



**SUMMARY OF KEY FINANCIAL INFORMATION**  
**31 MARCH 2014**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/3/2014	31/3/2013	31/3/2014	31/3/2013
	RM'000	RM'000	RM'000	RM'000
1 Revenue	61,523	55,825	61,523	55,825
2 Profit before tax	8,066	1,217	8,066	1,217
3 Profit for the year	7,136	882	7,136	882
4 Profit attributable to ordinary equity holders of the parent	7,210	992	7,210	992
5 Basic earnings per share (sen)	1.12	0.15	1.12	0.15
6 Proposed/Declared dividend per share of RM0.25 each (sen)	-	5.00	-	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)			0.4060	0.3948

**ADDITIONAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/3/2014	31/3/2013	31/3/2014	31/3/2013
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	204	494	204	494
2. Gross interest expense	(529)	(56)	(529)	(56)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the period ended 31 March 2014**

	Current Period 3 months ended 31-March		Cumulative Period 3 months ended 31-March	
	2014 (RM'000)	2013 (RM'000)	2014 (RM'000)	2013 (RM'000)
Revenue - services	61,523	55,825	61,523	55,825
Cost of services	(17,136)	(19,929)	(17,136)	(19,929)
<b>Gross profit</b>	<b>44,387</b>	<b>35,896</b>	<b>44,387</b>	<b>35,896</b>
Other income	3,073	2,520	3,073	2,520
Distribution expenses	(7,871)	(7,964)	(7,871)	(7,964)
Administrative expenses	(14,083)	(12,433)	(14,083)	(12,433)
Other expenses	(16,911)	(16,746)	(16,911)	(16,746)
Finance costs	(529)	(56)	(529)	(56)
<b>Profit before taxation</b>	<b>8,066</b>	<b>1,217</b>	<b>8,066</b>	<b>1,217</b>
Income tax expense	(930)	(335)	(930)	(335)
<b>Profit after taxation</b>	<b>7,136</b>	<b>882</b>	<b>7,136</b>	<b>882</b>
<b>Attributable to :</b>				
Owners of the Company	7,210	992	7,210	992
Non-Controlling interests	(74)	(110)	(74)	(110)
	<b>7,136</b>	<b>882</b>	<b>7,136</b>	<b>882</b>
<b>Other comprehensive income, net of tax</b>				
Available-for-sale financial asset - fair value gain	-	10	-	10
Foreign currency translation differences for foreign operations	(94)	(20)	(94)	(20)
<b>Total comprehensive income for the year</b>	<b>7,042</b>	<b>872</b>	<b>7,042</b>	<b>872</b>
<b>Total comprehensive income, attributable to :</b>				
Owners of the Company	7,116	982	7,116	982
Non-Controlling interests	(74)	(110)	(74)	(110)
	<b>7,042</b>	<b>872</b>	<b>7,042</b>	<b>872</b>
<b>Earnings per share attributable to equity holders of the Company (sen):-</b>				
- Basic	1.12	0.15	1.12	0.15
- Fully diluted	1.02	0.14	1.02	0.14

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013.



