



**SEG INTERNATIONAL BHD**

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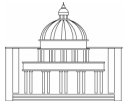
**SUMMARY OF KEY FINANCIAL INFORMATION**

**30 JUNE 2008**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	RM'000	RM'000	RM'000	RM'000
1 Revenue	28,740	17,852	55,218	37,906
2 Profit before tax	501	176	7,284	3,226
3 Profit for the period	368	754	6,427	3,013
4 Profit attributable to ordinary equity holders of the parent	344	748	6,132	3,012
5 Basic earnings per share (sen)	0.41	0.87	7.29	3.51
6 Proposed/Declared dividend per share (sen)	-	-	-	-
			<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
7 Net assets per share attributable to ordinary equity holders of the parent (RM)			1.9106	1.8100

**ADDITIONAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	266	87	642	353
2. Gross interest expense	(756)	(1,248)	(1,300)	(2,515)

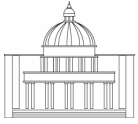
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**CONDENSED CONSOLIDATED BALANCE SHEET****At 30 June 2008**

	<b>As at 30 June 2008 (RM'000)</b>	<b>As at 31 Dec 2007 (RM'000)</b>
<b>ASSETS</b>		
Property, plant and equipment	64,315	60,339
Intangible assets	30,099	30,165
Investment property	419	522
Prepaid lease payments	4,954	4,957
Investment in associates	706	706
Other investments	5,830	5,830
Deferred tax assets	3,007	3,007
Long term receivable	18,165	18,165
<b>Total non-current assets</b>	<b>127,495</b>	<b>123,691</b>
Inventories	188	188
Trade receivables	10,579	17,250
Other receivables	26,898	22,809
Other investments	147	147
Current tax assets	5,217	4,005
Assets classified as held for sale	-	132,654
Cash and cash equivalents	43,016	9,152
<b>Total current assets</b>	<b>86,045</b>	<b>186,205</b>
<b>TOTAL ASSETS</b>	<b>213,540</b>	<b>309,896</b>
<b>EQUITY</b>		
Share Capital	89,093	89,093
Treasury Shares	(4,845)	(3,561)
Reserves	74,185	68,057
<b>Total equity attributable to shareholders of the Company</b>	<b>158,433</b>	<b>153,589</b>
<b>Minority interest</b>	<b>1,044</b>	<b>749</b>
<b>Total equity</b>	<b>159,477</b>	<b>154,338</b>
<b>LIABILITIES</b>		
Loans and borrowings	25,308	26,156
Deferred tax liabilities	1,874	1,874
<b>Total non-current liabilities</b>	<b>27,182</b>	<b>28,030</b>
Payables and accruals	16,531	73,040
Loans and borrowings	8,802	54,359
Taxation	1,548	129
<b>Total current liabilities</b>	<b>26,881</b>	<b>127,528</b>
<b>Total liabilities</b>	<b>54,063</b>	<b>155,558</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>213,540</b>	<b>309,896</b>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.



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## CONDENSED CONSOLIDATED INCOME STATEMENT for the period ended 30 June 2008

	Current Period 3 months ended 30-June		Cumulative Period 6 months ended 30-June	
	2008 (RM'000)	2007 (RM'000)	2008 (RM'000)	2007 (RM'000)
Revenue - services	28,740	17,852	55,218	37,906
Cost of services	(8,993)	(4,812)	(15,238)	(9,533)
<b>Gross profit</b>	<b>19,747</b>	<b>13,040</b>	<b>39,980</b>	<b>28,373</b>
Operating expenses	(19,750)	(12,740)	(37,299)	(24,414)
Other operating income	994	1,037	5,261	1,429
<b>Profit from operations</b>	<b>991</b>	<b>1,337</b>	<b>7,942</b>	<b>5,388</b>
Finance costs	(756)	(1,248)	(1,300)	(2,515)
Interest income	266	87	642	353
<b>Profit before tax</b>	<b>501</b>	<b>176</b>	<b>7,284</b>	<b>3,226</b>
Income tax expense	(133)	578	(857)	(213)
<b>Profit for the period</b>	<b>368</b>	<b>754</b>	<b>6,427</b>	<b>3,013</b>
<b>Attributable to :</b>				
Shareholders of the Company	344	748	6,132	3,012
Minority interests	24	6	295	1
	<b>368</b>	<b>754</b>	<b>6,427</b>	<b>3,013</b>
<b>Earnings per share</b>				
- Basic (sen)	0.41	0.87	7.29	3.51

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
for the period ended 30 June 2008**

