



SUMMARY OF KEY FINANCIAL INFORMATION
30 June 2023

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
1 Revenue	47,493	53,412	93,491	108,360
2 Profit before tax	2,515	12,548	7,793	23,047
3 Profit for the period	2,391	11,941	6,988	20,595
4 Profit attributable to ordinary equity holders of the parent	2,392	11,939	6,989	20,591
5 Basic earnings per share (sen)	0.20	0.97	0.57	1.68
6 Proposed/Declared dividend per share (sen)	-	1.00	-	4.00
			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)			0.1102	0.1045
ADDITIONAL INFORMATION				
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	171	138	365	355
2. Gross interest expense	(2,124)	(1,596)	(4,171)	(3,258)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2023

	Current Period 3 months ended 30 - June		Cumulative Period 6 months ended 30 - June	
	2023	2022	2023	2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	47,493	53,412	93,491	108,360
Cost of services	(18,592)	(18,673)	(34,307)	(40,144)
Gross profit	28,901	34,739	59,184	68,216
Interest income	171	138	365	355
Other income	1,631	2,554	3,112	4,446
	30,703	37,431	62,661	73,017
Distribution expenses	(2,355)	(1,874)	(4,040)	(3,408)
Administrative expenses	(10,476)	(10,298)	(20,865)	(21,360)
Other expenses	(13,233)	(11,115)	(25,792)	(21,944)
Finance costs	(2,124)	(1,596)	(4,171)	(3,258)
Profit before tax	2,515	12,548	7,793	23,047
Income tax	(124)	(607)	(805)	(2,452)
Profit net of tax	2,391	11,941	6,988	20,595
Profit for the period	2,391	11,941	6,988	20,595
Profit attributable to:				
Equity holders of the Company	2,392	11,939	6,989	20,591
Non-controlling interests	(1)	2	(1)	4
	2,391	11,941	6,988	20,595
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	(89)	(5)	(120)	(5)
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	71	62	30	226
Total comprehensive income for the period	2,372	11,998	6,897	20,816
Total comprehensive income attributable to:				
Equity holders of the Company	2,373	11,996	6,898	20,812
Non-controlling interests	(1)	2	(1)	4
	2,372	11,998	6,897	20,816
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	0.20	0.97	0.57	1.68
- Fully diluted	0.20	0.97	0.57	1.67

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	As at 30 June 2023 (RM'000)	As at 31 December 2022 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	94,365	91,981
Investment properties	6,953	7,000
Intangible assets	29,593	26,989
Other investments	465	585
Receivables	6,198	5,996
Right-of-use assets	161,474	109,062
Deferred tax assets	9,843	10,302
	<u>308,891</u>	<u>251,915</u>
CURRENT ASSETS		
Inventories	73	104
Receivables	30,901	28,219
Tax recoverable	4,016	1,874
Other financial asset	287	284
Deposits, cash and bank balances	70,299	92,913
	<u>105,576</u>	<u>123,394</u>
TOTAL ASSETS	<u>414,467</u>	<u>375,309</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Borrowings	15,644	15,598
Lease liabilities	25,307	20,155
Payables	48,936	49,745
Contract liabilities	31,096	27,179
Provisions	-	81
Current tax liabilities	467	1,121
Dividend payable	-	24,480
	<u>121,450</u>	<u>138,359</u>
NET CURRENT LIABILITIES	<u>(15,874)</u>	<u>(14,965)</u>
NON-CURRENT LIABILITIES		
Lease liabilities	149,292	98,730
Payables	1,533	2,479
Contract liabilities	1,368	1,153
Provisions	519	437
Deferred tax liabilities	6,505	7,274
	<u>159,217</u>	<u>110,073</u>
TOTAL LIABILITIES	<u>280,667</u>	<u>248,432</u>
NET ASSETS	<u>133,800</u>	<u>126,877</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	148,458	148,458
Treasury shares	(47,379)	(47,095)
Reserves	33,744	26,536
	<u>134,823</u>	<u>127,899</u>
NON-CONTROLLING INTERESTS	<u>(1,023)</u>	<u>(1,022)</u>
TOTAL EQUITY	<u>133,800</u>	<u>126,877</u>
TOTAL EQUITY AND LIABILITIES	<u>414,467</u>	<u>375,309</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 30 June 2023

