

Announcements / Filings to Bursa Malaysia

Quarterly rpt on consolidated results for the financial period ended 31 Dec 2018

MINDA GLOBAL BERHAD

Financial Year End	31 Dec 2018
Quarter	4 Qtr
Quarterly report for the financial period ended	31 Dec 2018
The figures	have not been audited

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
31 Dec 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	23,366	5,668	93,892	19,777
2 Profit/(loss) before tax	-2,000	-9,307	-17,713	-28,856
3 Profit/(loss) for the period	-1,452	-9,302	-17,168	-28,858
4 Profit/(loss) attributable to ordinary equity holders of the parent	-1,452	-9,302	-17,168	-28,858
5 Basic earnings/(loss) per share (Subunit)	-0.12	-2.04	-1.38	-6.88
6 Proposed/Declared dividend per share	0.00	0.00	0.00	0.00

(Subunit)			
		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)		0.1900	0.2000

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.

Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

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 YEAR ENDED 31 DECEMBER 2018 – UNAUDITED**

	Current Period Quarter ended		Cumulative Quarter 12 months ended	
	31.12.18 Unaudited (RM'000)	31.12.17 Proforma Unaudited (RM'000)	31.12.18 Unaudited (RM'000)	31.12.17 Proforma Unaudited (RM'000)
Revenue	23,366	5,668	93,892	19,777
Cost of services	(18,663)	(5,700)	(70,229)	(21,106)
Gross profit / (loss)	4,703	(32)	23,663	(1,329)
Operating expenses	(18,764)	(14,013)	(53,323)	(33,251)
Other operating income	12,860	4,826	13,640	6,037
Interest expense	(809)	(109)	(1,730)	(429)
Interest income	10	21	37	116
Loss before taxation	(2,000)	(9,307)	(17,713)	(28,856)
Income tax	548	5	545	(2)
Net loss for the period	(1,452)	(9,302)	(17,168)	(28,858)
Loss attributable to the owners of the Company	(1,452)	(9,302)	(17,168)	(28,858)
Total comprehensive loss for the period	(1,452)	(9,302)	(17,168)	(28,858)
Basic loss per ordinary share (Sen)	(0.12)	(2.04)	(1.38)	(6.88)

Note:

The acquisition of the entire issued and paid-up share capital of Asiamet Education Group Berhad (now known as Asiamet Education Group Sdn Bhd) ("AEGB") by the Company by way of share exchange is a reorganisation and does not result in any change in economic substance. Accordingly, the comparative figures are presented as if the reorganisation had been effected from the beginning of the earliest period presented.

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.

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(Company No.: 1209985-V)

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018 – UNAUDITED**

	As at 31.12.18 Unaudited (RM'000)	As at 31.12.17 Proforma Unaudited (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	121,369	93,998
Investment property	-	18,821
Other intangible assets	939	1,177
Deferred tax asset	654	73
Goodwill on consolidation	128,555	128,555
Total Non-Current Assets	251,517	242,624
CURRENT ASSETS		
Receivables, deposits and prepayments	44,386	47,118
Current tax asset	967	644
Cash and cash equivalents	3,496	3,079
Assets classified as held for sale	13,599	-
Total Current Assets	62,448	50,841
TOTAL ASSETS	313,965	293,465
EQUITY		
Share capital	383,209	*
Reorganisation deficit	(3,453)	-
Capital reserve	-	379,756
Accumulated losses	(148,095)	(133,923)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	231,661	245,833

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018 – UNAUDITED (Continued)**

	As at 31.12.18 Unaudited (RM'000)	As at 31.12.17 Proforma Unaudited (RM'000)
LIABILITIES		
Borrowings	28,000	2,087
Hire purchase payables	-	29
Total Non-Current Liabilities	28,000	2,116
Payables and accruals	51,961	43,154
Borrowings	2,313	2,306
Hire purchase payables	30	56
Total Current Liabilities	54,304	45,516
TOTAL LIABILITIES	82,304	47,632
TOTAL EQUITY AND LIABILITIES	313,965	293,465
Net assets per share attributable to owners of the Company (RM) (Note2)	0.19	0.20

* Share capital of RM2

Notes:

(1) The acquisition of the entire issued and paid-up share capital of AEGB by the Company by way of share exchange is a reorganisation and does not result in any change of economic substance. Accordingly, the consolidated statements of financial position of Minda Global Berhad ("Minda Global") for comparatives is a continuation of AEGB Group and is accounted for as follows:

- The results are presented as if the reorganisation had been effected throughout from the beginning of the earliest period presented;
- Minda Global consolidates the assets and liabilities of the AEGB Group at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method.
- No new goodwill is recognised as a result of the reorganisation.

