



SEG INTERNATIONAL BHD

145998-U

**SUMMARY OF KEY FINANCIAL INFORMATION
31 DECEMBER 2008**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
1 Revenue	37,260	26,420	127,310	86,263
2 Profit/(loss) before tax	1,524	(1,609)	9,981	2,479
3 Profit for the period	163	1,637	7,443	5,343
4 Profit attributable to ordinary equity holders of the parent	380	1,715	7,364	5,156
5 Basic earnings per share (sen)	0.45	2.00	8.80	6.03
6 Proposed/Declared dividend per share (sen)	3.00	2.00	3.00	2.00
			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)			1.9107	1.8100

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	125	31	706	389
2. Gross interest expense	(107)	(2,358)	(2,024)	(6,776)

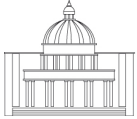
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CONDENSED CONSOLIDATED BALANCE SHEET**At 31 December 2008**

		As at 31 Dec 2008 (RM'000)	As at 31 Dec 2007 (RM'000)
ASSETS			
Property, plant and equipment	1	70,858	60,339
Intangible assets		30,212	30,165
Investment property		156	522
Prepaid lease payments		4,951	4,957
Investment in associates		451	706
Other investments	2	3,690	5,830
Deferred tax assets		2,863	3,007
Long term receivable		11,768	18,165
Total non-current assets		<u>124,949</u>	<u>123,691</u>
Inventories		8	188
Trade receivables	3	7,926	17,250
Other receivables	3	28,906	22,809
Other investments	2	147	147
Current tax assets		5,320	4,005
Assets classified as held for sale		-	132,654
Cash and cash equivalents		47,932	9,152
Total current assets		<u>90,239</u>	<u>186,205</u>
TOTAL ASSETS		<u>215,188</u>	<u>309,896</u>
EQUITY			
Share Capital		89,093	89,093
Treasury Shares		(4,862)	(3,561)
Reserves		74,164	68,057
Total equity attributable to shareholders of the Company		<u>158,395</u>	<u>153,589</u>
Minority interest		648	749
Total equity		<u>159,043</u>	<u>154,338</u>
LIABILITIES			
Loans and borrowings	5	3,449	26,156
Deferred tax liabilities		1,482	1,874
Total non-current liabilities		<u>4,931</u>	<u>28,030</u>
Payables and accruals	4	23,363	73,040
Loans and borrowings	5	27,293	54,359
Taxation		558	129
Total current liabilities		<u>51,214</u>	<u>127,528</u>
Total liabilities		<u>56,145</u>	<u>155,558</u>
TOTAL EQUITY AND LIABILITIES		<u>215,188</u>	<u>309,896</u>

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

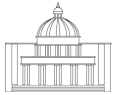
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**CONDENSED CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2008**

	Current Period		Cumulative Period	
	3 months ended		12 months ended	
	31-Dec			
	2008	2007	2008	2007
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue - services	37,260	26,420	127,310	86,263
Cost of services	(13,771)	(10,500)	(37,396)	(24,740)
Gross profit	23,489	15,920	89,914	61,523
Operating expenses	(25,344)	(18,036)	(88,601)	(57,519)
Other operating income	3,361	2,834	9,986	4,862
Profit from operations	1,506	718	11,299	8,866
Finance costs	(107)	(2,358)	(2,024)	(6,776)
Interest income	125	31	706	389
Profit before tax	1,524	(1,609)	9,981	2,479
Income tax expense	(1,361)	3,246	(2,538)	2,864
Profit for the period	163	1,637	7,443	5,343
Attributable to :				
Shareholders of the Company	380	1,715	7,364	5,156
Minority interests	(217)	(78)	79	187
	163	1,637	7,443	5,343
Earnings per share				
- Basic (sen)	0.45	2.00	8.80	6.03

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 year ended 31 December 2008**

