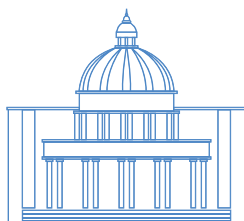


THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you have sold or transferred all your warrant(s) in SEG International Bhd (“**Warrant(s)**”), you should at once hand this Notice to Warrant Holders (“**Notice**”) to the purchaser or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee respectively.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Notice prior to its issuance and takes no responsibility for the contents of this Notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Notice.

THIS NOTICE IS FOR THE INFORMATION OF THE WARRANT HOLDERS ONLY. NO ACTION IS REQUIRED TO BE TAKEN.



SEG INTERNATIONAL BHD

(Company No: 145998-U)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE TO WARRANT HOLDERS

IN RELATION TO THE ADJUSTMENT TO THE NUMBER AND EXERCISE PRICE OF THE 101,283,197 WARRANTS FOLLOWING THE COMPLETION OF THE SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.50 EACH IN SEG INTERNATIONAL BHD (“SEGi”) INTO TWO (2) ORDINARY SHARES OF RM0.25 EACH IN SEGi ON 12 JULY 2011 AT 5.00 P.M., BEING ITS ENTITLEMENT DATE (“SHARE SPLIT”)

Adviser



KENANGA INVESTMENT BANK BERHAD

Company No. 15678-H

This Notice is dated 18 July 2011

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Notice:

Additional Warrants	:	The 101,283,197 additional Warrants issued on 12 July 2011 in relation to the adjustments pursuant to the Share Split and the Deed Poll
Amendment	:	The amendment to the M&A to facilitate the Share Split which was completed on 28 June 2011
Auditors	:	The auditor or auditors for the time being of the Company
Board	:	The Board of Directors of SEGi
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Deed Poll	:	The Warrant's Deed Poll dated 15 July 2010
EGM	:	Extraordinary General Meeting of the Company held on 28 June 2011 to approve the Share Split and the Amendment
Entitlement Date	:	5.00 p.m. on 12 July 2011, being the time and date respectively, at which the Company's Register of Members or the Record of Depositors with Bursa Depository was closed for the purpose of determining the entitlement of the Shareholders of the Company to participate in the Share Split
Exercise Price	:	The sum of RM1.00 payable for every new SEGi Share to be issued pursuant to the exercise of the Warrant, subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll
Holder(s)	:	Holder(s) of the Warrants
KIBB	:	Kenanga Investment Bank Berhad (15678-H)
Market Day	:	Any day between Monday and Friday (inclusive of both days but excluding public holidays) and on which the Bursa Securities is open for trading of securities
Share Split	:	The share split involving the subdivision of every one (1) existing SEGi Shares into two (2) Subdivided SEGi Shares on the Entitlement Date
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of the Depository
RM and sen	:	Ringgit Malaysia and sen, respectively
Rules of Depository	:	Rules of Bursa Depository including amendments thereof
SEGi or the Company	:	SEG International Bhd (145998-U)

DEFINITIONS (Cont'd)

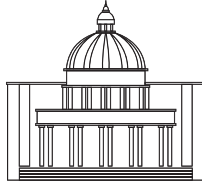
SEGi Share(s) or Share(s)	:	Ordinary share(s) of RM0.50 each in SEGi prior to the Share Split and the Amendment
Shareholders	:	Ordinary shareholders of SEGi
Subdivided SEGi Share(s)	:	Ordinary share(s) of RM0.25 each in SEGi, after the Share Split and the Amendment
Warrants	:	The five (5)-year 2010/2015 warrants wherein each warrant is exercisable into one (1) new Share at an exercise price of RM1.00 for each warrant and is constituted by the Deed Poll. As at the Entitlement Date, there were 101,283,197 Warrants-in-issue
Warrants-in-issue	:	Being the remaining Warrants not yet exercised
Warrants Register	:	The register of the Holders maintained by the Registrar in accordance with the Companies Act, 1965

