



SUMMARY OF KEY FINANCIAL INFORMATION
30 June 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	RM'000	RM'000	RM'000	RM'000
1 Revenue	49,069	60,528	101,045	120,203
2 Profit before tax	10,238	11,585	20,727	22,780
3 Profit for the period	8,859	9,522	18,203	19,611
4 Profit attributable to ordinary equity holders of the parent	8,861	9,528	18,204	19,620
5 Basic earnings per share (sen)	0.72	0.77	1.47	1.58
			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)			0.0857	0.0755

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	328	224	543	374
2. Gross interest expense	(2,257)	(2,355)	(4,310)	(4,793)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2020

	Current Period 3 months ended 30- June		Cumulative Period 6 months ended 30- June	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Revenue	49,069	60,528	101,045	120,203
Cost of services	(15,601)	(20,328)	(31,176)	(39,381)
Gross profit	33,468	40,200	69,869	80,822
Interest income	328	224	543	374
Other income	2,524	2,251	4,630	3,721
	36,320	42,675	75,042	84,917
Distribution expenses	(1,416)	(3,291)	(3,507)	(6,027)
Administrative expenses	(11,828)	(13,082)	(24,379)	(26,807)
Other expenses	(10,581)	(12,362)	(22,119)	(24,510)
Finance costs	(2,257)	(2,355)	(4,310)	(4,793)
Profit before tax	10,238	11,585	20,727	22,780
Income tax	(1,379)	(2,063)	(2,524)	(3,169)
Profit for the period	8,859	9,522	18,203	19,611
Profit attributable to:				
Equity holders of the Company	8,861	9,528	18,204	19,620
Non-controlling interests	(2)	(6)	(1)	(9)
	8,859	9,522	18,203	19,611
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	-	-	200	20
Foreign currency translation reserve	-	(83)	(161)	(185)
Total comprehensive income for the period	8,859	9,439	18,242	19,446
Total comprehensive income attributable to:				
Equity holders of the Company	8,861	9,445	18,243	19,455
Non-controlling interests	(2)	(6)	(1)	(9)
	8,859	9,439	18,242	19,446
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	0.72	0.77	1.47	1.58
- Fully diluted	0.72	0.77	1.47	1.58

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2020

	As at 30 June 2020 (RM'000)	As at 31 December 2019 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	87,941	92,092
Intangible assets	27,523	27,524
Other investments	680	740
Receivables	1,350	1,350
Right-of-use assets	112,556	122,856
Deferred tax assets	6,576	7,522
	<u>236,626</u>	<u>252,084</u>
CURRENT ASSETS		
Inventories	89	95
Receivables	28,988	31,101
Tax recoverable	1,850	1,152
Other financial asset	276	273
Deposits, cash and bank balances	92,712	58,692
	<u>123,915</u>	<u>91,313</u>
TOTAL ASSETS	<u>360,541</u>	<u>343,397</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Borrowings	44,092	9,000
Lease liabilities	22,738	23,283
Payables	48,282	56,696
Contract liabilities	23,903	29,687
Provisions	619	619
Current tax liabilities	379	255
	<u>140,013</u>	<u>119,540</u>
NET CURRENT LIABILITIES	<u>(16,098)</u>	<u>(28,227)</u>
NON-CURRENT LIABILITIES		
Borrowings	11,750	16,250
Lease liabilities	99,477	109,945
Contract liabilities	1,172	1,306
Payables	1,653	2,671
Deferred tax liabilities	1,340	1,253
	<u>115,392</u>	<u>131,425</u>
TOTAL LIABILITIES	<u>255,405</u>	<u>250,965</u>
NET ASSETS	<u>105,136</u>	<u>92,432</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	147,707	147,707
Treasury shares	(43,037)	(37,486)
Reserves	1,487	(16,769)
	<u>106,157</u>	<u>93,452</u>
NON-CONTROLLING INTERESTS	<u>(1,021)</u>	<u>(1,020)</u>
TOTAL EQUITY	<u>105,136</u>	<u>92,432</u>
TOTAL EQUITY AND LIABILITIES	<u>360,541</u>	<u>343,397</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2020

	← Non-Distributable →				Distributable				Total Equity RM'000
	Share Capital RM'000	Fair Value Reserve of Financial Asset at FVOCI RM'000	Exchange Translation Reserve RM'000	Share- Based Payment Reserve RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	
As at 1 January 2020	147,707	(200)	9	1,969	(37,486)	(18,547)	93,452	(1,020)	92,432
Total comprehensive income for the period	-	200	(161)	-	(5,551)	18,203	12,691	(1)	12,690
Transactions with owners:-									
- Share-based payments	-	-	-	14	-	-	14	-	14
As at 30 June 2020	147,707	-	(152)	1,983	(43,037)	(344)	106,157	(1,021)	105,136
As at 1 January 2019	147,707	(120)	93	1,991	(37,486)	(19,725)	92,460	(1,000)	91,460
Adoption of MFRS 16	-	-	-	-	-	(12,991)	(12,991)	-	(12,991)
Balance as at 1 January 2019	147,707	(120)	93	1,991	(37,486)	(32,716)	79,469	(1,000)	78,469
Total comprehensive income for the period	-	20	(185)	-	-	19,611	19,446	(3)	19,443
Transactions with owners:-									
- Share-based payments	-	-	-	131	-	-	131	-	131
As at 30 June 2019	147,707	(100)	(92)	2,122	(37,486)	(13,105)	99,046	(1,003)	98,043

