484	(195,612)	195,017

	Share Capital RM'000	Capital Reorganisation Reserve/ (Deficit) RM'000	Assets Revaluation Reserve RM'000	Accumulated Losses RM'000	Total RM'000
<b>Balance as at 1 January 2019</b>	383,209	(3,453)	-	(148,437)	231,319
Loss for the year	-	-	-	(37,783)	(37,783)
<b>Balance as at 31 December 2019</b>	383,209	(3,453)	-	(186,220)	193,536

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

**MINDA GLOBAL BERHAD**

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**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Year ended 31.12.20 Unaudited RM'000	Year ended 31.12.19 Audited RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(11,658)	(42,040)
Adjustments for:		
Amortisation of intangible assets	330	223
Depreciation of:		
- property and equipment	7,775	8,610
- right-of-use assets	14,813	14,723
(Reversal of)/impairment loss on:		
- property and equipment	(5,569)	2,900
- right-of-use asset	-	36
- trade and other receivables	(3,702)	969
- goodwill	-	15,002
Interest expense	18,053	20,086
Interest income	(28)	(25)
Gain on disposal of:		
- non-current assets held for sale	-	(3,250)
- property and equipment	(70)	(7)
Gain arising from lease modification	(11,004)	(1,529)
	8,940	15,698
Changes in Working Capital:		
Trade and other receivables	6,625	1,142
Contract costs	(566)	(935)
Trade and other payables	(13,800)	8,660
Contract liabilities/Other current liabilities	16,897	511
Cash generated from operating activities	18,096	25,076
Tax paid	(70)	(111)
Tax refunded	-	537
Interest paid	(17,437)	(20,086)
Interest received	28	25
<b>Net cash generated from operating activities</b>	<b>617</b>	<b>5,441</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(1,854)	(8,524)
Acquisition of right-of-use assets	-	(39)
Acquisition of other intangible assets	(4,709)	(53)
Proceeds from disposal of property and equipment	30	56
Proceeds from disposal of non-current assets held for sale	13,000	16,849
Deposits received from sale of non-current assets held for sale	3,360	2,535
<b>Net cash generated from investing activities</b>	<b>9,827</b>	<b>10,824</b>
<b>Cash flows from financing activities</b>		
Deposits withdrawn from/(pledged for) Sukuk Wakalah	1,100	(903)
Deposits pledged for term loan	(3,519)	-
Placement of deposits pledged with licensed banks	(8)	(13)
Proceeds from/(repayment of) term loan	25,574	(2,130)
Repayment of Sukuk Wakalah	(17,389)	(11,000)
Payment of lease liabilities	(11,664)	(2,170)
<b>Net cash used in financing activities</b>	<b>(5,906)</b>	<b>(16,216)</b>
Net changes in cash and cash equivalents	4,538	49
Cash and cash equivalents at 1 January	3,095	3,046
<b>Cash and cash equivalents at end of reporting period</b>	<b>7,633</b>	<b>3,095</b>

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**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (Continued)**

## i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise

	<b>Year ended 31.12.20 Unaudited RM'000</b>	<b>Year ended 31.12.19 Audited RM'000</b>
Deposits placed with licensed banks	394	386
Cash and bank balances	11,152	4,195
	<hr/>	<hr/>
	11,546	4,581
Less: Deposits pledged with licensed banks	(394)	(386)
Less: Deposits pledged for Sukuk Wakalah	-	(1,100)
Less: Deposits pledged for term loan	(3,519)	-
	<hr/>	<hr/>
Cash and cash equivalents	7,633	3,095
	<hr/>	<hr/>

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial report.

## **MINDA GLOBAL BERHAD**

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### NOTES TO THE FINANCIAL STATEMENTS

#### **PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

##### **1. Basis of Preparation**

The financial interim report is unaudited and has been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). All figures are stated in RM'000, unless otherwise stated.

