

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 PERIOD ENDED 31 MARCH 2022**

	Current Period Quarter ended		Cumulative Quarter 3 months ended	
	31.03.22 Unaudited (RM'000)	31.03.21 Audited (RM'000)	31.03.22 Unaudited (RM'000)	31.03.21 Audited (RM'000)
Revenue	26,859	24,726	26,859	24,726
Cost of services	(13,835)	(11,345)	(13,835)	(11,345)
Gross profit	13,024	13,381	13,024	13,381
Other income	1,613	293	1,613	293
Administrative expenses	(10,527)	(9,954)	(10,527)	(9,954)
Interest expense	(2,695)	(3,081)	(2,695)	(3,081)
Interest income	1	2	1	2
Profit before taxation	1,416	641	1,416	641
Taxation	23	298	23	298
Net profit for the period	1,439	939	1,439	939
Profit for the period	1,439	939	1,439	939
Profit attributable to the owners of the Company	1,439	939	1,439	939
Total comprehensive profit for the period	1,439	939	1,439	939
Basic profit per ordinary share (Sen)	0.11	0.08	0.11	0.08

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 MARCH 2022**

	As at 31.03.22 Unaudited (RM'000)	As at 31.12.21 Audited (RM'000)
ASSETS		
Property and equipment	75,721	76,057
Right-of-use assets	143,868	147,877
Other intangible assets	53,964	54,068
Deferred tax assets	8,448	8,425
Goodwill on consolidation	75,683	75,683
Total Non-Current Assets	357,684	362,110
Trade and other receivables	37,763	42,424
Contract costs	6,856	5,402
Current tax asset	499	537
Cash and bank balances	26,953	16,947
Non-current assets held for sale	20,278	20,278
Total Current Assets	92,349	85,588
TOTAL ASSETS	450,033	447,698
EQUITY		
Share capital	388,129	388,129
Capital reorganisation deficit	(7,064)	(7,064)
Assets revaluation reserve	14,484	14,484
Accumulated losses	(191,491)	(192,930)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	204,058	202,619

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022 (Continued)**

	As at 31.03.22 Unaudited (RM'000)	As at 31.12.21 Audited (RM'000)
LIABILITIES		
Borrowings	17,390	17,390
Lease liabilities	129,304	130,539
Deferred tax liabilities	16,533	16,533
Total Non-Current Liabilities	163,227	164,462
Trade and other payables	38,734	36,208
Contract liabilities/Other current liabilities	29,643	29,926
Borrowings	-	62
Lease liabilities	14,371	14,421
Total Current Liabilities	82,748	80,617
TOTAL LIABILITIES	245,975	245,079
TOTAL EQUITY AND LIABILITIES	450,033	447,698
Net assets per share attributable to owners of the Company (RM)	0.15	0.15

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 PERIOD ENDED 31 MARCH 2022 - UNAUDITED**

	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 2022	388,129	(7,064)	14,484	(192,930)	202,619
Profit for the period	-	-	-	1,439	1,439
Balance as at 31 March 2022	388,129	(7,064)	14,484	(191,491)	204,058

	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 2021	383,209	(7,064)	14,484	(196,432)	194,197
Issue of ordinary shares	4,920	-	-	-	4,920
Profit for the period	-	-	-	939	939
Balance as at 31 March 2021	388,129	(7,064)	14,484	(195,493)	200,056

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 PERIOD ENDED 31 MARCH 2022**

	Period ended 31.03.22 Unaudited RM'000	Period ended 31.03.21 Audited RM'000
Cash flows from operating activities		
Profit before tax	1,416	641
Adjustments for:		
Amortisation of intangible assets	53	158
Depreciation of:		
- property and equipment	1,990	1,875
- right-of-use assets	3,326	2,840
Interest expense	2,695	3,081
Interest income	(1)	(2)
(Gain)/loss on disposal of:		
- property and equipment	-	4
- subsidiary	(1,320)	-
	8,159	8,597
Changes in Working Capital:		
Trade and other receivables	3,875	1,162
Contract costs	(1,434)	(437)
Trade and other payables	6,302	(18,804)
Contract liabilities/Other current liabilities	368	10,952
Cash generated from operating activities	17,270	1,470
Tax refunded	18	8
Interest paid	(2,666)	(3,161)
Interest received	1	2
Net cash generated from/(used in) operating activities	14,623	(1,681)
Cash flows from/(for) investing activities		
Acquisition of property and equipment	(196)	(809)
Proceeds from disposal of subsidiary, net of cash disposed	330	-
Net cash generated from/(used in) investing activities	134	(809)
Cash flows (for)/from financing activities		
Proceeds from issuance of shares	-	4,920
Payment of lease liabilities	(4,688)	(1,037)
Net cash (used in)/generated from financing activities	(4,688)	3,883
Net changes in cash and cash equivalents	10,069	1,393
Cash and cash equivalents at 1 January	12,233	227
Cash and cash equivalents at end of reporting period	22,302	1,620

