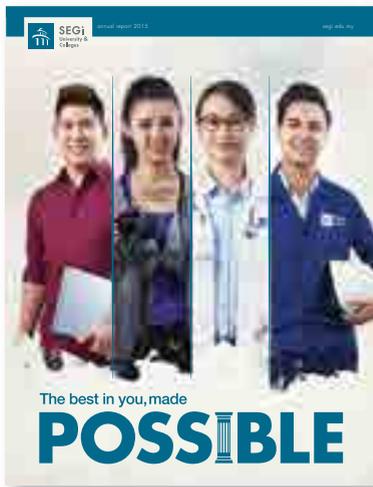




The best in you, made

POSSIBLE



Cover Rationale

The name SEGi is known as a regional leader in tertiary education. Our institution attracts world-class scholars, some of whom have progressed from being taught at SEGi, to lecturing at SEGi. Our faculty members are passionate individuals who champion the cause as a SEGian. Together, we stand proud and are eager to contribute to the community and make a positive impact in the world.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Tan Sri Clement Hii Chii Kok
Group Managing Director

Ms. Hew Moi Lan
*Executive Director / Chief Executive
Officer*

Dato' Sri Chee Hong Leong
Independent Non-Executive Director

Mr. Nicholas Rupert Heylett Bloy
Non-Independent Non-Executive Director

Dato' Amos Siew Boon Yeong
Independent Non-Executive Director

Mr. Goh Leng Chua
Independent Non-Executive Director

Mr. Edwin Fua Chye Jin
Non-Independent Non-Executive Director

COMPANY SECRETARIES

Ms. Chong Poh Yee
(MIA 7620)

Ms. Hew Ling Sze
(MAICSA 7010381)

Registered Office

6th Floor, SEGi University
No. 9, Jalan Teknologi
Taman Sains Selangor
Kota Damansara, PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan
Tel : 603 6287 3752
Fax : 603 6145 2679

Auditors

Ernst & Young (EY)
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 603 7495 8000
Fax : 603 2095 5332

Stock Exchange Listing

Main Market of
Bursa Malaysia Securities Berhad

Registrar

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 603 7841 8000
Fax : 603 7841 8151/52



VISION

SEGi will place quality education within the reach of willing minds and natural talents.



MISSION

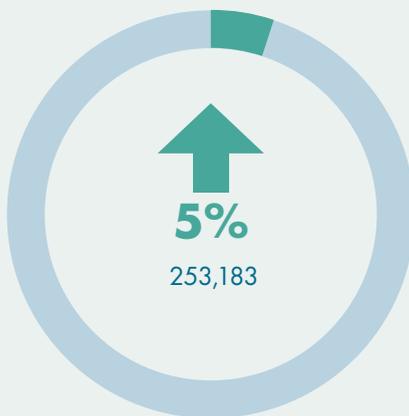
To be the premier regional higher education provider offering quality employability-based international programmes on accessible terms, delivered through the most innovative technologies and student-centric learning techniques.

FINANCIAL HIGHLIGHTS

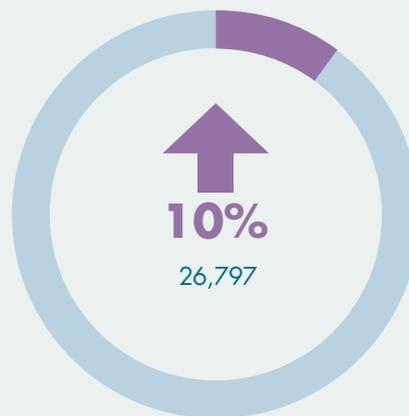
Group Five Years Financial Summary

	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Revenue	278,293	284,863	236,774	242,012	253,183
Profit before tax	88,218	68,383	31,709	24,412	26,797
Profit for the year - attributable to shareholders	72,314	60,343	32,978	23,363	24,046
Share capital	139,674	166,219	167,090	175,017	187,024
Shareholders' fund	183,759	266,872	253,559	221,461	219,738
Total assets	290,107	386,160	355,037	375,479	356,383
Basic earnings per share (sen)	14.11	10.18	5.14	3.63	3.43
Dividend for the year (sen)	31.00	5.00	7.50	11.00	7.00

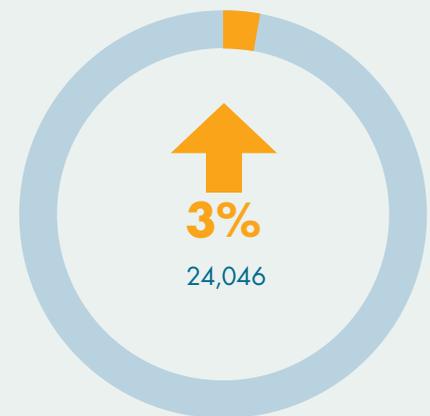
2015 Financial Summary



REVENUE
(RM'000)

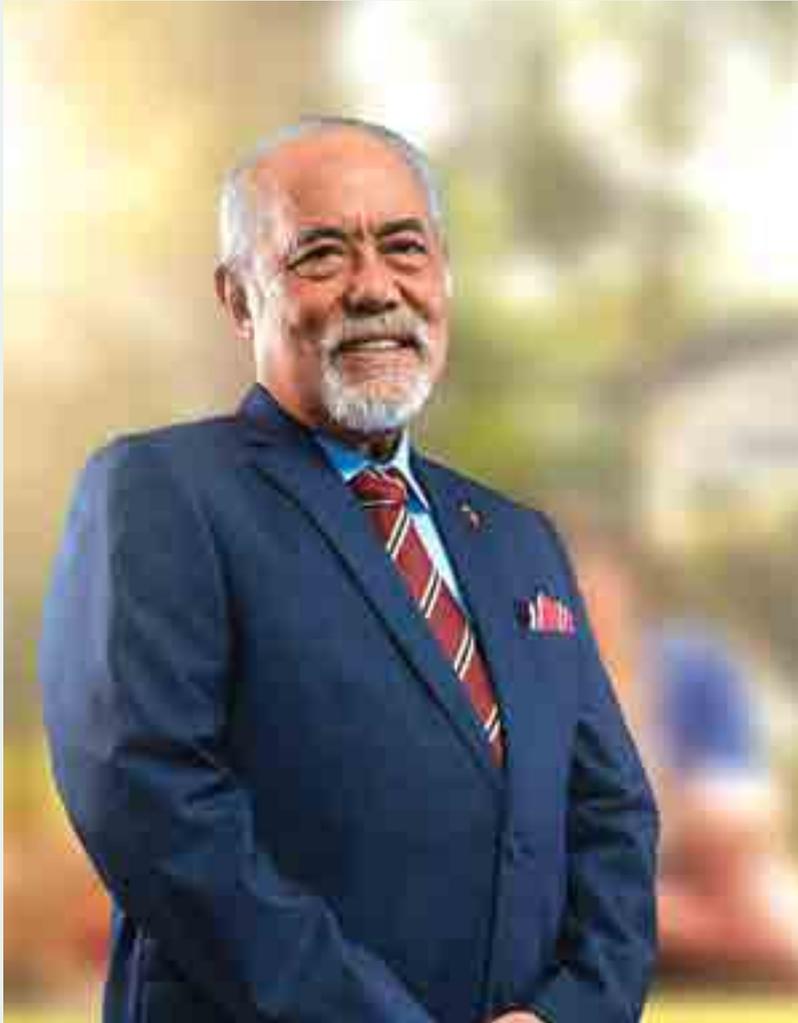


PROFIT BEFORE TAX
(RM'000)



PROFIT FOR THE YEAR
(RM'000)

CHAIRMAN'S STATEMENT



SEGi experienced yet another exciting academic year. It was a good year as we excelled for all that we did – in teaching and research, in our interdisciplinary approach and close ties among our five campuses, in our exemplary record of student outcomes, in our expanding global reach and in our strong role in the community, despite the current tough economic climate.

On behalf of the Board of Directors, I present to you the Annual Report and Audited Financial Statements of SEG International Bhd ("SEGi") and the Group for the year ended 31 December 2015.

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

MARKET OUTLOOK

The Strategic Plan for Higher Education outlined the measures and strategies that will continue to make Malaysia an international centre of educational excellence. In order to secure a better future for Malaysia in this globalised and ever-changing world, the Ministry of Higher Education has outlined several priorities to be implemented over the next few years. The government has clearly outlined the strategic thrusts in this strategic plan to make Malaysia an international centre of educational excellence by 2020 through the Malaysia Higher Education Blueprint.

Among the aims are to ensure that Malaysians will have greater access to affordable quality higher education. This will be achieved by optimising the resources of existing public and private higher education institutions. In addition, higher education institutions such as polytechnics and community colleges will be upgraded to shed the image that such institutions offer merely skill-based courses.

CHAIRMAN'S STATEMENT



The government's efforts and commitment in providing educational infrastructure would be continued through the 11th Malaysia Plan (11MP).

The efforts of the government and education entrepreneurs to constantly enhance and improve the infrastructure of higher education, human resource development, and curricula in order to provide better quality education for students, have earned the country international recognition. Malaysia has also been recognised for its success in the democratisation of higher education.

FINANCIAL PERFORMANCE

I am pleased to report that amidst a challenging economic climate, the Group achieved a revenue of RM253.2 million and a profit before taxation of RM26.8 million, for the year ended 31 December 2015, an increase of 5% and 10% respectively, as compared to the previous financial year. The increase in revenue and profit as compared

to the previous financial year is mainly attributed to better product mix and better demand for higher end programmes.

The Group's balance sheet continues to be healthy with shareholders' funds of RM220 million and a low gearing ratio, indicating the Group's capacity and financial strength to finance future growth.

I am confident that we are certainly on track to deliver a sustainable performance as we steer a steady course towards greater success.

DIVIDENDS

In view of the performance and considering the Group's funding requirements, the Board declared an interim single tier dividend of RM0.07 per ordinary share in respect of the financial year ended 31 December 2015. This interim single tier dividend amounting to RM50,357,000 was paid on 6 July 2015.

The Board of Directors decided on an optimum balance between maintaining a reasonable dividend payout that commensurates with the financial performance of the Group while conserving sufficient internal resources for investment purposes.

As the Board is committed to reward our valued shareholders with consistent returns, I would also like to take this opportunity to announce that the Board has declared an interim single tier dividend of RM0.06 per ordinary share in respect of the financial year ending 31 December 2016. This interim single tier dividend will be payable on 20 April 2016.

OPERATIONAL REVIEW

SEGi continues to offer affordable, convenient and flexible access to the widest range of programmes, from certificate to postgraduate levels, with partnerships with UK, USA and Australian universities.

CHAIRMAN'S STATEMENT

We currently have 25,000 students from 80 countries, with most of them are full-time students. Under our Professional and Continuing Education (PACE) programmes, we have young working adults conscious of the need to develop their knowledge and qualifications. PACE provides a unique education model with flexibility of entry, recognition of prior learning, online student adviser services to achieve students' expectations. Our adult students with basic qualifications (secondary school or pre-University level) represent a higher proportion compared to our full-time students in regular programmes. With PACE, SEGi is able to reach more people with our education development.

Over the past years, SEGi students, alumni and faculty have distinguished themselves and our institution through exceptional accomplishments. Whether it was conducting crucial eye examinations for rural children in the state of Johor or conducting an entrepreneurial workshop for secondary school students, the success of those connected with SEGi confirms that their experiences have led to successful milestone.

The Group's quest for excellence never ceases. I am pleased to announce that all centres achieved better rating on the Malaysian Quality Evaluation System for Private Colleges (MyQuest) 2014/2015 results as compared to MyQuest 2012/2013 result. SEGi College Subang Jaya achieved MyQuest 6 stars for overall College-Based and in 7 out of 8 clusters, while, SEGi Kuala Lumpur achieved 5 stars for overall College-Based and 6 stars in 4 out of 6 clusters. Our SEGi College Penang and SEGi Sarawak also achieved 5 stars for their overall College-Based.

In 2015, SEGi also won its third Gold trophy at the Reader's Digest Trusted Brands Awards 2015 and our fourth Silver at the Putra Brand Awards 2015. We were also awarded the Sin Chew Business Excellence Awards 2015.

The great contributor in the SEGi experience is the unique combination of faculties and academicians who excel in their field of teaching are highly committed to the development of the students.

We implemented a new learning management software (LMS), Blackboard Learn. This LMS is used by many credible universities around the world, and with Blackboard Learn, our academicians can create videos, audios, incorporate social media and design interactive assignments. Students will be able to post their feedback in the online student forum, no matter where they are. This software tool is of great use as it makes learning interesting with student mobility experience.

Education is a powerful tool as it is the key to a person's success. SEGi will continue to innovate in enabling all to gain the qualification they need to excel in life, and to make dreams a reality.

CORPORATE DEVELOPMENTS

Subsequent to the financial year, the Group acquired a wholly owned subsidiary company incorporated in Hong Kong to supplement our existing Hong Kong establishment to recruit and provide related and students services to international students.



CHAIRMAN'S STATEMENT

HUMAN CAPITAL

SEGi believes that the achievements of an organisation are the results of the combined effort of each individual. In 2015, the Group made a bold move to streamline certain supporting functions to achieve consistency in delivery, quality and transparency. We are confident that the streamlining exercise will create a stronger SEGi brand with a consolidated and similar approach being applied throughout the Group.

SEGi recognises the importance of learning and organisational development. The Group's continuous efforts to develop and capitalise the expertise and diversity of the experiences of the employees within the Group will enable the Group to identify and develop successors for critical positions from our internal talents. This is in line with the Group's commitment to continuously identify and develop leadership potential and high performance standards. We believe that as the Group seeks sustainable growth through expansions in its business operations, the development of a strong pool of talents and high potentials will enable the Group to achieve its goals.

CORPORATE SUSTAINABILITY

SEGi believes in the promotion of corporate sustainability which should be embedded across the Group in all aspects of the operations and other activities. SEGi is committed to balance the economic, environmental and social aspects of our business decision making, with the interests of various stakeholders that are essential to enhance investors perception and public trust. The Group is committed to operate in a responsible and sustainable manner by actively engaging with our stakeholders, we are ensuring that risks issues are identified, addressed and managed effectively.



Being the leading higher education provider, we recognise that SEGi has an important role in educating future generations about the awareness and research on the sustainable environment. SEGi will raise the sustainability consciousness of students in all cycles of their student life, while seeking opportunities to increase the student experiences in this area. SEGi will ensure continuous and on-going efforts are carried out to establish teaching, research and practices of sustainability throughout the Group.

The Group continues to promote a healthy, safe and productive working and learning environment for the SEGi community to ensure a sustainable working environment for all employees.

The Board has implemented its e-Board paper to promote awareness to waste management and increase recycling and environmental sustainability.

CORPORATE RESPONSIBILITY

The Group strongly believes in our corporate responsibility to promote positive social and environmental change, and thus, has actively integrated corporate responsibility initiatives as part of our business operations. We strive to be a socially responsible entity that ensure not only the safety of our workforce and host communities but also the environment in which we operate.

SEGi has been proactive in its commitment to be a responsive corporation. During the year, the Group participated actively in corporate responsibility activities through programmes which included the offering of scholarships, health campaigns, flood rescue operations and environmental awareness campaigns.

CHAIRMAN'S STATEMENT



FUTURE OUTLOOK AND WAY FORWARD

The prospect of the education sector remains bright with the government's efforts in increasing opportunities for education as well as assisting to finance the education of young people. The Group is cautiously optimistic of the prospects for this year, given the economic uncertainties which are causing the market to be cautious. However, the Group sees a potential in the weakening of the Ringgit to attract more international students to our campuses.

The Group has also widen its offerings to reach out to various segments of students as well as regions in which we operate. Given our broader marketing strategies and course offerings, the Group believes that our financial performance will continue to improve and grow.

ACKNOWLEDGEMENTS

SEGi has grown from strength to strength with the support from our stakeholders. On behalf of the Board, I would like to take this opportunity to convey my sincere appreciation to all our valued shareholders, global partners, students, regulatory authorities, bankers and business associates for their unwavering trust and continuous support throughout the years.

I wish to accord my heartfelt appreciation to the management and staff for their steadfast commitment and dedication to the Group. I certainly look forward to working with them as we rise above the challenges that this year may bring and embrace our next phase of continuous growth.

Last but not least, I would like to express my gratitude to my fellow Board members for their invaluable contribution to the Group. A special note of thanks to our former Board member, Mr. Tan Chow Yin, for his support and enormous contribution to the Group. We wish him success in his future undertakings. I would also like to extend our gratitude to Dato' Sri Chee Hong Leong who is resigning in the forthcoming annual general meeting for his continuous support and contribution. We wish him all the best in his future endeavours.

**TAN SRI DATO' SERI MEGAT NAJMUDDIN
BIN DATO' SERI DR HAJI MEGAT KHAS**
Chairman

12 April 2016

BOARD OF DIRECTORS



Sitting: Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas
Standing from left to right: Mr. Nicholas Rupert Heylett Bloy, Dato' Sri Chee Hong Leong, Ms. Hew Moi Lan

BOARD OF DIRECTORS



Sitting: Tan Sri Clement Hii Chii Kok
Standing from left to right: Mr. Edwin Fua Chye Jin, Mr. Goh Leng Chua, Dato' Amos Siew Boon Yeong

DIRECTORS' PROFILE

Independent Non-Executive Chairman

- Malaysian -

Aged 71, he was appointed to the Board on 2 February 2001 and assumed the position as Chairman on 27 August 2008.



TAN SRI DATO' SERI MEGAT NAJMUDDIN BIN
DATO' SERI DR. HAJI MEGAT KHAS

Tan Sri Dato' Seri Megat Najmuddin was a lawyer by profession who obtained his Honours Degree in Law from Singapore University in 1970. He started his working life in 1970 with First National City Bank (now Citibank) for 2 years and went into law practice with a leading law firm in Kuala Lumpur for another two years, after which he started his own law firm which flourished. In 1986 he retired from law practice and went headlong into politics, ultimately becoming UMNO Chief of Petaling Jaya. He then served as State Assemblyman of Kelana Jaya in Selangor for two terms (1986-1995) and as municipal councillor for two decades.

Tan Sri Dato' Seri Megat Najmuddin is active in Non-Governmental Organisations (NGOs). He was elected as Executive Committee Member of the Federation of Public Listed Companies Berhad (FPLC) in August 1994 and was elected as its President in October 1997. He represented this organisation to the High Level Finance Committee of the Ministry of Finance until 2000. He was the President of Kelab Golf Negara Subang and the Malay College Old Boys' Association (MCOBA). He was the President of Malaysian Institute of Corporate Governance (MICG) and currently the member of MICG. He is current President of Persatuan Darul Ridzuan in Wilayah Persekutuan and Selangor (a welfare organisation). Besides, he is the Advisor of Tan Sri Muhyiddin Charity Golf; and also a trustee of MyKasih (Charity) Foundation and the Vijayaratnam Foundation.

In business, Tan Sri Dato' Seri Megat Najmuddin is Chairman of Asian Pac Holdings Berhad, Omesti Berhad and MajuPerak Holdings Berhad. He also serves as a Non-Executive Independent Director of PETRONAS.

In SEG International Bhd, Tan Sri Dato' Seri Megat Najmuddin also serves as the Chairman of the Nominating and Remuneration Committees and has attended four Board meetings held during the year.

He has no family relationship with any director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements, if any, and has no conviction of offences within the past ten years other than traffic offences, if any.

Group Managing Director

- Malaysian -

Aged 58, he was appointed to the Board on 3 September 2001 as an Executive Director of the Company and subsequently assumed the position of Chief Executive Officer on 10 October 2001.



TAN SRI CLEMENT HII CHII KOK

On 27 August 2008, Tan Sri Clement Hii was appointed the Managing Director/Chief Executive Officer and re-designated as Group Managing Director in January 2009. Tan Sri Clement Hii is also a member of the Remuneration Committee and Executive Committee of the Company.

He graduated with a Bachelor of Laws (Hons) degree from the United Kingdom. He was conferred honorary doctorate degrees by the University of Sunderland, University of Southern Queensland and his alma mater, the University of Wolverhampton.

He was the Executive Deputy Chairman of Star Publications (M) Bhd for two years, until end of December 2010. He was also a Non-Independent Non-Executive Director of SYF Resources Berhad from June 2012 to April 2014. Currently, Tan Sri is the Executive Chairman of HCK Capital Group Bhd. He also holds positions in numerous private limited companies and charitable foundations.

Tan Sri Clement Hii attended all the five Board meetings held during the year ended 31 December 2015.

He has no family relationship with any director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements and has no conviction for offences within the past ten years other than traffic offences, if any.

DIRECTORS' PROFILE



**Executive Director/
Chief Executive Officer**

- Malaysian -

Aged 55, she was appointed to the Board on 20 April 2010.



**Independent Non-Executive
Director**

- Malaysian -

Aged 52, he was appointed to the Board on 21 February 2011.

HEW MOI LAN

Hew Moi Lan is a member of the Risk Management Committee and Executive Committee of the Company.

She is a fellow member of The Chartered Institute of Management Accountants, United Kingdom and a Chartered Accountant with the Malaysian Institute of Accountants. In 2005, she attained her Master of Business Degree from University of Newcastle, Australia.

Moi Lan was appointed the Chief Operating Officer of the Group on 27 February 2009 and assumed her responsibility as Chief Executive Officer of the Group on 1 January 2012. Prior to which, she was the Vice President of Operations and the Principal of SEGi College Kuala Lumpur, one of the core subsidiary companies of the Group.

Her tenure with the Group dates back to 1986 when she joined Systematic Business Training Centre, now known as SEGi College Kuala Lumpur. With more than 25 years of experience in the education industry, Moi Lan has brought an immense wealth of experience and knowledge into the running of the Group.

Moi Lan was a Board member for Perbadanan Tabung Pembangunan Kemahiran (PTPK), Ministry of Human Resources from 2009 to 2015. In March 2013, Moi Lan was honoured a Leadership in Education & Training Excellence Award at the Global Leadership Awards, 2013. In June 2014, Moi Lan garnered an award for her contribution to the Human Resources Community at the Asia HRD Awards.

Moi Lan participated in all the five Board meetings held during the year ended 31 December 2015 and does not hold any other directorships in public companies.

She has no family relationship with any director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements, if any, and has no conviction for offences within the past ten years other than traffic offences, if any.

DATO' SRI CHEE HONG LEONG

Dato' Sri Chee is a member of the Nominating, Remuneration and Risk Management Committees of the Company.

Dato' Sri Chee graduated with a Bachelor of Engineering (Computer) in 1987 and Master of Business Administration in 1989, both from McMaster University, Hamilton, Ontario, Canada.

He started his career in 1990 coordinating the development in corporate and annual strategic plans for the Leisure Holidays Group of Companies. In 1992, he ventured into various businesses which involved designing and building individual bungalows for landowners of various housing projects in the Klang Valley as well as building and operating a 100,000 sq ft Information Technology Incubation Centre in University Putra Malaysia. Subsequently, he joined Tanco Resort Berhad from 1998 – 2002 where he held various positions from General Manager to Executive Director/Chief Operating Officer. Currently, he is the Chairman of Kiara Susila Sdn Bhd, a property development company.

Dato' Sri Chee is an Executive Director of SYF Resources Berhad and the Independent Non-Executive Director of Priceworth International Bhd, both listed on the Main Market of Bursa Malaysia Securities Bhd.

Dato' Sri Chee attended all five Board meetings held during the year ended 31 December 2015.

He has no family relationship with any director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements, if any, and has no conviction for offences within the past ten years other than traffic offences, if any.

DIRECTORS' PROFILE



Non-Independent & Non-Executive Director

- British -

Aged 54, he was appointed to the Board on 2 April 2012.

NICHOLAS RUPERT HEYLETT BLOY

Nicholas Bloy was appointed member of the Nominating and Remuneration Committees on 11 November 2015. He holds a BA Hons degree from University College London, and an MBA from INSEAD, France.

Nicholas Bloy is one of the three founders of Navis Capital Partners ("Navis"). He is currently the Managing Partner of Navis Asia Funds. At Navis, he leads investment teams in making, monitoring and exiting investments. Nicholas Bloy sits on Navis Investment Committee and the boards and/or Executive Committees of several Navis portfolio companies, and is responsible for fundraising. He also sits on the International Advisory Council of CIMB, one of Southeast Asia's largest banking groups.

Prior to co-founding Navis, Nicholas Bloy was a partner with The Boston Consulting Group Asia from 1989 to 1999 after spending three years with Bain & Co. in London. He does not hold any other directorship in public companies.

Nicholas Bloy is the major shareholder of the Company by virtue of his interest in Pinnacle Heritage Solutions Sdn Bhd pursuant to Section 6A(4) of the Companies Act, 1965.

Nicholas Bloy attended three Board meetings during the year ended 31 December 2015.

Save as disclosed above, he does not have any family relationship with any director and/or major shareholder of the Company. He has not entered into transaction, whether directly or indirectly, which has a conflict of interest with the Company, and has no conviction of any offences within the past ten years other than traffic offences, if any.



Independent Non-Executive Director

- Malaysian -

Aged 58, he was appointed to the Board on 2 February 2001.

DATO' AMOS SIEW BOON YEONG

Dato' Amos Siew qualified as a Certified Public Accountant in 1984 and is currently a member of the Malaysian Institute of Certified Public Accountants, a Chartered Accountant with the Malaysian Institute of Accountants and an associate member of the Chartered Tax Institute of Malaysia.

He started his auditing career and professional training with the accounting firm Coopers & Lybrand in 1978 before establishing his own practice in 1988. He is currently the managing director of the public accounting firm Messrs. Siew Boon Yeong & Associates. He has vast experience in auditing, tax planning, corporate finance and financial planning. He was also involved in numerous assignments on mergers and acquisitions, debt restructuring and liquidation. He is also an Independent Director of EcoFirst Consolidated Bhd and Anchor Resources Limited, Singapore.

He is the Chairman of both the Audit Committee and the Risk Management Committee of the Company.

Dato' Amos Siew attended all the five Board Meetings held during the year ended 31 December 2015.

He has no family relationship with any director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements and has no conviction for offences within the past ten years other than traffic offences, if any.

DIRECTORS' PROFILE

Independent Non-Executive Director

- Malaysian -

Aged 67, he was appointed to the Board on 20 April 2010.



GOH LENG CHUA

Goh Leng Chua is member of the Audit Committee of the Company. He obtained his Bachelor of Laws (Hons) Degree from Victoria University of Wellington, New Zealand in 1975 and thereafter in 1977, he obtained his Master of Laws. He also holds a Diploma of Environmental Management from the University of Auckland, New Zealand specialising in Environmental Law and Policy, Resource Management Policy and Strategy and Waste Management.

Leng Chua started his professional career as Legal Practitioner in 1976 and became the Councillor of KMC/MBKS in 1981. He is the Business Advisor in GLC Capital Sdn Bhd and Agritech (Sarawak) Sdn Bhd, a research and development company in the adoption of hybrid rice seed production in Sarawak. He does not hold any other directorships in public companies.

He has extensive experience in various areas of practice including estate planning, asset based financing, commercial law, natural resources and utilities and housing project development/management.

Leng Chua attended all the five Board Meetings held during the year ended 31 December 2015.

He has no family relationship with any director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements and has no convictions for offences within the past ten years other than traffic offences, if any.

Non-Independent & Non-Executive Director

- Malaysian -

Aged 36, he was appointed to the Board on 26 February 2015.



EDWIN FUA CHYE JIN

Edwin Fua is a Partner and an Investment Committee member of Navis Asia Funds ("Navis"). He joined Navis in 2006 and was promoted to become a partner in 2015. In the last 9 years, he has been involved in evaluating investments across South East Asia including in Malaysia, Thailand, Indonesia, Philippines, India and Australia. He has investment experience that spans across the consumer, retail, manufacturing, education and the retirement sectors and he also sits on and works closely with the Board of Directors and Executive Committees of several Navis portfolio companies.

Prior to joining Navis, Edwin was involved in investment research, financial analysis and auditing with JP Morgan Chase & Co. and in PricewaterhouseCoopers. Edwin was raised in Malaysia and educated in Malaysia and Australia. He holds a Bachelor of Commerce (Accounting & Finance) from Monash University, is a qualified accountant with the Malaysian Institute of Accountants and a Chartered Financial Analyst charterholder.

Edwin is also the member of the Audit Committee, Risk Management Committee and Executive Committee of the Company. He does not hold any other directorships in public companies. He has attended all the five Board meetings held during the year ended 31 December 2015.

He does not have any family relationship with any director and/or major shareholder of the Company. He has not entered into transaction, whether directly or indirectly, which has a conflict of interest with the Company, and has no conviction of any offences within the past ten years other than traffic offences, if any.

