



SUMMARY OF KEY FINANCIAL INFORMATION
31 December 2022

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
1 Revenue	50,753	57,133	213,939	223,499
2 Profit before tax	10,811	12,717	45,268	52,263
3 Profit for the year	8,382	11,478	40,112	46,241
4 Profit attributable to ordinary equity holders of the parent	8,382	11,466	40,117	46,233
5 Basic earnings per share (sen)	0.68	0.94	3.27	3.77
6 Proposed/Declared dividend per share (sen)	2.00	-	5.00	1.00
			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)			0.1045	0.1313

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	245	283	798	751
2. Gross interest expense	(1,480)	(1,727)	(6,271)	(7,443)



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Current Period 3 months ended 31 - December		Cumulative Period 12 months ended 31 - December	
	2022 (RM'000)	2021 (RM'000)	2022 (RM'000)	2021 (RM'000)
Revenue	50,753	57,133	213,939	223,499
Cost of services	(17,659)	(22,074)	(77,375)	(78,911)
Gross profit	33,094	35,059	136,564	144,588
Interest income	245	283	798	751
Other income	2,836	3,299	8,831	9,511
Distribution expenses	36,175	38,641	146,193	154,850
Administrative expenses	(1,454)	(1,854)	(6,711)	(6,506)
Other expenses	(9,064)	(10,751)	(41,737)	(44,366)
Finance costs	(13,366)	(11,592)	(46,206)	(44,272)
	(1,480)	(1,727)	(6,271)	(7,443)
Profit before tax	10,811	12,717	45,268	52,263
Income tax	(2,429)	(1,239)	(5,156)	(6,022)
Profit net of tax	8,382	11,478	40,112	46,241
Profit attributable to:				
Equity holders of the Company	8,382	11,466	40,117	46,233
Non-controlling interests	-	12	(5)	8
	8,382	11,478	40,112	46,241
Other comprehensive income, net of tax:				
Items that will not be reclassified subsequently to profit or loss:				
Fair value gain through other comprehensive income ("FVOCI") equity instruments	(5)	5	(5)	5
Revaluation of freehold land and buildings	3,055	-	3,055	22,008
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	323	(181)	236	(181)
Total comprehensive income for the period	11,755	11,302	43,398	68,073
Total comprehensive income attributable to:				
Equity holders of the Company	11,755	11,290	43,403	68,065
Non-controlling interests	-	12	(5)	8
	11,755	11,302	43,398	68,073
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	0.68	0.94	3.27	3.77
- Fully diluted	0.68	0.93	3.27	3.76

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	As at 31 December 2022 (RM'000)	As at 31 December 2021 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	91,981	94,424
Investment properties	7,000	6,747
Intangible assets	26,989	27,210
Other investments	585	660
Receivables	5,996	4,873
Right-of-use assets	109,062	118,909
Deferred tax assets	10,302	8,939
	<u>251,915</u>	<u>261,762</u>
CURRENT ASSETS		
Inventories	104	86
Receivables	29,664	25,576
Tax recoverable	1,874	3,181
Other financial asset	283	280
Deposits, cash and bank balances	92,914	118,453
	<u>124,839</u>	<u>147,576</u>
TOTAL ASSETS	<u>376,754</u>	<u>409,338</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Borrowings	15,598	23,058
Lease liabilities	20,155	22,639
Payables	51,545	57,437
Contract liabilities	27,108	30,043
Provisions	81	120
Current tax liabilities	1,121	744
Dividend payable	24,480	-
	<u>140,088</u>	<u>134,041</u>
NET CURRENT (LIABILITIES)/ASSETS	<u>(15,249)</u>	<u>13,535</u>
NON-CURRENT LIABILITIES		
Lease liabilities	98,730	105,351
Payables	2,282	2,007
Contract liabilities	1,153	1,134
Provisions	350	406
Deferred tax liabilities	7,274	6,517
	<u>109,789</u>	<u>115,415</u>
TOTAL LIABILITIES	<u>249,877</u>	<u>249,456</u>
NET ASSETS	<u>126,877</u>	<u>159,882</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	148,458	147,707
Treasury shares	(47,095)	(45,191)
Reserves	26,536	58,383
	<u>127,899</u>	<u>160,899</u>
NON-CONTROLLING INTERESTS	<u>(1,022)</u>	<u>(1,017)</u>
TOTAL EQUITY	<u>126,877</u>	<u>159,882</u>
TOTAL EQUITY AND LIABILITIES	<u>376,754</u>	<u>409,338</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	31 December 2022 (RM'000)	31 December 2021 (RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	45,268	52,263
Adjustment for:-		
- Non-cash items	30,915	22,860
- Non-operating items	6,953	7,816
Operating cash flows before changes in working capital	83,136	82,939
Changes in working capital		
- Increase in inventories	(18)	(1)
- (Increase)/decrease in trade and other receivables	(5,837)	3,969
- (Decrease)/increase in trade and other payables	(8,508)	24,769
Cash generated from operations	68,773	111,676
- Net taxes paid	(4,921)	(8,741)
- Interest paid	(6,271)	(7,443)
Net cash generated from operating activities	57,581	95,492
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	73	273
- Interest received	798	751
- Purchase of property, plant and equipment	(3,109)	(1,392)
- Gain on other investment	(2)	-
- Dividend received	39	57
Net cash used in investing activities	(2,201)	(311)
<u>Cash flows from financing activities</u>		
- Payment of principal portion of lease liabilities	(22,517)	(21,309)
- Net repayment of borrowings	(7,460)	(8,464)
- Purchase of own shares	(1,904)	-
- Dividend paid	(49,037)	-
- Withdrawal/(placement) of deposits with licensed banks and financial institutions with maturity of more than three months	(125)	(171)
Net cash used in financing activities	(81,043)	(29,944)
Net (decrease)/increase in cash and cash equivalents	(25,663)	65,237
Cash and cash equivalents at beginning of the year	112,958	47,721
Cash and cash equivalents at end of the year	87,295	112,958