	<b>30 June 2008</b>	<b>30 June 2007</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	7,284	3,226
<b>Adjustment for:-</b>		
- Non-cash items	2,530	2,227
- Non-operating items	<u>(3,256)</u>	<u>3,119</u>
<b>Operating profit before working capital changes</b>	6,558	8,572
<b>Changes in working capital</b>		
- Net change in current assets	2,238	4,773
- Net change in current liabilities	<u>(58,161)</u>	<u>(1,584)</u>
<b>Cash (used in)/generated from operations</b>	(49,365)	11,761
- Net income taxes paid	(651)	(733)
- Net interest	<u>(1,300)</u>	<u>(2,515)</u>
<b>Net cash (used in)/generated from operating activities</b>	<u>(51,316)</u>	<u>8,513</u>
<b><u>Cash flows from investing activities</u></b>		
- Purchase of quoted shares	(1,284)	(986)
- Purchase of subsidiary	(167)	-
- Net proceeds from disposal of property, plant and equipment/assets classified as held for sale	139,298	12,338
- Acquisition of property, plant and equipment	<u>(6,261)</u>	<u>(32,992)</u>
<b>Net cash generated from/(used in) investing activities</b>	<u>131,586</u>	<u>(21,640)</u>
<b><u>Cash flows from financing activities</u></b>		
- Net (repayment)/proceeds of borrowings	(40,760)	13,737
- Increase in pledged deposits placed with licensed bank	<u>(4,918)</u>	<u>-</u>
<b>Net cash (used in)/generated from financing activities</b>	<u>(45,678)</u>	<u>13,737</u>
<b>Net increase in cash and cash equivalents</b>	34,592	610
<b>Cash and cash equivalents at beginning of the period</b>	<u>(8,180)</u>	<u>2,102</u>
<b>Cash and cash equivalents at end of the period (Note i)</b>	<u><u>26,412</u></u>	<u><u>2,712</u></u>

*i) Cash and cash equivalents*

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts

Cash and bank balances	33,049	11,595
Deposits placed with licensed banks	9,967	47
Bank overdrafts	<u>(6,637)</u>	<u>(8,883)</u>
	36,379	2,759
Deposits pledged to banks	<u>(9,967)</u>	<u>(47)</u>
	<u><u>26,412</u></u>	<u><u>2,712</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.



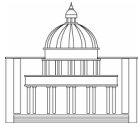
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the period ended 30 June 2008

	←————— 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			
<b>Balance as at 1 January 2008</b>	89,093	35,876	2,027	(3,561)	(91)	30,245	153,589	749	154,338
Net profit for the period	-	-	-	-	-	6,132	6,132	295	6,427
Foreign exchange translation difference	-	-	-	-	(4)	-	(4)	-	(4)
Treasury shares acquired	-	-	-	(1,284)	-	-	(1,284)	-	(1,284)
<b>Balance as at 30 June 2008</b>	<b>89,093</b>	<b>35,876</b>	<b>2,027</b>	<b>(4,845)</b>	<b>(95)</b>	<b>36,377</b>	<b>158,433</b>	<b>1,044</b>	<b>159,477</b>
<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 period	-	-	-	-	-	3,012	3,012	1	3,013
Treasury shares acquired	-	-	-	(736)	-	-	(736)	-	(736)
<b>Balance as at 30 June 2007</b>	<b>89,093</b>	<b>35,876</b>	<b>2,052</b>	<b>(3,243)</b>	<b>(49)</b>	<b>29,321</b>	<b>153,050</b>	<b>563</b>	<b>153,613</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 2007.



## **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 2007 annual financial statements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007. 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 2007.

#### **2. Qualification of Audit Report**

The audit report of the financial statements of the Group for the year ended 31 December 2007 was not qualified.

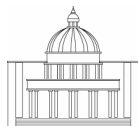
#### **3. Seasonal or cyclical factors**

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.

#### **4. 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 June 2008.



**5. 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 2008.

**6. 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 2008 except for the following:

No. of ordinary shares of RM1.00 each as at 1 January 2008	No. of ordinary shares 84,854,455
Less: Repurchase of Company's own ordinary shares	<u>(1,932,700)</u>
No. of ordinary shares of RM1.00 each as at 30 June 2008	<u>82,921,755</u>

During the financial period, the Company repurchased 1,932,700 of its own ordinary shares from the open market at an average price of RM0.66 per share. The total consideration paid for the repurchase including transaction costs was RM1,284,000 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. As at 30 June 2008, the total shares bought back all of which are held as treasury shares, amounted to 6,171,000 shares.

**7. Dividends paid**

There were no dividends paid for the quarter under review.

**8. Segment reporting**

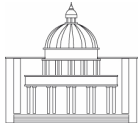
The Group's turnover and profits were derived mainly from education and training activities and accordingly, no segment reporting is presented.