(2) Computed based on the net assets of the Group divided by 1,239,905,790 (2017: 1,239,905,780) outstanding issued Ordinary Shares

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 YEAR ENDED 31 DECEMBER 2018 - UNAUDITED**

← Equity Attributable to Owners of the Company →

	Share Capital RM'000	Capital Reserve RM'000	Reorganisation Deficit RM'000	Accumulated Losses RM'000	Total RM'000
Balance as at 1 January 2018	*	379,756	-	(133,923)	245,833
Adoption of MFRS 9	-	-	-	1,595	1,595
Adoption of MFRS 15	-	-	-	1,401	1,401
Balance as at 1 January 2018 (restated)	-	379,756	-	(130,927)	248,829
Issue of shares pursuant to the reorganisation	383,209	(379,756)	(3,453)	-	-
Loss for the year	-	-	-	(17,168)	(17,168)
Balance as at 31 December 2018	383,209	-	(3,453)	(148,095)	231,661

	Share Capital RM'000	Capital Reserve RM'000	Reorganisation Deficit RM'000	Accumulated Losses RM'000	Total RM'000
Balance as at 1 January 2017	*	213,911	-	(98,704)	115,207
Effect of resale of treasury shares by AEGB	-	12,295	-	(6,361)	5,934
Issuance of ordinary shares	-	153,550	-	-	153,550
Loss for the year	-	-	-	(28,858)	(28,858)
Balance as at 31 December 2017	*	379,756	-	(133,923)	245,833

* Share capital of RM2

Note:

The acquisition of the entire issued and paid-up share capital of AEGB by the Company by way of share exchange is a reorganisation and does not result in any change in economic substance. Accordingly, the comparative figures are presented as if the reorganisation had been effected from the beginning of the earliest period presented.

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 YEAR ENDED 31 DECEMBER 2018 – UNAUDITED**

	Year ended 31.12.18 Unaudited RM'000	Year ended 31.12.17 Proforma Unaudited RM'000
Cash flows from operating activities		
Loss before tax	(17,713)	(28,856)
Adjustments for:		
Expected credit losses on trade receivables	4,239	-
Depreciation of:		
- property, plant and equipment	6,961	5,337
- investment property	1,012	1,828
Amortisation of intangible assets	238	-
(Reversal of)/impairment loss on:		
- property, plant and equipment	(3,045)	189
- trade receivables	(605)	(778)
Interest expense	1,730	429
Interest income	(37)	(116)
(Gain)/Loss on disposal of property, plant and equipment	(144)	11
Property, plant and equipment written off	192	-
Operating loss before changes in working capital	(7,172)	(21,956)
Change in receivables, deposits and prepayments	2,094	1,939
Change in payables and accruals	8,359	6,025
Cash generated from/(used in) operating activities	3,281	(13,992)
Income tax paid	(1,646)	(7)
Tax refunded	1,287	30
Interest paid	(1,588)	(429)
Interest received	37	116
Net cash generated from/(used in) operating activities	1,371	(14,282)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(26,963)	(640)
Acquisition of a subsidiary, net of cash	-	519
Proceeds from disposal of property, plant and equipment	144	10,275
Net cash (used in)/generated from investing activities	(26,819)	10,154
Cash flows from financing activities		
(Placement)/withdrawal of deposits pledged with licensed banks	(206)	336
Drawdown of borrowings	28,000	-
Repayment of borrowings	(2,135)	(4,613)
Proceeds from disposal of Treasury Shares	-	5,934
Net cash generated from/(used in) financing activities	25,659	1,657
Net increase in cash and cash equivalents	211	(2,471)
Cash and cash equivalents at 1 January	2,716	5,187
Cash and cash equivalents at end of reporting year	2,927	2,716

Note:

The acquisition of the entire issued and paid-up share capital of AEGB by the Company by way of share exchange is a reorganisation and does not result in any change in economic substance. Accordingly, the comparative figures are presented as if the reorganisation had been effected from the beginning of the earliest period presented.

