

SEG INTERNATIONAL BHD.

(Incorporated in Malaysia)
Company No : 145998 - U

FINANCIAL REPORT *for the year ended 31 December 2008*

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SEG INTERNATIONAL BHD.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2008.

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	7,320	4,761
Minority interest	(54)	-
Profit attributable to equity holders of the Company	<u>7,266</u>	<u>4,761</u>

DIVIDENDS

Since the end of the previous financial year, the Company paid a final dividend of 2 sen gross per ordinary share less income tax at 26%, amounting to RM1,227,000 in respect of the year ended 31 December 2007.

The directors now recommend the payment of a final dividend of 3 sen gross per share less income tax at 25% amounting to RM1,865,000 in respect of the year ended 31 December 2008, 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.

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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 its issued ordinary shares from the open market under the share buy-back programme. Details are as follows:-

DATE	PRICE PER SHARE			No OF SHARES	TOTAL CONSIDERATION RM'000
	← LOWEST	HIGHEST	→ AVERAGE		
Balance at 1 January 2008				4,238,300	3,561
Additions during the financial year	0.595	0.715	0.665	1,957,300	1,301
AT 31 DECEMBER 2008				<u>6,195,600</u>	<u>4,862</u>

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.

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.

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DIRECTORS' REPORT

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 further require the 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.

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:-

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

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DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES (CONT'D)

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.

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
DATO' PAHAMIN A. RAJAB (RETIRED ON 25.6.2008)
DATIN FADZILAH BTE SAAD (RETIRED ON 25.6.2008)
HJ. ABDULLAH KAMAL BIN SHAFI'I (RETIRED ON 25.6.2008)

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DIRECTORS' REPORT

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			
	AS AT 1.1.2008	BOUGHT	SOLD	AS AT 31.12.2008
<i>DIRECT INTERESTS</i>				
DATO' (DR.) PATRICK TEOH SENG FOO	507,000	-	12,000	495,000
DATO' CLEMENT HII CHII KOK	945,500	12,000	249,500	708,000
TAN SRI DATO' SERI MEGAT NAJMUDDIN BIN DATO' SERI DR. HAJI MEGAT KHAS	297	-	-	297
<i>INDIRECT INTERESTS</i>				
DATO' (DR.) PATRICK TEOH SENG FOO ⁽¹⁾	22,855,025	-	1,000,000	21,855,025
DATO' CLEMENT HII CHII KOK ⁽¹⁾	22,855,025	-	1,000,000	21,855,025

(1) Deemed interests through EcoFirst Consolidated Berhad and Sawitani Sdn. Bhd.

By virtue of their interests in shares in the Company, the above directors are deemed interested 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.

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.

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DIRECTORS' REPORT

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 41 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The significant events subsequent to the balance sheet date are disclosed in Note 42 to the financial statements.

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DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Horwath, have expressed their willingness to continue in office.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 22 APRIL 2009**

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

Dato' Clement Hii Chii Kok

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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 85 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 2008 and of their results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 22 APRIL 2009

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

Dato' Clement Hii Chii Kok

STATUTORY DECLARATION

I, Dato' (Dr.) Patrick Teoh Seng Foo, I/C No. 560625-08-6373, being the director 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 85 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
Dato' (Dr.) Patrick Teoh Seng Foo,
I/C No. 560625-08-6373,
at Subang Jaya in Selangor Darul Ehsan
on this 22 April 2009

Dato' (Dr.) Patrick Teoh Seng Foo

Before me
Niu Kian Aik
No. B309
Commissioner for Oaths

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

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Report on the Financial Statements

We have audited the financial statements of SEG International Bhd., which comprise the balance sheets as at 31 December 2008 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 85.

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)

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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 2008 and of their financial performance and cash flows for the financial year then ended.

Other Matters

The financial statements of the Group and the Company for the preceding financial year were audited by another firm of auditors whose report dated 22 April 2008, expressed an unqualified opinion on those statements.

Report on Other Legal and Regulatory 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.

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

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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.

Horwath

Firm No: AF 1018
Chartered Accountants

Kuala Lumpur

22 April 2009

Lee Kok Wai

Approval No: 2760/06/10 (J)
Partner

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BALANCE SHEETS AT 31 DECEMBER 2008

	NOTE	THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	71,039	70,941
Investments in associates	7	451	706	-	-
Property, plant and equipment	8	70,897	60,339	8,135	8,494
Prepaid land lease payments	9	4,951	4,957	-	-
Investment properties	10	156	522	156	522
Other receivables	11	11,768	18,165	-	-
Intangible assets	12	30,237	30,165	-	-
Other investments	13	3,837	5,977	1,180	1,920
Deferred tax assets	14	3,374	3,007	2,469	2,469
		<u>125,671</u>	<u>123,838</u>	<u>82,979</u>	<u>84,346</u>
CURRENT ASSETS					
Inventories	15	8	188	-	-
Receivables, deposits and prepayments	11	35,224	40,059	66,966	63,202
Tax recoverable		5,462	4,005	1,371	1,232
Assets held for sale		-	132,654	-	132,654
Cash and cash equivalents	16	47,545	9,152	38,454	5,591
		<u>88,239</u>	<u>186,058</u>	<u>106,791</u>	<u>202,679</u>
TOTAL ASSETS		<u>213,910</u>	<u>309,896</u>	<u>189,770</u>	<u>287,025</u>

