THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold or transferred all your ordinary shares in SEG International Bhd (Company No.: 145998-U) (**"SEGi"** or the **"Company"**), you should at once hand this Abridged Prospectus (**"Abridged Prospectus"**) together with the Notice of Provisional Allotment (**"NPA"**) and Rights Subscription Form (**"RSF"**) to the agent / broker through whom you effected the sale or transfer for onward transmission to the renouncee or transferee. All enquiries concerning the Rights Issue (as defined herein), which is the subject of this Abridged Prospectus should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

A copy of this Abridged Prospectus has been registered with the Securities Commission (**"SC"**). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, together with the NPA and RSF, have also been lodged with the Registrar of Companies who takes no responsibility for the contents.

Approval for the Rights Issue has been obtained from our shareholders at our Company's Extraordinary General Meeting held on 28 June 2010. Approval has also been obtained from Bursa Malaysia Securities Berhad (Company No.: 635998-W) (**"Bursa Securities"**) vide its letter dated 3 June 2010 for the listing of and quotation for all the new securities arising from the Rights Issue on Bursa Securities. The official quotation for all the new securities will commence after, amongst other, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd (Company No.: 165570-W) that all the Central Depository System accounts of the Entitled Shareholders (as defined herein) and/or their renouncees (if applicable) have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed herein. Admission to the Official List of Bursa Securities and the listing of and quotation for the said new securities on Bursa Securities are in no way reflective of the merits of the Rights Issue.

The Board of Directors of SEGi (**"Board"**) have seen and approved all the documentation relating to the Rights Issue. The Board collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus, together with the NPA and RSF, are only despatched to our shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5:00 p.m. on 26 July 2010. This Abridged Prospectus together with the NPA and RSF, are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia, and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of all or part of their entitlements to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Neither SEGi nor Kenanga Investment Bank Berhad (Company No.: 15678-H) (**"KIBB"**), being the Adviser, shall accept any responsibility or liability in the event that any acceptance or renunciation made by the Entitled Shareholders or their renouncee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

KIBB, being the Adviser, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 5 HEREIN.

SEG INTERNATIONAL BHD (145998-U)

(Company No. 145998-U)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 124,729,857 FIVE (5)-YEAR 2010/2015 WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) NEW WARRANT FOR EVERY TWO (2) ORDINARY SHARES OF RM0.50 EACH IN SEGi HELD AT 5.00 P.M. ON 26 JULY 2010 AT AN ISSUE PRICE OF RM0.05 CASH PER WARRANT ("RIGHTS ISSUE")

Adviser

KENANGA INVESTMENT BANK BERHAD
Company No. 15678-H

IMPORTANT RELEVANT DATES

Entitlement date	: Monday, 26 July 2010, 5:00 p.m.
Last date and time for sale of provisional allotment of rights	: Monday, 2 August 2010, 5:00 p.m.
Last date and time for transfer of provisional allotment of rights	: Thursday, 5 August 2010, 4:00 p.m.
Last date and time for acceptance and payment	: Tuesday, 10 August 2010, 5:00 p.m. *
Last date and time for excess warrants application and payment	: Tuesday, 10 August 2010, 5:00 p.m. *

* or such later date and time as may be determined and announced by our Board. Where the last date of acceptance and payment is extended from the original closing date, you will be informed of such extension by way of an announcement to Bursa Securities not less than two (2) market days from the original closing date.

This Abridged Prospectus is dated 26 July 2010

THE APPROVAL FOR THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES AND FOR THE LISTING OF AND QUOTATION FOR THE WARRANTS AND THE NEW ORDINARY SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE WARRANTS HAS BEEN OBTAINED FROM BURSA SECURITIES. HOWEVER, THE ABOVEMENTIONED APPROVAL FROM BURSA SECURITIES SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE CORPORATION AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, SHAREHOLDERS / INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS & SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

For the purpose of this Abridged Prospectus, except where the context otherwise requires, the following definitions shall apply:-

Abridged Prospectus	:	This abridged prospectus dated 26 July 2010
Act	:	The Companies Act, 1965, as amended from time to time and any re-enactments thereof
Board	:	Board of Directors of SEGi and "Director" shall mean any one member of the Board
Bonus Issue	:	The bonus issue of 71,274,204 Bonus Shares credited as fully paid-up on the basis of two (2) Bonus Shares for every five (5) Shares held after the Share Split, which was completed on 15 July 2010
Bonus Share(s)	:	The new Share(s) to be issued and credited as fully paid-up pursuant to the Bonus Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CDS	:	Central Depository System
CDS Account	:	An account established at Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by a Depositor
Central Depositories Act	:	Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
Cerahsar	:	Cerahsar Sdn Bhd (665039-A)
CMSA	:	Capital Markets & Services Act 2007, as amended from time to time and any re-enactment thereof
Dato' Clement Hii	:	Dato' Clement Hii Chii Kok, the Group Managing Director of our Company
Deed Poll	:	The deed poll dated 15 July 2010 executed by our Company constituting the Warrants and to govern the rights of holders of the Warrants
Depositor	:	A holder of a CDS Account
EGM	:	Extraordinary General Meeting
Entitlement Date	:	The date on which the Shareholders must be registered in SEGi's Record of Depositors at 5.00 p.m. in order to be entitled to participate in the Rights Issue, being 26 July 2010.
Entitled Shareholder(s)	:	The Shareholder(s) whose names appear on the Record of Depositors of SEGi on the Entitlement Date and have a registered address in Malaysia
EPS	:	Earnings per share
Excess Warrant(s)	:	Warrant(s) which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s) prior to the Excess Warrants Application

DEFINITIONS (Cont'd)

Excess Warrant(s) Application	:	Application(s) for Excess Warrants, in excess of an Entitled Shareholder's entitlement under the Rights Issue as set out in Section 3.3 of this Abridged Prospectus
Exercise Period	:	The period commencing on, and inclusive of, the date of issue of the Warrants and ending on the date preceding the fifth (5^{th}) anniversary of the date of issue of the Warrants, as further detailed in Section 2.1 of the Abridged Prospectus
FPE	:	Financial period ended/ending
FYE	:	Financial year ended/ending
Holder(s)	:	Holder(s) of the Warrants
KIBB	:	Kenanga Investment Bank Berhad (15678-H)
Latest Practicable Date	:	15 July 2010, being the latest practicable date prior to the printing of this Abridged Prospectus
Listing Requirements	:	Bursa Securities' Main Market Listing Requirements
Main Market	:	The Main Market of Bursa Securities
Market Day	:	Any day between Monday and Friday (inclusive) which is not a public holiday and when Bursa Securities is open for trading in securities
M&A	:	The Company's Memorandum and Articles of Association
MOHE	:	Ministry of Higher Education
MQA	:	Malaysian Qualifications Agency
NA	:	Net assets
NPA	:	Notice of Provisional Allotment in relation to the Rights Issue
NTA	:	Net tangible assets
PAT	:	Profit after taxation
PATMI	:	Profit after taxation and minority interest
PBT	:	Profit before taxation
Provisional Warrants	:	Warrants provisionally allotted to the Entitled Shareholders under the Rights Issue
Record of Depositors	:	A record of shareholders provided by Bursa Depository to a listed issuer under Chapter 24 of the Rules of Bursa Depository
Rexter	:	Rexter Capital Sdn Bhd (645612-K)
Rights Issue	:	The renounceable rights issue of 124,729,857 Warrants on the basis of one (1) new Warrant for every two (2) existing Shares held as at the Entitlement Date at an issue price of RM0.05 cash per Warrant and exercise price of RM1.00 per Warrant
RM and Sen	:	Ringgit Malaysia and sen, respectively
RSF	:	Rights Subscription Form in relation to the Rights Issue
Rules of Bursa Depository	:	The meaning given in Section 2 of the Central Depositories Act

DEFINITIONS (Cont'd)

SC	:	Securities Commission
SEGi or the Company	:	SEG International Bhd (145998-U)
SEGi Group or the Group	:	SEGi and its subsidiary companies, collectively
Share(s)	:	Ordinary shares of RM0.50 each in SEGi
Shareholder(s)	:	Holders of the Shares
Share Split	:	The subdivision of every one (1) ordinary share of RM1.00 in SEGi into two (2) Shares, which was completed on 15 July 2010
VWAP	:	Volume weighted average market price
Warrants	:	The five (5)-year 2010/2015 warrants, the salient terms of which are set out in Section 2.1 of this Abridged Prospectus and constituted by the Deed Poll

In this Abridged Prospectus, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine, neuter genders and vice versa. Reference to persons shall, where applicable, include corporations.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

SEG INTERNATIONAL BHD

(Company No. 145998-U)
(Incorporated in Malaysia under the Companies Act, 1965)

BOARD OF DIRECTORS

Name	Address	Designation	Nationality	Age (years)
Tan Sri Dato' Seri Mcgat Najmuddin bin Dato' Seri Dr. Haji Mcgat Khas	No. 2, Jalan 12/7 46200 Petaling Jaya Selangor Darul Ehsan	Independent Non-Executive Chairman	Malaysian	66
Dato' (Dr.) Patrick Teoh Seng Foo	No. 12, Jalan Semantan 2 Damansara Heights 50490 Kuala Lumpur	Executive Deputy Chairman/President	Malaysian	54
Dato' Clement Hii Chii Kok	822, Lorong 8, Chawan Road 93300 Kuching Sarawak	Group Managing Director	Malaysian	52
Lee Kok Cheng	20, Jalan Kantan 13 Bandar Botanic 41200 Klang Selangor Darul Ehsan	Executive Director/Chief Executive Officer	Malaysian	50
Hew Moi Lan	No. 7, Jalan BS 3/10 Taman Bukit Serdang Seksyen 3 43300 Seri Kembangan Selangor Darul Ehsan	Executive Director/Chief Operating Officer	Malaysian	49
Datu Haji Putit bin Matzen	411 Lorong B-5 Taman BDC Stampin 93250 Kuching Sarawak	Non-Independent Non-Executive Director	Malaysian	65
Amos Siew Boon Yeong	18, Jalan Polo 10/6 Selangor Polo Country Club 47810 Kota Damansara Selangor Darul Ehsan	Independent Non-Executive Director	Malaysian	52
Tony Foo San Kan	G-6-1, Hijauan Kiara No. 6, Jalan Kiara 5 Mon't Kiara 50480 Kuala Lumpur	Independent Non-Executive Director	Malaysian	62
Goh Leng Chua	9, William Tan Road 93450 Kuching Sarawak	Independent Non-Executive Director	Malaysian	61

CORPORATE DIRECTORY (Cont'd.)

AUDIT COMMITTEE

Name	Designation	Directorship
Amos Siew Boon Yeong	Chairman	Independent Non-Executive Director
Tony Foo San Kan	Member	Independent Non-Executive Director
Goh Leng Chua	Member	Independent Non-Executive Director

COMPANY SECRETARIES :

Chong Poh Yee (MIA 7620)
12, Jalan Kubah Satu
Seksyen U8/48A
Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan

Tel: 03-6145 2777
Fax: 03-6145 2756
E-mail: cheryl@segi.edu.my

:

Hew Ling Sze (MAICSA 7010381)
37 Jalan 5/95B
Cheras Utama
56100 Kuala Lumpur

Tel: 03-6145 2777
Fax: 03-6145 2755
E-mail: lshew@segi.edu.my

REGISTERED OFFICE :

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

Tel : 03-6145 2752
Fax : 03- 6145 2755
E-mail: corporate@segi.edu.my

CORPORATE OFFICE :

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

Tel : 03-6145 2622
Fax : 03- 6145 2755
E-mail: corporate@segi.edu.my

ADVISER :

Kenanga Investment Bank Berhad
801, 8th Floor, Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur

Tel: 03-2027 5555
Fax: 03-2164 6690

CORPORATE DIRECTORY (Cont'd.)

AUDITORS / REPORTING ACCOUNTANT FOR THE RIGHTS ISSUE	:	Crowe Horwath (AF 1018) Level 16, Tower C, Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel: 03-2166 0000 Fax: 03-2166 1000
SOLICITOR FOR THE RIGHTS ISSUE	:	Messrs. Ben & Partners 7-2 Level 2, Block D2, Dataran Prima Jalan PJU 1/39 47301 Petaling Jaya Selangor Darul Ehsan Tel: 03-7805 2922 Fax: 03-7805 3922
SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel : 03-7841 8000 Fax : 03- 7841 8151 / 52
PRINCIPAL BANKER	:	OCBC Bank (Malaysia) Berhad 18th Floor Menara OCBC 18 Jalan Tun Perak 50050 Kuala Lumpur Tel: (603) 2783 3563 Fax: (603) 2698 4591
STOCK EXCHANGE LISTING	:	Main Market of Bursa Securities
WEBSITE	:	http://www.segi.edu.my

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LETTER TO SHAREHOLDERS

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

26 July 2010

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' 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)*
Amos Siew Boon Yeong *(Independent Non-Executive Director)*
Tony Foo San Kan *(Independent Non-Executive Director)*
Goh Leng Chua *(Independent Non-Executive Director)*

To : The Shareholders of SEG International Bhd

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF 124,729,857 WARRANTS ON THE BASIS OF ONE (1) NEW WARRANT FOR EVERY TWO (2) SHARES HELD AT 5:00 P.M. ON 26 JULY 2010 AT AN ISSUE PRICE OF RM0.05 CASH PER WARRANT

I. INTRODUCTION

Our shareholders had approved the renounceable rights issue of 124,729,857 five (5)-year 2010/2015 warrants on the basis of one (1) Warrant for every two (2) Shares held at an issue price of RM0.05 cash per Warrant at the EGM convened on 28 June 2010. A certified true extract of the ordinary resolution pertaining to the Rights Issue, passed at the aforesaid EGM is attached as Appendix I of this Abridged Prospectus.

LETTER TO SHAREHOLDERS (Cont'd)

Bursa Securities had vide its letter dated 3 June 2010 (**"Approval Letter"**) given its approval for the following:-

(i) Admission to the Official List of Bursa Securities and the listing of and quotation for up to 124,729,857 Warrants to be issued pursuant to the Rigbts Issue; and

(ii) Listing of and quotation for up to 124,729,857 new Shares to be issued pursuant to the exercise of Warrants.

The approval by Bursa Securities for the Rigbts Issue is subject to the following conditions:-

No.	Conditions	Status of compliance
(i)	SEGi and KIBB must comply witb the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;	Noted
(ii)	SEGi and KIBB to inform Bursa Securities upon completion of the Rights Issue;	Complied
(iii)	SEGi to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be complied
(iv)	Payment of the initial and annual listing fees. In this respect, SEGi is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

The admission and listing of and quotation for the Warrants to be issued pursuant to the Rights Issue will take place two (2) Market Days after tbe receipt of the application to Bursa Securities for quotation of the Warrants as specified under Part C of Annexure Practice Note 28-B (where applicable) of the Listing Requirements together with the following supporting documents:-

(i) Confirmation from KIBB that there are at least 100 Warrants holders, holding not less than one (1) board lot each.

(ii) Information on the actual size, issue date and expiry date of the Warrants.

(iii) A certified true copy of the resolution passed by Sbareholders at the EGM for the Sbare Split, increase in authorised share capital, amendment to the Memorandum & Articles of Association of SEGi, Bonus Issue and Rights Issue.

(iv) An undertaking from KIBB that an announcement on the profile of the Warrants will be made via *Bursa Link – Instrument Profile* prior to the listing and quotation of the Warrants. SEGi / KIBB must also make an announcement on any subsequent revisions / amendments to the profile of the Warrants (including any revisions arising from adjustments).

In the event the new Shares to be issued pursuant to the exercise of Warrants **will be listed and quoted as the existing securities of the same class**, quotation of the new Shares will commence on the next Market Day after the following:-

(i) Submission of the share certificate together with a covering letter containing the summary of the corporate proposal to Bursa Depository before 10:00 a.m. on the Market Day prior to the listing date;

(ii) Receipt of confirmation from Bursa Depository that the additional new Shares are ready for crediting into the respective account holders; and

(iii) An announcement in accordance to paragraph 13.2 of Practice Note 28 of the Listing Requirements is submitted via *Bursa Link* before 3:00 p.m. on the Market Day prior to the listing date.

SEGi / KIBB is required to ensure full compliance of all the requirements as provided under the Listing Requirements at all times.

The Bank Negara Malaysia (**"BNM"**) had, vide its letter dated 7 July 2010, approved the issuance of the Warrants to non-resident Shareholders pursuant to the Rights Issue, and the issuance of any additional Warrants to non-residents (in the event the Warrants are issued to and/or acquired by non-residents) to be issued from time to time arising from any adjustments made in accordance with the provisions of the Deed Poll.

On 12 July 2010, the Company had announced the Entitlement Date of this Rights Issue to be 26 July 2010.

On 26 July 2010, the Abridged Prospectus was registered with the SC and was subsequently lodged with the Registrar of Companies on the same day.

No person is authorised to give any information or to make any representation not contained herein in connection with the Rights Issue, and if given or made, such information or representation must not be relied upon as having been authorised by us or KIBB in connection with the Rights Issue.

IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

This Rights Issue entails a renounceable rights issue of 124,729,857 Warrants on the basis of one (1) new Warrant for every two (2) existing Shares held at an issue price of RM0.05 cash per Warrant to the Entitled Shareholders on the Entitlement Date.

As at the Latest Practicable Date, the issued and paid-up share capital of our Company was RM124,729,857 comprising 249,459,714 Shares.

The Warrants shall be issued in registered form and are constituted by the Deed Poll. The Warrants shall be exercisable at any time within the period commencing on, and inclusive of, the date of issue of the Warrants and ending on the date preceding the fifth (5^{th}) anniversary of the date of issue of the Warrants, or if such date is not a Market Day, then it shall be the Market Day immediately preceding the said non Market Day, but excluding the five (5) clear Market Days prior to a books closure date or entitlement date announced by the Company and those days during that period on which the Record of Depositors and/or the Warrants register is or are closed.

Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.

As you are an Entitled Shareholder to this Rights Issue, you will find enclosed with this Abridged Prospectus, the NPA in respect of the number of Warrants for which you are entitled to subscribe under the terms of this Rights Issue.

In determining the entitlements of an applicant, any fractional entitlements under this Rights Issue shall be disregarded and the aggregate of such fractions and any Warrants not subscribed by the

LETTER TO SHAREHOLDERS (Cont'd)

Shareholders and/or their renouncees will be dealt with on such terms and time as our Board may at their discretion deem fit, expedient and in the best interest of the Company.

Any dealings in the Warrants, which are prescribed securities under the CDS, will be subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository. No physical warrant certificate will be issued to Shareholders for the Warrants. Accordingly, the Warrants to be issued will be allotted and credited directly into the respective CDS Accounts of the Entitled Sbarebolders and/or their renouncees wbo have successfully subscribed for the Warrants.

Under the terms of the Warrants, a Holder is entitled to subscribe for one (1) new Sbare at an exercise price of RM1.00 in cash. Assuming full exercise of the 124,729,857 Warrants, 124,729,857 new Shares will be issued at an exercise price of RM1.00 cash for each Warrant.

Upon the Entitlement Date, tbe Warrants will be provisionally allotted to the Entitled Shareholders. Accordingly, tbe Entitled Shareholders can renounce or subscribe for their entitlements to the Warrants in full or in part. Any Warrants which are not taken up or allotted for any reason will be made available for application under the Excess Warrant(s) Application by the Entitled Shareholders and/or their renouncee(s) (if applicable).

For the allocation of Excess Warrants applied for, if any, our Board reserves the right to allot such Excess Warrants in such manner as it deems fit and expedient in the best interest of our Company, with the intention to allot such Excess Warrants on a fair and equitable basis and in the following priority:-

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to Entitled Shareholders and/or their renouncee(s) (if applicable) who have applied for Excess Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings on the Entitlement Date; and

(iii) thirdly, for allocation to Entitled Shareholders and/or their renouncee(s) (if applicable) who have applied for Excess Warrants on a pro-rata basis, calculated based on the quantum of Excess Warrants applied for.

In the event that the Rights Issue is not fully subscribed after taking into account the abovementioned, the balance will be fully subscribed by the Open Portion Undertaking Shareholder as defined and set out in Section 9 of this Abridged Prospectus.

The procedures for application and allotment of the Warrants are set out in Section 3 of this Abridged Prospectus.

Within eight (8) Market Days after the final applications closing date for the Rigbts Issue, or such other period as may be prescribed or allowed by Bursa Securities, SEGi must:-

(i) allot and issue the Warrants;

(ii) despatch notices of allotment to the allottees; and

(iii) apply for the quotation of the Warrants.

In respect of any exercise of Warrants, within eight (8) Market Days after the date of receipt of a subscription form together with the requisite payment or sucb otber period as may be prescribed or allowed by Bursa Securities, SEGi must:-

(i) allot and/or issue the Shares arising from the exercise of Warrants;

(ii) despatch a notice of allotment to the Holder(s); and

(iii) apply for the quotation of such new Shares to be issued arising from the exercise of Warrants on the Main Market.

As the new Shares issued pursuant to the exercise of Warrants are prescribed securities under the CDS, no physical share certificates will be issued to those Holder(s) exercising their respective rights for the new Shares to be issued upon exercise of the Warrants.

The salient terms of the Warrants are set out in Section 2.1 of this Abridged Prospectus.

2.1 Salient terms of the Warrants

The Warrants shall he issued in registered form and are constituted hy the Deed Poll. The salient terms of the Warrants are set out as follow:-

Terms		Details
Total Issue	:	124,729,857 Warrants to be issued.
Form and Denomination	:	The Warrants will he issued in registered form and are constituted hy the Deed Poll.
Issue Price	:	RM0.05 cash per Warrant.
Tenure	:	Five (5) years from the date of issuance of the Warrants.
Exercise Period	:	The Warrants shall he exercisahle at any time within the period commencing on, and inclusive of, the date of issue of the Warrants and ending on the date preceding the fifth (5^{th}) anniversary of the date of issue of the Warrants, or if such date is not a Market Day, then it shall he the Market Day immediately preceding the said non Market Day, hut excluding the five (5) clear Market Days prior to a books closure date or entitlement date announced hy our Company and those days during that period on which the Record of Depositors and/or the Warrants Register is or are closed. Warrants not exercised during the Exercise Period will thereafter lapse and cease to he valid for any purpose.
Exercise Price	:	RM1.00 cash per new Share, subject to the adjustments in accordance with the provisions of the Deed Poll.
Entitlement	:	Suhject to the provisions to be included in the Deed Poll, each Warrant shall entitle the registered Holder during the Exercise Period to suhscribe for one (1) new Share at the Exercise Price.
Mode of Exercise	:	The registered holder of the Warrants shall pay cash at the Exercise Price when subscrihing for the new Shares.
Listing	:	Approval has heen obtained from Bursa Securities vide its letter dated 3 June 2010 for the admission of the Warrants to the Official List of Bursa Securities, the listing of and quotation for the Warrants, and the listing of and quotation for the new Shares to he issued pursuant to the exercise of the Warrants on the Main Market.
Board Lots	:	The Warrants are tradable upon listing in hoard lots of 100 units carrying rights to subscrihe for 100 new Shares.

