



SUMMARY OF KEY FINANCIAL INFORMATION
30 September 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
	RM'000	RM'000	RM'000	RM'000
1 Revenue	50,734	64,987	151,779	185,190
2 Profit before tax	13,612	16,155	34,339	38,945
3 Profit for the period	12,238	15,104	30,441	34,725
4 Profit attributable to ordinary equity holders of the parent	12,242	15,109	30,446	34,739
5 Basic earnings per share (sen)	1.00	1.22	2.47	2.80
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)			0.0951	0.0755

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	284	295	827	669
2. Gross interest expense	(2,513)	(2,219)	(6,823)	(7,012)



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

	Current Period 3 months ended 30- September		Cumulative Period 9 months ended 30- September	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Revenue	50,734	64,987	151,779	185,190
Cost of services	(15,389)	(20,759)	(46,565)	(60,688)
Gross profit	35,345	44,228	105,214	124,502
Interest income	284	295	827	669
Other income	3,116	2,689	7,746	6,410
Distribution expenses	38,745	47,212	113,787	131,581
Administrative expenses	(1,647)	(3,123)	(5,154)	(8,602)
Other expenses	(9,838)	(13,866)	(34,217)	(40,673)
Finance costs	(11,135)	(11,849)	(33,254)	(36,349)
	(2,513)	(2,219)	(6,823)	(7,012)
Profit before tax	13,612	16,155	34,339	38,945
Income tax	(1,374)	(1,051)	(3,898)	(4,220)
Profit for the period	12,238	15,104	30,441	34,725
Profit attributable to:				
Equity holders of the Company	12,242	15,109	30,446	34,739
Non-controlling interests	(4)	(5)	(5)	(14)
	12,238	15,104	30,441	34,725
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	-	(75)	200	(55)
Foreign currency translation reserve	283	(46)	122	(231)
Total comprehensive income for the period	12,521	14,983	30,763	34,439
Total comprehensive income attributable to:				
Equity holders of the Company	12,525	14,988	30,768	34,453
Non-controlling interests	(4)	(5)	(5)	(14)
	12,521	14,983	30,763	34,439
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	1.00	1.22	2.47	2.80
- Fully diluted	1.00	1.22	2.47	2.80

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 September 2020

	As at 30 September 2020	As at 31 December 2019
	(RM'000)	(RM'000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	90,870	92,092
Intangible assets	27,523	27,524
Other investments	625	740
Receivables	1,359	1,350
Right-of-use assets	130,821	122,856
Deferred tax assets	7,851	7,522
	<u>259,049</u>	<u>252,084</u>
CURRENT ASSETS		
Inventories	94	95
Receivables	30,656	31,101
Tax recoverable	249	1,152
Other financial asset	277	273
Deposits, cash and bank balances	84,460	58,692
	<u>115,736</u>	<u>91,313</u>
TOTAL ASSETS	<u>374,785</u>	<u>343,397</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Borrowings	24,973	9,000
Lease liabilities	19,571	23,283
Payables	44,890	56,696
Contract liabilities	28,185	29,687
Provisions	619	619
Current tax liabilities	1,379	255
	<u>119,617</u>	<u>119,540</u>
NET CURRENT LIABILITIES	<u>(3,882)</u>	<u>(28,227)</u>
NON-CURRENT LIABILITIES		
Borrowings	10,153	16,250
Lease liabilities	124,593	109,945
Contract liabilities	1,340	1,306
Payables	2,117	2,671
Deferred tax liabilities	1,361	1,253
	<u>139,564</u>	<u>131,425</u>
TOTAL LIABILITIES	<u>259,181</u>	<u>250,965</u>
NET ASSETS	<u>115,604</u>	<u>92,432</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	147,707	147,707
Treasury shares	(45,191)	(37,486)
Reserves	14,113	(16,769)
	<u>116,629</u>	<u>93,452</u>
NON-CONTROLLING INTERESTS	<u>(1,025)</u>	<u>(1,020)</u>
TOTAL EQUITY	<u>115,604</u>	<u>92,432</u>
TOTAL EQUITY AND LIABILITIES	<u>374,785</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.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 September 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	Retained Profit/ (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	122	-	(7,705)	30,441	23,058	(5)	23,053
Transactions with owners:-									
- Share-based payments	-	-	-	119	-	-	119	-	119
As at 30 September 2020	<u>147,707</u>	<u>-</u>	<u>131</u>	<u>2,088</u>	<u>(45,191)</u>	<u>11,894</u>	<u>116,629</u>	<u>(1,025)</u>	<u>115,604</u>
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	<u>147,707</u>	<u>(120)</u>	<u>93</u>	<u>1,991</u>	<u>(37,486)</u>	<u>(32,716)</u>	<u>79,469</u>	<u>(1,000)</u>	<u>78,469</u>
Total comprehensive income for the period	-	(55)	(231)	-	-	34,725	34,439	(14)	34,425
Transactions with owners:-									
- Share-based payments	-	-	-	197	-	-	197	-	197
As at 30 September 2019	<u>147,707</u>	<u>(175)</u>	<u>(138)</u>	<u>2,188</u>	<u>(37,486)</u>	<u>2,009</u>	<u>114,105</u>	<u>(1,014)</u>	<u>113,091</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 2019.