MESSAGE FROM THE CHANCELLOR



Another year has passed and SEGi continues to nurture minds and dreams of young people. As one of the few higher education institutions that offers the widest range of qualifications, it is very rewarding to see proud graduates and their loved ones at convocation ceremonies. These graduates are about to embark on a very exciting journey in their life – the opportunity to use their talents and knowledge in their dream occupations.

Witnessing these ceremonies is a rewarding part of being a Chancellor at one of the largest private higher institutions of learning in Malaysia. We are proud to be part of the success stories in the past nearly 40 years, and we will continue to provide quality and holistic education.

SEGi is a great institution, with a still greater potential. It is great because of its people – the students, with their talents, energy and insights; the faculty, renowned for their devotion and excellence in teaching, research and service; the employees, who have made major strides even during difficult times; the alumni, who serve literally in every sector of our economy; and our Valued Corporate Partners (VCP) who offer our students and academicians the opportunity to intern and exchange industry insights with top corporations. SEGi has a devoted team that has made the institution what it is today, and the team continues working together to push the institution to even greater heights.

For nearly 40 years, SEGi has produced leaders in every area in the industry. You can read more about the ethos that defines the SEGi experience included in this report. Our students, faculty, staff and alumni are always doing great things. As you'll see on the following pages, this past year has been no exception.

I have every confidence our momentum will continue this year, and we will continue to up the ante in education.

PROFILE

YAM Tan Sri Dato' Seri Syed Anwar Jamalullail is the Chairman of Nestle (M) Berhad and Cahya Mata Sarawak Berhad (CMS). He holds a Bachelor of Arts in Accounting degree from Macquarie University, Australia and is a Chartered Accountant and Certified Practising Accountant of Australia. He began his career as a financial accountant with Malaysia Airlines System Berhad in 1975 and has worked for Price Waterhouse (Australia), Amanah Merchant Bank Berhad and Amanah Capital Partners Berhad as its Group Managing Director. Tan Sri Syed Anwar has also served as Chairman of Malaysia Resources Corporation Berhad, Media Prima Berhad, DRB-HICOM Berhad and EON Capital Berhad as well as a director of Maxis Communications Berhad and Bangkok Bank Berhad. Tan Sri Syed Anwar was the former Chairman of the Investment Panel of Lembaga Urusan Tabung Haji and he is currently the Chairman of Lembaga Zakat Selangor.

**YAM Tan Sri Dato' Seri
Syed Anwar Jamalullail**
Chancellor

MESSAGE FROM THE GROUP PRESIDENT



It is an honour to take the stewardship in what is known as one of the leading private higher education institutions in Malaysia. Prior to my role in SEGi, I have been hearing all the great work SEGi has done in the past. I now find them to be true. I take this role seriously and pledge to further the success that SEGi has seen in recent years.

I am confident that we will continue to receive the level of support necessary to place SEGi top on the list of private higher institution. It gives me great confidence to see SEGi's alumni and friends who care deeply about this institution and is keen to support SEGi's mission and vision through means such as pledging to be a Valued Corporate Partner (VCP) or returning to SEGi to be guest lecturers or even be full-time lecturers.

We acknowledge the need to increase SEGi's value in the market and to improve returns for shareholders, and we intend to achieve that by doing the following:

- We will play to our strengths – continue to offer our wide range of world-class qualifications; promote easy access to SEGi's programmes via our 5 campuses and our PACE (Professional and Continuing Education) programme; and our capabilities in building relationships.
- We will have a company that is organised effectively and applies its standards consistently.
- We will collaborate with various government agencies to create a healthy working relationship, such as public universities and colleges, and government-linked companies.
- We will also increase the intake of international students to make SEGi a truly globalised campus, to create a sense of multiculturalism amongst our students to enrich their learning experience and to prepare them for the world.

The opportunity to lead this great institution is a challenging and exciting one, and I look forward to working with the rest of the team to accomplish our goals.

**Datuk Mohamed Azahari
Bin Mohamed Kamil**

Group President

PROFILE

Datuk Mohamed Azahari Kamil was the Chief Executive Officer (CEO) at Asian Finance Bank (AFB) for the last 8 years, being the first Malaysian appointed to hold that position in a Middle Eastern bank. He is currently the Group President of SEGi University & Colleges since January 2016. He has had almost 30 years of experience in the financial services industry both in banking and fund management. He is a Chartered Banker of the Asian Institute of Chartered Bankers as well as a Chartered Professional in Islamic Finance. He is also a Board member of Universiti Sains Islam Malaysia (USIM), Universiti Teknologi MARA (UiTM) and Investment Board member of Universiti Malaysia Sabah (USM). He is also appointed by the Ministry of Higher Education as the CEO Faculty Programme Adjunct Professor and Distinguished Fellow for Public Universities on the International Islamic University of Malaysia (IIUM). He is currently the Chairman of the Crescent Wealth International Advisory Board Malaysia, a wholly owned subsidiary of the Crescent Funds Australia Limited.

MESSAGE FROM THE GROUP CHIEF EXECUTIVE OFFICER



The year 2015 saw SEGi upping its game in the light of the unpredictable economic climate. However, SEGi was still able to weather it through, and most importantly, foster a healthy community of eager learners.

As a result, SEGi won a formidable number of awards. SEGi won its third Gold trophy at the Reader's Digest Trusted Brands Awards 2015 and our fourth Silver at the Putra Brand Awards 2015. We were also awarded the Sin Chew Business Excellence Awards 2015 and voted among the top 5 higher learning institutions in Malaysia by students via the Courses Now! Students Choice Awards 2015.

In the recent MyQUEST results for 2014/2015, SEGi College Subang Jaya, SEGi College Kuala Lumpur, SEGi College Penang and SEGi College Sarawak achieved unprecedented accomplishments. MyQUEST is the Malaysian Quality Evaluation System for Private Colleges. Carried out every two years since 2011, MyQuest rates private colleges from one (poor) to six stars (excellent).

SEGi College Subang Jaya achieved an astounding 6 Stars in 7 out of 8 clusters that it participated in, making it the best performer amongst our campuses. SEGi College Kuala Lumpur obtained 6 Stars in Arts & Humanities and also Health & Welfare, Services, Social Sciences, Business & Law. It also scored 5 Stars in International Student Services.

SEGi College Penang scored 5 Stars in College-base, Science, Math & Computing, Services, Social Sciences, Business & Law and also International Student Services while SEGi College Sarawak garnered 5 Stars in College-base, Arts & Humanities, General Programmes, Health & Welfare and International Student Services.

With our skills and capabilities, we are perfectly placed to lead SEGi as the leading higher education provider in Malaysia. When I look at what we have achieved so far, I see a future of opportunities. What we need to do now is unlock the potential which exists within SEGi – and to do that, we need to do some key things differently.

At corporate level, we have realigned our strategies and are focusing on our unique strengths and talents to take SEGi's vision and mission to greater heights. One example is synergising all Human Resources and Finance matters so that all 5 campuses get the relevant support they need to function effectively.

SEGi is a great success story. We have grown to be one of the largest higher education providers in the nation. Challenging times may lie ahead of us and we must be prepared for further volatility in the coming months, but we can emerge stronger and we believe our destiny is in our own hands. If we remain focused, we can succeed.

Hew Moi Lan

Group Chief Executive Officer

KEY MANAGEMENT



CHERYL CHONG POH YEE
Group Chief Financial Officer

Cheryl Chong joined the Group in 2000 and has more than 20 years of experience in the fields of accountancy, financial services and corporate services. Prior to joining the Group, Cheryl worked for a main board public listed company in Malaysia as the Financial Controller and in one of the top international accounting firms. She is a Certified Public Accountant with the Malaysian Institute of Certified Public Accountants, a Chartered Accountant with the Malaysian Institute of Accountants and a Certified Financial Planner. She also holds a Master of Business Administration (International Business) from University of Southern Queensland, Australia.



AHMAD FADZLEE SHAH BIN AHMAD SHARANI
Group Chief Human Capital Officer

Ahmad Fadzlee Shah has more than 18 years of working experience in various industries and disciplines. He has held several management positions in multinational companies within Malaysia and the Middle East with exposure in countries such as Thailand, Singapore, Brunei, Indonesia and Australia. Prior to joining SEGi, he had worked for the Abu Dhabi National Oil Company (ADNOC) as its Organisational Capability Advisor. Ahmad Fadzlee is a certified Change Agent, Corporate Trainer & Facilitator (HPM, Aust.), Leadership & Corporate Coach (NS-NLP, Aust), Lominger Leadership Architect Certified Practitioner (USA), Herrmann Brain Dominance Instrument Practitioner (Aust.), Thomas DISC Certified (UK), Human Capital Development Specialist and OD Certified Professional. He holds a Masters of Business Administration (MBA) Degree in General Management specialising in Strategic Management from University Tun Abdul Razak, Malaysia and a Bachelor of Science Degree in Business Marketing from Southern New Hampshire University, USA.



DANNY LEE LIAN FEY
Group Chief Marketing Officer

Danny Lee joined SEGi in January 2016. He holds a Master of Marketing from Northumbria University, Newcastle, UK and a Bachelor's Degree in Marketing and Management Information Systems from University of Oklahoma, Norman, USA. He has worked in various education organisations including INTI International University, Australian International School and his last position was with Rafflesia Education Group as its Chief Operating Officer. He brings with him 23 years of experience in marketing and in education, with hands-on experience in strategic development as well as in operations.

KEY MANAGEMENT



DR. LISA TAN SAW POH

Senior Vice-President, Subang & KL campuses/Senior Principal

Dr. Lisa Tan holds a DBA from University of South Australia and MBA from University of Bath, UK. She obtained a Diploma in Education from National University of Singapore and B.Sc (Hons) from University of London. Dr. Lisa has worked with private institutions of higher learning for more than 30 years and has vast experience in the field of education and management.



DR. SEE HOON PEOW

Acting Principal, SEGi College Kuala Lumpur

Dr. See holds a PhD in Sociology and Anthropology from International Islamic University Malaysia, a Master of Philosophy in Sociology from University of Malaya and an LLB (Hons) from University of Glamorgan (now known as University of South Wales). He has extensive working experience in the education industry with exposure in both academic and business operations. He has wide academic interest in humanities and social sciences, and has published many books and articles with reputable publishers and journals.



DOREEN D'ORVILLE

Acting Principal, SEGi College Subang Jaya

Doreen D'orville holds a Master of Business Administration from the University of Southern Queensland and a BA in Business Administration from a UK university. She is also a certified trainer and has conducted training for several multinational companies. She has over twenty years of experience in education in areas of administration, teaching and management and believes in bringing out the best in students.

KEY MANAGEMENT



CHEAH TEONG KEAT
Principal, SEGi College Penang

Cheah Teong Keat was formerly in the IT and manufacturing industry before his foray into the education line. Since then, he has been involved in lecturing, training and human capital development. Some of his initiatives include setting up and running a human capital development business for a renowned education group and heading an educational institution which focuses on working adults and postgraduate courses. His previous appointments include Senior Director of Postgraduate Studies for the INTI Education Group and Chief Operating Officer of MIM-INTI Management Institute. He holds a Bachelor of Business Administration from RMIT University, and an MBA specialising in Information Technology Management from Maastricht School of Management. He is currently pursuing the Doctor of Business Administration from University Utara Malaysia.



IVY LAU EE NEE
Principal, SEGi College Sarawak

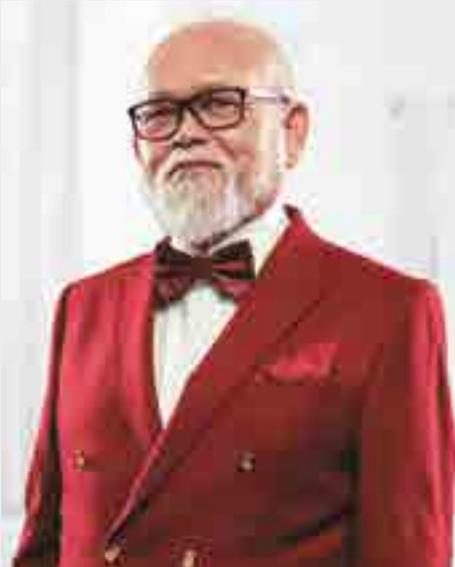
Ivy Lau, a strong believer in quality academic excellence, holds a Master Business Administration from Charles Stuart University, Australia. With 20 years of practical working experiences in strategic planning, corporate restructuring, marketing and finance, she sets the direction of the campus, communicating the vision, mission and leading the team to achieve key business objectives and priorities. She grooms staff to achieve required competencies to perform their job with unwavering focus in meeting students' needs. Prior to joining SEGi College Sarawak, she was Chief Operating Officer and Principal of two leading colleges in Kuching. She is a communicator and leader. Currently she is serving as Program Quality Director 2015-2016 in Toastmasters International District 87. She is also the Chairperson of Sarawak Chapter of National Association of Women Entrepreneur of Malaysia (NAWEM). She continues to better herself through continuous learning for a Doctorate degree with University of Malaysia Kelantan.



NORMAN CHU SU JIUN
Acting Principal, SEGi College Kota Damansara & Vice President, Operations, SEGi University

Norman Chu holds a Bachelor of Science and a Master of Science in Civil Engineering from Iowa State University, USA. He is currently pursuing the Doctor of Business Administration with Universiti Utara Malaysia. Norman has 4 years of industry experience as a Civil Engineer in both the USA and Malaysia before joining SEGi in 2005 as a lecturer. He then became the Head of the School of the Built Environment, which led to a promotion as Registrar, and later on Director of Operations, and then Vice President of Operations at SEGi University before assuming his current position in January 2016. He is an Associate Member of the American Society of Civil Engineering (ASCE) and a Graduate Member of the Board of Engineers Malaysia (BEM).

KEY ACADEMIC MEMBERS



DATO' PAHAMIN A RAJAB
Chairman of Academic Council

Dato' Pahamin A Rajab, an Advocate and Solicitor of the High Court of Malaya holds several tertiary qualifications. He obtained the Bachelor of Arts (Hons) in History majoring in International Relations from the University of Malaya in 1970; the Master of Arts in Public Policy and Administration majoring in Economic Development from the University of Wisconsin, Madison, United States of America in 1978; a Law Degree with Honours from the University of London in 1990; and a postgraduate Diploma in Syariah Law and Practice from the International Islamic University, Malaysia in 1994. In 2006, he was conferred the Honorary Doctor of Laws (honoris causa) by University of Newcastle, and in 2011, Honorary Doctorate by the University of Greenwich. Dato' Pahamin has worked in several ministries and government agencies in Malaysia over a 30-year period. He is recognised internationally as an expert in intellectual property laws by the World Intellectual Property Organisation and in Year 2000, was awarded the prestigious Cyber Champion International Award by Business Software Alliance in Washington. He is a trustee of the Perdana Global Peace Foundation as well as Mahathir Chair of Global Peace at the International Islamic University of Malaysia. He is also a Honorary Rotarian of the Rotary Club of Greater Kuala Lumpur.



PROFESSOR DR. PATRICK KEE PENG KONG
Acting Vice Chancellor

Professor Dr. Patrick Kee Peng Kong assumed the position of Acting Vice Chancellor with effect from 1st January 2016. Professor Dr. Patrick Kee attained his Bachelor of Engineering (Industrial with 1st Class Honours) in 1984 and earned a Doctor of Philosophy (by Thesis) in Mechanical Engineering in 1992 from the University of Melbourne, Australia. He has more than 25 years of experience working in both academic and senior management positions with manufacturing industry and institutions of higher learning in Australia and Malaysia. His research interests are in advanced manufacturing technology, industrial engineering and machining economics. He has received numerous awards and grants for his research and has published his findings in reputable technical publications, journals and reports locally and internationally. He has also presented numerous technical papers and keynote papers at local and international conferences.



DATO' PROFESSOR DR. JAMALUDIN MOHAIADIN
Deputy Vice Chancellor, Group Chief Student Affairs Officer

Dato' Professor Dr. Jamaludin Mohaiadin holds a BA (Hons) from USM, a Master of Education in Project Management and Evaluation and a Doctor of Education in Instructional Design and Technology from the University of Pittsburgh, Pennsylvania, USA. He served as the Director of University Sustainability Center and the Dean of International Affairs in University Malaysia Perlis. Prior to that he was the Deputy Vice Chancellor of Student Affairs in Universiti Sains Malaysia (USM) for more than 7 years, the Director of Center for Instructional Technology and Multimedia in USM and the Director of Teaching & Learning Advisory Center of USM. He served the Ministry of Education for many years before joining the university. To add to his credentials, Dato' Professor Dr. Jamaludin was also a consultant to a number of universities in multimedia curriculum design, establishing instructional technology centres and academic training programmes.

KEY ACADEMIC MEMBERS



PROFESSOR DR. AZRIN ESMADY BIN ARIFFIN **Founding Dean, Faculty of Optometry & Vision Sciences**

Professor Dr. Azrin attained his Bachelor of Optometry with Honours in 1984 from the University of New South Wales in Australia and earned a PhD in Clinical Optometry in 1993 during a stint at City University/Moorfields Eye Hospital in London. Prof Azrin began his academic career at Universiti Kebangsaan Malaysia in 1985, and was the Head of Optometry Department from 1996 to 2003. He is also on the Malaysian Optical Council and various professional committees. His research interest is in the field of Visual dysfunction in ocular disease, and he also maintains a clinical interest in the area of Primary Eye Care.



ASSOCIATE PROFESSOR DR. TEY KIM KUAN **Dean, Faculty of Pharmacy**

Associate Professor Dr. Tey obtained her Bachelor of Pharmacy (Hons) degree in 1991 from University of Bradford and her Doctor of Philosophy from University of London. She has vast experience as a pharmacist, having worked for more than 20 years with various disciplines of pharmacy including hospital, community and industrial pharmacy both in the UK and Malaysia. She is a member of numerous professional bodies and committees; and a member of the Joint Technical Committee for the Pharmacy Board Malaysia, appointed by the Ministry of Health. She also conducts and supervises multidisciplinary research in various aspects of pharmacy practice and pharmacy education.



DATUK PROFESSOR DR. FAWZIA BINTI DATO' ABDULLAH **Founding Dean, Faculty of Dentistry**

Datuk Professor Dr. Fawzia obtained her Bachelor of Dental Surgery from the University of Singapore and her Diploma in Dental Public Health from The Royal College of Surgeons of England. Prior to her appointment as Founding Dean of the Faculty of Dentistry at SEGi University, Datuk Dr. Fawzia worked with the Ministry of Health for 32 years and retired as the Director of the Oral Health. She was also a Member of the Public Services Commission from 2000 to 2005. Datuk Dr. Fawzia is a member of numerous professional bodies and her research includes studies into prevention in oral health.

KEY ACADEMIC MEMBERS



PROFESSOR DR. SAMIAH YASMIN ABDUL KADIR Dean, Faculty of Medicine

Professor Dr. Samiah Yasmin obtained her Medical Doctor degree (M.D.) from Universiti Kebangsaan Malaysia (UKM) in 1991. She pursued her interest in Primary Medical Care and obtained a Masters in Family Medicine, also, from her alma mater university, UKM, in 1998. Prof Yasmin has been in education for more than 20 years and was heavily involved in the development of the Faculty of Medicine, SEGi University since 2010. Prior to joining SEGi, Professor Yasmin was the Head for the Department of Family Medicine, Faculty of Medicine, UKM. Her strong background in medical education has placed her to serve as panel in accreditation of medically related programmes. She is also involved in academic and research committees besides supervising Masters' students in medical and health related fields.



DATIN DEVAGEY RARU Dean, Faculty of Nursing

Datin Devagey holds a Master of Counselling from Universiti Malaya and a Bachelor of Science with Honours in Nursing from Anglia University in the UK, among numerous other nursing and healthcare qualifications. Prior to joining SEGi, Datin Devagey held senior positions in nursing colleges, training centres and hospitals. She is a member of Nursing Board Malaysia, Nurses Examination Board and Nursing Curriculum Committee, as well as other healthcare associations and committees.



IR. PROFESSOR DR. CHIANG CHOONG LUIN Dean, Faculty of Engineering and The Built Environment, SEGi University

Ir. Professor Dr. Chiang started as a Design Structural Engineer at an engineering firm in Kuala Lumpur prior to his illustrious career since 1996 with various educational institutions in Malaysia. He was previously attached to INTI International University, Nilai, as Professor, Head of Civil Engineering. He is also a Registered Professional Engineer in Civil, Board of Engineers Malaysia (BEM) and also a Fellow Member of The Institution of Engineers Malaysia (IEM). He is currently the Honorary Treasurer of IEM. Prof Dr. Chiang earned a PhD and a Bachelor in Engineering (Hons) in Civil Engineering from University of Wollongong, Australia.

KEY ACADEMIC MEMBERS



ASSOCIATE PROFESSOR DR. MOHAMMAD FIRDAUS LOW ABDULLAH Dean, Communication & Creative Design, SEGi University

Professor Dr. Firdaus holds a PhD in Organisational Communications, a Masters of Science in Corporate Communications from Universiti Putra Malaysia (UPM), a Masters in Economic and a Bachelor of Arts in Economics with honours specialising in Economic Development & Planning from International Islamic University Malaysia (IIUM). He started his career in 1991 as the Assistant Director in the Rectors Office IIUM. In 1995, he joined Telekom Malaysia Berhad (TM) in the Corporate Sales Division. In 1997, he was assigned to Multimedia University (MMU) Malacca, a subsidiary Company of TM as the Director of Marketing Communication. He was a key member of MMU rebranding team, and was also key in developing MMU's corporate identity. From 1999 – 2012, Firdaus moved to Group Corporate Communications Division TM as the Assistant General Manager. He has vast experience in internal and external communications, event and exhibition management (local & international), public relations, corporate & creative multimedia publications, media & social media management, Corporate Responsibility Strategy & Management and Stakeholder Management. In 2012, he was promoted to head Multimedia College Sdn Bhd, a wholly-owned subsidiary of MMU as the Chief Executive Officer / General Manager before assuming his current position as the Dean, Faculty of Communication & Creative Design on 4 February 2015.



LYDIA FOONG YOKE YEAP Head, Faculty of Education, SEGi University

Lydia Foong has been involved in Early Childhood Care and Education (ECCE) for over 25 years, both locally and in the UK. She holds a St Nicholas Montessori Diploma (UK), Certificate in Montessori Primary Education, BEd (Hons) from University of Greenwich, Master in Educational Management from University of Malaya, and is currently a PhD candidate. She has played a key role in strategising, facilitation and development of various programmes and ECCE advocacy initiatives in SEGi, and involved in numerous ECCE associations as an EXCO member. She spearheaded the NKEA project for Early Child Care and Education Training initiatives as part of the Economic Transformation Programme under the Prime Minister's Department. Apart from her leadership role at the Faculty of Education, she is actively involved in the research activities on early childhood policies and how it will contribute to quality ECCE in Malaysia.



ASSOCIATE PROFESSOR DR. STANLEY YAP PENG LOK Dean, of Graduate School of Business and Centre of Continuing Education

Associate Professor Dr. Stanley Yap holds a Doctorate in Business Administration from the University of South Australia, a Master in Business Administration from the University of Hull and a Bachelor of Accountancy with Honours from the University of Bolton. He is a member of the Chartered Institute of Marketing, Fellow (Academic) member of the Association of International Accountants and; Certification and CPD Board member of Malaysian Financial Planning Council. He has more than twenty years of experience holding senior positions in fields such as education, operations and banking and have been attached to a number of local as well as multinational companies. His roles in these organisations besides creating wealth include running the day-to-day operations, devising advertising & promotions campaigns, developing sponsorship marketing and franchise projects. Associate Prof Yap was the Vice Dean of the Faculty of Business, Management and Social Sciences, Quest International University, Perak and Visiting Professor of Sultan Idris Education University before assuming his current role as the Dean of Graduate School of Business and Centre of Continuing Education.

AT OUR HEART SEGi PROGRAMMES

SEGi offers a wide range of programmes to bring out the best qualities in our students. We strive to enrich the minds of our students by providing top-notch education, ensuring our campuses provide a holistic environment and being part of their lives so that they can have a memorable student experience to cherish for life.

In this way, SEGi is able to sustain its leadership position in the private education sector and meet the current and future demands of our stakeholders.

PRE-UNIVERSITY

Pre-University programmes are designed to provide students with the right foundation for academic progression, while also training them to be well-rounded and independent individuals. At SEGi, the programmes are complemented with a complete learning experience, orienting students into a college environment and preparing them for undergraduate studies at university level in disciplines of business, arts, engineering, IT, and health sciences. SEGi uses a mentor approach whereby experienced lecturers give students guidance in focus study groups as well as help them prepare for the examinations, ensuring a high student success rate.



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MEDICINE

The SEGi University Faculty of Medicine strives to produce medical professionals who are lifelong learners and who endeavour to keep abreast of advances in medicine so as to ensure the community receives appropriate and effective care. This is made possible through diverse teaching and learning experiences that are student and patient-centred, promoting holistic care and emphasising professional and ethical values.

The SEGi University medical programme is designed for students who believe that they can make a difference to others' lives through better health by being safe, caring and exceptional doctors. This programme prepares aspiring doctors for a challenging career covering promotive, preventive, therapeutic and rehabilitative medicine.

Our medical programme is accredited by the Malaysian Qualifications Agency (MQA).

AT OUR HEART SEGi PROGRAMMES



Our Optometry and Vision Sciences programme is accredited by the Malaysian Qualifications Agency (MQA) and also the Malaysian Optical Council (MOC).

PHARMACY

SEGi's Pharmacy programme aims to integrate scientific, clinical and professional knowledge with communication skills, providing graduates with the expertise to contribute effectively as a pharmacist within the future health care system. Students learn both chemical and physiological knowledge, as well as pharmacy practice, through problem-based learning, workshops, seminars and laboratory work.

DENTISTRY

The SEGi University Faculty of Dentistry is among the wide range of study areas available. The Faculty boasts its own dental clinic with practicing in-house dentists. Here, students are given hands-on practical sessions, which provide them with an insight into what working with both dentists and patients alike. The dental clinic comes complete with a reception, a

waiting area and a dental records room, and is tailored to meet industry standards, undergoing regular spot checks by various health agencies. The dental services are open to students, lecturers and other staff, as well as to the public.

BIOMEDICAL SCIENCE

Bachelor of Biomedical Science (Hons) offered at SEGi University is in-line with the National Higher Education Strategic Plan to produce a desirable percentage of scientists and researchers in Malaysia. It is a stepping stone which opens pathways to a wide range of dynamic profession and job opportunities.

Biomedical Science explores the understanding of human body whereby students will be exposed to various medical diagnostics and its latest developments covering the areas of anatomy and physiology, clinical biochemistry, human genetics, medical microbiology, cellular pathology, blood sciences, pharmacology and many more. This programme aims to produce well-rounded, competent scientists who are able to cater to the growing demand of the healthcare industry.

OPTOMETRY & VISION SCIENCES

The SEGi University Faculty of Optometry & Vision Sciences is responsible for educating future optometrists, and is committed to offering quality accredited programmes that equip graduates with the knowledge and skills to cope with the ever growing and evolving scope of practice for Optometry. The Faculty boasts laboratories and clinical facilities that are on par with the leading local and international universities that offer undergraduate Optometry programmes.

As well as utilising top facilities, students will be trained by qualified full-time lecturers, whilst also benefiting from the expertise of external visiting lecturers comprising Biomedical Scientists, Medical Practitioners, Ophthalmic Surgeons and Practicing Optometrists. The small class size also allows students enjoy the opportunity to interact closely with the academic staff.



AT OUR HEART SEGi PROGRAMMES

ALLIED HEALTH SCIENCES

The Allied Health Science programmes such as Medical Laboratory Technology, Environmental Health, Physiotherapy and Nursing are designed to equip students to become skilled professionals within their respective industries with the aim of advancing the complete performance of healthcare provided in a growing and dynamic healthcare setting. The programmes aim to address the pertinent shortage of healthcare workforce in the region by preparing them to be skilled, compassionate and proficient, providing optimal services to the society at large, and enhancing their competency through problem-based learning as well as developing effective communication and leadership skills.

BUSINESS & ACCOUNTING

Managers and business professionals deal with a range of complex issues on a daily basis and are expected to make business decisions in the face of constant economic and social change, while adapting and relating to both local and global market changes. They are also expected to take on the role of coordinating and integrating the activities of people to ensure that an organisation achieves its goals.

