

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 MARCH 2021**

	Current Period Quarter ended		Cumulative Quarter 3 months ended	
	31.03.21 Unaudited (RM'000)	31.03.20 Unaudited (RM'000)	31.03.21 Unaudited (RM'000)	31.03.20 Unaudited (RM'000)
Revenue	24,726	18,286	24,726	18,286
Cost of services	(11,345)	(14,156)	(11,345)	(14,156)
Gross profit	13,381	4,130	13,381	4,130
Other income	293	646	293	646
Administrative expenses	(9,954)	(11,178)	(9,954)	(11,178)
Interest expense	(3,081)	(5,057)	(3,081)	(5,057)
Interest income	2	2	2	2
Profit/(loss) before taxation	641	(11,457)	641	(11,457)
Taxation	298	606	298	606
Net profit/(loss) for the period	939	(10,851)	939	(10,851)
Profit/(loss) attributable to the owners of the Company	939	(10,851)	939	(10,851)
Total comprehensive profit/(loss) for the period	939	(10,851)	939	(10,851)
Basic loss per ordinary share (Sen)	0.08	(0.88)	0.08	(0.88)

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)

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

	As at 31.03.21 Unaudited (RM'000)	As at 31.12.20 Audited (RM'000)
ASSETS		
Property and equipment	84,501	85,571
Right-of-use assets	122,363	125,784
Other intangible assets	54,603	54,762
Deferred tax assets	8,783	8,783
Goodwill on consolidation	75,683	75,683
Total Non-Current Assets	345,933	350,583
Trade and other receivables	43,423	43,932
Contract costs	4,319	3,882
Current tax asset	576	584
Cash and bank balances	14,977	13,125
Non-current assets held for sale	23,747	23,747
Total Current Assets	87,042	85,270
TOTAL ASSETS	432,975	435,853
EQUITY		
Share capital	388,129	383,209
Capital reorganisation deficit	(7,064)	(7,064)
Assets revaluation reserve	14,484	14,484
Accumulated losses	(195,493)	(196,432)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	200,056	194,197

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021 (Continued)**

	As at 31.03.21 Unaudited (RM'000)	As at 31.12.20 Audited (RM'000)
LIABILITIES		
Borrowings	17,390	17,390
Lease liabilities	114,444	116,458
Deferred tax liabilities	16,533	16,533
Total Non-Current Liabilities	148,367	150,381
Trade and other payables	28,426	46,658
Contract liabilities/Other current liabilities	40,643	29,691
Borrowings	8,732	8,492
Lease liabilities	6,751	6,434
Total Current Liabilities	84,552	91,275
TOTAL LIABILITIES	232,919	241,656
TOTAL EQUITY AND LIABILITIES	432,975	435,853
Net assets per share attributable to owners of the Company (RM)	0.16	0.16

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

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 - 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
Balance as at 1 January 2021	383,209	(7,064)	14,484	(196,432)	194,197
Issuance of shares from Private Placement	4,920	-	-	-	4,920
Reorganisation reserve	-	-	-	-	-
Profit for the period	-	-	-	939	939
Balance as at 31 March 2021	388,129	(7,064)	14,484	(195,493)	200,056

	Share Capital RM'000	Capital Reorganisation Reserve/ (Deficit) RM'000	Assets Revaluation Reserve RM'000	Accumulated Losses RM'000	Total RM'000
Balance as at 1 January 2020	383,209	(3,453)	-	(186,220)	193,536
Loss for the period	-	-	-	(10,851)	(10,851)
Balance as at 31 March 2020	383,209	(3,453)	-	(197,071)	182,685