##### **2. Significant Accounting Policies**

###### **2.1 Adoption of MFRSs, Amendments to MFRSs and IC Interpretations**

The accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the preparation of the Company's audited financial statements for the financial year ended 31 December 2019, except for the following:

###### **Standards, Amendments and Annual Improvements to Standards effective for the financial periods beginning on or after 1 January 2020**

- Revised Conceptual Framework for Financial Reporting
- Amendments to MFRS 3 - Business Combinations
- Amendments to MFRS 16 – Leases
- Amendments to MFRS 101 and MFRS 108 – Definition of Material
- Amendments to MFRS 7, MFRS 9 and MFRS 139 – Interest Rate Benchmark Reform
- Annual Improvements to MFRS Standards 2018-2020

The adoption of the abovementioned accounting standards and amendments have no material impact on the financial statements of the Group upon their initial application except for the following:

###### **2.2 Standards issued but not yet effective**

At the date of authorisation of the interim financial report, the Standards issued by Malaysian Accounting Standards Board ("MASB") but not yet effective are disclosed below. The Group intends to adopt these applicable standards, when they become effective.

- Amendments to MFRS 116 – Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 101 - Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Cost of Fulfilling a Contract
- Amendments to References to the Conceptual Framework in MFRS Standards

###### **2.3 Changes in accounting policy**

During the financial year ended 31 December 2020, the Group elected to change the method of accounting for land and building classified as property, plant and equipment as the Group believes that the revaluation model more effectively demonstrates the carrying value of the land and building. In addition, the activity in the property markets in which these assets are located provides observable market data on which reliable fair value estimates can be derived.

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **2.3 Changes in accounting policy (continued)**

The Group adopted the revaluation model, whereby land and building are measured at fair value at the date of the revaluation less any subsequent accumulated impairment loss. The Group applied the revaluation model prospectively.

Based on valuation reports by professional external valuer on 31 December 2020, the fair value of the Group's land and buildings are RM65.1 million, The carrying amount of the Group's land and buildings as at 31 December 2020 are RM39.1 million. A reversal of impairment of RM5.9 million has been recognised in profit or loss and a revaluation surplus of RM14.4 million has been recognised in the statement of changes in equity.

#### **3. Audit Report on Preceding Annual Financial Statements**

The Company's audited financial statements for the financial year ended 31 December 2019 were not qualified.

#### **4. Seasonal or Cyclical Factors**

The Company did not experience significant fluctuations in operations due to seasonal factors.

#### **5. Unusual Significant Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review, other than as disclosed in Note 16.

#### **6. Change in Estimates**

There were no changes in estimates that have had any material effect on current financial quarter under review.

#### **7. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the current quarter under review.

#### **8. Changes in the Composition of the Company**

There were no changes in the composition of the Company during the current quarter under review.

#### **9. Changes in Contingent Liabilities and Contingent Assets**

There were no material contingent liabilities or contingent assets as of the date of this report.



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NOTES TO THE FINANCIAL STATEMENTS

**10. Operating Segments**

	Universities RM'000	Colleges RM'000	International School RM'000	Corporate/ Others RM'000	Elimination of inter segment transactions RM'000	Total RM'000
<b>31.12.20</b>						
<b>Segment profit/(loss) before tax</b>	<b>(8,667)</b>	<b>(47)</b>	<b>(88)</b>	<b>(53,965)</b>	<b>51,109</b>	<b>(11,658)</b>
Included in the measure of segment profit/(loss) are:						
Revenue:						
Revenue from external customers	74,449	11,585	1,807	1,837	-	89,678
Inter-segment revenue *	-	-	-	8,787	(8,787)	-
	<u>74,449</u>	<u>11,585</u>	<u>1,807</u>	<u>10,624</u>	<u>(8,787)</u>	<u>89,678</u>
Reversal of/(impairment loss) on:						
- trade receivables	2,287	1,066	(21)	370	-	3,702
- property and equipment	5,569	-	-	-	-	5,569
Interest expense	(16,868)	(1,128)	-	(57)	-	(18,053)
Interest income	11	-	-	17	-	28
Amortisation of intangible assets	(202)	-	-	(128)	-	(330)
Depreciation of:						
- property and equipment	(7,529)	(70)	(55)	(121)	-	(7,775)
- right-of-use assets	(12,684)	(2,129)	-	-	-	(14,813)
Gain arising from lease modification	11,004	-	-	-	-	11,004
<b>Earnings before interest, taxation, depreciation and amortisation ("EBITDA")</b>	<b>28,605</b>	<b>3,280</b>	<b>(33)</b>	<b>(53,676)</b>	<b>51,109</b>	<b>29,285</b>

\* Inter-segment revenues are eliminated on consolidation.