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SEG INTERNATIONAL BHD

(Company No:145998-U)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

6th Floor, SEGi University College
No. 9, Jalan Teknologi
Taman Sains Selangor
Kota Damansara, PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan

18 July 2011

Board of Directors

Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr Haji Megat Khas (*Independent Non-Executive Chairman*)

Dato' (Dr) Patrick Teoh Seng Foo (*Executive Deputy Chairman/ President*)

Dato' Sri Clement Hii Chii Kok (*Group Managing Director*)

Lee Kok Cheng (*Executive Director/ Chief Executive Officer*)

Hew Moi Lan (*Executive Director/ Chief Operating Officer*)

Datu Haji Putit Bin Matzen (*Non-Independent Non-Executive Director*)

Datuk Chee Hong Leong (*Independent Non-Executive Director*)

Amos Siew Boon Yeong (*Independent Non-Executive Director*)

Foo San Kan (*Independent Non-Executive Director*)

Goh Leng Chua (*Independent Non-Executive Director*)

To: The Holders

Dear Sir/Madam,

ADJUSTMENT TO THE NUMBER AND EXERCISE PRICE OF THE 101,283,197 WARRANTS-IN-ISSUE AS AT THE ENTITLEMENT DATE PURSUANT TO THE SHARE SPLIT

1. INTRODUCTION

KIBB, on behalf of the Board, had on 28 April 2011 announced that the Company proposed to implement a share split involving the subdivision of every one (1) existing SEGi Share into two (2) Subdivided SEGi Shares on the Entitlement Date. The Share Split was implemented via the reduction of each Share's existing par value of RM0.50 each to RM0.25 each per Subdivided SEGi Share.

The approval of Bursa Securities for the Share Split and the listing of and quotation for the Subdivided SEGi Shares had been obtained via Bursa Securities' letter dated 27 May 2011.

At the EGM, SEGi had also obtained the Shareholders' approval for the Share Split and the Amendment.

Upon the Share Split and the Amendment becoming unconditional, on 28 June 2011, the Company announced the Entitlement Date for the Subdivided SEGi Shares and the Additional Warrants which was fixed at 5.00 p.m. on 12 July 2011.

The Subdivided SEGi Shares and Additional Warrants were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m. on 13 July 2011, being the next Market Day after the Entitlement Date.

The purpose of this Notice is to provide the Holders with the information on the effects of the Share Split on the adjustments to the number of Warrants issued and Exercise Price of the Warrants pursuant to Condition 3 of the Third Schedule of the Deed Poll.

2. ADJUSTMENT TO THE NUMBER AND EXERCISE PRICE OF THE WARRANTS PURSUANT TO THE SHARE SPLIT

2.1 Rationale for the Adjustment

In accordance with Condition 3(A)(i) of the Third Schedule of the Deed Poll, the Exercise Price and the number of Warrants held by each Holder shall from time to time be adjusted as provided in the Deed Poll in the event that there is any alteration of the share capital of the Company by reason of the consolidation or subdivision of shares or capital reduction exercises.

The Exercise Price and the number of Warrants shall from time to time be adjusted, calculated or determined by the directors of the Company in consultation with the Approved Merchant Bank or Auditors and certified by the Auditors in accordance with the provisions as contained in the Deed Poll.

Pursuant to the above, the adjustment was calculated and determined by the Board on the Entitlement Date in consultation with KIBB and certified by the Company's Auditors, Messrs Crowe Horwath, on 12 July 2011.

2.2 Details of the Adjustment

Prior to the Share Split, the Exercise Price of the Warrants was RM1.00 and the number of Warrants-in-issue was 101,283,197 as at the Entitlement Date.