LETTER TO SHAREHOLDERS (Cont'd)

Terms (Cont'd.)		Details (Cont'd.)
Transferability	:	The Warrants shall be transferable in the manner to he set out in the Deed Poll suhject always to the provisions of the Central Depositories Act and the Rules of Bursa Depository.
Deed Poll	:	The Warrants are constituted by a Deed Poll executed hy SEGi on 15 July 2010.
Voting rights	:	The Holders are not entitled to any voting right or participation in any forms of distrihution and/or offer of further securities in the Company until and unless such Holders exercise the Warrants.
Ranking of the new Shares from exercise of Warrants	:	The new Shares to he issued pursuant to the exercise of the Warrants shall, upon issue and allotment, rank *pari passu* in all respects with the then existing ordinary shares of our Company save and except that they will not he entitled to any dividends, rights, allotments and/or other distrihutions declared, the entitlement date of which precedes the date of allotment and issue of such new Shares.
Rights of Holders on winding up, compromise or arrangement of the Company	:	In case of a winding up, compromise or arrangement of the Company, every Holder is entitled, within six (6) weeks from the last approval for the winding up, compromise or arrangement (as the case may he) to exercise his rights represented hy the Warrants hy payment of the Exercise Price within the said six (6) weeks and upon such exercise, shall he deemed and he treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement (as the case may he) been the holder of new Shares arising from the exercise of the Warrants.
Rights of Holders on take-over offer	:	Where a take-over offer is made for any Shares, the Company shall procure the offeror to make a take-over offer for the Warrants and make appropriate arrangements to safeguard the interests of the Holders. A Holder will be entitled to exercise his rights under his Warrants at any time during the Exercise Period in the event our Company received a legally hinding take-over offer in relation to the Shares.
Adjustment in the Exercise Price and/or the numher of Warrants held hy Holders in the event of alteration to the share capital	:	Suhject to the provisions of the Deed Poll, the Exercise Price and/or the numher of Warrants held by each Holder shall he adjusted hy the Directors in consultation with the auditor or principal adviser, in the event of alteration to the share capital of the Company including hut not limited to share consolidation or suhdivision or conversion, issuance of shares hy way of capitalisation of profits or reserves, capital distribution and right issue of shares or convertihle securities in accordance with the provisions as set out in the Deed Poll.
Participating Rights of Holders in any distributions and/or offers of further securities	:	The Company shall be at liherty to issue Shares to the shareholders of SEGi either for cash or as a bonus distrihution and further rights issuance upon such terms and conditions as the Company sees fit hut the Holders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting. The Warrants are also not entitled to any dividends, rights, allotments and/or other distrihutions other than on winding-up, compromise or arrangement of the Company.

LETTER TO SHAREHOLDERS (Cont'd)

Terms (Cont'd.)		Details (Cont'd.)
Rights to interest	:	The Warrants do not pay interest to the Holders.
Rights of the Company to issue additional securities or warrants	:	The Company shall be at liberty to issue further securities to rank in priority or *pari passu* with the Warrants. The Company shall have the rigbt at any time and from time to time without the consent of the Holders to create and issue additional warrants either identical in all respects and so that the same shall be consolidated and form a series witb the Warrants.
Rights to meeting	:	Holders holding not less than ten percent (10%) of the Warrants may, with the consent of the Company, request to bold a meeting of Warrant holders to consider any matter affecting their interests. All or any rights attached to the Warrants, other than the Exercise Price or the formulae for adjustment of the Exercise Price and/or the number of Warrants may, from time to time (whether or not the Company is being wound up), be altered or abrogated.
Governing law	:	Tbe laws of Malaysia.

In determining the entitlement of an applicant, any fractional entitlement under this Rights Issue shall be disregarded and the aggregate of sucb fractions and any Warrants not subscribed by the Shareholders and/or their renouncee(s) will be dealt with on such terms and time as our Board may at their discretion deem fit, expedient and in the best interest of the Company.

2.2 Pricing of the Warrants

The Company had undertaken the Share Split and the Bonus Issue which was completed on 15 July 2010. Based on the closing market price of the Shares on 9 July 2010, being the last Market Day prior to the ex-date of the Share Split and the Bonus Issue of 12 July 2010, the theoretical ex-all price of the Shares would be RM1.60 and is determined as follows:-

	Assumed no. of ordinary shares held	Par value (RM)	Market price per Share (RM)	Total Value (RM)
As at 9 July 2010	**100**	**1.00**	**4.49**	**449**
Adjusted for the Share Split	**200**	**0.50**	**2.25**	**449**
Adjusted for the Bonus Issue	**280**	**0.50**	**1.60**	**449**

The exercise price per Warrant for one (1) new Share is fixed at RM1.00 in cash per Warrant after taking into consideration the following:-

(i) the exercise price being a discount of RM0.11 or 9.91% as compared to the adjusted closing price of our Company's then ordinary shares (assuming the implementation of the Share Split and the Bonus Issue) of RM1.11 on 18 May 2010[1], being the last Market Day prior to the date of the announcement relating to the Rights Issue on 19 May 2010;

(ii) the exercise price being a discount of RM0.10 or 9.09% as compared to the adjusted five (5)-day VWAP of our Company's then ordinary sbares (assuming the implementation of the Share Split and the Bonus Issue) of RM1.10 up to 18 May 2010[1], being the last Market Day prior to the date of the announcement relating to the Rights Issue on 19 May 2010;

[1] The closing market share price of our Company's ordinary shares on 18 May 2010 was RM3.10.

(iii) the exercise price being a discount of RM0.07 or 6.54% as compared to the adjusted ten (10)-day VWAP of our Company's then ordinary shares (assuming the implementation of the Share Split and the Bonus Issue) of RM1.07 up to 18 May 2010[1], being the last Market Day prior to the date of the announcement relating to the Rights Issue on 19 May 2010;

(iv) the exercise price being a discount of RM0.03 or 2.91% as compared to the adjusted fifteen (15)-day VWAP of our Company's then ordinary shares (assuming the implementation of the Share Split and the Bonus Issue) of RM1.03 up to 18 May 2010[1], being the last Market Day prior to the date of the announcement relating to the Rights Issue on 19 May 2010;

(v) the overall subscription and exercise price of each Warrant of RM1.05;

(vi) the Share Split; and

(vii) the Bonus Issue.

The issue price of RM0.05 per Warrant was arrived at after taking into account the exercise price of the Warrant of RM1.00 per Warrant for one (1) new Share, resulting in a total of RM1.05 per Warrant, representing a discount of RM0.06 or 5.41% over the adjusted closing price of our Company's then ordinary shares (assuming the implementation of the Share Split and Bonus Issue) of RM1.11 on 18 May 2010[2], being the last Market Day prior to the date of the announcement relating to the Rigbts Issue on 19 May 2010.

In addition to the above and for illustration purpose only, the exercise price per Warrant for one (1) new Share of RM1.00 represents:-

(a) a discount of RM0.94 or 48.45% as compared to the closing price of our Sbares of RM1.94 on the Latest Practicable Date; and

(b) a discount of RM1.54 or 60.63% as compared to the closing price of our Shares of RM2.54 on 21 July 2010, being the Market Day immediately preceding the ex-date of the Rights Issue.

2.3 Details of other intended corporate exercises which have heen approved

As at the date of this Abridged Prospectus and save for this Rights Issue, the Board confirms that there are no other outstanding corporate exercises intended to be undertaken by the Company whicb have been approved by the regulatory authorities but not yet implemented.

3. PROCEDURES FOR ACCEPTANCE, APPLICATION AND PAYMENT

As you are an Entitled Shareholder, your CDS Account will be duly credited with the Provisional Warrants whicb you are entitled to subscribe for in full or in part, under the terms and conditions of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Warrants into your CDS Account and a RSF to enable you to subscribe for such Provisional Warrants that you bave been provisionally allotted as well as apply for Excess Warrants if you so choose. The RSF is also available on the website of Bursa Securities (http://www.bursamalaysia.com).

[2] The closing market share price of our Company's ordinary shares on 18 May 2010 was RM3.10.

The Provisional Warrants are prescribed securities under the Central Depositories Act and therefore, all dealings in the NPA will be by book entries through CDS Accounts and will be governed by the Central Depositories Act and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications.

3.1 Procedures for acceptance and payment

Acceptance of and payment for the Warrants provisionally allotted to the Entitled Shareholders must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in these documents. Acceptances which do not strictly conform to the terms and conditions of the Abridged Prospectus or the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR WARRANTS PROVISIONALLY ALLOTED TO THE ENTITLED SHAREHOLDERS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you and/or your transferee(s) and/or your renouncee(s) wish to accept all or part of the Provisional Warrants, please complete Part 1(a) and 11 of the RSF in accordance with the notes and instructions contained in the RSF, including specifying the number of Warrants which you and/or your transferee(s) and/or your renouncee(s) are accepting. Each completed and signed RSF with the relevant payment must be despatched by **ORDINARY POST** or **DELIVERED BY HAND** in the official envelope provided (at your own risk) to our Share Registrar at the following address:

Symphony Share Registrars Sdn Bhd
Level 6 Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-7841 8000
Fax : 03- 7841 8151 / 52

so as to arrive no later than **5:00 p.m. on 10 August 2010** (or such later date and time as our Board may decide and announce not less than two (2) Market Days before the original closing date).

If you do not wish to accept the Provisional Warrants in full, you are entitled to accept part of your provisional allotment. The minimum number of Warrants that can be accepted is one (1) Warrant. Applicants should take note that a trading board lot comprises one hundred (100) Warrants. The portion of the warrants that has not been accepted will be allotted to applicants applying for Excess Warrants in the manner set out in Section 3.3 of this Abridged Prospectus.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Warrants accepted in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia made payable to "**SEG1 RIGHTS WARRANTS ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number. The remittance must be made in the

exact amount. Any excess or insufficient remittances may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, our Registered Office, our Share Registrar or Bursa Securities' website (http://www.bursamalaysia.com).

One (1) RSF must be used for acceptance of the Provisional Warrants standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of Provisional Warrants standing to the credit of more than one (1) CDS Account. The Warrants accepted by you will be credited into the CDS Accounts where the Provisional Warrants are standing to the credit of the respective CDS Accounts.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one reply envelope for each completed RSF.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DAY FOR ACCEPTANCE AND PAYMENT FOR THE WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

If acceptance and payment for the Warrants (whether in full or in part, as the case may be) are not received by our Share Registrar by 5:00 p.m. on 10 August 2010 or such later date and time as our Board in its absolute discretion may decide and announce not less than two (2) Market Days before the original closing date, the provisional allotment to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

Our Board will then have the right to allot such Warrants not taken up to applicants for Excess Warrants in the manner as set out in Section 3.3 of this Abridged Prospectus. Our Board reserves the rights not to accept any application or to accept in part only any application accompanied by other payment other than in the manner prescribed herein or which is otherwise howsoever incomplete or not in order, without assigning any reason.

YOU SHOULD NOTE THAT ALL RSFS AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS, AT YOUR OWN RISK, WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DAY FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE.

3.2 Procedures for sale or transfer of Provisional Warrants

The Provisional Warrants is renounceable and will be traded on Bursa Securities commencing 27 July 2010 up to and including 2 August 2010. As such, you and/or your transferee(s) and/or your renouncee(s) may sell/transfer all or part of your entitlements to the Warrants.

As the Provisional Warrants are prescribed securities, should you and/or your transferee(s) and/or your renouncee(s) wish to sell or transfer all or part of your entitlement to the Provisional Warrants to one (1) or more persons, you and/or your transferee(s) and/or your renouncee(s) may do so througb your stockbrokers for the period up to the last day of trading of the Provisional Warrants on 2 August 2010, without first having to request us for a split of the Provisional Warrants standing to the credit of your CDS Account.

To sell or transfer all or part of your entitlement to the Provisional Warrants, you and/or your transferee(s) and/or your renouncee(s) may sell such entitlement on the open market for the period up to the last day and time for sale of the Provisional Warrants (in accordance with the Rules of Bursa Depository) or transfer sucb entitlement to such persons as may be allowed under the Rules of Bursa Depository for the period up to the last day and time for transfer of the Provisional Warrants (in accordance with the Rules of Bursa Depository).

IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL WARRANTS, YOU NEED NOT DELIVER ANY DOCUMENT TO YOUR STOCKBROKERS. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL WARRANTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT(S) BEFORE SELLING OR TRANSFERRING.

If you and/or your transferee(s) and/or your renouncee(s) have sold or transferred only part of the Provisional Warrants, you and/or your transferee(s) and/or your renouncee(s) may still accept the balance of the Provisional Warrants by completing Parts I(a) and II of the RSF. Please refer to Section 3.1 of this Abridged Prospectus for the procedures for acceptance and payment.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

3.3 Procedures for application of Excess Warrants

If you wish to apply for additional Warrants in excess of your entitlement, you may do so by completing Part I(b) of the RSF (in addition to Parts I(a) and II of the RSF) and forwarding it with a **separate remittance** for the full amount payable on the Excess Warrants applied for, to our Share Registrar no later than 5:00 p.m. on 10 August 2010 or such later date and time as our Board in its absolute discretion may decide and announce not less than two (2) Market Days before the original closing date.

Payment for the Excess Warrants Application sbould be made in the same manner described in Section 3.2 of this Abridged Prospectus except that the Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia should be made payable to "**SEGI EXCESS WARRANTS ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number. Tbe payment must be made in the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

It is the intention of the Board to allot the Excess Warrants, if any, on a fair and equitable basis and in the following priority:-

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to Entitled Shareholders and/or their renouncee(s) (if applicable) wbo have applied for Excess Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings on the Entitlement Date; and

(iii) thirdly, for allocation to Entitled Shareholders and/or their renouncee(s) (if applicable) who have applied for Excess Warrants on a pro-rata basis calculated based on the quantum of Excess Warrants applied for.

However, the Board reserves the right to allot any Excess Warrants applied for under the RSF in sucb manner as it deems fit and expedient and in the best interest of the Company. The Board also reserves the right to accept any Excess Warrants Application, in full or in part, without assigning any reason.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS WARRANTS APPLICATION OR THE APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOU ARE SUCCESSFUL, NOTICES OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DAY FOR APPLICATION AND PAYMENT FOR THE EXCESS WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DAY FOR APPLICATION AND PAYMENT FOR THE EXCESS WARRANTS.

3.4 Foreign Addressed Shareholders

This Abridged Prospectus, NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any jurisdiction other than Malaysia.

The distribution of this Abridged Prospectus, NPA and the RSF, as well as the acceptance of the Provisional Warrants and the subscription for or the acquisition of the Warrants may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, wbetber legal or administrative, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions.

This Abridged Prospectus, NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rigbts Issue will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to persons receiving this Abridged Prospectus, NPA and the RSF or otherwise within Malaysia.

If you are a foreign addressed Sharebolder, our Company will not make or be bound to make any enquiry as to whether you have a registered address or service address in Malaysia as stated in the Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue and the acceptance thereof by you would be in compliance with the terms of the Rights Issue and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

The foreign Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) may only accept or renounce (as the case may be) all or any part of the Rights Issue to the extent that it would be lawful to do so, and the Company, the Directors and officers, KIBB and/or other experts (**"Parties"**), would not in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to whicb that foreign Entitled Sbarebolder and/or the renouncee(s) (if applicable) is or migbt be subject to. The foreign Entitled Sbareholder and/or the renouncee(s) (if applicable) shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject to. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholder and/or the renouncee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such countries or jurisdictions. The foreign Entitled Shareholder and/or the renouncee(s) (if applicable) will also bave no claims whatsoever against the Parties in respect of their entitlement or to any net proceeds thereof.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements.

Each person, by accepting the delivery of this Abridged Prospectus, NPA and the RSF, accepting any provisional Warrants by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring Warrants will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to whicb that foreign Entitled Shareholder and/or the renouncee(s) is or might be subject to;

(ii) the foreign Entitled Shareholder and/or the transferee(s) and/or the renouncee(s) has complied with the laws of which the foreign Entitled Sbareholder and/or the renouncee(s) is or might be subject to in connection with the acceptance or renunciation;

(iii) the foreign Entitled Shareholder and/or the transferee(s) and/or the renouncee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Warrants, be in breach of the laws of any jurisdiction to which that person is or might be subject to;

(iv) the foreign Entitled Sharebolder and/or the transferee(s) and/or the renouncee(s) is aware that the Warrants can only be transferred, sold or otherwise disposed of, or charged, bypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) the foreign Entitled Shareholder and/or the transferee(s) and/or the renouncee(s) has obtained a copy of this Abridged Prospectus and has had access to such financial and other information and has been provided the opportunity to ask such questions to our representatives and receives answers thereto as the foreign Entitled Shareholder and/or the renouncee(s) deem necessary in connection with the foreign Entitled Shareholder and/or the renouncee's decision to subscribe or purchase the Warrants; and

(vi) the foreign Entitled Shareholder and/or the transferee(s) and/or the renouncee(s) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Warrants.

Persons receiving this Abridged Prospectus, NPA and the RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any foreign jurisdiction. If this Abridged Prospectus, NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless be has complied with and observed the laws of the relevant jurisdiction in connection therewith. Any person who does forward this Abridged Prospectus, NPA and the RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Warrants from any such application by a foreign Entitled Sharebolder in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Warrants as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements.

3.5 Last date and time for acceptances

The last date and time for acceptance and payment for the Warrants is at **5.00 p.m. on 10 August 2010**, or such extended date and time as our Board may decide at their absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.6 CDS Accounts

Bursa Securities has already prescribed the securities of SEGi listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Warrants are prescribed securities and as such, all dealings in the provisional allotment of Warrants will be by book entry through CDS Accounts and will be governed by the Central Depository Act and the Rules of Bursa Depository. You are required to have valid and subsisting CDS Account(s) in order to subscribe for the Warrants.

The acceptance of the Warrants by you or any transferee/renouncee of the rights thereof shall mean consent to receiving such Warrants as prescribed securities which will be credited directly into your or the transferee/renouncee's CDS Account.

All Excess Warrants allotted shall **he** credited directly into the CDS Accounts of the successful applicants.

You are required to use one (1) RSF for each CDS Account. Separate RSF must be used if you have more than one CDS Account having heen credited with the provisional allotments of Warrants.

3.7 Notice of allotment

Upon allotment of the Warrants in respect of your acceptance and Excess Warrants Application (if any), the Warrants shall be credited into your CDS Account. No physical certificates will be issued to you in respect of the Warrants. However, a notice of allotment will be despatched to you by ordinary post within eight (8) Market Days from the last date of

acceptance and payment of the Warrants and Excess Warrants Application at the address shown in Bursa Depository's records at your own risk.

Where any application for the Warrants is not accepted due to non-compliance with the terms of the Warrants or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and be despatched to you within fifteen (15) Market Days from the last date of acceptance and payment in respect of the Warrants by ordinary post to the address shown in Bursa Depository's records at your own risk.

The allotment of the Warrants, despatcb of notice of allotment and application to Bursa Securities for the quotation of the Warrants will be made within eight (8) Market Days from the last date for payment and acceptance of the Warrants.

4. RATIONALE OF THE RIGHTS ISSUE AND UTILISATION OF PROCEEDS

4.1 Rationale of the Rights Issue

The Rights Issue will provide Shareholders with the opportunity to further increase their equity participation in the Company at a pre-determined price over the tenure of the Warrants. If and when tbe Warrants are exercised, sucb funds will be used to finance SEGi Group's general working capital requirements. The exercise of Warrants will also further strengthen the capitalisation of the Company as well as to improve the liquidity of the securities of SEGi.

As the Warrants will be listed and traded on Bursa Securities (subject to the relevant provisions of the Listing Requirements being met), the Warrants are also expected to provide an attractive avenue for Shareholders and/or potential investors to subscribe for / acquire the Warrants to benefit from potential future capital appreciation of the Warrants and the Shares (arising from its exercise) that may arise depending on the performance of the SEGi Group.

Resulting from the Rigbts Issue, upon its completion, it will enable the Company to raise immediate gross proceeds from the issuance of the Warrants for the SEGi Group's working capital requirements and defrayment of expenses incidental to the Right Issue.

Tbe issuance of Warrants will also minimise an immediate dilution on the EPS of the Company, which would otherwise arise from a direct issuance of Shares.

4.2 Utilisation of proceeds

The Rights Issue will enable SEGi to raise RM6,236,493 upon issuance of the Warrants (after taking into account the level of acceptances and the undertakings as described in Section 9 of this Abridged Prospectus below), the utilisation of which is set out as follow:-

Details of Utilisation	Amount (RM)	Estimated timeframe of utilisation from the date of receipt of the proceeds
General working capital requirements	5,786,493	6 months
Defrayment of estimated expenses incidental to the Rigbt Issue	450,000	3 months
Total	**6,236,493**	

In relation to the proceeds raised by the Company as and when the Warrants are exercised by the Holders, such proceeds when raised will be utilised for the SEGi Group's general working capital requirements. The total proceeds raised is expected to be up to RM124,729,857.

General working capital requirements include, but are not limited to, expenses relating to the day-to-day operations of the Group's existing business and business development expenditures such as staff cost, leasing of premises, marketing, advertising and recruitment.

The allocated sum for the expenses for tbe Rigbts Issue is intended to defray tbe direct costs associated with the Rigbts Issue such as professional fees, processing fees, printing fees, advertising fees, etc. In the event that tbe actual amount utilised is less than the amount allocated as described above, sucb remaining amount shall accrue to general working capital requirements and be utilised accordingly, and vice versa.

5. RISK FACTORS

5.1 Risks relating to the business and industry of our Group

5.1.1 Regulatory

We are subject to extensive regulation by governmental regulatory agencies and professional bodies such as the MOHE and the MQA. Tbe laws, regulations, standards and policies of the governmental regulatory agencies and professional bodies are subject to change, and changes in, or new interpretations of, applicable laws, regulations, standards or policies, or the non-compliance with any applicable laws, regulations, standards and policies, could have a material adverse effect on our registrations, licenses, accreditations, operations or business costs or our students' ability to participate in financial aid programmes.

Our Group has an independent Regulatory Affairs and Curriculum Development Department to continuously monitor and ensure compliance to changes in the laws, regulations, standards or policies of the respective bodies.

5.1.2 Reliance on our key management personnel

Our Group's success thus far bas been achieved with the contributions of the key management personnel and the continued success depends to a significant extent, upon their abilities and continued efforts. If we lose a significant number of our key management personnel without a suitable replacement or are unable to attract and retain qualified personnel, our Group's business, financial conditions, results or operations and prospects could be adversely affected.

Our Group has policies in place to facilitate the retention of staff, especially the key management personnel. These programmes are catered to train and develop the management personnel and provide for the succession of management. As a learning-based organisation, we firmly believe in continuous training and development as a strategy to attract and retain the best talents in the Group. Opportunities are given for key management personnel to upgrade their qualifications and skills. Education assistance schemes are offered to encourage personal growth. SEGi provides scholarships, study loans and rebates for its people and their family members.

5.1.3 Failure to improve and introduce new programmes and curriculum

Unforeseen trends and demands in the global economy may change the type of skills expected of a graduate. If we are unable to monitor and respond to these changes in a timely manner, our programmes could become less attractive or irrelevant to students and may cause us to lose our market share, which in turn may affect our business, financial conditions, results of operations and prospects.

Our Group has a dedicated team that continually develops new and relevant programmes to meet the needs of the market. Tbe team also regularly reviews the existing programmes to ensure that they are relevant.