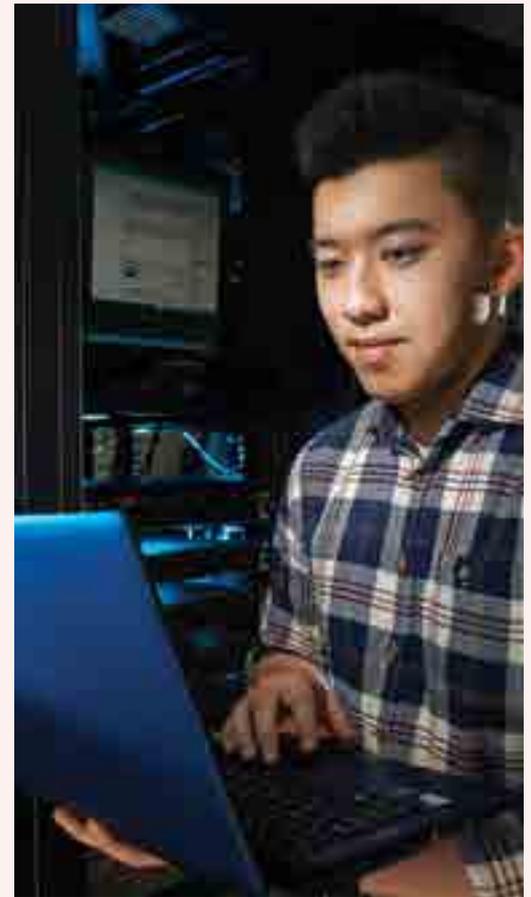
Innovative graduates with business knowledge and savvy skills accelerate organisational growth and competitiveness. The Business and Accounting programmes available at SEGi aim to produce graduates capable of managing effectively across the broad range of disciplines required in today's challenging and rapidly changing business environment. By increasing and enriching knowledge across a broad range of business disciplines, students gain a firm grounding in key management skills and techniques essential to accounting, financial, strategic and knowledge management.

LAW

The Law programmes available at SEGi are ideal for students who wish to obtain a qualification of international standing en route to a successful career as a practicing lawyer. The programmes aim to promote independent learning, develop key intellectual transferable skills, develop critical awareness, and strengthen the students understanding into the language of law.

As a commonwealth country, Malaysia practices common law system as practiced in the United Kingdom. As such, SEGi offers the University of London (UK) Bachelor of Laws (LLB) programme. The University of London LLB is an internationally recognised 'gold standard' programme established for over 100 years. Upon graduation students will be on the path to pursue qualifying exams anywhere in the world to be a practicing lawyer. Graduates will join a distinguished group of solicitors, barristers and judges around the world who obtained their law degree through the University of London International Programmes.

SEGi also offers the homegrown Diploma in Law programme.



TECHNOLOGY & INNOVATION

The world is increasingly dependent upon the use of technology, where technological development and its adoption by organisations is central for the transformation of management culture, lifestyle and the global economy. The art of representing information by technology is fast becoming an inexact and blurred science. The information engineer of the future must be equipped with the appropriate skills to meet these challenges.

SEGi's Technology & Innovation programmes are comprehensive and relevant to industry and continue to attract top students. They aim to provide graduates with the opportunity to apply adaptive skills and knowledge to a field that is transforming constantly, especially in the conduct of every day business and communications.

AT OUR HEART SEGi PROGRAMMES

ENGINEERING

SEGi offers an impressive range of engineering programmes that focus on a student-centric learning environment, where students interact with teaching staff from Malaysia as well as visiting staff from our international partner universities. Students have access to well-equipped laboratories and workshops at SEGi campuses, providing them with the essential tools in the development of skills and knowledge in their fields of study. A number of our graduates have gone on to write success stories in the industry.

The programmes offered include Chemical, Mechanical and Electronic & Electrical Engineering. SEGi's Civil Engineering programme has been accredited by the Engineering Accreditation Council for the Board of Engineers Malaysia. This means that the programme is recognised under the Washington Accord of which Malaysia is a signatory member and our civil engineering graduates are accepted to work as practicing civil engineers and also for postgraduate studies in any country outside Malaysia.



SEGi OFFERS AN IMPRESSIVE RANGE of engineering programmes that focus on a student-centric learning environment, where students interact with teaching staff from Malaysia as well as visiting staff from our international partner universities.

BUILT ENVIRONMENT

The term built environment refers to the structures, and infrastructure, that are man-made. This can include everything from simple housing to entire cities, and even man-made outdoor environments. Built environments provide the basic necessities for human life, and therefore must be functional and healthy for all. Finding this balance is a complicated and challenging process, and one that is consistently being refined.

Built Environment encompasses a variety of disciplines including architecture, construction, project management, environmental design and planning. Students studying built environment programmes at SEGi will address professional, industrial and consultancy activities while also exploring the relationship between the buildings/cities and the individuals, communities and organisations that inhabit them, ensuring they develop a prosperous future in the growing job market.

CREATIVE ARTS & DESIGN

The SEGi Creative Arts and Design programmes range from being highly conceptual to those that are deeply practical requiring a specific skill set. With that said, creativity is at the core of all that is executed and taught at SEGi.

Students are not only provided with a qualification or skill in creative arts and design, but are prepared to brave the challenges of the industry when they step into the working world. SEGi aims to expand the boundaries of teaching and learning by using the latest technologies, ensuring graduates are at the forefront of art and design industries in the new millennium.

SEGi also offers Music Studies for aspiring world-class musicians.



AT OUR HEART SEGi PROGRAMMES



COMMUNICATION STUDIES

Communication Studies is the discipline which looks at the various means used to relay information through mass media to large segments of the population at one time. The most common mediums used to relay such information would be newspaper, magazine, radio, television and film, as these are used to disseminate news and advertising to a large audience.

Its programmes at SEGi aim to provide a solid foundation in the basic knowledge and skills necessary to become media practitioners and more informed media consumers. Students will learn essential skills in the areas of television/video, news and current affairs production, print, radio and TV journalism, and desktop and on-line publishing, public relations and corporate communications that are relevant to the region as well as internationally.

EARLY CHILDHOOD CARE & EDUCATION

Educators at all levels play a significant role in developing the knowledge of society. SEGi recognises the importance of this and, as such, offers a full range of innovative and industry relevant programmes to meet the objective of producing progressive educators who are competent and thoughtful leaders in their respective fields.

SEGi is the trusted provider of ECCE programmes, supplying the nation with thousands of highly qualified ECCE practitioners since 1999. In addition, the government of Malaysia has appointed SEGi as the Champion of Entry Point Project (EPP) 2, Education National Key Economic Areas (NKEA) to promote and train caliber practitioners.



PSYCHOLOGY

Psychology is both an academic and applied discipline concerned with the scientific study of mental processes and behavior. Psychology seeks to explain thought, emotion and behaviour in the context of real life. At SEGi, the programme aims to produce graduates with intellectual aptitudes, independence and transferable skills for employment and/or further studies. Students can also apply the basic psychological theories and principles to significant areas of human activities such as healthcare, education, management, marketing, social welfare, and many more.

Educators at all levels play a significant role in developing the knowledge of society.

SEGi recognises the importance of this and, as such, offers a full range of innovative and industry relevant programmes to meet the objective of producing progressive educators who are competent and thoughtful leaders in their respective fields.

AT OUR HEART SEGi PROGRAMMES

HOSPITALITY & TOURISM

There is tremendous growth in the hotel and tourism industry as businesses and people are spending more money on leisure than ever before. Therefore, this sector of the industry is one of the largest and fastest creators of employment. There is a need for educated and trained people who can be counted on to deliver first class services.

The hospitality and tourism programmes available at SEGi are designed to equip students with the skills and knowledge that are increasingly in demand by today's employers. Students will study highly relevant modules that cover marketing, destination management, human resources, information management, planning and research, among others. During the programme, students will also develop wider skills in communication, team working, problem solving, usage of information technology and also application of numbers, essential to launch their careers and provide a framework for life-long learning.



lecturers as well as group projects, presentations and field trips outside of the classroom. The American Degree Program focuses more on assessing the students throughout the course work and allocates less percentage to mid-term and final examinations. The program also allows for full completion locally at SEGi.

ENGLISH LANGUAGE

Today it is widely accepted that English is the language of diplomacy and international communications, business, tourism, education, science, computer technology, media and the Internet - with almost 70% of all information stored electronically being in English.

The Intensive English Programme is specially designed for international students. It aims to improve these students' English language proficiency to a level equivalent to around IELTS 5.0 - 5.5 to enable them to further their studies at the diploma and degree levels as well as to find employment in English-speaking environments.

AMERICAN DEGREE PROGRAM

TROY University's Bachelor of Science program with majors in Communication Arts, Psychology and Business Administration and minors in Promotion, Communication Studies,

Promotion, Psychology and Global Business at SEGi provides students with the opportunity to experience US-styled education. This style of education focuses heavily on the practical elements of learning with an emphasis on classroom interaction between the students and

SEGi also offers the Bachelor of Arts (Hons) in English and Public Relations, a double major degree to produce entry-level public relations practitioners with a sound command of the English language.

POSTGRADUATE STUDIES

Current business environment demands professionals with expert knowledge and business savvy. Highly acclaimed and internationally recognised, the Postgraduate programmes offered at SEGi University are intended for enterprising individuals seeking to holistically combine their expertise with general management skills.

SEGi University's Institute of Graduate Studies (IGS) is a clear leader in the adult learners segment, offering quality programmes that are flexible and that produce competent graduates. The industry relevant and innovative programmes are constantly updated and adapted to mould proficient researchers.



STRONG FOUNDATION SEGi CAMPUSES



Technology &
Innovation
**Centre of
Excellence**

Health
Sciences
**Centre of
Excellence**

International
Students
**Hub of
Excellence**

SEGi UNIVERSITY KOTA DAMANSARA

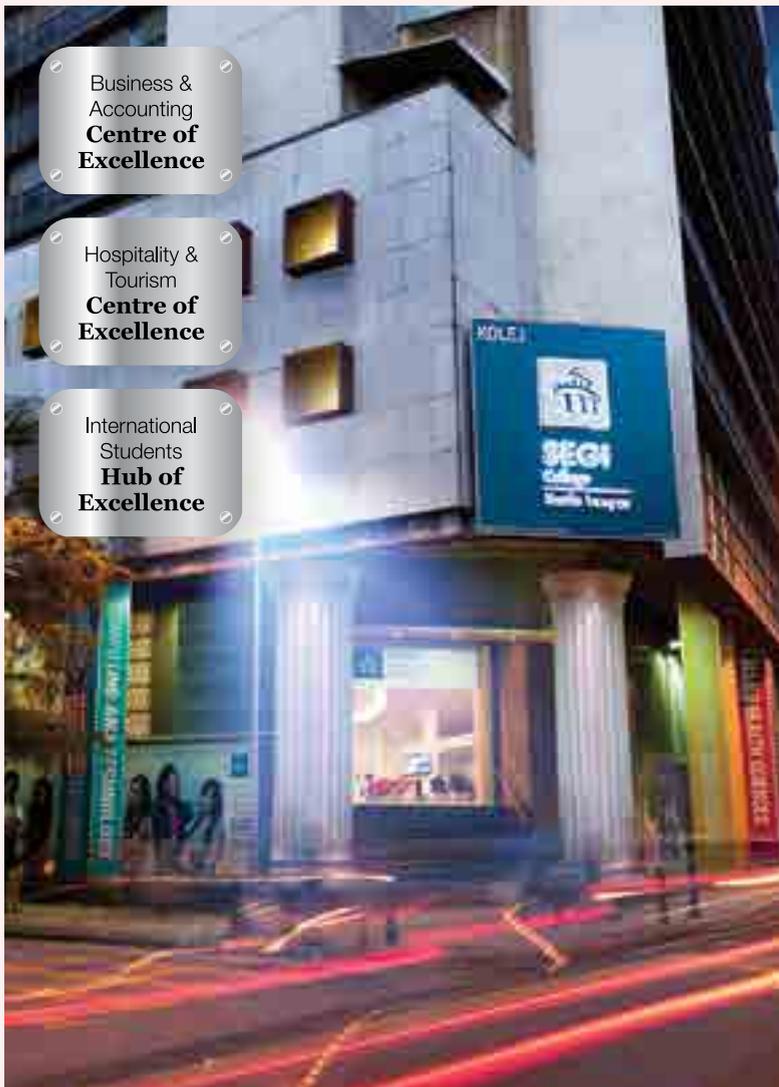
This flagship campus is built on a strategic site in Kota Damansara, a prime location in Petaling Jaya City in the Selangor state. The impressive campus has academic research, residential and recreational facilities, providing a complete learning experience for up to 12,000 students. It is a short distance to a vibrant commercial centre complete with shopping malls, banks and entertainment spots, accessible using public transport services.

An extension building called SEGi Tower – a few hundred metres away from the flagship campus can accommodate another 6,000 students and consists of the Faculty of Business, the Faculty of Technology and Innovation and also the Faculty of Creative Arts and Design.

Right next to the SEGi Tower is the SEGi Residence, a 25-floor condominium for student accommodation. SEGi students have the luxury of having their campus just a few steps away from home, thus saving time and money on travelling. Convenience stores located in the adjacent commercial centre and at Cova Square, as well as the sports and recreation facilities on SEGi University campus nearby make campus life a complete and exciting experience.



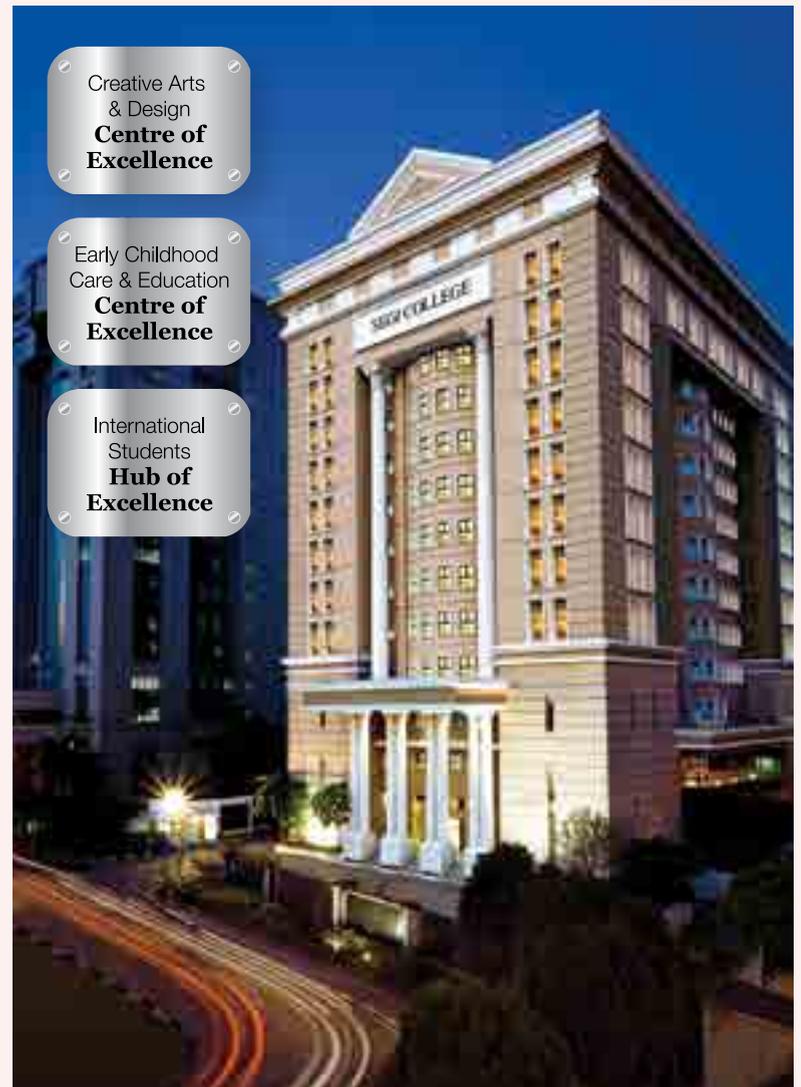
STRONG FOUNDATION SEGi CAMPUSES



Business &
Accounting
**Centre of
Excellence**

Hospitality &
Tourism
**Centre of
Excellence**

International
Students
**Hub of
Excellence**



Creative Arts
& Design
**Centre of
Excellence**

Early Childhood
Care & Education
**Centre of
Excellence**

International
Students
**Hub of
Excellence**

SEGi COLLEGE KUALA LUMPUR

The campus is located in Kuala Lumpur and is only a short distance from the Masjid Jamek LRT Station. Students can enjoy cosmopolitan living with easy access to all modern amenities of the city such as the Light Rail Transit (LRT), buses, shopping malls, banks, restaurants, tourist attractions, entertainment spots and more.

Since its humble beginnings in 1977, the Kuala Lumpur campus has grown from just one building to occupy a total of five buildings in the same vicinity. SEGi College Kuala Lumpur has a reputable history for its business and accounting programmes but now it also offers a wide range of programmes.

SEGi COLLEGE SUBANG JAYA

This modern 12-storey Subang Jaya campus, which opened its doors in January 2006, is located within the college belt of the Subang Jaya district. It has a capacity to accommodate 6,500 students, and is complete with facilities especially for music and early childhood education programmes.

SEGi College Subang Jaya is the Centre of Excellence for creative arts and design and also early childhood education. The campus also offers programmes in the fields of business and accounting, information technology, engineering, hospitality and tourism as well as postgraduate programmes.

STRONG FOUNDATION SEGi CAMPUSES



SEGi COLLEGE SARAWAK

SEGi College Sarawak is positioned as the gateway of the Group to East Malaysia and today stands as one of the largest private colleges in East Malaysia. The campus is located at the heart of Kuching, the capital city of Sarawak. It is the only campus in the Group which offers law programmes at diploma and degree level.



SEGi COLLEGE PENANG

The Penang campus serves as SEGi's education hub for the northern region of Peninsular Malaysia. The campus is situated in Green Hall and comprises modern facilities and a conducive environment, providing students with a complete learning experience. Amenities are also convenient and readily available with eateries, banks, shopping malls and public transport located nearby the college.

SEGi College Penang offers a wide range of programmes from Business and Accountancy to Engineering, as well as postgraduate programmes.

STRONG FOUNDATION SEGi CAMPUSES



SEGi PACE

SEGi understands it is essential that working professionals should be equipped with the relevant skills to stay on top of the competition. So to make further studies within reach, SEGi created Professional and Continuing Education (PACE).

PACE is a consortium of global universities from the UK, USA, Australia and Malaysia that enables busy working adults to advance at their own pace and complete their studies with assurance that they can still attend to other obligations and have a fulfilling work-life balance.

Students have a choice to select which mode of study is best for them: Weekend/evening classes with students attending classes either on weekends or in the evenings; or supported learning where instead of attending scheduled classes at a physical venue, students can log in for their online classes at any time of the day. They only need to attend workshops at their nearest authorised SEGi location twice a month. The other mode is independent learning, where students study mostly online and only need to attend intensive revisions at their nearest authorised SEGi location once a month.

For the full list of programmes under PACE, visit www.pace.edu.my

CENTRE OF EXCELLENCE

HEALTH SCIENCES

The curriculum for our Health Sciences programmes are developed with the aim of producing competent and caring individuals while also being able to anticipate and respond to the changes in community needs, medical science and technology.

Developing Healing Hands & Caring Hearts



Health Sciences
Centre of Excellence



EARLY CLINICAL EXPOSURE

Medical students are exposed to clinical methodologies as early as Year 1 into their studies. Formal clinical trainings are conducted from Year 3 onwards.



IT SAVVY

At every opportunity we expose our students to advanced methods of learning. Using the proprietary SEGi Sphere platform, students are able to access pre-recorded PANOPTO recordings of lectures and practical sessions, lecture materials and e-resources such as Clinical Key and Access Medicine.



WELL-EQUIPPED FACILITIES

Our Anatomy Museum and Dissertation Hall house hundreds of models. Cadaveric specimens are used during practical classes.



TEAM-BASED LEARNING

We encourage students to work collectively and foster collegiality by having cross discipline Problem-based Learning (PBL) and other small group learning activities.

CENTRE OF
EXCELLENCE

TECHNOLOGY & INNOVATION

Technology has made an influential impact in society today and is well paving the way for what is possible in the future. SEGi works hand-in-hand with major industry players, such as Oracle, Huawei and Microsoft.

Collaborating With World Class ICT Companies

Technology &
Innovation
**Centre of
Excellence**



MAC COMPUTER LAB

The Mac computers are installed with the latest software programmes for students to familiarise with.



COMPUTER LABORATORY OF OPTIMUM TECHNOLOGY

A teaching laboratory is adapted for students in collaboration with Huawei worth over RM400,000.



BLACKBOARD™

Online learning becomes an enriching experience for students with Blackboard – an online Course Management System that enables relevant and innovative learning beyond the confines of the classroom.



PANOPTO LECTURES

Lectures held in classrooms are recorded so that it can be replayed and retrieved online for later viewing, making it convenient for students who are absent to catch up on what's going on in class.

CENTRE OF
EXCELLENCE

BUSINESS & ACCOUNTING

The Faculty of Business & Accountancy is the largest and oldest in SEGi and we take pride in providing the highest quality of business education. Providing industry relevant and innovative programmes that adapt to the ever-changing business world, the faculty is committed in its quest to develop global business professionals.

Best Business Practices in the Classroom

Business &
Accounting
**Centre of
Excellence**



SEGi SPHERE

An all-in-one portal to cater to the needs of students and also access to E-Library.

3+0

DOUBLE DEGREE AND 3+0 PROGRAMMES

Students enrolled in our double degree programmes will graduate with 2 parchments – one from SEGi University and the other from Aberystwyth University, UK, to enhance their qualification and employability. We also offer 3+0 programmes where graduates will receive their degrees from one of our UK partner universities.

95%

HIGH EMPLOYABILITY

95% of our Business and Accounting graduates are employed within 3 months upon graduation.



EXEMPTIONS FOR PROFESSIONAL PAPERS

Graduates of our Business and Accounting degree programmes are granted exemption for professional papers for CIMA, ACCA, CPA and ICAEW.

CENTRE OF
EXCELLENCE

CREATIVE ARTS & DESIGN

In SEGi, we want to inspire creativity through a blend of theory with practice, thus providing a holistic approach in the enrichment of an educational experience. Students will develop skills in communication, problem solving and ethical understanding, as well as studio-based skills in their chosen areas of study.

Creativity That Inspires



Creative Arts
& Design
**Centre of
Excellence**



PRODUCTION

The "Green Room" is mostly used for broadcasting exercises to create an authentic production experience and environment.



SOUGHT-AFTER GRADUATES

90% of our graduates were employed in the industry within the first 6 months upon graduation.



NEW PHOTOGRAPHY STUDIO

The newly built studio in SEGi College Subang Jaya is complete with lighting equipment for a complete setting for photo shooting.



EXCELLENT ACADEMICIANS

More than 94% of our academicians achieved an excellent rating in teaching in 2015.

CENTRE OF
EXCELLENCE

EARLY CHILDHOOD CARE & EDUCATION

SEGi is the trusted provider of Early Childhood Care & Education (ECCE) programmes, supplying the nation with thousands of highly qualified ECCE practitioners since 1999. In addition, the government of Malaysia has appointed SEGi as the Champion of Entry Point Project (EPP) 2, Education National Key Economic Areas (NKEA) to promote and train caliber practitioners.

Leading Education for Tomorrow's Teachers



Early Childhood
Care & Education
**Centre of
Excellence**



ESTEEMED INDUSTRY ADVISORS

To support the efforts of improving student experience and quality of ECCE programmes, ECCE key industry players work hand-in-hand with SEGi to share their expertise in the ECCE industry.



REPUTABLE ACADEMICIANS

Apart from our experienced early childhood specialists, we also have academicians with impressive and diverse backgrounds such as Nursing, Pharmacy, TESL, Communications, Linguistics, Business and Psychology. This diversity is our advantage as it allows us to address the multi-dimensional and multi-disciplined nature of the ECCE industry.



WIDE INTERNSHIP AND EMPLOYMENT OPPORTUNITIES

With a strong network of over 100 registered schools and learning institutions, ECCE students are able to perform their internship and make a sound decision in choosing their career path.



INDUSTRY LEADER

The ECCE Faculty is much sought-after by creators and providers of children's educational toys, books and mobile applications for consultation on their products.

CENTRE OF
EXCELLENCE

Establishing World-Class Standard in Hospitality

Hospitality &
Tourism
**Centre of
Excellence**

HOSPITALITY & TOURISM

The Hospitality & Tourism programmes at SEGi are designed to equip students with the skills and knowledge that are increasingly in demand in the industry.



STATE-OF-THE-ART TEACHING FACILITIES

A mock fine dining restaurant, mock hotel rooms and a full functioning kitchen give students a hands-on experience in culinary cooking techniques and other hospitality practices that will benefit them in their future career.



STRUCTURED WORKPLACE LEARNING

Hospitality & Tourism programmes offered by SEGi are modeled upon the philosophy of structured workplace learning. After certain modules there is a practical session where students must apply their knowledge by organising an event relevant to that module.



WIDE INTERNSHIP AND EMPLOYMENT OPPORTUNITIES

SEGi has collaborations with more than 100 hotels & resorts as affiliated partners to provide internship placements that also increase their opportunity for employment upon graduation.



MEMBERSHIPS AND AFFILIATIONS

SEGi is a Gold member of the Chefs Association of Malaysia (CAM) and World Association of Chefs Societies (WACS).

STRATEGIC COLLABORATIONS UNIVERSITY PARTNERS

SEGi partners with international universities of great repute to offer a globalised learning experience for our students. Programmes offered by our university partners are regulated by them on a regular basis, thus ensuring the exact same quality of education that students will obtain at their home base.

UNIVERSITY
OF SOUTHERN
QUEENSLAND
AUSTRALIA

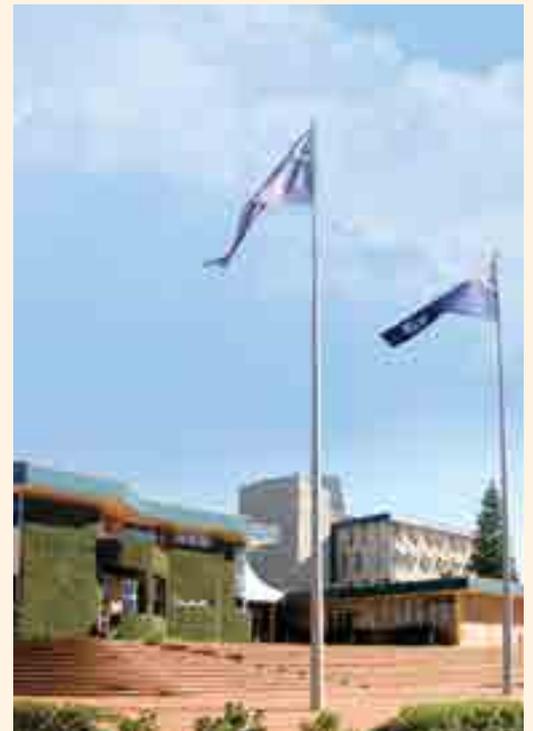


AUSTRALIA

University of Southern Queensland (USQ) was established in 1967 and is based in Toowoomba, Queensland. The University is one of Australia's leading providers of education both on campus and through its distance education option. With more than 75 per cent of students studying via distance learning or online mode, USQ is at the cutting edge of flexible delivery of resources and technology.

USQ is a fully accredited Australian Government University, with students coming from across Australia and all around the world. According to Australia's Department of Education, Innovation, Science, Research and Tertiary Education Higher Education Statistics, USQ was the leading provider of distance education from 2007-2011.

The university is ranked by MyUniversity as the top university in Queensland for graduates in full-time work in 2013, and the Good Universities Guide (2015) awarded USQ the top national rating of 5 stars for graduates getting a full-time job.



UNITED STATES OF AMERICA

TROY University is a comprehensive public university that is located in Troy, Alabama, United States. It was founded on February 26, 1887 as Troy State Normal School within the Alabama State University System. It is the flagship university of the Troy University System with its main campus enrolment of 6,998 students and the total enrollment of all Troy University campuses of 19,579. Troy University is regionally accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACS) to award associate, baccalaureate, master's, education specialist, and doctoral degrees.



STRATEGIC COLLABORATIONS UNIVERSITY PARTNERS



UNITED KINGDOM



**University of
Sunderland**



University of Sunderland (UOS) has been providing higher education since 1901 and is proud to be an innovative, forward-thinking university with high standards of teaching, research and support. The University has strong links with industry and business, and works closely with some world's leading companies. Sunderland attracts thousands of students from all over the globe who go on to lead exciting careers armed with a first-class qualification.

