



SEG INTERNATIONAL BHD

145098-U

**SUMMARY OF KEY FINANCIAL INFORMATION
30 SEPTEMBER 2007**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
	RM'000	RM'000	RM'000	RM'000
1 Revenue	21,937	18,139	59,843	48,693
2 Profit before tax	862	894	4,088	3,415
3 Profit for the period	693	604	3,706	2,607
4 Profit attributable to ordinary equity holders of the parent	429	667	3,441	2,783
5 Basic earnings per share (sen)	0.50	0.76	4.02	3.17
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)			1.7892	1.7494

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	5	(68)	358	(9)
2. Gross interest expense	(1,903)	(1,070)	(4,418)	(4,831)

CONDENSED CONSOLIDATED BALANCE SHEET
At 30 September 2007

	As at 30 Sept 2007 (RM'000)	As at 31 Dec 2006 (RM'000)
ASSETS		
Property, plant and equipment	50,193	135,779
Intangible assets	30,228	30,323
Investment property	524	532
Prepaid lease payments	10,567	25,799
Investment in associates	1,706	1,745
Other investments	9,220	8,970
Deferred tax assets	1,098	1,098
Long term receivable	4,000	9,600
Total non-current assets	<u>107,536</u>	<u>213,846</u>
Prepaid lease payments	332	486
Inventories	148	119
Trade receivables	12,189	16,541
Other receivables	41,242	32,276
Other investments	174	174
Current tax assets	2,633	1,807
Assets classified as held for sale	132,804	12,865
Cash and cash equivalents	9,549	6,137
Total current assets	<u>199,071</u>	<u>70,405</u>
TOTAL ASSETS	<u>306,607</u>	<u>284,251</u>
EQUITY		
Share Capital	89,093	89,093
Treasury Shares	(3,500)	(2,507)
Reserves	66,384	64,188
Total equity attributable to shareholders of the Company	<u>151,977</u>	<u>150,774</u>
Minority interest	827	562
Total equity	<u>152,804</u>	<u>151,336</u>
LIABILITIES		
Loans and borrowings	81,296	67,125
Deferred tax liabilities	2,079	2,070
Total non-current liabilities	<u>83,375</u>	<u>69,195</u>
Payables and accruals	16,458	16,895
Loans and borrowings	52,841	45,775
Taxation	1,129	1,050
Total current liabilities	<u>70,428</u>	<u>63,720</u>
Total liabilities	<u>153,803</u>	<u>132,915</u>
TOTAL EQUITY AND LIABILITIES	<u>306,607</u>	<u>284,251</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.



CONDENSED CONSOLIDATED INCOME STATEMENT
for the period ended 30 September 2007

	Current Period 3 months ended 30 Sept		Cumulative Period 9 months ended 30 Sept	
	2007 (RM'000)	2006 (RM'000)	2007 (RM'000)	2006 (RM'000)
Revenue - services	21,937	18,139	59,843	48,693
Cost of services	(4,707)	(5,065)	(14,240)	(13,226)
Gross profit	17,230	13,074	45,603	35,467
Operating expenses	(15,069)	(14,832)	(39,483)	(35,013)
Other operating income	599	3,790	2,028	7,801
Profit from operations	2,760	2,032	8,148	8,255
Finance costs	(1,903)	(1,070)	(4,418)	(4,831)
Interest income	5	(68)	358	(9)
Profit before tax	862	894	4,088	3,415
Income tax expense	(169)	(290)	(382)	(808)
Profit for the period	693	604	3,706	2,607
Attributable to :				
Shareholders of the Company	429	667	3,441	2,783
Minority interests	264	(63)	265	(176)
	693	604	3,706	2,607
Earnings per share				
- Basic (sen)	0.50	0.76	4.02	3.17