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BALANCE SHEETS AT 31 DECEMBER 2008 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	89,093	89,093	89,093	89,093
Reserves	18	69,231	64,496	49,217	46,984
		<u>158,324</u>	<u>153,589</u>	<u>138,310</u>	<u>136,077</u>
MINORITY INTEREST		623	749	-	-
TOTAL EQUITY		<u>158,947</u>	<u>154,338</u>	<u>138,310</u>	<u>136,077</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	19	7,840	26,156	-	20,000
Deferred tax liabilities	22	1,891	1,874	283	283
		<u>9,731</u>	<u>28,030</u>	<u>283</u>	<u>20,283</u>
CURRENT LIABILITIES					
Payables and accruals	23	22,170	73,040	31,177	83,003
Short-term borrowings	24	22,709	42,076	20,000	40,000
Provision for taxation		184	129	-	-
Bank overdrafts	25	169	12,283	-	7,662
		<u>45,232</u>	<u>127,528</u>	<u>51,177</u>	<u>130,665</u>
TOTAL LIABILITIES		<u>54,963</u>	<u>155,558</u>	<u>51,460</u>	<u>150,948</u>
TOTAL EQUITY AND LIABILITIES		<u>213,910</u>	<u>309,896</u>	<u>189,770</u>	<u>287,025</u>
NET ASSETS PER SHARE (RM)	26	<u>1.91</u>	<u>1.81</u>		

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INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	NOTE	THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
REVENUE	27	127,407	86,263	28,648	21,938
COST OF SERVICES		(35,387)	(24,740)	(5,520)	(2,216)
GROSS PROFIT		92,020	61,523	23,128	19,722
OTHER INCOME		9,586	5,251	5,815	976
		101,606	66,774	28,943	20,698
DISTRIBUTION EXPENSES		(11,916)	(8,831)	(1,026)	(752)
ADMINISTRATIVE EXPENSES		(37,156)	(22,156)	(4,778)	(3,210)
OTHER EXPENSES		(40,625)	(26,482)	(16,632)	(9,090)
FINANCE COSTS		(2,025)	(6,826)	(1,325)	(6,204)
PROFIT BEFORE TAXATION	28	9,884	2,479	5,182	1,442
INCOME TAX EXPENSE	29	(2,564)	2,864	(421)	1,981
PROFIT AFTER TAXATION		7,320	5,343	4,761	3,423
ATTRIBUTABLE TO:					
Equity holders of the Company		7,266	5,156	4,761	3,423
Minority interest		54	187	-	-
		7,320	5,343	4,761	3,423
EARNINGS PER SHARE					
- Basic	30	8.70 sen	6.03 sen		
- Diluted	30	N/A	N/A		

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STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

THE GROUP	NOTE	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →							MINORITY INTEREST RM'000	TOTAL EQUITY RM'000
		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		
Balance at 1.1.2007		89,093	35,876	2,052	26,309	(49)	(2,507)	150,774	562	151,336
Purchase of own shares		-	-	-	-	-	(1,054)	(1,054)	-	(1,054)
Exchange difference on retranslation of net assets of overseas subsidiary *		-	-	-	-	(42)	-	(42)	-	(42)
Profit after taxation for the financial year		-	-	-	5,156	-	-	5,156	187	5,343
Transfer to retained profits on realisation of revaluation reserve *		-	-	(25)	25	-	-	-	-	-
Dividend	31	-	-	-	(1,245)	-	-	(1,245)	-	(1,245)
Balance at 31.12.2007/1.1.2008 (balance carried forward)		89,093	35,876	2,027	30,245	(91)	(3,561)	153,589	749	154,338

* - expense recognised directly in equity

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STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008 (CONT'D)

THE GROUP (CONT'D)	NOTE	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →							MINORITY INTEREST RM'000	TOTAL EQUITY RM'000
		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		
Balance at 1.1.2008 (balance brought forward)		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		89,093	35,876	2,002	36,309	(94)	(4,862)	158,324	623	158,947

* - expense recognised directly in equity

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STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008 (CONT'D)

THE COMPANY	NOTE	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →					TOTAL RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	RETAINED PROFITS RM'000	TREASURY SHARES RM'000	
Balance at 1.1.2007		89,093	35,876	2,052	10,439	(2,507)	134,953
Purchase of own shares		-	-	-	-	(1,054)	(1,054)
Profit after taxation for the financial year		-	-	-	3,423	-	3,423
Transfer to retained profits on the realisation of revaluation reserve *		-	-	(25)	25	-	-
Dividend	31	-	-	-	(1,245)	-	(1,245)
Balance at 31.12.2007/ 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	-	-
Dividend	31	-	-	-	(1,227)	-	(1,227)
Balance at 31.12.2008		89,093	35,876	2,002	16,201	(4,862)	138,310

* - expense recognised directly in equity

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CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	NOTE	THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		9,884	2,479	5,182	1,442
Adjustments for:-					
Allowance for diminution:					
- unquoted bonds		500	400	500	400
- quoted shares		1,400	27	-	-
- investments in associates		255	1,000	-	-
Investment in unquoted bonds written off		-	2,280	-	2,280
Investments in associates written off		-	39	-	-
Amortisation of prepaid land lease payments		6	6	-	-
Amortisation of development costs		122	120	-	-
Allowance for doubtful debts		2,828	826	1,942	-
Bad debts written off		190	2,366	100	-
Depreciation of property, plant and equipment		5,262	3,970	307	330
Depreciation of investment properties		8	10	8	10
Property, plant and equipment written off		84	722	-	-
Inventories written off		180	-	-	-
Interest expense		2,025	6,826	1,325	6,204
(Gain)/Loss on disposal of assets held for sale		(4,089)	574	(4,089)	574
Gain on disposal of property, plant and equipment		(1)	(8)	(11)	-
Gain on disposal on investment properties		(61)	-	(61)	-
Dividend income		(83)	-	(2,080)	(5,132)
Interest income		(836)	(389)	(1,465)	(976)
Operating profit before working capital changes		17,674	21,248	1,658	5,132
Increase in inventories		-	(69)	-	-
Decrease/(Increase) in trade and other receivables		7,604	(3,096)	252	45
Increase in trade and other payables		7,570	56,141	662	55,632
CASH FLOWS FROM OPERATIONS		32,848	74,224	2,572	60,809
Interest paid		(2,025)	(6,826)	(1,325)	(6,204)
Income tax paid		(4,316)	(2,360)	(560)	(1,387)
NET CASH FROM OPERATING ACTIVITIES		26,507	65,038	687	53,218
BALANCE CARRIED FORWARD		26,507	65,038	687	53,218

SEG INTERNATIONAL BHD.