According to the Guardian University Guide 2012, UOS is ranked the best new university in the North East of England. It was also shortlisted for University of the Year in the Times Higher Education Awards 2012.



**UNIVERSITY
of
GREENWICH**



University of Greenwich (UOG) is located in London, England. The University traces its roots to 1890, when Britain's second polytechnic was opened near the Thames River at Woolwich. UOG was awarded University status in 1992.

Its Business School offers business services such as consultancy as well as running international conferences and events on various business topics while having strong links with industry, working closely with employers to develop relevant programmes accredited by professional bodies. University of Greenwich is also the proud recipient of The Queen's Anniversary Prize for Higher and Further Education 2015, awarded for innovative research and development carried out by Greenwich's Natural Resources Institute within the Faculty of Engineering & Science.



STRATEGIC COLLABORATIONS UNIVERSITY PARTNERS



UNITED KINGDOM



Abertay University (AU) has a long history as one of Scotland's leading universities. AU has an entrenched reputation for professionalism in offering career-driven higher education. All of AU's researchers are involved in teaching and developing courses, giving students the chance to learn from the world leaders every day.

The University is home to world-leading research teams, whose discoveries are hailed internationally. Abertay researchers are also studying issues as varied as the Scottish economy, food and nutrition science, psychology, computer arts and digital media, and many other topics.



Teesside University (TU) is a dynamic, energetic and innovative university located in Middlesbrough, England. With 80 years of innovative education, Teesside University is one of the top universities in the UK dedicated to delivering quality education.

TU's courses and lectures are ranked as the best in the North East and in the country's top ten, according to the Whatuni Student Choice Awards 2011. In fact they are the first and only modern university to be awarded the Times Higher Education University of the Year (2009-10). TU was also the proud recipient of The Queen's Anniversary Prize for Higher and Further Education 2013, awarded for its outstanding work in the field of enterprise and business engagement.



STRATEGIC COLLABORATIONS UNIVERSITY PARTNERS



York St John University located in York, United Kingdom, was originally founded in May 1841. In addition to its wide range of undergraduate programmes, it offers at postgraduate and post-experience level programmes including theology, education, theatre, fine art, film production, music composition, counselling, health, linguistics and TESOL. In recent years York St John has developed its research capacity in Allied Health Professions & Studies; Psychology; Education; Sports-related Studies; English Language & Literature; Theology & Religious Studies; and Drama, Dance & Performing Arts.



University of London is truly one of the best universities in the UK consisting of a federation of 19 world class colleges and 10 specialised institutes. Its reputation for high academic standards has been built on the outstanding teaching and research of its Colleges since 1836. For 153 years, University of London degrees have been accessible to students all over the world through the University of London International Programmes. Today, the University of London International Programmes is truly an international in character with over 50,000 students in more than 190 countries.

In the case of the undergraduate laws programme, academic direction is provided by six University of London Colleges with Law Schools or Departments, collectively known as the Laws Consortium: Birkbeck, King's College London, London School of Economics and Political Science (LSE), Queen Mary, School of Oriental and African Studies (SOAS), and UCL (University College London).



University of St Mark & St John (MARJON) was set up nearly 175 years ago in London, United Kingdom, with the foundation of the constituent colleges of St John's, Battersea, in 1840 and St Mark's, Chelsea, in 1841. The two colleges combined moved from London to Plymouth in 1973. Marjon offers a great range of programmes from Foundation Degrees & Progression Courses to Honours Degrees and Postgraduate study. The National Student Survey results have awarded the university 91% for Student Satisfaction in 2013. This places the university in the top 10 of Higher Education institutions in England. In the Sunday Times University Guide, they were awarded 80% for Teaching Excellence in 2012.

EXCELLENCE AT SEGi

As enablers of promising minds, it is no surprise that SEGi University & Colleges have been acknowledged as one of Malaysia's foremost Education providers.



1. Reader's Digest Trusted Brand Awards 2015 – Gold

SEGi was awarded Gold at the coveted Reader's Digest Trusted Brand Awards 2015, under the category of Private Universities/Colleges. The Reader's Digest Trusted Brands Survey has a well-established reputation as the premier consumer-based and international measure of brand preference. It identifies trusted Asian brands and provides an objective and reliable reference for consumers throughout the region.



2. Putra Brand Awards 2015 – Silver

SEGi won a Silver award at the Putra Brand Award in recognition of its commitment to quality education. This was the fifth time SEGi won a Putra Brand Award, the last being Silver in 2013 and 2014 and Bronze in 2012 and 2010 respectively.

3. McMillan Woods Global Award 2015

SEGi's Chief Executive Officer, Ms Hew Moi Lan, was awarded the McMillan Woods Global Awards 2015 in the Masterclass category, under Education and Training. The award was presented to individuals whose concepts and practices have resulted in effective and high impact best practices.



4. MyQUEST 2013/2014

SEGi campuses in Subang Jaya, Kuala Lumpur, Penang and Sarawak achieved 6 and 5 stars at the recent MyQUEST (Malaysian Quality Evaluation System for Private Colleges). Carried out every two years since 2011, MyQuest rates private colleges from one (poor) to six stars (excellent).

EXCELLENCE AT SEGi



5. Sin Chew Business Awards 2015

SEGi won in the Product and Service Excellence category. This award is only given to top Malaysian businesses.

6. Courses Now! Students Choice Awards 2015

The Courses Now! Students Choice Awards 2015 determines the most popular 50 universities and colleges in Malaysia as chosen by students and school leavers via a nationwide study. The ranking is formed by responses gathered from more than 8,700 respondents in schools and education fairs across the country over the course of 12 months in 2014. SEGi was voted the 5th place by students and school leavers.

ACADEMIC

1. International Conference on Clean Water, Air & Soil (CleanWAS) 2015

Dr. Yap Pow Seng, a Chemical Engineering lecturer at SEGi University, won the Best Paper Award at the International Conference on Clean Water, Air & Soil (CleanWAS) 2015 in Armada Hotel, Petaling Jaya. His award-winning paper was entitled "Efficient removal of Cr(VI) from water using layer double hydroxides".



COMPETITIONS



1. 28th Interstate Bowling Championship 2015

SEGi College Sarawak student Neroshia Keligit Thiagarajan bagged a Gold medal in the single category and also a Silver in the Group category at the 28th Interstate Bowling Championship in March 2015. She is currently studying the Diploma in Law but still actively devotes her time and energy to sports, in the hopes of representing Sarawak and later, Malaysia one day.



2. MASISWA Sarawak 2015

SEGi College Sarawak co-hosted badminton for the MASISWA tournament on 17th April 2015 and our students won 3rd place for Mixed Doubles. Our students also participated in other tournaments and emerged as winners in basketball (3rd place) and Ping Pong (3rd place).

EXCELLENCE AT SEGi



3. MASISWA Bowling Tournament 2015

SEGi University's bowling team managed to win 3 Bronze medals at the MASISWA Bowling Tournament 2015 at Sunway Mega Lanes in Petaling Jaya on 26th April 2015.

4. 2015 KL Push Hands and Sanshou Open Tournament

Tan Chuan Hui from SEGi College Kuala Lumpur won the bronze medal in the 2015 KL Push Hands and Sanshou Open Tournament organised by Persekutuan Wushu Kuala Lumpur on 16th May 2015.



5. MAPCU Intersarsity Games 2015

Ashley Wasara from SEGi University won 1 Gold and 1 Silver medal in Athletics at the MAPCU Intersarsity Games 2015 held at Universiti Putra Malaysia in early May 2015. He obtained the Gold medal in the 200 meter category and the Silver in the 100 meter category.

6. MAPCU Cricket Championship and International Invitational Taekwondo Kukkiwon Cup 2015

SEGi University won the Champion title at the MAPCU Cricket Championship, in conjunction with the MAPCU Sports Carnival. It was also a day to remember for the university's taekwondo team as they managed to win Silver at the International Invitational Taekwondo Kukkiwon Cup 2015, on 7th June 2015.



7. ITF Borneo Warrior Championship 2015

SEGi College Sarawak's Vice President of Martial Arts, Issac Mckinson George won silver medal for individual sparring category at the ITF Borneo Warrior Championship 2015 held at Dewan Brooke IPD Kampus Batu Lintang, Kuching on 20th June 2015.

8. 2015 KL International Wushu Open Tournament

On 26th July 2015, 5 representatives from SEGi College Kuala Lumpur competed in the 2015 KL International Wushu Open Tournament, and won 1 gold, 2 silver and 1 bronze medals.



9. Fighting Robot Competition 2015

The SEGi Robo-Tech Club of SEGi College Penang won the championship prize and also the best technology award for their robots at the Fighting Robot Competition 2015 organised by Robot Education on 7th August 2015.

EXCELLENCE AT SEGi

10. MASISWA Basketball Championship 2015

SEGi College Kuala Lumpur's Basketball Team participated in the MASISWA Basketball Championship on 10th October 2015 and emerged as winner in the 3-point contest and was placed 2nd among the 24 universities that participated.



11. MAPCU Taekwondo Interschool Championship 2015

SEGi University's Taekwondo team won 1 silver and 3 bronze medals at the MAPCU Taekwondo Interschool Championship 2015 on 18th October 2015. Mohammad Hafiy Irsyad won a Silver medal in Black belt category, Aimi Athirah won a Bronze medal in Black belt category, Aziman Faizan won a Bronze medal in Senior category (Green belt) and Najwa Natasha won a Bronze medal in Junior category (White belt).

12. National Pharmacy Debate 2015

SEGi University's Pharmacy Students' Association was 1st runner up in the National Pharmacy Debate which was held at the International Islamic University Malaysia, Kuantan from the 6th November to 8th November 2015. The debate was participated by both public and private universities.

13. Table Tennis IPT Championship 2015

Ho Yen Xin, a Bachelor of Hospitality Management student from SEGi University won a Bronze medal at the Table Tennis IPT Championship 2015 on 16th November 2015 at Universiti Malaya, held in collaboration with the Ministry of Education.

14. Kabbadi 1Malaysia 2015

"SEGianRutrans" which consisted of 10 SEGi College Kuala Lumpur students were crowned 1st runner up in the Kabbadi 1Malaysia 2015 tournament on 5th December 2015.

AWARDS BY PARTNER UNIVERSITIES

1. University of Southern Queensland (USQ)

Liu Ban Hong, a Senior Lecturer for Music from the Faculty of Creative Arts & Design at SEGi College Subang Jaya won the 2015 Community Service Alumnus of the Year Award by the University of Southern Queensland (USQ). The Alumnus of the Year Award recognises outstanding USQ alumni for their achievements including their professional careers, academic excellence, or individuals who have been an inspiration to the community at large, and Mr Liu was awarded for his work with a blind choir group called Joyful Choir of the Blind or JCB.



2. University of Sunderland

Eleven students from SEGi College Subang Jaya were selected as recipients for the Special UOS Celebratory President Scholarships for a year to study at the University of Sunderland, the United Kingdom. The scholarships are for students who are currently undertaking the University of Sunderland programme at SEGi, to provide these students with the once-in-a-lifetime opportunity to study abroad. The Special UOS Celebratory President Scholarships are divided into two categories: the Undergraduate Study Abroad Student Scholarship and the Postgraduate Study Abroad Student Scholarship.

The recipients for the Undergraduate Study Abroad Student Scholarship are Chong Ting Hui, Eng Zheng Yu, Gideon Lim Li Qian, Sandra Chng Sue Yen, Tan Vee Vien, Jasminder Kaur A/P Herbans Singh, Mugheshwaran A/L Ganason, Wong Hoong and Wong Win Sern. The recipients for the Postgraduate Study Abroad Student Scholarship are Lim Kar Chun and Mok Chew Ling.

GOING GLOBAL

One way SEGi establishes excellence is by building mutual trust with institutions of higher learning from various countries and by establishing ties with individuals and companies of great repute. This enables an exchange of ideas, shared resources and an improvement in the delivery of education to maximise every individual's potential.

In 2015, SEGi was very fortunate to have new collaborations, and also to receive visitors who were very impressed with SEGi's contribution to education.



1. TROY UNIVERSITY'S SENIOR VICE CHANCELLOR VISITS SEGi

SEGi University & Colleges welcomed a new partner under its American Degree Program (ADP), Troy University from Troy, Alabama. Professor Dr Earl Ingram, the Senior Vice Chancellor, Academic Affairs of Troy University was at SEGi College Kuala Lumpur on 26th June to meet new students, their parents and guardians and to witness the delivery of the programme at SEGi.



2. TALK BY MARK COOPERSMITH

SEGi University & Colleges hosted an entrepreneurship talk by Fortune 500 executive and entrepreneur Mark Coopersmith at SEGi University on 27th August on "Insider Entrepreneurship" and "The Importance of Ecosystem". Mark Coopersmith is a senior fellow from UC Berkeley's Haas School of Business and is also a well-known media commentator and the Co-Author for the book THE OTHER "F" WORD: How Smart Leaders, Teams, and Entrepreneurs Put Failure to Work.

GOING GLOBAL

3. EMERITUS PROFESSOR SIR DAVID READ

Emeritus Professor Sir David Read from the Department of Animal and Plant Sciences at University of Sheffield, UK, made his annual visit to SEGi University to deliver a public lecture on 'Climate Change – Recent Impacts with Special Reference to Boreal and Tropical Forests' on 9th September. He is also the Chairman for SEGi University International Academic Advisory Board.



4. PUBLIC LECTURE BY BARBARA ISAACS

SEGi College Subang Jaya organised a public lecture on Early Childhood Education by Barbara Isaacs, Director of National Strategies Montessori Centre International, UK. For more than 25 years, Barbara Isaacs has trained and supported the training of Montessori teachers in her capacity as a lecturer both at Montessori St. Nicholas, London Montessori Centre and Montessori Centre International. She has been involved with course development and the promotion of Montessori education within the UK and internationally.

5. INAUGURAL LAUNCH OF CONFUCIUS INSTITUTE

The Confucius Institute at SEGi University was launched at a ground-breaking ceremony on 23rd November. The Confucius Institute at SEGi University is formed in collaboration with Hainan Normal University (HNU) and is a non-profit educational organisation that provides Chinese language lessons, promotes the Chinese language and culture, and facilitates educational and cultural exchanges with the main objective to promote cultural exchange between China and the rest of the world.



CORPORATE RESPONSIBILITY REPORT



MARKETPLACE



COMMUNITY



ENVIRONMENT



WORKPLACE

As the nation's premier education provider, SEGi believes in managing its business in an ethically and socially responsible manner for the benefit of stakeholders and the community at large. Thus, Corporate Responsibility (CR) is the heartbeat of what SEGi does, from delivering the promise of a quality education, to making the community a better place.

The Bursa Malaysia Corporate Responsibility Framework looks at these 4 main focal areas, namely:-
Marketplace, Community, Environment and Workplace.

MARKETPLACE

SCHOLARSHIPS

SEGi believes that the opportunity to maximise one's potential through the fulfilment of studies should be available to students of all backgrounds. This can be achieved not only by nurturing and encouraging students in their studies but also by reaching out to those deserving individuals by offering a range of financial assistance options.

In 2015, full and partial scholarships, bursaries and contributions towards education funds were given out to deserving students who are academically inclined, needy and active in co-curricular activities to pursue tertiary education at SEGi.

- **SEGi High Achiever's Scholarship**
- **SEGi Principal's Scholarship**
- **SEGi Sports Scholarship**
- **SEGi ACE Scholarship**
- **Sin Chew Education Fund**
- **The Star Education Fund**



CORPORATE RESPONSIBILITY REPORT

COMMUNITY

Under this focal area, SEGi has been making the community a better place by carrying out projects that impacts the hearts and minds of people.

1a 15.01.2015, Help for East Coast Flood

SEGi University's Student Affairs Division organised a campaign to collect essential items for the affected victims of the recent East Coast flood. Items worth RM10,000.00 consisting of household items, footwear, medical essentials, clothing, food and toiletries collected from students and employees were donated to the people of Kampong Peijing in Chenor, Pahang.

1b The SEGi Rotaract Club of SEGi College Sarawak also organised a special donation drive by collecting clothes and utensils for victims affected by floods in East Malaysia and also Sarawak.

2 29.01.2015, Watoto Children's Choir

The Watoto Children's Choir from the Watoto Child Care Ministries, performed a one-night only concert at SEGi University. They are an international organisation that cares for Africa's children that are orphaned or abandoned as a result of HIV/AIDS or poverty. SEGi University successfully raised RM16,080.00 for the organisation.

3 09.02.2015, Donation of Hospital Equipment

The Student Affairs Division of SEGi University embarked on yet another mission to flood victims in East Coast, Malaysia. They organised a donation of hospital equipment worth RM140,000.00 to Hospital Universiti Sains Malaysia (HUSM) at Kubang Krian, Kelantan. The equipment consisted of hospital beds, cardiac tables, IV poles, table side cabinets, baby bassinette and blankets.

4 11.02.2015, Blood Donation Campaign

SEGi College Kuala Lumpur's Faculty of Nursing organised a Blood Donation Campaign & Health Screening with 110 participants who successfully donated blood.

5 08.03.2015, SEGi Optometry Club Assists the Needy

A team of 13 students and 1 lecturer from the Faculty of Optometry and Vision Sciences of SEGi University made a day trip to the small town of Bekok in the state of Johor to serve the Orang Asli community in need of eye care. As a result, a total of 65 people were screened, of which 44 pairs of spectacles were prescribed.



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CORPORATE RESPONSIBILITY REPORT

6 23.03.2015, 38 Dance Marathon

SEGi University's Student Affairs Division held the 38 Dance Marathon that comprised of 3 hours of Zumba, a fun health work out in conjunction with International Women's Day. Professional Zumba instructors from Celebrity Fitness gym were invited to the campus to lead 70 students and employees.

7 15.04.2015, Health Day

SEGi College Sarawak conducted a blood donation drive, health check-ups and consultation sessions at their campus.

8 23.04.2015, Pet Adoption Awareness Campaign

Students from the School of Communication Studies at SEGi University organised "Pat-a-Pet Day" to commemorate World Stray Animals Day on 4th April. A local charity organisation, Save a Stray, was invited to share its experience in saving stray animals. The students managed to raise RM1,500.00 worth of pet food and medical supplies to Save a Stray.

9 04.06.2015, Nepal Earthquake Relief Efforts

In the light of the Nepal earthquake disaster, SEGi University's Student Affairs Department and SEGi College Kuala Lumpur collected RM20,000.00 as part of a fundraising effort to assist the people of Nepal. The funds raised were handed over to the Believers Church in Nepal to channel the funds to the village of Aampipal, located in the district of Gorkha where the funds will be used to purchase building materials for homes, food, water and clothing in preparation for autumn and winter.

10 27.07.2015, Lighthouse Children Welfare Home

SEGi College Kuala Lumpur's American Degree Program students organised a visit to Lighthouse Children Welfare Home to donate groceries and monetary donations.

11 10.09.2015, Diabetes Awareness Week

SEGi College Subang Jaya organised "Living well with diabetes". Free health checks were conducted to check blood glucose levels.

12 21.09.2015, Rumah K.I.D.S

The students of the Faculty of Creative Arts and Design (FOCAD) of SEGi College Subang Jaya organised a community service project for the children of the Rumah K.I.D.S, a children's welfare home located in Subang Jaya. Besides helping the home with provisions and supplies, they also provided advice to the children on why they should pursue further education.

13 17.11.2015, Hearts of Charity Campaign

SEGi University's Student Affairs Division in collaboration with Chalkzone Academia organised the "Hearts for Charity" to raise RM2,000.00 for The Dyslexia Association of Malaysia.



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CORPORATE RESPONSIBILITY REPORT

ENVIRONMENT

Sustainability of a business is futile if there is no decent environment for an organisation to thrive in. Thus, SEGi encourages both its employees and students to participate in environmental conversation efforts.

1 16.03.2015, Earth Day

In conjunction with Earth Day, students of SEGi College Kuala Lumpur organised an environmental awareness campaign by having exhibition booths and by placing recycle bins around the campus.

2 13.06.2015, Sepang Beach Clean Up

A group of 120 students along with the employees of SEGi College Subang Jaya, Majlis Perbandaran Sepang (MPS), the Corporate Social Responsibility team from the Kuala Lumpur Convention Centre (KLCC) and local residences of Pantai Bagan Lalang got together to clean up and beautify the beach in the district of Sepang. While the cleaning up was taking place, students from the Faculty of Creative Arts and Design and their lecturers worked on decorations made from recycled items to be displayed along the beach. In the end, over 80 bags full of trash were collected.



WORKPLACE



As one of the largest private higher education institution in Malaysia, SEGi has always believed in bringing out the best in our students. However, before we can make a difference in the lives of our students, we have to ensure a safe and conducive working environment for employees to thrive in.

1 25.02.2015, Chinese New Year Celebration

SEGi University & Colleges held its annual Chinese New Year Celebration 2015 across all 5 campuses with performances by lion dance troupes. The grand celebration was held at SEGi University, followed by a grand Chinese New Year lunch for all employees.

2 21.05.2015, Teacher's Day

SEGi College Kuala Lumpur held a Teacher's Day Celebration to show their appreciation for their lecturers' dedication and hard work.

3 06.08.2015, Hari Raya Open House

SEGi College Kuala Lumpur organised a Hari Raya Open House 2015 for its employees. They were entertained by talented students who performed traditional dances and recited Malay poems. Hampers were given to the best dressed employees.

4 02.12.2015, SEGi Corporate Outing

Various departments in SEGi University & Colleges' corporate office organised their own departmental trips to various local tourist spots to have team building activities and forge closer bonds with one another.

5 05.12.2015, Christmas Lunch

SEGi College Kuala Lumpur organised a Christmas lunch for its staff to thank them for their efforts in the past year.



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2015 AT A GLANCE

JANUARY 2015

- 1 14.01.2015, ECCE Graduation Showcase**
SEGi College Subang Jaya's Bachelor of Arts Early Years Education organised a Graduation Showcase showcasing a range of live and multi-media presentations that covered critical early childhood topics such as workplace projects, mentoring, digital story telling, pedagogic documentation, planning of outdoor environments, handling transitions and transformation of workplace practice.
- 2 22.01.2015, Ponggal Festival**
Ponggal Festival is a harvest festival celebrated by the Tamil community. To create an awareness of the event, SEGi College Kuala Lumpur celebrated Ponggal by performing rites to mark the occasion.

FEBRUARY 2015

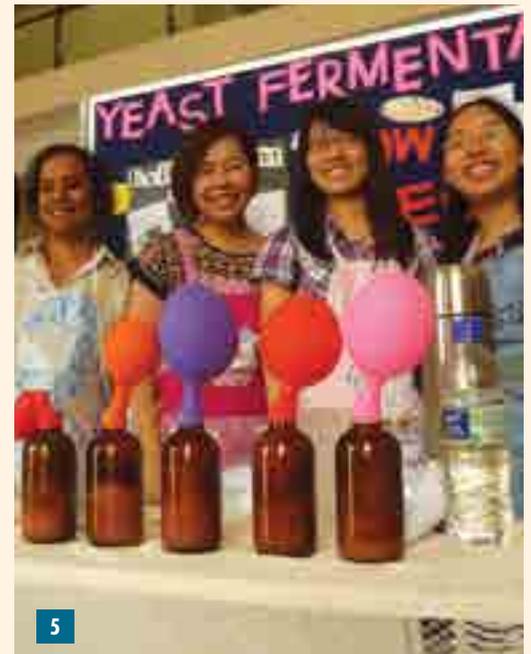
- 3 05.02.2015, Maybank Visits Campus**
The SME Chairman from Maybank visited SEGi College Kuala Lumpur to give a talk on the SME industry and the prospects of a successful career at Maybank to its final year students.

MARCH 2015

- 4 05.03.2015, Micro Teaching YMCA**
14 Diploma in Early Childhood Education students from SEGi College Kuala Lumpur participated in a micro teaching at YMCA as part of their coursework for the subject "Special Educational Needs and Learning Disabilities".
- 5 05.03.2015, Science Exhibition Booth**
SEGi College Subang Jaya's Diploma in Early Childhood students organised a Science exhibition booth on campus grounds to show how learning Science can be fun.
- 6 18.03.2015, New Student Representative Council**
SEGi University's Student Affairs Division held its annual Swearing-in Ceremony for its Student Representative Council and Student Awards Ceremony. Many students were awarded for their contribution towards SEGi University.

APRIL 2015

- 7 01.04.2015, Career Fair**
SEGi University organised a Career Fair with many top national and multinational companies that participated to interview students and graduates for career opportunities.
- 8 03.04.2015, Mentor-mentee Bowling Activity**
The School of Hospitality and Tourism (SOHT) of SEGi College Penang organised a Mentor-mentee Bowling Activity at the Penang Bowl, Penang to break the ice and encourage closer ties between the mentors and mentees.
- 9 04.04.2015, 30th Anniversary of SCSRK Law School**
SEGi College Sarawak's Law Society organised a dinner at Hilton Hotel to celebrate the 30th Anniversary of the Law School. The dinner was attended by the key players of the industry, industrial advisors, alumni, lecturers from the Law School and students.



2015 AT A GLANCE

10 10.04.2015, SOHT Annual Leadership Camp

The School of Hospitality and Tourism (SOHT) of SEGi College Penang held its annual leadership camp at Jungle Resort, Sik, Kedah. It was organised by the school's lecturers to instil leadership qualities in students through team building activities and was participated by 1st year students.

11 15.04.2015, Visit to Bank Negara

35 students from the Faculty of Business and Accounting of SEGi College Subang Jaya visited Bank Negara to have a glimpse of the working environment at the country's national bank, to learn how money is made and also for the students to discover the financial system in Malaysia.

12 17.04.2015, Make Up + Self-Grooming Workshop

30 students from SEGi College Kuala Lumpur had a whale of a time participating in the Make Up + Self-Grooming Workshop organised by the Rotaract Club of SEGi College KL.

13 26.04.2015, Entrepreneurial Talk by Tan Sri Fng Ah Seng

SEGi College Kuala Lumpur organised an Entrepreneurial Talk by Tan Sri Fng Ah Seng. The talk was attended by students and academicians to listen to Tan Sri Fng, the founder the housing development company, Epic Valley Holdings Sdn. Bhd.

14 29.04.2015, New VCPs

SEGi University welcomed 9 companies as part of their Valued Corporate Partnerships (VCP) to link companies with final year students for internships and graduating students with job opportunities.

MAY 2015

15 05.05.2015, Benefits of Breastfeeding

SEGi College Kuala Lumpur lecturers and nursing students learned about breastfeeding and its benefits at Hospital Bersalin Kuala Lumpur.

16 07.05.2015, Career Open Day

Students from SEGi College Sarawak's School of Business & Hospitality participated in the Hilton Kuching Career Open Day. They gained insight of the hospitality world through the sharing of experiences of people working in the hospitality industry.

17 19.05.2015, Young Entrepreneur Talk

150 students from SEGi College Kuala Lumpur participated in the Young Entrepreneur Talk by Ms Low Ngai Yuen, CEO of KakiSeni Sdn. Bhd.

18 29.05.2015, Leadership Camp

SEGi University's Student Affairs Division organised a Leadership Camp for its students at Camp ABC, Janda Baik. There were many fun and memorable activities for the students to participate in.

JUNE 2015

19 14.06.2015, Fun Day Camp

The Student Affairs Department of SEGi College Sarawak organised a Fun Day Camp at Floridale Hostel for its students.

20 25.06.2015, ADP BBQ Party

SEGi College Kuala Lumpur held an ADP BBQ Night to welcome Professor Dr. Earl Ingram, Senior Vice Chancellor of Troy University, to the campus. It was a fun evening for everyone, with a delicious BBQ dinner to boot.



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2015 AT A GLANCE

JULY 2015

21 09.07.2015, Iftar with International Students

SEGi University organised an Iftar get together for international students to make them feel at home in Malaysia, as it would be their first time breaking fast away from their homeland.

SEPTEMBER 2015

22 17.09.2015, Freshman High Tea

SEGi University's Student Affairs Division organised a Freshman High Tea for all the first year students as an avenue to know one another.

23 17.09.2015, Merdeka Video Competition

SEGi University held a Merdeka Video Competition amongst SEGi students with the theme "Celebrating Diversity" in collaboration with MBO Cinemas. The top 2 winning videos were aired in MBO cinemas, which were made by The Lost Roti Canai Team and Tommy Tong.

24 30.09.2015, STEP Programme Ambassador

The Students Affairs Division of SEGi University launched the STEP Programme Ambassador with a new development for the STEP Programme in 2016 and awarded certificates to 28 high achieving final year students who completed the STEP Programme 2015.

