



**SEG INTERNATIONAL BHD**

145998-U

**SUMMARY OF KEY FINANCIAL INFORMATION  
31 DECEMBER 2007**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM'000	RM'000	RM'000	RM'000
1 Revenue	26,460	25,537	86,303	74,230
2 Profit/(loss) before tax	(1,577)	(547)	2,511	2,868
3 Profit/(loss) for the period	1,551	(749)	5,257	1,858
4 Profit/(loss) attributable to ordinary equity holders of the parent	1,607	(710)	5,048	2,073
5 Basic earnings per share (sen)	1.88	(0.82)	5.91	2.37
6 Proposed/Declared dividend per share (sen)	2.00	2.00	2.00	2.00
7 Net assets per share attributable to ordinary equity holders of the parent (RM)			<b>AS AT END OF CURRENT QUARTER</b> 1.8002	<b>AS AT PRECEDING FINANCIAL YEAR END</b> 1.7494

**ADDITIONAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	3	24	361	15
2. Gross interest expense	(2,060)	(1,312)	(6,478)	(6,143)

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**CONDENSED CONSOLIDATED BALANCE SHEET****At 31 December 2007**

	<b>As at 31 Dec 2007 (RM'000)</b>	<b>As at 31 Dec 2006 (RM'000)</b>
<b>ASSETS</b>		
Property, plant and equipment	60,342	157,101
Intangible assets	30,165	30,323
Investment property	522	532
Prepaid lease payments	4,951	4,957
Investment in associates	706	1,745
Other investments	5,830	8,970
Deferred tax assets	3,078	1,098
Long term receivable	18,165	9,600
<b>Total non-current assets</b>	<b>123,759</b>	<b>214,326</b>
Prepaid lease payments	6	6
Inventories	188	119
Trade receivables	17,621	16,541
Other receivables	22,574	32,276
Other investments	147	174
Current tax assets	3,726	1,807
Assets classified as held for sale	132,654	12,865
Cash and cash equivalents	9,114	6,137
<b>Total current assets</b>	<b>186,030</b>	<b>69,925</b>
<b>TOTAL ASSETS</b>	<b>309,789</b>	<b>284,251</b>
<b>EQUITY</b>		
Share Capital	89,093	89,093
Treasury Shares	(3,561)	(2,507)
Reserves	67,219	64,188
<b>Total equity attributable to shareholders of the Company</b>	<b>152,751</b>	<b>150,774</b>
<b>Minority interest</b>	<b>771</b>	<b>562</b>
<b>Total equity</b>	<b>153,522</b>	<b>151,336</b>
<b>LIABILITIES</b>		
Loans and borrowings	25,804	67,125
Deferred tax liabilities	1,950	2,070
<b>Total non-current liabilities</b>	<b>27,754</b>	<b>69,195</b>
Payables and accruals	73,987	16,895
Loans and borrowings	54,196	45,775
Taxation	330	1,050
<b>Total current liabilities</b>	<b>128,513</b>	<b>63,720</b>
<b>Total liabilities</b>	<b>156,267</b>	<b>132,915</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>309,789</b>	<b>284,251</b>

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



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## CONDENSED CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2007

	Current Period 3 months ended 31-Dec		Cumulative Period 12 months ended 31-Dec	
	2007 (RM'000)	2006 (RM'000)	2007 (RM'000)	2006 (RM'000)
Revenue - services	26,460	25,537	86,303	74,230
Cost of services	(10,283)	(7,717)	(24,523)	(20,943)
<b>Gross profit</b>	<b>16,177</b>	<b>17,820</b>	<b>61,780</b>	<b>53,287</b>
Operating expenses	(17,262)	(19,050)	(56,745)	(54,063)
Other operating income	1,565	1,971	3,593	9,772
<b>Profit from operations</b>	<b>480</b>	<b>741</b>	<b>8,628</b>	<b>8,996</b>
Finance costs	(2,060)	(1,312)	(6,478)	(6,143)
Interest income	3	24	361	15
<b>Profit/(loss) before tax</b>	<b>(1,577)</b>	<b>(547)</b>	<b>2,511</b>	<b>2,868</b>
Income tax expense	3,128	(202)	2,746	(1,010)
<b>Profit/(loss) for the period/year</b>	<b>1,551</b>	<b>(749)</b>	<b>5,257</b>	<b>1,858</b>
<b>Attributable to :</b>				
Shareholders of the Company	1,607	(710)	5,048	2,073
Minority interests	(56)	(39)	209	(215)
	<b>1,551</b>	<b>(749)</b>	<b>5,257</b>	<b>1,858</b>
<b>Earnings per share</b>				
- Basic (sen)	1.88	(0.82)	5.91	2.37

