



SUMMARY OF KEY FINANCIAL INFORMATION
30 JUNE 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
1 Revenue	65,551	64,531	124,728	124,346
2 Profit before tax	15,586	9,718	21,677	13,712
3 Profit for the period	13,565	8,892	18,888	12,395
4 Profit attributable to ordinary equity holders of the parent	13,584	8,919	18,926	12,446
5 Basic earnings per share (sen)	1.10	0.72	1.53	1.01
6 Proposed/Declared dividend per share (sen)	-	-	-	-
			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)			0.0826	0.0736

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	225	257	415	485
2. Gross interest expense	(542)	(653)	(1,086)	(1,258)



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2018

	Current Period 3 months ended 30-June		Cumulative Period 6 months ended 30-June	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Revenue	65,551	64,531	124,728	124,346
Cost of services	(18,572)	(19,933)	(36,900)	(38,597)
Gross profit	46,979	44,598	87,828	85,749
Other income	1,810	1,532	3,462	2,912
	48,789	46,130	91,290	88,661
Distribution expenses	(4,035)	(6,709)	(10,608)	(14,622)
Administrative expenses	(14,751)	(13,946)	(29,993)	(29,135)
Other expenses	(13,875)	(15,104)	(27,926)	(29,934)
Finance costs	(542)	(653)	(1,086)	(1,258)
Profit before tax	15,586	9,718	21,677	13,712
Income tax	(2,021)	(826)	(2,789)	(1,317)
Profit for the period	13,565	8,892	18,888	12,395
Profit/(loss) attributable to:				
Equity holders of the Company	13,584	8,919	18,926	12,446
Non-controlling interests	(19)	(27)	(38)	(51)
	13,565	8,892	18,888	12,395
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	25	20	(45)	40
Foreign currency translation reserve	566	(267)	25	(252)
Total comprehensive income for the period	14,156	8,645	18,868	12,183
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	14,175	8,672	18,906	12,234
Non-controlling interests	(19)	(27)	(38)	(51)
	14,156	8,645	18,868	12,183
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	1.10	0.72	1.53	1.01
- Fully diluted	1.10	0.72	1.53	1.00

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	As at 30 June 2018 (RM'000)	As at 31 December 2017 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	107,051	110,825
Intangible assets	27,791	27,801
Other investments	865	910
Receivables	122	122
Deferred tax assets	7,585	6,959
	<u>143,414</u>	<u>146,617</u>
CURRENT ASSETS		
Inventories	103	109
Receivables	22,752	14,810
Tax recoverable	10,211	11,877
Deposits, cash and bank balances	57,697	83,506
Other financial asset	381	7,842
	<u>91,144</u>	<u>118,144</u>
TOTAL ASSETS	<u>234,558</u>	<u>264,761</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Payables	84,903	78,071
Short-term borrowings	9,759	9,988
Current tax liabilities	297	241
Dividend payable	-	43,337
	<u>94,959</u>	<u>131,637</u>
NET CURRENT LIABILITIES	<u>(3,815)</u>	<u>(13,493)</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	30,224	34,789
Payables	3,812	3,812
Deferred tax liabilities	4,323	4,346
	<u>38,359</u>	<u>42,947</u>
TOTAL LIABILITIES	<u>133,318</u>	<u>174,584</u>
NET ASSETS	<u>101,240</u>	<u>90,177</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	147,707	147,503
Treasury shares	(37,486)	(37,486)
Share premium	-	-
Reserves	(7,980)	(18,877)
	<u>102,241</u>	<u>91,140</u>
NON-CONTROLLING INTERESTS	<u>(1,001)</u>	<u>(963)</u>
TOTAL EQUITY	<u>101,240</u>	<u>90,177</u>
TOTAL EQUITY AND LIABILITIES	<u>234,558</u>	<u>264,761</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2018

	← Non-Distributable →					Distributable →				Total Equity RM'000
	Share Capital RM'000	Share Premium 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	
As at 1 January 2018	147,503	-	(30)	(503)	1,763	(37,486)	(20,107)	91,140	(963)	90,177
Adoption of MFRS 9 and 15	-	-	-	-	-	-	(7,717)	(7,717)	-	(7,717)
Balance as at 1 January 2018	147,503	-	(30)	(503)	1,763	(37,486)	(27,824)	83,423	(963)	82,460
Total comprehensive income for the period	-	-	(45)	25	-	-	18,926	18,906	(38)	18,868
Transactions with owners:-										
- Share-based payments	204	-	-	-	(292)	-	-	(88)	-	(88)
As at 30 June 2018	147,707	-	(75)	(478)	1,471	(37,486)	(8,898)	102,241	(1,001)	101,240
As at 1 January 2017	187,024	68,504	(20)	739	2,545	(37,486)	(16,952)	204,354	(869)	203,485
Total comprehensive income for the period	-	-	40	(252)	-	-	12,446	12,234	(51)	12,183
Adjustment for effects of Companies Act 2016 (Note a)	20,819	(20,819)	-	-	-	-	-	-	-	-
Transactions with owners:-										
- Issuance of bonus shares	51,592	(51,592)	-	-	-	-	-	-	-	-
- Capital repayment	(112,214)	3,907	-	-	-	-	-	(108,307)	-	(108,307)
- Share-based payments	282	-	-	-	(798)	-	-	(516)	-	(516)
As at 30 June 2017	147,503	-	20	487	1,747	(37,486)	(4,506)	107,765	(920)	106,845