OCTOBER 2015

25 19.10.2015, Online Streaming Radio

SEGi College Subang Jaya launched its own SCSJ Online Streaming Radio to share the latest news at the campus, with five specially handpicked students to chair the deejay console. DJ Tal (Talha from Faculty of Engineering and IT), DJ Fab (Fabien Santiago Kenel from American Degree Program), DJ Becks (Rebekah Mui from Faculty of Education), DJ Nicole (Nicole Aldeth Main from Faculty of Creative Arts and Design) and DJ Push (Pushpanjali Mohanan from Faculty of Creative Arts and Design) were chosen due to their cheery and bubbly characteristics and personalities, as well as their ability to engage with a crowd.

26 21.10.2015, Trip to Melaka

The School of Hospitality and Tourism (SOHT) of SEGi College Penang organised a practical training trip for its students to plan, manage and conduct a mock tour package for customers to a trip to Melaka. The students had to work with suppliers of the tourism industry, such as transportation, accommodation, attractions and food and beverage.

27 28.10.2015, From VGA to 2k

SEGi College Subang Jaya organised an industrial talk by Mr. Wong Kuan Loong, Chief Operating Officer of Animasia Studio for creative multimedia students entitled "From VGA to 2k" so that students know what to expect in the creative multimedia field upon graduation.

NOVEMBER 2015

28 16.11.2015, New Gym in Campus

SEGi College Penang launched its new, fully equipped gym to encourage its students to destress and have a healthy lifestyle.



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CORPORATE GOVERNANCE STATEMENT

The Board of Directors recognises and subscribes to the importance of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”), the Corporate Governance Guide (2nd Edition) as well as the relevant provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Main Market Listing Requirements”). The Board believes that sound corporate governance practices are essential for delivering sustainable value, enhancing business integrity, maintaining investors’ confidence and achieving the Group’s corporate objectives and vision. The Board remains committed in ensuring the highest standard of corporate governance throughout the Group.

The Board of Directors of the Company is pleased to report to shareholders on the manner in which the Group has applied the key principles of good governance and the extent to which it has observed the best practices as set out in MCCG 2012.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear functions of the Board and Management

The Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management, monitoring the achievement of these goals and overseeing the investments of the Group. The Board oversees and monitors relevant ethical conducts and regulatory compliance as well as questions the management on certain key areas based on information provided.

The Board delegated specific powers and responsibilities to the Board Committees in discharging its responsibilities and fiduciary duties and to assist the Board in running the operation of the Group. Each Board Committee operates within clearly defined terms of reference.

The Executive Committee (“Exco”) which is chaired by the Group Managing Director, and consists of certain Board members and senior management of the Company, reviews the annual business plan and performance of the Group, and is authorised to transact business transactions within its limits. These include a review and assessment of the strategic position of the Group, setting out short term and long term plans, overseeing the business operations, formulate policies and evaluating whether these are being properly and effectively managed.

Certain management committees are in place to carry out the general day-to-day management of the Group under the direct authority of the Group Managing Director. The Board will communicate with management to discuss any matters that may have material impact on the Group’s performance as a whole, including reviewing the actions taken by the management periodically.

Clear Roles and Responsibilities of the Board

The primary role of the Board is to provide effective governance over the Group’s affairs to ensure the interests of shareholders are protected and the confidence of the investors are maintained whilst having regard for the interests of all stakeholders including customers, employees, suppliers and local communities. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board’s key responsibilities are to:

- oversee the overall strategic plan and performance of the Group’s businesses and develop initiatives for profit and asset growth;
- oversee, evaluate and monitor the conduct of the businesses of the Group and their corporate strategies;
- approve and monitor financial and other reportings as required;
- identify business risks and ensure that the appropriate risk management framework, internal control systems, code of conduct and compliance frameworks are in place and operating effectively and efficiently;
- assess and approve major capital expenditure, acquisitions and divestments;
- ensure adequate succession planning is in place, in particular, the succession of senior management, and including appointing, training, fixing the compensation and, replacing senior management where appropriate;
- ensure that the Board continues to have the blend of skills, experience and attributes appropriate for the Company and its businesses and to this end ensure that appropriate Directors are selected and appointed as required;
- monitor the performance of the Company’s management and ensure appropriate resources are available to the management; and
- develop and implement an effective communication channel between the Board, shareholders and general public.

Code of Conduct (“the Code”)

The Board adopted the Code to address matters relevant to the Company’s legal obligations as well as other obligations to its stakeholders. The Code sets out obligations that Directors, officers and employees are expected to behave when performing their duties which include but not limited to the following:

- compliance with legislation, regulatory and Bursa Securities Main Market Listing Requirements;
- to act in the best interest of the Group;
- to act honestly and with integrity;
- accountability and responsibility; and
- recognise the importance of corporate responsibility.

Any employee who knows of, or suspects a violation of the Code, is encouraged to whistle-blow or report their concerns as provided by the Whistle-Blowing Policy.

CORPORATE GOVERNANCE STATEMENT

The Code will be reviewed and updated regularly to meet SEGi's needs and to address the changing conditions of the Company. The Code is available on the Company's website.

Whistle-Blowing Policy

The Group has a whistle-blowing policy to provide employees with an accessible avenue to report in good faith of any suspected wrongdoing which includes suspected fraud, misappropriation of assets, criminal breach of trust, corruption, questionable or improper accounting records, misuse of confidential information and acts or omissions which are deemed to be against the interest of the Company, laws, regulations or public policies.

The employees are encouraged to report any misfeasance by any persons in the workplace to the appropriate parties within the Group. Proper investigations on all allegations or reports from within and outside the Group will be carried out to ensure that all concerns received are appropriately accounted for and reported to the right channel.

Should the employees still have concerns after the investigation(s) or if the employees feel the matter is so serious that it cannot be discussed with the parties concerned, they are able to bring their concerns to Dato' Amos Siew Boon Yeong, the Senior Independent Non-Executive Director. As of today, no issues or complaints in respect of whistle-blowing were received from this channel.

The summary of the whistle-blowing policy is available on the Company's website.

Promoting Sustainability

The Board recognises the importance of sustainability and its increasing impact to the business. SEGi believes that the principles of and actions to promote sustainability should be embedded across the Group in all aspects of the Group's operations and other activities. The impact on environment, social and governance aspects should be taken into consideration in conducting the business. Our policy and our commitment to sustainability is found in our Sustainability Policy which is available on the Company's website.

The Group believes that provision of training and education is crucial in nurturing future leaders and instilling them with strong moral and ethical values. SEGi has been offering high value programmes that meet industry and market needs, in producing highly sought after graduates.

The Board is committed to the welfare of its employees by providing relevant training programmes to equip them with the necessary skills and keep abreast with the new development of information and knowledge in order to improve their performance.

The Board also believes that effective corporate responsibility is of benefit to its businesses and, in turn, to its shareholders. The Group has actively integrated corporate responsibility initiatives as part of our business operations. The Group's corporate responsibility initiatives are explained in our Corporate Responsibility section in this annual report.

Corporate Integrity Pledge

The Board recognises the Anti-Corruption Principles for Corporations in Malaysia and is committed to promote integrity, transparency and good governance in all aspects of its operations.

SEGi believes that the best interests of the Company and long-term value to shareholders will ultimately be preserved by conducting business free from corruption and in accordance with the highest principles of integrity.

The management of SEGi has demonstrated their commitment towards creating a business environment that is fair and transparent, and to strengthen the unity amongst the employees in The SEGi Pledge.

Access to Information and Advice

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. At SEGi, every Director has access to all information within the Group.

Board meetings are structured with a pre-set agenda, whereby prior to each Board meeting, all Directors are provided with a set of Board papers containing information relevant to the business of the meeting to facilitate decision making. The Board has unrestricted access to all information pertaining to the Group's affairs and the services of the Company Secretaries. If necessary, the Directors are at liberty to seek independent professional advice on matters relating to the fulfilment of their roles and responsibilities at the Company's expense to enable them to discharge their duties effectively.

Company Secretaries

The Company Secretaries advise and support the Board on matters in relation to corporate governance, compliance with laws, rules, procedures and regulatory requirements. The Company Secretaries are responsible to the Board for the administration of the Board and in ensuring that the Board carries out its roles and responsibilities in accordance with the Company's Articles of Association and the applicable laws and regulations.

The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the services and supports rendered by the Company Secretaries in discharging their functions and duties.

CORPORATE GOVERNANCE STATEMENT

The Company Secretaries attend the Board and Board Committee meetings and ensure all meetings are properly convened, and the records of proceedings are duly recorded and maintained in the statutory registers of the Company. The Board is updated by the Company Secretaries on matters requiring follow up or implementation.

Board Charter

The Board adopted its Board Charter in 2012 to set out the roles, functions and composition of the Board and to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

The Board Charter would act as a source reference and primary induction literature, providing insights to prospective Board members and senior management. It will also assist the Board in the assessment of its own performance and that of its individual members.

The Board Charter will be reviewed periodically and updated in accordance with the needs of the Company and any new regulations that may have an impact on the Board's responsibilities. The Board Charter is available on the Company's website.

STRENGTHEN COMPOSITION

Board Composition

The Board, led by an Independent Non-Executive Chairman, is currently made up of eight members, of whom four are Independent Non-Executive Directors, two are Non-Independent Non-Executive Director and two are Executive Directors. The Board members comprise of high calibre individuals who are professionals in their respective fields. They, with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise primarily in legal, business, financial and academic fields. The mixture of skills and experience is vital to add value in governing the strategic directions of the Group and ensuring that the Group continues to be a competitive leader in the education industry. A brief profile of each Director is presented from page 12 to 15.

The Executive Directors have direct responsibilities for business operations and performance. The presence of Independent Non-Executive Directors fulfils a pivotal role in corporate accountability. Although all the Directors have equal responsibilities for the Group's operations, the roles of these Independent Non-Executive Directors are important. They provide independent and objective views, advice and judgement on issues of strategy, business performance and controls. The Independent Non-Executive Directors always take account of the interests of the Group, shareholders and communities in which the Group conducts business as well as the public at large.

The Board is committed to the following principles when determining its composition:

- the Board is to comprise of Directors with the blend of skills, experience and attributes appropriate for the Company and its Group businesses; and
- the principal criterion for the appointment of new Directors is their ability to add value to the Company and its Group businesses.

Board Committees

The Board assumes responsibility for effective stewardship and control of the Group. It delegates certain responsibilities to the Board Committees as described below with clearly defined terms of reference and the Board receives reports of their proceedings and deliberations. Where committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted for the Board's approval. The chairman of the various committees reports the outcome of the committee meetings to the Board, and the minutes of the various committees are enclosed in the board papers at the following Board meetings.

- **Nominating Committee**

The Nominating Committee is entrusted with the specific task of identifying and recommending new nominees to the Board. The Board has the final decision on appointments after considering the recommendations of the committee.

The committee assesses the candidate(s) based on his/her character, experience, competencies, integrity, time commitment and contribution. The nominees are expected to confirm and undertake that they will have sufficient time to meet the Board's expectations and will notify the Chairman before accepting any new directorship or taking up additional roles.

The process for identifying and nominating new candidate(s) for appointment entails the following steps:

- Stage 1 : Identification of candidate(s)
- Stage 2 : Evaluation of suitability of candidate(s)
- Stage 3 : Recommendation to the Board for approval.

The proposal for new appointment(s) including those proposed by the major shareholders and other Board members, will be tabled for assessment and evaluation before the committee recommends to the Board for approval.

CORPORATE GOVERNANCE STATEMENT

The Company Secretaries ensure that all appointments are properly made and all necessary information is obtained from the Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Bursa Securities Main Market Listing Requirements and other regulatory requirements. The committee periodically examines the effectiveness of its present size in discharging its duties.

The Nominating Committee conducts annual assessment of the Board in respect of their skills, experience, contributions and other qualities including core competencies, as well as of its Independent Directors to assess whether the Independent Non-Executive Directors are able to discharge their duties with unbiased and independent judgement.

In respect of the financial year under review, the committee conducted a self-appraisal by the Directors to assess the performance of the Directors of the Company. The duties of the committee include evaluating the effectiveness of the Board as a whole and the various board committees, and reviewing the mix of skills, experience and expertise of each Director and their contributions to the effectiveness of the decision making process of the Board. The changes on composition of certain Board committees to strengthen the effectiveness of the Board were recommended to the Board for approval and it was duly adopted by the Board.

The committee also reviewed and recommended to the Board the tabling of the resolutions for the re-election and re-appointment of the Directors retiring at the Company's annual general meeting.

The Nominating Committee comprises exclusively Non-Executive Directors, as follows:

Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas Independent Non-Executive Director	– Chairman
Dato' Sri Chee Hong Leong Independent Non-Executive Director	– Member
Nicholas Rupert Heylett Bloy Non-Independent Non-Executive Director	– Member

The Board noted that whilst the Bursa Securities Main Market Listing Requirements did not prescribe the chairmanship for the Nominating Committee, the Nominating Committee should be chaired by a Senior Independent Director, pursuant to the recommendation of the MCCG 2012. The Nominating Committee of the Company is not chaired by the Senior Independent Director. However, the Board is satisfied that Tan Sri Dato' Seri Megat Najmuddin bin Dato' Seri Dr. Haji Megat Khas is capable to be the Chairman of the Nominating Committee and the committee is able to discharge its duties effectively through a formal and transparent process, in compliance with applicable law and regulations and high standards of corporate governance.

The committee met once during the year under review.

• Remuneration Committee

The Remuneration Committee is responsible for developing the remuneration policy framework and to make recommendations to the Board on the remuneration packages of the Directors. The remuneration policy is designed to support key business strategies and create a strong, performance-orientated environment. The objective of the policy is to attract, motivate and retain Directors and talents of calibre needed for the achievement of the Company's strategic objectives. The remuneration of the Executive Directors is structured so as to link rewards to their performance. The Non-Executive Directors are paid annual fees for their contributions to the Company.

The Executive Directors do not participate in decisions relating to their remuneration. The Board as a whole determines the remuneration of the Directors. The individual concern abstains from participating in decisions in respect of his/her individual remuneration.

The Remuneration Committee carried out an annual review of the Directors' remuneration whereupon recommendations were submitted to the Board for approval. The Remuneration Committee will ensure the Directors' remuneration packages are aligned with the Group's business strategy and long term objectives.

CORPORATE GOVERNANCE STATEMENT

The Remuneration Committee consists of a majority of Non-Executive Directors, as follows:

Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas Independent Non-Executive Director	–	Chairman
Tan Sri Clement Hii Chii Kok Group Managing Director	–	Member
Dato' Sri Chee Hong Leong Independent Non-Executive Director	–	Member
Nicholas Rupert Heylott Bloy Non-Independent Non-Executive Director	–	Member

The committee met twice during the year under review.

• Executive Committee (“Exco”)

The objective of the Exco is to review prior month's financial performance and other opportunities and threats arising from that particular month. The Exco reports to the Board and is authorised to transact business activities of the Group subject to certain limitations set out in the terms of reference.

The Exco members shall consist of no less than three members of the Board. The Exco comprises the following:

Tan Sri Clement Hii Chii Kok Group Managing Director	–	Chairman
Hew Moi Lan Executive Director/Chief Executive Officer	–	Member
Edwin Fua Chye Jin Non-Independent Non-Executive Director	–	Member
Datuk Mohamed Azahari Bin Mohamed Kamil Group President, SEGi University & Colleges	–	Member

The associate members of the Exco comprise of certain senior management of the Group and representatives from a major shareholder. Heads of corporate departments and other representatives of the major shareholder may be called or invited to attend as and when required.

The committee met eleven times during the year under review.

• Audit Committee

The Audit Committee assists the Board in discharging its duty in maintaining a sound internal control system to safeguard the shareholders' investment and the Company's assets.

The terms of reference and further information on the Audit Committee are set out in the Report of the Audit Committee.

• Risk Management Committee

The Risk Management Committee is established to oversee the implementation of the risk management system in the Group. The committee reports directly to the Board and assists the Board in overseeing the management of risk issues and reviews the effectiveness of internal controls within the Group.

The main features of the risk management framework and internal control system are set out in the Statement on Risk Management and Internal Control.

The Risk Management Committee consists of the following members:

Dato' Amos Siew Boon Yeong Independent Non-Executive Director	–	Chairman
Dato' Sri Chee Hong Leong Independent Non-Executive Director	–	Member
Hew Moi Lan Executive Director/Chief Executive Officer	–	Member
Edwin Fua Chye Jin Non-Independent Non-Executive Director	–	Member
Datuk Mohamed Azahari Bin Mohamed Kamil Group President, SEGi University & Colleges	–	Member

The Group recognises that risk is an integral and unavoidable component of its business and is committed to managing all risks in a proactive and effective manner. The Risk Management Committee is assisted by the RMC Working Committee.

The RMC Working Committee, comprising the heads from various business units and corporate departments, was formed to identify, evaluate and manage risks that affect the operations and performance of the Group. The principal risks identified will then be highlighted in the Risk Management Committee meetings, Audit Committee meetings and Board meetings. Appropriate actions were proposed and implemented to mitigate the risks to an acceptable level.

The Risk Management Committee met twice during the year under review.

CORPORATE GOVERNANCE STATEMENT

• LTIP Committee

The LTIP Committee was set up on 21 May 2014 to administer the Long Term Incentive Plan ("LTIP" or "the Scheme") in accordance with the By-Laws of the Scheme which were approved by the shareholders of the Company on 18 June 2014.

The LTIP serves to attract, retain, motivate and reward valuable employees and Executive Directors of SEGi Group through the award of ordinary shares of par value RM0.25 each in SEGi ("SEGi Share(s)") or the rights to subscribe for SEGi Shares as determined by the LTIP Committee. No options or shares were being granted during the year under review.

The LTIP Committee consists of the following members:

Tan Sri Clement Hii Chii Kok Group Managing Director	–	Chairman
Edwin Fua Chye Jin Non-Independent Non-Executive Director	–	Member

Election and Re-election

In accordance with the Articles of Association of the Company, all Directors who are appointed by the Board are subject to retirement and eligible for election by shareholders at the annual general meeting following their appointment. The remaining Directors will retire at regular intervals by rotation at least once every three years and shall be eligible for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are over the age of seventy years shall retire at every annual general meeting ("AGM") and may offer themselves for re-appointment to hold office until the next AGM.

Diversities in Gender, Ethnicity and Age

The Board is supportive of diversities in gender, ethnicity and age as it believes that individuals on the Board with diverse backgrounds improve board functioning and decision making process. Harnessing strength from a variety of backgrounds, experience and perspectives allow the Board to bring diverse perspectives in its deliberations. Ultimately, board diversity is about providing complementary views that lead to better board decisions. The Board currently has a mix of gender, ethnicity and age even though it does not have a formalised policy on board diversity. The Board will endeavour to ensure that gender, ethnicity and age diversity will be taken into consideration in nominating and selecting prospective Director(s) to be appointed on the Board, if any.

Directors' Remuneration

The details of the remuneration for the Directors of the Company for the year under review are as follows:

1. Aggregate remuneration of each Director

	Salary	Fee	Other Emoluments
Executive Directors			
Tan Sri Clement Hii Chii Kok	120,000	-	14,400
Hew Moi Lan	629,156	-	100,099
Non-Executive Directors			
Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Hj Megat Khas	-	93,500	-
Dato' Sri Chee Hong Leong	-	55,000	-
Nicholas Rupert Heylett Bloy	N/A	N/A	N/A
Dato' Amos Siew Boon Yeong	-	62,700	-
Goh Leng Chua	-	55,000	-
Edwin Fua Chye Jin	N/A	N/A	N/A

Notes

- Other emoluments include benefits-in-kind and statutory contributions.
- Nicholas Rupert Heylett Bloy and Edwin Fua Chye Jin agreed to waive their directors' remuneration in respect of their appointment as Directors of the Company.

2. Aggregate remuneration of Directors in respective bands of RM50,000

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM0 – RM50,000	-	2
RM50,001 to RM100,000	-	4
RM100,001 to RM150,000	1	-
RM700,001 to RM750,000	1	-

Note: Successive bands of RM50,000 are not shown entirely as they are not represented.

CORPORATE GOVERNANCE STATEMENT

REINFORCE INDEPENDENCE

Annual Assessment of Independence and Tenure of Independent Directors

The Board evaluates the independence of the Independent Directors on an annual basis. The Board is aware of the recommended tenure of an Independent Director which should not exceed a cumulative or consecutive term of a total of nine years as per the recommendation of the MCCG 2012. However, the Board is of the opinion that the ability of a Director is very much a function of his calibre, qualification, experience and personal qualities, particularly of his integrity and objectivity, regardless of his tenure as an Independent Non-Executive Director.

In respect of the financial year under review, the self-assessment checklist for Independent Directors indicated that the Board consists of a good balance of Independent Directors and the Directors are capable to resolve those potential areas of conflicts that may impair the independence of the Independent Directors. The Independent Directors consistently provided objective and constructive feedback during the Board meetings and challenged the management with their valuable viewpoints and experiences. The Independent Directors did not compromise their independent status and ability to act in the best interest of the Group.

Notwithstanding that Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas and Dato' Amos Siew Boon Yeong served the Company as Independent Directors for more than nine years,

- both of them met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements;
- they have actively participated in the Board's deliberations, provided objectivity in decision making and were independent in their opinion to the Board;
- they have exercised due care in the interest of the Company and shareholders during their tenure as Independent Directors of the Company; and
- they have vast experience, expertise and independent judgment.

The Board, based on the review and recommendations made by the Nominating Committee, is satisfied with them as Independent Directors of the Company. The Board recommends their retention as Independent Non-Executive Directors based on the reasons enumerated above and will seek shareholders' approvals at the forthcoming AGM for their retention as Independent Directors.

Separation of positions of the Chairman and Managing Director

The strong independent element of the Board has ensured a balance of power and authority. The clear division of roles and responsibilities of the Chairman and Group Managing Director has further enhanced the existing balance of power and authority.

The Chairman, Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas, is an Independent Non-Executive Director. He is responsible for ensuring Board's effectiveness and conduct whilst the Group Managing Director, Tan Sri Clement Hii Chii Kok, has overall responsibility for the operating units, organisational effectiveness and implementation of Board's policies and decisions.

The Board therefore believes that balance of power and authority exist within its current structure to sufficiently enable it to discharge its duties objectively.

FOSTER COMMITMENT

Time Commitment

The Directors observe the recommendations of the MCCG 2012 that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

The Board with the assistance from the Company Secretaries would draw a proposed timetable for the Board and Board Committees meetings, including AGM, to be held in the next calendar year, to ease the Directors in planning their attendances at the Board and Board Committees meetings.

The Board meets on a scheduled basis, at least once every quarter with additional meetings held as and when urgent issues arise and important decisions are required to be made between the scheduled quarterly meetings. The Board has a formal schedule of matters reserved to it for decision, including the approval of annual and quarterly results, major acquisitions and disposals, material contracts or agreements, major capital expenditures, major decisions affecting business operations and performance of the Group. All Board members carry an independent judgement when deliberating matters concerning the Group including strategy, operations, performance, finance, resources and standard of conduct.

Senior management staff and/or external advisors may be invited to attend the Board meetings to advise the Board on issues under their respective purview.

CORPORATE GOVERNANCE STATEMENT

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. During the year ended 31 December 2015, five meetings were held. A summary of attendance for each of the Board of Directors are as follows:

Name of Directors	No. of meetings attended
Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	4 out of 5
Tan Sri Clement Hii Chii Kok	5 out of 5
Hew Moi Lan	5 out of 5
Dato' Sri Chee Hong Leong	5 out of 5
Nicholas Rupert Heylett Bloy	3 out of 5
Dato' Amos Siew Boon Yeong	5 out of 5
Goh Leng Chua	5 out of 5
Edwin Fua Chye Jin (appointed on 26 February 2015)	4 out of 5

The Directors will also ensure that they must not hold directorships at more than five public listed companies to ensure that their commitment, resources and time are more focused to enable them to discharge their duties effectively.

Training and Development of Directors

Mandatory Accreditation Programme will be organised for newly appointed Directors, if necessary. The Directors who have completed the Mandatory Accreditation Programme continuously attend various training programmes to stay abreast with developments in the market place and new statutory and regulatory requirements. The Board recognises the importance of Directors being kept abreast with industry development and trends. The Directors are also regularly updated on new and relevant statutory as well as regulatory guidelines from time to time during the Board meetings.

The Company regularly identifies relevant training programmes, either internal or external, for the Directors and members of the Board Committees. During the year under review, the Directors attended education programmes and seminars in connection to the relevant changes in laws, regulations, capital market developments, business environment, corporate governance, corporate social responsibility and sustainability, risk management, leadership and business management to stay abreast with developments in the market place. Among the relevant programmes/trainings attended were as follows:

Directors	Name of Programme	Date
Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	4 th Annual Procurement & Integrity Forum for Public & Private Sector	21.01.2015
	Asian World Summit's 3 rd Education Nation Summit	07.04.2015
	Remuneration Reward Practices Seminar	08.04.2015
	Asian World Summit's 7 th Annual Corporate Governance Summit	08.06.2015
	Iclif Leadership & Governance's Breakfast Talk for PLC Directors	31.07.2015
Tan Sri Clement Hii Chii Kok	Khazanah National's Magatrends Forum	05.10.2015
	Introducing the concept of Balanced Scorecard	23.01.2015 – 25.01.2015
	Introducing the concept of Balanced Scorecard	23.01.2015 – 25.01.2015
	High Performance Leadership	04.10.2015 – 09.10.2015
	Future of Auditor Reporting – The Game Changer for Boardroom	02.11.2015
Dato' Sri Chee Hong Leong	2016 Budget and Tax Seminar	11.11.2015
Nicholas Rupert Heylett Bloy	HKVCA 5 th Asia Private Equity Forum 2015 – State of Private Markets in Southeast Asia	21.01.2015
	2015 AVCJ ESG Super Return, Hong Kong	18.09.2015
	2015 AVCJ ESG Super Return, Hong Kong – Outlook for South East Asia Picking Apart A Diverse Region – Where are the opportunities & how can the risks best be mitigated?	21.09.2015
	2015 Super Return, Hong Kong – "In the Shoes of Session" What is the Return Reality?	24.09.2015

CORPORATE GOVERNANCE STATEMENT

Directors	Name of Programme	Date
Dato' Amos Siew Boon Yeong	Listed Company Director Programme	07.07.2015
	National Tax Conference 2015	25.08.2015 – 26.08.2015
	Seminar Percukaian Kebangsaan 2015	29.10.2015
Goh Leng Chua	Whistleblower Protection Law – Preventing and combating fraud and corruption	06.04.2015
Edwin Fua Chye Jin	Introducing the concept of Balanced Scorecard	23.01.2015 – 25.01.2015
	Mandatory Accreditation Programme	06.05.2015 – 07.05.2015
	Financial Planning Association of Malaysia (FPAM)	22.10.2015
	Financial Risk Management for Public Listed Companies – W2: Credit & Financial Analyst	14.03.2016
	Value Investing in Quality Bursa Malaysia Shares	16.03.2016
	Company Analysis: The Strategic Position	17.03.2016

The Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

The Board aims to present a balanced and understandable assessment of the Group's financial performance and prospects to the shareholders, primarily through its annual financial statements and unaudited interim results as well as other corporate announcements, the Chairman's Statement and other reports in the Annual Report. The Audit Committee assists the Board in reviewing annual financial statements and unaudited interim results to ensure accuracy and adequacy. The Board also takes responsibility to ensure that these financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable financial reporting standards in Malaysia.

The Statement of Directors' Responsibilities pursuant to the Bursa Securities Main Market Listing Requirements is set out on page 73 of this Annual Report.

Assessment of Suitability and Independence of External Auditors

The role of the Audit Committee in relation to external auditors is described in the Audit Committee Report set out in the ensuing pages of this Annual Report. The Company has maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with applicable approved accounting standards in Malaysia.

The external auditors have full access to the books and records of the Group at all times. From time to time, the external auditors highlight and update the Audit Committee on matters that require their attention.

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors, including their performance and quality of work and non-audit services. The committee will also take into consideration the comments and viewpoints of the management during the annual assessment. The committee recommended their re-appointment to the Board and for the Board to table for shareholders' approval at the forthcoming AGM.

The Audit Committee meets with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. At least twice a year and whenever necessary, the Audit Committee will meet with the external auditors without the presence of executive Board members or management personnel, to allow the Audit Committee and the external auditors to exchange independent views on matters which require the Audit Committee's attention.

The external auditors are also invited to attend the Company's AGM and are available to answer any questions from shareholders on the conduct of the statutory audit and the contents of the annual audited financial statements.

