



SUMMARY OF KEY FINANCIAL INFORMATION
30 SEPTEMBER 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
1 Revenue	70,992	61,368	200,070	193,800
2 Profit before tax	14,135	6,355	22,863	26,953
3 Profit for the year	12,706	5,017	20,525	23,713
4 Profit attributable to ordinary equity holders of the parent	12,569	5,088	20,607	23,863
5 Basic earnings per share (sen)	1.74	0.75	2.85	3.44
6 Proposed/Declared dividend per share of RM0.25 each (sen)	-	-	6.00	7.00
			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 (RM)			0.2747	0.3043

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	248	235	775	775
2. Gross interest expense	(52)	(41)	(159)	(885)



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 September 2016

	Current Period 3 months ended 30-September		Cumulative Period 9 months ended 30-September	
	2016 (RM'000)	2015 (RM'000)	2016 (RM'000)	2015 (RM'000)
Revenue	70,992	61,368	200,070	193,800
Cost of services	(20,403)	(18,413)	(61,250)	(56,310)
Gross profit	50,589	42,955	138,820	137,490
Other income	2,536	2,729	7,563	7,815
	53,125	45,684	146,383	145,305
Distribution expenses	(7,314)	(5,856)	(24,352)	(20,073)
Administrative expenses	(15,510)	(15,589)	(48,714)	(45,785)
Other expenses	(16,114)	(17,634)	(50,182)	(51,231)
Finance costs	(52)	(41)	(159)	(115)
Profit before tax from continuing operations	14,135	6,564	22,976	28,101
Income tax	(1,429)	(1,338)	(2,338)	(3,240)
Profit net of tax from continuing operations	12,706	5,226	20,638	24,861
Discontinued operation				
Loss net of tax from discontinued operation	-	(209)	(113)	(1,148)
Profit for the period	12,706	5,017	20,525	23,713
Profit/(loss) attributable to:				
Equity holders of the Company	12,569	5,088	20,607	23,863
Non-controlling interests	137	(71)	(82)	(150)
	12,706	5,017	20,525	23,713
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Fair value gain on available for sale financial assets	45	-	65	-
Foreign currency translation reserve	172	705	(21)	932
Total comprehensive income for the period	12,923	5,722	20,569	24,645
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	12,786	5,793	20,651	24,795
Non-controlling interests	137	(71)	(82)	(150)
	12,923	5,722	20,569	24,645
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	1.74	0.75	2.85	3.44
- Fully diluted	1.74	0.75	2.85	3.44

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2016

	As at 30 September 2016 (RM'000)	As at 31 December 2015 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	122,015	125,389
Intangible assets	27,839	27,865
Other investments	935	870
Receivables	627	1,469
Deferred tax assets	9,402	10,189
	<u>160,818</u>	<u>165,782</u>
CURRENT ASSETS		
Inventories	101	100
Receivables	26,764	27,224
Tax recoverable	12,177	20,659
Cash and bank balances	99,329	57,826
Other financial asset	25,478	27,306
Assets of disposal group classified as held for sale	-	57,486
	<u>163,849</u>	<u>190,601</u>
TOTAL ASSETS	<u>324,667</u>	<u>356,383</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Payables	105,963	84,581
Short-term borrowings	14,445	1,454
Current tax liabilities	379	372
Liabilities directly associated with disposal group classified as held for sale	-	44,193
	<u>120,787</u>	<u>130,600</u>
NET CURRENT ASSETS	<u>43,062</u>	<u>60,001</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	1,852	1,606
Deferred tax liabilities	4,471	4,972
	<u>6,323</u>	<u>6,578</u>
TOTAL LIABILITIES	<u>127,110</u>	<u>137,178</u>
NET ASSETS	<u>197,557</u>	<u>219,205</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	187,024	187,024
Treasury shares	(37,486)	(37,485)
Share premium	68,504	68,504
Reserves	(19,720)	1,695
	<u>198,322</u>	<u>219,738</u>
NON-CONTROLLING INTERESTS	<u>(765)</u>	<u>(533)</u>
TOTAL EQUITY	<u>197,557</u>	<u>219,205</u>
TOTAL EQUITY AND LIABILITIES	<u>324,667</u>	<u>356,383</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 for the period ended 30 September 2016