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

	30 September 2020	30 September 2019
	(RM'000)	(RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	34,339	38,945
Adjustment for:-		
- Non-cash items	29,193	32,049
- Non-operating items	823	861
Operating cash flows before changes in working capital	64,355	71,855
Changes in working capital		
- Decrease in inventories	1	4
- Increase in trade and other receivables	(792)	(9,898)
- Decrease in trade and other payables	(13,829)	(1,050)
Cash generated from operations	49,735	60,911
- Net taxes paid	(2,092)	(3,344)
- Interest received	827	669
- Interest paid	(1,404)	(1,291)
Net cash generated from operating activities	47,066	56,945
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	15	67
- Purchase of property, plant and equipment	(1,980)	(5,877)
- Placement on other investment	(4)	(4)
- Dividend received	32	43
Net cash used in investing activities	(1,937)	(5,771)
<u>Cash flows from financing activities</u>		
- Repayment of hire purchase and financial lease payables	(17,594)	(21,923)
- Drawdown/(Repayment) of loans	5,938	(5,446)
- Purchase of own shares	(7,705)	-
- (Placement)/Withdrawal of deposits with licensed banks and financial institutions with maturity of more than three months	(19)	3,865
Net cash used in financing activities	(19,380)	(23,504)
Net increase in cash and cash equivalents	25,749	27,670
Cash and cash equivalents at beginning of the period	53,562	45,002
Cash and cash equivalents at end of the period	79,311	72,672

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 September 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 September 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 September 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>(12,685,800)</u>
No. of ordinary shares net of treasury shares as at 30 September 2020	<u><u>1,225,828,742</u></u>

During the previous quarter, the Company had repurchased 9,124,500 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 3,561,300 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 September 2020, the total shares bought back of 38,734,400 are held as treasury shares.

8. Dividend paid

On 3 November 2020, the Board of Directors declared an interim single tier dividend of RM0.025 per ordinary share each in respect of the financial year ending 31 December 2020. This interim single tier dividend will be paid on 25 November 2020.

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 September 2020.

11. Changes in composition of the Group

There were no major changes in the composition of the Group during the current quarter ended 30 September 2020.



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12. Changes in contingent liabilities or contingent assets

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

13. Capital Commitment

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

14. Deposits, cash and bank balances

	As at 30 September 2020 (RM'000)
Total deposits, cash and bank balances	84,460
Less: Deposits with licensed banks and financial institution with maturity of more than three months	<u>(5,149)</u>
Total cash and cash equivalents	<u>79,311</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 September 2020, the Group achieved a revenue of RM151.8 million and a profit before taxation of RM34.3 million, a decrease of 18.0% and 11.8 % respectively, as compared to the corresponding period in 2019.