During the year under review, the Audit Committee met three times with the external auditors without the presence of the management and Executive Directors to discuss the Group's system of internal controls, other relevant legal or regulatory compliances and the results of the external audit performed. The external auditors have declared their independence to the Audit Committee and their compliance with By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The Audit Committee also considered the non-audit services provided by the external auditors during the year ended 31 December 2015 and concluded that there were no significant non-audit services provided by the external auditors, except for the non-audit fee payable in respect of the review of the Statement on Risk Management and Internal Control.

CORPORATE GOVERNANCE STATEMENT

Related Party Transactions

An internal compliance framework exists to ensure that the Group meets its obligations under the Bursa Securities Main Market Listing Requirements for any related party transactions and conflict of interest situation which may arise within the Company or the Group. The Board, through the Audit Committee, reviews material related party transactions, if any. A Director who has an interest in a transaction will abstain from deliberating and voting on the relevant resolution in respect of such transaction at the Board meeting.

RECOGNISE AND MANAGE RISK

Sound Risk Management Framework

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal controls in the Company and the Group. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Directors' responsibilities for the Group's system of internal controls cover not only the financial aspects but also compliance and operational controls. The Board also considers risks management matters and reviews the adequacy and integrity of the risk management system. The Group has formal Standard Operating Procedures which are reviewed from time to time. The risk management and internal control system is also regularly reviewed by senior management and recommendations are made to the Audit Committee and Board for approval.

Internal Audit Function

The Board has established an in-house internal audit department to assist the Audit Committee and the Board in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

Details of the Company's internal control processes are presented in the Statement on Risk Management and Internal Control which appears in the ensuing pages of this report.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policies and Procedures

The Company is committed to provide timely, accurate and credible disclosure of material information, in compliance with disclosure requirements of Bursa Securities Main Market Listing Requirements and all other applicable legal and regulatory requirements, in order to keep our stakeholders, shareholders and other market participants fully informed and to enable orderly behaviour in the market.

The Company has in place policies and procedures ("the Disclosure Policy") to ensure comprehensive, accurate and timely disclosures. The objectives of the Disclosure Policy are to develop and maintain realistic investor expectations by ensuring all required disclosures are made on a broadly disseminated basis. It is imperative to ensure all our stakeholders and shareholders have equal access to such information. Contacts and communication with stakeholders, shareholders, other market participants or regulatory authorities are conducted through the authorised spokesperson or any other officers as may be authorised by the authorised spokesperson.

Leverage on Information Technology for Effective Dissemination of Information

The Group's corporate website at www.segi.edu.my provides quick access to information about the Group. The information on the website includes corporate profile, key management profiles, corporate policies and annual report of the Company. The corporate website also incorporates an Investor Relations section which provides all relevant information on the Company which is accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and press releases.

CORPORATE GOVERNANCE STATEMENT

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholders' Participation at General Meetings

The AGM provides a platform for two-way communication between the Company and shareholders. The notice and agenda of AGM together with the Form of Proxy are given to shareholders at least twenty-one days before the meeting to give the shareholders sufficient time to prepare themselves to attend the AGM either in person, by corporate representative or by proxy.

The Chairman and the Board encourage shareholders to attend and participate in the AGM and take the opportunity to raise questions and seek clarification on any matters pertaining to the business and financial performance of the Group. The Directors and senior management, together with the External Auditors, are available to respond to questions from the shareholders during the meeting.

Poll Voting

The Board recognises poll voting would enforce greater shareholders' right during the AGM. Poll voting would allow shareholders who are unable to attend the AGM but had appointed the Chairman of the meeting as proxy to vote on their behalf in accordance with their instruction as exercising their rights as shareholders of the Company.

Generally, the resolutions will be carried out by show of hands, except for Related Party Transaction, if any, (wherein poll will be conducted) unless otherwise demanded by the shareholders in accordance with the Articles of Association of the Company. The Chairman of the Board will inform the shareholders of their right to demand a poll vote at the commencement of the AGM.

Effective Communication and Proactive Engagement with Shareholders and Investors

The Board recognises the importance of an effective communication channel between the Board, shareholders and general public. The Board acknowledges the need for shareholders and other stakeholders to be informed of all material business matters affecting the Company and its latest business and corporate developments. The Board believes that an effective investor relationship is essential in enhancing value to its stakeholders.

Recognising the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensure that the shareholders and the general public would have an easy and convenient access to the Group's latest financial results, press releases, annual reports and other corporate information through the following channels:

- The various disclosures and announcements to Bursa Securities including quarterly and annual results via www.bursamalaysia.com;

- The Company's website at www.segi.edu.my; and
- The Company's investor relations website at segi.investor.net.my

Whilst the Company endeavours to provide as much information as possible, it is aware of the legal and regulatory framework governing the release of material and price sensitive information.

The Company sets out in its Shareholder Communication Policy the framework that it has put in place to promote effective communication with the shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

SEGi Shareholder Communication Policy is available on the Company's website and will be reviewed regularly by the Board to ensure that it continues to remain relevant and appropriate.

The Company also conducts press conferences and regular meets with analysts to update them on the latest development of the Company. Analyst reports are available to the public via the Group's investor relations website at segi.investor.net.my. The Head of Investor Relations Department and the Company Secretary are responsible for ensuring that the information contained in the investor relations website is accurate and up-to-date.

The Group welcomes inquiries and feedbacks from shareholders and other stakeholders. All queries and concerns regarding the Group may be conveyed to the following persons:

- Cheryl Chong Poh Yee
Group Chief Financial Officer/Senior Vice President
- Hew Ling Sze
Company Secretary

Telephone number : 603 6287 3777
Facsimile number : 603 6145 2679
Email : corporate@segi.edu.my

The Board has appointed Dato' Amos Siew Boon Yeong, a Senior Independent Non-Executive Director, to whom all concerns regarding the Company may be conveyed.

COMPLIANCE STATEMENT

The Board has taken steps to ensure that the Group has complied with the principles and recommendations of the MCCG 2012. The Board believes that there is always room for improvement and are continuously exploring new measures and opportunities to enhance the system of governance and meet stakeholder expectations.

This statement was approved by the Board of Directors during the Board Meeting held on 24 February 2016.

OTHER INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from corporate proposals in the year under review.

2. Share Buy-back

During the year ended 31 December 2015, the Company bought back 2,000 of its own ordinary shares of RM0.25 each at the total consideration of RM2,977. The shares bought back were held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

None of the shares purchased were cancelled during the year.

Details of the movement of treasury shares during the year were as follows:-

Monthly Breakdown	No. of Shares Purchased	Purchase Price Per Share		Average Cost Per Share RM	Total RM
		Lowest RM	Highest RM		
March 2015	1,000	1.460	1.460	1.460	1,502
July 2015	1,000	1.430	1.430	1.430	1,475
	<u>2,000</u>				<u>2,977</u>

As at 31 December 2015, the total treasury shares held by the Company was 26,047,600 shares of RM0.25 each.

3. Options, Warrants or Convertible Securities

During the year under review, there were 48,032,840 new ordinary shares of RM0.25 each issued pursuant to the exercise of warrants.

Save as disclosed above, there were no options or convertible securities issue during the year under review.

4. Depository Receipt Programme

The Company did not sponsor any Depository Receipt Programme during the year.

5. Sanctions and/or Penalties

During the year, there were no major sanctions and/or penalties imposed on the Company or its subsidiary companies, Directors or management by the relevant regulatory authorities.

6. Non-Audit Fees

Messrs. Ernst & Young was engaged for the review of the statement on risk management and internal control and other non-audit services for a fee of RM7,000 during the year ended 31 December 2015.

7. Variation in Results

There was no material variance in results between the audited results for the year ended 31 December 2015 and the unaudited results previously announced.

8. Profit Guarantee

There was no profit guarantee given to the Company during the year under review.

9. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries, involving the interest of directors and major shareholders, either still subsisting at the end of the year or, if not then subsisting, entered into since the end of the previous year.

10. Recurrent Related Party Transactions of a revenue or trading nature

There were no recurrent related party transactions of revenue nature which required shareholders' mandate during the year ended 31 December 2015.

11. Internal Audit Function

During the year under review, the Company incurred expenses amounting to RM241,776.00 for the internal audit function.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the year, and of their results and cash flows for the year then ended. The Directors also ensured that the financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In preparing the financial statements, the Directors have adopted and consistently applied suitable accounting policies and made reasonable and prudent judgements.

The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement was approved by the Board of Directors on 6 April 2016.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Audit Committee Report for the year ended 31 December 2015.

MEMBERSHIP

The Audit Committee comprises:

Dato' Amos Siew Boon Yeong Independent Non-Executive Director	– Chairman
Goh Leng Chua Independent Non-Executive Director	– Member
Edwin Fua Chye Jin (appointed on 26 February 2015) Non-Independent Non-Executive Director	– Member

Attendance of Meetings

During the year under review, five meetings were held on 26 February 2015, 8 April 2015, 13 May 2015, 28 July 2015 and 11 November 2015. Attendance of each member was as follows:

Audit Committee Members	No. of meetings attended
Dato' Amos Siew Boon Yeong	5/5
Goh Leng Chua	5/5
Edwin Fua Chye Jin (appointed on 26 February 2015)	4/4
Tan Chow Yin (resigned on 26 February 2015)	1/1

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Audit Committee ("the Committee") is governed by the terms of reference that were formally endorsed by the Board on 11 May 2001 and have been reviewed from time to time. The terms of reference are set out as follows:

Objectives

The principal objectives of the Committee are to review the adequacy and the integrity of the Company's internal control system and management information system, including systems for compliance with applicable laws, regulations, rules, directives and guidelines, as well as to oversee the conduct of the Company's businesses.

The Committee provides assistance to the Board in fulfilling its fiduciary responsibilities, particularly in areas relating to financial accounting and reporting practices, as well as operation and management controls. This is to ensure conformity with good corporate governance, transparency, integrity and accountability in the conduct of the Group's activities so as to safeguard the rights and interests of the shareholders.

Composition

The Committee shall consist of at least three members. All the Committee members must be non-executive Directors, with a majority of them being independent. The Chairman shall be an Independent Non-Executive Director. At least one member of the Committee must be a member of the Malaysian Institute of Accountants or if he is not, then he must be a person who complies with the requirements of Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main Market Listing Requirements").

In the event of any vacancy in the Committee resulting in the non-compliance of subparagraph 15.09(1) of the Main Market Listing Requirements, the vacancy must be filled within three months.

The term of office and performance of the Committee and each of the members shall be reviewed by the Board of Directors at least once every three years to determine whether the Committee and its members have carried out their duties in accordance with the Terms of Reference.

AUDIT COMMITTEE REPORT

Meetings

The Committee shall meet not less than four times a year. A quorum shall consist of two members, with independent directors forming the majority.

Certain members of senior management shall attend meetings by invitation of the Committee. The external auditors will be present at certain meetings to report to the Committee on their audit plan, their audit report, any major audit findings and any other specific issues. The Committee also meets at least twice a year with the external auditors without the management present.

The Secretary shall be responsible for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of the Committee, and circulating them to each member of the Committee and of the Board of Directors. The Chairman of the Committee shall report the outcome of each meeting to the Board. The Secretary to the Committee shall be the Company Secretary.

Authority

The Committee is authorised by the Board:

- [a] to investigate any matter within its terms of reference;
- [b] to have the resources which are required to perform its duties;
- [c] to have full and unrestricted access to any information pertaining to the Group and the Company;
- [d] to have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- [e] to obtain independent professional or other advice as necessary; and
- [f] to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions

The functions of the Committee are as follows:

- [a] to review the following and report the same to the Board of Directors:
 - i with the external auditors, the audit plan;
 - ii with the external auditors, their evaluation of the system of internal controls;
 - iii with the external auditors, their audit report;
 - iv the assistance given by the Company's employees to the external auditors;
 - v the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - vi the internal audit programme, processes, the results of the internal audit work undertaken and whether or not appropriate actions are taken on the recommendations of the internal audit function;
 - vii the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
 - changes in or implementation of major accounting policies and practices;
 - significant adjustments arising from the audit;
 - significant and unusual events; and
 - compliance with accounting standards and legal requirements;
 - viii any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity and transparency; and
 - ix external auditors' management letter and management's responses;
- [b] to consider the appointment of the external auditors, the audit fee and any questions on resignation or dismissal;
- [c] to recommend the nomination of a person or persons as external auditors; and
- [d] such other functions as the Board may from time to time determine.

AUDIT COMMITTEE REPORT

ACTIVITIES DURING THE YEAR

During the year under review, the following were the activities of the Committee:

- Reviewed the external auditors' scope of work and audit plans for the year prior to the audit with the representatives from the external auditors who presented their audit strategy and plan.
- Reviewed with the external auditors the results of the audit and the audit report and considered the major findings by the external auditors and the management's responses thereto.
- Reviewed the assistance given by the Group employees to the auditors.
- Considered and recommended to the Board for approval the audit fees payable to the external auditors as disclosed in the notes to the financial statements.
- Performed annual assessment to evaluate the objectivity, performance and independence of the external auditors, including their suitability, independence, performance and quality of work provided and recommended to the Board to table for shareholders' approval on their re-appointment.
- Reviewed and assessed the quotations for the non-audit services from the external auditors and ensured that the provision of these services would not compromise the external auditors' independence, if they are being engaged for their services.
- Reviewed the quarterly reports of the Group and year end financial statements of the Company and the Group before recommending for the Board's approval.
- Reviewed the related party transactions entered into by the Company and the Group and the disclosure of such transactions in the annual report of the Company.
- Reviewed the Company's compliances, in particular the quarterly reports and year end financial statements, with the provisions of the Companies Act, 1965, Main Market Listing Requirements, applicable approved accounting standards in Malaysia and other relevant legal and regulatory requirements.
- Reviewed the Company's Statement on Risk Management and Internal Control prior to approval by the Board.
- Reviewed the effectiveness of the internal audit process, audit function resource requirements, and assessed the performance of the internal auditors.
- Reviewed the programmes and internal annual audit plan for the current financial year to ensure adequate scope and comprehensive coverage of the activities of the Company and the Group.
- Reviewed with the internal auditors important issues highlighted including the management's responses and the follow-up action plans implemented.
- Reviewed the extent of the Group's compliance with provisions set out in the Malaysian Code on Corporate Governance ("the Code") in relation to financial reporting and Internal Audit function and recommended to the Board action plans to address identified gaps between the Group's existing corporate governance practices and the prescribed corporate governance principles and best practices under the Code.
- Met with the external auditors independently without the presence of the management.
- Met with the internal auditors independently without the presence of the management.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the in-house and independent Internal Audit Department who performs the internal audit function for the Group. The main role of the Internal Audit Department is to review the effectiveness of the system of internal control and risk management within the Group and this is performed with impartiality, proficiency and due professional care.

It is the responsibility of the Internal Audit Department to provide the Audit Committee with independent and objective report on the state of internal control of the various operating units within the Group and the extent of compliance with the Group's established policies and procedures as well as the relevant statutory requirements.

During the year, the Internal Audit Department has performed audits on Group's Institutions and corporate departments in accordance to the approved Internal Audit Plan. The internal auditors reviewed the internal controls and key operating processes of the Group businesses, related party transactions and ascertained the extent of compliance with the established Group policies and Standard Operating Procedures and statutory requirements. The completed audit reports were presented to the Audit Committee for deliberation and follow-up audits were also performed to ensure Management had addressed the control weaknesses accordingly.

The Audit Committee Report was approved by the Board of Directors on 24 February 2016.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Bhd and prepared in accordance with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers" issued by an industry lead task force in 2012, the Board of Directors ("the Board") is pleased to outline the state of risk management and internal control of the Group for the financial year ended 31 December 2015.

THE BOARD'S RESPONSIBILITY

The Board remains committed towards operating a sound risk management and internal control system and has recognised that the system must continuously evolve to support the type of business and size of operations of the Group. In view of the limitations inherent in any system of risk management and internal control, the Board is aware that such system is designed to manage rather than eliminate the risk of failure to achieve business objectives. The system can therefore only provide reasonable, but not absolute assurance, against material misstatement or loss.

The Group has an on-going process for identifying, evaluating and managing the significant risks it faces. The Board regularly reviews the results of this process, including measures taken by Management to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement.

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT & INTERNAL CONTROL SYSTEM WHICH ARE GROUPED INTO 5 KEY COMPONENTS

I) Risk Assessment

The Board has entrusted the Risk Management Committee ("RMC") to review the risk management processes within the Group.

The RMC is assisted by the Risk Management Working Committee ("RMWC") which comprised of Top and Senior Management of the Group to identify and assess significant risks and to formulate relevant control mechanisms to mitigate them accordingly.

The RMWC uses a risk management framework to identify and monitor significant risks. The likelihood and impact of the risks are rated and prioritised in terms of risk levels and are mapped into the Risk Map to determine the types of actions required to manage the risks. The Risk Profile is then updated with the risk assessment results and action plans.

The RMC reviews the Risk Profile to monitor the action plans devised are indeed carried out to mitigate the risks faced by the Group. During the year, three RMWC and two RMC meetings were conducted to review the Risk Profile and the outcomes of the meetings were also presented to the Board.

II) Control Environment

a. THE AUDIT COMMITTEE ("AC")

The Board has tasked the AC with established Terms of Reference to examine the effectiveness of the Group's System of Internal Control.

In order to achieve that, the AC evaluates the internal audit function to assess its effectiveness in the discharge of its responsibilities. Internal audit findings are presented, together with Management's comments and proposed action plan, to the AC for its review. The AC also ensures the internal audit function follows up and reports on the status of the implementation of action plans by Management on the findings.

The AC had updated the Board on the status of the Group's System of Internal Control in the Board meetings conducted during the year.

The AC also reviewed and ensured relevant measures had been carried out by the Management to address the internal control weaknesses raised by the external auditors during the audit committee meetings.

- b. The planning and management of the Group's business operations are well documented in the Group Organisational Chart approved by the Group Managing Director.
- c. Key functions such as finance and treasury, legal, human capital management, regulatory, and group development matters are controlled centrally to ensure consistency in the setting and application of policies and procedures relating to these functions, and reduce duplication of works, thereby promoting efficiency in the Group.
- d. Key business processes of the Group are governed by Standard Operating Procedures to ensure consistency in delivery of quality academic and support services to students, integrity and timeliness of the Financial Statements, as well as good governance processes in engagement of goods and services and payments to suppliers. The Group key institutions' examination departments are ISO certified in order to further enhance the integrity of the examination processes.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

III) Control Activities

- a. The Senior Management Committee, which comprises the Group Top Management, evaluates and approves major business decisions, procurements and policies.
- b. Business strategies, sales targets and budgets are set by Key Management together with Heads of Business units and approved by the Executive Committee ("EXCO"). These targets and budgets together with any major operational issues are regularly monitored and discussed at the Management meetings.

IV) Information & Communication

- a. Monthly financial performance and key business indicators are tabled and deliberated at the monthly EXCO meetings. Major business strategies and operational issues are also discussed at these meetings.
- b. The Executive Directors and Group Top Management report to the Board the financial performances of the Group during the regular Board meetings. Major investments and business strategies are also discussed and approved by the Board.

V) Monitoring

- a. The independent internal audit function provides assurance to the Risk Management and Audit Committee regarding the state of the risk management, governance and internal control systems of the Group by carrying out regular audits.
- b. An Internal Control Rating Framework has been formulated to provide the Audit Committee a better understanding of the conclusions derived in the internal audit reports regarding the state of the internal control and governance systems of SEGi University & Colleges.
- c. The Safety and Health Committee reviews the occupational safety and health procedures within the Group's institutions.
- d. The Group Whistle Blowing Policy provides a transparent and confidential platform for dealing with any concerns raised by employee.

ASSURANCE

The Group has also obtained reasonable assurance from the Group Managing Director and Chief Financial Officer on the adequacy and effectiveness of the risk management and Group's System of Internal Control in all material aspects, during the financial year under review.

CONCLUSION

The Board is of the view a sound risk management and internal control system is in place for the financial year under review, and up to the date of approval of this statement, for identifying, evaluating and managing significant risks faced by the Group. This process is regularly reviewed by the Board to safeguard shareholders' investment.

During the financial year under review, there were no major weaknesses of internal control which resulted in material losses, contingencies or uncertainties that would require a disclosure in the Company's Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the financial year ended 31 December 2015 and reported to the Board that nothing has come to their attention that causes them to believe this Statement is inconsistent with their understanding of the processes the Board has adopted in reviewing adequacy and effectiveness of the Risk Management and Internal Control system of the Group.

This Statement was approved by the Board of Directors on 6 April 2016.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of SEG International Bhd (“SEGi” or “the Company”) will be held at Level 2, Right Wing, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 24 May 2016 at 2.30 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2015 together with the Reports of Directors and Auditors thereon. **(Please refer to Note 1)**
2. To approve the payment of Directors’ fees for the year ended 31 December 2015. **(Ordinary Resolution 1)**
3. To re-elect Hew Moi Lan who retires pursuant to Article 86 of the Company’s Articles of Association. **(Ordinary Resolution 2)**
4. To consider and if thought fit, to pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965.

“That Tan Sri Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.”
(Ordinary Resolution 3)
5. To re-appoint Messrs. Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

6. Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution in any one financial year does not exceed ten percent (10%) of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”) and that such authority shall continue in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company.”

(Ordinary Resolution 5)

7. Proposed Renewal of Authority for the Purchase by SEGi of its Own Shares (“Proposed Share Buy-Back”)

“THAT, subject to the provisions of the Companies Act, 1965 (“the Act”) (as may be amended, modified or re-enacted from time to time), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities, the Company be and is hereby authorised to purchase on the market of Bursa Securities and/or hold such number of ordinary shares of RM0.25 each in SEGi (“SEGi Shares”) as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:

- i. the total aggregate number of shares purchased or to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being;
- ii. an amount not exceeding the Company’s latest audited retained profit of RM32,653,000 and share premium account of RM68,504,000 as at 31 December 2015 be allocated by the Company for the Proposed Share Buy-Back; and
- iii. the Directors shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and distributed as dividends or resold on the market of Bursa Securities or subsequently cancelled;

NOTICE OF ANNUAL GENERAL MEETING

AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

- i. the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by an ordinary resolution passed by the shareholders of the Company in a general meeting;
- ii. the expiry of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii. revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND THAT the Directors be and are hereby authorised to act and to take all such steps to give full effect to the Proposed Share Buy-Back and do all such acts and things as they may deem necessary or expedient in the best interests of the Company."

(Ordinary Resolution 6)

8. Retention of Independent Directors

"To retain the following as Independent Non-Executive Directors of the Company in accordance with Malaysian Code on Corporate Governance 2012."

- (a) Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas **(Ordinary Resolution 7)**
- (b) Dato' Amos Siew Boon Yeong **(Ordinary Resolution 8)**

9. To consider any other business of which due notice shall have been given.

By Order of the Board

CHONG POH YEE (MIA 7620)
HEW LING SZE (MAICSA 7010381)
Secretaries

Petaling Jaya, Selangor
30 April 2016

NOTES:

1. The Agenda item No. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. Dato' Sri Chee Hong Leong, the Director retiring pursuant to Article 86 of the Articles of Association of the Company, advised that he does not wish to seek for re-election at the Thirtieth Annual General Meeting. Hence, no resolution will be passed to re-elect him.
3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member who is an exempt authorised nominee may appoint at least one proxy in respect of each securities account it holds.
4. The Form of Proxy must be deposited at the Registered Office of the Company at 6th Floor, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time and date of the meeting or adjourned meeting.
5. Explanatory notes on Special Business

a. **Ordinary Resolution 5 – Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965**

The proposed Ordinary Resolution 5, if passed, will give authority to the Directors of the Company to issue ordinary shares in the Company up to an aggregate amount of not exceeding ten percent (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The general mandate, once approved and renewed, will provide flexibility to the Company for allotment of shares for any possible fund raising activities for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Twenty-Ninth AGM held on 10 June 2015 and hence no proceeds were raised therefrom.

NOTICE OF ANNUAL GENERAL MEETING

b. **Ordinary Resolution 6 – Proposed Renewal of Authority for the Proposed Share Buy-Back**

The proposed Ordinary Resolution 6, if passed, will empower the Directors to purchase SEGi shares through Bursa Securities up to an amount not exceeding ten percent (10%) of the issued and paid-up share capital of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Detailed information on the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 30 April 2016 which is despatched together with this Annual Report.

c. **Ordinary Resolution 7 and 8 – Retention of Independent Directors**

The Board of Directors has vide the Nominating Committee conducted an assessment of independence of the following Directors who have served as Independent Directors for a cumulative term of more than nine years and recommended them to continue to act as Independent Directors based on the following justifications:

- (i) Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas
- (ii) Dato' Amos Siew Boon Yeong

Justifications

- (a) They have met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities and are therefore able to give independent opinion to the Board;
- (b) Being Directors for more than nine years have enabled them to contribute positively during deliberations/discussions at meetings as they are familiar with the operations of the Company and possess in depth knowledge of the Company's operations;

- (c) They have contributed sufficient time and exercised due care during their tenure as Independent Directors;
- (d) They have discharged their professional duties in good faith and also in the best interest of the Company and shareholders;
- (e) They have vigilantly safeguarded the interests of the minority shareholders of the Company;
- (f) They have the caliber, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner; and
- (g) They have never compromised on their independent judgement.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad)

Details of the Directors who are standing for re-election at this Annual General Meeting as required under Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are set out on pages 12, 13 and 14 – Profile of the Board of Directors in this Annual Report.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

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 and educational and training services.

The principal activities of the subsidiaries are described in Note 17 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit net of tax from continuing operations	25,164	70,595
Loss net of tax from discontinued operation	(1,268)	-
	<u>23,896</u>	<u>70,595</u>
Attributable to:		
Equity holders of the Company	24,046	70,595
Non-controlling interests	(150)	-
	<u>23,896</u>	<u>70,595</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

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

DIRECTORS' REPORT

Dividends

The amounts of dividends declared and/or paid by the Company since 31 December 2014 were as follows:

	RM'000
In respect of the financial year ended 31 December 2014:	
Second interim single tier dividend of RM0.06 per ordinary share of RM0.25 each amounting to RM40,441,168.08 declared on 8 December 2014 in respect of the financial year ended 31 December 2014, paid on 28 January 2015.	40,441
In respect of the financial year ended 31 December 2015:	
First interim single tier dividend of RM0.07 per ordinary share of RM0.25 each amounting to RM50,356,604.76 declared on 9 April 2015 in respect of the financial year ended 31 December 2015, paid on 6 July 2015.	<u>50,357</u>
The directors do not propose any final dividend for the financial year ended 31 December 2015.	

Issues of shares and debentures

During the financial year:

- (a) there were no changes in the authorised share capital of the Company;
- (b) the Company increased its issued and paid-up share capital from RM175,016,267 to RM187,024,477 by the issuance of 48,032,840 new ordinary shares of RM0.25 each pursuant to the exercise of warrants. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and
- (c) there were no issues of debentures by the Company.

Long-Term Incentive Plan

The Company's Long-Term Incentive Plan ("LTIP") is governed by the By-Laws which were approved by the shareholders on 18 June 2014. The LTIP was implemented on 1 July 2014 and shall be in force for a period of 10 years from the date of implementation. The LTIP comprises the Employees' Share Option Scheme ("ESOS") and Share Grant Plan ("SGP") for the eligible directors and employees of the Company and its subsidiaries ("Eligible Persons"). The SGP is intended to allow the Company to award Performance Share Plan ("PSP") Grant to Eligible Persons. Based on the By-Laws, the ESOS options and/or PSP Grant will only be granted to the Eligible Persons upon the LTIP Committee providing the Eligible Persons written confirmation or notification of the number of ESOS options and/or PSP Grant vested in them. The fulfilment of the stipulated vesting conditions by the Eligible Persons is not sufficient to vest the ESOS options and/or PSP Grant to the Eligible Persons. The salient features, terms and details of the LTIP are disclosed in Note 32 to the financial statements.

During the financial year, no ESOS options or PSP Grant were granted by the Company under the ESOS and SGP respectively in accordance to Section 169(11) of the Companies Act, 1965 in Malaysia.

DIRECTORS' REPORT

Treasury shares

During the financial year, the Company purchased 2,000 of its issued ordinary shares on the open market under the share buy-back programme. Details are as follows:

	← Price per share →			No of shares	Par value RM	Cost of shares RM'000
	Lowest RM	Highest RM	Average RM			
At 1 January 2015				26,045,600		37,482
Additions during the financial year	1.43	1.46	1.45	2,000	0.25	3
At 31 December 2015				<u>26,047,600</u>		<u>37,485</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.

During the financial year, there were no re-sale of treasury shares.

