



**SEG INTERNATIONAL BHD**

(145998-U)

**SUMMARY OF KEY FINANCIAL INFORMATION  
30 SEPTEMBER 2013**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM'000	RM'000	RM'000	RM'000
1 Revenue	61,192	74,258	174,922	232,264
2 Profit before tax	7,392	19,478	26,473	71,152
3 Profit for the period	6,049	15,650	24,000	57,494
4 Profit attributable to ordinary equity holders of the parent	6,155	15,785	24,629	57,808
5 Basic earnings per share (sen)	0.96	2.47	3.84	10.01
6 Proposed/Declared dividend per share of RM0.25 each (sen)	-	-	5.00	-
			<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)			0.4065	0.4177

**ADDITIONAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	268	410	1,229	955
2. Gross interest expense	(362)	(94)	(471)	(371)



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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2013

	As at 30 Sept 2013 (RM'000)	As at 31 Dec 2012 (RM'000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	187,222	170,937
Intangible assets	27,928	27,959
Other investments	1,030	3,753
Deferred tax assets	3,259	3,259
	<u>219,439</u>	<u>205,908</u>
<b>CURRENT ASSETS</b>		
Inventories	35	26
Receivables	45,326	60,685
Tax refundable	17,839	11,270
Cash and cash equivalents	54,255	108,287
	<u>117,455</u>	<u>180,268</u>
<b>TOTAL ASSETS</b>	<b><u>336,894</u></b>	<b><u>386,176</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	166,895	166,219
Treasury shares	(37,479)	(37,475)
Reserves	131,396	138,128
	<u>260,812</u>	<u>266,872</u>
<b>NON-CONTROLLING INTERESTS</b>	(233)	396
<b>TOTAL EQUITY</b>	<u>260,579</u>	<u>267,268</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	44,358	45,254
Deferred tax liabilities	2,039	2,039
	<u>46,397</u>	<u>47,293</u>
<b>CURRENT LIABILITIES</b>		
Payables	27,313	36,144
Short-term borrowings	1,350	2,724
Current tax liabilities	1,255	805
Dividend payable	-	31,942
	<u>29,918</u>	<u>71,615</u>
<b>TOTAL LIABILITIES</b>	<u>76,315</u>	<u>118,908</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>336,894</u></b>	<b><u>386,176</u></b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.



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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

**for the period ended 30 September 2013**

	Current Period		Cumulative Period	
	2013 (RM'000)	2012 (RM'000)	2013 (RM'000)	2012 (RM'000)
Revenue - services	61,192	74,258	174,922	232,264
Cost of services	(17,491)	(19,147)	(57,628)	(57,616)
<b>Gross profit</b>	<b>43,701</b>	<b>55,111</b>	<b>117,294</b>	<b>174,648</b>
Other income	2,420	4,059	23,710	12,644
Distribution expenses	(8,238)	(7,358)	(24,844)	(23,344)
Administrative expenses	(13,550)	(14,742)	(39,838)	(42,642)
Other expenses	(16,579)	(17,498)	(49,378)	(49,783)
Finance costs	(362)	(94)	(471)	(371)
<b>Profit before taxation</b>	<b>7,392</b>	<b>19,478</b>	<b>26,473</b>	<b>71,152</b>
Income tax expense	(1,343)	(3,828)	(2,473)	(13,658)
<b>Profit after taxation</b>	<b>6,049</b>	<b>15,650</b>	<b>24,000</b>	<b>57,494</b>
<b>Attributable to :</b>				
Equity holders of the Company	6,155	15,785	24,629	57,808
Non-Controlling interests	(106)	(135)	(629)	(314)
	<b>6,049</b>	<b>15,650</b>	<b>24,000</b>	<b>57,494</b>
<b>Other comprehensive income, net of tax</b>				
Available-for-sale financial asset - fair value gain/(loss)	100	(646)	110	(626)
Foreign currency translation differences for foreign operations	(27)	118	(85)	71
<b>Total comprehensive income for the period</b>	<b>6,122</b>	<b>15,122</b>	<b>24,025</b>	<b>56,939</b>
<b>Total comprehensive income, attributable to :</b>				
Equity holders of the Company	6,228	15,257	24,654	57,253
Non-Controlling interests	(106)	(135)	(629)	(314)
	<b>6,122</b>	<b>15,122</b>	<b>24,025</b>	<b>56,939</b>
<b>Earnings per share attributable to equity holders of the Company (sen):-</b>				
- Basic	0.96	2.47	3.84	10.01
- Fully diluted	0.87	2.22	3.47	8.90

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.