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



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2007

	← Attributable to Shareholders of the Company →						Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation reserve RM'000	Treasury Shares RM'000	Translation reserve RM'000	Retained profits RM'000			
<b>Balance as at 1 January 2007</b>	89,093	35,876	2,052	(2,507)	(49)	26,309	150,774	562	151,336
Net profit for the year	-	-	-	-	-	5,048	5,048	209	5,257
Transfer of retained profit on the realisation of revaluation reserve	-	-	(25)	-	-	25	-	-	-
Foreign exchange translation difference	-	-	-	-	(772)	-	(772)	-	(772)
Treasury shares acquired	-	-	-	(1,054)	-	-	(1,054)	-	(1,054)
Dividend paid - 2006	-	-	-	-	-	(1,245)	(1,245)	-	(1,245)
<b>Balance as at 31 Dec 2007</b>	<b>89,093</b>	<b>35,876</b>	<b>2,027</b>	<b>(3,561)</b>	<b>(821)</b>	<b>30,137</b>	<b>152,751</b>	<b>771</b>	<b>153,522</b>
<b>Balance as at 1 January 2006</b>	89,093	35,876	2,077	(961)	-	25,473	151,558	697	152,255
Net profit for the year	-	-	-	-	-	2,073	2,073	(215)	1,858
Transfer of retained profit on the realisation of revaluation reserve	-	-	(25)	-	-	25	-	-	-
Foreign exchange translation difference	-	-	-	-	(49)	-	(49)	-	(49)
Treasury shares acquired	-	-	-	(1,546)	-	-	(1,546)	-	(1,546)
Dividend paid - 2005	-	-	-	-	-	(1,262)	(1,262)	-	(1,262)
Acquisition of minority interest	-	-	-	-	-	-	-	80	80
<b>Balance as at 31 Dec 2006</b>	<b>89,093</b>	<b>35,876</b>	<b>2,052</b>	<b>(2,507)</b>	<b>(49)</b>	<b>26,309</b>	<b>150,774</b>	<b>562</b>	<b>151,336</b>

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.



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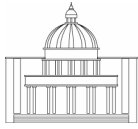
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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 Dec 2007

	31 Dec 2007 (RM'000)	31 Dec 2006 (RM'000)
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	2,511	2,868
<b>Adjustment for non-cash flow:-</b>		
- Non-cash items	2,247	6,069
- Non-operating items	10,445	4,248
<b>Operating profit before working capital changes</b>	15,203	13,185
<b>Changes in working capital</b>		
- Net change in current assets	(742)	23,141
- Net change in current liabilities	57,822	(1,362)
<b>Cash generated from operations</b>	72,283	34,964
- Net income taxes paid	(1,993)	(1,908)
- Net interest	(6,117)	(6,128)
<b>Net cash generated from operating activities</b>	64,173	26,928
<b><u>Cash flows from investing activities</u></b>		
- Net equity investments	460	7
- Proceeds from disposal of property, plant and equipment	12,338	69,590
- Acquisition of property, plant and equipment	(38,794)	(75,122)
<b>Net cash used in investing activities</b>	(25,996)	(5,525)
<b><u>Cash flows from financing activities</u></b>		
- Net repayment of borrowings	(41,158)	(1,392)
- Repurchase of treasury shares	(1,054)	(1,546)
- Dividend paid	(1,245)	(1,262)
<b>Net cash used in financing activities</b>	(43,457)	(4,200)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(5,280)	17,203
<b>Cash and cash equivalents at beginning of the year</b>	2,102	(15,101)
<b>Cash and cash equivalents at end of the year</b>	(3,178)	2,102

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**

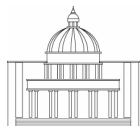
The MASB has issued a number of new and revised Financial Reporting Standards (FRSs, which term collectively includes the MASB's Issues Committee's Interpretations) that are effective for accounting years beginning on or after 1 January 2007.

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 year ended 31 December 2007.

**6. Nature and amount of changes in estimates**

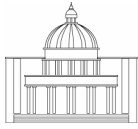
There were no changes in estimates of amounts previously reported which have a material effect in the financial year ended 31 December 2007.

**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 year ended 31 December 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	(1,331,800)
No. of ordinary shares of RM1.00 each as at 31 December 2007	<hr/> <u>84,854,455</u>

During the financial year, the Company repurchased 1,331,800 of its own ordinary shares from the open market at an average price of RM0.79 per share. The total consideration paid for the repurchase including transaction costs was RM1,053,328 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 31 December 2007, the total shares bought back all of which are held as treasury shares, amounted to 4,238,300 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 year ended 31 December 2007 except for the sale and leaseback of the Company's campus as mentioned in paragraph B(8).