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 30 June 2020

	30 June 2020 (RM'000)	30 June 2019 (RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	20,727	22,780
Adjustment for:-		
- Non-cash items	19,494	22,639
- Non-operating items	1,206	640
Operating cash flows before changes in working capital	41,427	46,059
Changes in working capital		
- Decrease in inventories	6	15
- Increase in trade and other receivables	(49)	(10,599)
- (Decrease)/Increase in trade and other payables	(15,352)	474
Cash generated from operations	26,032	35,949
- Net taxes paid	(2,065)	(1,641)
- Interest received	543	374
- Interest paid	(956)	(894)
Net cash generated from operating activities	23,554	33,788
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	2	67
- Purchase of property, plant and equipment	(1,257)	(4,095)
- Gain on other investment	(3)	(3)
- Dividend received	32	28
Net cash used in investing activities	(1,226)	(4,003)
<u>Cash flows from financing activities</u>		
- Repayment of hire purchase and financial lease payables	(13,349)	(12,958)
- Drawdown/(Repayment) of loans	30,592	(4,500)
- Purchase of own shares	(5,551)	-
- Withdrawal of deposits with licensed banks and financial institutions with maturity of more than three months	326	3,713
Net cash generated from /(used in) financing activities	12,018	(13,745)
Net increase in cash and cash equivalents	34,346	16,040
Cash and cash equivalents at beginning of the period	53,562	45,002
Cash and cash equivalents at end of the period	87,908	61,042

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019.



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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 2019. 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 2019.

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 2020, except for the following:

Standards, Amendments and Annual Improvements to Standards effective for the financial periods beginning on or after 1 January 2020

Amendments to MFRS 3 Definition of a Business
Amendments to MFRS 29, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
Amendments to MFRS 101 Definition of Material
Amendments to MFRS 108 Definition of Material

The above standards and interpretations do not have any impact on the financial statements of the Group.



2. Significant accounting policies (Cont'd)

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
MFRS 17 Insurance Contract	1 January 2021
Amendments to MFRS 101 Classification of Liabilities As Current or Non-current	1 January 2022
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 2019 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 2020.

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 2020.



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 2020 except for the following:

	No. of ordinary shares
No. of ordinary shares net of treasury shares as at 1 January 2020	1,238,514,542
Less: Purchase of Company's own ordinary shares	<u>(9,124,500)</u>
No. of ordinary shares net of treasury shares as at 30 June 2020	<u><u>1,229,390,042</u></u>

During the previous quarter, the Company had repurchased 1,793,500 of its own ordinary shares from the open market at an average price of RM0.61 per share.

During the current quarter, the Company had repurchased 7,331,000 of its own ordinary shares from the open market at an average price of RM0.61 per share.

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 2020, the total shares bought back of 35,173,100 are held as treasury shares.

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.

10. Material subsequent events

The Company has on 8 July 2020 announced that it has entered into a related party transaction with HCK Capital Group Berhad ("HCK"), a group controlled by Tan Sri Clement Hii. The Company, via its wholly owned subsidiary, SEGi College (Subang Jaya) Sdn. Bhd., entered into an agreement to lease ("Agreement") with HCK Capital Holdings Sdn. Bhd., a wholly-owned subsidiary of HCK, agreeing to lease Tower D and part of the podium of a development known as Edumetro @ Subang Jaya, which is held under the master title PN 97567, Lot 74746, Pekan Penaga, Daerah Petaling, Selangor Darul Ehsan at the address of Lot 74746, Persiaran Subang Permai, USJ 1, Subang Jaya, Selangor Darul Ehsan for a leasing tenure of 12 years commencing from the lease commencement date in June 2022.

The Agreement is subject to the approval of the shareholders of the Company and HCK at their respective extraordinary general meetings to be held on a date to be determined.



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 2020.

12. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 30 June 2020.

13. Capital Commitment

There were no material capital commitments approved and contracted for as at 30 June 2020.

14. Deposits, cash and bank balances

	As at 30 June 2020 (RM'000)
Total deposits, cash and bank balances	92,988
Less: Deposits with licensed banks and financial institution with maturity of more than three months	<u>(5,080)</u>
Total cash and cash equivalents	<u><u>87,908</u></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 2020, the Group achieved a revenue of RM101.0 million and a profit before taxation of RM20.7 million, a decrease of 15.9% and 9.0 % respectively, as compared to the corresponding period in 2019.

The Group achieved an earnings before interest, tax, depreciation and amortisation (“EBITDA”) of RM41.6 million compared to RM44.6 million in the corresponding period in 2019. This reflects a decrease in 6.8% in EBITDA.

