

# **MINDA GLOBAL BERHAD**

[Registration No. 201601039044 (1209985-V)]  
(Incorporated in Malaysia)

## **MINUTES OF THE FOURTH (4<sup>TH</sup>) ANNUAL GENERAL MEETING OF THE COMPANY HELD FULLY VIRTUAL, ON MONDAY, 28 JUNE 2021 AT 12.30 P.M.**

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**PRESENT** : **Members of the Board**  
**VIA VIDEO** General Tan Sri Dato' Seri Shahrom Bin Dato' Hj. Nordin (Rtd.) (*Independent*  
**CONFERENCE** *Non-Executive Chairman*)  
Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar (*Group Managing*  
*Director*)  
Maha Ramanathan Palan (*Executive Director*)  
Tan Sri Datuk (Dr.) Rafiah Binti Salim (*Senior Independent Non-Executive*  
*Director*)  
Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar (*Independent Non-Executive*  
*Director*)  
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa (*Independent Non-Executive*  
*Director*)

**IN ATTENDANCE** : **Shareholders and Proxies**  
**VIA VIDEO** As per Attendance List attached  
**CONFERENCE**

: **Company Secretary**  
Ms. Wong Youn Kim

**External Auditors**  
Representatives of Messrs Baker Tilly Monteiro Heng PLT

**Group Chief Financial Officer**  
Mr. Leong Tuck Yee

### **1. CHAIRMAN**

- 1.1 The Chairman, General Tan Sri Dato' Seri Shahrom Bin Dato' Hj. Nordin (Rtd.) took the Chair and extended a warm welcome to all present at the Fourth Annual General Meeting ("4<sup>th</sup> AGM") of the Company. Tan Sri Chairman informed the shareholders and proxies that the 4<sup>th</sup> AGM was conducted via live streaming through an online meeting platform provided by HMC Corporate Services Sdn Bhd as a safety measure to protect the wellbeing of the shareholders and proxies of the Company due to the unprecedented conditions caused by the Covid 19 pandemic.

### **2. QUORUM**

- 2.1 The requisite quorum being present as confirmed by the Company Secretary, Tan Sri Chairman declared the Meeting duly convened at 12.30 p.m.

### **3. NOTICE OF MEETING**

- 3.1 The notice of the 4<sup>th</sup> AGM having been circulated within the prescribed period was taken as read.
- 3.2 Before proceeding with the first item of the agenda, Tan Sri Chairman invited the Company Secretary to explain the proceedings of the Meeting.

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- 3.3 The Company Secretary informed that the business to be transacted at the 4<sup>th</sup> AGM involved the moving and passing of five (5) proposed Ordinary Resolution which require a vote by simple majority of the members or their proxies present to approve and one (1) Special Resolution which require a vote by majority of not less than 75% of the members or their proxies present to approve. All resolutions set out in the notice of 4<sup>th</sup> AGM would be voted by way of poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").
- 3.4 The Company Secretary informed the shareholders and proxies that HMC Corporate Services Sdn Bhd was the Poll Administrator conducting the polling process, USearch Management Services was appointed as the Independent Scrutineer to verify the poll results.
- 3.5 She then briefed all present at the Meeting on the polling procedures which was conducted electronically. She also informed the shareholders and proxies that they could submit their typed questions in the Q&A box during live streaming.

**4. PRESENTATION ON GROUP'S BUSINESS OVERVIEW AND FINANCIAL HIGHLIGHTS**

- 4.1 Before calling the Meeting to order, Mr. Maha Ramanathan Palan ("Mr Maha") presented to the shareholders and proxies, the Group's Business Overview and Financial Highlights as annexed herewith and marked Appendix "A".
- 4.2 Mr Maha then read out and addressed the questions raised by the Minority Shareholders Watch Group via its letter dated 21 June 2021, as annexed herewith and marked Appendix "B".

**ORDINARY BUSINESS :**

**5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS**

- 5.1 The first item on the Agenda was to receive the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors.
- 5.2 This item of the agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution do not require a formal approval of the said Audited Financial Statements by the shareholders. Hence, this item of the Agenda is not subject to voting.

**6. PAYMENT OF DIRECTORS' FEES AND MEETING ALLOWANCES PAYABLE TO THE NON-EXECUTIVE DIRECTORS FROM 29 JUNE 2021 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY – RESOLUTION 1**

- 6.1 Tan Sri Chairman informed that the Board had voluntarily halved the Directors' fees and meeting allowances in light of the Covid-19 pandemic. This proposal had been approved by the shareholders at the previous 3<sup>rd</sup> AGM held on 29 July 2020.
- 6.2 Upon the review on the current Directors' fees and meeting allowances, the Board and its Nomination and Remuneration Committee have proposed that the meeting allowances be

reinstated but the Directors' fees remained unchanged.

- 6.3 Ordinary Resolution 1 – Payment of Directors' fees of up to RM2,500.00 per month for the Chairman of the Board and RM2,000.00 per month for other members.

Further to approve the proposed revised meeting allowance of RM1,000 for each meeting payable to the Chairman of the Board, the Board Committee and Annual General Meeting and/or Extraordinary General Meeting for each meeting he or she attended and meeting allowance of RM500.00 for each meeting payable to other Directors of the Company for attending the Board meetings, the Board Committee meetings and Annual General Meeting and/or Extraordinary General Meeting with effect from 29 June 2021.