5.1.4 Competition from local and foreign education providers

Our current competitors include both private (local and foreign) and public universities and colleges located in Malaysia. Our direct competitors are principally other institutions of higber learning who compete with us within the same market.

One of the main challenges our Group is facing is the competition that exists between the institutions of higher learning in the country. Seeing that, the Group continuously explores and develops new programmes to cater to the changing education needs of its students, as well as constantly revises its curriculum to ensure that its programmes are industry-driven and add value with emphasis on increasing the graduate's employability. Steps are also being taken to increase the students' exposure to industrial activities.

5.1.5 Student enrolments

A decline in student enrolments in a year will have an effect on the Group's financial performance. We expect more competition from foreign as well as local higher education providers in Malaysia. As such, we may experience a decline in student enrolments. An overall and consistent decline in student enrolments will affect the Group's financial performance and operations in the long term.

To this end, we have been taking active measures such as introducing new and relevant programmes, strengthening our academic and sales team, and boosting our programme intakes to stay ahead of our competitors.

5.1.6 Insurance coverage

As with any business, we are subject to various risks in relation to our business and assets, including the risk of damage or destruction due to fire, burglary, loss or damage to our equipment and teaching premises and overall public liability with regards to accidents on our premises.

While we maintain insurance policies to cover many of these risks, if any of these events were to occur, there can be no assurance that our insurance coverage would be adequate to offset the potential financial loss in its entirety and the loss of reputation relating to the reliability of our colleges or that all possible risk have been covered by the insurance policies we maintain. As such, we may have to bear the financial costs of any uninsured/underinsured amount and any consequential losses arising from the loss of our reputation, which could affect our financial condition and/or business operations.

5.2 Risks relating to the Rights Issue

5.2.1 Investment Risk

The market price of the Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuations and will be influenced by, amongst others, the market price of the Shares, remaining exercise period of the Warrants, the volatility of the Shares and potential payments of dividends.

On the other hand, the market price of the Shares will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, the operating results and revenue levels of our Group and the prospects of the education industry. There can be no assurance that the Warrants will be in-the-money during the exercise period of the Warrants.

Notwithstanding the above, it should be noted that the SEGi Group's financial performance is not dependent on the performance of the Shares and the Warrants.

5.2.2 No prior market for Warrants

There is no established trading market for the Warrants. No assurance can be given that an active market for the Warrants will develop upon the listing of the Warrants on Bursa Securities, or if developed, that such market will be sustained.

5.2.3 Capital Market Risk

The performance of the local stock market is dependent on external factors such as, amongst others, the performance of the world bourses, flow of foreign funds and prices of commodities. Sentiments are also largely driven by internal factors such as the economic and political conditions of our country, foreign exchange policies as well as the growth potential. These factors invariably contribute to the volatility of the liquidity on Bursa Securities, thus adding risk to the market price of the Warrants.

5.2.4 Failure / Delay of Implementation

The Rights Entitlement Undertaking Shareholders and the Open Portion Undertaking Shareholder (as defined in Section 9 of this Abridged Prospectus) have given irrevocable undertakings to subscribe for their respective rights entitlement under the Rights Issue and the Open Portion (as defined in Section 9 of this Abridged Prospectus), respectively. Therefore, the successful implementation of the Rights Issue is dependent on the fulfillment of the obligations by the Rights Entitlement Undertaking Shareholders and the Open Portion Undertaking Shareholder pursuant to their respective undertakings should the need arise.

In this respect, our Company will exercise its best endeavors to ensure the successful implementation of the Rights Issue. However, there can be no assurance that the abovementioned factors / events will not cause a delay in or abortion of the Rights Issue. In the event that the Rights Issue is aborted, our Company will repay without interest all monies received from the applicants in accordance with Section 243 of the CMSA.

5.2.5 Compliance with spread requirement for the Warrants

Assuming all Entitled Shareholders subscribe for their respective entitlement under the Rights Issue, we would be able to comply with the spread requirement prescribed under the Listing Requirements requiring at least 100 holders of Warrants holding not less than one (1) board lot of Warrants each. As at the Latest Practicable Date, our Company has a total of 1,584 Shareholders.

However, there can be no assurance that the abovesaid spread requirement will be met prior to listing and quotation of the Warrants. In the event the spread requirement is not met, we may request for an extension of time from Bursa Securities to rectify the non-compliance. However, there can be no assurance that Bursa Securities will grant an approval on the extension of time sought and this may result in a delay in or failure in the listing of the Warrants.

Notwithstanding the above, our Board will strive to ensure that the Warrants are allocated to at least 100 Holders holding not less than one (1) board lot each so that the abovesaid spread requirement for the Warrants is complied with.

5.2.6 Disclosure regarding Forward-Looking Statements

All statements contained in this Abridged Prospectus, statements made in press releases and oral statements that may be made by our Company or our Directors or employees acting on our Group's behalf, that are not statements of historical fact, constitute "forward-looking statements". Investors can identify some of these statements by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", and "could" or similar words as they relate to our Group or our Group's business. However, investors should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Group's expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements, including statements as to our Group's revenue and profitability, cost measures, planned strategy and any other matters discussed in this Abridged Prospectus regarding matters that are not historical facts are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results, and any statements which are forward-looking in nature are subject to uncertainties and contingencies. All forward-looking statements are based on forecasts and assumptions made by our Group, and although believed to be reasonable, are subject to unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially for the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, general economic and business conditions, competition and the impact of new laws and regulations affecting our Group. In the light of these risks and other uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not imply that the plans and objectives of our Group (where applicable) will be fully implemented and satisfied.

5.3 Other risks

5.3.1 Political, economic and social developments

The financial and business prospects of the SEGi Group and the industry in which it operates may depend to some degree on the developments in the political, economic and regulatory factors in Malaysia and the other markets overseas in wbich the SEGi Group has presence. Any adverse developments of such factors may materially and adversely affect the financial prospects of the SEGi Group and the industry in wbich it operates.

The political and regulatory uncertainties include, amongst others, the risks of war, riots, changes in political leadership, expropriation, nationalism, interest, liquidity and credit conditions, exchange control rules and policies on repatriation of profits, tax and employment and industrial regulations.

As such, there is no guarantee that any changes in economic and business environment, government policies or regulations will not have any adverse impact on the SEGi Group.

6. INDUSTRY OVERVIEW AND PROSPECTS

6.1 Overview and outlook of the Malaysian economy

Tbe Malaysian economy registered a strong growth of 10.1% in the first quarter of 2010, led by continued expansion in domestic demand and stronger external demand. The expansion in domestic demand was supported by higher private consumption and sustained public sector spending. The robust external demand provided further impetus to domestic growth through its spill-over effects on production, employment and overall sentiments. On the supply side, all economic sectors recorded positive growth during the quarter, led by strong growth in the manufacturing and services sectors.

The recovery of the global economy continued to gather pace in the first quarter of 2010, with stronger growth performance across most regions, particularly the Asian economies. The strong and broad-based expansion of the domestic economy in tbe first quarter of 2010 affirms that the recovery of the Malaysian economy is firmly established. Going forward, growth is expected to be sustained, supported by the continued expansion in domestic and external demand. Expansion in domestic demand is expected to be supported by the favourable employment conditions, improving consumer and business confidence and an accommodative policy environment, while external demand will be supported by stronger regional trade and the global upturn in the electrical and electronics cycle.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2010, Bank Negara Malaysia Quarterly Bulletin)

6.2 Overview and outlook of the education sector

Public sector capital spending continued to provide support to the domestic economy with the bulk of the development expenditure cbanneled into education, transportation, and agriculture and rural development.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2010, Bank Negara Malaysia Quarterly Bulletin)

Realising that Malaysia is gradually loosing its growth momentum over the past decade, the Government has introduced new measures to achieve and sustain the 6.0% annual growth target during the 10th Malaysia Plan (10MP). It will also set the pace for the next five-year plan while complementing the New Economic Model (NEM) to achieve a high income economy by 2020. The crux of the 10MP (2011-2015) is the need to transform towards productivity-led growth, where the private sector will be the primary driver of growth and innovation.

It took three major economic downturns – Asian Financial Crisis (1998), dot-com bust (2001) and the global economic crisis (2007-present) – to make the Government realise that heavy reliance on exports and foreign capital investments, made Malaysia highly vulnerable to external shocks. This has prompted the Government to shift its priorities towards promoting private investment to mainly support its 10MP's growth target. To achieve this, the Government plans to significantly increase productivity via human capital, adoption of new technologies and development of entrepreneurship to replace higher capital and labour inputs.

(Source: Economic Viewpoint, 10th Malaysia Plan setting the pace but lack details, 11 June 2010, Kenanga Research)

The focus on buman capital development is comprehensive and wide spread starting with lowering the schooling age to 5 years old instead of the current 6 years old, increasing the percentage of graduate teachers to 60% from 28% in primary schools, increase high performance schools to 100 from 20 by 2015, improve technical and vocational training quality of syllabus and increasing the quality of teaching staff at institutes of bigber learning with KPI on the ratio of PHD staff which will then translate to higher budget allocation.

This is a long term objective aimed at churning out an employable workforce that is competitive internationally by private sector at large both locally and abroad. It will take one or two generation of workforce before we can effectively move to a high income economy. Most importantly, the government must stay its course in this effort.

Private institutions will be quicker to come up with the right education programmes and syllabus to cater for the new needs (and hence secure the contracts) compared to public institutions as their organisational structure geared to profitability is more efficient.

(Souree: Strategy, The 10th Malaysia Plan, Ambitious objectives but challenging, 11 June 2010, Kenanga Research)

6.3 Our Group's prospects

Taking into account the overview and the outlook of the economy and the education sector, the Board is of the opinion that the outlook of the SEGi Group for the year 2010 is expected to remain positive. The SEGi Group continues to expand its business with new and niche academic programmes and quality education.

7. EFFECTS OF THE RIGHTS ISSUE

Tbe financial effects of the Rights Issue are set out in the ensuing sections of this Abridged Prospectus:-

7.1 Share capital

The Rights Issue will not have an immediate effect on the issued and paid-up ordinary share capital of the Company. The issued and paid-up ordinary share capital of the Company will increase progressively depending on the number of new Shares issued pursuant to the exercise of the Warrants during the Exercise Period.

LETTER TO SHAREHOLDERS (Cont'd)

For illustration purpose, assuming all the Warrants are exercised, the issued and paid-up ordinary sbare capital of the Company as at the Latest Practicable Date shall increase as set out as follows:-

	No. of shares in SEGi ('000)	Par value (RM)	Share capital (RM'000)
No. of Shares @ Latest Practicable Date	249,460	0.50	124,730
(Add): Shares to be issued pursuant to exercise of Warrants	124,730	0.50	62,365
Enlarged no. of Shares after the exercise of Warrants	**374,190**	**0.50**	**187,095**

7.2 NA per Share and gearing

Based on the latest available audited consolidated balance sbeets of SEGi Group as at 31 December 2009, the proforma effects of the Share Split, the Bonus Issue and the Rights Issue (including taking into account the full exercise of the Warrants) on the Group's consolidated NA and gearing are as follow:-

	(Audited) As at 31.12.2009 RM'000	Proforma I After Share Split and Bonus Issue RM'000	Proforma II After Proforma I and the Rights Issue RM'000	Proforma III After Proforma II and full exercise of Warrants RM'000
Share capital	89,093	124,730	124,730	187,095
Share premium	35,876	239[a]	239	101,270
Treasury shares	(2,355)	(2,355)	(2,355)	(2,355)
Revaluation reserves	1,977	1,977	1,977	1,977
Exchange translation reserves	(429)	(429)	(429)	(429)
Retained profits	44,993	44,993	12,113[b]	12,113
Warrants reserves	-	-	38,666[c]	-
Net assets	**169,155**	**169,155**	**174,941**	**299,671**
Minority interest	839	839	839	839
Total equity	169,994	169,994	175,780	300,510
ST borrowings	6,089	6,089	6,089	6,089
LT borrowings	12,466	12,466	12,466	12,466
Total borrowings	18,555	18,555	18,555	18,555
NA per share	**1.90[d]**	**0.68**	**0.70**	**0.80**
Gearing (times)	**0.11**	**0.11**	**0.11**	**0.06**

Notes:-

(a) After capitalisation of RM35,637,102 from the share premium account relating to the Bonus Issue.

(b) Taking into account the estimated expenses of RM450,000 related to the proposals.

(c) Assuming an estimated Warrant fair value of RM0.31 each, which was arrived at based on the trinomial option pricing model.

(d) Computed based on the number of ordinary shares in the Company as at 30 June 2010.

7.3 EPS

The Rights Issue will not have an immediate material impact on the earnings of our Company. Nevertheless, the EPS of our Company will have an immediate dilutive effect with any exercise of the Warrants. However, the degree of any effect of any exercise of the Warrants on the EPS would be dependent on the returns generated from the utilisation of proceeds arising from the exercise of the Warrants and also of our Group's future financial performance. Notwithstanding that, our Board expects that the returns generated from the utilisation of proceeds will contribute positively to our Group's future earnings.

8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working capital

The Board is of the opinion that after taking into consideration the proceeds from the Rights Issue, internally generated funds, cash in hand and banking facilities available, the Group will have adequate working capital to meet the current Group's business requirements due within a period of twelve (12) months from the date of this Abridged Prospectus.

8.2 Borrowings

As at 30 June 2010, the Group's bank borrowings, all of which are interest-bearing and from local financial institutions denominated in RM, amounted to approximately RM15.68 million, the details of whicb are as follows:-

Borrowings as at 30 June 2010	**Amount (RM '000)**
Current	
- Secured	5,891
- Unsecured	-
	5,891
Non-current	
- Secured	9,786
- Unsecured	-
	9,786
Total	**15,677**

As at 30 June 2010, the Group does not have any non-interest bearing borrowings or foreign currency denominated borrowings.

There has not been any default on payments of either interest or principal sums by our Group, in respect of any borrowings, during the FYE 31 December 2009 and for the subsequent financial period up to 30 June 2010.

8.3 Contingent liabilities and material commitments

As at the Latest Practicable Date, the Group has not incurred any material commitments and/or contingent liabilities.

9. SHAREHOLDERS' UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS

The Rights Issue will be undertaken on a full subscription level basis. The subscription level was determined after taking into consideration, amongst others, the level of funds we wish to raise for general working capital requirements and for defrayment of the estimated expenses relating to the Rights Issue.

Our Company has procured irrevocable undertakings from Rexter, Cerahsar and Dato' Clement Hii, to subscribe for their respective rights entitlement pursuant to the Proposed Rights Issue (**"Rights Undertaking Shareholders"**).

The respective shareholdings and rights entitlement of the Rights Undertaking Shareholders in SEGi as at the Latest Practicable Date are set out as follows:-

	No. of Shares held on the Latest Practicable Date	%	No. of Rights Entitlement (Warrants)	%^
Rexter	63,356,369	25.40	31,678,184	25.40
Cerahsar	57,400,000	23.01	28,700,000	23.01
Dato' Clement Hii	2,010,400	0.81	1,005,200	0.81
Total	**122,766,769**	**49.22**	**61,383,384**	**49.22**

Note:-
^ *Based on the total number of Warrants to be issued in relation to the Proposed Rights Issue.*

Based on the undertaking by the Rights Undertaking Shareholders, a total of 49.22% of the Warrants subscription have been undertaken to he subscribed by existing shareholders of our Company.

For the remaining portion of the Warrants not subscribed for by Entitled Shareholders (the **"Open Portion"**), our Company has procured an irrevocable undertaking from Dato' Clement Hii (**"Open Portion Undertaking Shareholder"**), to subscribe for the entire remaining portion not fully subscribed by the Entitled Shareholders.

The Rights Undertaking Shareholders and the Open Portion Undertaking Shareholder have further respectively confirmed that they have sufficient financial resources to subscribe for such Warrants. Our Board and KIBB are satisfied and have verified that they have the financial resources to meet their obligations under the aforesaid undertakings.

In view of the undertakings given by the Rights Undertaking Shareholders and the Open Portion Undertaking Shareholder for the full subscription level of the Rights Issue, no underwriting arrangement has been made for the Rights Issue.

There will be no obligation by either Rexter, Cerahsar or Dato' Clement Hii to undertake a mandatory offer under the Malaysian Code on Take-over and Mergers, 1998 (**"Code"**), due to the irrevocable undertakings given by them in respect of the Rights Issue. Assuming Dato' Clement Hii subscribed for his rights entitlement and the remaining Warrants under the Open Portion, his shareholdings in SEGi upon the exercise of all the Warrants will he 17.73%, as further illustrated in Scenario B in Section 3 of Appendix II of this Abridged Prospectus.

10. TERMS AND CONDITIONS

The issue of the Warrants pursuant to the Rights Issue is governed by the terms and conditions set out in this Abridged Prospectus, the accompanying RSF and NPA and the Deed Poll.

LETTER TO SHAREHOLDERS (Cont'd)

11. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendices for further information.

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

DATO' CLEMENT HII CHII KOK
Group Managing Director

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APPENDIX I – CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT THE EGM OF SEGi HELD ON 28 JUNE 2010

SEG INTERNATIONAL BHD

(Company No.145998-U)
(Incorporated in Malaysia)

Certified Extract of the Minutes of the Extraordinary General Meeting of the Company held on 28 June 2010

ORDINARY RESOLUTION 4

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 124,729,857 FIVE (5)-YEAR 2010/2015 WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) NEW WARRANT FOR EVERY TWO (2) SUBDIVIDED SHARES HELD AT AN ISSUE PRICE OF RM0.05 PER WARRANT ("PROPOSED RIGHTS ISSUE")

It was RESOLVED:

THAT, subject to the approval-in-principle of Bursa Securities for the admission, listing of and quotation for the Warrants to be issued pursuant to the Proposed Rights Issue and the new Subdivided Shares to be issued following the exercise of the Warrants on the Main Market of Bursa Securities and subject to the passing of Ordinary Resolutions 1 and 3, approval be and is hereby given to the Directors of the Company:-

(i) to issue by way of a renounceable rights issue of 124,729,857 Warrants at an issue price of RM0.05 per Warrant on the basis of one (1) Warrant for every two (2) Subdivided Shares held, by way of provisional allotment to shareholders whose names appear in the Record of Depositors at the close of business on a date to be determined by the Directors including any person entitled on renunciation of a provisional allotment who has successfully subscribed for the Warrants;

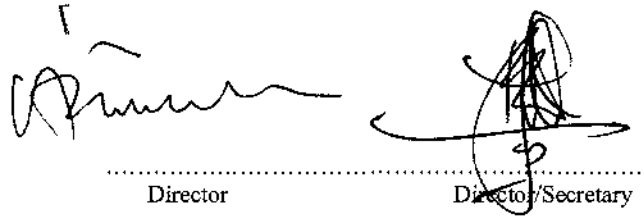
(ii) wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with a deed poll (**"Deed Poll"**) to be executed, at any time during the period commencing on, and inclusive of, the date of issue of the Warrants and ending on the date preceding the fifth (5th) anniversary of the date of issue of the Warrants, or if such date is not a market day, then it shall be the market day immediately preceding the said non market day, but excluding the five (5) clear market days prior to a books closure date or entitlement date announced by the Company on which the Record of Depositors is closed, for one (1) new Subdivided Share at an exercise price of RM1.00;

(iii) to deal with any fractional Warrants and any Warrants not accepted by the shareholders of SEGi in such manner as the Directors may in their discretion deem fit and expedient;

(iv) to allot and issue such appropriate number of additional Warrants (**"Additional Warrants"**) if any, as a consequence of the adjustment of the exercise price and/or the number of Warrants in accordance with the provisions of the Deed Poll and/or any amendments thereof or as may be imposed by the relevant authorities and such appropriate number of new Subdivided Shares in connection with and arising from the exercise of the Warrants and/or Additional Warrants (**"Additional New Subdivided Shares"**). The Additional New Subdivided Shares shall, upon allotment and issue, rank *pari passu* in all respects with the existing Subdivided Shares except that they shall not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which precedes the relevant dates of allotment of such Additional New Subdivided Shares; and

(v) to do all such acts and things and to execute all necessary documents including without limitation, the Deed Poll to give full effect to and complete the Proposed Rights Issue with full power to assent to or make any modifications, variations and/or amendments as may be in the best interest of the Company or as may be required by the relevant authorities and to take all steps and actions as may be required by the relevant authorities and as the Directors may deem necessary and/or expedient to finalise, implement and give full effect to and complete the Proposed Rights Issue and the Deed Poll.

Certified Correct



Director Director/Secretary

APPENDIX II – INFORMATION ON SEGi

1. HISTORY AND PRINCIPAL ACTIVITIES

SEGi was incorporated under the name of Systematic Professional Centre Sdn Bhd on 11 October 1985. Our Company changed its name to Systematic Education Group Sdn Berhad on 3 June 1994. Subsequently, it was converted into a public limited company and changed its name to Systematic Education Group Berhad on 8 June 1994 and was subsequently listed on the then Second Board of Bursa Securities (**"Second Board"**) on 16 May 1995. Our Company then assumed its present name on 8 April 2002 and our listing was transferred from the Second Board to the Main Board of Bursa Securities (now known as the Main Market) on 5 August 2004.

The Company is principally engaged in the business of investment holding and provision of management consultancy services and business advisory services. The Company's subsidiaries' principal activities are mainly in the provision of educational and training services. The detailed principal activities of our Company's subsidiary companies are set out in Section 5 of this Appendix.

SEGi Group has six (6) private tertiary institutions and four (4) training centres located at Kota Damansara, Subang Jaya, Kuala Lumpur, Penang, Kuching, Seri Kembangan and Pulau Indah. SEGi Group is one of the largest education conglomerates in the country with approximately 22,000 students.

The types of programmes offered range from postgraduate studies, medicine and dentistry, pharmacy and allied health sciences, business and accountancy, engineering and the built environment, creative design and technology, education and social sciences, American Degree Programme, law, optometry and vision sciences, nursing, hotel tourism and management, foundation studies, professional studies and vocational and training.

2. SHARE CAPITAL

2.1 Authorised, Issued and Paid-up Ordinary Share Capital

The authorised, issued and paid-up ordinary share capital of SEGi as at the Latest Practicable Date are as follow:-

Share capital	No. of Shares ('000)	Par value (RM)	Amount (RM'000)
Authorised share capital Ordinary shares of RM0.50 each	500,000	0.50	250,000
Issued and paid-up share capital Ordinary shares of RM0.50 each	249,460	0.50	124,730

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2.2 Changes in Issued and Paid-up Ordinary Share Capital

Save for the Share Split and the Bonus Issue which was completed on 15 July 2010, there has been no other changes to the Company's issued and paid-up share capital for the past three (3) years up to the Latest Practicable Date.

Date of allotment	No. of ordinary shares allotted	Par value (RM)	Consideration	Resultant number of issued and paid-up shares	Total issued and paid-up share capital (cumulative) (RM)
15 July 2007 – 13 July 2010	89,092,755	1.00	-	89,092,755	89,092,755.00
14 July 2010	-	0.50	Share Split to par value of RM0.50	178,185,510	89,092,755.00
14 July 2010	71,274,204	0.50	Bonus Issue of 2 new Shares for every 5 Shares held	249,459,714	124,729,857.00

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APPENDIX II – INFORMATION ON SEGi (Cont'd)

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The Rights Issue will not have an immediate effect on the substantial shareholders' shareholding in SEGi. Any potential effect of the Rights Issue on the substantial shareholders' shareholding will depend on the number of new Shares issued pursuant to the exercise of the Warrants by the Holders during the Exercise Period.