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Non-Distributable					Distributable				Total Equity RM'000
	Share Capital RM'000	Fair Value Reserve of Financial Asset at FVOCI RM'000	Assets Revaluation Surplus RM'000	Exchange Translation Reserve RM'000	Share- Based Payment Reserve RM'000	Treasury Shares RM'000	Retained Profits/(Accu- mulated Loss) RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	
As at 1 January 2022	147,707	5	21,902	12	2,527	(45,191)	33,937	160,899	(1,017)	159,882
Profit for the year	-	-	-	-	-	-	40,117	40,117	(5)	40,112
<u>Other comprehensive income for the period, net of tax</u>	-	-	-	-	-	-	-	-	-	-
Revaluation of freehold land and buildings	-	-	3,055	-	-	-	-	3,055	-	3,055
Fair value gain on financial assets	-	(5)	-	-	-	-	-	(5)	-	(5)
Foreign currency translation differences	-	-	-	236	-	-	-	236	-	236
Total comprehensive income for the period	-	(5)	3,055	236	-	-	40,117	43,403	(5)	43,398
Depreciation transfer for buildings to retained profits	-	-	(561)	-	-	-	561	-	-	-
Deferred tax impact transfer on revaluation of freehold land and buildings	-	-	135	-	-	-	(135)	-	-	-
Transactions with owners:-										
- Purchase of treasury shares	-	-	-	-	-	(1,904)	-	(1,904)	-	(1,904)
- Share-based payments	751	-	-	-	(1,886)	-	153	(982)	-	(982)
- Dividend declared/paid	-	-	-	-	-	-	(73,517)	(73,517)	-	(73,517)
As at 31 December 2022	148,458	-	24,531	248	641	(47,095)	1,116	127,899	(1,022)	126,877
As at 1 January 2021	147,707	-	-	193	1,991	(45,191)	(12,402)	92,298	(1,025)	91,273
Profit for the year	-	-	-	-	-	-	46,233	46,233	8	46,241
<u>Other comprehensive income for the period, net of tax</u>	-	-	-	-	-	-	-	-	-	-
Revaluation of freehold land and buildings	-	-	22,008	-	-	-	-	22,008	-	22,008
Fair value gain on financial assets	-	5	-	-	-	-	-	5	-	5
Foreign currency translation differences	-	-	-	(181)	-	-	-	(181)	-	(181)
Total comprehensive income for the year	-	5	22,008	(181)	-	-	46,233	68,065	8	68,073
Depreciation transfer for buildings to retained profits	-	-	(139)	-	-	-	139	-	-	-
Deferred tax impact transfer on revaluation of freehold land and buildings	-	-	33	-	-	-	(33)	-	-	-
Transactions with owners:-										
- Share-based payments	-	-	-	-	536	-	-	536	-	536
As at 31 December 2021	147,707	5	21,902	12	2,527	(45,191)	33,937	160,899	(1,017)	159,882

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021.



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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 2021. 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 2021.

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 2021, except for the following:

Standards, Amendments and Annual Improvements to Standards effective for the financial years beginning on or after 1 January 2022

Description

Annual improvements to MFRS standards 2018 - 2020

Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 3 – Reference to the Conceptual Framework

Amendments to MFRS 137 – Onerous Contracts - Cost of Fulfilling a Contract

The adoption of the above Amendments to MFRS did not have any material effect on the financial statements in the period of initial application.