**7. RE-ELECTION OF DIRECTORS IN ACCORDANCE WITH CLAUSE 103 OF THE COMPANY'S CONSTITUTION – RESOLUTION 2 AND RESOLUTION 3**

- 7.1 The Chairman informed the Meeting that the following Directors were retiring by rotation pursuant to Clause 103 of the Company's Constitution and being eligible, have offered themselves for re-election:-

- i. Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar
- ii. Dato' Tan Choon Hwa @ Esther Tan Choon Hwa

- 7.2 Ordinary Resolution 2 – Re-election of Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar as Director of the Company pursuant to Clause 103 of the Company's Constitution was tabled before the Meeting.

- 7.3 Ordinary Resolution 3 – Re-election of Dato' Tan Choon Hwa @ Esther Tan Choon Hwa as Director of the Company pursuant to Clause 103 of the Company's Constitution was tabled before the Meeting.

**8. RE-APPOINTMENT OF MESSRS BAKER TILLY MONTEIRO HENG PLT AS AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION – RESOLUTION 4**

- 8.1 Ordinary Resolution 4 – The Chairman informed the Meeting that the next item on the agenda was to re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Besides that, the retiring Auditors have indicated their willingness and consent to accept the re-appointment.

**SPECIAL BUSINESS**

**9. AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 – RESOLUTION 5**

- 9.1 Ordinary Resolution 5 – The next item on the agenda was to consider and if thought fit, to pass an Ordinary Resolution authorising the Directors to allot and issue shares of not more than twenty percent (20%) of the total number of issued shares of the Company up to 31 December 2021 or a later date allowed by the relevant authorities at that point of time and thereafter, with effect from 1 January 2022 or a later date allowed by the relevant authorities at that point of time, to allot and issue shares of not more than ten percent (10%) of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 as set out in the notice of 4<sup>th</sup> AGM for approval. Such authority shall continue to be

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in force until the conclusion of the next Annual General Meeting of the Company.

**10. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

- 10.1 Special Resolution 1 – The Chairman informed the Meeting that the last item on the agenda was the proposed amendments to the Constitution of the Company that were to align the Constitution of the Company with the relevant provisions in the Companies Act 2016, updated provisions of the Main Market Listing Requirements of Bursa Securities and the prevailing statutory and regulatory requirements, as well as to enhance administrative efficiency and provide greater clarity.

**11. ANY OTHER BUSINESS**

- 11.1 Tan Sri Chairman informed the shareholders that the Company did not receive any notice to transact any other business.

**12. BRIEFING BY COMPANY SECRETARY ON POLLING AND COMMENCEMENT OF POLL VOTING**

- 12.1 The Company Secretary, was called upon to brief again on the polling procedures to the shareholders and proxies. Thereafter, the poll voting commenced.

**13. QUESTIONS AND ANSWERS SESSION**

- 13.1 Since all the resolutions have been tabled, the Chairman proceeded to the Questions and Answers session.
- 13.2 The following questions were raised by the shareholders and proxies to the Company and typed online during the Meeting and the answers provided in response to those questions by the Board and Management are as follows:-

Q1 What is the outlook for next 5 years for Minda.

A1 The board is unable to comment on future performance at this point in time but wishes to highlight the strong past 4 quarters performance despite the challenges driven by Covid-19 and a return to profitability at the 4<sup>th</sup> quarter.

Q2 What is the board's view of the company's performance over the next 12 months and beyond?

A2 The board is unable to comment on future performance at this point in time but wishes to highlight the strong past 4 quarters performance despite the challenges driven by Covid-19 and a return to profitability at the 4<sup>th</sup> quarter.

Q3 Are the Board likely to rationalise on salary remuneration due to Covid -19 pandemic?

A3 The Board and the Company have on a wider basis made key salary rationalisation decisions over the course of FY2020 and FY2021 due to the COVID-19 pandemic – this includes significant reductions to the pay of the Board and Senior Management.

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- Q4 How does the major shareholder of Top Glove makes different in the Company?
- A4 We are excited to have the major shareholder of Top Glove as a strategic investor in our Company. We believe that his years of experience in business and potential synergies with Top Glove will create value for Minda Global Berhad in the long term.
- Q5 What is the Board/Management doing to improve the share price?
- A5 The Board/Management is always focused on delivering value for our shareholders. Currently, the Management believes the best path forwards for the Group (and an improved share price) is by continuing to improve the fundamentals of our business. The Management is of the view that the business is well on track in light of the strong past 4 quarters performance despite the challenges driven by Covid-19 and a return to profitability at the 4<sup>th</sup> quarter.
- Q6 Could the Company elaborate more on the finance costs and interest expenses of RM18.163mil incurred by the Group?
- A6 The significant amount of finance cost was mainly due to Lease Interest which amounted to RM15.8mil, which arose from adopting the MFRS 16 Accounting Standard. This standard requires the present value of future rental payments discounted by the Group's cost of borrowing. We have long term rental agreements for the use of campuses and accommodations for students, which resulted in a significant amount of assets captured in the books under the categories of Right of Use and Lease liabilities. The Right of Use will be amortised monthly, and the lease interest expensed off in the book. For these rental agreements, no rental expenses will be captured in the books.
- Q7 In view of the pandemic, how do we manage the long lease and low occupancy of Varsity Lodge?
- A7 The Management has successfully terminated key long-term lease arrangements that were unfavorable for our business in FY2020. We will continue to evaluate our requirements on student accommodations with a view to minimising any potential exposure in this space moving forwards.
- Q8 Would like to know the separate breakdown of Revenue, Profitability and Number of students for UoC and AMU?
- A8 As a general practice, the Group does not release such detailed figures to the public as the information is highly confidential and could weaken our Group's competitive advantage. However, the Management has shared that the University of Cyberjaya is the largest revenue contributor to the Group.
- Q9 What is the rationale of changing the name from AMC to Cyberjaya College and the future plans?
- A9 A comprehensive market study conducted by Management has clearly indicated that the Cyberjaya Education brand has a far greater recall and loyalty value with our customers. As such, the brand standardisation process with the colleges will allow for them to further grow their student intakes (with the associative branding value of the University of Cyberjaya) and integrate more deeply with the University of Cyberjaya

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itself (to improve their academic and governance standing).

