



SEG INTERNATIONAL BHD

145998-U

**SUMMARY OF KEY FINANCIAL INFORMATION
30 JUNE 2010**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	RM'000	RM'000	RM'000	RM'000
1 Revenue	52,571	35,682	104,866	74,727
2 Profit before tax	13,778	1,103	26,942	9,866
3 Profit for the period	10,850	429	20,886	7,385
4 Profit attributable to ordinary equity holders of the parent	10,802	302	20,310	6,995
5 Basic earnings per share (sen)	12.12	0.36	22.92	8.44
6 Proposed/Declared dividend per share (sen)	-	-	-	-
			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)			2.1425	1.9648

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	148	125	246	265
2. Gross interest expense	(325)	(384)	(677)	(775)

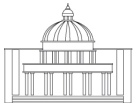
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**At 30 June 2010**

	As at 30 Jun 2010 (RM'000)	As at 31 Dec 2009 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	4,695	4,777
Property, plant and equipment	93,208	91,409
Investment properties	-	91
Other receivables	2,935	4,400
Intangible assets	27,841	27,808
Available-for-sale financial assets	1,809	2,459
Deferred tax assets	3,424	3,870
	<u>133,912</u>	<u>134,814</u>
CURRENT ASSETS		
Inventories	28	-
Receivables, deposits and prepayments	41,855	40,065
Tax recoverable	6,704	7,561
Cash and cash equivalents	56,210	36,898
	<u>104,797</u>	<u>84,524</u>
TOTAL ASSETS	<u>238,709</u>	<u>219,338</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	89,093	89,093
Treasury shares	-	(2,355)
Reserves	101,789	82,417
	<u>190,882</u>	<u>169,155</u>
MINORITY INTERESTS	1,294	839
TOTAL EQUITY	<u>192,176</u>	<u>169,994</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Long-term borrowings	9,785	12,466
Deferred tax liabilities	2,536	2,182
	<u>12,321</u>	<u>14,648</u>
CURRENT LIABILITIES		
Payables and accruals	27,301	27,971
Short-term borrowings	5,891	6,089
Provision for taxation	1,020	636
	<u>34,212</u>	<u>34,696</u>
TOTAL LIABILITIES	<u>46,533</u>	<u>49,344</u>
TOTAL EQUITY AND LIABILITIES	<u>238,709</u>	<u>219,338</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009.

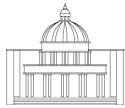
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2010

	Current Period		Cumulative Period	
	3 months ended		6 months ended	
	30-June		30-June	
	2010	2009	2010	2009
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue - services	52,571	35,682	104,866	74,727
Cost of services	(13,367)	(11,237)	(26,281)	(21,354)
Gross profit	39,204	24,445	78,585	53,373
Other income	5,160	2,602	7,108	4,392
	44,364	27,047	85,693	57,765
Distribution expenses	(5,604)	(4,343)	(8,854)	(7,036)
Administrative expenses	(9,309)	(9,924)	(22,547)	(19,962)
Other expenses	(14,930)	(11,764)	(27,140)	(20,799)
Finance costs	(325)	(384)	(677)	(775)
Share of profit of associate	(418)	471	467	673
Profit before taxation	13,778	1,103	26,942	9,866
Tax - company and subsidiaries	(3,021)	(663)	(6,107)	(2,466)
Tax - associate	93	(11)	51	(15)
Income tax expense	(2,928)	(674)	(6,056)	(2,481)
Profit after taxation	10,850	429	20,886	7,385
Attributable to :				
Equity holders of the Company	10,802	302	20,310	6,995
Minority interests	48	127	576	390
Profit after taxation	10,850	429	20,886	7,385
Other comprehensive income, net of tax				
Available-for-sale financial asset				
- fair value gain	269	-	404	-
Foreign currency translation differences				
for foreign operations	(8)	(126)	(266)	(126)
Total comprehensive income for the period	11,111	303	21,024	7,259
Total comprehensive income, attributable to :				
Equity holders of the Company	11,063	176	20,448	6,869
Minority interests	48	127	576	390
	11,111	303	21,024	7,259
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic (sen)	12.12	0.36	22.92	8.44