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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW for the period ended 30 September 2013

	30 Sept 2013 (RM'000)	30 Sept 2012 (RM'000)
<b><u>Cash flows from operating activities</u></b>		
<b>Profit before tax</b>	26,473	71,152
<b>Adjustment for:-</b>		
- Non-cash items	12,965	8,302
- Non-operating items	(15,922)	(1,008)
<b>Operating profit before working capital changes</b>	23,516	78,446
<b>Changes in working capital</b>		
- Net change in inventories	(9)	2
- Net change in trade and other receivables	12,210	(47,469)
- Net change in trade and other payables	(8,781)	8,013
<b>Cash from operations</b>	26,936	38,992
- Net income taxes paid	(8,644)	(12,062)
- Interest paid	(471)	(371)
<b>Net cash from operating activities</b>	17,821	26,559
<b><u>Cash flows from investing activities</u></b>		
- Proceeds from disposal of investment in subsidiaries	-	465
- Proceeds from disposal of property, plant and equipment	-	150
- Purchase of property, plant and equipment	(9,228)	(7,212)
- Proceeds from disposal quoted shares	1,015	-
- Dividend received	57	54
- Interest received	1,229	955
<b>Net cash used in investing activities</b>	(6,927)	(5,588)
<b><u>Cash flows from financing activities</u></b>		
- Repayment of borrowings	(2,270)	(2,344)
- Purchase of own shares	(4)	(4)
- Proceeds from new shares, net of expenses	1,352	52,939
- Dividends paid	(64,004)	(53,263)
<b>Net cash used in financing activities</b>	(64,926)	(2,672)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(54,032)	18,299
<b>Cash and cash equivalents at beginning of the period</b>	108,287	87,155
<b>Cash and cash equivalents at end of the period</b>	54,255	105,454

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the period ended 30 September 2013

	← Non-Distributable					→ Distributable					
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Available-for-sale Financial Assets Reserve RM'000	Exchange Translation Reserve RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
<b>Balance as at 1 January 2013</b>	166,219	45,612	2,087	(20)	476	(37,475)	-	89,973	266,872	396	267,268
<b>Total comprehensive income for the financial period</b>	-	-	-	110	(85)	-	-	24,629	24,654	(629)	24,025
Issuance of shares from exercise of warrants	676	743	(67)	-	-	-	-	-	1,352	-	1,352
Purchase of own shares	-	-	-	-	-	(4)	-	-	(4)	-	(4)
Dividends	-	-	-	-	-	-	-	(32,062)	(32,062)	-	(32,062)
<b>Balance as at 30 Sept 2013</b>	<u>166,895</u>	<u>46,355</u>	<u>2,020</u>	<u>90</u>	<u>391</u>	<u>(37,479)</u>	<u>-</u>	<u>82,540</u>	<u>260,812</u>	<u>(233)</u>	<u>260,579</u>
<b>Balance as at 1 January 2012 (as previously reported)</b>	139,674	16,412	4,742	(1,374)	(1,188)	(37,471)	1,927	61,037	183,759	762	184,521
Effects of adopting MFRS	-	-	-	-	1,392	-	(1,927)	535	-	-	-
<b>(as adjusted)</b>	<u>139,674</u>	<u>16,412</u>	<u>4,742</u>	<u>(1,374)</u>	<u>204</u>	<u>(37,471)</u>	<u>-</u>	<u>61,572</u>	<u>183,759</u>	<u>762</u>	<u>184,521</u>
<b>Total comprehensive income for the financial period</b>	-	-	-	(626)	71	-	-	57,808	57,253	(314)	56,939
Issuance of shares from exercise of warrants	26,470	29,116	(2,647)	-	-	-	-	-	52,939	-	52,939
Purchase of own shares	-	-	-	-	-	(4)	-	-	(4)	-	(4)
<b>Balance as at 30 Sept 2012</b>	<u>166,144</u>	<u>45,528</u>	<u>2,095</u>	<u>(2,000)</u>	<u>275</u>	<u>(37,475)</u>	<u>-</u>	<u>119,380</u>	<u>293,947</u>	<u>448</u>	<u>294,395</u>

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.



