



SUMMARY OF KEY FINANCIAL INFORMATION
30 SEPTEMBER 2014

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
	RM'000	RM'000	RM'000	RM'000
1 Revenue	59,916	61,192	183,248	174,922
2 Profit before tax	5,492	7,392	21,160	26,473
3 Profit for the year	4,652	6,049	18,488	24,000
4 Profit attributable to ordinary equity holders of the parent	4,737	6,155	18,686	24,629
5 Basic earnings per share (sen)	0.74	0.96	2.91	3.84
6 Proposed/Declared dividend per share of RM0.25 each (sen)	-	-	5.00	5.00
			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)			0.3747	0.3948

ADDITIONAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	267	268	792	1,229
2. Gross interest expense	(581)	(362)	(1,632)	(471)



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

	Current Period 3 months ended 30-September		Cumulative Period 9 months ended 30-September	
	2014 (RM'000)	2013 (RM'000)	2014 (RM'000)	2013 (RM'000)
Revenue - services	59,916	61,192	183,248	174,922
Cost of services	(18,760)	(17,491)	(54,488)	(57,628)
Gross profit	41,156	43,701	128,760	117,294
Other income	4,538	2,420	11,477	23,710
	45,694	46,121	140,237	141,004
Distribution expenses	(6,989)	(8,238)	(23,146)	(24,844)
Administrative expenses	(14,766)	(13,550)	(42,478)	(39,838)
Other expenses	(17,866)	(16,579)	(51,821)	(49,378)
Finance costs	(581)	(362)	(1,632)	(471)
Profit before taxation	5,492	7,392	21,160	26,473
Income tax expense	(840)	(1,343)	(2,672)	(2,473)
Profit after taxation	4,652	6,049	18,488	24,000
Attributable to :				
Owners of the Company	4,737	6,155	18,686	24,629
Non-Controlling interests	(85)	(106)	(198)	(629)
	4,652	6,049	18,488	24,000
Other comprehensive income, net of tax				
Available-for-sale financial asset - fair value gain	(100)	100	(100)	110
Foreign currency translation differences for foreign operations	203	(27)	(39)	(85)
Total comprehensive income for the period	4,755	6,122	18,349	24,025
Total comprehensive income, attributable to :				
Owners of the Company	4,840	6,228	18,547	24,654
Non-Controlling interests	(85)	(106)	(198)	(629)
	4,755	6,122	18,349	24,025
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic	0.74	0.96	2.91	3.84
- Fully diluted	0.67	0.87	2.64	3.47

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 September 2014

	As at 30 September 2014 (RM'000)	As at 31 December 2013 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	134,014	192,437
Intangible assets	27,966	28,078
Other investments	900	1,000
Deferred tax assets	10,231	10,231
	<u>173,111</u>	<u>231,746</u>
CURRENT ASSETS		
Inventories	72	90
Assets held for sale	56,938	-
Receivables	40,404	38,712
Tax recoverable	14,675	16,364
Cash and bank balances	68,543	68,125
	<u>180,632</u>	<u>123,291</u>
TOTAL ASSETS	<u>353,743</u>	<u>355,037</u>
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Payables	60,979	34,583
Short-term borrowings	859	1,075
Current tax liabilities	520	578
Dividend payable	-	16,057
	<u>62,358</u>	<u>52,293</u>
NET CURRENT ASSETS	<u>118,274</u>	<u>70,998</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	45,374	44,212
Deferred tax liabilities	5,195	5,121
	<u>50,569</u>	<u>49,333</u>
TOTAL LIABILITIES	<u>112,927</u>	<u>101,626</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	167,442	167,090
Treasury shares	(37,482)	(37,479)
Share premium	46,956	46,569
Reserves	64,246	77,379
	<u>241,162</u>	<u>253,559</u>
NON-CONTROLLING INTERESTS	(346)	(148)
TOTAL EQUITY	<u>240,816</u>	<u>253,411</u>
TOTAL EQUITY AND LIABILITIES	<u>353,743</u>	<u>355,037</u>