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
Amendments to MFRS 17 Insurance Contract	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128 Sales 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 2021 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 year ended 31 December 2022.

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 2022.



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 2022 except the following:

	No. of ordinary shares
No. of ordinary shares net of treasury shares as at 1 January 2022	1,225,828,742
Add: Shares issued pursuant to the vesting of Performance Share Plan ("PSP") grants	1,178,900
Less: Purchase of Company's own ordinary shares	(3,006,500)
No. of ordinary shares net of treasury shares as at 31 December 2022	<u>1,224,001,142</u>

During the current quarter, the Company issued 297,400 shares pursuant to the vesting of PSP. The Company had also repurchased 1,506,500 of its own ordinary shares from the open market at an average price of RM0.63 per share.

During the previous quarters, the Company issued 881,500 shares pursuant to the vesting of PSP. The Company had also repurchased 1,500,000 of its own ordinary shares from the open market at an average price of RM0.64 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 31 December 2022, the total shares bought back of 41,740,900 are held as treasury shares.

8. Dividends paid

During the current quarter:

On 28 December 2022, the Board of Directors declared a second interim dividend of RM0.02 per ordinary share each in respect of the financial year ended 31 December 2022. This second interim dividend amounting to RM24.5 million was paid on 20 January 2023.

During the previous quarters:

On 29 April 2022, the Board of Directors recommended the payment of a first and final dividend of RM0.01 per ordinary share each in respect of the financial year ended 31 December 2021. This first and final dividend amounting to RM12.3 million was approved in the Annual General Meeting held on 15 June 2022 and paid on 8 July 2022.

On 2 January 2022, the Board of Directors declared an interim dividend of RM0.03 per ordinary share each in respect of the financial year ended 31 December 2022. This interim dividend amounting to RM36.8 million was paid on 25 January 2022.



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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 year ended 31 December 2022.

11. Changes in composition of the Group

On 11 November 2022, the Company through its wholly-owned subsidiary, E-Frontier Sdn Bhd, acquired a wholly-owned subsidiary, VIP Innovations Sdn Bhd for a purchase consideration of RM1.

During the previous quarters, the following changes were made in the composition:

On 15 September 2022, the Company through its wholly-owned subsidiary, IAQ Accreditation Agency Sdn Bhd, incorporated a wholly-owned subsidiary, Global Academic Quality Evaluation Consultancy FZCO with a paid-up capital of AED300,000 in UAE.

On 5 September 2022, the Company through its wholly-owned subsidiary, E-Frontier Sdn Bhd, incorporated a wholly-owned subsidiary, E Verse Platforms FZCO, with a paid-up capital of AED300,000 in UAE.

On 15 April 2022, the Company through its wholly-owned subsidiary, SEGi Digital Sdn Bhd., acquired a wholly-owned subsidiary, E-Frontier Sdn Bhd for a purchase consideration of RM1.

12. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 31 December 2022.



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13. Capital Commitment

Authorised capital expenditure not provided for in the financial statements as at 31 December 2022.

(RM'000)

Approved and contracted for
Equipment – software

2,530

14. Deposits, cash and bank balances

As at
31 December 2022
(RM'000)

Total deposits, cash and bank balances
Less: Deposits with licensed banks and financial institution
with maturity of more than three months
Total cash and cash equivalents

92,914

(5,619)

87,295



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

1. Review of performance

The Group recorded a revenue of RM213.9 million and a profit before taxation of RM45.3 million, for the financial year ended 31 December 2022 as compared to a revenue of RM223.5 million and profit before taxation of RM52.3 million in the previous financial year, representing a decrease of 4% and 13% respectively.

The slight decline was mainly due to the graduating batches of postgraduate foreign students enrolled with the Group's institutions intakes in the previous financial years, whereas new enrolments are only expected to pick up in 2023 coinciding with the borders reopening, particularly China's.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM10.8 million for the quarter under review as compared to a profit before tax of RM11.4 million in the preceding quarter.

3. Prospects for 2023

The Group's proactive measures, coupled with digitalisation initiatives, has sustained the Group through the pandemic years and will hopefully help propel it to be a stronger organisation in the coming years. The Group is also expanding the breath of its offerings beyond tertiary education to now include K-12 education, skill-based and other certification programmes. With adaptability and agility learnt from recent years, we should expect better resilience and better results in the immediate future.