Q10 Knowing that Tan Sri. Dr. Lim Wee Chai has recently become the substantial shareholder of the group, would you mind sharing the synergy and way forward with Minda Global Berhad?

A10 The Board /Management are excited to have the major shareholder of Top Glove as a strategic investor in our Company. However, the Board /Management is not currently able to share specific synergies and plans at this moment.

Q11 Following the recent lease modification of the Group's right-of-use assets, what is the expected rental cost saving?

A11 The termination of a significant portion of the long-term tenancy agreement with a vendor is expected to reduce yearly rental cost by at least RM3mil.

**14. ANNOUNCEMENT OF RESULTS**

14.1 Tan Sri Chairman announced the results of the poll which have been verified and confirmed by USearch Management Services, as shown on the screen through live streaming.

14.2 The results of the poll were as follows :

Resolutions	Votes For		Votes Against		Votes Abstain	Total Votes		Results
	No. of Shares	%	No. of Shares	%	No. of Shares	No. of Shares	%	
Ordinary Resolution 1	711,957,822	99.9929	50,700	0.0071	-	712,008,522	100.00	Carried
Ordinary Resolution 2	711,994,222	99.9980	14,300	0.0020	-	712,008,522	100.00	Carried
Ordinary Resolution 3	711,979,222	99.9959	29,300	0.0041	-	712,008,522	100.00	Carried
Ordinary Resolution 4	712,000,222	99.9988	8,300	0.0012	-	712,008,522	100.00	Carried
Ordinary Resolution 5	711,860,122	99.9792	148,400	0.0208	-	712,008,522	100.00	Carried
Special Resolution 1	711,978,722	99.9958	29,700	0.0042	-	712,008,422	100.00	Carried

14.3 Tan Sri Chairman declared that all the five (5) Ordinary Resolutions and one (1) Special Resolutions as set out in the Notice of 4<sup>th</sup> AGM were approved by the shareholders as follows :

**Ordinary Resolution 1**

**THAT** the payment of Directors' fees of up to RM2,500.00 per month payable to the Directors of the Company and its subsidiaries with effect from 29 June 2021 until the conclusion of the next Annual General Meeting of the Company be and is hereby approved.

**THAT** the meeting allowance of RM1,000.00 payable to the Chairman of the Board, the Board Committee and Annual General Meeting and/or Extraordinary General Meeting for each meeting he or she attended and meeting allowance of RM500.00 for each meeting payable to other Directors of the Company for attending the Board meetings, the Board Committee

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meetings and Annual General Meeting and/or Extraordinary General Meeting be and is hereby approved.

**Ordinary Resolution 2**

**THAT** Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar who retires pursuant to Clause 103 of the Company's Constitution be and is hereby re-elected as Director of the Company.

**Ordinary Resolution 3**

**THAT** Dato' Tan Choon Hwa @ Esther Tan Choon Hwa who retires pursuant to Clause 103 of the Company's Constitution be and is hereby re-elected as Director of the Company.

**Ordinary Resolution 4**

**THAT** Messrs Baker Tilly Monteiro Heng PLT who have indicated their willingness to continue in office as Auditors of the Company be and are hereby re-appointed as Auditors of the Company for the ensuing year at a remuneration to be fixed by the Directors.

**Ordinary Resolution 5**

**THAT** subject always to the Companies Act 2016 ("Act"), Constitution of the Company, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 20% of the total number of issued shares of the Company at the time of issue ("Proposed 20% General Mandate")

**AND THAT** such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2021 or a later date allowed by the relevant authorities at that point in time.

**AND THAT** with effect from 1 January 2022 or a later date allowed by the relevant authorities at that point in time, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Listing Requirements of Bursa Securities provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue ("Proposed 10% General Mandate") and such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company

**FURTHER THAT** the Directors be and are also empowered to obtain all necessary approvals from the relevant authorities for the issuance and listing of and quotation for the additional shares so issued on Bursa Securities.

**Special Resolution 1**

**THAT** the proposed alteration or amendments to the existing Constitution of the Company, as set out in Appendix A accompanying the Company's 2020 Annual Report, be and are hereby approved and adopted with immediate effect.

**AND THAT** the Directors of the Company be and are hereby authorised to do all acts and things and take all such steps that may be necessary and/or expedient to give effect to the Proposed Amendments with full power to assent to any modification, variation and/or amendment as may be required by the relevant authorities.

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**15. CLOSE OF MEETING**

15.1 The meeting closed at 1.40 p.m. with a vote of thanks to the Chair.

**CONFIRMED AS THE CORRECT RECORD  
OF THE PROCEEDINGS THEREAT**

  
.....  
**GENERAL TAN SRI DATO' SERI MOHD  
SHAHROM BIN DATO' HJ NORDIN  
CHAIRMAN**



A photograph of a modern, multi-story building with a curved, tiered design. The building features large glass windows and white balconies. A sign on the building reads "UNIVERSITY OF CYBERJAYA". The image has a purple tint. A large tree is visible on the left side of the frame.