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CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
BALANCE BROUGHT FORWARD		26,507	65,038	687	53,218
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Additional investment in subsidiaries		-	-	(98)	-
Proceeds from disposal of property, plant and equipment		244	69	104	-
Purchase of property, plant and equipment	32	(11,093)	(36,434)	(41)	(28,230)
Net cash outflow on the acquisition of a subsidiary	33	(165)	-	-	-
Acquisition of equity interest from minority shareholders		(180)	-	-	-
Purchase of investment in quoted shares		-	(940)	-	-
Proceeds from disposal of unquoted bonds		240	1,400	240	1,400
Proceeds from disposal of investment properties		419	-	419	-
Proceeds from disposal of assets held for sale		77,520	12,291	77,520	12,291
Net (advances to)/repayment from subsidiaries		-	-	(477)	424
Net repayment from affiliated companies		1,154	97	1,154	97
Dividend received		83	-	2,080	5,132
Interest received		836	389	1,465	976
NET CASH FROM/(FOR) INVESTING ACTIVITIES		69,058	(23,128)	82,366	(7,910)
BALANCE CARRIED FORWARD		95,565	41,910	83,053	45,308

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CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
BALANCE BROUGHT FORWARD		95,565	41,910	83,053	45,308
CASH FLOWS FOR FINANCING ACTIVITIES					
Treasury shares acquired		(1,301)	(1,054)	(1,301)	(1,054)
Repayment of hire purchase and finance lease payables		(2,147)	(546)	-	-
Drawdown of term loan		-	13,525	-	13,525
Repayment of term loan		(353)	(97,870)	-	(96,991)
(Decrease)/Increase in revolving credits		(40,000)	40,000	(40,000)	40,000
Dividend paid		(1,227)	(1,245)	(1,227)	(1,245)
NET CASH FOR FINANCING ACTIVITIES		(45,028)	(47,190)	(42,528)	(45,765)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		50,537	(5,280)	40,525	(457)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION ON CASH AND CASH EQUIVALENTS		(30)	-	-	-
CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFTS AT BEGINNING OF THE FINANCIAL YEAR		(3,131)	2,149	(2,071)	(1,614)
CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFTS AT END OF THE FINANCIAL YEAR		47,376	(3,131)	38,454	(2,071)
CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFTS COMPRISE:-					
Cash and cash equivalents	16	47,545	9,152	38,454	5,591
Bank overdrafts	25	(169)	(12,283)	-	(7,662)
		47,376	(3,131)	38,454	(2,071)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 : 6th 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 22 April 2009.

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 2008

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 exposed to significant 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 risks 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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.

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 ("FRSs") and the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following:

(i) FRSs issued and effective for financial periods beginning on or after 1 July 2007:-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

FRS 111 and FRS 120 are not relevant to the Group's operations. The adoption of the other standards did not have any material impact on the form and content of disclosures presented in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

4. BASIS OF PREPARATION (CONT'D)

(ii) Amendment to FRS 121 - The Effects of Changes in Foreign Exchange Rates *Net Investment in a Foreign Operation* issued and effective for financial periods beginning on or after 1 July 2007. The adoption of this amendment did not have any material impact on the financial statements of the Group.

(iii) IC Interpretations issued and are effective for financial periods beginning on or after 1 July 2007:-

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Group's operations.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

4. BASIS OF PREPARATION (CONT'D)

(b) The Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

FRS 8 replaces FRS 114₂₀₀₄ 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.

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4 Insurance Contracts
FRS 7 Financial Instruments: Disclosures
FRS 139 Financial Instruments: Recognition and Measurement

FRS 4 is not relevant to the Group's operations. The possible impacts of applying FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

(iii) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9 Reassessment of Embedded Derivatives
IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 9 is not relevant to the Group's operations. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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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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 Currency

(i) Functional and Presentation Currency

The functional currency of the Group and each of the Group's entity is measured using 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 currency 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December 2008.

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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008. 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Property Plant and Equipment (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.

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.

(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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of Assets (Cont'd)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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) Non-Current Assets Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets or disposal group are measured at the lower of their carrying amount and fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in income statement. Gains are not recognised in excess of any cumulative impairment loss.

(p) 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) 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.

(r) 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.

(s) 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.

(t) 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) 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.

(u) 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.

(v) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) 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.

(x) 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.

(y) 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(z) 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(aa) 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.

(ab) 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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	
	2008 RM'000	2007 RM'000
Unquoted shares, at cost:-		
At 1 January	71,366	71,366
Additional investment in a subsidiary	98	-
	<hr/>	<hr/>
	71,464	71,366
Less: Accumulated impairment loss of subsidiaries	(425)	(425)
	<hr/>	<hr/>
At 31 December	71,039	70,941
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
SEGi Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding and management consultancy.
SEGi University College (M) Sdn. Bhd. (formerly known as SEGi 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
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. ~ (formerly known as SMRC Learning Alliance (PJ) 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
SMRC Learning Alliance (EM) Sdn. Bhd. ~	Malaysia	100	100	Provision of management consultancy services and investment holding.
SMRC Learning Alliance (PG) Sdn. Bhd.	Malaysia	100	100	Dormant.
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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
SEGi Youth Training Sdn. Bhd. ~	Malaysia	100	100	Provision of training services.
SEGi Methods Sdn. Bhd. ~	Malaysia	100	70	Investment holding.
SEGi Jobs Sdn. Bhd. ~	Malaysia	100	100	Dormant.
SEG International Training Sdn. Bhd. ~	Malaysia	100	51	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	70	Provision of education 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
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	42	Recruitment and placement of students.
CEPI Resources (Selangor) Sdn. Bhd. ~	Malaysia	100	49	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	-	Provision of E-learning solutions.
Worldwide Accreditation Ltd ~	Republic of Mauritius	100	100	Provision of licensing and accreditation of education programmes.