	← Non-Distributable				Distributable →						
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Available- for-sale Financial Assets Reserve RM'000	Exchange Translation Reserve RM'000	Other Capital Reserve RM'000	Treasury Shares RM'000	Retained Profits/ (Losses) RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
As at 1 January 2016	187,024	68,504	-	(70)	160	2,345	(37,485)	(740)	219,738	(533)	219,205
Total comprehensive income for the period	-	-	-	65	(21)	-	-	20,607	20,651	(82)	20,569
Transactions with owners:-											
- Purchase of own shares	-	-	-	-	-	-	(1)	-	(1)	-	(1)
- Share-based payments	-	-	-	-	-	1,257	-	-	1,257	-	1,257
- Dividend	-	-	-	-	-	-	-	(43,323)	(43,323)	-	(43,323)
- Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(150)	(150)
As at 30 September 2016	<u>187,024</u>	<u>68,504</u>	<u>-</u>	<u>(5)</u>	<u>139</u>	<u>3,602</u>	<u>(37,486)</u>	<u>(23,456)</u>	<u>198,322</u>	<u>(765)</u>	<u>197,557</u>
As at 1 January 2015	175,017	55,288	1,208	(110)	1,108	861	(37,482)	25,571	221,461	(383)	221,078
Total comprehensive income for the period	-	-	-	-	932	-	-	23,863	24,795	(150)	24,645
Transactions with owners:-											
- Issuance of shares from exercise of warrants	12,007	13,209	(1,201)	-	-	-	-	-	24,015	-	24,015
- Purchase of own shares	-	7	(7)	-	-	-	(2)	-	(2)	-	(2)
- Share-based payments	-	-	-	-	-	1,414	-	-	1,414	-	1,414
- Dividends	-	-	-	-	-	-	-	(50,357)	(50,357)	-	(50,357)
As at 30 September 2015	<u>187,024</u>	<u>68,504</u>	<u>-</u>	<u>(110)</u>	<u>2,040</u>	<u>2,275</u>	<u>(37,484)</u>	<u>(923)</u>	<u>221,326</u>	<u>(533)</u>	<u>220,793</u>

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 30 September 2016

	30 September 2016	30 September 2015
	(RM'000)	(RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax from continuing operations	22,976	28,101
Loss before tax from discontinued operation	(113)	(1,148)
Profit before tax, total	<u>22,863</u>	<u>26,953</u>
Adjustment for:-		
- Non-cash items	8,741	11,038
- Non-operating items	1,749	2,478
Operating cash flows before changes in working capital	<u>33,353</u>	<u>40,469</u>
Changes in working capital		
- Increase in inventories	(1)	(26)
- Decrease/(Increase) in trade and other receivables	1,195	(14,554)
- Increase in trade and other payables	21,169	23,967
Cash generated from operations	<u>55,716</u>	<u>49,856</u>
- Net taxes refunded/(paid)	6,437	(3,573)
- Interest received	775	775
- Interest paid	(159)	(885)
Net cash generated from operating activities	<u>62,769</u>	<u>46,173</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	309	21
- Proceeds from disposal of subsidiary	14,370	-
- Purchase of property, plant and equipment	(5,629)	(4,365)
- Withdrawal of other investment	1,828	4,979
- Dividend received	34	32
Net cash generated from investing activities	<u>10,912</u>	<u>667</u>
<u>Cash flows from financing activities</u>		
- Repayment of hire purchase and financial lease payables	(1,536)	(930)
- Purchase of own shares	(1)	(2)
- Proceeds from new shares, net of expenses	-	24,015
- Dividend paid	(43,323)	(90,798)
- Dividends paid to non-controlling interest	(150)	-
- Withdrawal/(Placement) of deposits with licensed banks and financial institutions with maturity of more than three months	4,843	(270)
Net cash used in financing activities	<u>(40,167)</u>	<u>(67,985)</u>
Net increase/(decrease) in cash and cash equivalents	33,514	(21,145)
Cash and cash equivalents at beginning of the period	<u>43,637</u>	<u>62,445</u>
Cash and cash equivalents at end of the period	<u><u>77,151</u></u>	<u><u>41,300</u></u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.



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Notes to interim financial report

A. *DISCLOSURE REQUIREMENTS AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134*

1. **Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements of MFRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the accounting policies adopted in the 2015 annual financial statements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2015.

2. **Significant accounting policies**

2.1 **Adoption of Standards, Amendments and Annual Improvements to Standards**

The accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2015, except for the following:

Standards, Amendments and Annual Improvements to Standards effective for the financial periods beginning on or after 1 January 2016

MFRS 14 Regulatory Deferral Accounts
Amendments to MFRS 11 - Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101 - Disclosure Initiative
Amendments to MFRS 127 - Equity Method in Separate Financial Statements
Amendments to MFRS 116 and MFRS 138 - Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141 - Agriculture: Bearer Plants
Amendments to MFRS 10, MFRS 12 and MFRS 128 - Investment Entities: Applying the Consolidation Exception
Annual Improvements to MFRSs 2012 - 2014 Cycle

The above pronouncements are either not relevant or do not impact the financial statements of the Group.



