

SEG International Bhd ("SEGi" or "the Company") - DISPOSAL OF SUBSIDIARY COMPANIES

1.0 INTRODUCTION

Pursuant to Paragraph 9.19 (24) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of SEGi wishes to inform that the Company had on 5 September 2018 disposed of the following non-operating and dormant subsidiary companies to Messrs. Arash Ahmadi (Passport No. I95757515) and Bahareh Esfandiari (Passport No. T96318631) or their nominees (hereinafter referred to "the Purchaser") for a total cash consideration of RM3,000 ("Sale Consideration"):

- ✓ SEGi Diversified Sdn Bhd ("SDSB");
- ✓ SEGi Methods Sdn Bhd ("SMSB") and its subsidiary company, SEGi Land (M) Sdn Bhd ("SLSB");
- ✓ SEGi Youth Training Sdn Bhd ("SYT");
- ✓ Pusat Kemahiran Maju Ria Sdn Bhd ("PKMR");
- ✓ I-Station Solution Sdn Bhd ("ISS"); and
- ✓ Skills Malaysia INVITE Sdn Bhd ("SMI")

(collectively, hereinafter referred to as "the Disposal").

2.0 DETAILS OF THE DISPOSAL

2.1 The Purchaser

Messrs. Arash Ahmadi and Bahareh Esfandiari are business persons who are residing in Kuala Lumpur, Malaysia. They are husband and wife.

2.2 SDSB

SDSB was incorporated in Malaysia under the Companies Act 1965 (now known as the Companies Act 2016) ("the Act") on 15 October 1999 as a private limited company. SDSB is principally engaged in the business of investment holding. The present issued share capital of SDSB as at 30 June 2018 is RM500,000 comprising of 500,000 ordinary shares.

SDSB does not have any subsidiary or associated company.

2.3 SMSB Group

SMSB was incorporated in Malaysia under the Act on 9 October 2003 as a private limited company. The principal activities of SMSB are those of investment holding. The present issued share capital of SMSB as at 30 June 2018 is RM100 comprising of 100 ordinary shares.

SMSB has a wholly owned subsidiary company, SLSB.

SLSB was incorporated in Malaysia under the Act on 15 May 2006 as a private limited company. The principal activity of SLSB consists of property investment. The present issued share capital of SLSB as at 30 June 2018 is RM300,000 comprising of 300,000 ordinary shares.

SLSB does not have any subsidiary or associated company.

2.4 SYT

SYT was incorporated in Malaysia under the Act on 19 August 2002 as a private limited company. SYT is principally engaged in the business of providing training services. The present issued share capital of SYT as at 30 June 2018 is RM250,000 comprising of 250,000 ordinary shares.

SYT does not have any subsidiary or associated company.

2.5 PKMR

PKMR was incorporated in Malaysia under the Act on 21 March 1996 as a private limited company. The principal activities of PKMR consist of the provision of educational and training services. The present issued share capital of PKMR as at 30 June 2018 is RM805,000 comprising of 805,000 ordinary shares.

PKMR does not have any subsidiary or associated company.

2.6 ISS

ISS was incorporated in Malaysia under the Act on 26 October 2004 as a private limited company. ISS is principally engaged in the business of providing E-learning solutions. The present issued share capital of ISS as at 30 June 2018 is RM200,000 comprising of 200,000 ordinary shares.

ISS does not have any subsidiary or associated company.

2.7 SMI

SMI was incorporated in Malaysia under the Act on 18 August 2011 as a private limited company. The intended activities of SMI consist of the provision of skill-based and vocational training services. The present issued share capital of SMI as at 30 June 2018 is RM500,000 comprising of 500,000 ordinary shares.

SMI does not have any subsidiary or associated company.

2.8 Basis of arriving at the Sale Consideration

The Sale Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration of the total shareholders' deficit of RM609,000 of the aforesaid subsidiary companies based on their unaudited management financial statements as at 30 June 2018, and the rationale for the Disposal as set out in Section 3.0 of this announcement.

3.0 RATIONALE FOR THE DISPOSAL

The Disposal is undertaken for the purpose of disposing the non-operating subsidiary companies and reducing the cost associated in maintaining the subsidiary companies and improving the balance sheet of the Group. The Disposal will enable SEGi Group to channel the Group's resources into other business activities that are anticipated to be more promising.

4.0 EFFECTS OF THE DISPOSAL

4.1 Share capital and substantial shareholders' shareholding

The Disposal will not have any effects on the share capital and substantial shareholders' shareholdings of the Group.

4.2 Earnings, Net Assets and Gearing

The Disposal is not expected to have a material effect on the earnings, net assets and gearing of Group.

5.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, either direct and/or indirect in the Disposal.

6.0 APPROVAL REQUIRED

The Disposal is not subject to the approval of SEGi shareholders or any regulatory authorities.

7.0 DIRECTORS' STATEMENT

After considered all aspects of the Disposal including the rationale of the Disposal, the Board, is of the opinion the Disposal is in the best interest of the Company.

This announcement is dated 5 September 2018.