**SEG**  
International  
Bhd

(145998-U)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 March 2014**

	<b>As at 31 Mar 2014 (RM'000)</b>	<b>As at 31 Dec 2013 (RM'000)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	193,451	192,437
Intangible assets	28,057	28,078
Other investments	1,000	1,000
Deferred tax assets	9,880	10,231
	<u>232,388</u>	<u>231,746</u>
<b>CURRENT ASSETS</b>		
Inventories	95	90
Receivables	33,498	38,712
Tax recoverable	13,773	16,364
Cash and bank balances	73,579	68,125
	<u>120,945</u>	<u>123,291</u>
<b>TOTAL ASSETS</b>	<b><u>353,333</u></b>	<b><u>355,037</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payables	41,039	34,583
Short-term borrowings	878	1,075
Current tax liabilities	699	578
Dividend payable	-	16,057
	<u>42,616</u>	<u>52,293</u>
<b>NET CURRENT ASSETS</b>	<b><u>78,329</u></b>	<b><u>70,998</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	44,638	44,212
Deferred tax liabilities	5,195	5,121
	<u>49,833</u>	<u>49,333</u>
<b>TOTAL LIABILITIES</b>	<b><u>92,449</u></b>	<b><u>101,626</u></b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	167,306	167,090
Treasury shares	(37,480)	(37,479)
Share premium	46,807	46,569
Reserves	84,473	77,379
	<u>261,106</u>	<u>253,559</u>
<b>NON-CONTROLLING INTERESTS</b>	<b>(222)</b>	<b>(148)</b>
<b>TOTAL EQUITY</b>	<b><u>260,884</u></b>	<b><u>253,411</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>353,333</u></b>	<b><u>355,037</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 2013.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the period ended 31 March 2014

	← 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	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Balance at 1 January 2014</b>	167,090	46,569	2,001	60	486	(37,479)	74,832	253,559	(148)	253,411
<b>Total comprehensive income for the financial period</b>	-	-	-	-	(94)	-	7,210	7,116	(74)	7,042
<b>Transactions with owners:-</b>										
- Issuance of shares from exercise of warrants	216	238	(22)	-	-	-	-	432	-	432
- Purchase of own shares	-	-	-	-	-	(1)	-	(1)	-	(1)
<b>Balance at 31 March 2014</b>	<u>167,306</u>	<u>46,807</u>	<u>1,979</u>	<u>60</u>	<u>392</u>	<u>(37,480)</u>	<u>82,042</u>	<u>261,106</u>	<u>(222)</u>	<u>260,884</u>
<b>Balance 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>	-	-	-	10	(20)	-	992	982	(110)	872
<b>Transactions with owners:-</b>										
- Issuance of shares from exercise of warrants	602	661	(60)	-	-	-	-	1,203	-	1,203
- Purchase of own shares	-	-	-	-	-	(2)	-	(2)	-	(2)
<b>Balance at 31 March 2013</b>	<u>166,821</u>	<u>46,273</u>	<u>2,027</u>	<u>(10)</u>	<u>456</u>	<u>(37,477)</u>	<u>90,965</u>	<u>269,055</u>	<u>286</u>	<u>269,341</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 2013.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the period ended 31 March 2014**

	<b>31 Mar 2014</b> <b>(RM'000)</b>	<b>31 Mar 2013</b> <b>(RM'000)</b>
<b><u>Cash flows from operating activities</u></b>		
<b>Profit before taxation</b>	8,066	1,217
<b>Adjustment for:-</b>		
- Non-cash items	3,310	2,628
- Non-operating items	117	(454)
<b>Operating profit before working capital changes</b>	11,493	3,391
<b>Changes in working capital</b>		
- Increase in inventories	(5)	(7)
- Decrease/(increase) in trade and other receivables	4,440	(1,648)
- Increase/(decrease) in trade and other payables	6,456	(390)
<b>Cash from operations</b>	22,384	1,346
- Net taxes refunded/(paid)	2,207	(3,130)
- Interest paid	(529)	(56)
<b>Net cash from/(used in) operating activities</b>	24,062	(1,840)
<b><u>Cash flows from investing activities</u></b>		
- Proceeds from disposal of property, plant and equipment	200	-
- Purchase of property, plant and equipment	(3,028)	(3,966)
- (Placement)/withdrawal of deposits with licensed banks and financial institutions	(67)	39,928
- Dividend received	-	181
- Interest received	204	494
<b>Net cash (used in)/from investing activities</b>	(2,691)	36,637
<b><u>Cash flows from financing activities</u></b>		
- Repayment of borrowings	(358)	(811)
- Purchase of own shares	(1)	(2)
- Proceeds from new shares, net of expenses	432	1,203
- Dividends paid	(16,057)	(31,942)
<b>Net cash used in financing activities</b>	(15,984)	(31,552)
<b>Net increase in cash and cash equivalents</b>	5,387	3,245
<b>Cash and cash equivalents at beginning of period</b>	54,930	55,565
<b>Cash and cash equivalents at end of period</b>	60,317	58,810

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013.