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 September 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	Other Capital 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
Balance at 1 January 2014	167,090	46,569	2,001	60	486	-	(37,479)	74,832	253,559	(148)	253,411
Total comprehensive income for the financial period	-	-	-	(100)	(39)	-	-	18,686	18,547	(198)	18,349
Transactions with owners:-											
- Issuance of shares from exercise of warrants	352	387	(35)	-	-	-	-	-	704	-	704
- Purchase of own shares	-	-	-	-	-	-	(3)	-	(3)	-	(3)
- Share-based payments	-	-	-	-	-	538	-	-	538	-	538
- Dividends	-	-	-	-	-	-	-	(32,183)	(32,183)	-	(32,183)
Balance at 30 September 2014	<u>167,442</u>	<u>46,956</u>	<u>1,966</u>	<u>(40)</u>	<u>447</u>	<u>538</u>	<u>(37,482)</u>	<u>61,335</u>	<u>241,162</u>	<u>(346)</u>	<u>240,816</u>
Balance at 1 January 2013	166,219	45,612	2,087	(20)	476	-	(37,475)	89,973	266,872	396	267,268
Total comprehensive income for the financial period	-	-	-	110	(85)	-	-	24,629	24,654	(629)	24,025
Transactions with owners:-											
- 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)
Balance at 30 September 2013	<u>166,895</u>	<u>46,355</u>	<u>2,020</u>	<u>90</u>	<u>391</u>	<u>-</u>	<u>(37,479)</u>	<u>82,540</u>	<u>260,812</u>	<u>(233)</u>	<u>260,579</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 September 2014

	30 September 2014	30 September 2013
	(RM'000)	(RM'000)
<u>Cash flows from operating activities</u>		
Profit before taxation	21,160	26,473
Adjustment for:-		
- Non-cash items	10,746	12,965
- Non-operating items	1,224	(15,922)
Operating profit before working capital changes	33,130	23,516
Changes in working capital		
- Decrease/(increase) in inventories	18	(9)
- Decrease in trade and other receivables	(2,833)	12,210
- Increase/(decrease) in trade and other payables	26,229	(8,781)
Cash from operations	56,544	26,936
- Net taxes paid	(967)	(8,644)
- Interest paid	(1,632)	(471)
Net cash from operating activities	53,945	17,821
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	205	-
- Proceeds from disposal of quoted shares	-	1,015
- Purchase of property, plant and equipment	(6,129)	(9,228)
- (Placement)/withdrawal of deposits with licensed banks and financial institutions	(2,726)	40,014
- Dividend received	34	57
- Interest received	792	1,229
Net cash (used in)/from investing activities	(7,824)	33,087
<u>Cash flows from financing activities</u>		
- Net repayment of borrowings	(890)	(2,270)
- Purchase of own shares	(3)	(4)
- Proceeds from new shares, net of expenses	704	1,352
- Dividends paid	(48,240)	(64,004)
Net cash used in financing activities	(48,429)	(64,926)
Net decrease in cash and cash equivalents	(2,308)	(14,018)
Cash and cash equivalents at beginning of period	54,930	55,565
Cash and cash equivalents at end of period	52,622	41,547

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)

Amendments to MFRS 119	Defined Benefit Contributions	Plans: Employee	1 July 2014
Annual Improvements to MFRSs 2010-2012 Cycle			1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle			1 July 2014

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)	1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2018
MFRS 9	Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)	1 January 2018
MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016



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2. Significant accounting policies (Cont'd)

2.2 Standards issued but not yet effective (Cont'd)

Description	Effective for financial periods beginning on or after
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants 1 January 2016

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 September 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 September 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 September 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	1,407,600
	<hr/> 643,722,888
Less: Purchase of Company's own ordinary shares	(2,000)
No. of ordinary shares net of treasury shares as at 30 September 2014	<hr/> <hr/> 643,720,888

During the previous quarters, the Company:

- (i) Issued 1,255,800 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 151,800 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 RM1.44 per share.

