

SUMMARY OF KEY FINANCIAL INFORMATION
30 September 2006

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2006	30/09/2005	30/09/2006	30/09/2005
	RM'000	RM'000	RM'000	RM'000
1 Revenue	18,139	20,652	48,693	57,588
2 Profit/(loss) before tax	894	1,095	3,415	1,270
3 Profit/(loss) for the period	604	876	2,607	1,016
4 Profit/(loss) attributable to ordinary equity holders of the parent	667	930	2,783	1,231
5 Basic earnings per share (sen)	0.76	1.04	3.17	1.38
6 Proposed/Declared dividend per share (sen)	0.00	0.00	0.00	0.00
			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)			1.7478	1.7214

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2006	30/09/2005	30/09/2006	30/09/2005
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	(68)	75	(9)	500
2. Gross interest expense	(1,070)	(1,851)	(4,831)	(4,431)

CONDENSED CONSOLIDATED BALANCE SHEET
At 30 September 2006

	As at 30 Sept 06 (RM'000)	As at 31 Dec 05 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	159,836	173,159
Investment in associates	1,850	1,850
Other investments	8,970	8,970
Intangible assets	30,539	31,216
Deferred tax assets	94	94
	<u>201,289</u>	<u>215,289</u>
Current assets		
Inventories	187	104
Trade receivables	30,038	46,414
Other receivables	39,593	35,159
Other investments	115	115
Tax recoverable	2,248	1,703
Cash and cash equivalents	7,067	2,531
	<u>79,248</u>	<u>86,026</u>
TOTAL ASSETS	<u>280,537</u>	<u>301,315</u>
EQUITY AND LIABILITIES		
Equity attributable to Shareholders of the Company		
Share Capital	89,093	89,093
Treasury Shares	(1,779)	(961)
Reserves	64,947	63,426
	<u>152,261</u>	<u>151,558</u>
Minority interest	512	697
Total equity	<u>152,773</u>	<u>152,255</u>
Non-current liabilities		
Borrowings	104,171	107,182
Deferred tax liabilities	2,023	2,023
	<u>106,194</u>	<u>109,205</u>
Current liabilities		
Other payables	17,774	18,256
Borrowings	3,259	20,711
Taxation	537	888
	<u>21,570</u>	<u>39,855</u>
Total liabilities	<u>127,764</u>	<u>149,060</u>
TOTAL EQUITY AND LIABILITIES	<u>280,537</u>	<u>301,315</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

CONDENSED CONSOLIDATED INCOME STATEMENT
for the period ended 30 September 2006

	Current Period 3 months ended 30 Sept		Cumulative Period 9 months ended 30 Sept	
	2006 (RM'000)	2005 (RM'000)	2006 (RM'000)	2005 (RM'000)
Revenue - services	18,139	20,652	48,693	57,588
Cost of services	(5,065)	(5,693)	(13,226)	(16,035)
Gross profit	13,074	14,959	35,467	41,553
Operating expenses	(12,742)	(12,073)	(32,923)	(37,727)
Other operating expenses	(2,090)	(963)	(2,090)	(963)
Other operating income	3,790	948	7,801	2,338
Profit from operations	2,032	2,871	8,255	5,201
Finance costs	(1,070)	(1,851)	(4,831)	(4,431)
Interest income	(68)	75	(9)	500
Profit before tax	894	1,095	3,415	1,270
Income tax expense	(290)	(219)	(808)	(254)
Profit for the period	604	876	2,607	1,016
Attributable to :				
Shareholders of the Company	667	930	2,783	1,231
Minority interests	(63)	(54)	(176)	(215)
	604	876	2,607	1,016
Earnings per share				
- Basic (sen)	0.76	1.04	3.17	1.38
- Diluted (sen)	0.76	1.04	3.17	1.37