**12. Changes in composition of the Group**

There were no major changes in the composition of the Group during the year ended 31 December 2007.

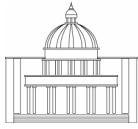
**13. Changes in contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets of the Group as at 31 December 2007.

**14. Capital Commitments**

There are no capital commitments approved and contracted for as at 31 December 2007.





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

**1. Review of performance**

For the financial year ended 31 December 2007, the Group achieved a revenue of RM86 million, which is an increase of RM12 million (16%) as compared to the corresponding period in 2006. In line with the increase in revenue, there is a corresponding increase in gross profit of RM8 million (16%).

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

The Group posted a lower profit before tax of RM2.5 million as compared to RM2.9 million in the preceding year mainly due to the RM2.7 million write down of investment in Aegis One Junior Bonds and Kerisma Junior Bonds on grounds of prudence. These bonds are collaterals for borrowings.

**2. Variation of results against preceding quarter**

The Group recorded a loss before taxation and minority interest of RM1.6 million for the current quarter compared to profit before taxation and minority interest of RM0.9 million in the previous quarter (3rd quarter of 2007) mainly due to the RM2.7 million write down of investment in Aegis One Junior Bonds and Kerisma Junior Bonds.

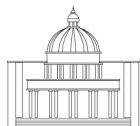
**3. Prospects**

Business outlook for the Group in year 2008 will continue to be positive with continuous growth anticipated for this year. The Group's position and brand name has been strengthened with the commencement of operations at its flagship campus in Kota Damansara in 2007.

The full-fledged campus is equipped with state-of-the-art facilities to provide a whole spectrum of academic courses to cater for students, particularly in niche areas such as pharmacy, medical and health sciences and bio-technology.

**4. Profit forecast**

Not applicable.



## 5. Tax Expenses

	Current quarter ended 31 December 2007 (RM'000)	Cumulative year ended 31 December 2007 (RM'000)
Current tax expense		
- current	(320)	579
- prior year	(106)	(623)
	<u>(426)</u>	<u>(44)</u>
Deferred tax expense/(benefits)		
- current	(2,703)	(2,703)
- prior year	-	-
	<u>(2,703)</u>	<u>(2,703)</u>
Total	<u>(3,129)</u>	<u>(2,747)</u>

The deferred tax benefit consists mainly of deferred tax asset recognised due to unutilised capital allowances carried forward.

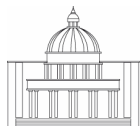
## 6. Unquoted investments and properties

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 31 December 2007:

	Cost	Book value	Market Value
	(RM'000)	(RM'000)	(RM'000)
Total quoted securities	4,201	4,201	1,731
Less : Diminution in value	-	(144)	-
Balance as at 31 December 2007	4,201	4,057	1,731

## 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 Disposal had been completed on 3 January 2008 whilst the Proposed Leaseback had commenced on even date.



**9. Borrowing and debt securities**

	31 December 2007 (RM'000)
Current	
- Secured	54,196
- Unsecured	-
	<hr/> 54,196 <hr/>
Non-current	
- Secured	5,804
- Unsecured	20,000
	<hr/> 25,804 <hr/>
	<hr/> 80,000 <hr/>

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 26 February 2008.

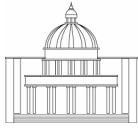
**11. Changes in material litigation**

There are no pending material litigations as at 26 February 2008.

**12. Dividend**

As at 31 December 2007, no interim dividend has been declared for the financial period under review.

The Board of Directors is recommending a first and final dividend of 2% less tax for the financial year ended 31 December 2007, subject to the approval of shareholders at the forthcoming Annual General Meeting.



### 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 31/12/2007 (RM'000)	Comparative Quarter Ended 31/12/2006 (RM'000)	Cumulative to-date 31/12/2007 (RM'000)	Cumulative to-date 31/12/2006 (RM'000)
<b>Earnings</b>				
Profit/(loss) for the year	1,551	(749)	5,257	1,858
Amount attributable to minority interests	56	39	(209)	215
Profit/(loss) for the year attributable to the shareholders of the Company	<u>1,607</u>	<u>(710)</u>	<u>5,048</u>	<u>2,073</u>
	('000)	('000)	('000)	('000)
<b>Weighted average number of ordinary shares</b>	<u>85,644</u>	<u>87,452</u>	<u>85,459</u>	<u>87,705</u>
<b>Basic earnings per share (sen)</b>	<u>1.88</u>	<u>(0.82)</u>	<u>5.91</u>	<u>2.37</u>