For illustration purpose only, assuming all the Warrants are exercised, the proforma effect of the Rights Issue (illustrated as Scenario A and Scenario B) on the Open Portion Undertaking Shareholder and substantial shareholders' shareholding in SEGi as at the Latest Practicable Date, is set out as follows:-

Scenario A : Assuming all shareholders subscribe for their rights entitlement under the Rights Issue

Scenario B : Assuming no shareholders subscribe for their rights entitlement save for the Rights Undertaking Shareholders and the Open Portion Undertaking Shareholder under the Rights Issue

	Shareholding as at the Latest Practicable Date				Scenario A				Scenario B			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Rexter	63,356	25.40	-	-	95,035	25.40	-	-	95,035	25.40	-	-
Cerahsar	57,400	23.01	-	-	86,100	23.01	-	-	86,100	23.01	-	-
Dato' Clement Hii	2,010	0.81	-	-	3,016	0.81	-	-	66,362	17.73	-	-
Lim Peck Thong [1]	-	-	63,356	25.40	-	-	95,035	25.40	-	-	95,035	25.40
Lau Pee Ho [1]	-	-	63,356	25.40	-	-	95,035	25.40	-	-	95,035	25.40
Datu Haji Putit bin Matzen [2]	-	-	57,400	23.01	-	-	86,100	23.01	-	-	86,100	23.01
Ruslan bin Abdullah [2]	-	-	57,400	23.01	-	-	86,100	23.01	-	-	86,100	23.01

(Source: SEGi's Register of Substantial Shareholders as at the Latest Practicable Date and corporate information on Rexter and Cerahsar as extracted from the Companies Commission of Malaysia)

Notes:

(1) Deemed interested by virtue of his direct shareholdings in Rexter pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of his direct shareholdings in Cerahsar pursuant to Section 6A of the Act.

As at the Latest Practicable Date, Rexter, Cerahsar and Dato' Clement Hii have no indirect shareholdings in SEGi.

4. PARTICULARS OF DIRECTORS

4.1 Details of Directors

The details of our Directors as at the Latest Practicable Date are as follows:-

Name of Director	Address	Age	Nationality	Profession	Designation
Tan Sri Dato' Seri Megat Najmuddin bin Dato' Seri Dr. Haji Megat Khas	No. 2, Jalan 12/7 46200 Petaling Jaya Selangor Darul Ehsan	66	Malaysian	Company Director	Independent Non-Executive Chairman
Dato' (Dr.) Patrick Teoh Seng Foo	No. 12, Jalan Semantan 2 Damansara Heights 50490 Kuala Lumpur	54	Malaysian	Company Director	Executive Deputy Chairman/President
Dato' Clement Hii Chii Kok	822, Lorong 8, Chawan Road 93300 Kuching Sarawak	52	Malaysian	Company Director	Group Managing Director
Lee Kok Cheng	20, Jalan Kantan 13 Bandar Botanic 41200 Klang Selangor Darul Ehsan	50	Malaysian	Company Director	Executive Director/Chief Executive Officer
Hew Moi Lan	No. 7, Jalan BS 3/10 Taman Bukit Serdang Seksyen 3 43300 Seri Kembangan Selangor Darul Ehsan	49	Malaysian	Company Director	Executive Director/Chief Operating Officer
Datu Haji Putit bin Matzen	411 Lorong B-5 Taman BDC Stampin 93250 Kuching Sarawak	65	Malaysian	Company Director	Non-Independent Non-Executive Director

APPENDIX II – INFORMATION ON SEGi (Cont'd)

Name of Director	Address	Age	Nationality	Profession	Designation
Amos Siew Boon Yeong	18, Jalan Polo 10/6 Selangor Polo Country Club 47810 Kota Damansara Selangor Darul Ehsan	52	Malaysian	Company Director	Independent Non-Executive Director
Tony Foo San Kan	G-6-1, Hijauan Kiara No. 6, Jalan Kiara 5 Mon't Kiara 50480 Kuala Lumpur	62	Malaysian	Company Director	Independent Non-Executive Director
Goh Leng Chua	9, William Tan Road 93450 Kuching Sarawak	61	Malaysian	Company Director	Independent Non-Executive Director

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4.2 Directors' Shareholdings

The Rights Issue will not have an immediate effect on the Directors' shareholding in SEGi. Any potential effect of the Rights Issue on the Directors' shareholding will depend on the number of new Shares issued pursuant to the exercise of the Warrants during the Exercise Period.

For illustration purpose, assuming all the Warrants are exercised, the proforma effect of the Rights Issue (illustrated as Scenario A and Scenario B) on the Directors' shareholding in SEGi as at the Latest Practicable Date, is set out as follows:-

Scenario A : Assuming all shareholders subscribe for their rights entitlement under the Rights Issue

Scenario B : Assuming no shareholders subscribe for their rights entitlement save for the Rights Undertaking Shareholders and the Open Portion Undertaking Shareholder under the Rights Issue

	Shareholding (direct and indirect) as at the Latest Practicable Date	
	No. of Shares ('000)	%
Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	1	neg.[2]
Dato' (Dr.) Patrick Teoh Seng Foo	436	0.17%
Dato' Clement Hii	2,010	0.81%
Lee Kok Cheng	-	-
Hew Moi Lan	344	0.14%
Datu Haji Putit Bin Matzen[1]	57,400	23.01%
Amos Siew Boon Yeong	-	-
Tony Foo San Kan	-	-
Goh Leng Chua	-	-

	Scenario A		Scenario B	
	No. of Shares ('000)	%	No. of Shares ('000)	%
Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	1	neg.[2]	1	neg.[2]
Dato' (Dr.) Patrick Teoh Seng Foo	654	0.17%	654	0.17%
Dato' Clement Hii	3,016	0.81%	66,362	17.73%
Lee Kok Cheng	-	-	-	-
Hew Moi Lan	517	0.14%	517	0.14%
Datu Haji Putit Bin Matzen[1]	86,100	23.01%	86,100	23.01%
Amos Siew Boon Yeong	-	-	-	-

APPENDIX II – INFORMATION ON SEGi (Cont'd)

	Scenario A		Scenario B	
	No. of Shares ('000)	%	No. of Shares ('000)	%
Tony Foo San Kan	-	-	-	-
Goh Leng Chua	-	-	-	-

(Source: SEGi's Register of Directors' Shareholdings as at the Latest Practicable Date)

Notes:-

(1) Datu Haji Putit bin Matzen is deemed interested in the Company pursuant to Section 6A of the Act by virtue of his shareholding in Cerahsar.

(2) Negligible < 1,000 Shares.

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APPENDIX II – INFORMATION ON SEGi (Cont'd)

5. SUBSIDIARY AND ASSOCIATED COMPANIES

5.1 Details of Subsidiary Companies

The particulars of the subsidiary companies of SEGi as at the Latest Practicable Date are as follows:-

Name of company	Date/Place of incorporation	Issued and Paid-up Share Capital	Effective Equity Interest held by SEGi (%)	Principal Activities
SEGi Holdings Sdn. Bhd.	8 Nov 1996/ Malaysia	14,390,546 @ RM 1	100	Investment holding and management consultancy.
SEGi University College (M) Sdn. Bhd.	27 Apr 1983/ Malaysia	2,500,001 @ RM 1	100	Provision of professional, commercial and academic education.
SEGi College (KL) Sdn. Bhd.	29 Sep 1978/ Malaysia	350,000 @ RM 1	100	Provision of professional, commercial and academic education.
SEGi College of Technology (KL) Sdn. Bhd.	23 Sep 1982/ Malaysia	200,000 @ RM 1	100	Provision of computer training, commercial and academic education.
SEGi College (Subang Jaya) Sdn. Bhd.	17 Dec 1993/ Malaysia	1,200,000 @ RM 1	98.63	Operation of an institute providing educational programmes.
SEGi College (PG) Sdn. Bhd.	4 Oct 1989/ Malaysia	200,000 @ RM 1	100	Provision of professional, commercial and academic education.
SEGi College (Sarawak) Sdn. Bhd.	8 Aug 1988/ Malaysia	2,000,000 @ RM 1	100	Operation of an educational institution for further studies.
SEGi College (PJ) Sdn. Bhd.	7 Sep 1985/ Malaysia	200,000 @ RM 1	100	Provision of professional, commercial and academic education.
Summit Multimedia Education Sdn. Bhd.	12 Nov 1990/ Malaysia	750,000 @ RM 1	73.97	Operation of an institution providing educational programmes.
SEGi-IGS Sdn. Bhd.	21 July 2003/ Malaysia	200,000 @ RM 1	70	Provision of educational services.
SEGi Training Centre (Kuching) Sdn. Bhd.	13 Nov 2002/ Malaysia	100,000 @ RM 1	100	Operation of a training centre for vocational and professional courses.
SEGi Learning Resources (Sarawak) Sdn. Bhd.	18 Nov 1992/ Malaysia	500,000 @ RM 1	100	Provision of educational and training services.
SMRC Learning Alliance Sdn. Bhd.	22 Oct 1987/ Malaysia	200,000 @ RM 1	100	Provision of educational and training services.
SMRC Learning Alliance (KL) Sdn. Bhd.	1 Jun 1998/ Malaysia	100,000 @ RM 1	100	Provision of educational and training services.
SMRC Learning Alliance (EM) Sdn. Bhd.	28 Nov 1986/ Malaysia	20,000 @ RM 1	100	Provision of management consultancy services and investment holding.
SEGi EyeCare Sdn. Bhd.	1 Apr 1994/ Malaysia	100,000 @ RM 1	100	Provision of eye care and optometry related services.

APPENDIX II – INFORMATION ON SEGi (Cont'd)

Name of company	Date/Place of incorporation	Issued and Paid-up Share Capital	Effective Equity Interest held by SEGi (%)	Principal Activities
IFPA Resources Sdn. Bhd.	25 Oct 1997/ Malaysia	250,000 @ RM 1	100	Provision of financial planning and financial related courses.
Summit Early Childhood Edu-Care Sdn. Bhd.	13 Feh 1996/ Malaysia	1,350,002 @ RM 1	100	Provision of child educational and related services.
Summit Early Childhood Edu-Care (Rawang) Sdn. Bhd.	30 Oct 2000/ Malaysia	180,000 @ RM 1	70	Provision of child educational and related services.
Pusat Kemahiran Maju Ria Sdn. Bhd.	21 Mar 1996/ Malaysia	805,000 @ RM 1	100	Provision of educational and training services.
SEG International Group Sdn. Bhd.	25 Nov 1993/ Malaysia	2 @ RM 1	100	Investment holding and provision of training and educational services.
SEGi Skills Development & Placement Services Sdn. Bhd.	17 Aug 2005/ Malaysia	150,000 @ RM 1	100	Provision of training services.
SEGi Youth Training Sdn. Bhd.	19 Aug 2002/ Malaysia	250,000 @ RM 1	100	Provision of training services.
SEGi Methods Sdn. Bhd.	9 Oct 2003/ Malaysia	100 @ RM 1	100	Investment holding.
SEGi Jobs Sdn. Bhd.	16 Aug 2004/ Malaysia	2 @ RM 1	100	Dormant.
SEG International Training Sdn. Bhd.	7 Oct 2004/ Malaysia	200,000 @ RM 1	100	Provision of services in information and computer technologies.
Shaw Commercial Institution Sdn. Bhd.	8 Aug 1967/ Malaysia	100 @ RM 1,000	100	Investment property holding.
Systematic Training Network Sdn. Bhd.	21 Aug 2002/ Malaysia	1,000 @ RM 1	95	Investment holding and provision of educational services.
SBT Professional Publications Sdn. Bhd.	16 Jun 1992/ Malaysia	100,000 @ RM 1	100	Operation of a book centre, dealing in all kinds of reading materials, information research and related business.
Agensi Pekerjaan Job Venture Sdn. Bhd.	13 Feb 1991/ Malaysia	25,000 @ RM 1	100	Provision of job placement consultancy services.
Prestige Front Sdn. Bhd.	27 Apr 1996/ Malaysia	740,000 @ RM 1	100	Property investment and property management.
Binary Mark Sdn. Bhd.	4 Aug 1999/ Malaysia	100,000 @ RM 1	98.63	Property investment.
SEG Equity Sdn. Bhd.	17 Jul 1990/ Malaysia	2 @ RM 1	100	Investment holding.
Summit Education Sdn. Bhd.	1 Nov 1984/ Malaysia	14,000,000 @ RM 1	98.63	Investment holding and provision of management consultancy services.
Prim Edu-Services Sdn. Bhd.	15 Oct 1999/ Malaysia	500,000 @ RM 1	100	Investment holding.

APPENDIX II – INFORMATION ON SEGi (Cont'd)

Name of company	Date/Place of incorporation	Issued and Paid-up Share Capital	Effective Equity Interest held by SEGi (%)	Principal Activities
SEGi Unisel Sdn. Bhd.	29 Sep 2003/ Malaysia	100,000 @ RM 1	97	Recruitment and placement of students.
CEPI Resources (Selangor) Sdn. Bhd.	15 May 2006/ Malaysia	300,000 @ RM 1	100	Provision of training services for environmental management and protection.
Metromas Realtors Sdn Bhd	6 Nov 2008/ Malaysia	100,000 @ RM 1	100	Investment holdings and property investment.
Sino-Malaysia EduCulture Centre Sdn. Bhd.	1 Aug 2001/ Malaysia	150,000 @ RM 1	100	Provision of cross border education and culture activities.
I-Station Solutions Sdn. Bhd.	26 Oct 2004/ Malaysia	200,000 @ RM 1	100	Provision of E-learning solutions.
Worldwide Accreditation Ltd	30 April 2001 Republic of Mauritius	1 @ USD 10	100	Provision of licensing and accreditation of educational programmes.

5.2 Details of Associated Companies

The particulars of the associated companies of SEGi as at the Latest Practicable Date are as follows:-

Name of company	Date/Place of incorporation	Issued and Paid-up Share Capital	Effective Equity Interest held by SEGi (%)	Principal Activities
Palm Leisure Sdn Bhd	25 Oct 1993/ Malaysia	1,000,000 @ RM 1	30	Dormant.
My Training Providers Sdn Bhd *	2 Mar 2006/ Malaysia	100,000 @ RM 1	40	Dormant.
Eduspec Sdn Bhd	6 Dec 2005/ Malaysia	4,500,000 @ RM 1	22	Investment holding, provision of educational services and materials.

Note:

* *The shareholders of the company are in the process of applying to the Companies Commission of Malaysia to strike off the company from the registry pursuant to Section 308 of the Companies Act 1965 in Malaysia.*

6. PROFIT AND DIVIDEND RECORD

A summary of the audited consolidated financial information of SEGi for the FYE 31 December 2007, 2008 and 2009 and the unaudited consolidated financial information of SEGi for the three (3) months FPE 31 March 2010 is as follows:-

	Consolidated financial results for the FYE 31 December			FPE 31 March
	2007 (Audited) RM'000	2008 (Audited) RM'000	2009 (Audited) RM'000	2010 (Unaudited) RM'000
Revenue	86,263	127,407	176,874	54,795
Gross Profit	61,523	92,020	125,262	40,180

APPENDIX II – INFORMATION ON SEGi (Cont'd)

	Consolidated financial results for the FYE 31 December			FPE 31 March
	2007 (Audited) RM'000	2008 (Audited) RM'000	2009 (Audited) RM'000	2010 (Unaudited) RM'000
Gross Margin (%)	71.32	72.22	70.82	73.33
EBITDA	13,022	16,471	22,130	n/a
Other income	4,862	9,586	5,156	1,149
Finance costs	6,826	2,025	1,694	352
Share of profits/(losses) of associates and joint ventures	-	-	595	885
PBT	2,479	9,884	14,606	13,164
Tax refund / (expense)	2,864	(2,564)	(4,367)	(3,128)
PAT	5,343	7,320	10,239	10,036
Minority interest	187	54	216	528
PATMI / (LATMI)	5,156	7,266	10,023	9,508
Dividend per share (sen)	2.00	3.00	3.50	-
Basic EPS / (LPS) (sen) *	6.03	8.70	12.09	10.79
Diluted EPS (sen) *	-	-	-	-

Notes:-

* *Based on weighted number of ordinary shares in issue during the respective FYE/FPE, net of treasury shares.*

n/a *Not available*

Commentaries on Past Performance

FYE 31 December 2007 (Audited)

For the financial year ended 31 December 2007, the SEGi Group achieved a revenue of RM86.3 million, which is an increase of RM12.0 million (16%) as compared to the corresponding period in 2006. In line with the increase in revenue, there is a corresponding increase in gross profit of RM8.2 million (16%).

The improvement in performance is mainly due to the overall increase in student enrolment in the SEGi Group's colleges and training centres.

The SEGi Group posted a lower profit before tax of RM2.5 million as compared to RM2.9 million in the preceding year mainly due to the RM2.7 million write down of investment in Aegis One Junior Bonds and Kerisma Junior Bonds on grounds of prudence as there were indications that the bonds will not be recovered in full. These investments in Junior Bonds were subscribed as a condition for the Primary Collaterised Loan Obligations (**"PCLO"**) taken by the Company in 2002 and 2004.

FYE 31 December 2008 (Audited)

For the year ended 31 December 2008, the SEGi Group achieved a revenue of RM127.4 million and a profit before tax of RM9.9 million, an improvement of 48% and 299% respectively, as compared to the corresponding period in 2007.

The improvement in performance is generally due to the introduction of new academic programmes such as Bachelor of Science (Hons) and International Tourism & Hospitality management with the University of Sunderland, United Kingdom at the SEGi Group's institutions and also gain from the disposal of the property at Kota Damansara, Selangor of RM4.0 million.

The finance costs for the year reduced significantly from RM6.8 million in 2007 to RM2.0 million due to the repayment of the PCLO amounting to RM40.0 million towards the end of 2007.

FYE 31 December 2009 (Audited)

For the year ended 31 December 2009, the SEGi Group achieved a revenue of RM176.9 million and a profit before tax of RM14.6 million, an improvement of 39% and 48% respectively, as compared to the corresponding period in 2008.

The improvement in performance is generally due to the increase in student enrolments at the SEGi Group's institutions mainly as a result of new programmes introduced in 2008/2009. Amongst the new programmes launched was the Master of Pharmacy programmme with the University of Sunderland, United Kingdom, Masters of Engineering with the University of Sheffield, United Kingdom, Master of Business Administration, Bachelor of Hospitality Management and Bachelor of Accounting. The Group also established five (5) nursing schools within the Group's institutions, making the Group one of the main education providers in the field of nursing.

The finance costs for the year reduced from RM2.0 million in 2008 to RM1.7 million due to the repayment of the PCLO amounting to RM20.0 million during the year.

Three (3)-month FPE 31 March 2010 (Unaudited)

For the three-month period ended 31 March 2010, the Group achieved a revenue of RM54.8 million and a profit before tax of RM13.2 million, an improvement of 35% and 50% respectively, as compared to the corresponding period in 2009.

The improvement in performance is generally due to the increase in student enrolments at the Group's institutions as a direct result of new programmes launched in the previous years.

7. HISTORICAL SHARE PRICES OF SEGi

The monthly highest and lowest closing share prices of SEGi as traded on Bursa Securities for the past twelve (12) months preceding the Latest Practicable Date are as follows:-

Month	High (RM)	Low (RM)
2009		
July [1]	0.95	0.83
August	0.95	0.87
September	0.94	0.83
October	0.95	0.85
November	0.98	0.87
December	1.00	0.89
2010		
January	1.06	0.93
February	1.65	1.01
March	1.74	1.52
April	2.70	1.72
May	3.15	2.70
June	4.59	3.00
July (1-11 July, 2010)	4.56	4.29
July (12-15 July, 2010)[2]	2.02	1.89

(Source: Bloomberg)

Notes:-
(1) For the period from 16 July 2009 to 31 July 2009.
(2) Based on the quoted closing share prices after the ex-date of the Share Split and Bonus Issue on 12 July 2010.

The last transacted price of SEGi on Bursa Securities on 20 April 2010, being the trading day immediately prior to the date of the first announcement of the Rights Issue on 21 April 2010 was RM1.88.

The last transacted price of SEGi on Bursa Securities on the Latest Practicable Date was RM1.94.

The last transacted price of SEGi on Bursa Securities on 21 July 2010, being the trading day immediately preceding to the ex-date of the Rights Issue of 22 July 2010 was RM2.54.

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APPENDIX III – PROFORMA CONSOLIDATED BALANCE SHEETS OF SEGi AS AT 31 DECEMBER 2009 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

Crowe Horwath *AF 1018*
Chartered Accountants
Member Crowe Horwath International

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12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Main +6 03 2166 0000
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www.crowehorwath.com.my
info@crowehorwath.com.my

16 July 2010

The Board of Directors
SEG International Bhd
No. 9, Jalan Teknologi
Taman Sains Selangor
Kota Damansara, PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

SEG INTERNATIONAL BHD ("SEGi")
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009

We have reviewed the Proforma Consolidated Balance Sheets of SEGi and its subsidiaries ("SEGi Group" or "the Group") as at 31 December 2009, together with the accompanying notes thereto, for which the Directors are solely responsible, as set out in the eccompanying statement (which we have initialed for the purpose of identification only) prepared for inclusion into the abridged prospectus of SEGi ("SEGi Abridged Prospectus").

In this respect, the Proforma Consolidated Balance Sheets have incorporated the renounceable rights issue of 124,729,857 five-year 2010/2015 warrants on the basis of one new warrant ("Warrant") for every two ordinary shares of par value RM0.50 each held in SEGi as at the entitlement date of 26 July 2010, at an issue price of RM0.05 cash per Warrant ("Rights Issue").

In our opinion,

(i) the Proforma Consolidated Balance Sheets of SEGi Group as at 31 December 2009, which are prepared for illustrative purposes only, have been properly compiled on the bases set out in the accompanying notes to the Proforma Consolidated Balance Sheets using financial statements prepared in accordance with the provisions of the Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies normally adopted by SEGi in the preparation of the audited consolidated financial statements of SEGi Group for the financial year ended 31 December 2009; and

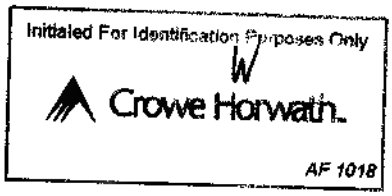
(ii) the adjustments are appropriate for the purposes of the Proforma Consolidated Balance Sheets.