## 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 2013 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 2013. 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 2013.

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

The accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2013, except for the adoption of Amendments to Standards and Issue Committee (IC) interpretations effective as of 1 January 2014.

##### 2.1 **Adoption of Amendments to Standards and IC Interpretations**

The Group has adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2014.

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies



## 2. Significant accounting policies (Cont'd)

### 2.1 Adoption of Amendments to Standards and IC Interpretations (Cont'd)

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

### 2.2 Standards issued but not yet effective

At the date of authorisation of the interim financial report, the following Standards were issued but not yet effective and have not been adopted by the Group.

<b>Description</b>		<b>Effective for financial periods beginning on or after</b>
MFRS 9	Financial Instruments (IFRS 9 issued by International Accounting Standards Board (IASB) in November 2009)	To be announced by Malaysian Accounting Standards Board (MASB)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced by MASB
MFRS 9	Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)	To be announced by MASB
MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)	To be announced by MASB
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010-2012 Cycle		1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle		1 July 2014

## 3. Qualification of Audit Report

The audit report of the financial statements of the Group for the year ended 31 December 2013 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 2014.

**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 2014.

**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 2014 except for the following:

	No. of ordinary shares
No. of ordinary shares net of treasury shares as at 1 January 2014	642,315,288
Add: Issue of shares from exercise of warrants	867,000
	<hr/> 643,182,288
Less: Purchase of Company's own ordinary shares	(1,000)
No. of ordinary shares net of treasury shares as at 31 March 2014	<hr/> <hr/> 643,181,288

During the current quarter, the Company:

- (i) Issued 867,000 new ordinary shares pursuant to the exercise of warrants.
- (ii) Repurchased of 1,000 of its own ordinary shares from the open market at an average price of RM1.55 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 2014, the total shares bought back, all of which are held as treasury shares, amounted to 26,044,600 shares of RM0.25 each.





**8. Dividends paid**

During the previous financial year, the Board of Directors declared a second interim single tier dividend of RM0.025 per ordinary share of RM0.25 each in respect of the financial year ended 31 December 2013. This second interim single tier dividend amounting to RM16,057,062 was paid on 15 January 2014.

**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 31 March 2014.

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

There were no major changes in the composition of the Group during the current quarter ended 31 March 2014.

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

There were no material contingent liabilities or contingent assets of the Group as at 31 March 2014.

**13. Capital Commitment**

There were no material capital commitments approved and contracted for as at 31 March 2014.

**14. Cash and bank balances**

	As at 31 March 2014 (RM'000)
Total cash and bank balances	73,579
Less: Deposits with licensed banks and financial institution with maturity more than three months	<u>(13,262)</u>
Total cash and cash equivalents	<u>60,317</u>



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

**1. Review of performance**

For the period ended 31 March 2014, the Group achieved a revenue of RM61.5 million and a profit before taxation of RM8.1 million, an increase of 10.2% and 562.8% respectively, as compared to the corresponding period in 2013.

The increase in profits as compared to the previous financial year corresponding period is mainly attributed to better enrolments.

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

The Group recorded a profit before taxation of RM8.1 million for the quarter under review compared to a profit before taxation of RM5.2 million in the preceding quarter. The improvement is mainly due to better course margin and cost management.

**3. Prospects for 2014**

The Group consolidated its local operations in the previous year focusing on improving the quality of its programmes. The Group is also increasing its overseas market, in addition to the launching of new online programmes. We expect this move to provide a more sustainable growth in the near future.

**4. Profit forecast**

Not applicable.