	30 June 2023 (RM'000)	30 June 2022 (RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	7,793	23,047
Adjustment for:-		
- Non-cash items	16,627	17,812
- Non-operating items	3,632	4,048
Operating cash flows before changes in working capital	28,052	44,907
Changes in working capital		
- Decrease/(increase) in inventories	31	(35)
- Increase in trade and other receivables	(2,972)	(2,793)
- Increase/(decrease) in trade and other payables	2,378	(509)
Cash generated from operations	27,489	41,570
- Net taxes paid	(3,932)	(1,681)
- Interest paid	(4,171)	(3,258)
Net cash generated from operating activities	19,386	36,631
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	8	13
- Interest received	365	355
- Purchase of property, plant and equipment	(3,441)	(924)
- Gain on other investment	-	(2)
- Dividend received	18	22
Net cash used in investing activities	(3,050)	(536)
<u>Cash flows from financing activities</u>		
- Payment of principal portion of lease liabilities	(14,232)	(14,206)
- Net drawdown/(repayment) of borrowings	46	(4,549)
- Purchase of own shares	(284)	-
- Dividend paid	(24,480)	(36,775)
- Withdrawal/(placement) of deposits with licensed banks and financial institutions with maturity of more than three months	(28)	140
Net cash used in financing activities	(38,978)	(55,390)
Net decrease in cash and cash equivalents	(22,642)	(19,295)
Cash and cash equivalents at beginning of the period	87,293	112,958
Cash and cash equivalents at end of the period	64,651	93,663

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2023

	← Non-Distributable					Distributable →				
	Share Capital RM'000	Treasury Shares 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	Retained Profits/(Accu- mulated Loss) RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
As at 1 January 2023	148,458	(47,095)	(70)	24,531	248	1,546	281	127,899	(1,022)	126,877
Profit for the period	-	-	-	-	-	-	6,988	6,989	(1)	6,988
<u>Other comprehensive income for the period, net of tax</u>	-	-	-	-	-	-	-	-	-	-
Fair value gain on financial assets	-	-	(121)	-	-	-	-	(121)	-	(121)
Foreign currency translation differences	-	-	-	-	30	-	-	30	-	30
Total comprehensive income for the period	-	-	(121)	-	30	-	6,988	6,897	(1)	6,896
Depreciation transfer for buildings to retained profits	-	-	-	(402)	-	-	402	-	-	-
Deferred tax impact transfer on revaluation of freehold land and buildings	-	-	-	79	-	-	(79)	-	-	-
Transactions with owners:-										
- Purchase of treasury shares	-	(284)	-	-	-	-	-	(284)	-	(284)
- Share-based payments	-	-	-	-	-	312	-	312	-	312
As at 30 June 2023	148,458	(47,379)	(191)	24,208	278	1,858	7,592	134,823	(1,023)	133,800
As at 1 January 2022	147,707	(45,191)	5	21,902	12	2,527	33,937	160,899	(1,017)	159,882
Profit for the period	-	-	(5)	-	-	-	20,591	20,586	4	20,590
<u>Other comprehensive income for the period, net of tax</u>	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	226	-	-	226	-	226
Total comprehensive income for the year	-	-	(5)	-	226	-	20,591	20,812	4	20,816
Depreciation transfer for buildings to retained profits	-	-	-	(70)	-	-	70	-	-	-
Deferred tax impact transfer on revaluation of freehold land and buildings	-	-	-	16	-	-	(16)	-	-	-
Transactions with owners:-										
- Share-based payments	267	-	-	-	-	(112)	157	312	-	312
- Dividend paid	-	-	-	-	-	-	(49,037)	(49,037)	-	(49,037)
As at 30 June 2022	147,974	(45,191)	-	21,848	238	2,415	5,702	132,986	(1,013)	131,973

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022.



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 2022. 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 2022.

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 2022, except for the following:

Standards, Amendments and Annual Improvements to Standards effective for the financial periods beginning on or after 1 January 2023

Description	Effective for annual periods beginning on or after
Amendments to MFRS 17 - Insurance Contract	1 January 2023
Amendments to MFRS 17 – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 to MFRS 112 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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 101 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101 – Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments 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 2022 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 period ended 30 June 2023.

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 2023.



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 2023 except the following:

	No. of ordinary shares
No. of ordinary shares net of treasury shares as at 1 January 2023	1,224,001,142
Less: Purchase of Company's own ordinary shares	<u>(428,000)</u>
No. of ordinary shares net of treasury shares as at 30 June 2023	<u>1,223,573,142</u>

In the previous quarter, the Company repurchased 428,000 of its own ordinary shares from the open market at an average price of RM0.66 per share.

The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

8. Dividends paid

No dividend has been declared during the quarter under review.

On 20 July 2023, the Board of Directors declared a first interim dividend of RM0.013 per ordinary share each in respect of the financial year ending 31 December 2023. This first interim dividend amounting to RM15.9 million will be paid on 18 August 2023.

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.

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 2023.



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11. Changes in composition of the Group

On 28 December 2022, SEGi EduHub Sdn Bhd (“SESB”) (now known as SEGi K12 Hub 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, SESB 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.

12. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 30 June 2023.

13. Capital Commitment

There were no material capital commitments approved and contracted for as at 30 June 2023.

14. Deposits, cash and bank balances

	As at 30 June 2023 (RM'000)
Total deposits, cash and bank balances	70,299
Less: Deposits with licensed banks and financial institution with maturity of more than three months	<u>(5,648)</u>
Total cash and cash equivalents	<u><u>64,651</u></u>



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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 RM93.5 million and a profit before taxation of RM7.8 million, for the financial period ended 30 June 2023, a decrease of 13.7% and 66.2% respectively as compared to the corresponding period in 2022.

The decline was mainly due to the large graduating batches of postgraduate foreign students enrolled with the Group's institutions intakes in the previous financial years. The year-over-year (YOY) revenue decline in percentage has also reduced as compared to 1Q 2023 with new enrolments picking up for intakes in the second half of 2023.

The decrease in profit before taxation, is also contributed by costs increase mainly from increase in depreciation of right-of-use assets and lease interest expenses with the new lease terms for a few campus buildings.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM2.5 million for the quarter under review as compared to a profit before tax of RM5.3 million in the preceding quarter. The decline in profit before tax is mainly due to the last batches of large number of graduating students as explained above. The Group is seeing stronger new student enrolments for the second half of 2023, which is expected to improve the profitability of the Group in the subsequent periods.

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 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 30/06/2023 (RM'000)	Comparative Quarter Ended 30/06/2022 (RM'000)	Cumulative to-date 30/06/2023 (RM'000)	Cumulative to-date 30/06/2022 (RM'000)
Allowance/(reversal) for ECL on trade receivables	(33)	(36)	(61)	(109)
Depreciation expense	2,104	2,058	4,191	4,164
Depreciation of right-of-use assets	7,248	5,870	13,989	11,740
Interest expense	99	92	132	202
Interest expense on lease liabilities	2,025	1,504	4,039	3,056
Interest income	(172)	(138)	(365)	(355)
Loss/(Gain) on disposal of property, plant and equipment	(7)	-	19	(5)
Gain on foreign exchange	(134)	(637)	(148)	(838)

6. Income tax

	Current quarter ended 30 June 2023 (RM'000)	Cumulative to-date 30 June 2023 (RM'000)
Current income tax		
- current	165	1,136
- prior year	-	-
	<hr/> 165	<hr/> 1,136
Deferred income tax		
- current	(41)	(331)
- prior year	-	-
	<hr/> (41)	<hr/> (331)
Total	<hr/> 124	<hr/> 805



7. Status of corporate proposals announced

On 28 December 2022, SEGi EduHub Sdn Bhd, (“SESB”) (now known as SEGi K12 Hub 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, SESB 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 30 June 2023 are as follows:

	(RM’000)
Current	
- Overdraft - secured	6,144
- Other short-term borrowings - unsecured	9,500
	<hr/> 15,644
Non-current	
- Long-term borrowings	-
	<hr/> <hr/> 15,644

The above borrowings are denominated in Ringgit Malaysia.

9. Changes in material litigation

There were no pending material litigations as at 15 Aug 2023.

10. Dividend

No dividend has been declared during the quarter under review.

On 20 July 2023, the Board of Directors declared a first interim dividend of RM0.013 per ordinary share each in respect of the financial year ending 31 December 2023. This first interim dividend amounting to RM15.9 million will be paid on 18 August 2023.

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.



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 30/06/2023 (RM'000)	Comparative Quarter Ended 30/06/2022 (RM'000)	Cumulative to-date 30/06/2023 (RM'000)	Cumulative to-date 30/06/2022 (RM'000)
Earnings				
Profit after taxation	2,391	11,941	6,988	20,595
Amount attributable to non-controlling interests	1	(2)	1	(4)
Profit after taxation attributable to the equity holders of the Company	2,392	11,939	6,989	20,591
Weighted average number of ordinary shares ('000)	1,223,197	1,226,163	1,223,597	1,225,997
Basic earnings per share (sen)	0.20	0.97	0.57	1.68

Diluted earnings per share

Earnings				
Profit after taxation	2,391	11,941	6,988	20,595
Amount attributable to non-controlling interests	1	(2)	1	(4)
Profit after taxation attributable to the equity holders of the Company	2,392	11,939	6,989	20,591
Weighted average number of ordinary shares ('000)	1,223,197	1,226,163	1,223,597	1,225,997
Effect of dilution ('000) - Shares Grant Plan ("SGP")	1,395	4,451	1,395	4,451
Weighted average number of ordinary shares ('000)	1,224,592	1,230,614	1,224,992	1,230,448
Diluted earnings per share (sen)	0.20	0.97	0.57	1.67