Note a

Under the Companies Act 2016 ("Act") which came into effect on 31 January 2017, the credit standing in the share premium account has been transferred to the share capital account in accordance with Section 618(2) of the Act. Pursuant to subsection 618(3) of the Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the Act. The Board of Directors will make a decision thereon by 31 January 2019.

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 30 June 2018

	30 June 2018	30 June 2017
	(RM'000)	(RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	21,677	13,712
Adjustment for:-		
- Non-cash items	8,641	7,624
- Non-operating items	311	(723)
Operating cash flows before changes in working capital	<u>30,629</u>	<u>20,613</u>
Changes in working capital		
- Decrease/(increase) in inventories	6	(5)
- (Increase)/decrease in trade and other receivables	(11,056)	1,316
- (Decrease)/increase in trade and other payables	(125)	7,235
Cash generated from operations	19,454	29,159
- Net taxes (paid)/refunded	(1,716)	572
- Interest received	415	485
- Interest paid	(1,086)	(1,258)
Net cash generated from operating activities	<u>17,067</u>	<u>28,958</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	18	156
- Purchase of property, plant and equipment	(1,952)	(3,389)
- Withdrawal of other investment	7,461	35,530
- Dividend received	13	14
Net cash from investing activities	<u>5,540</u>	<u>32,311</u>
<u>Cash flows from financing activities</u>		
- Repayment of hire purchase and financial lease payables	(579)	(938)
- (Repayment of)/proceeds from drawdown of term loan, net of repayment	(4,500)	47,750
- Capital repayment	-	(108,307)
- Dividend paid	(43,337)	-
- Placement of deposits with licensed banks and financial institutions with maturity of more than three months	(99)	(251)
Net cash used in financing activities	<u>(48,515)</u>	<u>(61,746)</u>
Net decrease in cash and cash equivalents	(25,908)	(477)
Cash and cash equivalents at beginning of the period	<u>73,761</u>	<u>61,970</u>
Cash and cash equivalents at end of the period	<u>47,853</u>	<u>61,493</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017.



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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 requirements of the Companies Act 2016 in Malaysia, where applicable.

The report has also been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017. 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 2017.

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 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
MFRS 9 Financial Instruments
MFRS 15 Revenue from Contracts with Customers
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

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:



2. Significant accounting policies (Cont'd)

2.1 Adoption of Standards, Amendments and Annual Improvements to Standards (cont'd)

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 do 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. Quoted equity shares currently held as available-for-sale (“AFS”) will continue to record gains and losses in other comprehensive income.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

(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 increased by RM760,000 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 retained earnings of the current period.



2. Significant accounting policies (Cont'd)

2.1 Adoption of Standards, Amendments and Annual Improvements to Standards (cont'd)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that apply to revenue arising from contracts with customers. MFRS 15 supersedes the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers 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.

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 a significant effect on the financial statements of the Group except that the Group’s revenue has decreased by RM6,957,000 as at 1 January 2018. 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 retained earnings of the current period.

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 9 - Prepayment Features with Negative Compensation	1 January 2019
MFRS 16 Leases	1 January 2019
Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycle	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred



3. Qualification of Audit Report

The audit report of the financial statements of the Group for the year ended 31 December 2017 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 June 2018.

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 June 2018.

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 June 2018 except for the following:

	No. of ordinary shares
No. of ordinary shares net of treasury shares as at 1 January 2018	1,238,197,548
Add: Shares issued pursuant to the vesting of Performance Share Plan (“PSP”) grants	316,994
No. of ordinary shares net of treasury shares as at 30 June 2018	<u>1,238,514,542</u>

Treasury Shares

The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016. As at 30 June 2018, the total shares bought back of 26,048,600 are held as treasury shares.



8. Dividend paid

During the previous financial year, the Board of Directors declared an interim single tier dividend of RM0.035 per ordinary share each in respect of the financial year ended 31 December 2017. This interim single tier dividend amounting to RM43,337,000 was paid on 18 January 2018.