~ - Not audited by Messrs. Horwath

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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

7. INVESTMENTS IN ASSOCIATES

	THE GROUP	
	2008 RM'000	2007 RM'000
Unquoted shares, at cost	2,041	2,080
Written off during the financial year	-	(39)
Share of post-acquisition profits	88	88
Goodwill amortised	(278)	(278)
	<hr/>	<hr/>
	1,851	1,851
Less: Allowance for diminution in value	(1,400)	(1,145)
	<hr/>	<hr/>
	451	706
	<hr/>	<hr/>
Allowance for diminution in value At 1 January	(1,145)	(145)
Addition during the financial year	(255)	(1,000)
	<hr/>	<hr/>
At 31 December	(1,400)	(1,145)
	<hr/>	<hr/>

The details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008 %	2007 %	
Palm Leisure Sdn. Bhd.	Malaysia	30	30	Dormant.
My Training Providers Sdn. Bhd.	Malaysia	40	40	Dormant.

The financial statements of the associates are not audited by Messrs. Horwath.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

8. PROPERTY, PLANT AND EQUIPMENT

	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
THE GROUP								
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	17,722	75	13,685	(31)	(82)	(1,630)	(3,399)	26,340
Library books and manuals	653	-	175	-	(2)	(208)	(167)	451
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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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

	AT 1.1.2007 RM'000	ADDITIONS RM'000	DISPOSALS RM'000	WRITTEN OFF RM'000	RECLASSIFICATION RM'000	TRANSFER TO ASSETS HELD FOR SALE RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2007 RM'000
THE GROUP								
NET BOOK VALUE								
2007								
Freehold land	7,228	-	-	-	(2,900)	-	(78)	4,250
Buildings	33,412	-	-	-	2,900	(15,137)	(341)	20,834
Computer hardware and software	1,027	1,206	(2)	-	-	-	(638)	1,593
Fixtures, fittings and office equipment	12,493	8,475	(50)	(722)	-	-	(2,474)	17,722
Library books and manuals	428	410	-	-	-	-	(185)	653
Motor vehicles	684	206	(9)	-	-	-	(254)	627
Plant and equipment	493	-	-	-	-	-	-	493
Capital work-in-progress	101,336	30,348	-	-	-	(117,517)	-	14,167
	157,101	40,645	(61)	(722)	-	(132,654)	(3,970)	60,339

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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

	AT COST RM'000	AT VALUATION RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
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	45,801	-	(19,461)	26,340
Library books and manuals	2,491	-	(2,040)	451
Motor vehicles	3,040	-	(1,776)	1,264
Plant and equipment	785	-	(716)	69
Capital work-in-progress	9,924	-	-	9,924
	<hr/>	<hr/>	<hr/>	<hr/>
	105,924	4,350	(39,377)	70,897
At 31.12.2007				
Freehold land	-	4,250	-	4,250
Buildings	23,337	100	(2,603)	20,834
Computer hardware and software	12,898	-	(11,305)	1,593
Fixtures, fittings and office equipment	32,430	-	(14,708)	17,722
Library books and manuals	3,136	-	(2,483)	653
Motor vehicles	2,048	-	(1,421)	627
Plant and equipment	2,280	-	(1,787)	493
Capital work-in-progress	14,167	-	-	14,167
	<hr/>	<hr/>	<hr/>	<hr/>
	90,296	4,350	(34,307)	60,339

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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

	AT 1.1.2008 RM'000	ADDITIONS RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2008 RM'000
THE COMPANY					
NET BOOK VALUE					
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)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,494	41	(93)	(307)	8,135

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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

	AT 1.1.2007 RM'000	ADDITIONS RM'000	RECLASSIFICATION RM'000	TRANSFER TO ASSETS HELD FOR SALE RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2007 RM'000
THE COMPANY						
NET BOOK VALUE						
2007						
Freehold land	7,227	-	(2,899)	-	(78)	4,250
Buildings	15,235	-	2,899	(15,137)	(3)	2,994
Computer hardware and software	101	32	-	-	(49)	84
Fixtures, fittings and office equipment	1,352	4	-	-	(191)	1,165
Library books and manuals	1	-	-	-	-	1
Motor vehicles	9	-	-	-	(9)	-
Capital work-in-progress	89,323	28,194	-	(117,517)	-	-
	113,248	28,230	-	(132,654)	(330)	8,494

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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

	AT COST RM'000	AT VALUATION RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
THE COMPANY				
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
AT 31.12.2007				
Freehold land	-	4,250	-	4,250
Buildings	3,885	100	(991)	2,994
Computer hardware and software	1,773	-	(1,689)	84
Fixtures, fittings and office equipment	1,999	-	(834)	1,165
Library books and manuals	4	-	(3)	1
Motor vehicles	638	-	(638)	-
	8,299	4,350	(4,155)	8,494

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.

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

Had the revalued freehold land and buildings been carried at cost less accumulated depreciation, the carrying amount of the freehold land and buildings that would have been included in the financial statements are as follows:-

	THE GROUP /THE COMPANY	
	2008	2007
	RM'000	RM'000
Freehold land	4,250	4,250
Buildings	96	97
	<hr/>	<hr/>
	4,346	4,347
	<hr/>	<hr/>

The cost and carrying amount of the freehold land are not segregated from the buildings 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	
	2008	2007
	RM'000	RM'000
Computer hardware and software	208	204
Fixtures, fittings and office equipment	6,941	3,866
Motor vehicles	670	444
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

9. PREPAID LAND LEASE PAYMENTS

	THE GROUP	
	2008 RM'000	2007 RM'000
Long-term leasehold land, at cost	4,963	4,963
Less: Accumulated amortisation	(12)	(6)
	<hr/>	<hr/>
	4,951	4,957
	<hr/>	<hr/>
Accumulated amortisation:-		
At 1 January	(6)	-
Charge for the financial year	(6)	(6)
	<hr/>	<hr/>
At 31 December	(12)	(6)
	<hr/>	<hr/>

