



SUMMARY OF KEY FINANCIAL INFORMATION
30 JUNE 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RM'000	RM'000	RM'000	RM'000
1 Revenue	64,698	65,067	129,078	132,432
2 Profit before tax	3,467	8,703	8,728	20,598
3 Profit for the year	3,042	7,992	7,819	18,696
4 Profit attributable to ordinary equity holders of the parent	3,165	7,960	8,038	18,775
5 Basic earnings per share (sen)	0.44	1.16	1.11	2.76
6 Proposed/Declared dividend per share of RM0.25 each (sen)	-	7.00	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)			0.2564	0.3043

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	296	245	527	540
2. Gross interest expense	(54)	(272)	(107)	(844)



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

	Current Period 3 months ended 30-June		Cumulative Period 6 months ended 30-June	
	2016 (RM'000)	2015 (RM'000)	2016 (RM'000)	2015 (RM'000)
Revenue	64,698	65,067	129,078	132,432
Cost of services	(21,358)	(19,671)	(40,847)	(37,897)
Gross profit	43,340	45,396	88,231	94,535
Other income	2,959	2,216	5,027	5,086
	46,299	47,612	93,258	99,621
Distribution expenses	(9,744)	(6,129)	(17,038)	(14,217)
Administrative expenses	(16,513)	(15,384)	(33,204)	(30,196)
Other expenses	(16,521)	(17,074)	(34,068)	(33,597)
Finance costs	(54)	(37)	(107)	(74)
Profit before tax from continuing operations	3,467	8,988	8,841	21,537
Income tax	(425)	(711)	(909)	(1,902)
Profit net of tax from continuing operations	3,042	8,277	7,932	19,635
Discontinued operation				
Loss net of tax from discontinued operation	-	(285)	(113)	(939)
Profit for the period	3,042	7,992	7,819	18,696
Profit/(loss) attributable to:				
Equity holders of the Company	3,165	7,960	8,038	18,775
Non-controlling interests	(123)	32	(219)	(79)
	3,042	7,992	7,819	18,696
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation reserve	68	(26)	(193)	227
Total comprehensive income for the period	3,130	7,966	7,646	18,923
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	3,253	7,934	7,865	19,002
Non-controlling interests	(123)	32	(219)	(79)
	3,130	7,966	7,646	18,923
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	0.44	1.16	1.11	2.76
- Fully diluted	0.44	1.15	1.11	2.75

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 June 2016

	As at 30 June 2016 (RM'000)	As at 31 December 2015 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	123,906	125,389
Intangible assets	27,841	27,865
Other investments	890	870
Receivables	627	1,469
Deferred tax assets	10,252	10,189
	<u>163,516</u>	<u>165,782</u>
CURRENT ASSETS		
Inventories	117	100
Receivables	26,275	27,224
Tax recoverable	12,305	20,659
Cash and bank balances	90,354	57,826
Other financial asset	20,288	27,306
Assets of disposal group classified as held for sale	-	57,486
	<u>149,339</u>	<u>190,601</u>
TOTAL ASSETS	<u>312,855</u>	<u>356,383</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Payables	106,726	84,581
Short-term borrowings	14,726	1,454
Current tax liabilities	197	372
Liabilities directly associated with disposal group classified as held for sale	-	44,193
	<u>121,649</u>	<u>130,600</u>
NET CURRENT ASSETS	<u>27,690</u>	<u>60,001</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	1,985	1,606
Deferred tax liabilities	5,006	4,972
	<u>6,991</u>	<u>6,578</u>
TOTAL LIABILITIES	<u>128,640</u>	<u>137,178</u>
NET ASSETS	<u>184,215</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	(32,925)	1,695
	<u>185,117</u>	<u>219,738</u>
NON-CONTROLLING INTERESTS	<u>(902)</u>	<u>(533)</u>
TOTAL EQUITY	<u>184,215</u>	<u>219,205</u>
TOTAL EQUITY AND LIABILITIES	<u>312,855</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 June 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	-	-	-	20	(193)	-	-	8,038	7,865	(219)	7,646
Transactions with owners:-											
- Purchase of own shares	-	-	-	-	-	-	(1)	-	(1)	-	(1)
- Share-based payments	-	-	-	-	-	838	-	-	838	-	838
- Dividend	-	-	-	-	-	-	-	(43,323)	(43,323)	-	(43,323)
- Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(150)	(150)
As at 30 June 2016	<u>187,024</u>	<u>68,504</u>	<u>-</u>	<u>(50)</u>	<u>(33)</u>	<u>3,183</u>	<u>(37,486)</u>	<u>(36,025)</u>	<u>185,117</u>	<u>(902)</u>	<u>184,215</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	-	-	-	-	227	-	-	18,775	19,002	(79)	18,923
Transactions with owners:-											
- Issuance of shares from exercise of warrants	11,340	12,475	(1,134)	-	-	-	-	-	22,681	-	22,681
- Purchase of own shares	-	-	-	-	-	-	(1)	-	(1)	-	(1)
- Share-based payments	-	-	-	-	-	860	-	-	860	-	860
- Dividends	-	-	-	-	-	-	-	(50,357)	(50,357)	-	(50,357)
As at 30 June 2015	<u>186,357</u>	<u>67,763</u>	<u>74</u>	<u>(110)</u>	<u>1,335</u>	<u>1,721</u>	<u>(37,483)</u>	<u>(6,011)</u>	<u>213,646</u>	<u>(462)</u>	<u>213,184</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 June 2016