Options granted over unissued shares

During the financial year, there were 48,032,840 new ordinary shares of RM0.25 each issued pursuant to the exercise of warrants. Same as disclosed above, no options were granted by the Company to any person to take up any unissued shares in the Company during the financial year. As at 31 December 2015, there were no unexercised Warrants in issue at a revised exercise price of RM0.50. The details of the Warrants are disclosed in Note 32(b) to the financial statements.

The ordinary shares issued from the exercise of Warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotment and/or any other forms of distribution where the entitlement date precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of Warrants.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas
 Tan Sri Clement Hii Chii Kok
 Hew Moi Lan
 Dato' Sri Chee Hong Leong
 Nicholas Rupert Heylett Bloy
 Tan Chow Yin (Resigned on 27 November 2015)
 Dato' Amos Siew Boon Yeong
 Goh Leng Chua
 Fua Chye Jin (Appointed on 26 February 2015)

DIRECTORS' REPORT

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of full time employees of the Company as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

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

	Number of ordinary shares of RM0.25 each			
	1.1.2015	Acquired/ Warrant conversion	Sold	31.12.2015
The Company				
Direct interest				
Tan Sri Clement Hii Chii Kok	207,955,116	23,450,000	-	231,405,116
Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	16,662	-	-	16,662
Hew Moi Lan	464,800	-	-	464,800
Dato' Amos Siew Boon Yeong	2,200,000	-	-	2,200,000
Indirect interest				
Nicholas Rupert Heylett Bloy [^]	476,034,720	23,450,000	-	499,484,720
Tan Sri Clement Hii Chii Kok	268,079,604	-	-	268,079,604
Number of 2010/2015 warrants at an exercise price of RM0.50 each				
	1.1.2015	Acquired	Sold/ conversion	31.12.2015
Direct interest				
Tan Sri Clement Hii Chii Kok	23,450,000	-	(23,450,000)	-
Indirect interest				
Nicholas Rupert Heylett Bloy [^]	23,450,000	-	(23,450,000)	-

[^] Deemed interests through Pinnacle Heritage Solutions Sdn. Bhd.

By virtue of their interests in shares in the Company, Tan Sri Clement Hii Chii Kok and Nicholas Rupert Heylett Bloy 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 in 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' REPORT

Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) 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.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which 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 or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 6 April 2016.

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

Tan Sri Clement Hii Chii Kok

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas and Tan Sri Clement Hii Chii Kok, being two of the directors of SEG International Bhd, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 91 to 170 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 at 31 December 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 41 to the financial statements on page 170 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 6 April 2016.

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

Tan Sri Clement Hii Chii Kok

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Chong Poh Yee, being the officer primarily responsible for the financial management of SEG International Bhd, do solemnly and sincerely declare that the accompanying financial statements set out on pages 91 to 170 are in my opinion 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 the abovenamed Chong Poh Yee at Kuala Lumpur in the Federal Territory on 6 April 2016.

Chong Poh Yee

Before me,

Kapt. (B) Jasni Bin Yusof
No. W465
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of SEG International Bhd (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of SEG International Bhd, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 91 to 169.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 all the subsidiaries of which we have not acted as auditors, which are indicated in Note 17 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT

to the members of SEG International Bhd (Incorporated in Malaysia)

Other reporting responsibilities

The supplementary information set out in Note 41 to the financial statements on page 170 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
6 April 2016

Abraham Verghese A/L T.V. Abraham
No. 1664/10/16(J)
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Continuing operations					
Revenue	4	253,183	242,012	97,689	105,307
Cost of services	5	(80,047)	(71,935)	(2,623)	(6,256)
Gross profit		173,136	170,077	95,066	99,051
Interest income	6	1,058	1,109	3,207	3,298
Other income	7	10,296	13,837	874	5,795
Distribution expenses		(26,039)	(29,887)	(178)	(235)
Administrative expenses		(60,374)	(57,205)	(4,617)	(4,100)
Other expenses		(69,853)	(70,809)	(23,227)	(21,956)
Operating profit		28,224	27,122	71,125	81,853
Finance costs	8	(159)	(130)	(1)	(4)
Profit before tax from continuing operations	9	28,065	26,992	71,124	81,849
Income tax	12	(2,901)	(1,284)	(529)	(141)
Profit net of tax from continuing operations		25,164	25,708	70,595	81,708
Discontinued operation					
Loss net of tax from discontinued operation	33	(1,268)	(2,580)	-	-
Profit for the year		23,896	23,128	70,595	81,708
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Fair value gain/(loss) on available for sale financial assets	18	40	(170)	-	-
Foreign currency translation reserve		(948)	622	-	-
Total comprehensive income for the year		22,988	23,580	70,595	81,708
Profit/(loss) attributable to:					
Equity holders of the Company		24,046	23,363	70,595	81,708
Non-controlling interests		(150)	(235)	-	-
		23,896	23,128	70,595	81,708

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		23,138	23,815	70,595	81,708
Non-controlling interests		(150)	(235)	-	-
		<u>22,988</u>	<u>23,580</u>	<u>70,595</u>	<u>81,708</u>
Earnings per share attributable to equity holders of the Company					
- Basic	13	3.43 sen	3.63 sen		
- Diluted	13	3.43 sen	3.41 sen		
Earnings per share from continuing operations attributable to equity holders of the Company:					
- Basic	13	3.61 sen	4.03 sen		
- Diluted	13	3.61 sen	3.79 sen		
Loss per share from discontinued operation attributable to equity holders of the Company:					
- Basic	13	(0.18) sen	(0.40) sen		
- Diluted	13	(0.18) sen	(0.38) sen		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Assets					
Non-current assets					
Property, plant and equipment	15	125,389	132,335	6,958	7,001
Intangible assets	16	27,865	27,948	-	-
Investment in subsidiaries	17	-	-	86,850	82,418
Other investments	18	870	830	-	-
Receivables	20	1,469	582	24,475	32,903
Deferred tax assets	28	10,189	10,512	1,508	1,126
		165,782	172,207	119,791	123,448
Current assets					
Inventories	19	100	58	-	-
Receivables	20	27,224	27,934	102,156	100,154
Tax recoverable	21	20,659	16,578	2,309	2,117
Cash and bank balances	22	57,826	80,994	22,586	55,901
Other financial asset	23	27,306	20,375	27,306	20,375
Assets of disposal group classified as held for sale	33	57,486	57,333	-	-
		190,601	203,272	154,357	178,547
Total assets		356,383	375,479	274,148	301,995
Equity and liabilities					
Current liabilities					
Short-term borrowings	24	1,454	1,031	-	32
Payables	27	84,581	62,300	19,273	52,578
Current tax liabilities		372	674	-	-
Dividend payable		-	40,441	-	40,441
Liabilities directly associated with disposal group classified as held for sale	33	44,193	44,005	-	-
		130,600	148,451	19,273	93,051
Net current assets		60,001	54,821	135,084	85,496

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current liabilities					
Long-term borrowings	24	1,606	1,242	-	-
Payables	27	-	8	1,271	1,271
Deferred tax liabilities	28	4,972	4,700	563	366
		6,578	5,950	1,834	1,637
Total liabilities		137,178	154,401	21,107	94,688
Net assets		219,205	221,078	253,041	207,307
Equity attributable to equity holders of the Company					
Share capital	29	187,024	175,017	187,024	175,017
Treasury shares	30	(37,485)	(37,482)	(37,485)	(37,482)
Share premium	31	68,504	55,288	68,504	55,288
Reserves	32	1,695	28,638	34,998	14,484
		219,738	221,461	253,041	207,307
Non-controlling interests		(533)	(383)	-	-
Total equity		219,205	221,078	253,041	207,307
Total equity and liabilities		356,383	375,479	274,148	301,995

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

Group	Note	Non-distributable					Distributable					Total equity
		Share capital	Treasury shares	Share premium	Warrant reserve	Available-for-sale financial asset reserve	Exchange translation reserve	Share-based payment reserve	Retained profits/Accumulated loss	Attributable to equity holders of the Company	Non-controlling interest	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2015		175,017	(37,482)	55,288	1,208	(110)	1,108	861	25,571	221,461	(383)	221,078
Profit for the year		-	-	-	-	-	-	-	24,046	24,046	(150)	23,896
Other comprehensive income for the year, net of tax:												
Available-for-sale financial assets:												
- Gain on fair value changes		-	-	-	-	40	-	-	-	40	-	40
Foreign currency translation		-	-	-	-	-	(948)	-	-	(948)	-	(948)
Total comprehensive income for the year		-	-	-	-	40	(948)	-	24,046	23,138	(150)	22,988
Transactions with owners:												
- Issuance of shares from exercise of warrants		12,007	-	13,209	(1,201)	-	-	-	-	24,015	-	24,015
- Effect arising from expiry of warrants		-	-	7	(7)	-	-	-	-	-	-	-
- Purchase of own shares		-	(3)	-	-	-	-	-	-	(3)	-	(3)
- Share-based payment		-	-	-	-	-	-	1,484	-	1,484	-	1,484
- Dividend	14	-	-	-	-	-	-	-	(50,357)	(50,357)	-	(50,357)
As at 31 December 2015		187,024	(37,485)	68,504	-	(70)	160	2,345	(740)	219,738	(533)	219,205

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

	← Non-distributable				→ Distributable							
	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Warrant reserve RM'000	Available-for-sale financial asset reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Retained profits/ Accumulated loss RM'000	Attributable to equity holders of the Company RM'000	Non- controlling interest RM'000	Total equity RM'000
As at 1 January 2014		167,090	(37,479)	46,569	2,001	60	486	-	74,832	253,559	(148)	253,411
Profit for the year		-	-	-	-	-	-	-	23,363	23,363	(235)	23,128
<u>Other comprehensive income for the year, net of tax:</u>												
Available-for-sale financial assets:												
- Loss on fair value changes		-	-	-	-	(170)	-	-	-	(170)	-	(170)
Foreign currency translation		-	-	-	-	-	622	-	-	622	-	622
Total comprehensive income for the year		-	-	-	-	(170)	622	-	23,363	23,815	(235)	23,580
Transactions with owners:												
- Issuance of shares from exercise of warrants		7,927	-	8,719	(793)	-	-	-	-	15,853	-	15,853
- Purchase of own shares		-	(3)	-	-	-	-	-	-	(3)	-	(3)
- Share-based payment		-	-	-	-	-	-	861	-	861	-	861
- Dividends	14	-	-	-	-	-	-	-	(72,624)	(72,624)	-	(72,624)
As at 31 December 2014		175,017	(37,482)	55,288	1,208	(110)	1,108	861	25,571	221,461	(383)	221,078

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

	Note	← Non-distributable →				→ Distributable		Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Share-based payment reserve RM'000	Warrant reserve RM'000	Retained profits RM'000	
Company								
As at 1 January 2015		175,017	(37,482)	55,288	861	1,208	12,415	207,307
Total comprehensive income for the year		-	-	-	-	-	70,595	70,595
Transactions with owners:								
- Issuance of shares from exercise of warrants		12,007	-	13,209	-	(1,201)	-	24,015
- Effect arising from expiry of warrants		-	-	7	-	(7)	-	-
- Purchase of own shares		-	(3)	-	-	-	-	(3)
- Share-based payment		-	-	-	1,484	-	-	1,484
- Dividend	14	-	-	-	-	-	(50,357)	(50,357)
As at 31 December 2015		187,024	(37,485)	68,504	2,345	-	32,653	253,041
As at 1 January 2014		167,090	(37,479)	46,569	-	2,001	3,331	181,512
Total comprehensive income for the year		-	-	-	-	-	81,708	81,708
Transactions with owners:								
- Issuance of shares from exercise of warrants		7,927	-	8,719	-	(793)	-	15,853
- Purchase of own shares		-	(3)	-	-	-	-	(3)
- Share-based payment		-	-	-	861	-	-	861
- Dividends	14	-	-	-	-	-	(72,624)	(72,624)
As at 31 December 2014		175,017	(37,482)	55,288	861	1,208	12,415	207,307

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from operating activities					
Profit before tax from continuing operations		28,065	26,992	71,124	81,849
Loss before tax from discontinued operation		(1,268)	(2,580)	-	-
Profit before tax, total		26,797	24,412	71,124	81,849
Adjustments for:					
Dividend income	4	(63)	(64)	(71,781)	(76,040)
Interest income	6	(1,058)	(1,109)	(3,207)	(3,298)
Reversal of allowance for impairment loss on amount due from subsidiaries	7	-	-	-	(4,800)
Gain on disposal of property, plant and equipment	7, 9	(223)	(24)	(50)	-
Interest expense		929	2,215	1	4
Bad debts written off	9	509	618	17	-
Depreciation of property, plant and equipment	9, 15	13,580	13,619	339	356
Property, plant and equipment written off	15	935	660	-	-
Amortisation of development costs	16	83	183	-	-
Share-based payment expense	32	1,484	861	308	188
Operating cash flows before changes in working capital		42,973	41,371	(3,249)	(1,741)
<u>Changes in working capital</u>					
(Increase)/decrease in inventories		(42)	32	-	-
(Increase)/decrease in trade and other receivables		(986)	9,581	(311)	1,481
Increase/(decrease) in trade and other payables		21,513	28,342	697	(893)
Cash generated from/(used in) operations		63,458	79,326	(2,863)	(1,153)
Interest received	6	1,058	1,109	1,053	3,298
Interest paid		(929)	(2,215)	(1)	(4)
Net taxes paid		(6,689)	(2,104)	(906)	(1,084)
Net cash generated from/(used in) operating activities		56,898	76,116	(2,717)	1,057

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from investing activities					
Dividend received	4	63	64	71,781	76,040
Additions of development costs	16	-	(53)	-	-
Proceeds from disposal of property, plant and equipment		315	158	50	-
Purchase of property, plant and equipment		(5,608)	(8,790)	(296)	(65)
Additions of investments in subsidiaries	17	-	-	-	(650)
Placement of other investment		(6,931)	(20,375)	(6,931)	(20,375)
Advances to subsidiaries		-	-	(28,384)	(12,779)
Net cash (used in)/generated from investing activities		(12,161)	(28,996)	36,220	42,171
Cash flows from financing activities					
Purchase of own shares	30	(3)	(3)	(3)	(3)
Repayment of hire purchase and finance lease payables		(1,266)	(1,498)	(32)	(52)
Proceeds from new shares, net of expenses		24,015	15,853	24,015	15,853
Dividends paid		(90,798)	(48,240)	(90,798)	(48,240)
Placement of deposits with licensed banks and financial institutions with maturity of more than three months		(468)	(526)	(467)	(522)
Net cash used in financing activities		(68,520)	(34,414)	(67,285)	(32,964)
Net (decrease)/increase in cash and cash equivalents		(23,783)	12,706	(33,782)	10,264
Cash and cash equivalents at beginning of year		67,636	54,930	42,311	32,047
Cash and cash equivalents at end of year	22	43,853	67,636	8,529	42,311

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

1. Corporate information

SEG International Bhd (“SEGi” or “The Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at 6th Floor, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management consultancy services, property management, rental of premises, business advisory services, educational and training services. The principal activities of the subsidiaries are described in Note 17.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 6 April 2016.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and amended MFRS which are mandatory for financial periods beginning on or after 1 January 2015 as described fully in Note 2.2.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (‘000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2015, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2015.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

The nature and impact of the new and amended MFRS are described below:

Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees’ periods of service.

The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group’s and the Company’s financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

Annual Improvements to MFRSs 2010-2012 Cycle

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below.

Standards

Descriptions

MFRS 2 Share-based Payment

This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or those of another entity in the same group;
- A performance condition may be a market or non-market condition; and
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This improvement is effective for share-based payment transactions for which the grant date is on or after 1 July 2014. This is consistent with the Group's current accounting policy and thus, this amendment did not impact the Group.

MFRS 3 Business Combinations

The amendments to MFRS 3 clarify that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 9 or MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014. This is consistent with the Group's current accounting policy and thus, this amendment did not impact the Group.

MFRS 8 Operating Segments

The amendments are to be applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

The Group has not applied the aggregation criteria as mentioned above. 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.

MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between gross and carrying amounts of the asset. This amendment did not have any impact on the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

Annual Improvements to MFRSs 2010-2012 Cycle (cont'd.)

Standards

MFRS 124 Related
Party Disclosures

Descriptions

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

Annual Improvements to MFRSs 2011-2013 Cycle

The Annual Improvements to MFRSs 2011-2013 Cycle include a number of amendments to various MFRSs, which are summarised below. The Group and the Company have applied the amendments for the first time in the current year.

Standards

MFRS 3 Business Combinations

Descriptions

The amendments to MFRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively. The Group is not a joint arrangement and thus this amendment is not relevant to the Group.

MFRS 13 Fair Value
Measurement

The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable). The Group and the Company do not apply the portfolio exception.

MFRS 140 Investment Property

The amendments to MFRS 140 clarify that an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of MFRS 140; and
- the transaction meets the definition of a business combination under MFRS 3,

to determine if the transaction is a purchase of an asset or is a business combination.

In previous financial years, the Group and the Company has applied MFRS 3 and not MFRS 140 in determining whether an acquisition is of an asset or is a business combination. Accordingly, this amendment did not have any impact to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018

Adoption of the above standards did not have any material effect on the financial performance or position of the Group and of the Company except as discussed below:

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, such as when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but no impact on the classification and measurement of the Group’s financial liabilities.

Annual Improvements to MFRSs 2012-2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below. The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group’s and the Company’s financial statements.

Standards

Descriptions

MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment to MFRS 5 clarifies that changing from one disposal method to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

MFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. An investee is classified as a subsidiary if it is controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (i) power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement(s) with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill (cont'd.)

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.9.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.6 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) held primarily for the purpose of trading;
- (iii) expected to be realised within twelve months after the reporting period; or
- (iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) it is expected to be settled in normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is due to be settled within twelve months after the reporting period; or
- (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

2.7 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in OCI. Exchange differences arising from such non-monetary items are also recognised in OCI.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.7 Foreign currency (cont'd.)

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rate used for every unit of foreign currency is as follows:

	Year end rates		Average rates	
	2015	2014	2015	2014
	RM	RM	RM	RM
Hong Kong Dollars ("HKD100")	0.553	0.451	0.554	0.443
United States Dollars ("USD")	4.292	3.495	4.292	3.389

2.8 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.9 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.9 Intangible assets (cont'd.)

(a) Goodwill (cont'd.)

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.7(c).

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

(b) Research and development costs

All research costs are recognised in the profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed off when incurred.

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding ten years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each reporting date.

(c) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. 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 are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.9 Intangible assets (cont'd.)

(c) Other intangible assets (cont'd.)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	over the lease term of 779 years
Buildings	2%
Computer hardware and software	15% - 33%
Fixtures, fittings and office equipment	10% - 20%
Library books and manuals	10% - 20%
Motor vehicles	20%

Capital work-in-progress are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.12 Inventories

Inventories are valued at lower of cost and net realisable value.

Cost is determined using the weighted average method. Cost includes the cost of purchases and incidentals in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.14 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale ("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, such as the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

(b) Loans and receivables

This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss.

The losses arising from impairment are recognised in the profit or loss as finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 20.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.15 Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(c) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs. The Group did not have any held-to-maturity investments during the years ended 31 December 2015 and 2014.

(d) AFS financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.16 Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss - is removed from OCI and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.17 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Other financial liabilities

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EIR method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.18 Discontinued operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.19 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant related to an asset, the fair value is recognised as deferred capital grant in the statement of financial position by deducting the grant in arriving at the carrying amount of assets when the asset is ready for its intended use.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy in Note 2.15(b).

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2.21 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund ("EPF") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Employee share option plans

The Company implemented its Long Term Incentive Plan ("LTIP") on 1 July 2014, which comprises the of Employees' Share Option Scheme ("ESOS") and Share Grant Plan ("SGP") for the eligible directors and employees of the Company and its subsidiaries. Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.21 Employee benefits (cont'd.)

(c) Employee share option plans (cont'd.)

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained profits upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2.22 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(a) As lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is set out in Note 2.25(e).

2.23 Ordinary share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.24 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.25 Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised:

(a) 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 discount.

(b) Rendering of 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.

(c) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

(d) Dividend income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(e) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

2.26 Income taxes

(a) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.26 Income taxes (cont'd.)

(a) Current tax (cont'd.)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.26 Income taxes (cont'd.)

(c) Sales tax

Prior to 1 April 2015, revenues, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- when receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(d) Goods and Services Tax ("GST")

On and after 1 April 2015, revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.28 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd.)

2.29 Fair value measurement

Fair values of financial instruments measured at amortised cost are disclosed in Note 2.15 and Note 2.17.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 - Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3 - Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.30 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Revenue recognition - student fees

The Group recognises student fees as revenue only when it is probable that the economic benefits associated with the services rendered will flow to the Group. The Group assesses at each reporting date its basis and estimates used in computing the revenue from education services.

The basis and estimates used for the recognition of revenue including average recoverability of billings of student fees are subject to annual assessment.

(ii) Impairment of available-for-sale financial assets

The Group reviews its available-for-sale financial assets at each reporting date to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. Details of available-for-sale financial assets are disclosed in Note 18.

(iii) Discontinued operation

In previous financial year, on 19 May 2014, the Board of Directors ("Board") announced its decision to dispose its subsidiary, SEGi International Learning Alliance Sdn Bhd ("SILA"), and therefore classified its assets and liabilities as "Asset/Liabilities directly associated with disposal group classified as held for sale". The Board considered that the subsidiary has met the criteria to be classified as held for sale for the following reasons:

- SILA is available for immediate sale and can be sold to the potential buyer in its current condition.
- The Board has entered into an agreement with the potential buyer for the sale of SILA.
- The Board expects the sale to be completed by the next financial year.

For more details on the discontinued operation refer to Note 33.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

3. Significant accounting estimates and judgements (cont'd.)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year 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 and the Company anticipate 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. Details of property, plant, equipment are disclosed in Note 15.

A 10% difference in the average useful lives of these assets from management's estimates would result in approximately 5.7% (2014: 5.9%) variance in the profit for the year.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 16.

(iii) Impairment of loans and receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables. Details of receivables are disclosed in Note 20.

(iv) Income tax

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 12.

(v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and unabsorbed reinvestment allowances to the extent that it is probable that taxable profit will be available against which the losses, capital allowances, investment tax allowances and reinvestment allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised and unrecognised deferred tax assets of the Group and of the Company is disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

4. Revenue

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Educational services rendered	252,327	241,424	732	1,954
Management fee	-	-	9,522	12,044
Rental income	793	524	15,654	15,269
Dividend income	63	64	71,781	76,040
	253,183	242,012	97,689	105,307

5. Cost of services

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries and related expenses	67,090	62,042	-	-
Other direct costs	12,957	9,893	2,623	6,256
	80,047	71,935	2,623	6,256
Included in other direct costs are the followings:				
Examination fees	4,044	1,497	-	-
Cost of goods sold	191	191	-	-
Management fees	415	-	2,623	6,256
Sharing and royalty fees	1,014	958	-	-
Students' direct expenses	2,069	2,668	-	-
Library, lab and workshop expenses	1,275	1,349	-	-
Other direct costs	3,949	3,230	-	-
	12,957	9,893	2,623	6,256

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

6. Interest income

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest income from				
- Subsidiaries	-	-	2,154	2,198
- Fixed deposits	1,058	1,109	1,053	1,100
	1,058	1,109	3,207	3,298

Included in the interest income from subsidiaries of the Company is Nil (2014: RM4,000) from impaired amounts due from subsidiaries.

7. Other income

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Realised gain on foreign exchange	-	14	-	-
Reversal of allowance for impairment loss on amounts due from subsidiaries	-	-	-	4,800
Gain on disposal of property, plant and equipment (Note 9)	223	24	50	-
Hostel related income	4,957	4,761	-	-
Rental income	165	373	-	-
Laboratory fees	1,770	2,233	-	-
Enrolment and administrative fee	-	1,977	-	-
Fair value gain on other financial asset	799	534	799	534
Student deposits written off	427	1,490	-	-
Others	1,955	2,431	25	461
	10,296	13,837	874	5,795

8. Finance costs

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense on hire purchase payables	159	130	1	4



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

9. Profit before tax from continuing operations

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amortisation of development costs (Note 16)	83	183	-	-
Auditors' remuneration				
Auditors of the Company				
- current year	403	375	95	103
- underprovision in prior year	22	3	-	-
- other services	7	7	7	7
Other firms of auditors	128	119	-	-
Employee benefits expense (Note 10)	108,448	101,128	1,657	1,387
Non-executive directors' fee (Note 11)	266	242	266	242
Directors' non-fee emoluments (Note 11)	864	820	864	820
Lease of premises	19,568	19,207	18,825	18,548
Rental expense:				
- equipment	334	330	-	-
- hostel	9,515	10,344	-	-
- premises	9,671	8,224	945	945
Depreciation of property, plant and equipment (Note 15)	13,580	13,619	339	356
Realised loss/(gain) on foreign exchange	246	(14)	(1,420)	-
Allowance for impairment on amounts due from subsidiaries	-	-	-	459
Bad debts written off	509	618	17	-
Reversal of allowance for impairment loss on amounts due from subsidiaries (Note 7)	-	-	-	(4,800)
Gain on disposal of property, plant and equipment (Note 7)	(223)	(24)	(50)	-
Property, plant and equipment written off (Note 15)	935	660	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

10. Employee benefits expense

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Employee benefits expense (Note 9):				
Salaries, wages and allowances	92,595	86,453	1,232	1,075
Social security contributions	818	810	2	2
Contributions to defined contribution plan	9,780	9,436	99	107
Share-based payment expense (Note 32(e))	1,484	861	308	188
Other benefits	3,771	3,568	16	15
	108,448	101,128	1,657	1,387

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM839,000 (2014: RM795,000) and RM839,000 (2014: RM795,000) respectively.

11. Directors' remuneration

The details of remuneration received and receivable by directors of the Company during the year are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive (Note 9):				
Salaries and other emoluments	570	544	570	544
Bonus	179	179	179	179
Contributions to defined contribution plan	90	72	90	72
Total executive directors' remuneration (excluding benefits-in-kind) (Note 10)	839	795	839	795
Estimated money value of benefits-in-kind	25	25	25	25
Total executive directors' remuneration (including benefits-in-kind)	864	820	864	820
Non-executive (Note 9):				
Fees	266	242	266	242
Total directors' remuneration including benefits-in-kind (Note 36)	1,130	1,062	1,130	1,062

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

11. Directors' remuneration (cont'd.)

The number of directors of the Company whose total remuneration during the year fell within the following bands are analysed below:

	Number of directors			
	Group		Company	
	2015	2014	2015	2014
Executive directors:				
RM100,001 - RM150,000	1	1	1	1
RM650,001 - RM700,000	-	1	-	1
RM700,001 - RM750,000	1	-	1	-
Non-executive directors:				
Below RM50,001	2	4	2	4
RM50,001 - RM100,000	4	2	4	2

12. Income tax

The major components of income tax for the years ended 31 December 2015 and 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysia income tax	1,218	1,847	-	200
- Foreign income tax	270	193	-	-
- Under/(over) provision of Malaysian income tax in respect of prior years	818	(54)	714	(16)
	2,306	1,986	714	184
Deferred income tax (Note 28):				
- Origination and reversal of temporary differences	(751)	(282)	(329)	(72)
- Under/(over) provision in respect of prior years	1,346	(420)	144	29
	595	(702)	(185)	(43)
Income tax recognised in profit or loss	2,901	1,284	529	141

Domestic current income tax is calculated at the Malaysia statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate is proposed to be reduced to 24% from the current year's tax rate of 25%, effective year of assessment 2016. The effects arising from the reduction in tax rate is not material to the Group and the Company.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

12. Income tax (cont'd.)

The reconciliations between income tax and the product of accounting profits multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit before tax from continuing operations	28,065	26,992	71,124	81,849
Taxation at Malaysian statutory tax rate of 25%	7,016	6,748	17,781	20,462
Effect on opening deferred tax of reduction in Malaysian income tax rate	-	9	-	3
Adjustments:				
Non-deductible expenses	2,893	2,038	273	322
Non-taxable income	(11,214)	(8,744)	(18,383)	(20,659)
Deferred tax assets not recognised	2,252	1,890	-	-
Utilisation of previously unrecognised deferred tax assets	(210)	(14)	-	-
Utilisation of previously unrecognised allowance for increased export of service	-	(169)	-	-
Under/(over) provision in respect of prior years:				
- income tax	818	(54)	714	(16)
- deferred tax	1,346	(420)	144	29
Income tax recognised in profit or loss	2,901	1,284	529	141

Tax savings during the financial year arising from:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Utilisation of previously unrecognised tax losses	(210)	(14)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

13. Earnings/loss per share

Continuing operation

(a) Basic

The basic earnings per share is arrived at by dividing the Group's profit attributable to equity holders of the Company of RM24,046,000 (2014: RM23,363,000) by the weighted average number of ordinary shares in issue during the financial year, net of treasury shares, of approximately 701,236,000 (2014: 643,861,000).