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022(Continued)**

i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise

	Period ended 31.03.22 Unaudited RM'000	Period ended 31.03.21 Audited RM'000
Deposits placed with licensed banks	928	900
Cash and bank balances	26,025	14,077
Bank overdraft	-	(8,732)
	<hr/>	<hr/>
	26,953	6,245
Less: Deposits pledged with licensed banks	(928)	(900)
Less: Deposits pledged for term loan	(3,723)	(3,725)
Cash and cash equivalents	<hr/>	<hr/>
	22,302	1,620

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 2021, except for the following:

Standards, Amendments and Annual Improvements to Standards effective for the financial periods beginning on or after 1 January 2022

- Amendments to MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards[^]
- Amendments to MFRS 3 – Business Combinations
- Amendments to MFRS 9 – Financial Instruments[^]
- Amendments to MFRS 16 – Leases[^]
- Amendments to MFRS 116 – Property, Plant and Equipment
- Amendments to MFRS 137 – Provisions, Contingent Liabilities and Contingent Assets
- Amendments to MFRS 141 – Agriculture[^]

[^] The annual improvements to MFRS Standards 2018-2020

The adoption of the above-mentioned 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 new MFRS and amendments/improvements to MFRSs that have been issued by Malaysian Accounting Standards Board (“MASB”) but yet to be effective are disclosed below. The Group intends to adopt these applicable standards when they become effective.

New MFRS

- MFRS 17 – Insurance Contracts

Amendments/Improvements to MFRSs

- MFRS 5 – Non-current Assets Held for Sale and Discontinued Operations
- MFRS 7 – Financial Instruments: Disclosures
- MFRS 10 – Consolidated Financial Statements
- MFRS 15 – Revenue from Contracts with Customers
- MFRS 17 – Insurance Contracts
- MFRS 101 – Presentation of Financial Statements
- MFRS 107 – Statement of Cash Flows

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2.2 Standards issued but not yet effective (Continued)

Amendments/Improvements to MFRSs (Continued)

- MFRS 108 – Accounting Policies, Changes in Accounting Estimates and Errors
- MFRS 112 – Income Taxes
- MFRS 119 – Employee Benefits
- MFRS 128 – Investments in Associates and Joint Ventures
- MFRS 132 – Financial Instruments: Presentation
- MFRS 136 – Impairment of Assets
- MFRS 138 – Intangible Assets
- MFRS 140 – Investment Property

3. Audit Report on Preceding Annual Financial Statements

The Company's audited financial statements for the financial year ended 31 December 2021 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.

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 5 October 2021, the Company entered into a share sale agreement to dispose of 500,000 ordinary shares of Minda Global International Education Sdn. Bhd. for a total consideration of RM600,000.00. The disposal was completed on 1 March 2022.

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NOTES TO THE FINANCIAL STATEMENTS

9. Changes in Contingent Liabilities and Contingent Assets

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

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
31.03.22						
Segment profit/(loss) before tax	1,054	270	(30)	(3,103)	3,225	1,416
Included in the measure of segment profit/(loss) are:						
Revenue:						
Revenue from external customers	22,754	3,400	144	561	-	26,859
	22,754	3,400	144	561	-	26,859
Interest expense	(2,400)	(262)	-	(33)	-	(2,695)
Interest income	1	-	-	-	-	1
Amortisation of intangible assets	(52)	-	-	(1)	-	(53)
Depreciation of:						
- property and equipment	(1,856)	(101)	(5)	(28)	-	(1,990)
- right-of-use assets	(2,860)	(466)	-	-	-	(3,326)
Gain on disposal:						
- subsidiary	-	-	-	(1,905)	3,225	1,320
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	8,221	1,098	(25)	185	-	9,479

* 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
31.03.21						
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)	-
	21,748	2,570	395	1,757	(1,744)	24,726
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.