	Universities RM'000	Colleges RM'000	International School RM'000	Corporate/ Others RM'000	Elimination of inter segment transactions RM'000	Total RM'000
<b>31.12.19</b>						
<b>Segment profit/(loss) before tax</b>	<b>(29,167)</b>	<b>(608)</b>	<b>1,785</b>	<b>(14,050)</b>	<b>-</b>	<b>(42,040)</b>
Included in the measure of segment profit/(loss) are:						
Revenue:						
Revenue from external customers	84,823	10,699	1,979	-	-	97,501
Inter-segment revenue *	-	-	-	2,839	(2,839)	-
	<u>84,823</u>	<u>10,699</u>	<u>1,979</u>	<u>2,839</u>	<u>(2,839)</u>	<u>97,501</u>
Reversal of/(impairment loss) on:						
- property and equipment	(2,900)	-	-	-	-	(2,900)
- right-of-use assets	(36)	-	-	-	-	(36)
- trade receivables	(805)	(164)	-	-	-	(969)
- goodwill on consolidation	-	-	-	(15,002)	-	(15,002)
Interest expense	(18,642)	(1,111)	(333)	-	-	(20,086)
Interest income	25	-	-	-	-	25
Amortisation of intangible assets	(201)	-	-	(22)	-	(223)
Depreciation of:						
- property and equipment	(8,515)	(38)	(54)	(3)	-	(8,610)
- right-of-use assets	(12,373)	(2,075)	-	(275)	-	(14,723)
Gain arising from lease modification	1,529	-	-	-	-	1,529
<b>Earnings before interest, taxation, depreciation and amortisation ("EBITDA")</b>	<b>10,539</b>	<b>2,616</b>	<b>2,172</b>	<b>(13,750)</b>	<b>-</b>	<b>1,577</b>

\* Inter-segment revenues are eliminated on consolidation.

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**NOTES TO THE FINANCIAL STATEMENTS****11. Significant Events**

On 25 February 2020, Asiamet (M) Sdn Bhd (“AMSB”), a wholly-owned indirect subsidiary of the Company, entered into a Sale and Purchase Agreements (“SPA”) with Ascent Resource Holdings Sdn Bhd for the disposal of institutional premises comprising fifteen (15) contiguous units of four (4) storey terraced shop offices/offices (Academic Block), a single storey auditorium, eleven (11) units of stratified ground floor shop offices/offices, five (5) units of stratified first floor shop offices/offices and three (3) units of stratified second floor shop offices/offices and a car park area (collectively referred to as “the Properties”) for a total cash consideration of RM30,000,000.00 (“Proposed Disposal”). The Proposed Disposal is expected to be completed by 3Q2021.

On 31 December 2020, the Company proposed to undertake a private placement of up to 123,990,500 new ordinary shares, representing up to approximately 10% of the existing total number of issued shares. On 10 March 2021, 82,000,000 shares were issued based on issue price for the first tranche of the private placement at RM0.06 per placement share.

**12. Material Subsequent Events**

There were no material events subsequent to this quarter.

**13. Dividend Paid**

No dividend was paid or declared during the current quarter.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MMLR****14. Review of Performance**Variation of results against corresponding quarter and cumulative 12 months

	Quarter ended 31.12.20 RM'000	Quarter ended 31.12.19 RM'000	% of change	Cumulative 12 months ended 31.12.20 RM'000	Cumulative 12 months ended 31.12.19 RM'000	% of change
Revenue	26,887	25,705	5%	89,678	97,501	-8%
Profit/(loss) before tax	7,706	(26,056)	130%	(11,658)	(42,040)	72%

The higher quarterly revenue is mainly attributable to deferment of new student enrolment due to Covid-19 pandemic. However, on cumulative basis, the lower revenue is mainly caused by the Covid-19 pandemic resulting in a reduction in international and local students enrolment.