# Minda Global Bhd

4<sup>th</sup> AGM Shareholder's Update  
June '21



# Agenda



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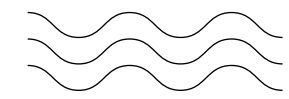
- 1 Our Business
- 3 Key Achievements

- 2 FY2020 Results in Review
- 4 Our Way Forward

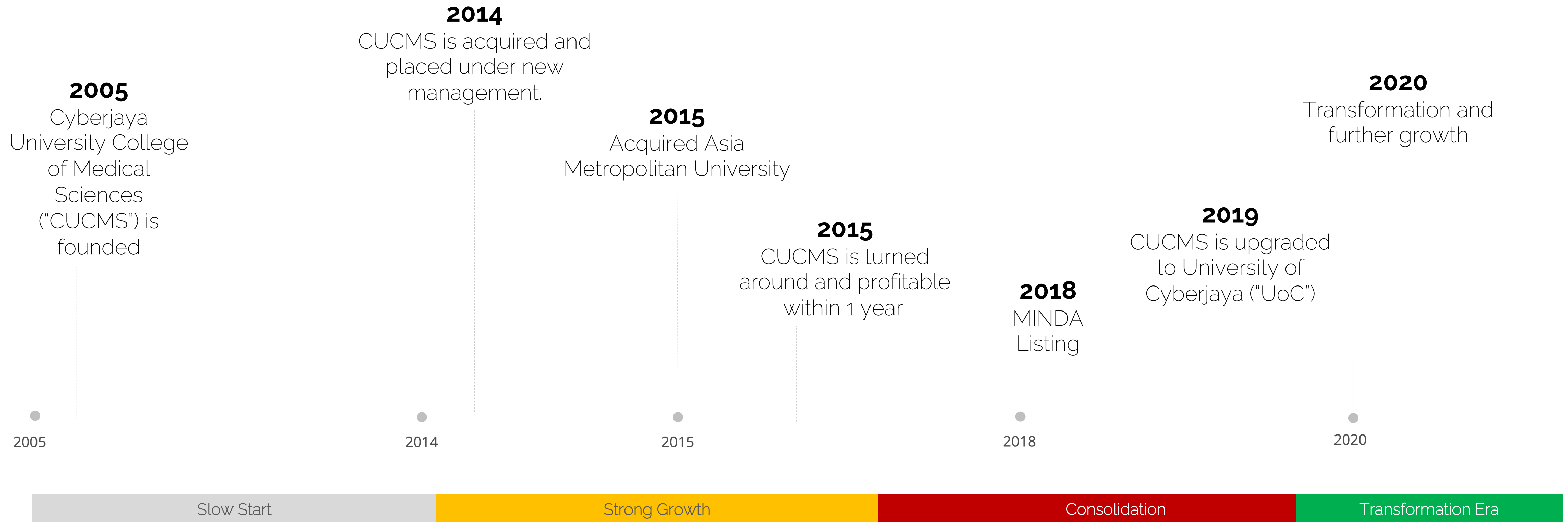
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# Our Business

# Our Story



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# Our Organisation



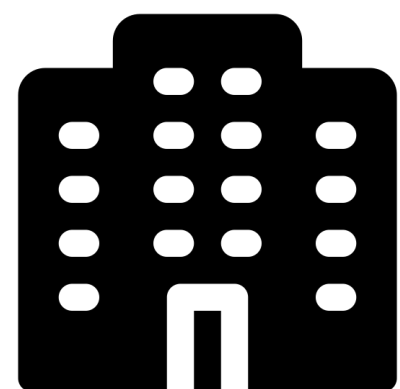
University of Cyberjaya is owned by Minda Global Berhad. We are amongst Malaysia's largest investors in private education ranging from primary to tertiary education institutions.