	30 June 2016 (RM'000)	30 June 2015 (RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax from continuing operations	8,691	21,537
Loss before tax from discontinued operation	(113)	(939)
Profit before tax, total	8,578	20,598
Adjustment for:-		
- Non-cash items	4,976	7,572
- Non-operating items	1,401	1,430
Operating cash flows before changes in working capital	14,955	29,600
Changes in working capital		
- Increase in inventories	(17)	(27)
- Decrease/(Increase) in trade and other receivables	1,684	(4,150)
- Increase/(Decrease) in trade and other payables	21,932	(1,459)
Cash generated from operations	38,554	23,964
- Net taxes refunded/(paid)	7,241	(2,202)
- Interest received	527	540
- Interest paid	(107)	(844)
Net cash generated from operating activities	46,215	21,458
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	29	21
- Proceeds from disposal of subsidiary	14,370	-
- Purchase of property, plant and equipment	(3,926)	(2,248)
- Withdrawal/(Placement) of other investment	7,018	(30,448)
- Dividend received	18	18
Net cash generated from/(used in) investing activities	17,509	(32,657)
<u>Cash flows from financing activities</u>		
- Repayment of hire purchase and financial lease payables	(872)	(620)
- Purchase of own shares	(1)	(1)
- Proceeds from new shares, net of expenses	-	22,681
- Dividend paid	(43,323)	(40,441)
- Withdrawal/(Placement) of deposits with licensed banks and financial institutions with maturity of more than three months	4,850	(253)
Net cash used in financing activities	(39,346)	(18,634)
Net increase/(decrease) in cash and cash equivalents	24,378	(29,833)
Cash and cash equivalents at beginning of the period	43,637	62,445
Cash and cash equivalents at end of the period	68,015	32,612

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.



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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:

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 June 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 June 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 June 2016 except for the following:

	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 June 2016	<u>722,049,308</u>

During the previous quarter, the Company:

- (i) 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 June 2016, the total shares bought back, all of which are held as treasury shares, amounted to 26,048,600 shares of RM0.25 each.

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 June 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 June 2016, except as follow:

- (a) On 1 April 2016, SEGi International Learning Alliance Sdn Bhd cease to be a subsidiary of the Group following the completion of the share sale agreement announced on 19 May 2014.
- (b) On 30 June 2016, the Company disposed the following subsidiary companies:
 - Summit Early Childhood Edu-Care (Rawang) Sdn Bhd;
 - SEGi International Education Sdn Bhd and its subsidiary company, SEGi Learning Resources (Sarawak) Sdn Bhd;
 - Systematic Training Network Sdn Bhd; and
 - SBT Professional Publications Sdn Bhd.