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 September 2007

	← Attributable to Shareholders of the Company →						Total RM'000	Minority Interests RM'000	Total Equity RM'000
	← Non-Distributable →			Distributable					
	Share Capital RM'000	Share Premium RM'000	Revaluation reserve RM'000	Treasury Shares RM'000	Translation reserve RM'000	Retained profits RM'000			
Balance as at 1 January 2007	89,093	35,876	2,052	(2,507)	(49)	26,309	150,774	562	151,336
Net profit for the period	-	-	-	-	-	3,441	3,441	265	3,706
Treasury shares acquired	-	-	-	(993)	-	-	(993)	-	(993)
Dividend paid - 2006	-	-	-	-	-	(1,245)	(1,245)	-	(1,245)
Balance as at 30 Sept 2007	<u>89,093</u>	<u>35,876</u>	<u>2,052</u>	<u>(3,500)</u>	<u>(49)</u>	<u>28,505</u>	<u>151,977</u>	<u>827</u>	<u>152,804</u>
Balance as at 1 January 2006	89,093	35,876	2,077	(961)	-	25,473	151,558	697	152,255
Net profit for the year	-	-	-	-	-	2,783	2,783	(176)	2,607
Treasury shares acquired	-	-	-	(818)	-	-	(818)	-	(818)
Dividend paid - 2005	-	-	-	-	-	(1,262)	(1,262)	-	(1,262)
Acquisition of minority interest	-	-	-	-	-	-	-	(9)	(9)
Balance as at 30 Sept 2006	<u>89,093</u>	<u>35,876</u>	<u>2,077</u>	<u>(1,779)</u>	<u>-</u>	<u>26,994</u>	<u>152,261</u>	<u>512</u>	<u>152,773</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 2006.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the period ended 30 September 2007**

	30 Sept 2007 (RM'000)	30 Sept 2006 (RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	4,088	3,415
Adjustment for non-cash flow:-		
- Non-cash items	2,912	3,542
- Non-operating items	5,084	4,092
	<hr/>	<hr/>
Operating profit before working capital changes	12,084	11,049
Changes in working capital		
- Net change in current assets	1,206	11,361
- Net change in current liabilities	(428)	(484)
	<hr/>	<hr/>
Cash generated from operations	12,862	21,926
- Net income taxes paid	(1,129)	(1,205)
- Net interest	(4,418)	(4,831)
	<hr/>	<hr/>
Net cash generated from operating activities	<hr/> 7,315	<hr/> 15,890
<u>Cash flows from investing activities</u>		
- Net equity investments	-	(138)
- Purchase of quoted shares	(250)	-
- Proceeds from disposal of property, plant and equipment	12,338	67,012
- Acquisition of property, plant and equipment	(34,989)	(55,686)
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	<hr/> (22,901)	<hr/> 11,188
<u>Cash flows from financing activities</u>		
- Net proceeds from/(repayment of) borrowings	13,345	(5,156)
- Repurchase of treasury shares	(993)	(818)
- Dividend paid	(1,245)	(1,262)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	<hr/> 11,107	<hr/> (7,236)
Net (decrease)/increase in cash and cash equivalents	(4,479)	19,842
Cash and cash equivalents at beginning of the period	<hr/> 2,102	<hr/> (15,101)
Cash and cash equivalents at end of the period	<hr/> (2,377)	<hr/> 4,741

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.



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 2006 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2007 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 2006. 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 2006.

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 years beginning on or after 1 January 2007.

The following sets out further information on the changes in accounting policies for the annual accounting year beginning on 1 January 2007 which have been reflected in this interim financial report pursuant to adoption of the FRSs.

(a) Leasehold land held for own use (*FRS 117, Leases*)

In prior years, the leasehold interest in land held for own use classified as property, plant and equipment, were stated at cost less accumulated depreciation and accumulated impairment losses.

With the adoption of *FRS 117* as from 1 January 2007, the leasehold interest in the land held for own use is accounted for as being held under an operating lease. Such prepaid lease payments are amortised on a straight line basis over the remaining lease term of the land.



3. Qualification of Audit Report

The audit report of the financial statements of the Group for the year ended 31 December 2006 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 2007.

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 2007.

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 2007 except for the following:

No. of ordinary shares of RM1.00 each as at 1 January 2007	No. of ordinary shares 86,186,255
Less: Repurchase of Company's own ordinary shares	(1,245,400)
No. of ordinary shares of RM1.00 each as at 30 September 2007	<u>84,940,855</u>

During the financial period, the Company repurchased 1,245,400 of its own ordinary shares from the open market at an average price of RM0.80 per share. The total consideration paid for the repurchase including transaction costs was RM992,405 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. As at 30 September 2007, the total shares bought back all of which are held as treasury shares, amounted to 4,151,900 shares.



8. Dividends paid

There were no dividends paid for the quarter under review.

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 2007.

12. Changes in composition of the Group

There were no major changes in the composition of the Group during the period ended 30 September 2007.

13. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 30 September 2007.

14. Capital Commitments

There are no capital commitments approved and contracted for as at 30 September 2007.



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

1. Review of performance

For the nine months ended 30 September 2007, the Group achieved a revenue of RM60 million, which is an increase of RM11 million (23%) as compared to the corresponding period in 2006. In line with the increase in revenue, there is a corresponding increase in profit before tax of 20%.

The improvement in performance is mainly due to the overall increase in student enrolment in the Group's colleges and training centres.

