



**SUMMARY OF KEY FINANCIAL INFORMATION**  
**31 MARCH 2017**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM'000	RM'000	RM'000	RM'000
1 Revenue	59,815	64,380	59,815	64,380
2 Profit before tax	3,994	5,261	3,994	5,261
3 Profit for the period	3,503	4,777	3,503	4,777
4 Profit attributable to ordinary equity holders of the parent	3,527	4,873	3,527	4,873
5 Basic earnings per share (sen)	0.49	0.67	0.49	0.67
6 Proposed/Declared dividend per share of RM0.25 each (sen)	-	6.00	-	6.00
			<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
7 Net assets per share attributable to ordinary equity holders of the parent (RM)			0.1383	0.2830

**ADDITIONAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	228	231	228	231
2. Gross interest expense	(605)	(53)	(605)	(53)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the period ended 31 March 2017

	Current Period 3 months ended 31-March		Cumulative Period 3 months ended 31-March	
	2017	2016	2017	2016
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	59,815	64,380	59,815	64,380
Cost of services	(18,664)	(19,489)	(18,664)	(19,489)
<b>Gross profit</b>	<b>41,151</b>	<b>44,891</b>	<b>41,151</b>	<b>44,891</b>
Other income	1,380	2,068	1,380	2,068
Distribution expenses	42,531	46,959	42,531	46,959
Administrative expenses	(7,913)	(7,294)	(7,913)	(7,294)
Other expenses	(15,189)	(16,691)	(15,189)	(16,691)
Finance costs	(14,830)	(17,547)	(14,830)	(17,547)
	(605)	(53)	(605)	(53)
<b>Profit before tax from continuing operations</b>	<b>3,994</b>	<b>5,374</b>	<b>3,994</b>	<b>5,374</b>
Income tax	(491)	(484)	(491)	(484)
<b>Profit net of tax from continuing operations</b>	<b>3,503</b>	<b>4,890</b>	<b>3,503</b>	<b>4,890</b>
<b>Discontinued operation</b>				
Loss net of tax from discontinued operation	-	(113)	-	(113)
<b>Profit for the period</b>	<b>3,503</b>	<b>4,777</b>	<b>3,503</b>	<b>4,777</b>
<b>Profit/(loss) attributable to:</b>				
Equity holders of the Company	3,527	4,873	3,527	4,873
Non-controlling interests	(24)	(96)	(24)	(96)
	<b>3,503</b>	<b>4,777</b>	<b>3,503</b>	<b>4,777</b>
<b>Other comprehensive income:</b>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Fair value gain on available for sale financial assets	20	-	20	-
Foreign currency translation reserve	15	(261)	15	(261)
<b>Total comprehensive income for the period</b>	<b>3,538</b>	<b>4,516</b>	<b>3,538</b>	<b>4,516</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company	3,562	4,612	3,562	4,612
Non-controlling interests	(24)	(96)	(24)	(96)
	<b>3,538</b>	<b>4,516</b>	<b>3,538</b>	<b>4,516</b>
<b>Earnings per share attributable to equity holders of the Company (sen):-</b>				
- Basic	0.49	0.67	0.49	0.67
- Fully diluted	0.49	0.67	0.49	0.67



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 31 March 2017

	As at 31 March 2017 (RM'000)	As at 31 December 2016 (RM'000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	119,470	120,661
Intangible assets	27,821	27,829
Other investments	940	920
Receivables	-	244
Deferred tax assets	10,890	10,890
	<u>159,121</u>	<u>160,544</u>
<b>CURRENT ASSETS</b>		
Inventories	104	98
Receivables	25,020	20,645
Tax recoverable	9,589	11,904
Cash and bank balances	59,575	71,397
Other financial asset	194	35,726
	<u>94,482</u>	<u>139,770</u>
<b>TOTAL ASSETS</b>	<b><u>253,603</u></b>	<b><u>300,314</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payables	96,924	88,384
Short-term borrowings	10,354	1,570
Current tax liabilities	314	558
	<u>107,592</u>	<u>90,512</u>
<b>NET CURRENT ASSETS</b>	<u>(13,110)</u>	<u>49,258</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	42,187	1,474
Deferred tax liabilities	4,843	4,843
	<u>47,030</u>	<u>6,317</u>
<b>TOTAL LIABILITIES</b>	<u>154,622</u>	<u>96,829</u>
<b>NET ASSETS</b>	<u>98,981</u>	<u>203,485</u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	74,810	187,024
Treasury shares	(37,486)	(37,486)
Share premium	68,504	68,504
Reserves	(5,954)	(13,688)
	<u>99,874</u>	<u>204,354</u>
<b>NON-CONTROLLING INTERESTS</b>	(893)	(869)
<b>TOTAL EQUITY</b>	<u>98,981</u>	<u>203,485</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>253,603</u></b>	<b><u>300,314</u></b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the period ended 31 March 2017