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

10. INVESTMENT PROPERTIES

	THE GROUP/THE COMPANY	
	2008 RM'000	2007 RM'000
Apartments, at cost		
At 1 January	643	643
Disposals	(426)	-
	<hr/>	<hr/>
	217	643
Less: Accumulated depreciation	(61)	(121)
	<hr/>	<hr/>
At 31 December	156	522
	<hr/>	<hr/>
Accumulated depreciation:-		
At 1 January	(121)	(111)
Charge for the financial year	(8)	(10)
Disposals	68	-
	<hr/>	<hr/>
At 31 December	(61)	(121)
	<hr/>	<hr/>

The directors estimate the fair value of investment properties based on comparable market value of similar properties. Based on directors' estimation, the fair value of the apartments are RM207,000 (2007 - RM684,000).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

11. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-Current					
Other receivables	(a)	11,768	18,165	-	-
Current					
Trade					
Trade receivables	(b)	8,405	17,250	470	959
Non Trade					
Other receivables, deposits and prepayments	(c)	26,816	21,681	13,375	15,180
Amount owing by subsidiaries	(d)	-	-	53,118	45,935
Amount owing by an associate	(e)	3	3	3	3
Amount owing by affiliated companies		-	1,125	-	1,125
		<u>35,224</u>	<u>40,059</u>	<u>66,966</u>	<u>63,202</u>

(a) Other Receivables - Non-current

	THE GROUP	
	2008 RM'000	2007 RM'000
Due from guarantor	-	3,180
Due from former subsidiaries	11,768	14,985
	<u>11,768</u>	<u>18,165</u>

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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade receivables	8,787	18,076	470	959
Less: Allowance for doubtful debts	(382)	(826)	-	-
	<u>8,405</u>	<u>17,250</u>	<u>470</u>	<u>959</u>
Allowance for doubtful debts:-				
At 1 January	(826)	-	-	-
Charge for the financial year	(188)	(826)	-	-
Written off during the financial year	632	-	-	-
At 31 December	<u>(382)</u>	<u>(826)</u>	<u>-</u>	<u>-</u>

(c) Other Receivables, Deposits and Prepayments - Current

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other receivables, deposits and prepayments	29,456	21,681	15,317	15,180
Less: Allowance for doubtful debts	(2,640)	-	(1,942)	-
	<u>26,816</u>	<u>21,681</u>	<u>13,375</u>	<u>15,180</u>
Allowance for doubtful debts:-				
At 1 January	-	-	-	-
Charge for the financial year	(2,640)	-	(1,942)	-
At 31 December	<u>(2,640)</u>	<u>-</u>	<u>(1,942)</u>	<u>-</u>

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

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

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

		THE GROUP		THE COMPANY	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest prepaid	(i)	42	142	42	142
Due from guarantor	(ii)	3,930	1,200	-	-
Due from former subsidiaries	(iii)	3,972	1,375	-	-

- (i) Interest prepaid on the term loan will be amortised over the period of the term loan of 5 years.
- (ii) The guarantor of the profit guarantee for the acquisition of the subsidiaries in prior years has proposed to settle the outstanding amount by contra with a property.
- (iii) The purchaser of the former subsidiaries has undertaken to assume these outstanding amounts which are to be settled by instalments.

(d) Amount Owing By Subsidiaries

	THE COMPANY	
	2008 RM'000	2007 RM'000
Interest bearing	30,403	43,490
Non-interest bearing	22,715	2,445
	<u>53,118</u>	<u>45,935</u>

The amounts owing by subsidiaries are non-trade in nature, unsecured and repayable on demand. The interest bearing portion bore effective interest rates which ranged from 1.00% - 8.50% (2007 - 1.00% to 8.50%) per annum at the balance sheet date.

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

(e) Amount Owing By An Associate

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand.

12. INTANGIBLE ASSETS

	GOODWILL RM'000	THE GROUP DEVELOPMENT COSTS RM'000	TOTAL RM'000
COST			
At 1 January 2007	37,676	5,491	43,167
Effect of movement in exchange rates	-	(38)	(38)
At 31 December 2007/1 January 2008	37,676	5,453	43,129
Arising from acquisition of a subsidiary	167	-	167
Effect of movement in exchange rates	-	27	27
At 31 December 2008	37,843	5,480	43,323
ACCUMULATED AMORTISATION			
At 1 January 2007	(7,869)	(4,975)	(12,844)
Amortisation for the financial year	-	(120)	(120)
At 31 December 2007/1 January 2008	(7,869)	(5,095)	(12,964)
Amortisation for the financial year	-	(122)	(122)
At 31 December 2008	(7,869)	(5,217)	(13,086)
CARRYING AMOUNTS			
At 1 January 2007	29,807	516	30,323
At 31 December 2007/1 January 2008	29,807	358	30,165
At 31 December 2008	29,974	263	30,237

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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 tested 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 26% for the current year and 25% for year 2009. 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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Quoted shares, at cost	4,201	4,201	-	-
Allowance for diminution in value:-				
At 1 January	(144)	(117)	-	-
Charge for the financial year	(1,400)	(27)	-	-
	(1,544)	(144)	-	-
At 31 December	2,657	4,057	-	-
Unquoted bonds, at cost	2,320	6,000	2,320	6,000
Bonds redemption	(240)	(1,400)	(240)	(1,400)
Allowance for diminution in value:-				
At 1 January	(400)	-	(400)	-
Charge for the financial year	(500)	(400)	(500)	(400)
	(900)	(400)	(900)	(400)
Written off during the financial year	-	(2,280)	-	(2,280)
At 31 December	1,180	1,920	1,180	1,920
	3,837	5,977	1,180	1,920
Market value of quoted investments in Malaysia	1,275	1,790	-	-

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14. DEFERRED TAX ASSETS

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 January	3,007	1,098	2,469	-
Recognised in income statement (Note 29)	367	1,909	-	2,469
At 31 December	<u>3,374</u>	<u>3,007</u>	<u>2,469</u>	<u>2,469</u>

Deferred tax assets comprise the following:-

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Accelerated capital allowances	(691)	-	-	-
Unabsorbed capital allowance	3,684	2,484	2,469	2,469
Unutilised tax losses	381	474	-	-
Provisions	-	49	-	-
At 31 December	<u>3,374</u>	<u>3,007</u>	<u>2,469</u>	<u>2,469</u>

15. INVENTORIES

Inventories represent books and manuals stated at cost.