Crowe Horwath

We understand that this letter will be used solely for the inclusion into the SEGi Abridged Prospectus in connection with the Rights Issue. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully
Crowe Horwath *AF1018*

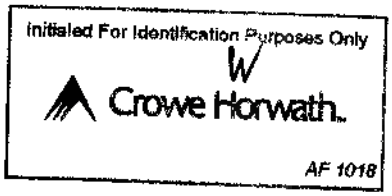
APPENDIX III – PROFORMA CONSOLIDATED BALANCE SHEETS OF SEGi AS AT 31 DECEMBER 2009 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



SEG INTERNATIONAL BHD
PROFORMA CONSOLIDATED BALANCE SHEETS

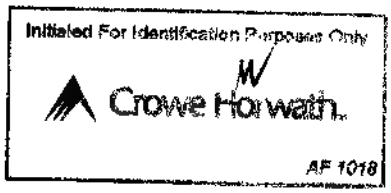
	Note	SEGi Group Audited 31.12.2009 RM'000	Proforma I After Share Split and Bonus Issue RM'000	Proforma II After Proforma I and Rights Issue RM'000	Proforma III After Proforma II and Full Exercise of Warrants RM'000
ASSETS					
NON-CURRENT ASSETS		134,814	134,814	134,814	134,814
CURRENT ASSETS					
Receivables, deposits and prepayments		40,065	40,065	40,065	40,065
Current tax assets		7,561	7,561	7,561	7,561
Cash and cash equivalents	2	36,898	36,898	42,684	167,414
		84,524	84,524	90,310	215,040
TOTAL ASSETS		219,338	219,338	225,124	349,854

APPENDIX III – PROFORMA CONSOLIDATED BALANCE SHEETS OF SEGi AS AT 31 DECEMBER 2009 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



SEG INTERNATIONAL BHD
PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

	Note	SEGi Group Audited 31.12.2009 RM'000	Proforma I After Share Split and Bonus Issue RM'000	Proforma II After Proforma I and Rights Issue RM'000	Proforma III After Proforma II and Full Exercise of Warrants RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	3	89,093	124,730	124,730	187,095
Share premium	4	35,876	239	239	101,270
Revaluation reserve		1,977	1,977	1,977	1,977
Retained profits	5	44,993	44,993	12,113	12,113
Warrants reserve	6	-	-	38,666	-
Exchange translation reserve		(429)	(429)	(429)	(429)
Treasury shares		(2,355)	(2,355)	(2,355)	(2,355)
		169,155	169,155	174,941	299,671
MINORITY INTERESTS		839	839	839	839
TOTAL EQUITY		169,994	169,994	175,780	300,510
NON-CURRENT LIABILITIES					
Deferred tax liabilities		2,182	2,182	2,182	2,182
Long-term borrowings		12,466	12,466	12,466	12,466
		14,648	14,648	14,648	14,648
CURRENT LIABILITIES					
Payables and accruals		27,971	27,971	27,971	27,971
Current tax liabilities		636	636	636	636
Short-term borrowings		6,089	6,089	6,089	6,089
		34,696	34,696	34,696	34,696
TOTAL LIABILITIES		49,344	49,344	49,344	49,344
TOTAL EQUITY AND LIABILITIES		219,338	219,338	225,124	349,854
NUMBER OF ORDINARY SHARES IN ISSUE ('000)	3	89,093	249,460	249,460	374,190
NET ASSETS PER SHARE	RM	1.90	0.68	0.70	0.80
GEARING	TIMES	0.11	0.11	0.11	0.06



SEG INTERNATIONAL BHD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

1. BASIS OF PREPARATION

1.1 Proforma consolidated balance sheets

The Proforma Consolidated Balance Sheets of SEG International Bhd ("SEGi") and its subsidiaries ("SEGi Group") have been prepared based on the audited consolidated balance sheet of SEGi Group as at 31 December 2009, and on the basis that is consistent with the accounting policies adopted by SEGi Group in the preparation of its audited consolidated financial statements for the financial year ended 31 December 2009.

The proforma consolidated balance sheets have been prepared for illustrative purposes only to illustrate the effects of the renounceable rights issue of 124,729,8S7 five-year 2010/2015 warrants ("Warrant") on the basis of one new Warrant for every two ordinary shares of RM0.50 each held in SEGi as at the entitlement date of 26 July 2010, at an issue price of RM0.05 cash per Warrant ("Rights Issue").

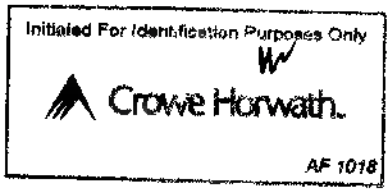
1.2 Proforma I

Proforma I incorporates the effects of the share split and the bonus issue, details as follows:

(i) share split involving the subdivision of every one ordinary share of RM1.00 each held in SEGi into two ordinary shares ("Shares") of RM0.S0 each in SEGi ("Subdivided Shares") ("Share Split"); and

(ii) bonus issue of 71,274,204 new Subdivided Shares ("Bonus Shares") to be credited as fully paid up on the basis of two Bonus Shares for every five Subdivided Shares held ("Bonus Issue"). The Bonus Issue shall be effected via the capitalisation of the Company's share premium reserve.

The Share Split and the Bonus Issue have been completed on 1S July 2010.



SEG INTERNATIONAL BHD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

1. BASIS OF PREPARATION (CONT'D)

1.3 Proforma II

Proforma II incorporates the effects of the Proforma I and the Rights Issue. The proceeds raised, net of estimated professional fees of RM450,000, will be utilised as working capital.

1.4 Proforma III

Proforma III incorporates the effects of Proforma II and assuming the full exercise of the 124,729,857 Warrants at an exercise price of RM1.00 per Warrant ("Full Exercise of Warrants").

The proceeds raised will be utilised as working capital.

Initialed For Identification Purposes Only
Crowe Horwath
AF 1018

SEG INTERNATIONAL BHD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

2. CASH AND CASH EQUIVALENTS

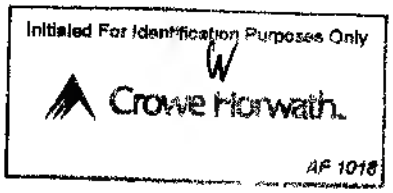
	RM'000
At 31.12.2009/Proforma I	36,898
Rights Issue (Note 6)	6,236
Estimated professional fees	(450)
Per Proforma II	42,684
Full Exercise of Warrants	124,730
Per Proforma III	167,414

3. SHARE CAPITAL

	Number of ordinary shares in issue	Par value RM	RM'000
At 31.12.2009	89,092,755	1.00	89,093
Share Split	89,092,755		-
	178,185,510	0.50	89,093
Bonus Issue	71,274,204	0.50	35,637
Per Proforma I/II	249,459,714	0.50	124,730
Full Exercise of Warrants	124,729,857	0.50	62,365
Per Proforma III	374,189,571	0.50	187,095

4. SHARE PREMIUM

	RM'000
At 31.12.2009	35,876
Bonus issue	(35,637)
Per Proforma I/II	239
Full Exercise of Warrants	62,365
Transfer from Warrants Reserve (Note 6)	38,666
Per Proforma III	101,270



SEG INTERNATIONAL BHD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

S. RETAINED PROFITS

	RM'000
At 31.12.2009/Proforma I	44,993
Rights Issue (Note 6)	(32,430)
Estimated professional fees	(450)
Per Proforma II/III	12,113

6. WARRANTS RESERVE

	RM'000
At 31.12.2009/Proforma I	-
Rights Issue:	
- at an issue price of RM0.05 per Warrant (Note 2)	6,236
- fair value adjustment recognised in retained profits (Note 5)*	32,430
	38,666
Per Proforma II	38,666
Full Exercise of Warrants:	
- transfer to Share Premium (Note 4)	(38,666)
Per Proforma III	-

Note: -

* -

Computed based on the fair value per Warrant of RM0.31. The assumptions used (information sourced from Bloomberg) to arrive at this foir value are as follows: -

Valuation model	*Trinomiol Option Pricing Model*
Exercise type	*American*
Tenure	*5 years*
One year volume weighted average SEGi closing share price up to 14 July 2010 (adjusted for the Share Split and the Bonus Issue)	*RM0.79*
Exercise price of Warrants	*RM1.00*
Historical volatility rate (for SEGi shares for the past one year up to 14 July 2010)	*53.55%*
Expected Dividend yield	*1.57%*

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SEGi FOR THE FYE 31 DECEMBER 2009 TOGETHER WITH THE AUDITORS' REPORT THEREON

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No : 145998 - U

FINANCIAL REPORT

for the year ended 31 December 2009

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Statements of Changes in Equity 15

Cash Flow Statements 18

Notes to the Financial Statements 21

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No.: 145998 - U

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management consultancy services, property management, rental of premises, business advisory services, educational and training services whilst the principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Profit after taxation for the financial year	10,239	513
Minority interest	(216)	-
Profit attributable to equity holders of the Company	10,023	513

DIVIDENDS

Since the end of the previous financial year, the Company paid a final dividend of RM0.03 per ordinary share, less income tax at 25%, amounting to RM1,865,000 in respect of the financial year ended 31 December 2008.

The directors now recommend the payment of a final dividend of RM0.035 per ordinary share, less income tax at 25%, amounting to RM2,260,000 in respect of the financial year ended 31 December 2009, subject to the approval of members at the forthcoming Annual General Meeting of the Company.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No.: 145998 - U

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased and disposed of its issued ordinary shares on the open market under the share buy-back programme. Details are as follows:-

	Price Per Share			No Of Shares	Cost Of Shares RM'000
	Lowest	Highest	Average		
Balance at 1 January 2009				6,195,600	4,862
Addition during the financial year	0.810	0.930	0.870	4,000	4
Disposal during the financial year	0.935	0.955	0.945	(3,199,000)	(2,511)
Balance at 31 December 2009				3,000,600	2,355

The shares purchased under the share buy-back programme were financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 67A of the Companies Act 1965 in Malaysia and are presented as a deduction from shareholders' equity.

During the financial year, 3,199,000 treasury shares were sold for a total consideration of RM3,012,000, resulting in a gain of RM501,000, which was recognised in the statements of changes in equity. The proceeds from the sale of treasury shares were utilised for working capital purposes.

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No.: 145998 - U

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No.: 145998 - U

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities of the Company are disclosed in Note 36 to the financial statements. At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No.: 145998 - U

DIRECTORS' REPORT

DIRECTORS

The directors who served since the date of the last report are as follows:-

TAN SRI DATO' SERI MEGAT NAJMUDDIN BIN DATO' SERI DR. HAJI MEGAT KHAS
DATO' (DR.) PATRICK TEOH SENG FOO
DATO' CLEMENT HII CHII KOK
LEE KOK CHENG
AMOS SIEW BOON YEONG
SIMON HUE FOOK CHUAN
TONY FOO SAN KAN
DATU HAJI PUTIT BIN MATZEN (APPOINTED ON 20.4.2010)
GOH LENG CHUA (APPOINTED ON 20.4.2010)
HEW MOI LAN (APPOINTED ON 20.4.2010)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	AT 1.1.2009	BOUGHT	SOLD	AT 31.12.2009
DIRECT INTERESTS				
DATO' (DR.) PATRICK TEOH SENG FOO	495,000	904,600	(20,000)	1,379,600
DATO' CLEMENT HII CHII KOK	708,000	30,000	(20,000)	718,000
TAN SRI DATO' SERI MEGAT NAJMUDOIN BIN DATO' SERI DR. HAJI MEGAT KHAS	297	-	-	297
INDIRECT INTERESTS				
DATO' (DR.) PATRICK TEOH SENG FOO [1]	21,855,025	-	(1,261,000)	20,594,025
DATO' CLEMENT HII CHII KOK [1]	21,855,025	-	(21,855,025)[2]	-

(1) Deemed interests through EcoFirst Consolidated Berhad and Sawitani Sdn. Bhd.
(2) Ceased to have deemed interests by virtue of Section 6A of the Companies Act, 1965.

By virtue of their interests in shares in the Company, the above directors are deemed interestad in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

Other than as disclosed, none of the other directors holding office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No.: 145998 - U

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company or a related corporation) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SEG INTERNATIONAL BHD.

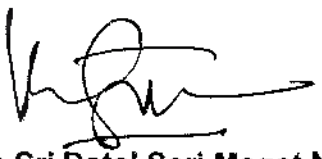
(Incorporated in Malaysia)
Company No.: 145998 - U

DIRECTORS' REPORT

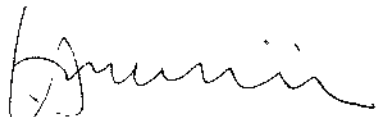
AUDITORS

The auditors, Messrs. Crowe Horwath (formerly known as Messrs. Horwath), have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 20 APRIL 2010



Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas



Dato' Clement Hii Chii Kok

SEG INTERNATIONAL BHD.
(Incorporated in Malaysia)
Company No.: 145998 - U

STATEMENT BY DIRECTORS

We, Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas and Dato' Clement Hii Chii Kok being two of the directors of SEG International Bhd., state that, in the opinion of the directors, the financial statements set out on pages 12 to 84 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2009 and of their results and cash flows for the financial year ended on that date.

SIGNED IN ACCOROANCE WITH A RESOLUTION OF THE DIRECTORS DATED 20 APRIL 2010

Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas

Dato' Clement Hii Chii Kok

STATUTORY DECLARATION

I, Chong Poh Yee, being the officer primarily responsible for the financial management of SEG International Bhd., do solemnly and sincerely declare that the financial statements set out on pages 12 to 84 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by Chong Poh Yee, at Subang Jaya in Selangor Darul Ehsan on this 20 April 2010

Chong Poh Yee

Before me

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No.: 145998 - U

Report on the Financial Statements

We have audited the financial statements of SEG International Bhd., which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 12 to 84.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEG INTERNATIONAL BHD. (CONT'D)

(Incorporated in Malaysia)
Company No.: 145998 - U

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Ragulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Crowe Horwath

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SEG INTERNATIONAL BHD. (CONT'D)
(Incorporated in Malaysia)
Company No.: 145998 - U

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

Lee Kok Wai
Approval No.: 2760/06/10 (J)
Chartered Accountant

Kuala Lumpur

20 April 2010

Offices in Malaysia:
Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Muar • Penang

SEG INTERNATIONAL BHD.

(incorporated in Malaysia)
Company No.: 145998 - U

BALANCE SHEETS AT 31 DECEMBER 2009

		THE GROUP		THE COMPANY	
	NOTE	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	67,019	71,039
Investments in associates	7	4,777	451	-	-
Property, plant and equipment	8	86,465	70,897	7,981	8,135
Prepaid land lease payments	9	4,944	4,951	-	-
Investment properties	10	91	156	91	156
Other receivables	11	4,400	11,768	-	-
Intangible assets	12	27,808	30,237	-	-
Other investments	13	2,459	3,837	-	1,180
Deferred tax assets	14	3,870	3,374	2,181	2,469
		134,814	125,671	77,272	82,979
CURRENT ASSETS					
Inventories	15	-	8	-	-
Receivables, deposits and prepayments	11	40,065	35,224	79,877	66,966
Tax recoverable		7,561	5,462	1,536	1,371
Cash and cash equivalents	16	36,898	47,545	21,475	38,454
		84,524	88,239	102,888	106,791
TOTAL ASSETS		219,338	213,910	180,160	189,770

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No.: 145998 - U

BALANCE SHEETS AT 31 DECEMBER 2009 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	89,093	89,093	89,093	89,093
Reserves	18	80,062	69,231	50,873	49,217
		169,155	158,324	139,966	138,310
MINORITY INTEREST		839	623	-	-
TOTAL EQUITY		169,994	158,947	139,966	138,310
NON-CURRENT LIABILITIES					
Long-term borrowings	19	12,466	7,840	9,295	-
Deferred tax liabilities	22	2,182	1,891	283	283
		14,648	9,731	9,578	283
CURRENT LIABILITIES					
Payables and accruals	23	27,971	22,170	27,418	31,177
Short-term borrowings	24	6,089	22,709	3,198	20,000
Current tax liabilities		636	184	-	-
Bank overdraft	25	-	169	-	-
		34,696	45,232	30,616	51,177
TOTAL LIABILITIES		49,344	54,963	40,194	51,460
TOTAL EQUITY AND LIABILITIES		219,338	213,910	180,160	189,770
NET ASSETS PER SHARE (RM)	26	1.96	1.91		

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
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INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

		THE GROUP		THE COMPANY	
	NOTE	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
REVENUE	27	176,874	127,407	37,241	28,648
COST OF SERVICES		(51,612)	(35,387)	(5,942)	(5,520)
GROSS PROFIT		125,262	92,020	31,299	23,128
OTHER INCOME		5,156	9,586	2,102	5,815
		130,418	101,606	33,401	28,943
DISTRIBUTION EXPENSES		(13,698)	(11,916)	(272)	(1,026)
ADMINISTRATIVE EXPENSES		(51,856)	(37,156)	(13,852)	(4,778)
OTHER EXPENSES		(49,159)	(40,625)	(16,712)	(16,632)
FINANCE COSTS		(1,694)	(2,025)	(1,045)	(1,325)
SHARE OF PROFIT IN AN ASSOCIATE		595	-	-	-
PROFIT BEFORE TAXATION	28	14,606	9,884	1,520	5,182
INCOME TAX EXPENSE	29	(4,367)	(2,564)	(1,007)	(421)
PROFIT AFTER TAXATION		10,239	7,320	513	4,761
ATTRIBUTABLE TO:-					
Equity holders of the Company		10,023	7,266	513	4,761
Minority interest		216	54	-	-
		10,239	7,320	513	4,761
EARNINGS PER SHARE:					
- Basic	30	12.09 sen	8.70 sen		
- Diluted	30	N/A	N/A		

The annexed notes form an integral part of these financial statements.

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

		Attributable To Equity Holders Of The Company								
The Group	Note	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	Exchange Translation Reserve RM'000	Treasury Shares RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 1.1.2008		89,093	35,876	2,027	30,245	(91)	(3,561)	153,589	749	154,338
Purchase of own shares		-	-	-	-	-	(1,301)	(1,301)	-	(1,301)
Acquisition of equity interest from minority shareholders		-	-	-	-	-	-	-	(180)	(180)
Exchange difference on retranslation of net assets of overseas subsidiary *		-	-	-	-	(3)	-	(3)	-	(3)
Profit after taxation for the financial year		-	-	-	7,266	-	-	7,266	54	7,320
Transfer to retained profits on realisation of revaluation reserve *		-	-	(25)	25	-	-	-	-	-
Dividend	31	-	-	-	(1,227)	-	-	(1,227)	-	(1,227)
Balance at 31.12.2008/1.1.2009 (balance carried forward)		89,093	35,876	2,002	36,309	(94)	(4,862)	158,324	623	158,947

* *gain/(loss) recognised directly in equity*

The annexed notes form an integral part of these financial statements.

SEG INTERNATIONAL BHD.

(Incorporated in Maleysia)
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONT'D)

		Attributable To Equity Holders Of The Company								
The Group (Cont'd)	Note	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	Exchange Translation Reserve RM'000	Treasury Shares RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 1.1.2009 (balance brought forward)		89,093	35,876	2,002	36,309	(94)	(4,662)	158,324	623	158,947
Purchase of own shares		-	-	-	-	-	(4)	(4)	-	(4)
Disposal of own shares *		-	-	-	501	-	2,511	3,012	-	3,012
Exchange difference on retranslation of net assets of overseas subsidiary *		-	-	-	-	(335)	-	(335)	-	(335)
Profit after taxation for the financial year		-	-	-	10,023	-	-	10,023	216	10,239
Transfer to retained profits on realisation of revaluation reserve *		-	-	(25)	25	-	-	-	-	-
Dividend	31	-	-	-	(1,865)	-	-	(1,865)	-	(1,865)
Balance at 31.12.2009		89,093	35,876	1,977	44,993	(429)	(2,355)	169,155	839	169,994

* *gain/(loss) recognised directly in equity*

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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONT'D)

THE COMPANY	NOTE	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	RETAINED PROFITS RM'000	TREASURY SHARES RM'000	TOTAL RM'000
Balance at 1.1.2008		89,093	35,876	2,027	12,642	(3,561)	136,077
Purchase of own shares		-	-	-	-	(1,301)	(1,301)
Profit after taxation for the financial year		-	-	-	4,761	-	4,761
Transfer to retained profits on the realisation of revaluation reserve *		-	-	(25)	25	-	-
Dividends	31	-	-	-	(1,227)	-	(1,227)
Balance at 31.12.2008/1.1.2009		89,093	35,876	2,002	16,201	(4,862)	138,310
Purchase of own shares		-	-	-	-	(4)	(4)
Disposal of own shares *		-	-	-	501	2,511	3,012
Profit after taxation for the financial year		-	-	-	513	-	513
Transfer to retained profits on the realisation of revaluation reserve *		-	-	(25)	25	-	-
Dividends	31	-	-	-	(1,865)	-	(1,865)
Balance at 31.12.2009		89,093	35,876	1,977	15,375	(2,355)	139,966

* *gain/(loss) recognised directly in equity*

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CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

		THE GROUP		THE COMPANY	
		2009	2008	2009	2008
	NOTE	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		14,606	9,884	1,520	5,182
Adjustments for:-					
Allowance for diminution:					
- unquoted bonds		1,180	500	1,180	500
- quoted shares		198	1,400	-	-
- investments in associates		-	255	-	-
- investments in subsidiaries		-	-	4,170	-
Goodwill on consolidation written off		2,468	-	-	-
Amortisation of prepaid land lease payments		7	6	-	-
Amortisation of development costs		182	122	-	-
Allowance for doubtful debts		4,132	2,828	2,018	1,942
Bad debts written off		1,558	190	96	100
Depreciation of property, plant and equipment		6,136	5,262	314	307
Depreciation of investment properties		4	8	4	8
Property, plant and equipment written off		2,163	84	-	-
Inventories written off		8	180	-	-
Interest expense		1,694	2,025	1,045	1,325
Gain on disposal of assets held for sale		-	(4,089)	-	(4,089)
Gain on disposal of property, plant and equipment		(482)	(1)	-	(11)
Gain on disposal on investment properties		(26)	(61)	(26)	(61)
Dividend income		(114)	(83)	(7,437)	(2,080)
Interest income		(499)	(836)	(1,630)	(1,465)
Unrealised gain on foreign exchange		(252)	-	-	-
Share of profit in an associate		(595)	-	-	-
Operating profit before working capital changes		32,368	17,674	1,254	1,658
(Increase)/Decrease in trade and other receivables		(1,328)	7,604	1,302	252
Increase/(Decrease) in trade and other payables		5,830	7,570	(347)	662
CASH FLOWS FROM OPERATIONS		36,870	32,848	2,209	2,572
Interest paid		(1,694)	(2,025)	(1,045)	(1,325)
Income tax paid		(6,150)	(4,316)	(884)	(560)
NET CASH FROM OPERATING ACTIVITIES CARRIED FORWARD		29,026	26,507	280	687

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CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONT'D)

	Note	The Group 2009 RM'000	The Group 2008 RM'000	The Company 2009 RM'000	The Company 2008 RM'000
NET CASH FROM OPERATING ACTIVITIES BROUGHT FORWARD		29,026	26,507	280	687
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Additional investments in subsidiaries		-	-	(150)	(98)
Proceeds from disposal of property, plant and equipment		11,041	244	-	104
Purchase of property, plant and equipment	32	(19,191)	(11,093)	(160)	(41)
Net cash outflow on the acquisition of a subsidiary	33	-	(165)	-	-
Acquisition of equity interest from minority shareholders		-	(180)	-	-
Investment in an associate		(3,800)	-	-	-
Proceeds from disposal of unquoted bonds		-	240	-	240
Proceeds from disposal of investment properties		87	419	87	419
Proceeds from disposal of assets held for sale		-	77,520	-	77,520
Addition of development costs		(225)	-	-	-
Net advances to subsidiaries		-	-	(17,877)	(477)
Net (advances to)/repayment from affiliated companies		(29)	1,154	(29)	1,154
Dividends received		114	83	7,437	2,080
Interest received		499	836	1,632	1,465
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(11,504)	69,058	(9,060)	82,366
BALANCE CARRIED FORWARD		17,522	95,565	(8,780)	83,053

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CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONT'D)

	Note	The Group 2009 RM'000	The Group 2008 RM'000	The Company 2009 RM'000	The Company 2008 RM'000
BALANCE BROUGHT FORWARD		17,522	95,565	(8,780)	83,053
CASH FLOWS FOR FINANCING ACTIVITIES					
Proceeds from disposal of own shares		1,177	-	1,177	-
Purchase of own shares		(4)	(1,301)	(4)	(1,301)
Repayment of hire purchase and finance lease payables		(2,570)	(2,147)	-	-
Drawdown of term loan		-	-	14,000	-
Repayment of term loans		(24,659)	(353)	(21,507)	-
Decrease in revolving credits		-	(40,000)	-	(40,000)
Dividend paid		(1,865)	(1,227)	(1,865)	(1,227)
NET CASH FOR FINANCING ACTIVITIES		(27,921)	(45,028)	(8,199)	(42,528)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(10,399)	50,537	(16,979)	40,525
EFFECTS OF FOREIGN EXCHANGE TRANSLATION ON CASH AND CASH EQUIVALENTS		(79)	(30)	-	-
CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFT AT BEGINNING OF THE FINANCIAL YEAR		47,376	(3,131)	38,454	(2,071)
CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFT AT END OF THE FINANCIAL YEAR		36,898	47,376	21,475	38,454
CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFT COMPRISE:-					
Cash and cash equivalents	16	36,898	47,545	21,475	38,454
Bank overdrafts	25	-	(169)	-	-
		36,898	47,376	21,475	38,454

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	8th Floor, SEGi University College, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 April 2010.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management consultancy services, property management, rental of premises, business advisory services, educational and training services whilst the principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its market, credit, liquidity and cash flow risks. The Group operates within clearly defined guidelines that are established by the Audit Committee and approved by the Board and the policies in respect of the major areas of treasury activity are as follows:-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have material foreign currency transactions, assets or liabilities and hence is not significantly exposed to currency risk.