The profit before tax and lower cumulative loss before tax for the current quarter is mainly due to reversal of impairment on properties arising from revaluation, waiver of campus rental, lower facilities cost and cost savings exercise.

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**NOTES TO THE FINANCIAL STATEMENTS**Variation of results against preceding quarter

	Quarter ended 31.12.20 RM'000	Quarter ended 30.09.20 RM'000	% of change
Revenue	26,887	23,651	14%
Profit/(loss) before tax	7,706	(3,367)	329%

The higher current quarter Group revenue is due to improvement in student enrolment as compared to previous quarter.

The profit before tax for the current quarter is mainly due to reversal of impairment on properties arising from revaluation, waiver of campus rental, lower facilities cost and cost savings exercise.

**15. Commentary on Prospects**

The Group owns and operates 2 universities, 3 colleges and 1 international school.

The management's primary focus for the Group is the growth of both local and international students' population whilst ensuring the delivery of quality programmes.

For the upcoming financial year ending 31 December 2021, the Group shall continue to concentrate on cost management and operating cash flows.

**17. Variance on Profit Forecast/Profit Guarantee**

The Company has not issued any profit forecast or profit guarantee for the current quarter under review.

**18. Taxation**

	Quarter ended 31.12.20 RM'000	Quarter ended 31.12.19 RM'000	Cumulative 12 months ended 31.12.20 RM'000	Cumulative 12 months ended 31.12.19 RM'000
Income tax	316	(118)	250	(196)
Deferred tax	696	2,021	2,016	4,453
	1,012	1,903	2,266	4,257

The taxation included the estimation of deferred tax arising from the recognition of lease liabilities.

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## NOTES TO THE FINANCIAL STATEMENTS

**19. Group Borrowings and Debt Securities**

Other than as disclosed below, there were no other borrowings or debt securities in the Group as at 31 December 2020.

	<b>31.12.20</b>	<b>31.12.19</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current:</b>		
Sukuk wakalah (secured)	-	16,482
Lease liabilities	8,340	5,253
	<u>8,340</u>	<u>21,735</u>
<b>Non-current:</b>		
Term loan	25,574	-
Lease liabilities	113,980	184,074
	<u>139,554</u>	<u>184,074</u>
	<u>147,894</u>	<u>205,809</u>

**20. Material Litigations**

The Company and its subsidiary companies are not engaged in any material litigation as at the date of this quarterly report.

**21. Proposed dividend**

There was no proposed dividend declared for the current quarter under review.

**22. Profit/(loss) per Share****Basic profit/(loss) per ordinary share**

The basic profit/(loss) per ordinary share for the current quarter and cumulative year is calculated based on the profit/(loss) attributable to ordinary shareholders and the number of ordinary shares of 1,239,905,790 (31.12.2019:1,239,905,790).

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## NOTES TO THE FINANCIAL STATEMENTS

**23. Additional notes to the Statement of Profit or Loss and Other Comprehensive Income**

	Current Quarter Quarter ended		Cumulative Quarter 12 months ended	
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
Results from operating activities is arrived at after charging/(crediting):				
• Amortisation of intangible assets	158	53	330	223
• Depreciation of property and equipment	1,920	1,172	7,775	8,610
• Depreciation of right-of-use assets	5,007	6,022	14,813	14,723
• Reversal of impairment loss on property, plant and equipment	(5,569)	2,900	(5,569)	2,900
• Impairment loss on right-of-use asset	-	36	-	36
• Gain on disposal of non-current assets held for sale	-	-	-	(3,250)
• Gain on disposal of property and equipment	(40)	(9)	(70)	(7)
• Impairment loss on goodwill	-	15,002	-	15,002
• Interest expense	4,772	3,269	18,053	20,086
• Interest income	(19)	(14)	(28)	(25)
• Impairment loss on trade and other receivables	(3,702)	1,465	(3,702)	969
• Rental income	(227)	(604)	(1,488)	(2,496)
• Gain arising from lease modification	(11,004)	(1,529)	(11,004)	(1,529)

**BY ORDER OF THE BOARD**

Date: 26 March 2021