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 September 2006

	← Attributable to Shareholders of the Company →							Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Distributable		Minority Interests RM'000	
			Share Premium RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000		
Balance as at 1 January 2006	89,093	(961)	35,876	2,077	25,473	151,558	697	152,255
Net profit for the period	-	-	-	-	2,783	2,783	(176)	2,607
Purchase of Treasury Shares	-	(818)	-	-	-	(818)	-	(818)
Purchase of additional interest in subsidiary	-	-	-	-	-	-	(9)	(9)
Dividend paid - 2005	-	-	-	-	(1,262)	(1,262)	-	(1,262)
Balance as at 30 Sept 2006	<u>89,093</u>	<u>(1,779)</u>	<u>35,876</u>	<u>2,077</u>	<u>26,994</u>	<u>152,261</u>	<u>512</u>	<u>152,773</u>
Balance as at 1 January 2005	88,647	-	35,264	2,102	29,060	155,073	1,517	156,590
Net profit for the period	-	-	-	-	1,231	1,231	(215)	1,016
Issue of shares under ESOS	46	-	26	-	-	72	-	72
Issue of shares under private placement	400	-	600	-	-	1,000	-	1,000
Corporate exercise expenses	-	-	(14)	-	-	(14)	-	(14)
Purchase of Treasury Shares	-	(151)	-	-	-	(151)	-	(151)
Purchase of additional interest in subsidiary	-	-	-	-	-	-	(139)	(139)
Dividend paid - 2004	-	-	-	-	(3,848)	(3,848)	-	(3,848)
Balance as at 30 Sept 2005	<u>89,093</u>	<u>(151)</u>	<u>35,876</u>	<u>2,102</u>	<u>26,443</u>	<u>153,363</u>	<u>1,163</u>	<u>154,526</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 2005.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the period ended 30 September 2006**

	30 Sept 2006 (RM'000)	30 Sept 2005 (RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	3,415	1,270
Adjustment for non-cash flow:-		
- Non cash items	3,542	6,006
- Non-operating items	4,092	3,931
Operating profit before working capital changes	11,049	11,207
Changes in working capital		
- Net change in current assets	11,361	(9,920)
- Net change in current liabilities	(484)	(2,018)
Cash generated from/(used in) operations	21,926	(731)
- Income taxes paid	(1,205)	(2,739)
- Net interest	(4,831)	(3,931)
Net cash generated from/(used in) operating activities	15,890	(7,401)
<u>Cash flows from investing activities</u>		
- Net equity investments	(138)	(415)
- Purchase of treasury shares	(818)	(151)
- Proceeds from disposal of property, plant and equipment	67,012	3,806
- Purchase of property, plant and equipment	(55,686)	(20,983)
Net cash generated from/(used in) investing activities	10,370	(17,743)
<u>Cash flows from financing activities</u>		
- Net proceeds from issuance of shares	-	1,072
- Corporate exercise expenses	-	(14)
- Net proceeds from /(repayment of) borrowings	(5,156)	12,382
- Dividend paid	(1,262)	(3,848)
Net cash (used in)/generated from financing activities	(6,418)	9,592
Net increase/(decrease) in cash and cash equivalents	19,842	(15,552)
Cash and cash equivalents at beginning of the period	(15,101)	391
Cash and cash equivalents at end of the period	4,741	(15,161)

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

Notes to interim financial report

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: *Interim Financial Reporting* and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2005 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2006 annual financial statements. Details of these changes in accounting policies are set out in Note 2.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2005. These 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 2005.

2. Changes of accounting policies

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs, which term collectively includes the MASB's Issues Committee's Interpretations) that are effective for accounting periods beginning on or after 1 January 2006.

The FRSs that will be effective in the annual financial statements for the year ending 31 December 2006 may be affected by the issue of additional interpretation(s) or other changes announced by the MASB subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group's financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 January 2006 which have been reflected in this interim financial report.



(a) Amortisation of goodwill and negative goodwill (FRS 3, *Business Combinations* FRS 136, *Impairment of Assets* and FRS 138, *Intangible Assets*)

In prior periods, goodwill was amortised from the date of initial recognition over its estimated useful life of not more than twenty-five (25) years and was subject to impairment testing when there were indications of impairment.

With effect from 1 January 2006, in accordance with FRS 3 and FRS 136, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill have been allocated exceeds its recoverable amount.

Also with effect from 1 January 2006 and in accordance with FRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous policy), the excess is recognised immediately in the income statement as it arises.

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under FRS 3. As a result, comparative amounts have not been restated, the cumulative amount of amortisation as of 1 January 2006 has been offset against the cost of the goodwill and no amortisation charge for goodwill has been recognised in the income statement for the six months ended 30 September 2006. This has increased the Group's profit after tax for the nine months ended 30 September 2006 by RM1,128,000.

The change in policy relating to negative goodwill had no effect on the interim financial report as there was no negative goodwill deferred as at 31 December 2005.

(b) Changes in presentation (FRS 101, *Presentation of Financial Statements* and FRS 127, *Consolidated and Separate Financial Statements*) – *Minority Interests*

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 January 2006, in order to comply with FRS 101 and FRS 127, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity attributable to the shareholders of the Company, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an

allocation of the total profit or loss for the period between the minority interests and the shareholders of the Company.

3. Qualification of Audit Report

The audit report of the financial statements of the Group for the year ended 31 December 2005 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 2006.