None of the inventories are stated at net realisable value.

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16. CASH AND CASH EQUIVALENTS

	Note	THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short-term investments with financial institutions		23,246	-	23,246	-
Fixed deposits with licensed banks	(a)	12,146	5,049	12,095	5,000
Cash and bank balances		12,153	4,103	3,113	591
		<u>47,545</u>	<u>9,152</u>	<u>38,454</u>	<u>5,591</u>

(a) Fixed Deposits With Licensed Banks

Included in the fixed deposits of the Group and the Company are the amounts of RM10,146,000 (2007 - RM5,049,000) and RM10,095,000 respectively (2007 - RM5,000,000) that have been pledged for banking facilities.

The weighted average effective interest rate of the fixed deposits at the balance sheet date was 4.13% (2007 - 3.00%) per annum. The maturity period of the fixed deposits at the balance sheet date ranged from 6 months to 12 months (2007 - 1 month to 12 months).

17. SHARE CAPITAL

	THE GROUP/THE COMPANY			
	2008 NUMBER OF SHARES	2007	2008 RM'000	2007 RM'000
ORDINARY SHARES OF RM1 EACH:-				
AUTHORISED	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000</u>	<u>100,000</u>
ISSUED AND FULLY PAID-UP	<u>89,092,755</u>	<u>89,092,755</u>	<u>89,093</u>	<u>89,093</u>

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18. RESERVES

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Share premium	35,876	35,876	35,876	35,876
Revaluation reserve	2,002	2,027	2,002	2,027
Retained profits	36,309	30,245	16,201	12,642
Exchange translation reserve	(94)	(91)	-	-
Treasury shares	(4,862)	(3,561)	(4,862)	(3,561)
	<u>69,231</u>	<u>64,496</u>	<u>49,217</u>	<u>46,984</u>

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.

Effective from 1 January 2008, the Company is allowed an irrevocable option to elect for the single tier tax system or continue with the use of the tax credit balance for the purpose of dividend distribution. 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

18. RESERVES (CONT'D)

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 its issued ordinary shares from the open market under the share buy-back programme. Details are as follows:-

DATE	PRICE PER SHARE			No OF SHARES	TOTAL CONSIDERATION RM'000
	← LOWEST	HIGHEST →	AVERAGE		
Balance at 1 January 2008				4,238,300	3,561
Additions during the financial year	0.595	0.715	0.665	1,957,300	1,301
AT 31 DECEMBER 2008				<u>6,195,600</u>	<u>4,862</u>

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.

19. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Hire purchase and finance lease payables (Note 20)	4,624	2,944	-	-
Term loans (Note 21)	3,216	23,212	-	20,000
	<u>7,840</u>	<u>26,156</u>	<u>-</u>	<u>20,000</u>

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20. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	THE GROUP	
	2008 RM'000	2007 RM'000
Minimum hire purchase and finance lease payments:		
- not later than one year	3,131	1,824
- later than one year but not later than five years	4,719	3,175
- later than five years	71	18
	<hr/>	<hr/>
	7,921	5,017
Less: Future finance charges	(751)	(517)
	<hr/>	<hr/>
Present value of hire purchase payables	7,170	4,500
	<hr/>	<hr/>
The net hire purchase and finance lease payables are repayable as follows:-		
Current:		
- not later than one year (Note 24)	2,546	1,556
Non-current:		
- later than one year but not later than five years	4,555	2,926
- later than five years	69	18
	<hr/>	<hr/>
Total payable after one year (Note 19)	4,624	2,944
	<hr/>	<hr/>
	7,170	4,500
	<hr/>	<hr/>

The hire purchase and finance lease payables are subject to effective interest rates ranging from 3.67% to 8.01% (2007 - 2.08% to 8.01%) per annum.

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21. TERM LOANS

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current portion (Note 24):				
- repayable within one year	20,163	520	20,000	-
Non-current portion (Note 19):				
- repayable between one to two years	295	20,295	-	20,000
- repayable between two to five years	1,009	1,009	-	-
- repayable after five years	1,912	1,908	-	-
	3,216	23,212	-	20,000
	<u>23,379</u>	<u>23,732</u>	<u>20,000</u>	<u>20,000</u>

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 2008 RM'000	2007 RM'000
Term loan 1	1	N/A	1	20,000	20,000
Term loan 2	108	²	²	3,379	3,732
				<u>23,379</u>	<u>23,732</u>

¹ - Term loan 1 is repayable in full in June 2009.

² - Term loan 2 is repayable as follows:-

(a) monthly instalments ranging from RM13,000 to RM40,400 over 107 instalments from September 2008 to August 2017; and

(b) final instalment of RM350,000 on September 2017.

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21. TERM LOANS (CONT'D)

The term loans are subjected to a weighted average effective interest rate of 5.49% (2007 - 5.65%) per annum at the balance sheet date and are secured by a first legal charge over the leasehold land of a subsidiary except for term loan 1.

