



SUMMARY OF KEY FINANCIAL INFORMATION
31 DECEMBER 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
1 Revenue	60,063	59,383	260,133	253,183
2 Profit before tax	7,183	(156)	30,046	26,797
3 Profit for the year	6,400	183	26,925	23,896
4 Profit attributable to ordinary equity holders of the parent	6,504	183	27,111	24,046
5 Basic earnings per share (sen)	0.90	0.03	3.75	3.43
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)			0.2830	0.3043

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	424	283	1,199	1,058
2. Gross interest expense	(48)	(44)	(207)	(929)



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2016

	Current Period 3 months ended 31-December		Cumulative Period 12 months ended 31-December	
	2016 (RM'000)	2015 (RM'000)	2016 (RM'000)	2015 (RM'000)
Revenue	60,063	59,383	260,133	253,183
Cost of services	(18,982)	(23,737)	(80,232)	(80,047)
Gross profit	41,081	35,646	179,901	173,136
Other income	1,917	3,324	9,480	11,139
	42,998	38,970	189,381	184,275
Distribution expenses	(6,449)	(5,966)	(30,801)	(26,039)
Administrative expenses	(14,403)	(14,588)	(63,117)	(60,373)
Other expenses	(14,915)	(18,408)	(65,097)	(69,639)
Finance costs	(48)	(44)	(207)	(159)
Profit/(loss) before tax from continuing operations	7,183	(36)	30,159	28,065
Income tax	(783)	339	(3,121)	(2,901)
Profit net of tax from continuing operations	6,400	303	27,038	25,164
Discontinued operation				
Loss net of tax from discontinued operation	-	(120)	(113)	(1,268)
Profit for the year	6,400	183	26,925	23,896
Profit/(loss) attributable to:				
Equity holders of the Company	6,504	183	27,111	24,046
Non-controlling interests	(104)	-	(186)	(150)
	6,400	183	26,925	23,896
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	(15)	40	50	40
Foreign currency translation reserve	600	(1,880)	579	(948)
Total comprehensive income/(loss) for the year	6,985	(1,657)	27,554	22,988
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	7,089	(1,657)	27,740	23,138
Non-controlling interests	(104)	-	(186)	(150)
	6,985	(1,657)	27,554	22,988
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	0.90	0.03	3.75	3.43
- Fully diluted	0.90	0.03	3.75	3.43

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 31 December 2016

	As at 31 December 2016 (RM'000)	As at 31 December 2015 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	120,661	125,389
Intangible assets	27,829	27,865
Other investments	920	870
Receivables	244	1,469
Deferred tax assets	10,743	10,189
	<u>160,397</u>	<u>165,782</u>
CURRENT ASSETS		
Inventories	98	100
Receivables	20,645	27,224
Tax recoverable	11,695	20,659
Cash and bank balances	71,397	57,826
Other financial asset	35,726	27,306
Assets of disposal group classified as held for sale	-	57,486
	<u>139,561</u>	<u>190,601</u>
TOTAL ASSETS	<u>299,958</u>	<u>356,383</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Payables	88,175	84,581
Short-term borrowings	1,570	1,454
Current tax liabilities	558	372
Liabilities directly associated with disposal group classified as held for sale	-	44,193
	<u>90,303</u>	<u>130,600</u>
NET CURRENT ASSETS	<u>49,258</u>	<u>60,001</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	1,474	1,606
Deferred tax liabilities	4,696	4,972
	<u>6,170</u>	<u>6,578</u>
TOTAL LIABILITIES	<u>96,473</u>	<u>137,178</u>
NET ASSETS	<u>203,485</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	(13,688)	1,695
	<u>204,354</u>	<u>219,738</u>
NON-CONTROLLING INTERESTS	(869)	(533)
TOTAL EQUITY	<u>203,485</u>	<u>219,205</u>
TOTAL EQUITY AND LIABILITIES	<u>299,958</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 year ended 31 December 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 year	-	-	-	50	579	-	-	27,111	27,740	(186)	27,554
Transactions with owners:-											
- Purchase of own shares	-	-	-	-	-	-	(1)	-	(1)	-	(1)
- Share-based payments	-	-	-	-	-	200	-	-	200	-	200
- Dividend	-	-	-	-	-	-	-	(43,323)	(43,323)	-	(43,323)
- Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(150)	(150)
As at 31 December 2016	187,024	68,504	-	(20)	739	2,545	(37,486)	(16,952)	204,354	(869)	203,485
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 year	-	-	-	40	(948)	-	-	24,046	23,138	(150)	22,988
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)	-	-	-	(3)	-	(3)	-	(3)
- Share-based payments	-	-	-	-	-	1,484	-	-	1,484	-	1,484
- Dividends	-	-	-	-	-	-	-	(50,357)	(50,357)	-	(50,357)
As at 31 December 2015	187,024	68,504	-	(70)	160	2,345	(37,485)	(740)	219,738	(533)	219,205

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 year ended 31 December 2016