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 31/12/2022 (RM'000)	Comparative Quarter Ended 31/12/2021 (RM'000)	Cumulative to-date 31/12/2022 (RM'000)	Cumulative to-date 31/12/2021 (RM'000)
Allowance for ECL on trade receivables	117	(297)	626	603
Depreciation expense	1,952	2,208	8,147	9,109
Depreciation of right-of-use assets	5,872	6,132	23,490	23,371
Interest expense	88	146	365	699
Interest expense on lease liabilities	1,392	1,581	5,906	6744
Interest income	(245)	(283)	(798)	(751)
Gain on disposal of property, plant and equipment	(11)	(14)	(29)	(101)
Gain on foreign exchange	593	(85)	(928)	(487)
Bad debts written offs	-	3	-	3
Provision of impairment in PPE	1,000	-	1,000	-

6. Income tax

	Current quarter ended 31 December 2022 (RM'000)	Cumulative to-date 31 December 2022 (RM'000)
Current income tax		
- current	(28)	6,622
- prior year	(68)	(16)
	(96)	6,606
Deferred income tax		
- current	2,352	(1,623)
- prior year	173	173
	2,525	(1,450)
Total	2,429	5,156



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7. Status of corporate proposals announced

On 28 December 2022, SEGi EduHub Sdn Bhd, a wholly owned subsidiary of the Company, entered into a conditional share sale agreement with Global Activate Sdn Bhd for the acquisition of 1,000,000 shares in Peninsula Education Sdn Bhd (“PESB”) shares, representing 100% of the equity interest in PESB for a purchase consideration of RM500,000 to be satisfied entirely via cash. The principal activities of PESB are the provision of K-12 education services.

On 28 December 2022, SEGi EduHub Sdn Bhd entered into a conditional share sale agreement with HCK Education Sdn Bhd for the acquisition of 5,087,853 shares in Imperial Education (Ipoh) Sdn Bhd (“IEISB”) shares, representing 100% of the equity interest in IEISB for a purchase consideration of RM200,000 to be satisfied entirely via cash. The principal activities of IEISB are the provision of K-12 education services.

The above mentioned acquisitions were completed on 1 February 2023 and PESB and IEISB are subsidiary companies to the Group effective 1 February 2023.

8. Borrowing and debt securities

The Group’s borrowings as at 31 December 2022 are as follows:

	(RM’000)
Current	
- Overdraft - secured	6,098
- Other short-term borrowings - unsecured	9,500
	<hr/> 15,598
Non-current	
- Long-term borrowings	-
	<hr/> 15,598

The above borrowings are denominated in Ringgit Malaysia.

9. Changes in material litigation

There were no pending material litigations as at 26 February 2023.



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10. Dividend

During the current quarter:

On 28 December 2022, the Board of Directors declared a second interim dividend of RM0.02 per ordinary share each in respect of the financial year ended 31 December 2022. This second interim dividend amounting to RM24.5 million was paid on 20 January 2023.

During the previous quarters:

On 29 April 2022, the Board of Directors recommended the payment of a first and final dividend of RM0.01 per ordinary share each in respect of the financial year ended 31 December 2021. This first and final dividend amounting to RM12.3 million was approved in the Annual General Meeting held on 15 June 2022 and paid on 8 July 2022.

On 2 January 2022, the Board of Directors declared an interim dividend of RM0.03 per ordinary share each in respect of the financial year ended 31 December 2022. This interim dividend amounting to RM36.8 million was paid on 25 January 2022.



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 31/12/2022 (RM'000)	Comparative Quarter Ended 31/12/2021 (RM'000)	Cumulative to-date 31/12/2022 (RM'000)	Cumulative to-date 31/12/2021 (RM'000)
Earnings				
Profit after taxation	8,382	11,478	40,112	46,241
Amount attributable to non-controlling interests	-	(12)	5	(8)
Profit after taxation attributable to the equity holders of the Company	8,382	11,466	40,117	46,233
Weighted average number of ordinary shares ('000)	1,224,237	1,225,829	1,225,525	1,225,829
Basic earnings per share (sen)	0.68	0.94	3.27	3.77

Diluted earnings per share

Earnings				
Profit after taxation	8,382	11,478	40,112	46,241
Amount attributable to non-controlling interests	-	(12)	5	(8)
Profit after taxation attributable to the equity holders of the Company	8,382	11,466	40,117	46,233
Weighted average number of ordinary shares ('000)	1,224,237	1,225,829	1,225,525	1,225,829
Effect of dilution ('000)				
- Shares Grant Plan ("SGP")	1,395	4,451	1,395	4,451
Weighted average number of ordinary shares ('000)	1,225,632	1,230,280	1,226,920	1,230,280
Diluted earnings per share (sen)	0.68	0.93	3.27	3.76