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
for the period ended 30 June 2010**

	30 Jun 2010	30 Jun 2009
	(RM'000)	(RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	26,942	9,866
Adjustment for:-		
- Non-cash items	5,479	3,511
- Non-operating items	757	2,048
	<u>33,178</u>	<u>15,425</u>
Operating profit before working capital changes	33,178	15,425
Changes in working capital		
- Net change in current assets	(3,884)	(2,939)
- Net change in current liabilities	(670)	(7,070)
	<u>28,624</u>	<u>5,416</u>
Cash used in operations	28,624	5,416
- Net income taxes paid	(4,066)	(881)
- Interest paid	(677)	(510)
	<u>23,881</u>	<u>4,025</u>
Net cash from operating activities	23,881	4,025
<u>Cash flows from investing activities</u>		
- Net proceeds from disposal of property, plant and equipment/ investment properties	130	2,750
- Purchase of property, plant and equipment	(5,209)	(27,726)
- Interest received	246	-
	<u>(4,833)</u>	<u>(24,976)</u>
Net cash used in investing activities	(4,833)	(24,976)
<u>Cash flows from financing activities</u>		
- Net repayment of borrowings	(2,879)	(6,143)
- Repurchase of treasury shares	-	(1)
- Proceeds from disposal of own shares	3,264	-
- Dividend paid	(121)	-
	<u>264</u>	<u>(6,144)</u>
Net cash from/ (used in) financing activities	264	(6,144)
Net increase/ (decrease) in cash and cash equivalents	19,312	(27,095)
Cash and cash equivalents, net of bank overdraft at beginning of the period	<u>36,898</u>	<u>47,376</u>
Cash and cash equivalents, net of bank overdraft at end of the period (Note i)	<u>56,210</u>	<u>20,281</u>
<i>i) Cash and cash equivalents, net of bank overdraft comprise:-</i>		
Cash and cash equivalents	56,210	20,438
Bank overdraft	-	(157)
	<u>56,210</u>	<u>20,281</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009.



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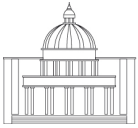
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2010

← Attributable to Shareholders of the Company →

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Treasury Shares RM'000	Exchange Translation Reserve RM'000	Available-for- sale Financial Assets Reserve RM'000	Retained Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Balance as at 1 January 2010 (as previously stated)	89,093	35,876	1,977	(2,355)	(429)	-	44,993	169,155	839	169,994
Effects of adopting FRS 139	-	-	-	-	-	(1,054)	(931)	(1,985)	-	(1,985)
Balance as at 1 January 2010 (restated and adjusted)	89,093	35,876	1,977	(2,355)	(429)	(1,054)	44,062	167,170	839	168,009
Total comprehensive income for the period	-	-	-	-	(266)	404	20,310	20,448	576	21,024
Treasury shares disposed	-	-	-	2,355	-	-	909	3,264	-	3,264
Dividend paid	-	-	-	-	-	-	-	-	(121)	(121)
Balance as at 30 June 2010	89,093	35,876	1,977	-	(695)	(650)	65,281	190,882	1,294	192,176
Balance as at 1 January 2009	89,093	35,876	2,002	(4,862)	(94)	-	36,309	158,324	623	158,947
Total comprehensive income for the period	-	-	-	-	(126)	-	6,995	6,869	390	7,259
Treasury shares acquired	-	-	-	(1)	-	-	-	(1)	-	(1)
Balance as at 30 June 2009	89,093	35,876	1,937	(4,863)	(220)	-	43,304	165,192	1,013	166,205

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009.



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 Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the accounting policies adopted in the 2009 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 2009. 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 2009.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and IC Interpretations with effect from 1 January 2010:

FRSs, Amendments to FRSs and IC Interpretations

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

Revised FRS 101 (2009) Presentation of Financial Statements

Revised FRS 123 (2009) Borrowing Costs

Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and FRS 127 – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

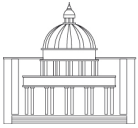
Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment



IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

The adoption of the above standards, amendments and interpretations has resulted in changes of certain accounting policies and classification adopted by the Group as well as presentation of financial statements as described hereunder:-

(a) FRS 101 (revised): Presentation of Financial Statements (FRS 101)

The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in a single statement.