	31 Dec 2008 (RM'000)	31 Dec 2007 (RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	9,981	2,479
Adjustment for:-		
- Non-cash items	7,600	10,218
- Non-operating items	<u>(2,833)</u>	<u>7,725</u>
Operating profit before working capital changes	14,748	20,422
Changes in working capital		
- Net change in current assets	9,624	(2,242)
- Net change in current liabilities	<u>(51,672)</u>	<u>56,141</u>
Cash (used in)/generated from operations	(27,300)	74,321
- Net income taxes paid	(3,674)	(2,360)
- Net interest	<u>(1,487)</u>	<u>(6,437)</u>
Net cash (used in)/generated from operating activities	<u>(32,461)</u>	<u>65,524</u>
<u>Cash flows from investing activities</u>		
- Purchase of quoted shares	-	(940)
- Purchase of subsidiary	(167)	-
- Net proceeds from disposal of property, plant and equipment/assets classified as held for sale	139,558	12,360
- Acquisition of property, plant and equipment	(16,090)	(36,434)
- Proceeds from disposal of unquoted bonds	<u>240</u>	<u>1,400</u>
Net cash generated from/(used in) investing activities	<u>123,541</u>	<u>(23,614)</u>
<u>Cash flows from financing activities</u>		
- Net repayments of borrowings	(37,659)	(44,891)
- Repurchase of treasury shares	(1,301)	(1,054)
- Dividend paid	(1,227)	(1,245)
- Increase in pledged deposits placed with licensed bank	<u>(4,918)</u>	<u>(5,002)</u>
Net cash (used in)/generated from financing activities	<u>(45,105)</u>	<u>(52,192)</u>
Net increase/(decrease) in cash and cash equivalents	45,975	(10,282)
Cash and cash equivalents at beginning of the period	<u>(8,180)</u>	<u>2,102</u>
Cash and cash equivalents at end of the period (Note i)	<u><u>37,795</u></u>	<u><u>(8,180)</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	37,964	4,103
Deposits placed with licensed banks	9,968	5,049
Bank overdrafts	<u>(169)</u>	<u>(12,283)</u>
	47,763	(3,131)
Deposits pledged to banks	<u>(9,968)</u>	<u>(5,049)</u>
	<u><u>37,795</u></u>	<u><u>(8,180)</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 year ended 31 December 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			
Balance as at 1 January 2008	89,093	35,876	2,027	(3,561)	(91)	30,245	153,589	749	154,338
Net profit for the year	-	-	-	-	-	7,364	7,364	79	7,443
Foreign exchange translation difference	-	-	-	-	(30)	-	(30)	-	(30)
Transfer of retained profit to reserve	-	-	(25)	-	-	25	-	-	-
Treasury shares acquired	-	-	-	(1,301)	-	-	(1,301)	-	(1,301)
Acquisition of minority interest	-	-	-	-	-	-	-	(180)	(180)
Dividend paid - 2007	-	-	-	-	-	(1,227)	(1,227)	-	(1,227)
Balance as at 31 December 2008	89,093	35,876	2,002	(4,862)	(121)	36,407	158,395	648	159,043
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 year	-	-	-	-	-	5,156	5,156	187	5,343
Foreign exchange translation difference	-	-	-	-	(42)	-	(42)	-	(42)
Transfer of retained profit to reserve	-	-	(25)	-	-	25	-	-	-
Treasury shares acquired	-	-	-	(1,054)	-	-	(1,054)	-	(1,054)
Dividend paid - 2006	-	-	-	-	-	(1,245)	(1,245)	-	(1,245)
Balance as at 31 December 2007	89,093	35,876	2,027	(3,561)	(91)	30,245	153,589	749	154,338

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.

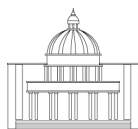
3. Seasonal or cyclical factors

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 year ended 31 December 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 year ended 31 December 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 year ended 31 December 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	(1,957,300)
No. of ordinary shares of RM1.00 each as at 31 December 2008	<u>82,897,155</u>

During the financial year, the Company repurchased 1,957,300 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 RM1,301,000 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 31 December 2008, the total shares bought back all of which are held as treasury shares, amounted to 6,195,600 shares.

7. Dividends paid

There were no dividends paid for the quarter under review.

8. Segment reporting

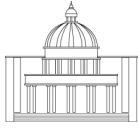
The Group's turnover and profits were derived mainly from education and training activities and accordingly, no segment reporting is presented.

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 year ended 31 December 2008.