12. Changes in contingent liabilities or contingent assets

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

13. Capital Commitment

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

14. Cash and bank balances

	As at 30 June 2016 (RM'000)
Total cash and bank balances	90,354
Less: Deposits with licensed banks and financial institution with maturity of more than three months	(9,339)
Less: Bank overdrafts	(13,000)
Total cash and cash equivalents	<u>68,015</u>

15. Payables

Included in payables are fees received in advance from students amounting to approximately RM53.0 million (30 June 2015: RM29.0 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 June 2016, the Group achieved a revenue of RM129.1 million and a profit before taxation of RM8.7 million, a decrease of 2.53% and 57.63% respectively, as compared to the corresponding period in 2015.

The decrease in revenue and profit as compared to the previous financial year corresponding period is partially due to the drop in student enrolments brought forward from the previous year. The new enrolment for 2016 is encouraging, which would result in stronger performance in the second half of 2016.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM3.5 million for the quarter under review compared to a profit before tax of RM5.3 million in the preceding quarter. The drop is in line with the general trend where the first 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 30/6/2016 (RM'000)	Comparative Quarter Ended 30/6/2015 (RM'000)	Cumulative to-date 30/6/2016 (RM'000)	Cumulative to-date 30/6/2015 (RM'000)
Allowance for impairment on receivables	-	-	173	-
Amortisation of development costs	11	20	24	43
Bad debts written off	150	-	150	-
Depreciation expense	3,310	3,423	6,617	6,853
Gain on disposal of subsidiary	(1,250)	-	(1,250)	-
Interest income	(296)	(245)	(527)	(540)
Loss on disposal of property, plant and equipment	-	33	9	62
Loss on foreign exchange	9	22	83	22

6. Income tax

	Current quarter ended 30 June 2016 (RM'000)	Cumulative to-date 30 June 2016 (RM'000)
Current income tax		
- current	358	803
- prior year	67	134
	<u>425</u>	<u>937</u>
Deferred income tax		
- current	-	63
- prior year	-	(91)
	<u>-</u>	<u>(28)</u>
Total	<u>425</u>	<u>909</u>



7. Status of corporate proposals announced

There were no corporate proposals announced but not completed as at 26 August 2016.

8. Borrowing and debt securities

The Group's borrowings as at 30 June 2016 are as follows:

	<u>(RM'000)</u>
Current	14,726
Non-current	<u>1,985</u>
	<u>16,711</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

9. Changes in material litigation

There were no pending material litigations as at 26 August 2016.

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 June 2016 (RM'000)	Cumulative to-date 30 June 2016 (RM'000)
Retained profits/(losses) of the Group		
- realised	2,997	(54,630)
- unrealised	194	5,644
	<u>3,191</u>	<u>(48,986)</u>
Add: consolidation adjustments	(26)	12,961
Total retained profits/(losses) as per consolidated accounts	<u>3,165</u>	<u>(36,025)</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 30/6/2016 (RM'000)	Comparative Quarter Ended 30/6/2015 (RM'000)	Cumulative to-date 30/6/2016 (RM'000)	Cumulative to-date 30/6/2015 (RM'000)
Earnings				
Profit after taxation	3,042	7,992	7,819	18,696
Amount attributable to non-controlling interests	123	(32)	219	79
Profit after taxation attributable to the equity holders of the Company	3,165	7,960	8,038	18,775
Weighted average number of ordinary shares ('000)	722,050	686,869	722,050	680,696
Basic earnings per share (sen)	0.44	1.16	1.11	2.76

Diluted earnings per share

Earnings				
Profit after taxation	3,042	7,992	7,819	18,696
Amount attributable to non-controlling interests	123	(32)	219	79
Profit after taxation attributable to the equity holders of the Company	3,165	7,960	8,038	18,775
Weighted average number of ordinary shares ('000)	722,050	686,869	722,050	680,696
Effect of dilution ('000)				
- Warrants	-	2,447	-	2,440
- Shares Grant Plan ("SGP")	261	-	261	-
Weighted average number of ordinary shares ('000)	722,311	689,316	722,311	683,136
Diluted earnings per share (sen)	0.44	1.15	1.11	2.75