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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018 – UNAUDITED (Continued)**

i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise

	As at 31.12.18 Unaudited RM'000	As at 31.12.17 Proforma Unaudited RM'000
Deposits placed with licensed banks	569	363
Cash and bank balances	2,927	2,716
Cash and cash equivalents as disclosed in the statement of financial position	3,496	3,079
Less: Deposits pledged with licensed banks	(569)	(363)
Cash and cash equivalents	2,927	2,716

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 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.

Following the Company's acquisition of AEGB by way of share exchange on 14 February 2018, the comparative figures of the consolidated financial statements are presented as a proforma to present the substance of the transaction. The comparative results of 31 December 2017 represent the consolidated position of the Company and AEGB Group prior to the share exchange.

Accordingly, the following accounting treatment and terminology has been applied in respect of the reorganisation:

- The results are presented as if the reorganisation had been effected throughout from the beginning of the earliest period presented;
- Minda Global consolidates the assets and liabilities of the AEGB Group at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method;
- No new goodwill is recognised as a result of the reorganisation.

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 2017, except for the following:

Standards, Amendments and Annual Improvements to Standards effective for the financial periods beginning on or after 1 January 2018

Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 140 Transfer of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycle

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

MFRS 9 Financial Instruments

MFRS 15 Revenue from Contracts with Customers

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:

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NOTES TO THE FINANCIAL STATEMENTS

2. Significant Accounting Policies (Continued)

2.1 Adoption of MFRSs, Amendments to MFRSs and IC Interpretations (Continued)

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 “Financial Instruments: Recognition and Measurement”. The adoption of MFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

Based on the analysis of the Group’s financial assets and liabilities, the impact of MFRS 9 to the Group’s financial statements are as follows:

(a) Classification and measurement

The Group does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of MFRS 9. They expect to continue measuring at fair value all financial assets currently held at fair value.

Trade receivables, other receivables, deposits, cash and bank balances classified as loans and receivables under MFRS 139 are now classified as financial asset measured at amortised cost under MFRS 9. They will continue to be measured on the same basis as is previously adopted under MFRS 139.

(b) Impairment of financial assets

MFRS 9 replaces the “incurred loss” model in MFRS 139 with an “expected credit loss” (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments.

On the date of initial application, MFRS 9 did not affect the classification and measurement of the Group’s financial assets and financial liabilities, except that the Group’s allowance for impairment has decreased by RM1,595,000 as at 1 January 2018 as a result of applying the ECL model on receivables. As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus these adjustments were recognised in the opening accumulated losses of the current year.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 ‘Revenue from Contracts with Customers’ replaces MFRS 118 ‘Revenue’ and MFRS 111 ‘Construction Contracts’ and their related interpretations. MFRS 15 provides a principle based approach for revenue recognition and introduces the concept of recognising revenue for performance obligations as they are satisfied. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, that is when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

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NOTES TO THE FINANCIAL STATEMENTS

2. Significant Accounting Policies (Continued)

2.1 Adoption of MFRSs, Amendments to MFRSs and IC Interpretations (Continued)

MFRS 15 Revenue from Contracts with Customers (Continued)

MFRS 15 also requires that the costs attributable to obtaining a contract with a customer shall be recognised as an asset and amortised on a systematic basis that is consistent with the transfer to the customer of goods or services to which the asset relates.

On the date of initial application, the Group adopted the new standard using the modified retrospective method. The adoption of MFRS 15 does not have significant effect of the Group's financial statements, except that the Group's accumulated losses have decreased by RM1,401,000 as at 1 January 2018 as a result of the recognition of incremental contract costs in accordance with the principles of this standard. As permitted by the transitional provisions of MFRS 15, the Group has elected not to restate comparative figures and thus these adjustments were recognised in the opening accumulated losses of the current year.

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 standards, if applicable, when they become effective.

- MFRS 16 - Leases
- MFRS 17 - Insurance Contracts
- Amendments to MFRS 3 – Business Combinations – Previously Held Interest in a Joint Operation (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)
- Amendments to MFRS 9 - Prepayment Features with Negative Compensation
- Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 119 - Plan Amendments, Curtailment or Settlement
- Amendments to MFRS 128 - Long-term Interests in Associates and Joint Ventures IC Interpretation 23 - Uncertainty over Income Tax Payments Annual Improvements to MFRSs 2015-2017 Cycle
- Amendments to References to the Conceptual Framework in MFRS Standards Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119 Employee Benefits)

3. Audit Report on Preceding Annual Financial Statements

The Company's audited financial statements for the financial year ended 31 December 2017 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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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 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

On 14 February 2018, the Company acquired the entire issued and paid-up share capital of AEGB, comprising 1,239,905,780 ordinary shares in AEGB for a total purchase consideration of RM383.21 million which was satisfied via the issuance of 1,239,905,780 new ordinary shares in the Company at the average issue price of RM0.31 per share.

