



SEG INTERNATIONAL BHD

(145998-U)

SUMMARY OF KEY FINANCIAL INFORMATION 31 MARCH 2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	RM'000	RM'000	RM'000	RM'000
1 Revenue	68,470	52,295	68,470	52,295
2 Profit before tax	23,124	13,164	23,124	13,164
3 Profit for the period	18,260	10,036	18,260	10,036
4 Profit attributable to ordinary equity holders of the parent	18,122	9,508	18,122	9,508
5 Basic earnings per share (sen)	7.35	3.84 *	7.35	3.84 *
6 Proposed/Declared dividend per share (sen)	14.00	-	14.00	-
			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)			0.7720	0.8301 *

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	361	98	361	98
2. Gross interest expense	(307)	(352)	(307)	(352)

* Restated for the effects of share split from RM1.00 per ordinary share to RM0.50 per ordinary share and bonus issue of 2:5.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	As at 31 Mar 2011 (RM'000)	As at 31 Dec 2010 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	4,944	4,760
Property, plant and equipment	101,823	100,113
Other receivables	2,117	2,425
Intangible assets	27,661	27,679
Available-for-sale financial assets	2,708	2,734
Deferred tax assets	3,090	3,174
	<u>142,343</u>	<u>140,885</u>
CURRENT ASSETS		
Inventories	29	30
Receivables, deposits and prepayments	36,944	37,572
Tax recoverable	5,254	5,720
Cash and cash equivalents	78,166	78,831
	<u>120,393</u>	<u>122,153</u>
TOTAL ASSETS	<u>262,736</u>	<u>263,038</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	130,048	125,623
Treasury shares	(27,139)	(16,693)
Reserves	90,230	93,654
	<u>193,139</u>	<u>202,584</u>
NON-CONTROLLING INTERESTS	1,037	899
TOTAL EQUITY	<u>194,176</u>	<u>203,483</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Long-term borrowings	4,189	10,831
Deferred tax liabilities	2,578	2,487
	<u>6,767</u>	<u>13,318</u>
CURRENT LIABILITIES		
Payables and accruals	56,590	38,607
Short-term borrowings	3,806	7,170
Provision for taxation	1,397	460
	<u>61,793</u>	<u>46,237</u>
TOTAL LIABILITIES	<u>68,560</u>	<u>59,555</u>
TOTAL EQUITY AND LIABILITIES	<u>262,736</u>	<u>263,038</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period ended 31 March 2011

	Current Period 3 months ended 31-March		Cumulative Period 3 months ended 31-March	
	2011 (RM'000)	2010 (RM'000)	2011 (RM'000)	2010 (RM'000)
Revenue - services	68,470	52,295	68,470	52,295
Cost of services	(15,894)	(12,914)	(15,894)	(12,914)
Gross profit	52,576	39,381	52,576	39,381
Other income	5,815	1,948	5,815	1,948
Distribution expenses	(5,557)	(3,250)	(5,557)	(3,250)
Administrative expenses	(14,465)	(13,238)	(14,465)	(13,238)
Other expenses	(15,124)	(12,210)	(15,124)	(12,210)
Finance costs	(307)	(352)	(307)	(352)
Share of profit of associate	186	885	186	885
Profit before taxation	23,124	13,164	23,124	13,164
Tax - company and subsidiaries	(4,862)	(3,086)	(4,862)	(3,086)
Tax - associate	(2)	(42)	(2)	(42)
Income tax expense	(4,864)	(3,128)	(4,864)	(3,128)
Profit after taxation	18,260	10,036	18,260	10,036
Attributable to :				
Equity holders of the Company	18,122	9,508	18,122	9,508
Non-controlling interests	138	528	138	528
	18,260	10,036	18,260	10,036
Other comprehensive income, net of tax				
Available-for-sale financial asset - fair value gain	26	135	26	135
Foreign currency translation differences for foreign operations	(31)	(258)	(31)	(258)
Total comprehensive income for the period	18,255	9,913	18,255	9,913
Total comprehensive income, attributable to :				
Equity holders of the Company	18,117	9,385	18,117	9,385
Non-controlling interests	138	528	138	528
	18,255	9,913	18,255	9,913
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	7.35	3.84 *	7.35	3.84 *
- Fully diluted	5.59	N/A	5.59	N/A

* Restated for the effects of share split from RM1.00 per ordinary share to RM0.50 per ordinary share and bonus issue of 2:5.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW for the period ended 31 March 2011