The Group achieved an earnings before interest, tax, depreciation and amortisation (“EBITDA”) of RM66.1 million compared to RM71.6 million in the corresponding period in 2019. This reflects a decrease in 7.7% in EBITDA.

The decrease in revenue and profits as compared to the corresponding period last year is partly due to the challenges in new enrolments due to the border controls which are still in place, affecting the arrival of new international students.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM13.6 million for the quarter under review compared to a profit before tax of RM10.2 million in the preceding quarter partly due to the increase in local new enrolments.

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 Covid-19 pandemic restricting travel and movements, and the slowdown of the general economy, 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.

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 30/9/2020 (RM'000)	Comparative Quarter Ended 30/9/2019 (RM'000)	Cumulative to-date 30/9/2020 (RM'000)	Cumulative to-date 30/9/2019 (RM'000)
Amortisation of development costs	-	-	-	3
Depreciation expense	2,645	2,915	8,178	8,733
Depreciation of right-of-use assets	5,733	5,633	16,744	16,866
Expected credit loss	(797)	(464)	1,086	1,516
Interest expense	448	397	1,404	1,291
Interest expense on lease liabilities	2,065	1,822	5,419	5,721
Interest income	(284)	(295)	(827)	(669)
(Gain)/Loss on disposal of property, plant and equipment	(7)	-	(9)	89
Loss/(Gain) on foreign exchange	895	(56)	118	(132)
Provision of doubtful debts	(138)	(131)	7	(2,146)

6. Income tax

	Current quarter ended 30 September 2020 (RM'000)	Cumulative to-date 30 September 2020 (RM'000)
Current income tax		
- current	2,626	4,117
- prior year	2	2
	<u>2,628</u>	<u>4,119</u>
Deferred income tax		
- current	(1,254)	(210)
- prior year	-	(11)
	<u>(1,254)</u>	<u>(221)</u>
Total	<u>1,374</u>	<u>3,898</u>



7. Status of corporate proposals announced

The Company had on 8 July 2020 announced that it had 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 Company and HCK had obtained approvals for the Proposed Transaction from their respective shareholders at their extraordinary general meetings convened on 23 September 2020 and 25 September 2020, respectively.

8. Borrowing and debt securities

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

	<u>(RM’000)</u>
Current	
- Overdraft	5,589
- Short-term loan	18,500
	<u>24,089</u>
Non-current	
- Long-term loan	9,500
	<u>33,589</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

9. Changes in material litigation

There were no pending material litigations as at 18 November 2020.

10. Dividend

On 3 November 2020, the Board of Directors declared an interim single tier dividend of RM0.025 per ordinary share each in respect of the financial year ending 31 December 2020. This interim single tier dividend will be paid on 25 November 2020.



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 30/9/2020 (RM'000)	Comparative Quarter Ended 30/9/2019 (RM'000)	Cumulative to-date 30/9/2020 (RM'000)	Cumulative to-date 30/9/2019 (RM'000)
Earnings				
Profit after taxation	12,238	15,104	30,441	34,725
Amount attributable to non-controlling interests	4	5	5	14
Profit after taxation attributable to the equity holders of the Company	12,242	15,109	30,446	34,739
Weighted average number of ordinary shares ('000)	1,234,510	1,238,515	1,233,251	1,238,515
Basic earnings per share (sen)	1.00	1.22	2.47	2.80

Diluted earnings per share

Earnings				
Profit after taxation	12,238	15,104	30,441	34,725
Amount attributable to non-controlling interests	4	5	5	14
Profit after taxation attributable to the equity holders of the Company	12,242	15,109	30,446	34,739
Weighted average number of ordinary shares ('000)	1,234,510	1,238,515	1,233,251	1,238,515
Effect of dilution ('000) - Shares Grant Plan ("SGP")	-	-	-	-
Weighted average number of ordinary shares ('000)	1,234,510	1,238,515	1,233,251	1,238,515
Diluted earnings per share (sen)	1.00	1.22	2.47	2.80