



**SUMMARY OF KEY FINANCIAL INFORMATION**  
**30 JUNE 2014**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	RM'000	RM'000	RM'000	RM'000
1 Revenue	61,809	57,905	123,332	113,730
2 Profit before tax	7,602	17,864	15,668	19,081
3 Profit for the year	6,701	17,069	13,837	17,951
4 Profit attributable to ordinary equity holders of the parent	6,740	17,482	13,950	18,474
5 Basic earnings per share (sen)	1.05	2.74	2.17	2.88
6 Proposed/Declared dividend per share of RM0.25 each (sen)	5.00	-	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)			0.3663	0.3948

**ADDITIONAL INFORMATION**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	321	467	525	961
2. Gross interest expense	(522)	(53)	(1,051)	(109)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the period ended 30 June 2014**

	Current Period 3 months ended 30-June		Cumulative Period 6 months ended 30-June	
	2014 (RM'000)	2013 (RM'000)	2014 (RM'000)	2013 (RM'000)
Revenue - services	61,809	57,905	123,332	113,730
Cost of services	(18,592)	(20,208)	(35,728)	(40,137)
<b>Gross profit</b>	<b>43,217</b>	<b>37,697</b>	<b>87,604</b>	<b>73,593</b>
Other income	3,866	18,770	6,939	21,290
	47,083	56,467	94,543	94,883
Distribution expenses	(8,286)	(8,642)	(16,157)	(16,606)
Administrative expenses	(13,629)	(13,855)	(27,712)	(26,288)
Other expenses	(17,044)	(16,053)	(33,955)	(32,799)
Finance costs	(522)	(53)	(1,051)	(109)
<b>Profit before taxation</b>	<b>7,602</b>	<b>17,864</b>	<b>15,668</b>	<b>19,081</b>
Income tax expense	(901)	(795)	(1,831)	(1,130)
<b>Profit after taxation</b>	<b>6,701</b>	<b>17,069</b>	<b>13,837</b>	<b>17,951</b>
<b>Attributable to :</b>				
Owners of the Company	6,740	17,482	13,950	18,474
Non-Controlling interests	(39)	(413)	(113)	(523)
	<b>6,701</b>	<b>17,069</b>	<b>13,837</b>	<b>17,951</b>
<b>Other comprehensive income, net of tax</b>				
Available-for-sale financial asset				
- fair value gain	-	60	-	70
Foreign currency translation differences				
for foreign operations	(148)	(38)	(242)	(58)
<b>Total comprehensive income for the period</b>	<b>6,553</b>	<b>17,091</b>	<b>13,595</b>	<b>17,963</b>
<b>Total comprehensive income, attributable to :</b>				
Owners of the Company	6,592	17,504	13,708	18,486
Non-Controlling interests	(39)	(413)	(113)	(523)
	<b>6,553</b>	<b>17,091</b>	<b>13,595</b>	<b>17,963</b>
<b>Earnings per share attributable to equity holders of the Company (sen):-</b>				
- Basic	1.05	2.74	2.17	2.88
- Fully diluted	0.95	2.47	1.97	2.60

The Condensed Consolidated Statement of Comprehensive Income 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 FINANCIAL POSITION**

**At 30 June 2014**

	<b>As at 30 June 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	135,966	192,437
Intangible assets	28,009	28,078
Other investments	1,000	1,000
Deferred tax assets	10,231	10,231
	<u>175,206</u>	<u>231,746</u>
<b>CURRENT ASSETS</b>		
Inventories	77	90
Assets held for sale	56,938	-
Receivables	32,812	38,712
Tax recoverable	13,220	16,364
Cash and bank balances	74,193	68,125
	<u>177,240</u>	<u>123,291</u>
<b>TOTAL ASSETS</b>	<b><u>352,446</u></b>	<b><u>355,037</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payables	32,907	34,583
Short-term borrowings	937	1,075
Current tax liabilities	554	578
Dividend payable	32,183	16,057
	<u>66,581</u>	<u>52,293</u>
<b>NET CURRENT ASSETS</b>	<b><u>110,659</u></b>	<b><u>70,998</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	45,221	44,212
Deferred tax liabilities	5,195	5,121
	<u>50,416</u>	<u>49,333</u>
<b>TOTAL LIABILITIES</b>	<b><u>116,997</u></b>	<b><u>101,626</u></b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	167,404	167,090
Treasury shares	(37,480)	(37,479)
Share premium	46,914	46,569
Reserves	58,872	77,379
	<u>235,710</u>	<u>253,559</u>
<b>NON-CONTROLLING INTERESTS</b>	<b>(261)</b>	<b>(148)</b>
<b>TOTAL EQUITY</b>	<b><u>235,449</u></b>	<b><u>253,411</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>352,446</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 30 June 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>	-	-	-	-	(242)	-	13,950	13,708	(113)	13,595
<b>Transactions with owners:-</b>										
- Issuance of shares from exercise of warrants	314	345	(32)	-	-	-	-	627	-	627
- Purchase of own shares	-	-	-	-	-	(1)	-	(1)	-	(1)
- Dividends	-	-	-	-	-	-	(32,183)	(32,183)	-	(32,183)
<b>Balance at 30 June 2014</b>	<u>167,404</u>	<u>46,914</u>	<u>1,969</u>	<u>60</u>	<u>244</u>	<u>(37,480)</u>	<u>56,599</u>	<u>235,710</u>	<u>(261)</u>	<u>235,449</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>	-	-	-	70	(58)	-	18,474	18,486	(523)	17,963
<b>Transactions with owners:-</b>										
- Issuance of shares from exercise of warrants	639	702	(63)	-	-	-	-	1,278	-	1,278
- Purchase of own shares	-	-	-	-	-	(2)	-	(2)	-	(2)
- Dividends	-	-	-	-	-	-	(32,062)	(32,062)	-	(32,062)
<b>Balance at 31 March 2013</b>	<u>166,858</u>	<u>46,314</u>	<u>2,024</u>	<u>50</u>	<u>418</u>	<u>(37,477)</u>	<u>76,385</u>	<u>254,572</u>	<u>(127)</u>	<u>254,445</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.