	31 Mar 2011 (RM'000)	31 Mar 2010 (RM'000)
<u>Cash flows from operating activities</u>		
Profit before tax	23,124	13,164
Adjustment for:-		
- Non-cash items	2,443	3,031
- Non-operating items	(522)	387
Operating profit before working capital changes	25,045	16,582
Changes in working capital		
- Net change in inventories	1	-
- Net change in trade and other receivables	957	(1,663)
- Net change in trade and other payables	17,558	3,843
Cash from operations	43,561	18,762
- Net income taxes paid	(3,284)	(2,587)
- Interest paid	(307)	(352)
Net cash from operating activities	39,970	15,823
<u>Cash flows from investing activities</u>		
- Net cash outflow from acquisition of a subsidiary	(98)	-
- Purchase of property, plant and equipment	(3,650)	(1,740)
- Interest received	361	98
Net cash used in investing activities	(3,387)	(1,642)
<u>Cash flows from financing activities</u>		
- Net repayment of borrowings	(10,180)	(1,468)
- Purchase of own shares	(10,446)	-
- Proceeds from disposal of own shares	-	3,264
- Issuance of new shares from exercise of warrants	9,292	-
- Dividend paid	(25,914)	-
Net cash (used in)/from financing activities	(37,248)	1,796
Net (decrease)/ increase in cash and cash equivalents	(665)	15,977
Cash and cash equivalents at beginning of the period	78,831	36,898
Cash and cash equivalents at end of the period	78,166	52,875

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period ended 31 March 2011

	← Attributable to Shareholders of the Company →										Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Available-for- sale Financial Assets Reserve RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	Exchange Translation Reserve RM'000	Treasury Shares RM'000	Total RM'000			
Balance as at 1 January 2011	125,623	956	6,147	275	1,952	85,716	(1,392)	(16,693)	202,584	899	203,483	
Total comprehensive income for the period	-	-	-	(26)	-	18,122	(31)	-	18,065	138	18,203	
Issuance of new shares from exercise of warrants	4,425	4,867	(442)	-	-	-	-	-	8,850	-	8,850	
Purchase of own shares	-	-	-	-	-	-	-	(10,446)	(10,446)	-	(10,446)	
Dividends paid	-	-	-	-	-	(25,914)	-	-	(25,914)	-	(25,914)	
Balance as at 31 March 2011	130,048	5,823	5,705	249	1,952	77,924	(1,423)	(27,139)	193,139	1,037	194,176	
Balance as at 1 January 2010 (as previously stated)	89,093	35,876	-	-	1,977	44,993	(429)	(2,355)	169,155	839	169,994	
Effects of adopting FRS 139 (as adjusted)	-	-	-	(1,054)	-	(931)	-	-	(1,985)	-	(1,985)	
Balance as at 1 January 2010 (as adjusted)	89,093	35,876	-	(1,054)	1,977	44,062	(429)	(2,355)	167,170	839	168,009	
Total comprehensive income for the period	-	-	-	135	-	9,508	(258)	-	9,385	528	9,913	
Disposal of own shares	-	-	-	-	-	909	-	2,355	3,264	-	3,264	
Balance as at 31 March 2010	89,093	35,876	-	(919)	1,977	54,479	(687)	-	179,819	1,367	181,186	

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.



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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 2010 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 2010. 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 2010.

2. **Significant accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, 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 2011:

FRSs, Amendments to FRSs and IC Interpretations

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards

FRS 3 (Revised) Business Combinations

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1: Additional Exemptions for First-time Adopters

Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)

Amendments to IC Interpretation 9 Scope of IC Interpretation 9 and FRS 3 (Revised)



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IC Interpretation 4 Determining Whether An Arrangement Contains a Lease

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

IC Interpretation 18 Transfers of Assets from Customers

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments Transfers of Assets from Customers

Annual Improvements to FRSs (2010)

3. Qualification of Audit Report

The audit report of the financial statements of the Group for the year ended 31 December 2010 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 31 March 2011.

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 31 March 2011.

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 31 March 2011 except during the current quarter, the Company repurchased 2,987,400 of its own ordinary shares from the open market at an average price of RM3.48 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at 31 March 2011, the total shares bought back, all of which are held as treasury shares, amounted to 10,171,900 shares.



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8. Dividends paid

The Board of Directors declared a special dividend of RM0.14 per ordinary share of RM0.50 each in respect of the financial year ending 31 December 2011. The special dividend, less income tax of 25%, amounting to RM25,914,000, was paid on 18 February 2011.

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 31 March 2011.

12. Changes in composition of the Group

There were no major changes in the composition of the Group during the financial period ended 31 March 2011.

13. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 31 March 2011.

14. Capital Commitments

There were no material capital commitments approved and contracted for as at 31 March 2011.



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

1. Review of performance

For the three-month period ended 31 March 2011, the Group achieved a revenue of RM68.5 million and a profit before tax of RM23.1 million, an improvement of 30.9% and 75.7% respectively, as compared to the corresponding period in 2010.