	← Non-Distributable					→ Distributable					Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Available- for-sale Financial Assets Reserve RM'000	Exchange Translation Reserve RM'000	Share-based Payment 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	
<b>As at 1 January 2017</b>	187,024	68,504	-	(20)	739	2,545	(37,486)	(16,952)	204,354	(869)	203,485
<b>Total comprehensive income for the period</b>	-	-	-	20	15	-	-	3,527	3,562	(24)	3,538
<b>Transactions with owners:-</b>											
- Capital repayment	(112,214)	-	3,907	-	-	-	-	-	(108,307)	-	(108,307)
- Share-based payments	-	-	-	-	-	265	-	-	265	-	265
<b>As at 31 March 2017</b>	<b>74,810</b>	<b>68,504</b>	<b>3,907</b>	<b>-</b>	<b>754</b>	<b>2,810</b>	<b>(37,486)</b>	<b>(13,425)</b>	<b>99,874</b>	<b>(893)</b>	<b>98,981</b>
<b>As at 1 January 2016</b>	187,024	68,504	-	(70)	160	2,345	(37,485)	(740)	219,738	(533)	219,205
<b>Total comprehensive income for the period</b>	-	-	-	-	(261)	-	-	4,873	4,612	(96)	4,516
<b>Transactions with owners:-</b>											
- Purchase of own shares	-	-	-	-	-	-	(1)	-	(1)	-	(1)
- Share-based payments	-	-	-	-	-	420	-	-	420	-	420
- Dividends	-	-	-	-	-	-	-	(43,323)	(43,323)	-	(43,323)
- Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(150)	(150)
<b>As at 31 March 2016</b>	<b>187,024</b>	<b>68,504</b>	<b>-</b>	<b>(70)</b>	<b>(101)</b>	<b>2,765</b>	<b>(37,486)</b>	<b>(39,190)</b>	<b>181,446</b>	<b>(779)</b>	<b>180,667</b>

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the period ended 31 March 2017**

	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax from continuing operations	3,994	5,224
Loss before tax from discontinued operation	-	(113)
Profit before tax, total	<u>3,994</u>	<u>5,111</u>
<b>Adjustment for:-</b>		
- Non-cash items	3,585	3,586
- Non-operating items	<u>531</u>	<u>(84)</u>
<b>Operating cash flows before changes in working capital</b>	<b>8,110</b>	<b>8,613</b>
<b>Changes in working capital</b>		
- Increase in inventories	(6)	(1)
- Increase in trade and other receivables	(4,131)	(2,851)
- Increase in trade and other payables	<u>8,540</u>	<u>5,275</u>
<b>Cash generated from operations</b>	<b>12,513</b>	<b>11,036</b>
- Net taxes refunded/(paid)	1,580	(917)
- Interest received	228	231
- Interest paid	<u>(605)</u>	<u>(53)</u>
<b>Net cash generated from operating activities</b>	<b><u>13,716</u></b>	<b><u>10,297</u></b>
<b><u>Cash flows from investing activities</u></b>		
- Proceeds from disposal of property, plant and equipment	-	3
- Purchase of property, plant and equipment	(2,260)	(1,794)
- Withdrawal/(placement) of other investment	<u>35,532</u>	<u>(16,779)</u>
<b>Net cash generated from/(used in) investing activities</b>	<b><u>33,272</u></b>	<b><u>(18,570)</u></b>
<b><u>Cash flows from financing activities</u></b>		
- Repayment of hire purchase and financial lease payables	(503)	(419)
- Purchase of own shares	-	(1)
- Proceeds from term loan	50,000	-
- Capital repayment	(108,307)	-
- Placement of deposits with licensed banks and financial institutions with maturity of more than three months	<u>(78)</u>	<u>(210)</u>
<b>Net cash used in financing activities</b>	<b><u>(58,888)</u></b>	<b><u>(630)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b>(11,900)</b>	<b>(8,903)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b><u>61,970</u></b>	<b><u>43,637</u></b>
<b>Cash and cash equivalents at end of the period</b>	<b><u><u>50,070</u></u></b>	<b><u><u>34,734</u></u></b>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016.



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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 2016 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 2016. 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 2016.

#### 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 2016, except for the following:

##### **Standards, Amendments and Annual Improvements to Standards effective for the financial periods beginning on or after 1 January 2017**

Amendments to MFRS 107 - Disclosure Initiative  
Amendments to MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses

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



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## 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:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
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 2016 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 31 March 2017.



**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 31 March 2017.

**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 31 March 2017 except for the following:

Share Buy Back

	No. of ordinary shares
No. of ordinary shares net of treasury shares as at 1 January 2017	722,049,308
Less: Purchase of Company's own ordinary shares	-
No. of ordinary shares net of treasury shares as at 31 March 2017	<u>722,049,308</u>

The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. As at 31 March 2017, the total shares bought back of 26,048,600 are held as treasury shares.

Capital Repayment

On 29 August 2016, the Company ("SEGi") announced the 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.

On 18 January 2017, the Company paid the capital repayment of RM0.15 amounting to RM108,307,000 to the entitled shareholders.

**8. Dividend paid**

There were no dividends declared or paid in the quarter under review.

**9. Segment reporting**

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





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**10. Material subsequent events**

There are no material subsequent events that have not been reflected in the financial statements for the financial period ended 31 March 2017.