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the period ended 30 June 2014**

	<b>30 June 2014</b> <b>(RM'000)</b>	<b>30 June 2013</b> <b>(RM'000)</b>
<b><u>Cash flows from operating activities</u></b>		
<b>Profit before taxation</b>	15,668	19,081
<b>Adjustment for:-</b>		
- Non-cash items	6,750	7,600
- Non-operating items	167	(16,649)
<b>Operating profit before working capital changes</b>	22,585	10,032
<b>Changes in working capital</b>		
- Decrease/(Increase) in inventories	13	(10)
- Decrease in trade and other receivables	5,126	8,173
- Decrease in trade and other payables	(1,843)	(13,273)
<b>Cash from operations</b>	25,881	4,922
- Net taxes refunded/(paid)	1,363	(6,057)
- Interest paid	(1,051)	(109)
<b>Net cash from/(used in) operating activities</b>	26,193	(1,244)
<b><u>Cash flows from investing activities</u></b>		
- Proceeds from disposal of property, plant and equipment	200	-
- Proceeds from disposal of quoted shares	-	994
- Purchase of property, plant and equipment	(4,724)	(7,534)
- (Placement)/withdrawal of deposits with licensed banks and financial institutions	(10,131)	39,213
- Dividend received	17	38
- Interest received	525	961
<b>Net cash (used in)/from investing activities</b>	(14,113)	33,672
<b><u>Cash flows from financing activities</u></b>		
- Repayment of borrowings	(712)	(1,606)
- Purchase of own shares	(1)	(2)
- Proceeds from new shares, net of expenses	627	1,278
- Dividends paid	(16,057)	(64,004)
<b>Net cash used in financing activities</b>	(16,143)	(64,334)
<b>Net decrease in cash and cash equivalents</b>	(4,063)	(31,906)
<b>Cash and cash equivalents at beginning of period</b>	54,930	55,565
<b>Cash and cash equivalents at end of period</b>	50,867	23,659

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



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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 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:

Description		Effective for financial periods beginning on or after
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 30 June 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 30 June 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 30 June 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	1,255,800
	<hr/>
	643,571,088
Less: Purchase of Company's own ordinary shares	(1,000)
No. of ordinary shares net of treasury shares as at 30 June 2014	<hr/> <hr/>
	643,570,088

During the previous 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.

During the current quarter, the Company:

- (i) Issued 388,800 new ordinary shares pursuant to the exercise of warrants.

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. As at 30 June 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 RM16,057,000 was paid on 15 January 2014.

On 21 May 2014, the Board of Directors declared an interim single tier 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 single tier dividend amounting to RM32,183,000 was paid on 8 August 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 30 June 2014.

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

There were no major changes in the composition of the Group during the current quarter ended 30 June 2014.

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

There were no material contingent liabilities or contingent assets of the Group as at 30 June 2014.

**13. Capital Commitment**

There were no material capital commitments approved and contracted for as at 30 June 2014.

**14. Cash and bank balances**

	As at 30 June 2014 (RM'000)
Total cash and bank balances	74,193
Less: Deposits with licensed banks and financial institution with maturity more than three months	<u>(23,326)</u>
Total cash and cash equivalents	<u>50,867</u>



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

**1. Review of performance**

For the period ended 30 June 2014, the Group achieved a revenue of RM123.3 million and a profit before taxation of RM15.7 million, an increase of 8.44% and decrease of 17.80% respectively, as compared to the corresponding period in 2013.

The increase in revenue as compared to the previous financial year corresponding period is mainly attributed to better new enrolments. The profit before taxation in 2013 consists of a gain on sale of land of RM15.8 million. Comparing the profit before taxation for 2014 with the corresponding period in 2013 before this gain, the Group achieved an increase in profits of 375.76%. The improvement in overall profits was also contributed by the improvement of product mix margins.