	31 December 2016	31 December 2015
	(RM'000)	(RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax from continuing operations	30,159	28,065
Loss before tax from discontinued operation	(113)	(1,268)
Profit before tax, total	<u>30,046</u>	<u>26,797</u>
Adjustment for:-		
- Non-cash items	13,072	16,591
- Non-operating items	201	(415)
Operating cash flows before changes in working capital	<u>43,319</u>	<u>42,973</u>
Changes in working capital		
- Decrease/(Increase) in inventories	2	(42)
- Decrease/(Increase) in trade and other receivables	7,697	(686)
- Increase in trade and other payables	3,381	21,360
Cash generated from operations	<u>54,399</u>	<u>63,605</u>
- Net taxes refunded/(paid)	5,199	(6,689)
- Interest received	1,199	1,058
- Interest paid	(207)	(929)
Net cash generated from operating activities	<u>60,590</u>	<u>57,045</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	382	315
- Proceeds from disposal of subsidiary	14,050	-
- Purchase of property, plant and equipment	(7,598)	(5,608)
- Placement of other investment	(8,420)	(6,931)
- Dividend received	63	63
Net cash used in investing activities	<u>(1,523)</u>	<u>(12,161)</u>
<u>Cash flows from financing activities</u>		
- Repayment of hire purchase and financial lease payables	(2,022)	(1,266)
- Purchase of own shares	(1)	(3)
- Proceeds from new shares, net of expenses	-	24,015
- Dividends paid	(43,323)	(90,798)
- Dividend paid to non-controlling interest	(150)	-
- Withdrawal/(Placement) of deposits with licensed banks and financial institutions with maturity of more than three months	4,762	(468)
Net cash used in financing activities	<u>(40,734)</u>	<u>(68,520)</u>
Net increase/(decrease) in cash and cash equivalents	18,333	(23,636)
Cash and cash equivalents at beginning of the year	<u>43,637</u>	<u>67,273</u>
Cash and cash equivalents at end of the year	<u>61,970</u>	<u>43,637</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 year ended 31 December 2016.



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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 year ended 31 December 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 year ended 31 December 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 31 December 2016	<u>722,049,308</u>

During the year, 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 31 December 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.

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

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 ended 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.



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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 year ended 31 December 2016.

11. Changes in composition of the Group

There were no major changes in the composition of the Group during the current quarter ended 31 December 2016.

12. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 31 December 2016.

13. Capital Commitment

There were no material capital commitments approved and contracted for as at 31 December 2016.

14. Cash and bank balances

	As at 31 December 2016 (RM'000)
Total cash and bank balances	71,397
Less: Deposits with licensed banks and financial institution with maturity of more than three months	<u>(9,427)</u>
Total cash and cash equivalents	<u>61,970</u>



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

1. Review of performance

For the year ended 31 December 2016, the Group achieved a revenue of RM260.1 million and a profit before taxation of RM30.0 million, an increase of 2.75% and 12.12% 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 year under review. The improvement in revenue has contributed positively to the overall results.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM7.2 million for the quarter under review compared to a profit before tax of RM14.1 million in the preceding quarter. The decrease is in line with the general trend where the third quarter results are normally stronger than the fourth quarter.

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 31/12/2016 (RM'000)	Comparative Quarter Ended 31/12/2015 (RM'000)	Cumulative to-date 31/12/2016 (RM'000)	Cumulative to-date 31/12/2015 (RM'000)
Allowance for impairment on receivables	-	-	173	-
Amortisation of development costs	10	15	44	75
Bad debts written off	-	8	150	509
Depreciation expense	3,360	3,356	13,331	13,579
Gain on disposal of subsidiaries	-	-	(656)	-
Interest income	(424)	(283)	(1,199)	(1,058)
Gain on disposal of property, plant and equipment	(67)	(315)	(44)	(254)
Loss on foreign exchange	54	207	197	246

6. Income tax

	Current quarter ended 31 December 2016 (RM'000)	Cumulative to-date 31 December 2016 (RM'000)
Current income tax		
- current	2,043	3,370
- prior year	(144)	580
	<u>1,899</u>	<u>3,950</u>
Deferred income tax		
- current	(1,179)	(801)
- prior year	63	(28)
	<u>(1,116)</u>	<u>(829)</u>
Total	<u>783</u>	<u>3,121</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 have been completed on 18 January 2017.

8. Borrowing and debt securities

The Group’s borrowings as at 31 December 2016 are as follows:

	(RM’000)
Current	1,570
Non-current	1,474
	<u>3,044</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

9. Changes in material litigation

There were no pending material litigations as at 22 February 2017.



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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 ended 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 31 December 2016 (RM'000)	Cumulative to-date 31 December 2016 (RM'000)
Retained profits/(losses) of the Group		
- realised	(11,667)	(53,632)
- unrealised	1,311	6,771
	<u>(10,356)</u>	<u>(46,861)</u>
Add: consolidation adjustments	16,860	29,909
Total retained profits/(losses) as per consolidated accounts	<u>6,504</u>	<u>(16,952)</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 year.

Basic earnings per share

	Current Quarter Ended 31/12/2016 (RM'000)	Comparative Quarter Ended 31/12/2015 (RM'000)	Cumulative to-date 31/12/2016 (RM'000)	Cumulative to-date 31/12/2015 (RM'000)
Earnings				
Profit after taxation	6,400	183	26,925	23,896
Amount attributable to non-controlling interests	104	-	186	150
Profit after taxation attributable to the equity holders of the Company	6,504	183	27,111	24,046
Weighted average number of ordinary shares ('000)	722,050	674,019	722,050	701,236
Basic earnings per share (sen)	0.90	0.03	3.75	3.43

Diluted earnings per share

Earnings				
Profit after taxation	6,400	183	26,925	23,896
Amount attributable to non-controlling interests	104	-	186	150
Profit after taxation attributable to the equity holders of the Company	6,504	183	27,111	24,046
Weighted average number of ordinary shares ('000)	722,050	674,019	722,050	701,236
Effect of dilution ('000) - Shares Grant Plan ("SGP")	442	261	442	261
Weighted average number of ordinary shares ('000)	722,492	674,280	722,492	701,497
Diluted earnings per share (sen)	0.90	0.03	3.75	3.43