(ii) Interest Rate Risk

The Group obtains financing through banking, hire purchase and finance lease facilities. Its policy is to obtain the most favourable interest rate available.

Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

(iii) Price Risk

The Group has investments in quoted shares, which are subject to market risk as the market values of these investments are affected by changes in market prices.

The Group manages its exposure to price risk by maintaining a portfolio of equities with different risk profiles.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risk is represented by the total carrying amount of this financial asset in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(c) Liquidity and Cash Flow Risks

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities. It practises prudent liquidity risk management by maintaining sufficient cash balances to meet its working capital requirements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

The Group and the Company have not applied in advance the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

FRSs/IC Interpretations	Effective date
Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127 – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 1: Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters	1 January 2011
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010

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NOTES TO THE FINANCIAL STATEMENTS
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5. BASIS OF PREPARATION (CONT'D)

FRSs/IC Interpretations (Cont'd)	Effective date
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments	1 January 2010/1 March 2010
Amendments to FRS 138 – Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
Annual Improvements to FRSs (2009)	1 January 2010

The above FRSs, IC Interpretations and amendments are not relevant to the Company's operations.

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NOTES TO THE FINANCIAL STATEMENTS
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5. BASIS OF PREPARATION (CONT'D)

The revised FRS 3 (2010) introduces significant changes to the accounting for business combinations, both at the acquisition date and post-acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

The Group considers financial guarantee contracts entered into to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 is expected to have no material impact on the financial statements of the Group.

The possible impacts of FRS 7 (including the subsequent amendments) and the revised FRS 139 (2010) on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

FRS 8 replaces FRS 114_{2004} Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of the Group's financial statements in the next financial year.

The revised FRS 127 (2010) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of the revised FRS 127 (2010) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

5. BASIS OF PREPARATION (CONT'D)

Amendments to FRS 1 and FRS 127 remove the definition of "cost method' currently set out in FRS 127, and instead require an investor to recognise all dividend from subsidiaries, jointly controlled entities or associates as income in its separate financial statements. In addition, FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Company for the current financial year but may impact the accounting for future transactions or arrangements.

Amendments to FRS 138 clarify the requirements under the revised FRS 3 (2010) regarding accounting for intangible assets acquired in a business combination. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

IC Interpretation 9 requires embedded derivatives to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date the entity first became a party to the contract. The possible impacts of IC Interpretation 9 on the financial statements upon its initial application are not disclosed by virtue of the exemptions given under the revised FRS 139 (2010).

IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

Amendments to IC Interpretation 9 are a consequential amendment from the revised FRS 3 (2010). These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

Annual Improvements to FRSs (2009) contain amendments to 21 accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application except for leasehold land where in substance a finance lease, will be reclassified from "prepaid land lease payments" to "property, plant and equipment" and measured as such respectively.

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NOTES TO THE FINANCIAL STATEMENTS
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5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(iii) Impairment of Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the Group is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Amortisation of Development Costs/Intangible Assets

Changes in the expected level of usage and technological development could impact the economic useful lives therefore future amortisation charges could be revised.

(v) *Allowance for Doubtful Debts*

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(vi) Allowance for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

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NOTES TO THE FINANCIAL STATEMENTS
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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(vii) Revaluation of Properties

The Group's properties which are reported at valuation are based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(viii) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

(b) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (Cont'd)

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(c) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The functional currency of the Group and each of the Group's entity is the currency of the primary economic environment in which the Company or that entity operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

(iii) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the balance sheet date. Revenues and expenses of foreign operations are translated at exchange rates ruling at date of transaction. All exchange differences arising on translation are recognised directly in equity.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'O)

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December 2009.

A subsidiary is defined as an enterprise in which the Company has the power, directly or indirectly, to exercise control over the financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method of accounting. Under the purchase method of accounting, the results of subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred and assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated balance sheets consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

(e) Intangible Assets

(i) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of acquisition.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Intangible Assets (Cont'd)

(i) Goodwill on Consolidation (Cont'd)

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.

(ii) Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that expenditure incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(a) its ability to measure reliably the expenditure attributable to the asset under development;

(b) the product or process is technically and commercially feasible;

(c) its future economic benefits are probable;

(d) its ability to use or sell the developed asset; and

(e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is transferred at cost to other intangible assets upon completion of the developed project.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Intangible Assets (Cont'd)

(iii) Other Intangible Assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit, but not exceeding 5 years from the commencement of the commercial production of the products.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(g) Investments in Associates

Investments in associates are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

The investments in associates in the consolidated financial statements are accounted for under the equity method, based on the financial statements of the associate made up to 31 December 2009. The Group's share of the post acquisition profit of the associate is included in the consolidated income statement and the Group's interest in associate is stated at cost plus the Group's share of the post-acquisition retained profits and reserves.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

On the disposal of the investment in an associate, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the income statement.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Investment Properties

Investment properties are property held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 5(j) to the financial statements.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is charged to the income statement.

(i) Other Investments

Other investments are held on a long-term basis and are stated at cost less allowance for diminution in value of the investment. Allowance for diminution in value is only made if the directors are of the opinion that the diminution is other than temporary.

On the disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(j) Property, Plant and Equipment

Property, plant and equipment, other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at revalued amount less impairment losses, if any, and is not depreciated.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Property, Plant and Equipmant (Cont'd)

Depreciation is calculated under the straight-line method to write off the cost of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Computer hardware and software	15-25%
Fixtures, fittings and office equipment	10-33%
Library books and manuals	10-33%
Motor vehicles	20%
Plant and equipment	10-25%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the balance sheet date. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of Assets

The carrying amounts of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(l) Assets under Finance Lease and Hire Purchase

Leases of plant and equipment where substantially all the benefits and risks of ownership are transferred to the Group are classified as finance leases.

Plant and equipment acquired under finance lease and hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective lease and hire purchase agreements.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Assets under Finance Lease and Hire Purchese (Cont'd)

Plant and equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

(m) Operating Leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments are made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight-line basis over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(n) Prepaid Land Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use rights is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the income statement on a straight-line basis over the term of the leases.

(o) Revaluation Reserve

Surpluses arising from the revaluation of properties are credited to the revaluation reserve account. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are charged to the income statement.

In the year of disposal of the revalued asset, the attributable remaining revaluation surplus is transferred from the revaluation reserve account to retained profits.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and includes all incidentals incurred in bringing the inventories to their present location and condition.

In arriving at net realisable value, due allowance is made for all damaged, obsolete and slow-moving items.

(q) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(r) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(s) Income Taxes

Income taxes for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Income Taxes (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(t) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

(u) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Purchase of Own Shares

When the share capital recognised as equity is bought by the Company under the share buy-back programme, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Shares bought that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in shareholders' equity.

(w) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(x) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company.

(ii) Defined Contribution Plans

The Group and the Company's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Related Parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-

- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an affiliated company. An affiliated company refers to a company in which certain directors/shareholders have substantial financial interests;

(vii) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(viii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(z) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

(aa) Revenue Recognition

(i) Sale of Goods

Sales are recognised upon delivery of goods and customers' acceptance or performance of services and where applicable, net of returns and trade discounts.

(ii) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) Revenue Recognition (Cont'd)

(iii) Rental and Interest Income

Rental income and interest income is recognised on an accrual basis.

(iv) Dividend Income

Dividend income from the investment in subsidiaries is recognised upon declaration by the subsidiaries.

Dividend income from the other investment is recognised when the right to receive payment is established.

6. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2009	2008
	RM'000	RM'000
Unquoted shares, at cost:-		
At 1 January	71,464	71,366
Additional investment in a subsidiary	150	98
	71,614	71,464
Less: Accumulated impairment loss of subsidiaries	(4,595)	(425)
At 31 December	67,019	71,039
Accumulated impairment loss of subsidiaries:-		
At 1 January	(425)	(425)
Arising during the financial year	(4,170)	-
At 31 December	(4,595)	(425)

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %	Principal Activities
SEGi Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding and management consultancy.
SEGi University College (M) Sdn. Bhd.	Malaysia	100	100	Provision of professional, commercial and academic education.
SEGi College (KL) Sdn. Bhd.	Malaysia	100	100	Provision of professional, commercial and academic education.
SEGi College of Technology (KL) Sdn. Bhd.	Malaysia	100	100	Provision of computer training, commercial and academic education.
SEGi College (Subang Jaya) Sdn. Bhd.	Malaysia	98.63	98.63	Operation of an institute providing educational programmes.
SEGi College (PG) Sdn. Bhd.	Malaysia	100	100	Provision of professional, commercial and academic education.
SEGi College (Sarawak) Sdn. Bhd.	Malaysia	100	100	Operation of an educational institution for further studies.

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %	Principal Activities
SEGi College (PJ) Sdn. Bhd.	Malaysia	100	100	Provision of professional, commercial and academic education.
Summit Multimedia Education Sdn. Bhd.	Malaysia	73.97	73.97	Operation of an institution providing educational programmes.
SEGi-IGS Sdn. Bhd.	Malaysia	70	70	Provision of educational services.
SEGi Training Centre (Kuching) Sdn. Bhd. ~	Malaysia	100	100	Operation of a training centre for vocational and professional courses.
SEGi Learning Resources (Sarawak) Sdn. Bhd. ~	Malaysia	100	100	Provision of educational and training services.
SMRC Learning Alliance Sdn. Bhd.	Malaysia	100	100	Provision of educational and training services.
SMRC Learning Alliance (KL) Sdn. Bhd.~	Malaysia	100	100	Provision of educational and training services.

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %	Principal Activities
SMRC Learning Alliance (EM) Sdn. Bhd. ~	Malaysia	100	100	Provision of management consultancy services and investment holding.
SEGi EyeCare Sdn. Bhd. (formerly known as SMRC Learning Alliance (PG) Sdn. Bhd.)	Malaysia	100	100	Provision of eye care and optometry related services.
IFPA Resources Sdn. Bhd.	Malaysia	100	100	Provision of financial planning and financial related courses.
Summit Early Childhood Edu-Care Sdn. Bhd. ~	Malaysia	100	100	Provision of child educational and related services.
Summit Early Childhood Edu-Care (Rawang) Sdn. Bhd. ~	Malaysia	70	70	Provision of child educational and related services.
Pusat Kemahiran Maju Ria Sdn. Bhd. ~	Malaysia	100	100	Provision of educational and training services.
SEG International Group Sdn. Bhd.	Malaysia	100	100	Provision of training and educational services.
SEGi Skills Development & Placement Services Sdn. Bhd. ~	Malaysia	100	100	Provision of training services.

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %	Principal Activities
SEGi Youth Training Sdn. Bhd.	Malaysia	100	100	Provision of training services.
SEGi Methods Sdn. Bhd. ~	Malaysia	100	100	Investment holding.
SEGi Jobs Sdn. Bhd. ~	Malaysia	100	100	Dormant.
SEG International Training Sdn. Bhd. ~	Malaysia	100	100	Provision of services in information and computer technologies.
Shaw Commercial Institution Sdn. Bhd.	Malaysia	100	100	Investment property holding.
Systematic Training Network Sdn. Bhd.	Malaysia	95	95	Investment holding and provision of educational services.
SBT Professional Publications Sdn. Bhd.	Malaysia	100	100	Operation of a book centre, dealing in all kinds of reading materials, information research and related business.
Agensi Pekerjaan Job Venture Sdn. Bhd.	Malaysia	100	100	Provision of job placement consultancy services.
Prestige Front Sdn. Bhd.	Malaysia	100	100	Property investment and property management.
Binary Mark Sdn. Bhd.	Malaysia	98.63	98.63	Property investment.

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %	Principal Activities
SEG Equity Sdn. Bhd.	Malaysia	100	100	Investment holding.
Summit Education Sdn. Bhd.	Malaysia	98.63	98.63	Investment holding and management consultancy.
Prim Edu-Services Sdn. Bhd.	Malaysia	100	100	Investment holding.
SEGi Unisel Sdn. Bhd. ~	Malaysia	97	97	Recruitment and placement of students.
CEPI Resources (Selangor) Sdn. Bhd. ~	Malaysia	100	100	Provide training services for environmental management and protection.
Sino-Malaysia EduCulture Centre Sdn. Bhd.	Malaysia	100	100	Provision of cross border education and culture activities.
I-Station Solutions Sdn. Bhd.	Malaysia	100	100	Provision of E-learning solutions.
Worldwide Accreditation Ltd ~	Republic of Mauritius	100	100	Provision of licensing and accreditation of educational programmes.

~ *The financial statements of these subsidiaries are audited by auditors other than the auditors of the Company*

The Company carried out a review of the recoverable amount of its investments in subsidiaries during the financial year. As a result of the review, no further impairment loss was deemed necessary. The recoverable amount was based on the net asset value of the subsidiaries.

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7. INVESTMENTS IN ASSOCIATES

	THE GROUP	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	2,041	2,041
Addition during the financial year	3,800	-
Share of post-acquisition profit	814	88
Goodwill amortised	(278)	(278)
	6,177	1,851
Less: Allowance for diminution in value	(1,400)	(1,400)
	4,777	451
Allowance for diminution in value:-		
At 1 January	(1,400)	(1,145)
Addition during the financial year	-	(255)
At 31 December	(1,400)	(1,400)

The details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %	Principal Activities
Palm Leisure Sdn. Bhd. ~	Malaysia	30	30	Dormant.
My Training Providers Sdn. Bhd. * ~	Malaysia	40	40	Dormant.
Eduspec Sdn. Bhd. ~	Malaysia	22	-	Investment holding, provision of educational services and materials.

* *The shareholders of the company are in the process of applying to the Companies Commission of Malaysia to strike off the company from the registry pursuant to Section 308 of the Companies Act 1965 in Malaysia.*

~ *The financial statements of the associates are audited by auditors other than the auditors of the Company.*

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8. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.1.2009 RM'000	ADDITIONS RM'000	DISPOSALS RM'000	WRITTEN OFF RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2009 RM'000
NET BOOK VALUE						
2009						
Freehold land	4,250	-	-	-	-	4,250
Buildings	26,545	-	(2,557)	-	(438)	23,550
Computer hardware and software	2,054	1,351	-	(1)	(851)	2,553
Fixtures, fittings and office equipment	25,362	5,294	(1)	(157)	(4,015)	26,483
Library books and manuals	1,429	1,193	-		(334)	2,288
Motor vehicles	1,264	1,454	-		(456)	2,262
Plant and equipment	69	-	-		(42)	27
Capital work-in-progress	9,924	25,134	(8,001)	(2,005)	-	25,052
	70,897	34,426	(10,559)	(2,163)	(6,136)	86,465

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP (CONT'D)	AT 1.1.2008 RM'000	ACQUISITION OF SUBSIDIARY RM'000	ADDITIONS RM'000	DISPOSALS RM'000	WRITTEN OFF RM'000	RECLASSIFICATION RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2008 RM'000
NET BOOK VALUE								
2008								
Freehold land	4,250	-	-	-	-	-	-	4,250
Buildings	20,834	-	-	(93)	-	6,305	(501)	26,545
Computer hardware and software	1,593	162	951	(40)	-	165	(777)	2,054
Fixtures, fittings and office equipment	16,744	75	13,685	(31)	(82)	(1,630)	(3,399)	25,362
Library books and manuals	1,631	-	175	-	(2)	(208)	(167)	1,429
Motor vehicles	627	-	1,082	(79)	-	(26)	(340)	1,264
Plant and equipment	493	-	17	-	-	(363)	(78)	69
Capital work-in-progress	14,167	-	-	-	-	(4,243)	-	9,924
	60,339	237	15,910	(243)	(84)	-	(5,262)	70,897

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	AT COST RM'000	AT VALUATION RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
AT 31.12.2009				
Freehold land	-	4,250	-	4,250
Buildings	26,913	100	(3,463)	23,550
Computer hardware and software	12,534	-	(9,981)	2,553
Fixtures, fittings and office equipment	47,756	-	(21,273)	26,483
Library books and manuals	5,157	-	(2,869)	2,288
Motor vehicles	4,308	-	(2,046)	2,262
Plant and equipment	785	-	(758)	27
Capital work-in-progress	25,052	-	-	25,052
	122,505	4,350	(40,390)	86,465
THE GROUP				
At 31.12.2008				
Freehold land	-	4,250	-	4,250
Buildings	29,523	100	(3,078)	26,545
Computer hardware and software	14,360	-	(12,306)	2,054
Fixtures, fittings and office equipment	43,876	-	(18,514)	25,362
Library books and manuals	3,964	-	(2,535)	1,429
Motor vehicles	3,492	-	(2,228)	1,264
Plant and equipment	785	-	(716)	69
Capital work-in-progress	9,924	-	-	9,924
	105,924	4,350	(39,377)	70,897

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE COMPANY	AT 1.1.2009 RM'000	ADDITIONS RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2009 RM'000
CARRYING AMOUNT				
2009				
Freehold land	4,250	-	-	4,250
Buildings	2,823	-	(78)	2,745
Computer hardware and software	82	90	(48)	124
Fixtures, fittings and office equipment	980	70	(188)	862
	8,135	160	(314)	7,981

THE COMPANY	AT 1.1.2008 RM'000	ADDITIONS RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2008 RM'000
CARRYING AMOUNT					
2008					
Freehold land	4,250	-	-	-	4,250
Buildings	2,994	-	(93)	(78)	2,823
Computer hardware and software	84	39	-	(41)	82
Fixtures, fittings and office equipment	1,165	2	-	(187)	980
Library books and manuals	1	-	-	(1)	-
	8,494	41	(93)	(307)	8,135

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
THE COMPANY				
AT 31.12.2009				
Freehold land	-	4,250	-	4,250
Buildings	3,777	100	(1,132)	2,745
Computer hardware and software	1,902	-	(1,778)	124
Fixtures, fittings and office equipment	2,070	-	(1,208)	862
Library books and manuals	4	-	(4)	-
Motor vehicles	638	-	(638)	-
	8,391	4,350	(4,760)	7,981
AT 31.12.2008				
Freehold land	-	4,250	-	4,250
Buildings	3,777	100	(1,054)	2,823
Computer hardware and software	1,812	-	(1,730)	82
Fixtures, fittings and office equipment	2,001	-	(1,021)	980
Library books and manuals	4	-	(4)	-
Motor vehicles	638	-	(638)	-
	8,232	4,350	(4,447)	8,135

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The freehold land and certain buildings of the Group and the Company have been pledged as security for banking facilities.

In December 1993, the freehold land and buildings were revalued by the directors using the open market value basis based on a valuation carried out by an independent firm of professional valuers. The surplus net of deferred taxation, arising from the revaluation has been credited to the revaluation reserve account. The Group has availed itself the transitional provision when MASB first adopted IAS 16, Property, Plant and Equipment.

The carrying amount, had the revalued freehold land and building been carried at cost less accumulated depreciation, could not be determined as the required records are not available.

At the balance sheet date, the carrying amount of the assets acquired under hire purchase and finance lease terms are as follows:-

	THE GROUP	
	2009 RM'000	2008 RM'000
Computer hardware and software	153	208
Fixtures, fittings and office equipment	6,257	6,941
Motor vehicles	1,237	670

9. PREPAID LAND LEASE PAYMENTS

	THE GROUP	
	2009 RM'000	2008 RM'000
Long-term leasehold land, at cost	4,963	4,963
Less: Accumulated amortisation	(19)	(12)
	4,944	4,951
Accumulated amortisation:-		
At 1 January	(12)	(6)
Charge for the financial year	(7)	(6)
At 31 December	(19)	(12)

The leasehold land has been pledged as security for banking facilities.

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10. INVESTMENT PROPERTIES

	THE GROUP/THE COMPANY	
	2009	2008
	RM'000	RM'000
Leasehold apartments, at cost		
At 1 January	217	643
Disposals	(87)	(426)
	130	217
Less: Accumulated depreciation	(39)	(61)
At 31 December	91	156
Accumulated depreciation:-		
At 1 January	(61)	(121)
Charge for the financial year	(4)	(8)
Disposals	26	68
At 31 December	(39)	(61)

The directors estimate the fair value of the investment properties based on comparable market value of similar properties. Based on the directors' estimation, the fair value of the apartments is RM130,000 (2008 - RM207,000).

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11. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
Non-Current					
Other receivables	(a)	4,400	11,768	-	-
Current					
Trade					
Trade receivables	(b)	4,610	8,405	832	470
Non Trade					
Other receivables, deposits and prepayments	(c)	35,453	26,816	11,452	13,375
Amount owing by subsidiaries	(d)	-	-	67,591	53,118
Amount owing by an associate	(e)	2	3	2	3
		40,065	35,224	79,877	66,966

(a) Other Receivables - Non-current

The amount is due from former subsidiaries. The purchaser of the former subsidiaries has undertaken to assume these outstanding amounts which are to be settled by instalments.