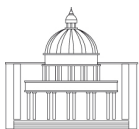
(b) FRS 117: Amendment to FRS 117, Leases (FRS 117)

Leasehold land is classified as finance lease if the Group has substantially transferred all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Following the amendment to FRS 117, the classification of leasehold land has been changed from operating to finance lease. The effect of the change which is adjusted for retrospectively is as follows:

	As previously reported (RM'000)	Effect of FRS 117 (RM'000)	As restated (RM'000)
Prepaid lease payments	4,944	(4,944)	-
Property, Plant and Equipment	86,465	4,944	91,409

(c) FRS 139: Financial Instruments: Recognition and Measurement (FRS 139)

The Group classifies its financial assets in the following categories: at fair value through profit or loss, receivables, held-to-maturity and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial assets at the initial recognition. Set out below are major changes in classifications of financial assets of the Group:



(i) Other receivables

Non-current receivables, previously measured at invoice amount and subject to impairment, are now classified as other receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When other receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

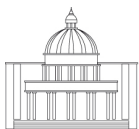
(ii) Available-for-sale financial assets

Non-current investments, previously measured at cost and subject to impairment, are now classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value.

Changes in the fair values of available-for-sale debt securities denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in the profit or loss and the other changes are recognised in other comprehensive income. If there is any objective evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss.



Impact on opening balances

In accordance with the transitional provisions for FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010:

	As previously reported (RM'000)	Effect of FRS 139 (RM'000)	As restated (RM'000)
Non-Current Assets			
- Other receivables	4,400	(931)	3,469
- Available-for-sale financial assets	2,459	(1,054)	1,405
Equity			
- Available-for-sale financial assets reserve	-	(1,054)	(1,054)
- Retained profits	44,993	(931)	44,062

3. Qualification of Audit Report

The audit report of the financial statements of the Group for the year ended 31 December 2009 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.

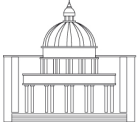
With the combination of both full-time and part-time programmes offered by the Group, the effects of seasonal or cyclical factors are minimised.

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 June 2010.

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 June 2010.



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 quarter under review except during the previous quarter, the Company disposed 3,000,600 of its own ordinary shares held as treasury shares at the open market at an average price of RM1.09 per share.

As at 30 June 2010, there were no treasury shares held by the Company.

8. Dividends paid

There were no dividends paid to the shareholders of the Company 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

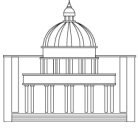
The valuations of land and building have been brought forward, without amendments from the previous annual report.

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 June 2010, except as stated in Note B (8) under status of corporate proposal announced.

12. Changes in composition of the Group

There were no major changes in the composition of the Group during the financial period ended 30 June 2010.



13. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 30 June 2010.

14. Capital Commitments

There were no material capital commitments approved and contracted for as at 30 June 2010.

15. Comparatives Figures

Certain comparative figures have been reclassified to conform with current period's presentation.



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

1. Review of performance

For the six-month period ended 30 June 2010, the Group achieved a revenue of RM104.9 million and a profit before tax of RM26.9 million, an improvement of 40% and 173% respectively, as compared to the corresponding period in 2009.

The improvement in performance is generally due to the increase of student enrolments at the Group's institutions, particularly for high margin programmes.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation and minority interest of RM13.8 million for the quarter under review compared to RM13.2 million in the preceding quarter. The increase in profitability is in line with the overall improvement in the performance of the Group.

3. Prospects for the year

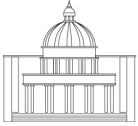
The outlook of the Group for the year 2010 remains positive. The Group continues to expand its business with new and niche academic programmes and quality education.

4. Profit forecast

Not applicable.