22. DEFERRED TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 January	1,874	2,070	283	644
Recognised in income statement (Note 29)	17	(196)	-	(361)
At 31 December	<u>1,891</u>	<u>1,874</u>	<u>283</u>	<u>283</u>

Deferred tax liabilities comprise the following:-

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Accelerated capital allowances	1,608	1,591	-	-
Revaluation of property	283	283	283	283
At 31 December	<u>1,891</u>	<u>1,874</u>	<u>283</u>	<u>283</u>

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23. PAYABLES AND ACCRUALS

	Note	THE GROUP		THE COMPANY	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade					
Trade payables	(a)	796	1,095	-	-
Non Trade					
Other payables and accruals	(b)	21,345	71,945	3,976	62,537
Amount owing to subsidiaries	(c)	-	-	27,172	20,466
Amount owing to affiliated companies	(d)	29	-	29	-
		<u>22,170</u>	<u>73,040</u>	<u>31,177</u>	<u>83,003</u>

(a) Trade Payables

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

(b) Other Payables and Accruals

Included in other payables and accruals in the previous financial year was an amount of RM59,223,000 in respect of deposit received for assets held for sale.

(c) Amount Owing To Subsidiaries

The amount owing to subsidiaries is unsecured and repayable on demand.

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

	THE COMPANY	
	2008 RM'000	2007 RM'000
United States Dollar	<u>11,671</u>	<u>7,766</u>

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23. PAYABLES AND ACCRUALS (CONT'D)

- (d) Amount Owing To Affiliated Companies

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

24. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Hire purchase and finance lease payables (Note 20)	2,546	1,556	-	-
Term loans (Note 21)	20,163	520	20,000	-
Revolving credit	-	40,000	-	40,000
	<u>22,709</u>	<u>42,076</u>	<u>20,000</u>	<u>40,000</u>

25. BANK OVERDRAFTS

The bank overdrafts bore effective interest rates of ranging from 6.25% to 8.75% (2007 - 7.00% to 9.25%) per annum at the balance sheet date and are secured by:-

- (i) a first legal charge over the freehold land, certain buildings and leasehold land of the Group;
- (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 RM158,324,000 (2007 - RM153,589,000) divided by the number of ordinary shares of RM1 each in issue excluding treasury shares at the balance sheet date are detailed as follows:-

	THE GROUP	
	2008 NUMBER OF SHARES	2007 NUMBER OF SHARES
Ordinary shares of RM1 each in issue	89,092,755	89,092,755
Treasury shares	(6,195,600)	(4,238,300)
	<u>82,897,155</u>	<u>84,854,455</u>

27. REVENUE

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Services	120,511	84,989	6,786	4,724
Management fee	-	-	4,242	3,206
Rental income	6,813	756	15,540	8,876
Sales of manuals	-	518	-	-
Dividend income	83	-	2,080	5,132
	<u>127,407</u>	<u>86,263</u>	<u>28,648</u>	<u>21,938</u>

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28. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Allowance for diminution:				
- investments in associates	255	1,000	-	-
- quoted shares	1,400	27	-	-
- unquoted bonds	500	400	500	400
Allowance for doubtful debts:				
- trade receivables	188	826	-	-
- other receivables	2,640	-	1,942	-
Amortisation expense:				
- development costs	122	120	-	-
- prepaid land lease payments	6	6	-	-
Audit fee:				
- current year	193	168	38	28
- underprovision in the previous financial year	1	-	-	-
Bad debts written off	190	2,366	100	-
Depreciation expense:				
- investment properties	8	10	8	10
- property, plant and equipment	5,262	3,970	307	330
Directors' fee	197	242	197	242
Directors' non-fee emoluments	1,161	1,026	1,161	1,026
Interest expense:				
- bank overdrafts	185	267	119	69
- term loans, hire purchase and finance lease	1,786	6,377	1,206	6,135
- other borrowings	54	182	-	-

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28. PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Inventories written off	180	-	-	-
Investment in associates written off	-	39	-	-
Investment in unquoted bonds written off	-	2,280	-	2,280
Lease of premises	14,729	4,345	14,729	4,345
Property, plant and equipment written off	84	722	-	-
Rental expense:				
- equipment	869	418	-	-
- hostel	1,450	-	-	-
- land and building	24	39	24	39
- motor vehicles	42	-	-	-
- premises	5,233	-	-	-
Staff costs	34,397	27,923	1,098	1,728
Dividend income	(83)	-	(2,080)	(5,132)
Gain on disposal of property, plant and equipment	(1)	(8)	(11)	-
Gain on disposal of investment properties	(61)	-	(61)	-
(Gain)/Loss on disposal of assets held for sale	(4,089)	574	(4,089)	574
Interest income:				
- subsidiaries	-	-	(744)	(691)
- others	(836)	(389)	(721)	(285)
Realised gain on foreign exchange	(87)	-	-	-
Rental income	(6,813)	(756)	(15,540)	(8,876)

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29. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current taxation:-				
- for the financial year	3,095	1,807	421	652
- (over)/under provision in the previous financial year	(181)	(1,216)	-	197
- section 110 set-off	-	(1,350)	-	-
	<u>2,914</u>	<u>(759)</u>	<u>421</u>	<u>849</u>
Deferred tax assets (Note 14):				
- for the financial year	94	(2,085)	-	(2,592)
- (over)/underprovision in the previous financial year	(461)	176	-	123
	<u>(367)</u>	<u>(1,909)</u>	<u>-</u>	<u>(2,469)</u>
Deferred tax liabilities (Note 22):				
- for the financial year	(95)	(214)	-	(379)
- underprovision in the previous financial year	112	18	-	18
	<u>17</u>	<u>(196)</u>	<u>-</u>	<u>(361)</u>
	<u>2,564</u>	<u>(2,864)</u>	<u>421</u>	<u>(1,981)</u>

During the current financial year, the statutory tax rate was reduced from 27% to 26% as announced in the Malaysian Budget 2007.