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 2006.

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 2006 except for the following:

No. of ordinary shares of RM1.00 each as at 1 January 2006	No. of ordinary shares 88,040,855
Less: Repurchase of Company's own ordinary shares	(924,300)
No. of ordinary shares of RM1.00 each as at 30 September 2006	<hr/> 87,116,555 <hr/>

During the period, the Company repurchased 924,300 of its own ordinary shares from the open market at an average price of RM0.88 per share. The total consideration paid for the repurchase including transaction costs was RM818,000 and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.



8. Dividends paid

A final dividend of 2% less income tax of 28%, amounting to RM1,262,000 for the year ended 31 December 2005 was paid on 8 August 2006.

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. Valuations of property, plant and equipment

The valuations of land and building have been brought forward, without amendments from the previous annual report.

11. 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 2006.

12. Changes in composition of the Group

There were no major changes in the composition of the Group during the period ended 30 September 2006 except as follows:

- (a) On 7 March 2006, the Company through its wholly-owned subsidiary, Berrington Bay Corporation Sdn Bhd acquired 100 ordinary shares of RM1.00 each, representing 100% equity interest in SEGI-IGS Sdn Bhd (formerly known as Montessori Child Enrichment Centres Sdn Bhd) at RM1.00 per share; and
- (b) On 30 March 2006, the Company through its wholly-owned subsidiary, SEG International Group Sdn Bhd acquired an additional 75,000 ordinary shares of RM1.00 each, representing the balance 30% equity interest in SEGi Youth Training Sdn Bhd for a total purchase consideration of RM75,000.

13. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 30 September 2006.

14. Capital Commitments

The amount of capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2006 is as follows:

Approved and contracted for - RM 32,627,000



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

1. Review of performance

For the financial period ended 30 September 2006, the Group achieved a Profit before Tax of RM3.4 million as compared to a Profit before Tax of RM1.3 million in the corresponding period in 2005. The revenue for the period however, reduced by 15% as compared to the corresponding period in the previous year, mainly as a result of the disposal of the seven colleges and centres in December 2005.

The marked improvement in results for the financial period ended 30 September 2006 is mainly due to:

- the decrease in operating expenses resulting from the disposal of the colleges, as they also carried heavy overheads.
- the effects of the rationalisation exercise carried out by the Group at the beginning of this year in re-branding the Group, merging of the colleges and decentralising the corporate office. This exercise has resulted in cost savings for the Group as reflected in the drop in the cost of services and administrative expenses.

2. Variation of results against preceding quarter

The Group recorded a pre-tax profit of RM0.9 million for the current quarter compared to a pre-tax profit of RM0.5 million in the previous quarter.

3. Current year prospects

As announced in the previous quarters, the Group took certain concrete measures towards the end of 2005 and early 2006 to improve its performance and maintain its competitiveness and profitability.

These measures involving cost cutting and introduction of new courses have resulted in the notable improvement of the Group's performance and are expected to further strengthen the position of the Group in the short and medium term.

4. Profit forecast

Not applicable.

5. Tax Expenses

	Current quarter ended 30 Sept 2006 (RM'000)	Cumulative quarter ended 30 Sept 2006 (RM'000)
Current tax expense		
- current	290	808
- prior year	-	-
	290	808
Deferred tax expense		
- current	-	-
- prior year	-	-
	-	-
Total	290	808

6. Unquoted investments and properties

For the quarter under review, the following properties were disposed:

- (i) Binary Mark Sdn Bhd, effectively a 98.63%-owned subsidiary of the Company, disposed a 5-storey commercial building known as South City Plaza, Block A, located at Pekan Serdang, Daerah Petaling, Selangor Darul Ehsan for a cash consideration of RM8.9 million pursuant to a Sale and Leaseback with Amanah Raya Berhad (“ARB”). This resulted in a loss on disposal of RM0.4 million.
- (ii) Prestige Front Sdn Bhd, a wholly-owned subsidiary of the Company, disposed a 5-storey commercial building known as South City Plaza, Block B, located at Pekan Serdang, Daerah Petaling, Selangor Darul Ehsan for a cash consideration of RM9.1 million pursuant to a Sale and Leaseback with ARB. This resulted in a loss on disposal of RM1.6 million.

For the previous quarters, the following properties were disposed:

- (i) Shaw Commercial Institution Sdn Bhd, a wholly-owned subsidiary of the Company disposed a freehold land held under Geran 43527, Lot 13, Pekan Subang Jaya, Daerah Petaling, Selangor Darul Ehsan together with a 12-storey building (known as “SEGi College”) erected thereon and including the fixtures, fittings, plants and equipment for a cash consideration of RM48.3 million pursuant to a Sale and Leaseback with ARB. This resulted in a gain on disposal of RM2.3 million.