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 year period ended 30 June 2018.

11. Changes in composition of the Group

There were no major changes in the composition of the Group during the current quarter ended 30 June 2018.

12. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 30 June 2018.

13. Capital Commitment

There were no material capital commitments approved and contracted for as at 30 June 2018.

14. Deposits, cash and bank balances

	As at 30 June 2018 (RM'000)
Total deposits, cash and bank balances	57,697
Less: Deposits with licensed banks and financial institution with maturity of more than three months	(9,844)
Total cash and cash equivalents	<u>47,853</u>



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

1. Review of performance

For the period ended 30 June 2018, the Group achieved a revenue of RM124.7 million and a profit before taxation of RM21.7 million, a increase of 0.3% and 58.1% respectively, as compared to the corresponding period in 2017.

The Group achieved an earnings before interest, tax, depreciation and amortisation (“EBITDA”) of RM28.5 million compared to RM20.7 million in the corresponding period in 2017. This reflects an increase of 37.5% in EBITDA.

The improvement in EBITDA and profit before tax is mainly a result of our streamlining exercise where assets and resources were more efficiently utilised.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM15.6 million for the quarter under review compared to a profit before tax of RM6.1 million in the preceding quarter. The variation in results is partly due to operating leverage impact from higher revenue in second quarter as compared to first quarter and lower distribution expenses in second quarter as compared to first quarter.

3. Prospects for 2018

The Group has taken positive steps to expand its adult learning market and its network to escalate the recruitment of international students. The Group has also successfully streamlined its operations in the previous year resulting in a significant improvement in operating costs.

The Group is poised to see further growth particularly in international student recruitment in the near future.

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 30/6/2018 (RM'000)	Comparative Quarter Ended 30/6/2017 (RM'000)	Cumulative to-date 30/6/2018 (RM'000)	Cumulative to-date 30/6/2017 (RM'000)
Amortisation of development costs	4	8	10	16
Depreciation expense	3,108	3,331	6,253	6,755
Expected credit loss expense	1,030	-	2,106	-
Interest income	(225)	(257)	(415)	(485)
Gain on disposal of property, plant and equipment	-	(168)	(15)	(141)
Loss on foreign exchange	54	153	78	306

6. Income tax

	Current quarter ended 30 June 2018 (RM'000)	Cumulative to-date 30 June 2018 (RM'000)
Current income tax		
- current	2,189	3,438
- prior year	-	-
	<hr/> 2,189 <hr/>	<hr/> 3,438 <hr/>
Deferred income tax		
- current	(168)	(649)
- prior year	-	-
	<hr/> (168) <hr/>	<hr/> (649) <hr/>
Total	<hr/> 2,021 <hr/>	<hr/> 2,789 <hr/>



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7. Status of corporate proposals announced

There are no corporate proposals announced that have not been completed.

8. Borrowing and debt securities

The Group's borrowings as at 30 June 2018 are as follows:

	<u>(RM'000)</u>
Current	9,759
Non-current	<u>30,224</u>
	<u><u>39,983</u></u>

The above borrowings are secured and denominated in Ringgit Malaysia.

9. Changes in material litigation

There were no pending material litigations as at 9 August 2018.

10. Dividend

During the previous financial year, the Board of Directors declared an interim single tier dividend of RM0.035 per ordinary share each in respect of the financial year ended 31 December 2017. This interim single tier dividend amounting to RM43,337,000 was paid on 18 January 2018.



11. 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 30/6/2018 (RM'000)	Comparative Quarter Ended 30/6/2017 (RM'000)	Cumulative to-date 30/6/2018 (RM'000)	Cumulative to-date 30/6/2017 (RM'000)
Earnings				
Profit after taxation	13,565	8,892	18,888	12,395
Amount attributable to non-controlling interests	19	27	38	51
Profit after taxation attributable to the equity holders of the Company	13,584	8,919	18,926	12,446
Weighted average number of ordinary shares ('000) **	1,238,414	1,237,965	1,238,306	1,237,965
Basic earnings per share (sen)	1.10	0.72	1.53	1.01

Diluted earnings per share

Earnings				
Profit after taxation	13,565	8,892	18,888	12,395
Amount attributable to non-controlling interests	19	27	38	51
Profit after taxation attributable to the equity holders of the Company	13,584	8,919	18,926	12,446
Weighted average number of ordinary shares ('000) **	1,238,414	1,237,965	1,238,306	1,237,965
Effect of dilution ('000) - Shares Grant Plan ("SGP") **	668	447	668	447
Weighted average number of ordinary shares ('000)	1,239,082	1,238,412	1,238,974	1,238,412
Diluted earnings per share (sen)	1.10	0.72	1.53	1.00

** Adjusted due to bonus issue of shares.