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

On 25 February 2020, Asiamet (M) SdnBhd (“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 Q2 2022.

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. On 5 July 2021, Bursa Securities has approved the Company’s application for an extension of time of 6 months until 14 January 2022 for the Company to complete the implementation of the Private Placement. The implementation of the private placement has lapsed on 14 January 2022. Thus, the private placement is deemed completed on 14 January 2022.

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.

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NOTES TO THE FINANCIAL STATEMENTS

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA
MALAYSIA'S LISTING REQUIREMENTS****14. Review of Performance**Variation of results against previous corresponding quarter

The Group posted a profit before tax for 3 months ended 31 March 2022 of RM1.69 million as compared to a profit before tax of RM0.64million for 3 months ended 31 March 2021.

	Quarter ended 31.03.22 RM'000	Quarter ended 31.03.21 RM'000	% of change	Cumulative 3 months ended 31.03.22 RM'000	Cumulative 3 months ended 31.03.21 RM'000	% of change
Revenue	26,859	24,726	9%	26,859	24,726	9%
Profit before tax	1,416	641	121%	1,416	641	-121%

Higher revenue recorded in the current quarter was mainly attributable to higher active student numbers.

The increase in profit before tax in the first quarter resulted from higher revenue in the current quarter as compared to the previous corresponding quarter and the gain arising from the divestment of Minda Global International Education Sdn Bhd, which was our K-12 Education sector.

Variation of results against the preceding quarter

	Quarter ended 31.03.22 RM'000	Quarter ended 31.12.21 RM'000	% of change
Revenue	26,859	34,597	-22%
Profit before tax	1,416	2,480	-43%

The Group recorded lower revenue and profit before tax in the first quarter as compared to the preceding quarter was due to lower revenue. Historically, our student's intake numbers are the highest during the final quarter.

15. Commentary on Prospects

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

In the FY 2021, the Group has successfully implemented our Strategic Turnaround Plan and firmly established ourselves on a strong financial footing. The Plan focused on restructuring the business, rebranding the institutions and refining our product offerings. We have more than doubled our total active student population since end FY2017 which resulted in the highest ever revenue of RM107.9m and posted a first ever Full-Year Profit of RM3.5m.

Following from the successful FY2021, the Group will enter into a new strategic phase focusing on Earnings growth by widening our product base including education

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pathways, and customer satisfaction as the primary drivers while retaining a key focus on cost control efforts.

The rebranding exercise carried out in 2021 whereby the colleges were rebranded and integrated into our flagship institution – University of Cyberjaya, will enable the Group to further leverage our centralized domain expertise to better add value to the Academic and Sales functions of our fast-growing colleges.

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 31.03.22 RM'000	Quarter ended 31.03.21 RM'000	Cumulative 3 months ended 31.03.22 RM'000	Cumulative 3 months ended 31.03.21 RM'000
Income tax	-	(9)	-	(9)
Deferred tax	23	307	23	307
	<u>23</u>	<u>298</u>	<u>23</u>	<u>298</u>

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

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 2022.

	31.03.22 RM'000	31.12.21 RM'000
Current:		
Overdraft facilities	-	62
Lease liabilities	14,371	14,421
	<u>14,371</u>	<u>14,483</u>
Non-current:		
Term loan	17,390	17,390
Lease liabilities	129,304	130,539
	<u>146,694</u>	<u>147,929</u>
	<u>161,065</u>	<u>162,412</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.

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20. Proposed dividend

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

21. Earnings per Share**Basic profit per ordinary share**

The basic profit 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 (31.12.2021:1,321,905,790).

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

	Current Period		Cumulative Quarter	
	Quarter ended		3 months ended	
	31.03.22	31.03.21	31.03.22	31.03.21
	RM'000	RM'000	RM'000	RM'000
Results from operating activities is arrived at after charging/(crediting):				
• Amortisation of intangible assets	53	158	53	158
• Depreciation of property and equipment	1,990	1,875	1,990	1,875
• Depreciation of right-of-use assets	3,326	2,840	3,326	2,840
• Gain on disposal of property and equipment	-	4	-	4
• Gain on disposal of subsidiary	(1,320)	(51)	(1,320)	(51)
• Interest expense	2,695	3,081	2,695	3,081
• Interest income	(1)	(2)	(1)	(2)
• Rental income	(231)	(225)	(231)	(225)

BY ORDER OF THE BOARD

Date: 24 May 2022