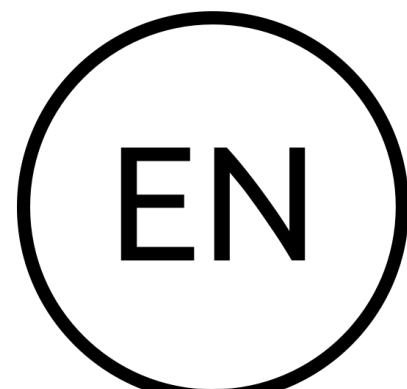
2 Universities



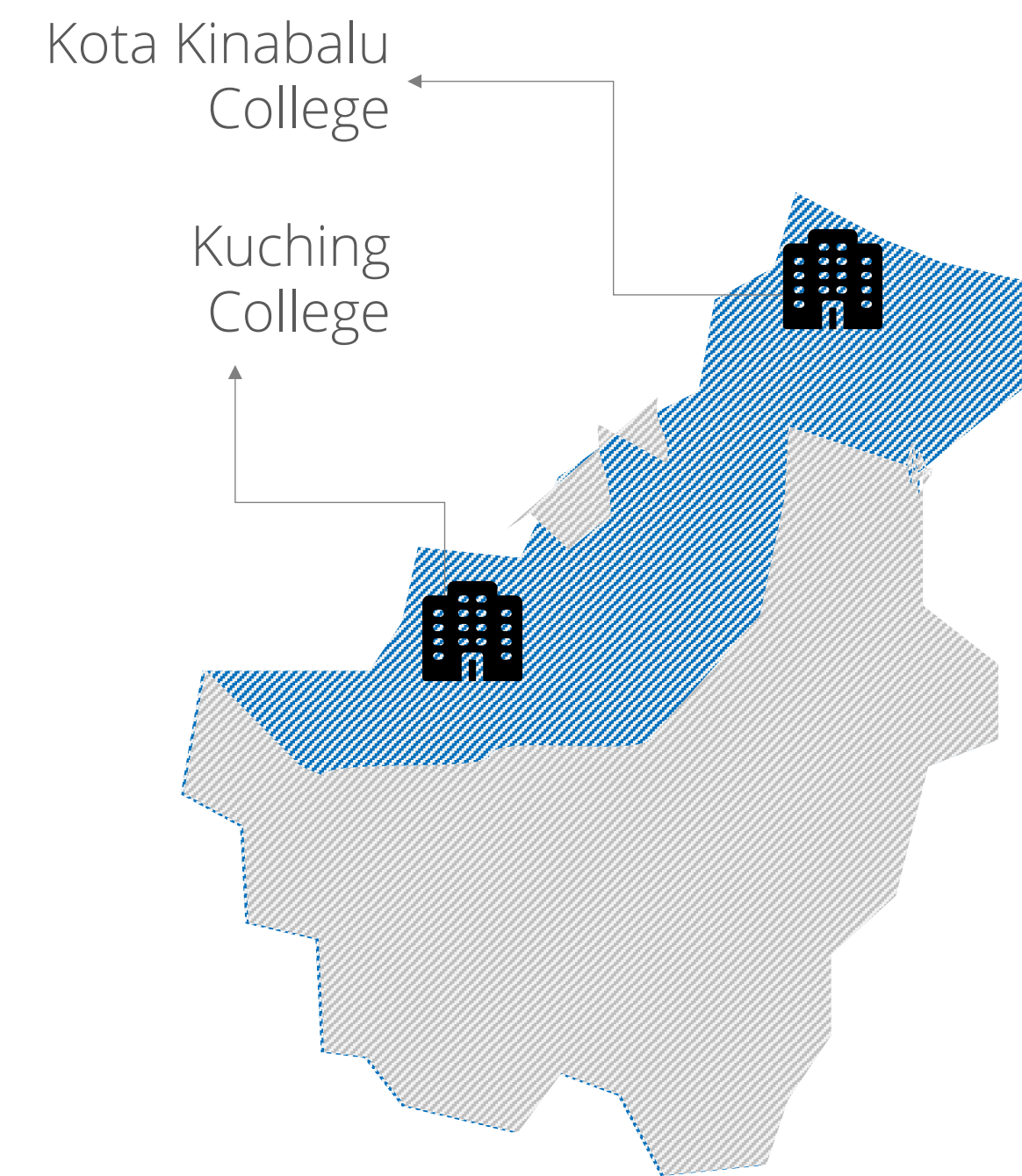
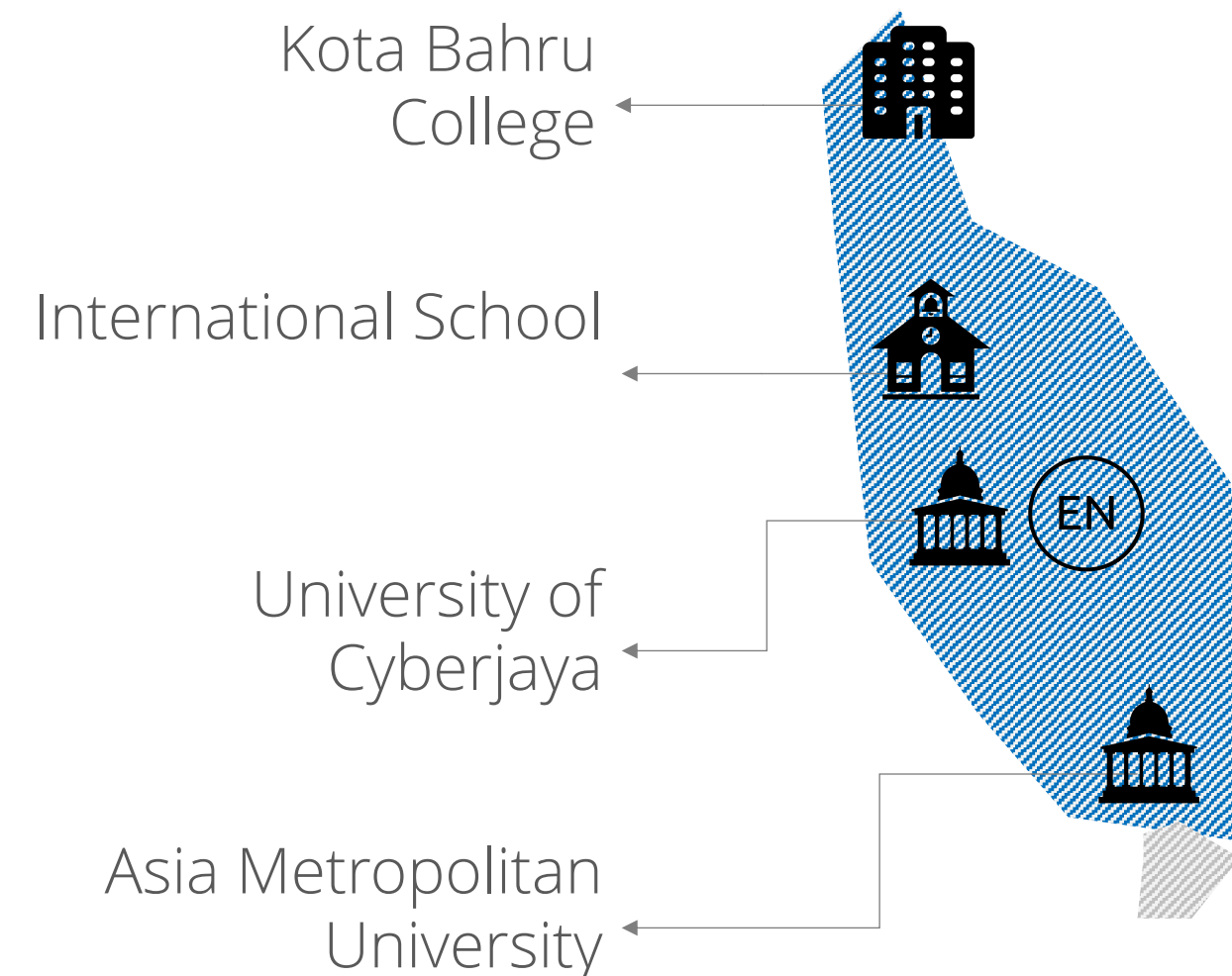
International School