As this reorganisation involving only the exchange of shares, the value of the equity of AEGB is used to measure the consideration transferred and there is no goodwill recognised.

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

	University / University College RM'000	Colleges RM'000	International School RM'000	Corporate/ Others RM'000	Elimination of inter segment transactions RM'000	Total RM'000
31.12.18						
Segment profit/(loss) before tax	(21,293)	400	159	3,021	-	(17,713)
Included in the measure of segment profit/(loss) are:						
Revenue from external customers	83,002	8,948	1,942	-	-	93,892
Reversal/(Impairment loss) of:						
- property, plant and equipment	3,045	-	-	-	-	3,045
- trade receivables	436	169	-	-	-	605
Expected credit losses on trade receivables	(3,767)	(472)	-	-	-	(4,239)
Interest expense	(1,730)	-	-	-	-	(1,730)
Interest income	37	-	-	-	-	37
Depreciation of property, plant and equipment and investment property	(7,881)	(51)	(41)	-	-	(7,973)

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10. Operating Segments (Continued)

31.12.17	University / University College RM'000	Colleges RM'000	International School RM'000	Corporate/ Others RM'000	Elimination of inter segment transactions RM'000	Total RM'000
Segment profit/(loss) before tax	(24,842)	(689)	80	(3,671)	266	(28,856)
Included in the measure of segment profit/(loss) are:						
Revenue from external customers	10,886	7,247	1,644	-	-	19,777
Reversal/(Impairment loss) of:						
- property, plant and equipment	(189)	-	-	-	-	(189)
- trade receivables	667	111	-	-	-	778
Interest expense	(429)	-	-	-	-	(429)
Interest income	55	-	-	61	-	116
Depreciation of property, plant and equipment and investment property	(7,083)	(43)	(39)	-	-	(7,165)

11. Commitments

The capital commitments of the Group as at 31 December 2018 are as follows:

	As at 31.12.18 RM'000	As at 31.12.17 RM'000
Capital commitments:		
Property, plant and equipment contracted but not provided for	9,907	26,159

12. Significant Events

On 20 April 2018, CUCMS Education Sdn Bhd ("CESB") an indirect wholly-owned subsidiary of the Company established an Islamic Medium Term Note ("IMTN") Programme and the issuance of the Sukuk Wakalah of RM150,000,000 under the IMTN Programme with charge over certain properties of the Group. AEGB has also undertaken to channel any profit guarantee shortfall received pursuant to the Share Sale Agreement entered into on 5 December 2016 between AEGB and SMRT Holdings Berhad and SMR Education Sdn. Bhd., respectively, to CESB in the event if there is a shortfall in the minimum required balance under the IMTN. The amount to be channelled shall be equivalent to the shortfall amount in the minimum required balance and which shall not exceed the profit guarantee shortfall.

On 31 December 2018, Asiamet (M) Sdn Bhd, a subsidiary of Minda Global, has entered into eight Sale and Purchase Agreements for the disposal of its Kota Kinabalu properties comprising of six adjoining units of four storey intermediate terraced shops/offices and two units of four storey corner terraced shops/offices for a total cash consideration of RM14,700,000. The disposal is expected to be completed by the first half of 2019.

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13. Material Subsequent Events

There were no material events subsequent to this quarter.

14. 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 MMLR**15. Review of Performance**Variation of results against corresponding quarter and cumulative 12 months

	Quarter ended 31.12.18 RM'000	Quarter ended 31.12.17 RM'000	% of change	Cumulative 12 months ended 31.12.18 RM'000	Cumulative 12 months ended 31.12.17 RM'000	% of change
Revenue	23,366	5,668	>100%	93,892	19,777	>100%
Loss before tax	(2,000)	(9,307)	79%	(17,713)	(28,856)	39%

The higher quarterly and cumulative revenue was mainly due to contribution from CESB Group and increase in student enrolments.

The lower loss before tax for the current quarter and cumulative period was mainly due to the profit guarantee income arising from the acquisition of CESB Group, which was however reduced by the impact of expected credit losses on trade receivables.