The decrease in revenue and profits as compared to the corresponding period last year is partly due to the slower new enrolments due to Movement Control Order (MCO) and border control arising from the effects of the Covid-19 pandemic.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM10.2 million for the quarter under review compared to a profit before tax of RM10.5 million in the preceding quarter.

3. Prospects for 2020

For the last two years, the Group has successfully streamlined its operations where it has optimised its assets and resources. In this new financial year, the Group is looking at growing its market segments both locally and internationally. The Group is looking at adding on new academic programmes which are in demand by the workplace, particularly those related to technology. We are also expanding our reach internationally through collaborations and smart partnerships with local partners in many countries around the region.

With the unprecedented occurrence of Covid-19 pandemic affecting Malaysia and the nations globally, and the restrictions in movement and travel from the pandemic control, we expect our results for 2020 to be affected to an extent yet to be accurately determined. The Group has however, countered the expected negative impact with new business strategies and appropriate cost cutting measures. With this in place, we believe that the negative impact would be mitigated to a certain extent.

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 30/6/2020 (RM'000)	Comparative Quarter Ended 30/6/2019 (RM'000)	Cumulative to-date 30/6/2020 (RM'000)	Cumulative to-date 30/6/2019 (RM'000)
Amortisation of development costs	-	1	-	3
Depreciation expense	2,733	2,895	5,533	5,818
Depreciation of right-of-use assets	5,485	5,655	11,011	11,233
Expected credit loss	608	(880)	1,883	1,980
Interest expense	616	437	956	894
Interest expense on lease liabilities	1,641	1,918	3,354	3,899
Interest income	(328)	(224)	(543)	(374)
Loss/(Gain) on disposal of property, plant and equipment	-	89	(2)	89
Loss/(Gain) on foreign exchange	78	(163)	(777)	(76)
Provision of doubtful debts	58	76	145	(2,015)

6. Income tax

	Current quarter ended 30 June 2020 (RM'000)	Cumulative to-date 30 June 2020 (RM'000)
Current income tax		
- current	226	1,491
- prior year	-	-
	<u>226</u>	<u>1,491</u>
Deferred income tax		
- current	1,153	1,044
- prior year	-	(11)
	<u>1,153</u>	<u>1,033</u>
Total	<u>1,379</u>	<u>2,524</u>



7. Status of corporate proposals announced

The Company has on 8 July 2020 announced that it has entered into a related party transaction with HCK Capital Group Berhad (“HCK”), a group controlled by Tan Sri Clement Hii. The Company, via its wholly owned subsidiary, SEGi College (Subang Jaya) Sdn. Bhd., entered into an agreement to lease (“Agreement”) with HCK Capital Holdings Sdn. Bhd., a wholly-owned subsidiary of HCK, agreeing to lease Tower D and part of the podium of a development known as Edumetro @ Subang Jaya, which is held under the master title PN 97567, Lot 74746, Pekan Penaga, Daerah Petaling, Selangor Darul Ehsan at the address of Lot 74746, Persiaran Subang Permai, USJ 1, Subang Jaya, Selangor Darul Ehsan for a leasing tenure of 12 years commencing from the lease commencement date in June 2022.

The Agreement is subject to the approval of the shareholders of the Company and HCK at their respective extraordinary general meetings to be held on a date to be determined.

8. Borrowing and debt securities

The Group’s borrowings as at 30 June 2020 are as follows:

	<u>(RM’000)</u>
Current	
- Overdraft	25,592
- Short-term loan	<u>18,500</u>
	44,092
Non-current	
- Long-term loan	<u>11,750</u>
	<u>55,842</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

9. Changes in material litigation

There were no pending material litigations as at 16th August 2020.

10. Dividend

No dividend has been declared and paid during the quarter under review.



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 30/6/2020 (RM'000)	Comparative Quarter Ended 30/6/2019 (RM'000)	Cumulative to-date 30/6/2020 (RM'000)	Cumulative to-date 30/6/2019 (RM'000)
Earnings				
Profit after taxation	8,859	9,522	18,203	19,611
Amount attributable to non-controlling interests	2	6	1	9
Profit after taxation attributable to the equity holders of the Company	8,861	9,528	18,204	19,620
Weighted average number of ordinary shares ('000)	1,236,694	1,238,515	1,235,704	1,238,515
Basic earnings per share (sen)	0.72	0.77	1.47	1.58

Diluted earnings per share

Earnings				
Profit after taxation	8,859	9,522	18,203	19,611
Amount attributable to non-controlling interests	2	6	1	9
Profit after taxation attributable to the equity holders of the Company	8,861	9,528	18,204	19,620
Weighted average number of ordinary shares ('000)	1,236,694	1,238,515	1,235,704	1,238,515
Effect of dilution ('000) - Shares Grant Plan ("SGP")	-	652	-	652
Weighted average number of ordinary shares ('000)	1,236,694	1,239,167	1,235,704	1,239,167
Diluted earnings per share (sen)	0.72	0.77	1.47	1.58