3 Colleges



English Language Learning Centre

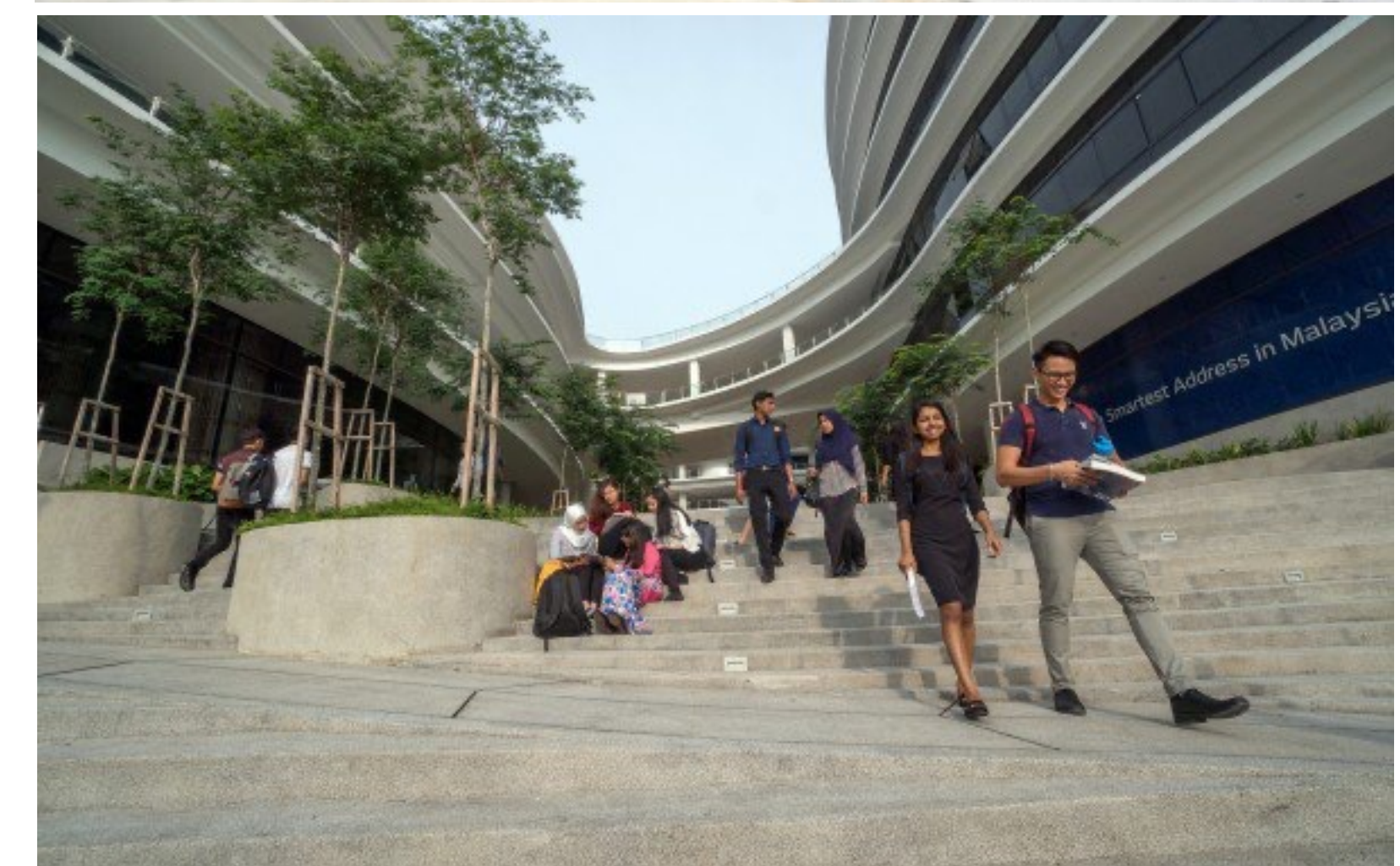




# Our Vision



We aspire to build a community of quality learning institutions that craft the future minds of the world.