2. Variation of results against preceding quarter

The Group recorded a profit after taxation but before minority interest of RM693,000 for the current quarter compared to RM754,000 in the previous quarter (2nd quarter of 2007).

3. Current year prospects

For the current year, the Group has further strengthened its position and brand name with the launch of its flagship campus at Kota Damansara, Selangor in the second quarter of the year. With the launch of this state-of-the-art campus, the Group will be introducing a new range of academic courses to cater for students in niche areas such as pharmacy, medical and health sciences, nursing and bio-technology.

With the groundwork firmly established in the previous year and concrete plans made for the growth of the Group, we expect the performance of the Group to be further improved and strengthened.

4. Profit forecast

Not applicable.



5. Tax Expenses

	Current quarter ended 30 September 2007 (RM'000)	Cumulative period ended 30 September 2007 (RM'000)
Current tax expense		
- current	189	899
- prior year	(20)	(517)
	<u>169</u>	<u>382</u>
Deferred tax expense		
- current	-	-
- prior year	-	-
	<u>-</u>	<u>-</u>
Total	<u>169</u>	<u>382</u>

6. Unquoted investments and properties

There were no sales of properties in the current quarter.

For the previous quarters, the Company disposed the following properties:

- (i) One (1) unit of shop lot in Sungai Petani, Kedah for a total consideration of RM320,000. This resulted in a loss on disposal of RM89,000;
- (ii) A twelve (12) storey building identified as Block B02, Block B, Phileo Damansara 1, for a total consideration of RM5,912,000. This resulted in a loss on disposal of RM299,000; and
- (iii) A twelve (12) storey building identified as Block B01, Block B, Phileo Damansara 1, for a total consideration of RM6,058,000. This resulted in a loss on disposal of RM141,000.

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

7. Quoted investments

Investment in quoted securities as at 30 September 2007:

	Cost (RM'000)	Book value (RM'000)	Market Value (RM'000)
Total quoted securities	3,510	3,510	1,174
Less : Diminution in value	-	(116)	-
Balance as at 30 September 2007	<u>3,510</u>	<u>3,394</u>	<u>1,174</u>



8. Status of corporate proposal announced

On 8 June 2007, the Company proposed a Sale and Leaseback of its property located at No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan (“KD Campus”) to AmanahRaya-JMF Management Sdn Bhd, the management company of AmanahRaya Real Estate Investment Trust (“ArREIT”), for a cash consideration of RM145 million (“Sale Consideration”).

On 6 September 2007, the Company entered into a sale and purchase agreement (“SPA”) with CIMB Trustee Berhad (formerly known as Bumiputra-Commerce Trustee Berhad) (“CIMB Trustee”), being the trustee of ArREIT for the disposal of its KD Campus for the above-mentioned Sale Consideration.

Concurrently, the Company had also entered into a lease agreement with CIMB Trustee wherein the Company agreed to lease the Property from CIMB Trustee for a period of ten (10) years from the completion date of the SPA, extendable at the Company’s option for a further five (5) years at a revised rental to be mutually agreed upon (“Lease Agreement”).

The Proposed Sale and Leaseback of KD Campus was approved by the Company’s Shareholders in an Extraordinary General Meeting held on 14 November 2007. The completion is pending approval from the Securities Commission (“SC”) and other relevant authorities. The Company had submitted an application to the SC on 3 October 2007.

9. Borrowing and debt securities

	30 September 2007 (RM’000)
Current	
- Secured	12,841
- Unsecured	40,000
	<u>52,841</u>
Non-current	
- Secured	61,296
- Unsecured	20,000
	<u>81,296</u>
	<u><u>134,137</u></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 29 November 2007.

11. Changes in material litigation

There are no pending material litigations as at 29 November 2007.

12. Dividend

As at 30 September 2007, no interim dividend has been declared for the financial period under review.

13. Earnings per share

The basic and diluted earnings per share have been calculated based on the consolidated net profit for the year and on the weighted average number of ordinary shares in issue during the year.

Basic earnings per share

	Current Quarter Ended 30/09/2007 (RM'000)	Comparative Quarter Ended 30/09/2006 (RM'000)	Cumulative to-date 30/09/2007 (RM'000)	Cumulative to-date 30/09/2006 (RM'000)
Earnings				
Profit for the period	693	604	3,706	2,607
Amount attributable to minority interests	(264)	63	(265)	176
Profit for the period attributable to the shareholders of the Company	429	667	3,441	2,783
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares	86,000	87,452	85,642	87,705
Basic earnings per share (sen)	0.50	0.76	4.02	3.17

Diluted earnings per share

Not applicable as the Company's Employees Share Options Scheme (ESOS) has expired.