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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your ordinary shares in Systematic Education Group Berhad, please hand this Circular together with the accompanying Form of Proxy to the agent through whom the sale was effected for transmission to the purchaser.

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SYSTEMATIC EDUCATION GROUP BERHAD

(Company No. 145998-U)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- I. PROPOSED BONUS ISSUE OF 7,600,000 NEW ORDINARY SHARES IN SYSTEMATIC EDUCATION GROUP BERHAD ("SEG") ("SEG NEW SHARES") ON THE BASIS OF TWO (2) SEG NEW SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD IN SEG ("SEG SHARES")**
- II. PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN BERRINGTON BAY CORPORATION SDN BHD ("BBC") FOR A PURCHASE CONSIDERATION OF RM45,000,000 TO BE SATISFIED BY THE ISSUANCE OF 30,000,000 SEG NEW SHARES AT AN ISSUE PRICE OF RM1.50 PER SEG NEW SHARE ("PROPOSED ACQUISITION OF BBC")**
- III. PROPOSED ACQUISITION OF 98.51% EQUITY INTEREST IN SUMMIT EDUCATION SDN BHD ("SES") FOR A PURCHASE CONSIDERATION OF RM13,791,633 TO BE SATISFIED BY THE ISSUANCE OF 9,194,422 SEG NEW SHARES AT AN ISSUE PRICE OF RM1.50 PER SEG NEW SHARE ("PROPOSED ACQUISITION OF SES")**
- IV. PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN SUMMIT MONTESSORI EDU-CARE SDN BHD ("SME") FOR A PURCHASE CONSIDERATION OF RM6,500,000 TO BE SATISFIED BY THE ISSUANCE OF 4,333,333 SEG NEW SHARES AT AN ISSUE PRICE OF RM1.50 PER SEG NEW SHARE ("PROPOSED ACQUISITION OF SME")**
- V. PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN REKAAN MEDIANET SDN BHD ("RMSB") FOR A PURCHASE CONSIDERATION OF RM500,000 TO BE SATISFIED BY THE ISSUANCE OF 333,333 SEG NEW SHARES AT AN ISSUE PRICE OF RM1.50 PER SEG NEW SHARE ("PROPOSED ACQUISITION OF RMSB")**
- VI. PROPOSED ACQUISITION OF TWO (2) BLOCKS OF 12 STOREY OFFICE BUILDINGS SITUATED AT PHILEO DAMANSARA FOR A PURCHASE CONSIDERATION OF RM13,000,000 TO BE SATISFIED BY THE ISSUANCE OF 8,666,667 SEG NEW SHARES AT AN ISSUE PRICE OF RM1.50 PER SEG NEW SHARE ("PROPOSED ACQUISITION OF OFFICE BUILDINGS")**
- VII. PROPOSED WAIVER TO PRINCIPAL VENDORS OF BBC, SES, SME AND RMSB FROM HAVING TO UNDERTAKE A MANDATORY GENERAL OFFER FOR THE REMAINING SEG SHARES NOT HELD BY THEM AFTER THE ABOVEMENTIONED PROPOSED ACQUISITIONS**
- VIII. PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF SEG FROM RM20,000,000 COMPRISING 20,000,000 SEG SHARES TO RM100,000,000 COMPRISING 100,000,000 SEG SHARES**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

AMANAH MERCHANT BANK BERHAD

An Amanah Capital Group Company
(21605-D)



Notice of the Extraordinary General Meeting to be held at the Dynasty Hotel Ballroom, Level 5, No. 218, Jalan Ipoh, 51200 Kuala Lumpur on Saturday, 25 November 2000 at 10.00 a.m. together with the Form of Proxy are enclosed. You are requested to complete the enclosed Form of Proxy and deposit it at the Registered Office of the Company at 11th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur on or before the time and date indicated below should you be unable to attend the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	11 th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, on Thursday, 23 November 2000 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	Saturday, 25 November 2000 at 10.00 a.m.

This Circular is dated 10 November 2000

THE APPROVAL OF THE SECURITIES COMMISSION SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE PROPOSALS. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE PROPOSALS.

THE VALUATION APPROVED OR ACCEPTED BY THE SECURITIES COMMISSION AS SET OUT IN THIS CIRCULAR SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE PROPOSALS SUBMITTED TO AND APPROVED BY THE SECURITIES COMMISSION, AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT OF THE SECURITIES COMMISSION ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSES.

THE ISSUE PRICE FOR THE PROPOSED ACQUISITION OF BBC, PROPOSED ACQUISITION OF SES, PROPOSED ACQUISITION OF SME, PROPOSED ACQUISITION OF RMSB AND PROPOSED ACQUISITION OF OFFICE BUILDINGS WAS ENTIRELY DETERMINED AND AGREED UPON BY THE RELEVANT PARTIES BASED ON VARIOUS FACTORS. INVESTORS SHOULD FORM THEIR OWN VIEWS ON THE VALUATION OF THE SECURITIES AND THE REASONABLENESS OF THE BASES USED.