5. Tax Expenses

	Current quarter ended 30 June 2010 (RM'000)	Cumulative year ended 30 June 2010 (RM'000)
Current tax expense		
- current	2,174	5,302
- prior year	-	-
	<u>2,174</u>	<u>5,302</u>
Deferred tax expense/(benefits)		
- current	843	843
- prior year	(89)	(89)
	<u>754</u>	<u>754</u>
Total	<u>2,928</u>	<u>6,056</u>



6. Unquoted investments and properties

During the quarter under review, the company disposed off one (1) unit of apartment in Taman Cantik, Cheras, Kuala Lumpur for a total consideration of RM130,000. This resulted in a gain on disposal of RM39,000.

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

7. Quoted investments

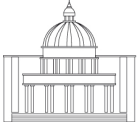
Investment in quoted securities has been reclassified from other investments to available-for-sale financial assets upon the adoption of FRS 139 on 1 January 2010.

	<u>(RM'000)</u>
Cost	<u>4,201</u>
Carrying value	
Opening balance as at 1 January 2010	2,459
Fair value adjustment upon the adoption of FRS 139	(1,054)
Fair value gain recognised in other comprehensive income	<u>404</u>
Balance as at 30 June 2010	<u>1,809</u>
Market value as at 30 June 2010	<u>1,809</u>

8. Status of corporate proposal announced

On 21 April 2010 and 19 May 2010, the Company announced the following proposals which were subsequently approved at the Company's Extraordinary General Meeting ("EGM") on 28 June 2010:

- (i) Proposed share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each held in the Company ("shares") into two (2) ordinary shares of RM0.50 each in the Company ("subdivided shares") at an entitlement date to be determined later;
- (ii) Proposed increase in authorised share capital from RM100,000,000 comprising 100,000,000 shares to RM250,000,000 comprising 500,000,000 subdivided shares;
- (iii) Proposed amendment to the memorandum and articles of association of the Company to accommodate proposals (i) and (ii) above;
- (iv) Proposed bonus issue of 71,274,204 new subdivided shares ("bonus shares") to be credited as fully paid up on the basis of two (2) bonus shares for every five (5) existing subdivided shares held after the proposed share split, on an entitlement date to be determined later; and



- (v) Proposed renounceable rights issue of up to 124,729,857 five (5)-year 2010/2015 warrants on the basis of one (1) new warrant for every two (2) subdivided shares held after the proposed bonus issue, at an issue price of RM0.05 cash per warrant.

Proposals (ii) and (iii) were completed upon the approval of the shareholders at the EGM while proposals (i) and (iv) were completed on 15 July 2010. The warrants under proposal (v) were issued on 17 August 2010 and is now pending the listing of the said warrants on Bursa Malaysia Securities Bhd.

9. Borrowing and debt securities

	30 June 2010 (RM'000)
Current	
- Secured	5,891
- Unsecured	-
	<u>5,891</u>
Non-current	
- Secured	9,785
- Unsecured	-
	<u>9,785</u>
	<u>15,676</u>

The above borrowings are denominated in Ringgit Malaysia.

10. Off balance sheet financial instruments

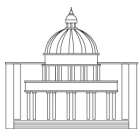
There were no financial instruments with off balance sheet risk as at 18 August 2010.

11. Changes in material litigation

There were no pending material litigations as at 18 August 2010.

12. Dividend

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 period and on the weighted average number of ordinary shares in issue during the period.

Basic earnings per share

	Current Quarter Ended 30/06/2010 (RM'000)	Comparative Quarter Ended 30/06/2009 (RM'000)	Cumulative to-date 30/06/2010 (RM'000)	Cumulative to-date 30/06/2009 (RM'000)
Earnings				
Profit for the period	10,850	429	20,886	7,385
Amount attributable to minority interests	(48)	(127)	(576)	(390)
Profit for the period attributable to the equity holders of the Company	10,802	302	20,310	6,995
	(‘000)	(‘000)	(‘000)	(‘000)
Weighted average number of ordinary shares	89,093	82,897	88,602	82,897
Basic earnings per share (sen)	12.12	0.36	22.92	8.44