2. Significant accounting policies

2.2 Standards issued but not yet effective

At the date of authorisation of the interim financial report, the following Standards were issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 107 - Disclosure Initiative	1 January 2017
Amendments to MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019

3. Qualification of Audit Report

The audit report of the financial statements of the Group for the year ended 31 December 2015 was not qualified.

4. Seasonal or cyclical factors

Full-time students enrol for courses during certain periods of the year whereas adult learners (part-time students) do not have preference for specific intakes.

With the combination of both full-time and part-time programmes offered by the Group, the effects of seasonal or cyclical factors are minimised.

5. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual.

There were no material unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 30 September 2016.



6. Nature and amount of changes in estimates

There were no changes in estimates of amounts previously reported which have a material effect in the financial period ended 30 September 2016.

7. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities

There were no cancellations, repurchases, resale and repayments of debts and equity securities during the financial period ended 30 September 2016 except for the following:

Share Buy Back

	No. of ordinary shares
No. of ordinary shares net of treasury shares as at 1 January 2016	722,050,308
Less: Purchase of Company's own ordinary shares	(1,000)
No. of ordinary shares net of treasury shares as at 30 September 2016	<u>722,049,308</u>

During the previous quarter, the Company repurchased 1,000 of its own ordinary shares from the open market at RM1.28 per share.

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. As at 30 September 2016, the total shares bought back, all of which are held as treasury shares, amounted to 26,048,600 shares of RM0.25 each.

Capital Repayment

On 29 August 2016, the Company announced the proposed capital reduction and repayment of RM0.15 in cash for each ordinary share of RM0.25 each in SEGi to the shareholders of SEGi by way of a reduction of the issued and paid-up share capital of SEGi under Section 64 of the Companies Act, 1965, whereby the par value of each ordinary share in SEGi will be reduced from RM0.25 to RM0.10 per share.

This proposal is pending confirmation of the High Court.

8. Dividend paid

On 25 February 2016, the Board of Directors declared an interim single tier dividend of RM 0.06 per ordinary share of RM 0.25 each in respect of the financial year ending 31 December 2016. This interim single tier dividend amounting to RM43,323,000 was paid on 20 April 2016.

9. Segment reporting

The Group's turnover and profits were derived mainly from education and training activities and accordingly, no segment reporting is presented.



10. Material subsequent events

There are no material subsequent events that have not been reflected in the financial statements for the financial period ended 30 September 2016.

11. Changes in composition of the Group

There were no major changes in the composition of the Group during the current quarter ended 30 September 2016.

12. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 30 September 2016.

13. Capital Commitment

There were no material capital commitments approved and contracted for as at 30 September 2016.

14. Cash and bank balances

	As at 30 September 2016 (RM'000)
Total cash and bank balances	99,329
Less: Deposits with licensed banks and financial institution with maturity of more than three months	(9,346)
Less: Bank overdrafts	(12,832)
Total cash and cash equivalents	<u>77,151</u>

15. Payables

Included in payables are fees received in advance from students amounting to approximately RM49.1 million (30 September 2015: RM43.8 million).



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B. DISCLOSURE REQUIREMENTS AS PER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS.

1. Review of performance

For the period ended 30 September 2016, the Group achieved a revenue of RM200.1 million and a profit before taxation of RM22.9 million, an increase of 3.24% and decrease of 15.17% respectively, as compared to the corresponding period in 2015.

The increase in revenue is a reflection of the stronger new enrolments, particularly international students, registered during the quarter under review. The improvement in revenue has contributed positively to the overall results. This trend is expected to continue to the fourth quarter.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM14.1 million for the quarter under review compared to a profit before tax of RM3.5 million in the preceding quarter. The increase is in line with the general trend where the third quarter results are normally stronger than the second quarter.

3. Prospects for 2016

The Group is cautiously optimistic of the prospects for this year given the economic uncertainties which are causing the market to be cautious as well. However, the Group sees the potential in the weakened Ringgit to attract more international students to our campuses. The Group has also widened its offerings to reach various segments of students as well as regions in which we operate. Given our broader marketing strategies and course offerings, the Group believes that our financial performance will improve.

4. Profit forecast

Not applicable.