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### Notes to interim financial report

#### A. **DISCLOSURE REQUIREMENTS AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

##### 1. **Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements of MFRS 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 2012 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 2012. 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 2012.

##### 2. **Significant accounting policies**

###### **2.1 Adoption of Standards, Amendments and Issues Committee (IC) Interpretations and changes in accounting policies**

###### **Adoption of Standards, Amendments and IC Interpretations**

The Group adopted the following Standards, Amendments and IC Interpretations:-

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans



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Amendments to MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income

Annual Improvements to IC Interpretations and MFRSs 2009-2011 Cycle

The adoption of the above Standards and Interpretations will have no significant financial impact on the financial statements of the Group.

### **2.2 Standards, Amendments and IC Interpretation issued but not yet effective**

The following MFRSs and IC Interpretations have been issued by the MASB and are not yet effective.

<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>		<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 10, MFRS 12 and MFRS 127	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015

### **3. Qualification of Audit Report**

The audit report of the financial statements of the Group for the year ended 31 December 2012 was not qualified.



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### 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 September 2013.

### 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 September 2013.

### 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 30 September 2013 except for the following:

	No. of ordinary shares
No. of ordinary shares net of treasury shares as at 1 January 2013	638,836,448
Add: Issue of shares from exercise of warrants	2,703,240
	<hr/>
	641,539,688
Less: Purchase of Company's own ordinary shares	(2,000)
No. of ordinary shares net of treasury shares as at 30 September 2013	<hr/>
	641,537,688

During the previous quarters, the Company:

- (i) Issued 2,553,240 new ordinary shares pursuant to the exercise of warrants.
- (ii) Repurchased 1,000 of its own ordinary shares from the open market at an average price of RM1.61 per share.

During the current quarter, the Company:

- (i) Issued 150,000 new ordinary shares pursuant to the exercise of warrants.
- (ii) Repurchased 1,000 of its own ordinary shares from the open market at an average price of RM1.59 per share.





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The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. As at 30 September 2013, the total shares bought back, all of which are held as treasury shares, amounted to 26,043,600 shares of RM0.25 each.

### 8. Dividends paid

During the previous financial year, the Board of Directors declared an interim single tier dividend of RM0.05 per ordinary share of RM0.25 each in respect of the financial year ended 31 December 2012. This interim single tier dividend amounting to RM31,942,000 was paid on 8 January 2013.

On 6 March 2013, the Board of Directors declared an interim single tier dividend of RM0.05 per ordinary share of RM0.25 each in respect of the financial year ending 31 December 2013. This interim single tier dividend amounting to RM32,062,000 was paid on 25 April 2013.

### 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. Material subsequent events

There are no material subsequent events that have not been reflected in the financial statements for the financial period ended 30 September 2013.

### 11. Changes in composition of the Group

There were no major changes in the composition of the Group during the current quarter ended 30 September 2013.

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

There were no material contingent liabilities or contingent assets of the Group as at 30 September 2013.

### 13. Capital Commitment

Material capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at the end of the financial period were as follows:

<b>Property, Plant and Equipment</b>	<b>RM'm</b>
Approved but not contracted for	100.0



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

#### **1. Review of performance**

For the period ended 30 September 2013, the Group achieved a revenue of RM174.9 million and a profit before taxation of RM26.5 million, a decline of 24.7% and 62.8% respectively, as compared to the corresponding period in 2012.

The decline in profits as compared to the previous financial year corresponding period is mainly attributed to the high number of graduating students and the delay in arrival of international students following the establishment of Education Malaysia Global Services (EMGS) agency.