2

## FY2020 Results in Review

# COVID-19 Pandemic



The global spread of the coronavirus is having a devastating human toll and will represent an unprecedented shock for most (if not all) businesses and risks plunging the world's economy into a recession. Key business impact are outlined below:

i. All are Affected

- o Everyone including our students, their families, vendors, etc. are affected.

ii. Continued Commitments to our High Fixed Cost Base

- o We are still liable to pay our fixed expenses such as salaries, campus lease payments, hostel accommodation lease payments, utilities, etc.

iii. Uncertain Operating Environment

- o Significant changes to our regulatory landscape affects our planning for accreditations, new program launches, international student intakes, etc.

iv. Working From Home

- o Significant disruptions from an operational perspective has required us to be agile and adapt.



# Our Response



1

## Implementation of Cost Rationalisation Exercises

Allowed us to optimize our OPEX costs to survive the pandemic

Minimised cash outflows via stringent cost control mechanisms

2

## Review & Optimisation of all Long-Term Leases

We have successfully terminated unfavourable leases

Secured some discounts for our lease costs during MCOs

3

## Agility in Operations

We were very quick to transition to a “digital first” approach

Developed a strong hybridized learning model for all students

# Our Financials



 **(8.0) %**

## Decline in Revenue

MYR 97.5m → MYR 89.7m

1

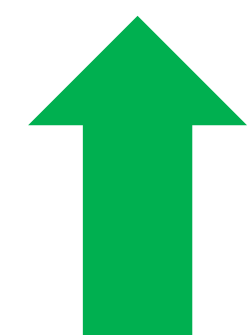
Deferment of Intake Cycles

2

Border Closures

Despite the decline in Revenue, we have continued to grow our Student Enrolments YoY

# Our Financials



72.8 %

Significant Improvement in LAT

MYR (37.8)m → MYR (10.2)m

1

Successful Modernisation Projects

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Stringent Cost Control Measures

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Termination of Unfavourable Leases

3

## Key Achievements

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# Key Highlights



17 %

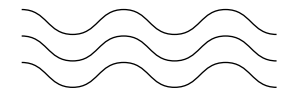
YoY Growth in Student Enrolment

29 %

YoY Growth in Active Student Population

We have achieved strong student number growth to bolster our pipeline and diversify our risks within the local market. We continue to grow in our core programmes and revenue generators.

# Academic Recognition & Rankings



Highly sought-after graduates, especially in healthcare



Over 400 students from across 30 different countries



Experienced and highly qualified faculty members



Fully equipped, highly conducive and green campus



Rated Excellent (5-Star) by the Ministry of Higher Education, Malaysia



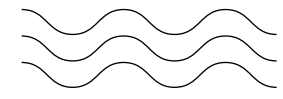
Rated Excellent (5-Star) by the Ministry of Higher Education, Malaysia





## Our Way Forward

# Our Journey Ahead



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## Weathering the Covid-19 Pandemic

Uncertainty in operating environment is expected to continue.  
Stringent cash control processes continue to be in place.  
New working norms continue to be practiced.

## Ensuring Financial Sustainability

Increasing enrollment (local & international).  
Continued rationalization of existing programmes.  
Developing Complementary revenue streams.

## Developing Key Differentiators

Enhancing academic quality and global recognition.  
Improving academic & management talent pool.  
Drive towards structuring international partnerships.

## Adapting to Cater to Industry Needs

Developing new “in-demand” & industry relevant programmes.  
Ensure learning outcomes meet industry needs.  
Improving graduate employability.



THANK YOU





In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following issues: -

### **Operational & Financial Matters**

1. Enrolment is a key non-financial metric to gauge the performance of the Company. Since its inception in 2018, the Company has grown its student enrolment at about 18% per year. (Page 19 of AR 2020)

- a) What is the attrition rate for student enrolment of the Company?

The attrition rate varies significantly between each Institution, faculty and programme – on average we find this rate to be between 2.5% - 5.0% which is about par for our industry. The management sees this as a positive in light of our greater than industry average growth rates.

- b) What are the steps taken by the Company to mitigate the attrition rate?

The company has taken several steps to mitigate the attrition rate, we have outlined key reasons for attrition and initiatives the company has launched to tackle these issues in response below:

First Response	<ul style="list-style-type: none"> <li>▪ Each Institution has in place a counselling team that meets students to identify &amp; resolve issues as soon as they arise.</li> </ul>
Financial Issues	<ul style="list-style-type: none"> <li>▪ Our team works with students to identify and assist them in applying for financial assistance from financial institutions, government organisations, charitable foundations, etc.</li> <li>▪ On occasion, we also agree on structured payment plans for the students to ease their financial burden</li> </ul>
Academic Issues	<ul style="list-style-type: none"> <li>▪ In the event, the student experiences academic challenges our team is on hand to assist with remedial classes and targeted lessons to help them catch up.</li> </ul>
Lack of Interest / Programme Fit	<ul style="list-style-type: none"> <li>▪ Our student counsellors will counsel the students to identify the reasons for the lack of interest.</li> <li>▪ If applicable, the counsellor will recommend the student to join another programme that better meets his aspirations.</li> </ul>
International	<ul style="list-style-type: none"> <li>▪ We have a dedicated English Language Centre to help non-English speaking students pick up the language.</li> <li>▪ We also have a team dedicated to International students to ensure they fit in to the Malaysian culture and integrate with our other students on campus and the wider local community.</li> </ul>

2. The Educational establishments under the Company had to pivot quickly to on-line learning as the pandemic disrupted classroom learning. (Page 20 of AR 2020). What was the cost incurred by the Company in FYE 2020 to transform the educational establishments under its wings to on-line educational centres.?