* Share capital of RM2

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

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Year ended 31.03.21 Unaudited RM'000	Year ended 31.03.20 Unaudited RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	641	(11,457)
Adjustments for:		
Amortisation of intangible assets	158	57
Depreciation of:		
- property and equipment	1,875	1,963
- right-of-use assets	2,840	2,946
Interest expense	3,081	5,057
Interest income	(2)	(2)
Loss/(Gain) on disposal of:		
- property and equipment	4	(30)
Changes in Working Capital:	8,597	(1,466)
Trade and other receivables	1,162	(1,623)
Contract costs	(437)	(150)
Trade and other payables	(18,804)	(5,678)
Contract liabilities/Other current liabilities	10,952	14,085
Cash generated from operating activities	1,470	5,168
Tax paid	8	-
Interest paid	(3,161)	(5,081)
Interest received	2	2
Net cash (used in)/generated from operating activities	(1,681)	89
Cash flows from investing activities		
Acquisition of property and equipment	(809)	(505)
Acquisition of other intangible assets	-	(1,500)
Acquisition of subsidiary	-	(3,613)
Net cash used in investing activities	(809)	(5,618)
Cash flows from financing activities		
Proceeds from issuance of shares	4,920	-
Deposits withdrawn from/(pledged for) Sukuk Wakalah	-	(91)
Placement of deposits pledged with licensed banks	-	(1)
Proceeds from term loan	-	4,200
Payment of lease liabilities	(1,037)	(273)
Net cash generated from financing activities	3,883	3,835
Net changes in cash and cash equivalents	1,393	(1,694)
Cash and cash equivalents at 1 January	227	3,095
Cash and cash equivalents at end of reporting period	1,620	1,401

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (Continued)**

i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise

	Year ended 31.03.21 Unaudited RM'000	Year ended 31.03.20 Unaudited RM'000
Deposits placed with licensed banks	900	387
Cash and bank balances	14,077	2,592
	14,977	2,979
Less: Deposits pledged with licensed banks	(900)	(387)
Less: Deposits pledged for Sukuk Wakalah	-	(1,191)
Less: Deposits pledged for term loan	(3,725)	-
Less: Overdrafts	(8,732)	-
Cash and cash equivalents	1,620	1,401

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

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NOTES TO THE FINANCIAL STATEMENTS

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial 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 2020, except for the following:

Standards, Amendments and Annual Improvements to Standards effective for the financial periods beginning on or after 1 January 2021

- Amendments to MFRS 7, MFRS 9, and MFRS 139 – Interest Rate Benchmark Reform – Phase 2

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

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

3. Audit Report on Preceding Annual Financial Statements

The Company's audited financial statements for the financial year ended 31 December 2020 were not qualified.

4. Seasonal or Cyclical Factors

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

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NOTES TO THE FINANCIAL STATEMENTS**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 15.

6. Change in Estimates

There were no changes in estimates that have had any material effect on the 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 other than as disclosed in Note 11.

8. Changes in the Composition of the Company

There were no significant changes in the composition of the Company during the current quarter under review other than as below:

On 3 March 2021, CUCMS Education Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a share sale agreement to dispose of 2 ordinary shares of CUCMS Properties Management Sdn. Bhd., its wholly-owned subsidiary, for a total consideration of RM1.

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
31.03.21						
Segment profit/(loss) before tax	3,108	(111)	26	(2,382)	-	641
Included in the measure of segment profit/(loss) are:						
Revenue:						
Revenue from external customers	21,748	2,570	395	13	-	24,726
Inter-segment revenue *	-	-	-	1,744	(1,744)	-
	<u>21,748</u>	<u>2,570</u>	<u>395</u>	<u>1,757</u>	<u>(1,744)</u>	<u>24,726</u>
Interest expense	(2,814)	(255)	-	(12)	-	(3,081)
Interest income	2	-	-	-	-	2
Amortisation of intangible assets	(51)	-	-	(107)	-	(158)
Depreciation of:						
- property and equipment	(1,813)	(21)	(11)	(30)	-	(1,875)
- right-of-use assets	(2,333)	(507)	-	-	-	(2,840)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	10,117	672	37	(2,233)	-	8,593

* 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
31.03.20						
Segment profit/(loss) before tax	(9,064)	(351)	(40)	(2,002)	-	(11,457)
Included in the measure of segment profit/(loss) are:						
Revenue:						
Revenue from external customers	15,014	2,411	346	515	-	18,286
Inter-segment revenue *	-	-	-	620	(620)	-
	<u>15,014</u>	<u>2,411</u>	<u>346</u>	<u>1,135</u>	<u>(620)</u>	<u>18,286</u>
Reversal of impairment loss on:						
Reversal of/(impairment loss) on:						
- trade receivables	-	-	-	-	-	-
- non-current assets held for sale	-	-	-	-	-	-
- property and equipment	-	-	-	-	-	-
- goodwill	-	-	-	-	-	-
Interest expense	(4,809)	(231)	-	(16)	-	(5,057)
Interest income	2	-	-	-	-	2
Amortisation of intangible assets	(50)	-	-	(7)	-	(57)
Depreciation of:						
- property and equipment	(1,933)	(17)	(14)	-	-	(1,963)
- right-of-use assets	(2,610)	(336)	-	-	-	(2,946)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	336	233	(26)	(1,979)	-	(1,436)