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

The Group recorded a profit before taxation of RM7.4 million for the quarter under review compared to a profit before taxation of RM17.9 million in the preceding quarter. The decrease is mainly due to the gain from disposal of land amounting to RM15.8 million in preceding quarter.

#### **3. Prospects for 2013**

The Group has launched a number of new initiatives in 2013 which have helped improve the income stream for the current period and are expected to further strengthen the results of the Group in future.

#### **4. Profit forecast**

Not applicable.



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### 5. Notes to the Consolidated Statement of Comprehensive Income

Profit before taxation is arrived at after charging/(crediting):

	Current Quarter Ended 30/9/2013 (RM'000)	Comparative Quarter Ended 30/9/2012 (RM'000)	Cumulative to-date 30/9/2013 (RM'000)	Cumulative to-date 30/9/2012 (RM'000)
Allowance for impairment on:				
- receivables	1,284	522	2,923	522
Amortisation of development costs	24	25	70	76
Bad debts written off	-	-	227	-
Depreciation expense	2,893	2,606	8,688	7,416
Interest income	(268)	(410)	(1,229)	(955)
Gain on foreign exchange	(1)	171	(42)	(23)
(Gain)/Loss on disposal of quoted investment	(314)	-	(311)	-
Gain on disposal of land	-	-	(15,772)	-

### 6. Tax Expenses

	Current quarter ended 30 Sept 2013 (RM'000)	Cumulative year ended 30 Sept 2013 (RM'000)
Current tax expense		
- current	1,343	2,473
- prior year	-	-
	<u>1,343</u>	<u>2,473</u>

### 7. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at 18 November 2013.

### 8. Borrowing and debt securities

The Group's borrowings as at 30 September 2013 are as follows:

	(RM'000)
Current	1,350
Non-current	44,358
	<u>45,708</u>

The above borrowings are secured and denominated in Ringgit Malaysia.



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### 9. Changes in material litigation

There were no pending material litigations as at 18 November 2013.

### 10. Dividend

On 6 March 2013, the Board of Directors declared an interim single tier dividend of RM0.05 per ordinary share of RM0.25 each in respect of the financial year ending 31 December 2013. This interim single tier dividend amounting to RM32,062,000 was paid on 25 April 2013.

### 11. Retained Profits

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

	Current quarter ended 30 Sept 2013 (RM'000)	Cumulative period ended 30 Sept 2013 (RM'000)
Retained profits of the Group		
- realised	5,839	79,085
- unrealised	111	1,711
	<u>5,950</u>	<u>80,796</u>
Add: consolidation adjustments	205	1,744
Total retained profits as per consolidated accounts	<u>6,155</u>	<u>82,540</u>



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### 12. 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.

#### *Basic earnings per share*

	Current Quarter Ended 30/9/2013 (RM'000)	Comparative Quarter Ended 30/9/2012 (RM'000)	Cumulative to-date 30/9/2013 (RM'000)	Cumulative to-date 30/9/2012 (RM'000)
<b>Earnings</b>				
Profit after taxation	6,049	15,650	24,000	57,494
Amount attributable to non-controlling interests	106	135	629	314
Profit after taxation attributable to the equity holders of the Company	6,155	15,785	24,629	57,808
Weighted average number of ordinary shares ('000)	641,442	637,910	641,041	577,351
<b>Basic earnings per share (sen)</b>	<b>0.96</b>	<b>2.47</b>	<b>3.84</b>	<b>10.01</b>

#### *Diluted earnings per share*

<b>Earnings</b>				
Profit after taxation	6,049	15,650	24,000	57,494
Amount attributable to non-controlling interests	106	135	629	314
Profit after taxation attributable to the equity holders of the Company	6,155	15,785	24,629	57,808
Weighted average number of ordinary shares ('000)	641,442	637,910	641,041	577,351
Effect of dilution ('000) - Warrants	68,050	73,440	68,797	72,377
Weighted average number of ordinary shares ('000)	709,492	711,350	709,838	649,728
<b>Diluted earnings per share (sen)</b>	<b>0.87</b>	<b>2.22</b>	<b>3.47</b>	<b>8.90</b>