DEFINITIONS

In this Circular, unless otherwise stated, the following abbreviations shall have the following meanings:-

“Acquiree Companies”	:	BBC, SES, SME and RMSB, collectively
“Amanah”	:	Amanah Merchant Bank Berhad
“BBC”	:	Berrington Bay Corporation Sdn Bhd
“BBC Group”	:	BBC and its subsidiary and associated companies
“BMSB”	:	Binary Mark Sdn Bhd, a wholly-owned subsidiary company of SES
“Board”	:	The Board of Directors of SEG
“CDS”	:	Central Depository System
“Code”	:	The Malaysian Code on Take-Overs and Mergers, 1998
“Dato’ Megat”	:	Dato’ Haji Megat Najmuddin bin Dato’ Seri (Dr) Haji Megat Khas
“Datin Mah”	:	Datin Mah Ming Yuet
“EGM”	:	Extraordinary General Meeting
“EPS”	:	Earnings Per Share
“FIC”	:	Foreign Investment Committee
“KEB”	:	Kumpulan Emas Berhad
“KLSE”	:	Kuala Lumpur Stock Exchange
“Ladang MOCCIS”	:	Ladang MOCCIS Sdn Bhd
“MFSB”	:	Montessori Focus Sdn Bhd
“MIMB” or “Independent Adviser”	:	Malaysian International Merchant Bankers Berhad
“MOCCIS”	:	Koperasi Pegawai-Pegawai Melayu Malaysia Berhad
“MOE”	:	Ministry of Education
“MOF”	:	Ministry of Finance
“NTA”	:	Net Tangible Assets
“ORSB”	:	Organizational Resources Sdn Bhd, a 70% owned subsidiary of BBC
“Office Buildings”	:	Two (2) blocks of 12 storey office buildings identified as developer’s plots nos. B 02/G to B 02/11 and B 01/G to B 01/11 situated at Phileo Damansara, Jalan Damansara, Kuala Lumpur
“ORSB Group”	:	ORSB and its subsidiary company
“PE Multiple”	:	Price earning multiple
“PFSB”	:	Prestige Front Sdn Bhd, a wholly-owned subsidiary of BBC
“PLSB”	:	Palm Leisure Sdn Bhd, a 30% owned associated company of BBC
“PMSB”	:	Premier Media Sdn Bhd, a wholly-owned subsidiary company of SES
“Principal Vendors”	:	The principal vendors of Acquiree Companies namely KEB, Datin Mah and Kee Shih-Lene

DEFINITIONS (Cont'd)

“Proposed Acquisition of BBC”	:	Proposed acquisition of 11,773,002 ordinary shares of RM1.00 each representing the entire existing share capital of BBC for a purchase consideration of RM36,814,800 to be satisfied by the issuance of 24,543,200 SEG New Shares at an issue price of RM1.50 per SEG New Share and Proposed Acquisition of Dato’ Megat’s Right to Allotment in BBC
“Proposed Acquisition of Dato’ Megat’s Right to Allotment in BBC”	:	Proposed acquisition of Dato’ Megat’s right to receive 2,617,544 new ordinary shares of RM1.00 each in BBC (to be issued and valued at RM8,185,200) pursuant to the proposed acquisition by BBC of the remaining 30% equity interest in ORSB in exchange thereof by the issuance of 5,456,800 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of SES”	:	Proposed acquisition of 13,791,633 ordinary shares of RM1.00 each representing of 98.51% equity interest in SES for a purchase consideration of RM13,791,633 to be satisfied by the issuance of 9,194,422 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of SME”	:	Proposed acquisition of 1,350,002 ordinary shares of RM1.00 each representing 100% of the share capital of SME for a purchase consideration of RM6,500,000 to be satisfied by the issuance of 4,333,333 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of Office Buildings”	:	Proposed acquisition of Office Buildings for a purchase consideration of RM13,000,000 to be satisfied by the issuance of 8,666,667 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of RMSB”	:	Proposed acquisition of 500,000 ordinary shares of RM1.00 each representing 100% of the share capital of RMSB for a purchase consideration of RM500,000 to be satisfied by the issuance of 333,333 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of Companies”	:	Proposed Acquisition of BBC, Proposed Acquisition of SES, Proposed Acquisition of SME and Proposed Acquisition of RMSB, collectively
“Proposed Acquisitions”	:	Proposed Acquisition of Companies and Proposed Acquisition of Office Buildings
“Proposed Bonus Issue”	:	Proposed bonus issue of 7,600,000 SEG New Shares to be credited as fully paid-up on the basis of two (2) SEG New Shares for every five (5) existing SEG Shares held at an entitlement date to be determined later
“Proposed Increase in Authorised Share Capital”	:	Proposed increase in authorised share capital of SEG from RM20,000,000 comprising 20,000,000 SEG Shares to RM100,000,000 comprising 100,000,000 SEG Shares
“Proposed Waiver”	:	Proposed waiver to KEB, Datin Mah and Kee Shih-Lene, the principal vendors of the Acquiree Companies from having to undertake a mandatory general offer for the remaining SEG Shares not held by them after the Proposed Acquisitions
“Proposals”	:	Proposed Acquisitions, Proposed Bonus Issue, Proposed Increase in Authorised Share Capital and Proposed Waiver, collectively
“RM”	:	Ringgit Malaysia

DEFINITIONS (Cont'd)

“RMSB”	:	Rekaan Medianet Sdn Bhd
“RMSB Group”	:	RMSB and its subsidiary company
“ROC”	:	Registrar of Companies
“Sadec-KE”	:	Sadec-KE Utilities Corporation Sdn Bhd
“SC”	:	Securities Commission
“SES”	:	Summit Education Sdn Bhd
“SESB”	:	Superior Element Sdn Bhd, a 60% owned subsidiary of ORSB
“SES Group”	:	SES and its subsidiary companies
“SEG” or “Company”	:	Systematic Education Group Berhad
“SEG Group”	:	SEG and its subsidiary companies
“SEG New Shares”	:	New ordinary shares of RM1.00 each in SEG
“SEG Shares” or “Shares”	:	Existing ordinary shares of RM1.00 each in SEG
“SME”	:	Summit Montessori Edu-Care Sdn Bhd
“SME Group”	:	SME and its subsidiary company
“SMESB”	:	Summit Multimedia Education Sdn Bhd
“Sq. ft.”	:	Square feet

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