Variation of results against preceding quarter

	Quarter ended 31.12.18 RM'000	Quarter ended 30.09.18 RM'000	% of change
Revenue	23,366	24,209	-4%
Loss before tax	(2,000)	(5,311)	62%

The Group recorded a marginal decrease in revenue in the current quarter as compared to preceding quarter.

The lower loss before tax for the current quarter was mainly due to the profit guarantee income arising from the acquisition of CESB Group, which was however reduced by the impact of expected credit losses on trade receivables.

16. Commentary on Prospects

The Group now 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 Group's outlook for the year is positive despite challenging and competitive environment.

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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 31.12.18 RM'000	Quarter ended 31.12.17 RM'000	Cumulative 12 months ended 31.12.18 RM'000	Cumulative 12 months ended 31.12.17 RM'000
Income tax	(33)	5	(36)	(2)
Deferred tax	581	-	581	-
	<u>548</u>	<u>5</u>	<u>545</u>	<u>(2)</u>

The taxation included the estimation of deferred tax arising from expected credit losses on trade receivables.

19. Corporate Proposals

The corporate exercises involved the following :

- 1) A share exchange of the enlarged number of issued shares of AEGB for new ordinary shares in the Company on the basis of one (1) share of the Company for every one (1) AEGB share held ("Proposed Exchange").

On 14 February 2018, the Proposed Exchange was completed and AEGB became a wholly-owned subsidiary of the Company.

- 2) The Company would assume the listing status of AEGB, with the listing and quotation of the total number of issued shares of the Company on the Main Market of Bursa Securities ("Proposed Transfer of Listing").

On 19 February 2018, the Proposed Transfer of Listing was completed.

- 3) An Internal Reorganisation was completed which entails the disposal of the following companies to Minda Global:

- a) CESB
- b) Minda Global International Education Sdn Bhd (formerly known as Valencia Education Group Sdn Bhd)
- c) Asiamet (KB) Sdn Bhd
- d) Asiamet (Kuching) Sdn Bhd
- e) Asiamet (KK) Sdn Bhd

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NOTES TO THE FINANCIAL STATEMENTS

20. 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 2018.

	31.12.18 RM'000	31.12.17 RM'000
Current:		
Secured term loan (Islamic)	2,313	2,306
Non-current:		
Secured term loan (Islamic)	-	2,087
Sukuk Wakalah (secured)	28,000	-
	<u>28,000</u>	<u>2,087</u>
	<u>30,313</u>	<u>4,393</u>

The Sukuk Wakalah is part of the IMTN programme mentioned in Note 12. The repayment is over a period of 4.5 years from the date of issue.

21. Material Litigations

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

22. Loss per Share**Basic loss per ordinary share**

The basic loss per ordinary share for the current quarter and cumulative period is calculated based on the loss attributable to ordinary shareholders and the number of ordinary shares of 1,239,905,790 (31.12.2017: 419,559,612).

The basic loss per share for comparative periods before the acquisition date presented in the consolidated financial statements following the reorganisation shall be calculated by dividing:

- (a) The profit or loss attributable to ordinary shareholders; over
- (b) The historical weighted average number of ordinary shares outstanding multiplied by 1, the exchange ratio established in the share exchange.

23. Proposed dividend

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

24. Comparatives

The comparatives for the year ended 31 December 2017 represent the consolidated position of the Company and AEGB Group prior to the share exchange, as stated in Note 1.

MINDA GLOBAL BERHAD

(Company No.: 1209985-V)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

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

	Current Period		Cumulative Period	
	Quarter ended		12 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
Results from operating activities is arrived at after charging/(crediting):				
• Depreciation of property, plant and equipment	2,176	1,131	6,961	5,337
• Depreciation of investment property	214	340	1,012	1,828
• (Reversal of)/impairment loss on property, plant and equipment (net)	(3,045)	276	(3,045)	189
• Amortisation of intangible assets	39	-	238	-
• (Gain)/loss on disposal of property, plant and equipment	(31)	14	(144)	11
• Property, plant and equipment written off	192	-	192	-
• Expected credit losses on trade receivables	4,083	-	4,239	-
• Reversal of impairment loss on trade receivables (net)	(501)	(35)	(605)	(778)
• Interest expense	809	109	1,730	429
• Interest income	(10)	(21)	(37)	(116)
• Rental income	(601)	(86)	(916)	(1,288)

Other disclosure items pursuant to Appendix 9B Note 16 of the MMLR of Bursa Malaysia are not applicable.

BY ORDER OF THE BOARD

Date: 26 February 2019