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. As at 30 September 2014, the total shares bought back, all of which are held as treasury shares, amounted to 26,045,600 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 September 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 September 2014.

12. Changes in contingent liabilities or contingent assets

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

13. Capital Commitment

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

14. Cash and bank balances

	As at 30 September 2014 (RM'000)
Total cash and bank balances	68,543
Less: Deposits with licensed banks and financial institution with maturity more than three months	<u>(15,921)</u>
Total cash and cash equivalents	<u>52,622</u>

15. Payables

Included in Payables are fees received in advance from students amounting to approximately RM33.2 million (30 Sept 2013: RM17.4million).



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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 2014, the Group achieved a revenue of RM183.2 million and a profit before taxation of RM21.2 million, an increase of 4.75% and decrease of 20.00% 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 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 98.13%.

2. Variation of results against preceding quarter

The Group recorded a lower profit before taxation for the quarter under review compared to the preceding quarter as there is only one main intake for this quarter as compared with two similar intakes in the previous 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 30/9/2014 (RM'000)	Comparative Quarter Ended 30/9/2013 (RM'000)	Cumulative to-date 30/9/2014 (RM'000)	Cumulative to-date 30/9/2013 (RM'000)
Allowance for impairment on:				
- trade receivables	-	1,284	-	2,923
Amortisation of development costs	42	24	164	70
Bad debts written off	367	-	367	227
Depreciation expense	3,458	2,893	10,153	8,688
Interest income	(267)	(268)	(792)	(1,229)
Gain on disposal of quoted investment	-	(314)	-	(311)
(Gain)/Loss on foreign exchange	(1)	(1)	2	(42)
(Gain)/Loss on disposal of property, plant and equipment	2	-	(112)	(15,772)

6. Tax expenses

	Current quarter ended 30 September 2014 (RM'000)	Cumulative to-date 30 September 2014 (RM'000)
Current tax expense		
- current	855	2,613
- prior year	(15)	(15)
	<u>840</u>	<u>2,598</u>
Deferred tax expense		
- current	-	-
- prior year	-	74
	<u>-</u>	<u>74</u>
Total	<u>840</u>	<u>2,672</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 September 2014 are as follows:

	(RM'000)
Current	859
Non-current	45,374
	<u>46,233</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

9. Changes in material litigation

There were no pending material litigations as at 17 November 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 September 2014 (RM'000)	Cumulative to-date 30 September 2014 (RM'000)
Retained profits of the Group		
- realised	4,549	42,196
- unrealised	127	5,377
	<u>4,676</u>	<u>47,573</u>
Add: consolidation adjustments	60	13,762
Total retained profits as per consolidated accounts	<u>4,736</u>	<u>61,335</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 30/9/2014 (RM'000)	Comparative Quarter Ended 30/9/2013 (RM'000)	Cumulative to-date 30/9/2014 (RM'000)	Cumulative to-date 30/9/2013 (RM'000)
Earnings				
Profit after taxation	4,652	6,049	18,488	24,000
Amount attributable to non-controlling interests	85	106	198	629
Profit after taxation attributable to the equity holders of the Company	4,737	6,155	18,686	24,629
Weighted average number of ordinary shares ('000)	643,673	641,442	643,221	641,041
Basic earnings per share (sen)	0.74	0.96	2.91	3.84

Diluted earnings per share

Earnings				
Profit after taxation	4,652	6,049	18,488	24,000
Amount attributable to non-controlling interests	85	106	198	629
Profit after taxation attributable to the equity holders of the Company	4,737	6,155	18,686	24,629
Weighted average number of ordinary shares ('000)	643,673	641,442	643,221	641,041
Effect of dilution ('000)				
- Warrants	65,059	68,050	65,597	68,797
Weighted average number of ordinary shares ('000)	708,732	709,492	708,818	709,838
Diluted earnings per share (sen)	0.67	0.87	2.64	3.47