In accordance with the Fourth Schedule of the Deed Poll ("**Fourth Schedule**"), if and whenever an ordinary share, by reason of any consolidation or subdivision or conversion shall have a different par value, then the Exercise Price and the additional number of Warrants to be issued (if any) shall be adjusted, calculated or determined in the following manner based on the Exercise Price and the number of Warrants-in-issue as at the Entitlement Date:-

$$(i) \quad \text{New Exercise Price} = \frac{S \times \text{Revised par value for each ordinary share}}{\text{Original par value for each ordinary share}}$$

where S = Existing Exercise Price, i.e. RM1.00

Therefore in accordance to the Fourth Schedule, the new exercise price pursuant to the Share Split is as follows:-

$$\begin{aligned} \text{New exercise price} &= \frac{\text{RM1.00} \quad \times \quad \text{RM0.25}}{\text{RM0.50}} \\ &= \text{RM0.50} \end{aligned}$$

$$(ii) \quad \text{Additional number of Warrants to be issued} = \frac{T \times \text{Original par value for each ordinary share}}{\text{Revised par value for each ordinary share}} - T$$

where T = Existing number of Warrants held, i.e. the 101,283,197 Warrants-in-issue as at the Entitlement Date

Therefore in accordance to the Fourth Schedule, the additional number of Warrants issued pursuant to the Share Split is as follows:-

$$\begin{aligned} \text{Additional number of Warrants to be issued} &= \frac{101,283,197 \times \text{RM0.50}}{\text{RM0.25}} - 101,283,197 \\ &= 101,283,197 \end{aligned}$$

(iii) The par value of the ordinary share shall be adjusted to the revised par value of the ordinary share.

Accordingly, 101,283,197 Additional Warrants were issued to the Holders registered in the Warrant Register in proportion to their holdings in the ratio of one (1) Additional Warrant for every one (1) Warrant held as at the Entitlement Date and the Exercise Price was revised downwards from RM1.00 to RM0.50.

The above adjustments to the Warrants have been certified by the Auditors, Messrs Crowe Horwath, vide its letter dated 12 July 2011.

2.3 Effective Date of the Adjustment

Each such adjustment will be effective from the day on which the consolidation or subdivision or conversion becomes effective (being the date when the ordinary shares are traded on Bursa Securities at the new par value).

As such, the adjustment to the Exercise Price and the additional number of Warrants issued have taken effect on 13 July 2011 at 9.00 a.m., being the Market Day when the Subdivided SEGi Shares and the Additional Warrants were traded on Bursa Securities.

Notices of allotment for the Additional Warrants were also issued and despatched to entitled Holders on 14 July 2011.

2.4 Class of Securities

The Additional Warrants created and issued by the Company in accordance with the provisions of Condition 3 of the Third Schedule and the Fourth Schedule of the Deed Poll, resulting from the adjustments made due to the Share Split, form the same series of the existing Warrants constituted by the Deed Poll, and shall be deemed issued subject to and with the benefit of the Deed Poll and on such terms and conditions as the directors of the Company may from time to time deemed fit including but not limited to the terms and conditions as set out in the Deed Poll.

3. CONSENTS

KIBB, being the Adviser to the Company for the Share Split and the Amendment, and Messrs Crowe Horwath, being the Auditors of the Company, have given and have not subsequently withdrawn their written consents to the inclusion in this Notice of their names and references in the form and context in which they so appear.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours (except public holidays) at the registered office of the Company from the date of this Notice up to and including the date on which the last Warrants are exercised or the last exercise date of the outstanding Warrants, being 16 August 2015, whichever is earlier:

- (a) the Deed Poll;
- (b) the letter from Messrs Crowe Horwath, being the Auditors of the Company, dated 12 July 2011, certifying the adjustment as set out in Section 2.2 of this Notice; and
- (c) the letters of consent referred to in Section 3 above.

5. DIRECTORS' RESPONSIBILITY

This Notice has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy and correctness of the information given in this Notice and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

Yours sincerely,
For and on behalf of the Board of Directors of
SEG INTERNATIONAL BHD

**TAN SRI DATO' SERI MEGAT NAJMUDDIN
BIN DATO' SERI DR HAJI MEGAT KHAS**
Independent Non-Executive Chairman

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