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

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

	Current Quarter Ended 31/3/2014 (RM'000)	Comparative Quarter Ended 31/3/2013 (RM'000)	Cumulative to-date 31/3/2014 (RM'000)	Cumulative to-date 31/3/2013 (RM'000)
Amortisation of development costs	48	16	48	16
Bad debts written off	-	94	-	94
Depreciation expense	3,289	2,797	3,289	2,797
Interest income	(204)	(494)	(204)	(494)
Gain on disposal of property, plant and equipment	(114)	-	(114)	-



## 6. Tax Expenses

	Current quarter ended 31 March 2014 (RM'000)	Cumulative to-date 31 March 2014 (RM'000)
Current tax expense		
- current	579	579
- prior year	-	-
	<u>579</u>	<u>579</u>
Deferred tax expense		
- current	351	351
- prior year	-	-
	<u>351</u>	<u>351</u>
Total	<u>930</u>	<u>930</u>

## 7. Status of corporate proposals announced

On 12 May 2014, the Company announced that the establishment of a Long Term Incentive Plan (“LTIP”) of up to 15% of the issued and paid-up share capital of SEGi (excluding treasury shares, if any) at any point in time during the existence of such plan, for the Eligible Persons, comprising the Proposed Employee Share Options and Proposed Share Grant Plan.

The completion of the LTIP is pending the approval of the shareholders at a forthcoming extraordinary general meeting.

On 19 May 2014, the Company announced that its wholly owned subsidiary company, SEG International Group Sdn Bhd, entered into a share sale agreement with Global Activate Sdn Bhd for the proposed disposal of the entire issued and paid-up share capital of SEGi International Learning Alliance Sdn Bhd for a cash consideration of RM14,000,000.

The completion of the proposed disposal is subject to certain conditions precedent to be satisfied.



## 8. Borrowing and debt securities

The Group's borrowings as at 31 March 2014 are as follows:

	(RM'000)
Current	878
Non-current	44,638
	<u>45,516</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

## 9. Changes in material litigation

There were no pending material litigations as at 20 May 2014.

## 10. Dividend

The Board of Directors declared a single tier interim dividend of RM 0.05 per ordinary share of RM 0.25 each in respect of the financial year ending 31 December 2014. This interim dividend will be paid on 8 August 2014.

## 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 31 March 2014 (RM'000)	Cumulative to-date 31 March 2014 (RM'000)
Retained profits of the Group		
- realised	64,863	64,863
- unrealised	5,118	5,118
	<u>69,981</u>	<u>69,981</u>
Add: consolidation adjustments	12,642	12,642
Total retained profits as per consolidated accounts	<u>82,623</u>	<u>82,623</u>



## 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 31/3/2014 (RM'000)	Comparative Quarter Ended 31/3/2013 (RM'000)	Cumulative to-date 31/3/2014 (RM'000)	Cumulative to-date 31/3/2013 (RM'000)
<b>Earnings</b>				
Profit after taxation	7,136	882	7,136	882
Amount attributable to non-controlling interests	74	110	74	110
Profit after taxation attributable to the equity holders of the Company	7,210	992	7,210	992
Weighted average number of ordinary shares ('000)	642,574	640,420	642,574	640,420
<b>Basic earnings per share (sen)</b>	<b>1.12</b>	<b>0.15</b>	<b>1.12</b>	<b>0.15</b>

### *Diluted earnings per share*

<b>Earnings</b>				
Profit after taxation	7,136	882	7,136	882
Amount attributable to non-controlling interests	74	110	74	110
Profit after taxation attributable to the equity holders of the Company	7,210	992	7,210	992
Weighted average number of ordinary shares ('000)	642,574	640,420	642,574	640,420
Effect of dilution ('000) - Warrants	66,220	69,334	66,220	69,334
Weighted average number of ordinary shares ('000)	708,794	709,754	708,794	709,754
<b>Diluted earnings per share (sen)</b>	<b>1.02</b>	<b>0.14</b>	<b>1.02</b>	<b>0.14</b>