**11. Changes in composition of the Group**

There were no major changes in the composition of the Group during the current quarter ended 31 March 2017.

**12. Changes in contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets of the Group as at 31 March 2017.

**13. Capital Commitment**

There were no material capital commitments approved and contracted for as at 31 March 2017.

**14. Cash and bank balances**

	As at 31 March 2017 (RM'000)
Total cash and bank balances	59,575
Less: Deposits with licensed banks and financial institution with maturity of more than three months	<u>(9,505)</u>
Total cash and cash equivalents	<u>50,070</u>



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

**1. Review of performance**

For the period ended 31 March 2017, the Group achieved a revenue of RM59.8 million and a profit before taxation of RM4.0 million, a decrease of 7.1% and 24.1% respectively, as compared to the corresponding period in 2016.

The Group achieved an earnings before interest and tax (“EBITDA”) of RM8.1 million compared to RM8.8 million in the corresponding period in 2016. This reflects a drop of 8.0% in EBITDA.

The decrease in revenue and profits as compared to the corresponding period last year is partly due to the slower new enrolments for the first quarter of 2017. The enrolments have improved in the following months.

**2. Variation of results against preceding quarter**

The Group recorded a profit before taxation of RM4.0 million for the quarter under review compared to a profit before tax of RM7.2 million in the preceding quarter. The variation in results is mainly due to the higher marketing expenditure incurred in the first quarter of 2017.

**3. Prospects for 2017**

The Group is looking forward to see further improvements in our performance for the current year. With the continued weakness of the Ringgit, the Group will continue to focus on the strengthening of our international market. We have also widened our programme offerings as well as target adult learning market locally.

**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 31/03/2017 (RM'000)	Comparative Quarter Ended 31/03/2016 (RM'000)	Cumulative to-date 31/03/2017 (RM'000)	Cumulative to-date 31/03/2016 (RM'000)
Allowance for impairment on receivables	-	173	-	173
Amortisation of development costs	-	13	-	13
Depreciation expense	3,424	3,307	3,424	3,307
Interest income	(228)	(231)	(228)	(231)
Loss on disposal of property, plant and equipment	27	9	27	9
Loss on foreign exchange	153	74	153	74

**6. Income tax**

	Current quarter ended 31 March 2017 (RM'000)	Cumulative to-date 31 March 2017 (RM'000)
Current income tax		
- current	374	374
- prior year	117	117
	<u>491</u>	<u>491</u>
Deferred income tax		
- current	-	-
- prior year	-	-
	<u>-</u>	<u>-</u>
Total	<u>491</u>	<u>491</u>



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## **7. Status of corporate proposals announced**

(i) 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 have been completed on 18 January 2017.

(ii) On 13 April 2017, the Company announced a proposed bonus issue of up to 516,818,081 Bonus Shares to be credited as fully paid-up on the basis of five (5) Bonus Shares for every seven (7) existing SEGi Shares held on an entitlement date to be determined later.

The completion of the above proposal is subject to the approval of the shareholders at the forthcoming EGM.

## **8. Borrowing and debt securities**

The Group's borrowings as at 31 March 2017 are as follows:

	(RM'000)
Current	10,354
Non-current	42,187
	<u>52,187</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

## **9. Changes in material litigation**

There were no pending material litigations as at 25 May 2017.



**10. Dividend**

There were no dividends declared and paid for the quarter under review.

**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 31 March 2017 (RM'000)	Cumulative to-date 31 March 2017 (RM'000)
Retained profits/(losses) of the Group		
- realised	(49,146)	(49,146)
- unrealised	5,926	5,926
	<u>(43,220)</u>	<u>(43,220)</u>
Add: consolidation adjustments	29,795	29,795
Total retained profits/(losses) as per consolidated accounts	<u>(13,425)</u>	<u>(13,425)</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 31/03/2017 (RM'000)	Comparative Quarter Ended 31/03/2016 (RM'000)	Cumulative to-date 31/03/2017 (RM'000)	Cumulative to-date 31/03/2016 (RM'000)
<b>Earnings</b>				
Profit after taxation	3,503	4,777	3,503	4,777
Amount attributable to non-controlling interests	24	96	24	96
Profit after taxation attributable to the equity holders of the Company	3,527	4,873	3,527	4,873
Weighted average number of ordinary shares ('000)	722,049	722,050	722,049	722,050
<b>Basic earnings per share (sen)</b>	<b>0.49</b>	<b>0.67</b>	<b>0.49</b>	<b>0.67</b>

### *Diluted earnings per share*

<b>Earnings</b>				
Profit after taxation	3,503	4,777	3,503	4,777
Amount attributable to non-controlling interests	24	96	24	96
Profit after taxation attributable to the equity holders of the Company	3,527	4,873	3,527	4,873
Weighted average number of ordinary shares ('000)	722,049	722,050	722,049	722,050
Effect of dilution ('000) - Shares Grant Plan ("SGP")	442	261	442	261
Weighted average number of ordinary shares ('000)	722,491	722,311	722,491	722,311
<b>Diluted earnings per share (sen)</b>	<b>0.49</b>	<b>0.67</b>	<b>0.49</b>	<b>0.67</b>