- (ii) The Company disposed two (6) units of office lots in Cheras Business Centre, Kuala Lumpur for a total consideration of RM634,000. This resulted in a gain on disposal of RM49,000.

There were no sales of unquoted investments in the current quarter and financial year-to-date.

7. Quoted investments

There were no sales or purchases of quoted investments in the current quarter and financial year-to-date.

Investment in quoted securities as at 30 September 2006:

	Cost	Book value	Market Value
	(RM'000)	(RM'000)	(RM'000)
Total quoted securities	3,260	3,260	650
Less : Diminution in value	-	(176)	-
Balance as at 30 September 2006	<u>3,260</u>	<u>3,084</u>	<u>650</u>

8. Status of corporate proposal announced

- a) On 30 May 2006, the Company entered into a Sales and Purchase Agreement (“SPA”) with Yasmin Holdings Sdn Bhd (“YHSB”) for the proposed disposal of a twelve (12) storey building identified as Block B02, Block B, Phileo Damansara 1, No.9, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan for a cash consideration of RM5.9 million. The completion of the sale is pending payment of the balance purchase price by YHSB.
- b) On 30 September 2006, the Company entered into a SPA with Maser (M) Sdn Bhd (“MSB”) for the proposed disposal of a twelve (12) storey building identified as Block B01, Block B, Phileo Damansara 1, having its postal address as Unit Nos. 101 to 1201, Pusat Perdagangan Phileo Damansara 1, No.9, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan for a cash consideration of RM6.1 million. The completion of the sale is pending payment of the balance purchase price by MSB.
- c) On 15 November 2006, the Company entered into a new Supplemental Agreement with Ecofirst Consolidated Bhd (formerly known as Kumpulan Emas Berhad) (“ECB”) to vary the terms set out in the Profit Guarantee Agreement dated 22 October 1999 (“PGA”) and supplemental agreements dated 17 October 2000 and 27 February 2003.

Salient terms of the new Supplemental Agreement are as follows:

- (i) Fifty percent (50%) of the guaranteed profit for the financial year ended 31 December 2005 amounting to RM3,556,000 shall be waived; and
- (ii) The fulfilment of the remaining fifty percent (50%) of the guaranteed profit for the financial year ended 31 December 2005 by ECB to the Company shall be deferred and accumulated together with the guaranteed profit for the financial year ended 31 December 2006.

Based on the new Supplemental Agreement, the Company has an additional income of RM3,380,000 being the shortfall in profit guarantee for the year ended 31 December 2005 due from ECB.

9. Borrowing and debt securities

	30 September 2006 (RM'000)
Current	
- Secured	3,259
- Unsecured	-
	<u>3,259</u>
Non-current	
- Secured	44,171
- Unsecured	60,000
	<u>104,171</u>
	<u>107,430</u>

The above borrowings are denominated in Ringgit Malaysia.

10. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 24 November 2006.

11. Changes in material litigation

There are no pending material litigations as at 24 November 2006.

12. Dividend

No dividend has been declared for the financial period ended 30 September 2006.

13. 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 30/09/2006 (RM'000)	Comparative Quarter Ended 30/09/2005 (RM'000)	Cumulative to-date 30/09/2006 (RM'000)	Cumulative to-date 30/09/2005 (RM'000)
Earnings				
Profit for the period	604	876	2,607	1,016
Amount attributable to minority interests	63	54	176	215
Profit for the period attributable to the shareholders of the Company	667	930	2,783	1,231
	(‘000)	(‘000)	(‘000)	(‘000)
Weighted average number of ordinary shares	87,452	89,027	87,705	88,984
Basic earnings per share (sen)	0.76	1.04	3.17	1.38

Diluted earnings per share

	Current Quarter Ended 30/09/2006 (RM'000)	Comparative Quarter Ended 30/09/2005 (RM'000)	Cumulative to-date 30/09/2006 (RM'000)	Cumulative to-date 30/09/2005 (RM'000)
Earnings				
Profit for the period	604	876	2,607	1,016
Amount attributable to minority interests	63	54	176	215
Profit for the period attributable to the shareholders of the Company	667	930	2,783	1,231
	(‘000)	(‘000)	(‘000)	(‘000)
Weighted average number of ordinary shares (diluted)	87,452	89,027	87,705	89,570
Diluted earnings per share (sen)	0.76	1.04	3.17	1.37