**9. Valuations of property, plant and equipment**

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

**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 2008.



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

There were no major changes in the composition of the Group during the period ended 30 June 2008 except on 9 April 2008, the Company through its wholly-owned subsidiary, SEG International Group Sdn Bhd acquired 200,000 ordinary shares of RM1.00 each, representing the 100% equity interest in I-Station Solutions Sdn Bhd for a total purchase consideration of RM200,000.

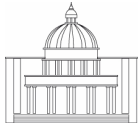
**12. Changes in contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets of the Group as at 30 June 2008.

**13. Capital Commitments**

There were no material capital commitments approved and contracted for as at 30 June 2008.





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

**1. Review of performance**

For the six-month period under review, the Group achieved an improvement in revenue of 46% and an improvement in profit before taxation of 126% when compared to the corresponding period in 2007.

The improvement in performance is generally due to the introduction of new academic courses at the Group's colleges and gain on disposal of the campus at Kota Damansara.

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

The Group recorded a profit before taxation and minority interest of RM0.5 million for the current quarter compared to the profit before taxation and minority interest of RM6.8 million in the preceding quarter. The drop in profitability is in line with the general trend of the industry where the first quarter is generally stronger than the second quarter, and also due to the gain on disposal of the campus at Kota Damansara in the preceding quarter.

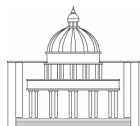
**3. Prospects**

Business outlook for the Group in year 2008 will continue to be positive with continuous growth anticipated for the year. The Group's position and brand name have been enhanced with the commencement of operations at its flagship campus in Kota Damansara in 2007. In June 2008, the flagship campus has been upgraded to University College status.

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 nursing, pharmacy, medical and health sciences and biotechnology.

**4. Profit forecast**

Not applicable.



## 5. Tax Expenses

	Current quarter ended 30 June 2008 (RM'000)	Cumulative quarter ended 30 June 2008 (RM'000)
Current tax expense		
- current	133	857
- prior year	-	-
	<u>133</u>	<u>857</u>
Deferred tax expense/(benefits)		
- current	-	-
- prior year	-	-
	<u>-</u>	<u>-</u>
Total	<u>133</u>	<u>857</u>

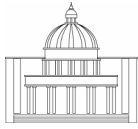
## 6. Unquoted investments and properties

There was no sale of properties in the current quarter.

For the previous quarter, the following properties were disposed:

- (i) The Company completed the disposal of its property located at No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan to CIMB Trustee Berhad (formerly known as Bumiputra-Commerce Trustee Berhad), being the trustee of AmanahRaya Real Estate Investment Trust, for a cash consideration of RM145.0 million. This resulted in a gain on disposal of RM4.0 million.
- (ii) The Company disposed one (1) unit of office lot in Cheras Business Centre, Kuala Lumpur for a total consideration of RM97,000. This resulted in a gain on disposal of RM10,000.

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



**7. Quoted investments**

Investment in quoted securities as at 30 June 2008:

	Cost (RM'000)	Book value (RM'000)	Market Value (RM'000)
Total quoted securities	4,201	4,201	1,510
Less : Provision for diminution in value	-	(144)	-
Balance as at 30 June 2008	4,201	4,057	1,510

**8. Status of corporate proposal announced**

There were no corporate proposals announced but not completed as at 27 August 2008.

**9. Borrowing and debt securities**

	30 June 2008 (RM'000)
Current	
- Secured	8,802
- Unsecured	-
	8,802
Non-current	
- Secured	5,308
- Unsecured	20,000
	25,308
	34,110

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 27 August 2008.

**11. Changes in material litigation**

There were no pending material litigations as at 27 August 2008.



## 12. Dividend

As at 30 June 2008, no interim dividend has been declared for the financial period under review.

At the Annual General Meeting of the Company on 25 June 2008, the shareholders approved a first and final dividend of 2% less tax for the financial year ended 31 December 2007. This dividend has been paid out to the shareholders on 20 August 2008.

## 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 30/06/2008 (RM'000)	Comparative Quarter Ended 30/06/2007 (RM'000)	Cumulative to-date 30/06/2008 (RM'000)	Cumulative to-date 30/06/2007 (RM'000)
<b>Earnings</b>				
Profit for the period	368	754	6,427	3,013
Amount attributable to minority interests	(24)	(6)	(295)	(1)
Profit for the period attributable to the shareholders of the Company	344	748	6,132	3,012
	(‘000)	(‘000)	(‘000)	(‘000)
<b>Weighted average number of ordinary shares</b>	84,319	85,884	84,075	85,923
<b>Basic earnings per share (sen)</b>	0.41	0.87	7.29	3.51