11. Changes in composition of the Group

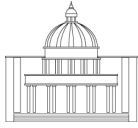
There were no major changes in the composition of the Group during the year ended 31 December 2008 except on 9 April 2008, the Company through its wholly-owned subsidiary, SEG International Group Sdn Bhd acquired 200,000 ordinary shares of RM1.00 each, representing the 100% equity interest in I-Station 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 31 December 2008.

13. Capital Commitments

There were no material capital commitments approved and contracted for as at 31 December 2008.



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

1. Review of performance

For the twelve-month period under review, the Group achieved a revenue of RM127 million and a profit before tax of RM10.0 million, an improvement of 48% and 303% respectively, as compared to the corresponding period in 2007.

The improvement in performance is generally due to the introduction of new academic programmes at the Group's institutions and also gain from the disposal of the property at Kota Damansara, Selangor.

2. Variation of results against preceding quarter

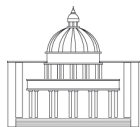
The Group recorded a profit before taxation and minority interest of RM1.5 million for the current quarter compared to the profit before taxation and minority interest of RM1.2 million in the preceding quarter. The increase in profitability is in line with the overall improvement in performance of the Group.

3. Prospects

The prospects of the Group is reasonably positive in spite of the challenging economic environment. The Group is developing many new and niche academic programmes to expand the course offerings of the Group.

4. Profit forecast

Not applicable.



5. Tax Expenses

	Current quarter ended 31 December 2008 (RM'000)	Cumulative year ended 31 December 2008 (RM'000)
Current tax expense		
- current	1,864	3,041
- prior year	(147)	(147)
	<u>1,717</u>	<u>2,894</u>
Deferred tax expense/(benefits)		
- current	(356)	(356)
- prior year	-	-
	<u>(356)</u>	<u>(356)</u>
Total	<u>1,361</u>	<u>2,538</u>

The effective tax rate is lower than the statutory tax rate mainly due to gain on disposal of properties which is not subject to tax.

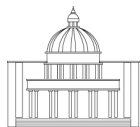
6. Unquoted investments and properties

There was no a sale of properties in the current quarter.

For the previous quarters, the following properties were disposed:

- (i) The Company disposed three (3) units of office lots in Cheras Business Centre, Kuala Lumpur for a total consideration of RM330,000. This resulted in a gain on disposal of RM40,200.
- (ii) The Company disposed one (1) unit of apartment in Taman Cantik, Cheras, Kuala Lumpur for a total consideration of RM85,000. This resulted in a gain on disposal of RM21,800.
- (iii) The Company completed the disposal of the property at Kota Damansara, Selangor 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.
- (iv) 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 31 December 2008:

	Cost (RM'000)	Book value (RM'000)	Market Value (RM'000)
Total quoted securities	4,201	4,201	1,155
Less : Provision for diminution in value	-	(1,544)	-
Balance as at 31 December 2008	<u>4,201</u>	<u>2,657</u>	<u>1,155</u>

8. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at 27 February 2009.

9. Borrowing and debt securities

	31 December 2008 (RM'000)
Current	
- Secured	7,293
- Unsecured	20,000
	<u>27,293</u>
Non-current	
- Secured	3,449
- Unsecured	-
	<u>3,449</u>
	<u>30,742</u>

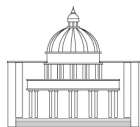
The above borrowings are denominated in Ringgit Malaysia.

10. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 27 February 2009.

11. Changes in material litigation

There were no pending material litigations as at 27 February 2009.



12. Dividend

No interim dividend has been declared for the financial year under review.

The Board of Directors is recommending a first and final dividend of 3 sen less income tax of 25% for the financial year ended 31 December 2008, 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 period.

Basic earnings per share

	Current Quarter Ended 31/12/2008 (RM'000)	Comparative Quarter Ended 31/12/2007 (RM'000)	Cumulative to-date 31/12/2008 (RM'000)	Cumulative to-date 31/12/2007 (RM'000)
Earnings				
Profit for the period	163	1,637	7,443	5,343
Amount attributable to minority interests	217	78	(79)	(187)
Profit for the period attributable to the shareholders of the Company	380	1,715	7,364	5,156
	(‘000)	(‘000)	(‘000)	(‘000)
Weighted average number of ordinary shares	84,872	85,644	83,684	85,459
Basic earnings per share (sen)	0.45	2.00	8.80	6.03