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11. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(b) Trade Receivables

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	4,970	8,787	832	470
Less: Allowance for doubtful debts	(360)	(382)	-	-
	4,610	8,405	832	470
Allowance for doubtful debts:-				
At 1 January	(382)	(826)	-	-
Charge for the financial year	-	(188)	-	-
Written off during the financial year	22	632	-	-
At 31 December	(360)	(382)	-	-

The normal trade credit terms granted by the Group ranged from 30 to 90 days.

(c) Other Receivables, Deposits and Prepayments

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Other receivables, deposits and prepayments	42,225	29,456	15,412	15,317
Less: Allowance for doubtful debts	(6,772)	(2,640)	(3,960)	(1,942)
	35,453	26,816	11,452	13,375
Allowance for doubtful debts:-				
At 1 January	(2,640)	-	(1,942)	-
Charge for the financial yeer	(4,132)	(2,640)	(2,018)	(1,942)
At 31 December	(6,772)	(2,640)	(3,960)	(1,942)

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11. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(c) Other Receivables, Deposits and Prepayments (Cont'd)

Included in the other receivables, deposits and prepayments are the following:-

	Note	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
Interest prepaid		-	42	-	42
Due from guarantor	(i)	3,930	3,930	-	-
Due from former subsidiaries	(ii)	1,000	3,972	-	-

(i) The guarantor of profit guarantee for the acquisition of certain subsidiaries in prior years has proposed to settle the outstanding amount by end of 2010.

(ii) The purchaser of former subsidiaries has undertaken to assume the outstanding amount which is to be settled by instalments.

(d) Amount Owing By Subsidiaries

	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
Interest bearing	63,410	30,403
Non-interest bearing	4,181	22,715
	67,591	53,118

The amounts owing by subsidiaries are non-trade in nature, unsecured and receivable on demand. The interest bearing portion bore an effective interest rate of 1% (2008 - 1% to 8.5%) per annum at the balance sheet date.

(e) Amount Owing By An Associate

The amount owing by an associate is non-trade in nature, unsecured, interest-free and receivable on demand.

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12. INTANGIBLE ASSETS

	Goodwill RM'000	Development Costs RM'000	Total RM'000
COST:-			
At 1 January 2008	37,676	5,453	43,129
Arising from acquisition of e subsidiery	167	-	167
Effect of movement in exchange rates	-	27	27
At 31 December 2008/1 January 2009	37,843	5,480	43,323
Addition during the financial year	-	225	225
Written off during the finenciel year	(2,468)	-	(2,468)
Effect of movement in exchange rates	-	(1)	(1)
At 31 December 2009	35,375	5,704	41,079
ACCUMULATED AMORTISATION:-			
At 1 January 2008	(7,869)	(5,095)	(12,964)
Amortisation for the financial year	-	(122)	(122)
At 31 December 2008/1 January 2009	(7,869)	(5,217)	(13,086)
Amortisation for the financial year	-	(182)	(182)
Effect of movement is exchenge rates	-	(3)	(3)
At 31 December 2009	(7,869)	(5,402)	(13,271)
CARRYING AMOUNT:-			
At 1 January 2008	29,807	358	30,165
At 31 December 2008/1 January 2009	29,974	263	30,237
At 31 December 2009	27,506	302	27,808

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12. INTANGIBLE ASSETS (CONT'D)

With effect from 1 January 2006, the Group no longer amortises goodwill on consolidation. Such goodwill is reviewed annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash-generating unit ("CGU") to which the goodwill has been allocated exceeds its recoverable amount. Impairment loss is recognised in the income statement and subsequent reversal is not allowed.

Impairment testing for CGUs containing goodwill

For the purpose of impairment testing, goodwill is allocated to groups of companies acquired ("the Units") at which the goodwill is monitored for internal management purposes.

The recoverable amount for the above is based on value in use calculations using cash flow projections covering a five-year period approved by the management.

The following describes the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

- There will be no material changes in the structure and principal activities of the Group.
- There will not be any significant increase in the labour costs, adverse changes in the economic conditions or other abnormal factors, which will adversely affect the operations of the Units.
- Statutory income tax rate - the rate in Malaysia is 25%. There will be no material changes in the present legislation or regulations, rate of duties, levies and taxes affecting the Units' activities.
- Discount rate of 8% is applied in determining the recoverable amounts of the Units. The discount rate was estimated based on the Group's existing rate of borrowings.

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13. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Quoted shares, at cost	4,201	4,201	-	-
Allowance for diminution in value:-				
At 1 January	(1,544)	(144)	-	-
Charge for the financial year	(198)	(1,400)	-	-
	(1,742)	(1,544)	-	-
At 31 December	2,459	2,657	-	-
Unquoted bonds, at cost	2,080	2,320	2,080	2,320
Bonds redemption	-	(240)	-	(240)
Allowance for diminution in value:-				
At 1 January	(900)	(400)	(900)	(400)
Charge for the financial year	(1,180)	(500)	(1,180)	(500)
	(2,080)	(900)	(2,080)	(900)
At 31 December	-	1,180	-	1,180
	2,459	3,837	-	1,180
Market value of quoted investments in Malaysia	1,405	1,275	N/A	N/A

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14. DEFERRED TAX ASSETS

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	3,374	3,007	2,469	2,469
Recognised in income statement (Note 29)	496	367	(288)	-
At 31 December	3,870	3,374	2,181	2,469

Deferred tax assets comprise the following:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unabsorbed capital allowances	3,776	2,993	2,181	2,469
Unutilised tax losses	94	381	-	-
At 31 December	3,870	3,374	2,181	2,469

15. INVENTORIES

Inventories represent books and manuals stated at cost.

None of the inventories were stated at net realisable value.

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16. CASH AND CASH EQUIVALENTS

	Note	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
Short-term investments with financial institutions	(a)	7,000	25,246	7,000	25,246
Fixed deposits with licensed banks	(b)	10,790	10,146	10,737	10,095
Cash and bank balances		19,108	12,153	3,738	3,113
		36,898	47,545	21,475	38,454

(a) Short-term investments with financial institutions

	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
Short-term investments with financial institutions	9,000	25,246	9,000	25,246
Less: Allowance for diminution in value	(2,000)	-	(2,000)	-
	7,000	25,246	7,000	25,246

(b) The fixed deposits of the Group and the Company have been pledged for banking facilities.

At the balance sheet date, the fixed deposits:

- bore a weighted average effective interest rate of 2.87% (2008 - 4.13%) per annum; and
- have maturity periods ranging from 6 months to 12 months (2008 - 6 month to 12 months).

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17. SHARE CAPITAL

	THE GROUP/THE COMPANY			
	2009	2008	2009	2008
	NUMBER OF SHARES		RM'000	RM'000
ORDINARY SHARES OF RM1 EACH:-				
AUTHORISED	100,000,000	100,000,000	100,000	100,000
ISSUED AND FULLY PAID-UP	89,092,755	89,092,755	89,093	89,093

18. RESERVES

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Share premium	35,876	35,876	35,876	35,876
Revaluation reserve	1,977	2,002	1,977	2,002
Retained profits	44,993	36,309	15,375	16,201
Exchange translation reserve	(429)	(94)	-	-
Treasury shares	(2,355)	(4,862)	(2,355)	(4,862)
	80,062	69,231	50,873	49,217

Share premium

This relates to the premium arising from shares issued and is not distributable by way of dividends.

Revaluation reserve

This relates to the revaluation of a freehold land and building of the Group and the Company and is not distributable by way of dividends.

Retained profits

Subject to the agreement of the tax authorities, at the balance sheet date, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax-exempt income to frank the payment of dividends out of its entire retained profits without incurring additional tax liabilities.

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18. RESERVES (CONT'D)

Retained profits (Cont'd)

At the balance sheet date, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

Exchange fluctuation reserve

The exchange fluctuation reserve arose from the translation of the financial statements of the foreign subsidiary and is not distributable by way of dividends.

Treasury shares

During the financial year, the Company purchased and disposed of its issued ordinary shares on the open market under the share buy-back programme. Details are as follows:-

	Price Per Share			No Of Shares	Cost Of Shares RM'000
	Lowest	Highest	Average		
Balance at 1 January 2009				6,195,600	4,862
Addition during the financial year	0.810	0.930	0.870	4,000	4
Disposal during the financial year	0.935	0.955	0.945	(3,199,000)	(2,511)
Balance at 31 December 2009				3,000,600	2,355

The share buy-back programme was financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 67A of the Companies Act 1965 in Malaysia and are presented as a deduction from shareholders' equity.

During the financial year, 3,199,000 treasury shares were sold for a total consideration of RM3,012,000, resulting in a gain of RM501,000, which was recognised in the statements of changes in equity. The proceeds from the sale of treasury shares were utilised for working capital purposes.

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19. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Hire purchase and finance lease payables (Note 20)	3,039	4,624	-	-
Term loans (Note 21)	9,427	3,216	9,295	-
	12,466	7,840	9,295	-

20. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	THE GROUP	
	2009 RM'000	2008 RM'000
Minimum hire purchase and finance lease payments:		
- not later than one year	3,127	3,131
- later than one year but not later than five years	3,106	4,719
- later than five years	91	71
	6,324	7,921
Less: Future finance charges	(489)	(751)
Present value of hire purchase and finance lease payables	5,835	7,170
The net hire purchase and finance lease payables are repayable as follows:-		
Non-current:		
- later than one year but not later than five years	2,950	4,555
- later than five years	89	69
Total payable after one year (Note 19)	3,039	4,624
Current:		
- not later than one year (Note 24)	2,796	2,546
	5,835	7,170

The hire purchase and finance lease payables are subject to interest rates ranging from 3.67% to 4.29% (2008 - 3.67% to 4.29%) per annum.

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21. TERM LOANS

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-current portion (Note 19):				
- repayable between one to two years	3,592	295	3,489	-
- repayable between two to five years	5,835	1,009	5,806	-
- repayable after five years	-	1,912	-	-
	9,427	3,216	9,295	-
Current portion (Note 24):				
- repayable within one year	3,293	20,163	3,198	20,000
	12,720	23,379	12,493	20,000

Details of the term loans at the balance sheet date are as follows:-

	NUMBER OF MONTHLY INSTALMENTS	MONTHLY INSTALMENTS RM	EFFECTIVE DATES OF COMMENCEMENT OF REPAYMENT	AMOUNT OUTSTANDING 2009 RM'000	AMOUNT OUTSTANDING 2008 RM'000
Term loan 1	[1]	N/A	[1]	-	20,000
Term loan 2	[2]	N/A	[2]	-	3,379
Term loan 3	48	345,155	July 2009	12,493	-
Term loan 4	36	9,119	March 2009	227	-
				12,720	23,379

[1] - *Term loan 1 was repaid in full in June 2009.*
[2] - *Term loan 2 was repaid in full in December 2009.*

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NOTES TO THE FINANCIAL STATEMENTS
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21. TERM LOANS (CONT'D)

The outstanding term loans at the balance sheet date are subjected to a weighted average effective interest rate of 8.44% (2008 - 5.49%) per annum and are secured by a first legal charge over the leasehold properties of certain subsidiaries.

22. DEFERRED TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	1,891	1,874	283	283
Recognised in income statement (Note 29)	291	17	-	-
At 31 December	2,182	1,891	283	283

Deferred tax liabilities comprise the following:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Accelerated capital allowances	1,899	1,608	-	-
Revaluation of property	283	283	283	283
	2,182	1,891	283	283

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NOTES TO THE FINANCIAL STATEMENTS
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23. PAYABLES AND ACCRUALS

	Note	THE GROUP 2009 RM'000	THE GROUP 2008 RM'000	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
Trade					
Trade payables	(a)	1,066	796	-	-
Non Trade					
Other payables and accruals		26,905	21,345	3,650	3,976
Amount owing to subsidiaries	(b)	-	-	23,768	27,172
Amount owing to affiliated companies	(c)	-	29	-	29
		27,971	22,170	27,418	31,177

(a) Trade Payables

The normal trade credit terms granted to the Group ranged from 30 to 90 days.

(b) Amount Owing To Subsidiaries

The amount owing to subsidiaries is unsecured, interest-free and repayable on demand.

The foreign currency exposure profile of the amount owing to the subsidiaries of the Company at the balance sheet date is as follows:-

	THE COMPANY 2009 RM'000	THE COMPANY 2008 RM'000
United States Dollar	10,031	11,671

(c) Amount Owing To Affiliated Companies

The amount owing to affiliated companies is unsecured, interest-free and repayable on demand.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

24. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Hire purchase and finance lease payables (Note 20)	2,796	2,546	-	-
Term loans (Note 21)	3,293	20,163	3,198	20,000
	6,089	22,709	3,198	20,000

25. BANK OVERDRAFT

The bank overdraft in the previous financial year bore effective interest rates ranging from 6.25% to 8.00% per annum and was secured by:-

(i) a first legal charge over certain buildings and leasehold land of a subsidiary;

(ii) fixed and floating charges over certain assets of a subsidiary; and

(iii) a corporate guarantee of the Company.

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26. NET ASSETS PER SHARE

The net assets per share is calculated based on the net assets value of the Group at the balance sheet date of RM169,155,000 (2008 - RM158,324,000), divided by the number of ordinary shares of RM1 each in issue, excluding treasury shares at the balance sheet date, details as follows:-

	THE GROUP	
	2009 NUMBER OF SHARES	2008 NUMBER OF SHARES
Ordinary shares of RM1 each in issue	89,092,755	89,092,755
Treasury shares	(3,000,600)	(6,195,600)
	86,092,155	82,897,155

27. REVENUE

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Services	165,142	120,511	5,069	6,786
Management fee	-	-	7,914	4,242
Rental income	11,618	6,813	16,821	15,540
Dividend income	114	83	7,437	2,080
	176,874	127,407	37,241	28,648

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

28. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Allowance for diminution:				
- investments in associates	-	255	-	-
- quoted shares	198	1,400	-	-
- unquoted bonds	1,180	500	1,180	500
- Short-term investments with financial institutions	2,000	-	2,000	-
- investments in subsidiaries	-	-	4,170	-
Allowance for doubtful debts.				
- trade receivables	-	188	-	-
- other receivables	4,132	2,640	2,018	1,942
Amortisation expense:				
- development costs	182	122	-	-
- prepaid land lease payments	7	6	-	-
Audit fee:				
- for the current financial year	188	193	35	38
- underprovision in the previous financial year	13	1	-	-
Bed debts written off	1,558	190	96	100
Depreciation expense:				
- investment properties	4	8	4	8
- property, plant and equipment	6,136	5,262	314	307
Directors' fee	203	197	203	197
Directors' non-fee emoluments	1,420	1,161	1,420	1,161
Goodwill on consolidation written off	2,468	-	-	-
Interest expense:				
- bank overdrefts	48	185	24	119
- term loans, hire purchase and finance lease	1,646	1,786	1,021	1,206
- other borrowings	-	54	-	-

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FOR THE YEAR ENOEO 31 DECEMBER 2009

28. PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Inventories written off	8	180	-	-
Lease of premises	15,535	14,729	14,935	14,729
Property, plant and equipment written off	2,163	84	-	-
Rental expense:				
- equipment	666	869	-	-
- hostel	8,034	1,450	-	-
- land and building	-	24	-	24
- motor vehicles	-	42	-	-
- premises	6,255	5,233	-	-
Staff costs	54,784	34,397	2,059	1,098
Dividend income	(114)	(83)	(7,437)	(2,080)
Gain on disposal of property, plant and equipment	(482)	(1)	-	(11)
Gain on disposal of investment properties	(26)	(61)	(26)	(61)
Gain on disposal of assets held for sale	-	(4,089)	-	(4,089)
Interest income:				
- subsidiaries	-	-	(1,135)	(744)
- others	(499)	(836)	(495)	(721)
Gain on foreign exchange:				
- realised	(9)	(87)	(7)	-
- unrealised	(252)	-	-	-
Rental income	(11,618)	(6,813)	(16,821)	(15,540)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

29. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current taxation:-				
- for the financial year	4,938	3,095	430	421
- share of taxation in associates	70	-	-	-
- (over)/underprovision in the previous financial year	(436)	(181)	289	-
	4,572	2,914	719	421
Deferred tax assets (Note 14):				
- for the financial year	(713)	94	149	-
- under/(over)provision in the previous financial year	217	(461)	139	-
	(496)	(367)	288	-
Deferred tax liabilities (Note 22):				
- for the financial year	372	(95)	-	-
- (over)/underprovision in the previous financial year	(81)	112	-	-
	291	17	-	-
	4,367	2,564	1,007	421

During the current financial year, the statutory tax rate was reduced from 26% to 25% as announced in the Malaysian Budget 2008.

As gazetted in the Finance Act 2009, certain subsidiaries of the Company will no longer enjoy the preferential tax rate of 20% on their chargeable income of up to RM500,000 effective from year of assessment 2009.

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NOTES TO THE FINANCIAL STATEMENTS
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29. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before taxation	14,606	9,884	1,520	5,182
Tax at the statutory tax rate of 25% (2008 - 26%)	3,651	2,569	380	1,347
Tax effects of:-				
Non-deductible expenses	5,117	1,793	1,998	276
Non-taxable gain	(4,275)	(1,583)	(1,799)	(1,202)
Deferred tax assets not recognised during the financial year	505	494	-	-
Utilisation of previously unrecognised deferred tax assets	(193)	(35)	-	-
(Over)/Underprovision in the previous financial year:				
- current tax	(436)	(181)	289	-
- deferred tax	136	(349)	139	-
Differential in tax rates	(138)	(144)	-	-
Tax for the financial year	4,367	2,564	1,007	421

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30. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit attributable to shareholders of RM10,023,000 (2008 - RM7,266,000) by the weighted average number of ordinary shares in issue during the financial year, net of treasury shares, of approximately 82,925,000 (2008 - 83,500,000).

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares.

31. DIVIDEND

	THE GROUP/THE COMPANY	
	2009	2008
	RM'000	RM'000
Paid, in respect of the financial year ended:-		
31 December 2007:		
- final dividend of RM0.02 per ordinary share, less 26% tax	-	1,227
31 December 2008:		
- final dividend of RM0.03 per ordinary share, less 25% tax	1,865	-
	1,865	1,227

32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cost of property, plant and equipment purchased	34,426	15,910	160	41
Amount finance through:				
- term loan	(14,000)	-	-	-
- hire purchase and finance lease	(1,235)	(4,817)	-	-
Cash disbursed for purchase of property, plant and equipment	19,191	11,093	160	41

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33. ACQUISITION OF A SUBSIDIARY

The details of net assets acquired and cash flow arising from the acquisition of a subsidiary in the previous financial year were as follows:-

	THE GROUP RM'000
Equipment	237
Trade receivables	442
Other receivables and deposits	73
Cash at bank	35
Other payables and accruals	(80)
Amount owing to related companies	(674)
Fair value of net assets acquired	33
Goodwill on acquisition	167
Total purchase consideration	200
Less: Cash at bank of the subsidiary	(35)
Net cash outflow from acquisition of a subsidiary	165

34. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by Directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Executive directors:				
- salary and other short-term employee benefits	1,271	1,050	1,271	1,050
- contribution to Employees' Provident Fund ("EPF")	149	111	149	111
	1,420	1,161	1,420	1,161
Non-executive directors:				
- fee	203	197	203	197

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34. DIRECTORS' REMUNERATION (CONT'D)

The details of emoluments for the directors of the Group and of the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	THE GROUP/THE COMPANY			
	2009		2008	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	-	3	-	7
RM50,001 - RM100,000	-	1	-	-
RM300,001 - RM350,000	-	-	1	-
RM350,001 - RM400,000	1	-	1	-
RM450,001 - RM500,000	1	-	1	-
RM550,001 – RM600,000	1	-	-	-

35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

For the purposes of these financial statements, parties are considered to be related to Group and the Company if a group or a company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Group and the Company.

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35. RELATED PARTY DISCLOSURES (CONT'D)

(b) During the financial year, the Group and the Company carried out the following transactions with the related parties during the financial year:-

	THE COMPANY	
	2009 RM'000	2008 RM'000
Sale of services to subsidiaries:		
- examination fee	-	1,136
- interest charge	1,135	744
- maintenance fee	552	552
- management fee	7,914	4,242
- rental of premises	16,291	15,067
- service charge	180	180
Purchase of services from subsidiary:		
- accreditation fee	5,512	4,008
- management fee	2,856	-
Dividend income from subsidiaries	7,357	2,000

Key management personnel compensation

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors' of the Company:				
- fee	203	197	203	197
- remuneration	1,271	1,050	1,271	1,050
- contribution to EPF	149	111	149	111
	1,623	1,358	1,623	1,358
Other key management personnel:				
- salary and other short-term employee benefits	2,252	1,904	1,310	1,242
- contribution to EPF	260	207	153	131
Total	2,512	2,111	1,463	1,373
	4,135	3,469	3,086	2,731

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35. RELATED PARTY DISCLOSURES (CONT'D)

(a) Balances with the related parties are disclosed in Note 11(d), Note 11(e), Note 23(b) and Note 23(c) to the financial statements respectively.

The outstanding amounts of the related parties will be settled in cash. No guarantees have been given or received. No expenses have been recognised during the financial year as bad and doubtful debts in respect of the amounts owing by the related parties.

36. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Corporate guarantees given to secure banking facilities granted to certain subsidiaries	-	-	17,210	4,817
Bank guarantees given to an electricity provider *	117	117	-	-
	117	117	17,210	4,817

* *This is secured by a pledge over the fixed deposits of a subsidiary.*

37. COMMITMENTS

Operating lease commitments

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	THE GROUP		THE COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Not later than one year	24,778	21,442	15,632	15,632
Later than one year and not later than five years	71,686	72,533	68,779	68,617
Later than five years	70,007	72,806	70,007	72,806
Total	166,471	166,781	154,418	157,055

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38. FOREIGN EXCHANGE RATE

The applicable closing foreign exchange rate used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the balance sheet date is as follows:-

	2009 RM	2008 RM
United States Dollar	3.42	3.46

39. SEGMENTAL REPORTING

Segmental reporting is not presented as the Group is principally engaged in the provision of educational activities, which is substantially within a single business segment and operates wholly in Malaysia.

40. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(a) Long-Term Borrowings

The fair value of the long-term borrowings is determined by discounting the relevant cash flows using current interest rates for similar types of instruments.

(b) Hire Purchase And Finance Lease Obligations

The fair values of hire purchase and finance lease payables are determined by discounting the relevant cash flows using current interest rates for similar types of instruments.

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40. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(c) Quoted And Unquoted Investments

The fair values of quoted investments are estimated based on quoted market prices for these instruments.

For unquoted investments, it is not practicable to determine the fair values because of the lack of quoted market prices and the assumptions used in valuation models to value these investments cannot be reasonably determined.

(d) Cash And Cash Equivalents And Other Short-Term Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these instruments.

(e) Contingent Liabilities

It is not practicable to estimate the fair value of contingent liabilities reliably due to uncertainties of timing, costs and eventual outcome.

The nominal amount and net fair value of financial instruments not recognised in the balance sheet of the Company are as follows:

		THE GROUP		THE COMPANY	
		Nominal Amount	Net Fair Value	Nominal Amount	Net Fair Value
At 31 December 2009	Note	RM'000	RM'000	RM'000	RM'000
Contingent liabilities	36	117	*	17,210	*
At 31 December 2008					
Contingent liabilities	36	117	*	4,817	*

* The net fair value of the contingent liability is estimated to be minimal as the subsidiaries are expected to fulfil their obligations to repay their borrowings.