Our Institutions have always deployed digital learning tools to enhance the learning experience for our students. Over the course of FY2020, we have kicked off a number of initiatives to ensure a smooth transition to fully online learning:

- Refresh of laptops (with webcams) for Academic staff [this was at an approximate of MYR 300k]

- Training for all Academic staff to transition to online teaching activities
  - Further CAPEX investment into our physical classrooms (via the installation of webcams and A/V equipment to allow for a hybridised learning environment) and online learning tools – this was already part of our long term plans for the Group
3. Other Income of the Company increased significantly in FYE 2020 to RM19.4 million compared to RM10.5 million FYE 2019. (Page 63 of AR 2020). What were the reasons for this sharp increase? Is this increase sustainable, going forward?

The increase in other income in 2020 was mainly due to:

- Termination of unfavourable leases amounting to RM6.5m
  - These terminations were made over the course of FY2020 and will generate significant savings for the Group over a long-term horizon.
- Rental waivers received from landlords due to Covid-19 amounting to RM4.0m
  - These waivers and discounts were received due to the impact of the COVID-19 pandemic and subsequent MCOs – this income will not recur post the pandemic but has helped to put our Group on a strong footing.
- Reversal of impairment losses arising from the revaluation of KK property amounting to RM6.0m
  - This income is from a revaluation exercise of the properties on our books. We have engaged an independent market valuer to establish the fair market value of our properties.

Our Company is not reliant on other income to sustain our business and our core revenue drivers continue to grow and perform well.

4. Net impairment losses on trade receivables increased significantly to RM2.08 million in FYE 2020 from RM970k in FYE 2019 (Page 66 of AR 2020)
- a) What was the reason for the substantial increase in impairment?  
This impairment is part of a continued clean up exercise to better reflect our balance sheet. The receivables impaired are of the old debts during the Masterskill era which are over 5 years old.
  - b) How much of this impairment have been recovered to-date?  
We have engaged licensed debt collectors that specialise in the recovery of unpaid tuition fees. We have some indicators of improved collections but the success rate unfortunately remains low as today. We anticipate to have better collections when the economy recovers. The company will continue to exhaust all means to recover this amount.
  - c) What percentage of this impairment is expected to be non-recoverable?  
We are not in a position to advise on this at the moment due to current wider economic uncertainties. The company will continue to exhaust all means to recover this amount.
  - d) Is the impairment expected to increase, going forward?  
Our Institutions have implemented stringent control measures to minimise any recurrence of such past incidents of uncollected debts. These controls include but are not limited to barring such students from sitting their exams and graduating. We have also a strong team in place to help identify and secure financing for students in the event of financial difficulties. With these stringent control measures, we do not expect the impairment to increase moving forwards.

## Corporate Governance

1. The total internal audit fee incurred by the Company for FYE 2020 was RM24,000 or around RM2,000 per month. (Page 51 of AR 2020)
  - a) Given that the fee is rather small, how does the Audit Committee assure itself that there would be adequate coverage and an effective audit function?
  - b) What were the areas covered by the internal audit during FYE 2020?
  - c) How many internal audit reports were issued during FYE 2020?

The current Internal Audit process functions as outlined below:

At the beginning of each fiscal year, the internal auditor will propose and discuss an audit plan with the Audit and Risk Management Committee (“ARMC”). The audit plan will focus on key risk areas faced by the organisation. Once the ARMC has decided the scope, the internal auditor will carry a detailed internal audit review.

Upon completing the internal audit review, the internal auditor will present their report to the ARMC. The report will detail out the scope, their findings and recommendation for improvement. It will also include management responses and a timeline to implement measures to strengthen internal control if the internal auditors identified internal control weaknesses. The internal auditor will follow up on the agreed action plans to ensure that they have been implemented. The internal auditor will present the follow-up report in the next ARMC meeting.

During the year, the Internal Auditors prepared 3 audit reports and covered the below areas (as disclosed in page 51 of the FY2020 AR):

Minda Global Berhad	<ul style="list-style-type: none"> <li>▪ Internal Audit Review of Anti-Bribery</li> <li>▪ Management System Assessment</li> </ul>
University of Cyberjaya (“UoC”)	<ul style="list-style-type: none"> <li>▪ Internal Audit Review of Student Hostel</li> <li>▪ Tenancy Management</li> </ul>
Asia Metropolitan University (“AMU”)	<ul style="list-style-type: none"> <li>▪ Internal Audit Review of Student Hostel</li> <li>▪ Tenancy Management</li> </ul>
AMU	<p>Follow up actions on previously reported internal audit findings</p> <ul style="list-style-type: none"> <li>▪ Students Hostel Tenancy Management</li> <li>▪ Safety and Health</li> <li>▪ Business Development</li> <li>▪ Revenue / Account Receivable</li> </ul>
UoC	<p>Follow up actions on previously reported internal audit findings</p> <ul style="list-style-type: none"> <li>▪ Student Hostel Tenancy Management (including credit control)</li> <li>▪ Other Observation</li> <li>▪ Business Development</li> <li>▪ Credit Control</li> <li>▪ Student Registration / Admission &amp; Administration</li> <li>▪ Safety and Health</li> </ul>

As of to date, the Management and Board is of the view that the Internal Audit function is able to satisfactorily carry out its function as outlined above.