* 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 15 January 2021, the Company received Bursa approval on the said private placement. On 10 March 2021, 82,000,000 shares were issued based on the 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 previous corresponding quarter

	Quarter ended 31.03.21 RM'000	Quarter ended 31.03.20 RM'000	% of change	Cumulative 3 months ended 31.03.21 RM'000	Cumulative 3 months ended 31.03.20 RM'000	% of change
Revenue	24,726	18,286	35%	24,726	18,286	35%
Profit/(loss) before tax	641	(11,457)	106%	641	(11,457)	106%

The higher quarterly revenue is mainly attributable to higher active student numbers, and the previous quarter was impacted by the deferment of new student enrolment due to Covid-19 pandemic.

The higher profit before tax for the current quarter is mainly due to higher revenue from higher active students, lower cost of service due to successful cost savings exercise and lower rental cost.

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NOTES TO THE FINANCIAL STATEMENTSVariation of results against the preceding quarter

	Quarter ended 31.03.21 RM'000	Quarter ended 31.12.20 RM'000	% of change
Revenue	24,726	26,887	-8%
Profit before tax	641	7,578	92%

The lower current quarter Group revenue is due to lower student enrolment as compared to the preceding quarter. Historically, our student intake numbers are the highest during the final quarter.

Traditionally, quarter one is a weak quarter mainly driven by low student intake. Therefore, the profit before tax for the current quarter is lower as compared to the preceding quarter. In addition, the preceding quarter recorded a gain from lease modification, which arises from the termination of a long term lease agreement coupled with the reversal of asset impairment arising from assets revaluation exercise in the previous year.

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.

The Covid-19 pandemic will continue to affect businesses around the world. However, we will take the necessary actions to ensure that the impact will be minimal.

For the financial year ending 31 December 2021, the Group shall continue to execute the transformation plan which will grow the top line and reduce cost. In addition, we will also focus on cost and operating cash flows management.

16. Variance on Profit Forecast/Profit Guarantee

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

17. Taxation

	Quarter ended 31.03.21 RM'000	Quarter ended 31.03.20 RM'000	Cumulative 3 months ended 31.03.21 RM'000	Cumulative 3 months ended 31.03.20 RM'000
Income tax	(9)	(31)	(9)	(31)
Deferred tax	307	637	307	637
	<u>298</u>	<u>606</u>	<u>298</u>	<u>606</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

18. Group Borrowings and Debt Securities

Other than as disclosed below, there were no other borrowings or debt securities in the Group as at 31 March 2021.

	31.03.21	31.12.20
	RM'000	RM'000
Current:		
Overdraft facilities	8,732	8,492
Lease liabilities	6,751	6,434
	<u>15,483</u>	<u>14,926</u>
Non-current:		
Term loan	17,390	17,390
Lease liabilities	114,444	116,458
	<u>131,834</u>	<u>133,848</u>
	<u>147,317</u>	<u>148,774</u>

19. Material Litigations

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

20. Proposed dividend

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

21. 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 1,321,905,790 (31.12.2020:1,239,905,790).

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NOTES TO THE FINANCIAL STATEMENTS

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

	Current Year		Cumulative Year	
	Quarter ended		12 months ended	
	31.03.21	31.03.20	31.03.21	31.03.20
	RM'000	RM'000	RM'000	RM'000
Results from operating activities is arrived at after charging/(crediting):				
• Amortisation of intangible assets	158	57	158	57
• Depreciation of property and equipment	1,875	1,963	1,875	1,963
• Depreciation of right-of-use assets	2,840	2,946	2,840	2,946
• Loss/(Gain) on disposal of property and equipment	4	(30)	4	(30)
• Gain on disposal of subsidiary	(51)	-	(51)	-
• Interest expense	3,081	5,057	3,081	5,057
• Interest income	(2)	(2)	(2)	(2)
• Rental income	(225)	(601)	(225)	(601)
• Property, plant and equipment written off	-	-	-	-

BY ORDER OF THE BOARD

Date: 21 May 2021