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

The Group recorded a slightly lower profit before taxation of RM7.6 million for the quarter under review compared to a profit before taxation of RM8.1 million in the preceding quarter.

**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 30/6/2014 (RM'000)	Comparative Quarter Ended 30/6/2013 (RM'000)	Cumulative to-date 30/6/2014 (RM'000)	Cumulative to-date 30/6/2013 (RM'000)
Allowance for impairment on:				
- trade receivables	-	1,639	-	1,639
Amortisation of development costs	74	30	122	46
Bad debts written off	-	133	-	227
Depreciation expense	3,406	2,998	6,695	5,795
Interest income	(321)	(467)	(525)	(961)
Gain on disposal of property, plant and equipment	(114)	(15,772)	(114)	(15,772)
Loss on disposal of quoted investment	-	3	-	3
Loss/(Gain) on foreign exchange	3	(38)	3	(41)

## 6. Tax Expenses

	Current quarter ended 30 June 2014 (RM'000)	Cumulative to-date 30 June 2014 (RM'000)
Current tax expense		
- current	1,178	1,757
- prior year	-	-
	<u>1,178</u>	<u>1,757</u>
Deferred tax expense		
- current	(351)	-
- prior year	74	74
	<u>(277)</u>	<u>74</u>
Total	<u>901</u>	<u>1,831</u>



## 7. Status of corporate proposals announced

- (i) On 12 May 2014, the Company announced the establishment of a Long Term Incentive Plan (“LTIP”) of up to 15% of the issued and paid-up share capital of the Company (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.

On 16 June 2014, the above proposal was approved at the Company’s extraordinary general meeting.

On 2 July 2014, the Company announced the offer under the LTIP (“Offer”) which comprises the employees’ share option scheme (“ESOS”) and share grant plan to the eligible employees (including Executive Directors) of SEGi and its subsidiary companies which are not dormant, as follows:-

No.	Description of Offer under the LTIP	ESOS	Share Grant
1.	Date of Offer	1 July 2014	1 July 2014
2.	Exercise price of ESOS Option	1.45	Not applicable
3.	Number of ESOS Options and/or Share Grant offered (including the Offer to Executive Director)	35.9 mil	5.6 mil
4.	Market price of SEGi shares on the date of Offer	1.45	1.45
5.	Number of ESOS Options and/or Share Grant offered to Executive Director/Chief Executive Officer	1.6 mil	0.9 mil
6.	Vesting period of the ESOS Options and/or Share Grant offered	To be vested over 5 years commencing 2017, subject to the fulfilment of certain vesting conditions.	

- (ii) 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 30 June 2014 are as follows:

	<u>(RM'000)</u>
Current	937
Non-current	45,221
	<u>46,158</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

## 9. Changes in material litigation

There were no pending material litigations as at 12 August 2014.

## 10. Dividend

On 21 May 2014, the Board of Directors declared an interim single tier 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 single tier dividend amounting to RM32,183,000 was 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 30 June 2014 (RM'000)	Cumulative to-date 30 June 2014 (RM'000)
Retained profits of the Group		
- realised	(27,216)	37,647
- unrealised	132	5,250
	<u>(27,084)</u>	<u>42,897</u>
Add: consolidation adjustments	1,060	13,702
Total retained profits as per consolidated accounts	<u>(26,024)</u>	<u>56,599</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.

### *Basic earnings per share*

	Current Quarter Ended 30/6/2014 (RM'000)	Comparative Quarter Ended 30/6/2013 (RM'000)	Cumulative to-date 30/6/2014 (RM'000)	Cumulative to-date 30/6/2013 (RM'000)
<b>Earnings</b>				
Profit after taxation	6,701	17,069	13,837	17,951
Amount attributable to non-controlling interests	39	413	113	523
Profit after taxation attributable to the equity holders of the Company	6,740	17,482	13,950	18,474
Weighted average number of ordinary shares ('000)	643,404	638,867	642,991	640,838
<b>Basic earnings per share (sen)</b>	<b>1.05</b>	<b>2.74</b>	<b>2.17</b>	<b>2.88</b>

### *Diluted earnings per share*

<b>Earnings</b>				
Profit after taxation	6,701	17,069	13,837	17,951
Amount attributable to non-controlling interests	39	413	113	523
Profit after taxation attributable to the equity holders of the Company	6,740	17,482	13,950	18,474
Weighted average number of ordinary shares ('000)	643,404	638,867	642,991	640,838
Effect of dilution ('000)				
- Warrants	65,460	68,673	65,810	69,031
Weighted average number of ordinary shares ('000)	708,863	707,540	708,801	709,869
<b>Diluted earnings per share (sen)</b>	<b>0.95</b>	<b>2.47</b>	<b>1.97</b>	<b>2.60</b>