5. Notes to the Consolidated Statement of Comprehensive Income

Profit before taxation is arrived at after charging/(crediting):

	Current Quarter Ended 30/9/2016 (RM'000)	Comparative Quarter Ended 30/9/2015 (RM'000)	Cumulative to-date 30/9/2016 (RM'000)	Cumulative to-date 30/9/2015 (RM'000)
Allowance for impairment on receivables	-	-	173	-
Amortisation of development costs	10	17	34	60
Bad debts written off	-	2	150	501
Depreciation expense	3,354	3,370	9,971	10,223
Gain on disposal of subsidiaries	-	-	(1,250)	-
Interest income	(248)	(235)	(775)	(775)
Loss/(Gain) on disposal of property, plant and equipment	14	(1)	23	61
Loss on foreign exchange	60	17	143	39

6. Income tax

	Current quarter ended 30 September 2016 (RM'000)	Cumulative to-date 30 September 2016 (RM'000)
Current income tax		
- current	524	1,327
- prior year	590	724
	<u>1,114</u>	<u>2,051</u>
Deferred income tax		
- current	315	378
- prior year	-	(91)
	<u>315</u>	<u>287</u>
Total	<u>1,429</u>	<u>2,338</u>



7. Status of corporate proposals announced

- (i) On 10 August 2016, the Company announced an offer under the Long Term Incentive Plan (“Offer”) which comprises the employees’ share option scheme (“ESOS”) and share grant plan to the eligible employees of SEGi and its subsidiary companies which are not dormant, as follows:-

No.	Description of Offer under the LTIP	ESOS	Share Grant
1.	Date of Offer	10 August 2016	10 August 2016
2.	Exercise price of ESOS Option	1.18	Not applicable
3.	Number of ESOS Options and/or Share Grant offered	9.3 mil	0.13 mil
4.	Market price of SEGi shares on the date of Offer	1.18	1.18
5.	Number of ESOS Options and/or Share Grant offered to Directors	Nil	Nil
6.	Vesting period of the ESOS Options and/or Share Grant offered	Vesting in 2019-2021, subject to the fulfilment of certain vesting conditions.	

- (ii) On 29 August 2016, the Company announced the following:-

- Proposed capital reduction and repayment of RM0.15 in cash for each ordinary share of RM0.25 each in SEGi to the shareholders of SEGi by way of a reduction of the issued and paid-up share capital of SEGi under Section 64 of the Companies Act, 1965, whereby the par value of each ordinary share in SEGi will be reduced from RM0.25 to RM0.10 per share; and
- Proposed amendments to the memorandum and articles of association of SEGi to facilitate the implementation of the proposed capital reduction and repayment.

The above proposals are pending confirmation of the High Court.

8. Borrowing and debt securities

The Group’s borrowings as at 30 September 2016 are as follows:

	(RM’000)
Current	14,445
Non-current	1,852
	<u>16,297</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

9. Changes in material litigation

There were no pending material litigations as at 23 November 2016.



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10. Dividend

On 25 February 2016, the Board of Directors declared an interim single tier dividend of RM 0.06 per ordinary share of RM 0.25 each in respect of the financial year ending 31 December 2016. This interim single tier dividend amounting to RM43,323,000 was paid on 20 April 2016.

11. Retained Profits/(Losses)

The breakdown of retained profits/(losses) of the Group as at reporting date, into realised and unrealised is as follows:

	Current quarter ended 30 September 2016 (RM'000)	Cumulative to-date 30 September 2016 (RM'000)
Retained profits/(losses) of the Group		
- realised	12,665	(41,965)
- unrealised	(184)	5,460
	<u>12,481</u>	<u>(36,505)</u>
Add: consolidation adjustments	88	13,049
Total retained profits/(losses) as per consolidated accounts	<u>12,569</u>	<u>(23,456)</u>



12. Earnings per share

The basic and diluted earnings per share have been calculated based on the consolidated net profit for the period and on the weighted average number of ordinary shares in issue during the period.

Basic earnings per share

	Current Quarter Ended 30/9/2016 (RM'000)	Comparative Quarter Ended 30/9/2015 (RM'000)	Cumulative to-date 30/9/2016 (RM'000)	Cumulative to-date 30/9/2015 (RM'000)
Earnings				
Profit after taxation	12,706	5,017	20,525	23,713
Amount attributable to non-controlling interests	(137)	71	82	150
Profit after taxation attributable to the equity holders of the Company	12,569	5,088	20,607	23,863
Weighted average number of ordinary shares ('000)	722,050	675,473	722,050	694,222
Basic earnings per share (sen)	1.74	0.75	2.85	3.44

Diluted earnings per share

Earnings				
Profit after taxation	12,706	5,017	20,525	23,713
Amount attributable to non-controlling interests	(137)	71	82	150
Profit after taxation attributable to the equity holders of the Company	12,569	5,088	20,607	23,863
Weighted average number of ordinary shares ('000)	722,050	675,473	722,050	694,222
Effect of dilution ('000) - Shares Grant Plan ("SGP")	261	261	261	261
Weighted average number of ordinary shares ('000)	722,311	675,734	722,311	694,483
Diluted earnings per share (sen)	1.74	0.75	2.85	3.44