APPENDIX V – UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SEGi FOR THE THREE (3)-MONTH FPE 31 MARCH 2010

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SUMMARY OF KEY FINANCIAL INFORMATION
31 MARCH 2010

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31/03/2010	31/03/2009	31/03/2010	31/03/2009
		RM'000	RM'000	RM'000	RM'000
1	Revenue	54,795	40,680	54,795	40,680
2	Profit before tax	13,164	8,763	13,164	8,763
3	Profit for the period	10,036	6,956	10,036	6,956
4	Profit attributable to ordinary equity holders of the parent	9,508	6,693	9,508	6,693
5	Basic earnings per share (sen)	10.79	8.07	10.79	8.07
6	Proposed/Declared dividend per share (sen)	-	-	-	-
				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)			2.0183	1.9648

ADDITIONAL INFORMATION

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31/03/2010	31/03/2009	31/03/2010	31/03/2009
		RM'000	RM'000	RM'000	RM'000
1.	Gross interest income	98	140	98	140
2.	Gross interest expense	(352)	(391)	(352)	(391)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2010

	As at 31 Mar 2010 (RM'000)	As at 31 Dec 2009 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	5,619	4,777
Property, plant and equipment	91,445	91,409
Investment properties	91	91
Other receivables	3,199	4,400
Intangible assets	27,806	27,808
Available-for-sale financial assets	1,540	2,459
Deferred tax assets	3,870	3,870
	133,570	134,814
CURRENT ASSETS		
Receivables, deposits and prepayments	39,398	40,065
Tax recoverable	6,974	7,561
Cash and cash equivalents	52,875	36,898
	99,247	84,524
TOTAL ASSETS	**232,817**	**219,338**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	89,093	89,093
Treasury shares	-	(2,355)
Reserves	90,725	82,417
	179,818	169,155
MINORITY INTERESTS	1,368	839
TOTAL EQUITY	181,186	169,994
LIABILITIES		
NON-CURRENT LIABILITIES		
Long-term borrowings	11,081	12,466
Deferred tax liabilities	2,182	2,182
	13,263	14,648
CURRENT LIABILITIES		
Payables and accruals	31,814	27,971
Short-term borrowings	6,006	6,089
Provision for taxation	548	636
	38,368	34,696
TOTAL LIABILITIES	51,631	49,344
TOTAL EQUITY AND LIABILITIES	**232,817**	**219,338**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009.

APPENDIX V – UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SEGi FOR THE THREE (3)-MONTH FPE 31 MARCH 2010 (Cont'd)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 March 2010

	Current Period 3 months ended 31-March		Cumulative Period 3 months ended 31-March	
	2010 (RM'000)	**2009 (RM'000)**	**2010 (RM'000)**	**2009 (RM'000)**
Revenue - services	54,795	40,680	54,795	40,680
Cost of services	(14,615)	(11,601)	(14,615)	(11,601)
Gross profit	40,180	29,079	40,180	29,079
Other income	1,149	1,639	1,149	1,639
	41,329	30,718	41,329	30,718
Distribution expenses	(3,250)	(2,693)	(3,250)	(2,693)
Administrative expenses	(13,238)	(10,038)	(13,238)	(10,038)
Other expenses	(12,210)	(9,035)	(12,210)	(9,035)
Finance costs	(352)	(391)	(352)	(391)
Share of profit of associate	885	202	885	202
Profit before taxation	13,164	8,763	13,164	8,763
Tax - company and subsidiaries	(3,086)	(1,803)	(3,086)	(1,803)
Tax - associate	(42)	(4)	(42)	(4)
Income tax expense	(3,128)	(1,807)	(3,128)	(1,807)
Profit after taxation	**10,036**	**6,956**	**10,036**	**6,956**
Attributable to :				
Equity holders of the Company	9,508	6,693	9,508	6,693
Minority interests	528	263	528	263
Profit after taxation	**10,036**	**6,956**	**10,036**	**6,956**
Other comprehensive income, net of tax				
Available-for-sale financial asset - fair value gain	135	-	135	-
Foreign currency translation differences for foreign operations	(258)	-	(258)	-
Total comprehensive income for the period	**9,913**	**6,956**	**9,913**	**6,956**
Total comprehensive income, attributable to :				
Equity holders of the Company	9,385	6,693	9,385	6,693
Minority interests	528	263	528	263
	9,913	**6,956**	**9,913**	**6,956**
Earnings per share attributable to equity holders of the Company (sen):-				
- Basic (sen)	10.79	8.07	10.79	8.07

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009.

APPENDIX V – UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SEGi FOR THE THREE (3)-MONTH FPE 31 MARCH 2010 (Cont'd)

SEG INTERNATIONAL BHD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
for the period ended 31 March 2010

	31 Mar 2010 (RM'000)	31 Mar 2009 (RM'000)
Cash flows from operating activities		
Profit before tax	13,164	8,763
Adjustment for:-		
- Non-cash items	3,031	1,413
- Non-operating items	387	1,860
Operating profit before working capital changes	16,582	12,036
Changes in working capital		
- Net change in current assets	(1,663)	(27,839)
- Net change in current liabilities	3,843	811
Cash used in operations	18,762	(14,992)
- Net income taxes paid	(2,587)	(1,419)
- Interest paid	(352)	(251)
Net cash from/ (used in) operating activities	15,823	(16,662)
Cash flows from investing activities		
- Purchase of property, plant and equipment	(1,740)	(1,736)
- Interest received	98	-
Net cash used in investing activities	(1,642)	(1,736)
Cash flows from financing activities		
- Net repayment of borrowings	(1,468)	(648)
- Proceeds from disposal of own shares	3,264	-
Net cash from/ (used in) financing activities	1,796	(648)
Net increase/ (decrease) in casb and casb equivalents	15,977	(19,046)
Cash and cash equivalents, net of bank overdraft at beginning of the period	36,898	47,376
Cash and cash equivalents, net of bank overdraft at end of the period *(Note i)*	52,875	28,330

i) Cash and cash equivalents, net of bank overdraft comprise:-

Cash and cash equivalents	52,875	28,524
Bank overdraft	-	(194)
	52,875	28,330

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009.

APPENDIX V – UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF SEGi FOR THE THREE (3)-MONTH FPE 31 MARCH 2010 (Cont'd)

SEG INTERNATIONAL BHD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 March 2010

	← Attributable to Shareholders of the Company →									
	Share Capital RM'000	**Share Premium RM'000**	**Revaluation Reserve RM'000**	**Treasury Shares RM'000**	**Exchange Translation Reserve RM'000**	**Available-for-sale Financial Assets Reserve RM'000**	**Retained Profits RM'000**	**Total RM'000**	**Minority Interests RM'000**	**Total Equity RM'000**
Balance as at 1 January 2010 (as previously stated)	89,093	35,876	1,977	(2,355)	(429)	-	44,993	169.155	839	169,994
Effects of adopting FRS 139	-	-	-	-	-	(1,054)	(931)	(1,985)	-	(1.985)
Balance as at 1 January 2010 (restated and adjusted)	89,093	35,876	1,977	(2,355)	(429)	(1,054)	44,062	167.170	839	168,009
Total comprehensive income for the period	-	-	-	-	(258)	135	9,508	9,385	528	9.913
Treasury shares disposed	-	-	-	2,355	-	-	909	3,264	-	3,264
Balance as at 31 March 2010	89,093	35,876	1,977	-	(687)	(919)	54,479	179,819	1,367	181.186
Balance as at 1 January 2009	89,093	35,876	2,002	(4.862)	(94)	-	36,309	158.324	623	158,947
Total comprehensive income for the period	-	-	-	-	-	-	6,693	6,693	263	6,956
Balance as at 31 March 2009	89,093	35,876	2,002	(4,862)	(94)	-	43,002	165,017	886	165,903

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009.

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Notes to interim financial report

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 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 2009 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 2009. 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 2009.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations with effect from 1 January 2010:

FRSs, Amendments to FRSs and IC Interpretations

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

Revised FRS 101 (2009) Presentation of Financial Statements

Revised FRS 123 (2009) Borrowing Costs

Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and FRS 127 – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

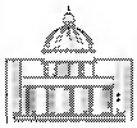
Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment



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IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

The adoption of the above standards, amendments and interpretations has resulted in changes of certain accounting policies and classification adopted by the Group as well as presentation of financial statements as described hereunder:-

(a) FRS 101 (revised): Presentation of Financial Statements *(FRS 101)*

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in a single statement.

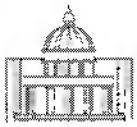
(b) FRS 117: Amendment to FRS 117, Leases *(FRS 117)*

Leasehold land is classified as finance lease if the Group has substantially transferred all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Following the amendment to FRS 117, the classification of leasehold land has been changed from operating to finance lease. The effect of the change which is adjusted for retrospectively is as follows:

	As previously reported (RM'000)	Effect of FRS 117 (RM'000)	As restated (RM'000)
Prepaid lease payments	4,944	(4,944)	-
Property, Plant and Equipment	86,465	4,944	91,409

(c) FRS 139: Financial Instruments: Recognition and Measurement *(FRS 139)*

The Group classifies its financial assets in the following categories: at fair value through profit or loss, receivables, held-to-maturity and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial assets at the initial recognition. Set out below are major changes in classifications of financial assets of the Group:



(i) Other receivables

Non-current receivables, previously measured at invoice amount and subject to impairment, are now classified as other receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When other receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(ii) Available-for-sale financial assets

Non-current investments, previously measured at cost and subject to impairment, are now classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value.

Changes in the fair values of available-for-sale debt securities denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in the profit or loss and the other changes are recognised in other comprehensive income. If there is any objective evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss.

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Impact on opening balances

In accordance with the transitional provisions for FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010:

	As previously reported (RM'000)	Effect of FRS 139 (RM'000)	As restated (RM'000)
Non-Current Assets			
- Other receivables	4,400	(931)	3,469
- Available-for-sale financial assets	2,459	(1,054)	1,405
Equity			
- Available-for-sale financial assets reserve	-	(1,054)	(1,054)
- Retained profits	44,993	(931)	44,062

3. Qualification of Audit Report

The audit report of the financial statements of the Group for the year ended 31 December 2009 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 2010.

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 2010.

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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 2010 except the Company disposed 3,000,600 of its own ordinary shares held as treasury shares at the open market at an average price of RM1.09 per share.

As at 31 March 2010, there were no treasury shares held by the Company.

8. Dividends paid

There were no dividends paid for the quarter under review.

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. Valuations of property, plant and equipment

The valuations of land and building have been brought forward, without amendments from the previous annual report.

11. 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 2010.

12. Changes in composition of the Group

There were no major changes in the composition of the Group during the financial period ended 31 March 2010.

13. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets of the Group as at 31 March 2010.

14. Capital Commitments

There were no material capital commitments approved and contracted for as at 31 March 2010.

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

1. Review of performance

For the three-month period ended 31 March 2010, the Group achieved a revenue of RM54.8 million and a profit before tax of RM13.2 million, an improvement of 34.7% and 50.2% respectively, as compared to the corresponding period in 2009.

The improvement in performance is generally due to the increase in student enrolments of the Group's institutions.

2. Variation of results against preceding quarter

The Group recorded a profit before taxation and minority interest of RM13.2 million for the quarter under review compared to RM0.9 million in the preceding quarter. The increase in profitability is in line with the overall improvement in the performance of the Group.

3. Prospects for the year

The outlook of the Group for the year 2010 is expected to remain positive. The Group continues to expand its business with new and niche academic programmes and quality education.

4. Profit forecast

Not applicable.

5. Tax Expenses

	Current quarter ended 31 March 2010 (RM'000)	Cumulative year ended 31 March 2010 (RM'000)
Current tax expense		
- current	3,128	3,128
- prior year	-	-
	3,128	3,128
Deferred tax expense/(benefits)		
- current	-	-
- prior year	-	-
	-	-
Total	3,128	3,128

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6. Unquoted investments and properties

During the quarter under review, there were no disposals of unquoted investments and properties.

7. Quoted investments

Investment in quoted securities has been reclassified from other investments to available-for-sale financial assets upon the adoption of FRS 139 on 1 January 2010.

	(RM'000)
Cost	4,201
Carrying value	
Opening balance as at 1 January 2010	2,459
Fair value adjustment upon the adoption of FRS 139	(1,054)
Fair value gain recognised in other comprehensive income	135
Balance as at 31 March 2010	1,540
Market value as at 31 March 2010	1,540

8. Status of corporate proposal announced

On 21 April 2010 and 19 May 2010, the Company announced the following proposals:

(i) Proposed share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each held in the Company ("shares") into two (2) ordinary shares of RM0.50 each in the Company ("subdivided shares") at an entitlement date to be determined later;

(ii) Proposed increase in authorised share capital from RM100,000,000 comprising 100,000,000 shares to RM250,000,000 comprising 500,000,000 subdivided shares;

(iii) Proposed amendment to the memorandum and articles of association of the Company to accommodate proposals (i) and (ii) above;

(iv) Proposed bonus issue of 71,274,204 new subdivided shares ("bonus shares") to be credited as fully paid up on the basis of two (2) bonus shares for every five (5) existing subdivided shares held after the proposed share split, on an entitlement date to be determined later; and

(v) Proposed renounceable rights issue of up to 124,729,857 five (5)-year 2010/2015 warrants on the basis of one (1) new warrant for every two (2) subdivided shares held after the proposed bonus issue, at an issue price of RM0.05 cash per warrant.

These proposals are pending the approvals of the relevant authorities and the shareholders at the forthcoming Extraordinary General Meeting.

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9. Borrowing and debt securities

	31 March 2010 (RM'000)
Current	
- Secured	6,006
- Unsecured	-
	6,006
Non-current	
- Secured	11,081
- Unsecured	-
	11,081
	17,087

The above borrowings are denominated in Ringgit Malaysia.

10. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 27 May 2010.

11. Changes in material litigation

There were no pending material litigations as at 27 May 2010.

12. Dividend

No interim dividend has been declared for the financial period under review.

The Board of Directors recommended a first and final dividend of 3.5% less tax for the financial year ended 31 December 2009, subject to the approval of shareholders at the forthcoming Annual General Meeting.

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13. 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 31/03/2010 (RM'000)	Comparative Quarter Ended 31/03/2009 (RM'000)	Cumulative to-date 31/03/2010 (RM'000)	Cumulative to-date 31/03/2009 (RM'000)
Earnings				
Profit for the period	10,036	6,956	10,036	6,956
Amount attributable to minority interests	(528)	(263)	(528)	(263)
Profit for the period attributable to the equity holders of the Company	9,508	6,693	9,508	6,693
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares	88,105	82,897	88,105	82,897
Basic earnings per share (sen)	10.79	8.07	10.79	8.07

APPENDIX VI – DIRECTORS' REPORT

SEG INTERNATIONAL BHD (145998-U)

Registered Office:

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

16 July 2010

To : The Shareholders of SEG International Bhd

Dear Sir/Madam,

On behalf of the Board of Directors of SEG International Bhd ("**SEGi**" or the "**Company**") ("**Board**"), I, with the authority granted by the Board, wish to report that, after making due enquiry in relation to the interval between 31 December 2009, being the date to which the last audited financial statements of SEGi and its subsidiaries ("**Group**") have been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Abridged Prospectus, that:-

(a) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;

(b) in the opinion of the Board, since the last audited financial statements of SEGi, there have been no circumstance which has adversely affected the trading or the value of the assets of the Group;

(c) to the best of the Board's knowledge, the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) to the best of the Board's knowledge, there are no contingent liabilities by reason of any guarantee or indemnity given by the Group;

(e) since the last audited financial statements of SEGi, the Board is not aware of any default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowings in the Group, and

(f) to the knowledge of the Board, since the last audited financial statements of SEGi, there have been no material change in the published reserves or any unusual factor affecting the profits of the Group.

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

DATO' CLEMENT HII CHII KOK
Group Managing Director

APPENDIX VII – ADDITIONAL INFORMATION

1. SHARE CAPITAL

(a) No securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of issue of this Abridged Prospectus.

(b) As at the date of this Abridged Prospectus, there are no deferred shares or preference shares in the share capital of our Company. We bave only one (1) class of shares in our Company, namely ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.

(c) The new Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the existing Shares, save and except that they shall not be entitled to any dividends, rigbts, allotments and/or other distributions, the entitlement date of which is before the date of allotment of the new Shares.

(d) As at the date of this Abridged Prospectus, save for the Entitled Sharebolders who will be provisionally allotted the Warrants under the Rights Issue, no person has been or is entitled to be given an option to subscribe for any Shares, stocks or debentures of our Company or our subsidiaries.

(e) Save as disclosed in Section 2.2 of Appendix 11 of this Abridged Prospectus, none of our securities have been issued or agreed to be issued either as fully or partly paid-up otherwise than in cash, within the two (2) years immediately preceding the date of the Abridged Prospectus.

2. DIRECTORS' REMUNERATION

Tbe provisions in SEGi's Articles of Association in relation to the remuneration of SEGi's Directors are as follows:-

Article 94

Pursuant to Article 94 of the Articles of Association of the Company (**"AA"**), the fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office provided always that –

- fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- salaries payable to executive Directors may not include a commission on or percentage of turnover;
- fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 95

Article 95 of the AA further provided that the Directors shall he entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. 1f by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing

if any Director heing willing shall be called upon to perform extra services or to make any special exertion in going or residing away from his usual place of business or residence for any of the purpose of the Company or in giving special attention to the business of the Company as a memher of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may he hy way of a fixed sum, or otherwise as may be arranged.

3. MATERIAL CONTRACTS

Save as disclosed below, the Board has confirmed that there are no material contracts (not heing contracts entered into in the ordinary course of business) which have heen entered into hy the Group within the two (2) years immediately preceding the date of this Abridged Prospectus:-

(a) SEGi College (Sarawak) Sdn Bhd, a wholly-owned subsidiary of our Company, had on 24 September 2009 entered into a sale and purchase agreement with Kenhest Sdn Bhd ("**KSB**") for the sale of the following properties:

(i) all that parcel of land situated at Tabuan, Kuching, containing an area of 9,955 square meters described as Lot 444, Block 16, Kuching Central Land District; and

(ii) all that parcel of land situated at Tahuan Kuching containing an area of 4,978 square meters described as Lot 196, Block 16, Kuching Central Land District,

(collectively, the "**Kuching Properties**") for a consideration of RM10,500,000. SEGi College (Sarawak) Sdn Bhd had agreed to sell and KSB had agreed to purchase the Kuching Properties subject to the terms and conditions as stated in the agreement. The sale of the Kuching Properties pursuant to the aforesaid agreement was completed on 11 January 2010.

(h) Metromas Realtors Sdn Bhd (**"Metromas"**), a wholly owned subsidiary of our Company, had on 5 February 2010 entered into a development agreement with Upaya Jernth Sdn Bhd ("**Upaya Jernih**") for the development of a mixed development comprising of 44 units of shop office and 2 blocks of condominium and a block of college tower to he carried out at Lot No. 1, Jalan Teknologi 2/1 and held under H.S (D) 216820, P.T. 9238, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor ("**Kota Damansara Property**") ("**Development**"). Metromas has agreed to grant Upaya Jernth and Upaya Jernih has agreed to develop the Development subject to the terms and conditions of the development agreement. In consideration of Metromas granting Upaya Jernih the exclusive rights to develop the Kota Damansara Property, Metromas is entitled to the equivalent value of no less than RM35,000,000 to he satisfied hy transferring and delivering 125 units of any completed saleable units of condominium (and includes any car-parking bay or other accessory parcel associated therewith) within the block of condominium which collectively shall he worth not less than RM35,000,000 only to Metromas upon completion of the Development.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the Latest Practicable Date, the Board has confirmed that the SEGi Group is not engaged in any litigation, claims or arhitration, either as plaintiff or defendant, which may have a material effect on the financial position of the SEGi Group and the Board has no knowledge of any proceedings, pending or threatened, against the SEGi Group or of any fact which is likely to give rise to any proceeding which may materially and adversely affect the business or financial position of the SEGi Group.

5. GENERAL

As at the Latest Practicable Date, there are no existing or proposed service contracts between our Directors and our Company and/or our subsidiary companies, excluding contracts expiring or determinable by the employing company without payments or compensation (other than statutory compensation) within one (1) year.

Save as disclosed in this Abridged Prospectus and to the best of our Board's knowledge, as at the Latest Practicable Date, in connection with the financial condition and operations of our Group, there are no:-

(i) known trends or demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group other than in the ordinary course of business;

(ii) material commitments for capital expenditure;

(iii) unusual or infrequent events or transactions or any significant economic changes which materially affected the amount of reported income from operations of our Group other than in the ordinary course of business;

(iv) known trends or uncertainties which have had or will have, a material favourable or unfavourable impact on revenues or operating income; and

(v) substantial increase in revenue.

Save as disclosed in this Abridged Prospectus, our Board is not aware of any material information including special trade factors or risks which are not mentioned elsewhere and which are unlikely to be known or anticipated by the general public and whicb could materially affect the profits of our Group.

6. CONSENTS AND DECLARATION BY ADVISERS

The written consents of the Adviser, Company Secretaries, Solicitors for the Rigbts Issue, Principal Bankers, Bloomberg and Share Registrar to the inclusion in this Abridged Prospectus of their names in the form and context in whicb they appear bave been given and have not subsequently been withdrawn before the issue of this Abridged Prospectus.

The written consent of the Reporting Accountants to the inclusion in this Abridged Prospectus of its name, the Reporting Accountants' letter accompanying the proforma consolidated balance sheets of SEGi for the FYE 31 December 2009 in the form and context in which they appear has been given and has not subsequently been withdrawn before the issue of this Abridged Prospectus.

The written consent of our Company's Auditors to the inclusion in this Abridged Prospectus of its name, the Auditors' report accompanying the audited consolidated financial statements of SEGi for the FYE 31 December 2009 in the form and context in which they appear has been given and has not subsequently been withdrawn before the issue of this Abridged Prospectus.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company during normal office hours on Mondays to Fridays (except public bolidays) for the period of twelve (12) months from the date of this Abridged Prospectus:-

(i) the Memorandum and Articles of Association of SEGi;

(ii) the constituted Deed Poll governing the Warrants to be issued pursuant to the Rights Issue;

(iii) the audited consolidated financial statements of SEGi for the past three (3) FYE 31 December 2007, 31 December 2008 and 31 December 2009;

(iv) the unaudited consolidated quarterly results of SEGi for the FPE 31 March 2010;

(v) the proforma consolidated balance sheets of SEGi as at 31 December 2009 together with the Reporting Accountants' letter thereon as set out in Appendix III of this Abridged Prospectus;

(vi) our Directors' Report as set out in Appendix VI of this Abridged Prospectus;

(vii) the letters of consent referred to in Section 6 of this Appendix;

(viii) the material contracts referred to in Section 3 of this Appendix;

(ix) the Letters of Undertaking referred to in Section 9 of this Abridged Prospectus;

(x) the Approval Letter referred to in Section 1 of this Abridged Prospectus; and

(xi) BNM's approval letter for the Rights Issue dated 7 July 2010.

8. RESPONSIBILITY STATEMENTS

The Abridged Prospectus, together with its accompanying documents, have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements herein false or misleading.

KIBB, being the Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue.

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