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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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit before taxation	9,884	2,479	5,182	1,442
Tax at the statutory tax rate of 26% (2007 - 27%)	2,569	1,499	1,347	389
Tax effects of:-				
Non-deductible expenses	1,793	974	276	219
Non-taxable gain	(1,583)		(1,202)	
Deferred tax assets not recognised during the financial year	494	37	-	-
Utilisation of previously unrecognised deferred tax assets	(35)	-	-	-
Tax incentives	-	(2,927)	-	(2,927)
Section 110 set-off	-	(1,350)	-	-
(Over)/Underprovision in the previous financial year:				
- current tax	(181)	(1,216)	-	197
- deferred taxation	(349)	194	-	141
Differential in tax rates	(144)	(75)	-	-
Tax for the financial year	2,564	(2,864)	421	(1,981)

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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 RM7,266,000 (2007 - RM5,156,000) by the weighted average number of ordinary shares in issue during the financial year, net of treasury shares, of approximately 83,500,000 (2007 - 85,459,000).

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

31. DIVIDEND

	THE GROUP/THE COMPANY	
	2008	2007
	RM'000	RM'000
Paid:-		
In respect of the financial year ended 31 December		
Final dividend of 2 sen per ordinary share less		
26% (2007 - 27%) tax	1,227	1,245

32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Cost of property, plant and equipment purchased	15,910	40,645	41	28,230
Amount financed through hire purchase and finance lease	(4,817)	(4,211)	-	-
Cash disbursed for purchase of property, plant and equipment	11,093	36,434	41	28,230

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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 during the financial year are as follows:-

	THE GROUP	
	2008 RM'000	2007 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)	-
	<hr/>	<hr/>
Fair value of net assets acquired	33	-
Goodwill on acquisition	167	-
	<hr/>	<hr/>
Total purchase consideration	200	-
Less: Cash at bank of the subsidiary	(35)	-
	<hr/>	<hr/>
Net cash outflow from acquisition of a subsidiary	165	-
	<hr/>	<hr/>

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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Executive directors:-				
- basic salaries, bonus and EPF	1,161	1,026	1,161	1,026
	<hr/>	<hr/>	<hr/>	<hr/>
Non-executive directors:-				
- fee	197	242	197	242
	<hr/>	<hr/>	<hr/>	<hr/>

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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			
	2008		2007	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	-	7	-	6
RM50,001 - RM100,000	-	-	-	1
RM250,001 - RM300,000	-	-	1	-
RM300,001 - RM350,000	1	-	1	-
RM350,001 - RM400,000	1	-	-	-
RM400,001 - RM450,000	-	-	1	-
RM450,001 - RM500,000	1	-	-	-

35. RELATED PARTY DISCLOSURES

The balances with related parties are disclosed in Note 11(d), Note 11(e), Note 23(c) and Note 23(d) to the financial statements.

In addition to the balances detailed elsewhere in the financial statements, the Company carried out the following transactions with related parties during the financial year:

	THE COMPANY	
	2008 RM'000	2007 RM'000
Sale of services to subsidiaries:		
- examination fee	1,136	1,355
- interest charge	744	691
- management fee	4,242	3,206
- rental of premises	15,067	8,120
- service charge	180	192
Purchase of services from subsidiary:		
- accreditation fee	4,008	1,396
Dividend income from subsidiaries	2,000	5,132

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35. RELATED PARTY DISCLOSURES (CONT'D)

Key management personnel compensation

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short-term employee benefits	2,111	1,869	1,373	1,577

The outstanding amounts of 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 amounts owing by the related parties.

36. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Corporate guarantees given to secure banking facilities granted to certain subsidiaries	-	-	4,817	4,638
Bank guarantees given to an electricity provider *	117	117	-	-
	<u>117</u>	<u>117</u>	<u>4,817</u>	<u>4,638</u>

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

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37. COMMITMENTS

Capital commitments

Authorised capital expenditure not provided for in the financial statements:-

	THE GROUP	
	2008 RM'000	2007 RM'000
Approved capital commitment contracted but not provided for:		
- plant and equipment	149	-

Operating lease commitments

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

	THE GROUP		THE COMPANY	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Not later than one year	21,442	4,345	15,632	4,345
Later than one year and not later than five years	72,533	13,728	68,617	13,728
Later than five years	72,806	36,568	72,806	36,568
Total	166,781	54,641	157,055	54,641

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38. FOREIGN EXCHANGE RATES

The applicable closing foreign exchange rates 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 are as follows:-

	2008 RM	2007 RM
United States Dollar	3.46	3.30

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 above.

(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 sheets of the Company are as follows:

	Note	THE GROUP		THE COMPANY	
		Nominal Amount RM'000	Net Fair Value RM'000	Nominal Amount RM'000	Net Fair Value RM'000
At 31 December 2008					
Contingent liabilities	36	117	*	4,817	*
		<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007					
Contingent liabilities	36	117	*	4,638	*
		<hr/>	<hr/>	<hr/>	<hr/>

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

41. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 9 April 2008, the Group acquired 200,000 ordinary shares of RM1 each representing the entire issued and paid-up share capital of I-Station Solutions Sdn. Bhd, for a total cash consideration of RM200,000.

42. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Subsequent to the balance sheet date,

- (a) on 15 January 2009, the Group completed its:-
- (i) acquisition of 500,000 ordinary shares of RM1 each in Eduspec Sdn. Bhd. ("Eduspec") for a total purchase price of RM1.9 million only or RM3.80 per ordinary share of Eduspec; and
 - (ii) subscription for 500,000 new ordinary shares of RM1 each in Eduspec for a total subscription price of RM1.9 million only or RM3.80 per new ordinary share.

The total shares acquired by and subscribed for the Group represent 22.22% of the issued and paid-up capital of Eduspec.

- (b) a wholly-owned subsidiary company of the Group, SEG Equity Sdn. Bhd. acquired 100,000 ordinary shares of RM1 each, representing the entire issued and paid-up share capital of Metromas Realtors Sdn. Bhd. from Pharma Exel Sdn. Bhd., for a total cash consideration of RM100,000.