The improvement in performance is generally due to the increase in student enrolments of the Group's institutions.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation and minority interest of RM23.1 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 Group recorded marked improvement in student numbers and profitability in the previous year and the current quarter. This trend is expected to continue in 2011 and the foreseeable future as the Group has put in place a firm foundation and strategy for sustainable growth. Quality niche academic programmes will be introduced continually by the Group backed by a strong management and academic team.

4. Profit forecast

Not applicable.

5. Tax Expenses

	Current quarter ended 31 March 2011 (RM'000)	Cumulative period ended 31 March 2011 (RM'000)
Current tax expense		
- current	4,689	4,689
- prior year	-	-
	<u>4,689</u>	<u>4,689</u>
Deferred tax expense/(benefits)		
- current	175	175
- prior year	-	-
	<u>175</u>	<u>175</u>
Total	<u>4,864</u>	<u>4,864</u>



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6. Unquoted investments and properties

During the quarter under review, there were no disposals of unquoted investments and properties.

7. Quoted investments

The investments in quoted securities as at 31 March 2011:

	<u>(RM'000)</u>
At Cost	4,201
At Carrying value	2,708
At Market value	2,708

8. Status of corporate proposal announced

On 23 February 2011, the Company announced the private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company's ordinary shares are at the point of implementation. This proposal was subsequently approved by Bursa Malaysia Securities Berhad on 8 March 2011 for the listing and quotation of up to 36,700,507 new ordinary shares of RM0.50 each. No shares have been placed out under this proposal as of 28 April 2011.

9. Borrowing and debt securities

The Group's borrowings as at 31 March 2011 are as follows:

	<u>(RM'000)</u>
Current	3,806
Non-current	4,189
	<u><u>7,995</u></u>

The above borrowings are secured and denominated in Ringgit Malaysia.

10. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 28 April 2011.



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11. Changes in material litigation

There were no pending material litigations as at 28 April 2011.

12. Dividend

The Board of Directors declared a special dividend of RM0.14 per ordinary share of RM0.50 each in respect of the financial year ending 31 December 2011. The special dividend, less income tax of 25%, amounting to RM25,914,000, was paid on 18 February 2011.

The Board of Directors also recommended a first and final single tier dividend of 7% for the financial year ended 31 December 2010, subject to the approval of shareholders at the forthcoming Annual General Meeting.

13. Retained Profits

The breakdown of retained profits of the Group as at reporting date, into realised and unrealised is as follows:

	Current quarter ended 31 March 2011 (RM'000)	Cumulative year ended 31 March 2011 (RM'000)
Retained profits of the Group		
- realised	72,098	72,098
- unrealised	1,142	1,142
	<hr/> 73,240	<hr/> 73,240
Share of retained profits from associates		
- realised	1,294	1,294
- unrealised	-	-
	<hr/> 1,294	<hr/> 1,294
Total before consolidation adjustments		
- realised	73,392	73,392
- unrealised	1,142	1,142
	<hr/> 74,534	<hr/> 74,534
Add: consolidation adjustments	3,390	3,390
	<hr/>	<hr/>
Total retained profits as per consolidated accounts	77,924	77,924



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14. 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. The comparative weighted number of ordinary shares in issue were adjusted for the share split and bonus issue.

Basic earnings per share

	Current Quarter Ended 31/3/2011 (RM'000)	Comparative Quarter Ended 31/3/2010 (RM'000)	Cumulative to-date 31/3/2011 (RM'000)	Cumulative to-date 31/3/2010 (RM'000)
Earnings				
Profit for the period	18,260	10,036	18,260	10,036
Amount attributable to non-controlling interests	138	528	138	528
Profit for the period attributable to the equity holders of the Company	18,122	9,508	18,122	9,508
Weighted average number of ordinary shares as previously reported ('000)	-	88,105	-	88,105
Basic earnings per share as previously reported (sen)	-	10.79	-	10.79
Weighted average number of ordinary shares, adjusted for share split and bonus issue ('000)	246,424	247,484	246,424	247,484
Basic earnings per share, adjusted for share split and bonus issue (sen)	7.35	3.84	7.35	3.84



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Diluted earnings per share

	Current Quarter Ended 31/3/2011 (RM'000)	Cumulative to-date 31/3/2011 (RM'000)
Earnings		
Profit for the year	18,260	18,260
Amount attributable to non-controlling interests	138	138
Profit for the period attributable to the equity holders of the Company	<u>18,122</u>	<u>18,122</u>
Weighted average number of ordinary shares, adjusted for share split and bonus issue ('000)	246,424	246,424
Effect of dilution ('000)		
- Warrants	<u>77,781</u>	<u>77,781</u>
Adjusted weighted average number of ordinary shares ('000)	<u>324,205</u>	<u>324,205</u>
Diluted earnings per share (sen)	<u><u>5.59</u></u>	<u><u>5.59</u></u>

15. Comparative Figures

Comparative figures, where applicable, have been modified to conform to the current quarter presentation.