(b) Diluted

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Discontinued operation

The basic and diluted loss per share from discontinued operation are calculated by dividing the loss from discontinued operations, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the year ended 31 December:

	Group	
	2015	2014
	RM'000	RM'000
Profit attributable to equity holders of the Company	24,046	23,363
Add back: Loss from discontinued operation, net of tax, attributable to equity holders of the Company	1,268	2,580
Profit net of tax from continuing operations attributable to equity holders of the Company used in computation of basic/diluted earnings per share	<u>25,314</u>	<u>25,943</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

13. Earnings/loss per share (cont'd.)

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the year ended 31 December (cont'd.):

	Group	
	2015	2014
Weighted average number of ordinary shares	701,236	643,861
Effect of dilution ('000)		
- Warrants	-	40,315
- Shares Grant Plan ("SGP")	261	-
Adjusted weighted average number of ordinary shares ('000)	701,497	684,176
Basic earnings per share (sen):		
Basic earnings per share for profit from continuing operations, net of tax	3.61	4.03
Basic loss per share for loss from discontinued operation, net of tax	(0.18)	(0.40)
Basic earnings per share for profit for the year, net of tax	3.43	3.63
Diluted earnings per share (sen):		
Diluted earnings per share for profit from continuing operations, net of tax	3.61	3.79
Diluted loss per share for loss from discontinued operation, net of tax	(0.18)	(0.38)
Diluted earnings per share for profit for the year, net of tax	3.43	3.41

1,013,000 share options awarded to employees (out of total number of ESOS optional of 31,497,000 allocated) under the existing employee share option scheme have not been included in the calculation of diluted earnings per share as the options are currently out of money.

14. Dividends

	Group/Company	
	2015	2014
	RM'000	RM'000
Recognised during the financial year:		
In respect of the financial year ended 31 December 2014:		
First interim single tier dividend of RM0.05 per ordinary share of RM0.25 each paid on 8 August 2014	-	32,183
Second interim single tier dividend of RM0.06 per ordinary share of RM0.25 each paid on 28 January 2015	-	40,441
In respect of the financial year ended 31 December 2015:		
First interim single tier dividend of RM0.07 per ordinary share of RM0.25 each paid on 6 July 2015	50,357	-
	50,357	72,624

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Property, plant and equipment

	Freehold and leasehold lands	Buildings	Computer hardware and software	Fixtures, fittings and office equipment	Library books and manuals	Motor vehicles	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
At 31 December 2015								
Net book value								
At 1 January 2015	9,163	61,223	2,773	53,192	2,772	1,065	2,147	132,335
Additions	-	-	1,409	4,174	509	811	758	7,661
Disposals	-	-	-	(81)	-	(11)	-	(92)
Written off (Note 9)	-	-	(12)	(906)	(17)	-	-	(935)
Reclassification	-	-	68	2,540	-	-	(2,608)	-
Depreciation charge (Note 9)	(7)	(1,227)	(1,819)	(8,927)	(961)	(639)	-	(13,580)
At 31 December 2015	9,156	59,996	2,419	49,992	2,303	1,226	297	125,389
Cost	9,213	68,148	15,145	104,593	8,158	7,248	297	212,802
Accumulated depreciation	(57)	(8,152)	(12,726)	(54,601)	(5,855)	(6,022)	-	(87,413)
Net book value	9,156	59,996	2,419	49,992	2,303	1,226	297	125,389
At 31 December 2014								
Net book value								
At 1 January 2014	64,969	62,443	2,732	52,459	3,367	1,609	4,858	192,437
Additions	-	-	2,104	7,488	500	330	859	11,281
Reclassification	(1,070)	-	-	2,400	-	-	(1,330)	-
Disposals	-	-	(24)	(48)	(1)	(61)	-	(134)
Written off (Note 9)	-	-	(10)	(590)	(60)	-	-	(660)
Depreciation charge (Note 9)	(6)	(1,220)	(2,029)	(8,517)	(1,034)	(813)	-	(13,619)
Attributable to discontinued operation (Note 32)	(54,730)	-	-	-	-	-	(2,240)	(56,970)
At 31 December 2014	9,163	61,223	2,773	53,192	2,772	1,065	2,147	132,335
Cost	9,213	68,148	13,673	97,867	7,647	6,437	2,147	205,132
Accumulated depreciation	(50)	(6,925)	(10,900)	(44,675)	(4,875)	(5,372)	-	(72,797)
Net book value	9,163	61,223	2,773	53,192	2,772	1,065	2,147	132,335

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Property, plant and equipment (cont'd.)

	Freehold land RM'000	Buildings RM'000	Computer hardware and software RM'000	Fixtures, fittings and office equipment RM'000	Library books and manuals RM'000	Motor vehicles RM'000	Total RM'000
Company							
At 31 December 2015							
Net book value							
At 1 January 2015	4,250	2,357	104	233	-	57	7,001
Additions	-	-	271	25	-	-	296
Depreciation charge (Note 9)	-	(78)	(105)	(99)	-	(57)	(339)
At 31 December 2015	4,250	2,279	270	159	-	-	6,958
Cost	4,250	3,876	925	1,997	1	742	11,791
Accumulated depreciation	-	(1,597)	(655)	(1,838)	(1)	(742)	(4,833)
Net book value	4,250	2,279	270	159	-	-	6,958
At 31 December 2014							
Net book value							
At 1 January 2014	4,250	2,435	116	344	-	147	7,292
Additions	-	-	61	4	-	-	65
Depreciation charge (Note 9)	-	(78)	(73)	(115)	-	(90)	(356)
At 31 December 2014	4,250	2,357	104	233	-	57	7,001
Cost	4,250	3,876	654	1,972	1	742	11,495
Accumulated depreciation	-	(1,519)	(550)	(1,739)	(1)	(685)	(4,494)
Net book value	4,250	2,357	104	233	-	57	7,001

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Property, plant and equipment (cont'd.)

- (a) During the financial year, the Group acquired property, plant and equipment at aggregate cost of RM7,661,000 (2014: RM11,281,000) of which RM2,053,000 (2014: RM2,491,000) were acquired by means of finance leases.

Net carrying amounts of property, plant and equipment held under finance leases are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Fixtures, fittings and office equipment	3,287	2,257	-	-
Motor vehicles	1,123	874	-	57
	4,410	3,131	-	57

Leased assets are pledged as security for the related finance lease liabilities. Details of the terms and conditions of the obligation under finance lease are disclosed in Note 25.

- (b) At the end of the financial year, the carrying amount of the freehold lands and buildings of the Group and of the Company pledged as security for banking facilities amounted to approximately RM74,249,000 (2014: RM74,493,000) and RM6,530,000 (2014: RM6,607,000) respectively, of which the carrying amount of the freehold land of the Group of RM54,730,000 has been presented as part of the asset of the disposal group classified as held for sale.

16. Intangible assets

	Development costs RM'000	Goodwill RM'000	Total RM'000
Group			
Cost			
At 1 January 2014	6,183	35,817	42,000
Additions during the financial year	53	-	53
At 31 December 2014	6,236	35,817	42,053
Additions during the financial year	-	-	-
Reclassification during the financial year	801	(801)	-
At 31 December 2015	7,037	35,016	42,053

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

16. Intangible assets (cont'd.)

	Development costs RM'000	Goodwill RM'000	Total RM'000
Accumulated amortisation and impairment			
At 1 January 2014	(6,053)	(7,869)	(13,922)
Amortisation (Note 9)	(183)	-	(183)
At 31 December 2014	(6,236)	(7,869)	(14,105)
Reclassification	(631)	631	-
Amortisation (Note 9)	(83)	-	(83)
At 31 December 2015	(6,950)	(7,238)	(14,188)
Net carrying amount			
At 31 December 2014	-	27,948	27,948
At 31 December 2015	87	27,778	27,865

(a) Impairment testing for CGUs containing goodwill

Goodwill on consolidation is reviewed annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash-generating unit ("CGU") to which the goodwill has been allocated exceeds its recoverable amount. Impairment loss is recognised in profit or loss and subsequent reversal is not allowed.

The Group has assessed the recoverable amounts of goodwill allocated and determined that no additional impairment is required.

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

- (i) There will be no material changes in the structure and principal activities of the Group, the budgeted gross profit margin is based on historical trend of gross margin for the CGU.
- (ii) 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 CGU.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

16. Intangible assets (cont'd.)

(a) Impairment testing for CGUs containing goodwill (cont'd.)

(iii) Discount rate of 7% (2014: 9%) is applied in determining the recoverable amounts of the CGU. The discount rate was estimated based on the Group's existing weighted average cost of capital.

(iv) Forecast annual growth rates of 5% - 12% are applied to the five years cash flow projections.

Sensitivity to changes in assumptions

There are no reasonable possible changes in key assumptions which could cause the carrying value of goodwill on consolidation to exceed its recoverable amount.

(b) Development costs

Development costs refer to costs incurred in study materials developments. As explained in Note 2.9(b), the useful life of these costs is estimated to be not more than ten years.

The amortisation of development costs is included in the "Administrative expenses" line item in the statements of comprehensive income.

17. Investments in subsidiaries

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares at cost:		
At 1 January	87,681	83,733
Addition during the financial year	-	650
ESOS options and PSP Grant shares granted to employees of subsidiaries	1,176	673
Capitalisation of amount due from subsidiaries	3,256	2,625
	92,113	87,681
Accumulated impairment losses:		
At 1 January/31 December	(5,263)	(5,263)
	86,850	82,418

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17. Investments in subsidiaries (cont'd.)

The details of the subsidiaries are as follows:

Name of Company	Effective equity interest		Principal activities
	2015 %	2014 %	
Incorporated in Malaysia:			
SEGi College (KL) Sdn. Bhd.*	100	100	Provision of professional, commercial and academic education.
SEGi College (PJ) Sdn. Bhd.*	100	100	Provision of professional, commercial and academic education.
SEGi College (PG) Sdn. Bhd.*	100	100	Provision of professional, commercial and academic education.
SEGi College (KD) Sdn. Bhd.*	100	100	Provision of professional, commercial and academic education.
SMRC Learning Alliance Sdn. Bhd.**	100	100	Provision of educational and training services.
SEG Equity Sdn. Bhd.**	100	100	Investment holding.
SBT Professional Publications Sdn. Bhd.**	100	100	Operation of a book centre, dealing in all kinds of reading materials, information search and related business.
SEG International Group Sdn. Bhd.**	100	100	Investment holding and provision of training and educational services.
SEGi Campus Sdn. Bhd.**	100	100	Property investment and development.
SEGi Holdings Sdn. Bhd.*	100	100	Investment holding and management consultancy.
Summit Education Sdn. Bhd.**	98.63	98.63	Investment holding and management consultancy.
Summit Early Childhood Edu-Care Sdn. Bhd.**	100	100	Provision of child educational and related services.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17. Investments in subsidiaries (cont'd.)

The details of the subsidiaries are as follows (cont'd.):

Name of Company	Effective equity interest		Principal activities
	2015 %	2014 %	
SEGi International Education Sdn. Bhd.**	100	100	Provision of training and educational services.
Systematic Training Network Sdn. Bhd.**	100	100	Provision of educational services.
Agensi Pekerjaan Job Venture Sdn. Bhd.**	100	100	Provision of job placement consultancy services.
SEGi Diversified Sdn. Bhd.**	100	100	Investment holding.
SMRC Learning Alliance (EM) Sdn. Bhd.**	100	100	Provision of management consultancy services and investment holding.
Held through subsidiaries:			
SEGi University Sdn. Bhd.*	100	100	Provision of professional, commercial and academic education.
SEGi Learning Resources (Sarawak) Sdn. Bhd.**	100	100	Provision of educational and training services.
SEGi EyeCare Sdn. Bhd.**	100	100	Provision of eye care and optometry related services.
SMRC Learning Alliance (KL) Sdn. Bhd.**	100	100	Provision of educational and training services.
SEGi College (Sarawak) Sdn. Bhd.**	100	100	Operation of an educational institution for further studies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17. Investments in subsidiaries (cont'd.)

The details of the subsidiaries are as follows (cont'd.):

Name of Company	Effective equity interest		Principal activities
	2015 %	2014 %	
SEGi HealthCare Sdn. Bhd.**	100	100	Provision of medical clinic and healthcare services.
IFPA Resources Sdn. Bhd.**	100	100	Provision of financial planning and financial related courses.
SEGi Assets Sdn. Bhd.*	100	100	Property investment and property management.
SEGi-IGS Sdn. Bhd.*	70	70	Provision of educational services.
SEGi College (Subang Jaya) Sdn. Bhd.*	100	98.63	Operation of institute providing educational programmes.
Summit Multimedia Education Sdn. Bhd.*	81.25	81.25	Operation of institute providing educational programmes.
Binary Mark Sdn. Bhd.**	98.63	98.63	Property investment.
Summit Early Childhood Edu-Care (Rawang) Sdn. Bhd.**	70	70	Provision of child educational and related services.
Pusat Kemahiran Maju Ria Sdn. Bhd.**	100	100	Provision of educational and training services.
SEGi Properties (M) Sdn. Bhd.**	100	100	Investment property holding.
SEGi DentalCare Sdn. Bhd.**	100	100	Provision of dental care and training services.
SEGi EduHub Sdn. Bhd.**	100	100	Property investment and development.
SEGi Land (M) Sdn. Bhd.*	100	100	Property investment.
Metromas Realtors Sdn. Bhd.*	100	100	Investment holding and property investment.
I-Station Solutions Sdn. Bhd.**	100	100	Provision of E-learning solutions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17. Investments in subsidiaries (cont'd.)

The details of the subsidiaries are as follows (cont'd.):

Name of Company	Effective equity interest		Principal activities
	2015 %	2014 %	
Consortium Support Services Sdn. Bhd.**	100	100	Provision of hostels and transportation management.
Milenium Optima Sdn. Bhd.**	100	100	Provision of solutions and e-community management system.
Platinum Icon Sdn. Bhd.**	100	100	Development of software business solutions.
Bumi Intuisi Sdn. Bhd.**	100	100	Software development and provision of total online training solution.
Skills Malaysia INVITE Sdn. Bhd.**	100	100	Dormant.
Asset held for sale:			
SEGi International Learning Alliance Sdn. Bhd.* #	100	100	Provision of training and educational services.
Incorporated in Republic of Mauritius:			
Worldwide Accreditation Ltd.***	100	100	Provision of licensing and accreditation of educational programmes.
Incorporated in Republic of China (Hong Kong):			
Darson Limited.**	100	100	Provision of education and recruitment services and other related services.

* Audited by Ernst & Young, Malaysia.

** Audited by firms of chartered accountants other than Ernst & Young.

*** Audited by member firm of Ernst & Young Global in the respective country.

On 1 April 2016, the proposed disposal of the subsidiary of the Company, SEGi International Learning Alliance Sdn Bhd ("SILA") has been completed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18. Other investments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Quoted shares	830	1,000	-	-
Fair value gain/(loss) recognised in other comprehensive income	40	(170)	-	-
	870	830	-	-
Unquoted bonds, at cost	2,080	2,080	2,080	2,080
Allowance for impairment loss: At 1 January/31 December	(2,080)	(2,080)	(2,080)	(2,080)
	-	-	-	-
Unquoted shares, at cost	-	-	3,000	3,000
Allowance for impairment loss: At 1 January/31 December	-	-	(3,000)	(3,000)
	-	-	-	-
Total carrying amount	870	830	-	-

	Group	
	2015 RM'000	2014 RM'000
Measured using:		
Cost model	-	-
Fair value model	870	830
Total carrying amount	870	830
Marketing value of quoted investments in Malaysia	870	830

- (a) The Group designated its investments in quoted shares as available-for-sale financial assets and measured at fair value.
- (b) The Group designated its investments in unquoted bonds and shares as available-for-sale financial assets which are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the bonds and shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

19. Inventories

	Group	
	2015 RM'000	2014 RM'000
Cost		
Eyecare and health related products	100	58

Inventories represent eyecare products for sale stated at cost. None of the inventories are stated at net realisable value.

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM191,000 (2014: RM191,000).

20. Receivables

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current					
Trade					
Trade receivables	(a)	13,909	13,332	-	-
Non-trade					
Other receivables, deposits and prepayments	(b)	13,315	14,602	3,233	2,939
Amounts due from subsidiaries	(c)	-	-	98,923	97,674
Less: Allowance for impairment loss on amounts due from subsidiary		-	-	-	(459)
Total current trade and other receivables		27,224	27,934	102,156	100,154
Non-current					
Non-trade					
Deposits	(b)	1,469	582	-	-
Amounts due from subsidiaries	(c)	-	-	24,475	32,903
		1,469	582	24,475	32,903
Total trade and other receivables (current and non-current)		28,693	28,516	126,631	133,057
Add: Cash and bank balances (Note 22)		57,826	80,994	22,586	55,901
Other financial asset (Note 23)		27,306	20,375	27,306	20,375
Less: Prepayments		(7,661)	(7,419)	(866)	(755)
Total loans and receivables		106,164	122,466	175,657	208,578

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

20. Receivables (cont'd.)**(a) Trade receivables**

	Group	
	2015	2014
	RM'000	RM'000
Trade receivables	14,041	13,464
Allowance for impairment losses	(132)	(132)
	13,909	13,332

The normal trade credit terms granted by the Group ranged from 30 to 180 days (2014: 30 to 180 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. Other credit terms are assessed and approved on a case-by-case basis.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2015	2014
	RM'000	RM'000
Neither past due nor impaired	13,909	12,851
More than 6 months past due not impaired	-	481
Impaired	132	132
	14,041	13,464

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Most of the Group's trade receivables arise from students under the Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN") loan scheme.

None of the Group's trade receivables that are either past due or impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to Nil (2014: RM481,000) that are past due at the reporting date but not impaired. The receivables that are past due but not impaired are unsecured in nature.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

20. Receivables (cont'd.)

(a) Trade receivables (cont'd.)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired	
	2015 RM'000	2014 RM'000
Group		
Trade receivables - nominal amounts	132	132
Less: Allowance for impairment losses	(132)	(132)
	-	-

Movement in allowance accounts:

	2015 RM'000	2014 RM'000
At 1 January/31 December	(132)	(132)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables, deposits and prepayments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current				
Deposits	1,469	582	-	-
Current				
Other receivables, deposits and prepayments	13,812	15,099	3,233	2,939
Allowance for impairment losses	(497)	(497)	-	-
	13,315	14,602	3,233	2,939
	14,784	15,184	3,233	2,939

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

20. Receivables (cont'd.)

(b) Other receivables, deposits and prepayments (cont'd.)

Other receivables that are impaired

The Group's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired	
	2015	2014
	RM'000	RM'000
Group		
Other receivables - nominal amounts	497	497
Less: Allowance for impairment losses	(497)	(497)
	-	-

Movement in allowance accounts:

	2015	2014
	RM'000	RM'000
Group		
At 1 January/31 December	(497)	(497)

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(c) Amounts due from subsidiaries

	Company	
	2015	2014
	RM'000	RM'000
Interest bearing	123,095	129,977
Non-interest bearing	303	141
	123,398	130,118

The amounts due from subsidiaries are non-trade in nature, unsecured and receivable on demand. The interest bearing portion bore an effective interest rate of 1% - 5% (2014: 1% - 4.6%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

20. Receivables (cont'd.)

(c) Amounts due from subsidiaries (cont'd.)

The foreign currency exposure profile of the amounts due from the subsidiaries of the Company at the end of the reporting period is as follows:

	Company	
	2015	2014
	RM'000	RM'000
Hong Kong Dollar	211	8

21. Tax recoverable

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Arising from tax installments paid	20,659	16,578	2,309	2,117

22. Cash and bank balances

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Short-term investments with financial institutions	4,671	35,790	4,671	30,600
Fixed deposits with licensed banks (Note a)	14,189	13,721	14,057	13,590
Cash and bank balances	38,966	31,483	3,858	11,711
	57,826	80,994	22,586	55,901

- (a) Fixed deposits with licensed banks of the Group and of the Company amounting to approximately RM14,193,000 (2014: RM13,721,000) and RM14,057,000 (2014: RM13,590,000) respectively are pledged for bank guarantee facilities for lease rental granted to the Group and the Company.

The weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's deposits with licensed banks and licensed financial institutions are as follows:

	Group		Company	
	2015	2014	2015	2014
WAEIR (%)	3.44	3.12	3.42	3.11
Average maturities	1 - 12 months			

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

22. Cash and bank balances (cont'd.)

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances:				
- Continuing operations	57,826	80,994	22,586	55,901
- Discontinued operation (Note 33)	216	363	-	-
Total cash and bank balances	58,042	81,357	22,586	55,901
Less: Deposits with licensed banks and financial institutions with maturity of more than three months	(14,189)	(13,721)	(14,057)	(13,590)
Total cash and cash equivalents	43,853	67,636	8,529	42,311

23. Other financial asset

	Group/Company	
	2015 RM'000	2014 RM'000
Current:		
Fair value through profit and loss		
Fixed and call deposit with licensed financial institutions	27,306	20,375

At the reporting date, the carrying amounts of fixed and call deposits approximately their fair values due to relatively short-term nature of these balances.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short-term investments with financial institutions	29,306	22,375	27,308	20,377
Allowance for impairment losses	(2,000)	(2,000)	(2)	(2)
	27,306	20,375	27,306	20,375

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

24. Borrowings

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Secured					
Non-current:					
Hire purchase and finance lease payables	25	1,606	1,242	-	-
Current:					
Hire purchase and finance lease payables	25	1,454	1,031	-	32
		3,060	2,273	-	32

25. Hire purchase and finance lease payables

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum hire purchase and finance lease payments:				
- repayable within 1 year	1,595	1,093	-	33
- repayable between 1 year to 5 years	1,688	1,331	-	-
- repayable later than 5 years	-	29	-	-
	3,283	2,453	-	33
Less: Future finance charges	(223)	(180)	-	(1)
Present value	3,060	2,273	-	32

The net hire purchase and finance lease payables are repayable as follows:

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current:					
- repayable between 1 year to 5 years	24	1,606	1,242	-	-
Current:					
- not later than 1 year	24	1,454	1,031	-	32
		3,060	2,273	-	32

The hire purchase and finance lease payables at the end of the reporting period bore interest rates ranging from 3.46% to 6.8% (2014: 3.20% to 16.01%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

26. Term loan

As at 31 December 2015, this term loan has been presented as part of the liabilities of the disposal group classified as held for sale.

The term loan at the end of the reporting period bore a weighted average effective interest rate of 4.99% (2014: 4.74%) per annum.

27. Payables

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current					
Trade					
Trade payables	(a)	441	471	-	-
Other payables					
Other payables and accruals	(b)	84,140	61,829	2,729	2,032
Amounts due to subsidiaries	(c)	-	-	16,544	50,546
		84,140	61,829	19,273	52,578
		84,581	62,300	19,273	52,578
Non-current					
Other payable		-	8	-	-
Deposits		-	-	1,271	1,271
		-	8	1,271	1,271
Total trade and other payables		84,581	62,308	20,544	53,849
Add: Dividend payable		-	40,441	-	40,441
Add: Borrowings (Note 24)		3,060	2,273	-	32
Total financial liabilities carried at amortised cost		87,641	105,022	20,544	94,322

(a) Trade payables

The normal trade credit terms granted to the Group ranged from 30 to 90 days (2014: 30 to 90 days).

(b) Other payables and accruals

Included in the other payables and accruals of the Group are fees received in advance from students amounting to approximately RM35,072,000 (2014: RM26,959,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

27. Payables (cont'd.)

(c) Amounts due to subsidiaries

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand. The foreign currency exposure profile of the amounts due to the subsidiaries of the Company at the end of the reporting period is as follow:

	Company	
	2015	2014
	RM'000	RM'000
United States Dollar ("USD")	3,013	2,607

28. Deferred tax

Deferred income tax as at 31 December relates to the following:

	As at 1 January 2014	Recognised in profit or loss	As at 31 December 2014	Recognised in profit or loss	As at 31 December 2015
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
Deferred tax assets					
Unabsorbed capital allowances	3,893	(891)	3,002	(1,083)	1,919
Unused tax losses	3,840	450	4,290	314	4,604
Unutilised tax credit	2,498	722	3,220	446	3,666
	<u>10,231</u>	<u>281</u>	<u>10,512</u>	<u>(323)</u>	<u>10,189</u>
Deferred tax liabilities					
Property, plant and equipment	(5,121)	421	(4,700)	(272)	(4,972)
	<u>5,110</u>	<u>702</u>	<u>5,812</u>	<u>(595)</u>	<u>5,217</u>
Company					
Deferred tax assets					
Unabsorbed capital allowances	1,140	(14)	1,126	68	1,194
Unused tax losses	-	-	-	314	314
	<u>1,140</u>	<u>(14)</u>	<u>1,126</u>	<u>382</u>	<u>1,508</u>
Deferred tax liabilities					
Property, plant and equipment	(423)	57	(366)	(197)	(563)
	<u>717</u>	<u>43</u>	<u>760</u>	<u>185</u>	<u>945</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

28. Deferred tax (cont'd.)

Deferred income tax as at 31 December relates to the following (cont'd.):

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Presented after appropriate offsetting as follows:				
Deferred tax assets	10,189	10,512	1,508	1,126
Deferred tax liabilities	(4,972)	(4,700)	(563)	(366)
	5,217	5,812	945	760

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2015	2014
	RM'000	RM'000
Unabsorbed capital allowances	11,931	10,660
Unused tax losses	32,534	24,183
Unutilised tax credit	748	748
Other deductible temporary differences	244	858
	45,457	36,449

Section 44(5A) and Paragraph 75A of Schedule 3 of the Malaysian Income Tax Act 1967 ("MITA") which became effective in Year of Assessment ("YA") 2006 restricts the utilisation of unused tax losses and unabsorbed capital allowances where there is a substantial change in the ordinary shareholder of a company. The test for determining whether there is a substantial change in shareholders is carried out by comparing the shareholders on the last day of the basis period in which the unused tax losses and unabsorbed capital allowances were ascertained with those on the first day of the basis period in which the unused tax losses and unabsorbed capital allowances are to be utilised.

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance ("MOF") has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and unused tax losses.

The above deferred tax assets have not been recognised due to uncertainty of its recoverability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

29. Share capital

	Par value RM	Group/Company			
		2015 '000	2014 '000	2015 RM'000	2014 RM'000
Ordinary shares:					
Authorised					
At 1 January/31 December	0.25	1,000,000	1,000,000	250,000	250,000
Issued and fully paid-up					
At 1 January	0.25	700,065	668,359	175,017	167,090
Exercise of warrants	0.25	48,033	31,706	12,007	7,927
At 31 December	0.25	748,098	700,065	187,024	175,017

(a) Share capital

- (i) During the financial year, the Company increased its issued and paid-up share capital from RM175,016,267 to RM187,024,477 by the issuance of 48,032,840 new ordinary shares of RM0.25 each pursuant to the exercise of warrants.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (ii) In the previous financial year, the Company increased its issued and paid-up share capital from RM167,090,000 to RM175,016,267 by the issuance of 31,706,180 new ordinary shares of RM0.25 each pursuant to the exercise of warrants.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

30. Treasury shares

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

	← Price per share →			No of shares	Par value RM	Cost of shares RM'000
	Lowest RM	Highest RM	Average RM			
Balance at 1 January 2014				26,043,600		37,479
Additions during the financial year	1.44	1.55	1.50	2,000	0.25	3
Balance at 31 December 2014/ 1 January 2015				26,045,600		37,482
Additions during the financial year	1.43	1.46	1.45	2,000	0.25	3
Balance at 31 December 2015				26,047,600		37,485

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

During the financial year, there were no re-sale of treasury shares.

31. Share premium

The movement in the share premium of the Group and of the Company is as follows:

	Group/Company	
	2015 RM'000	2014 RM'000
At 1 January	55,288	46,569
Exercise of warrants	13,209	8,719
Effect arising from expiry of warrants	7	-
At 31 December	68,504	55,288

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act, 1965 in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

32. Reserves

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Accumulated loss/retained profits	(a)	(740)	25,571	32,653	12,415
Warrant reserve	(b)	-	1,208	-	1,208
Available-for-sale financial asset reserve	(c)	(70)	(110)	-	-
Exchange translation reserve	(d)	160	1,108	-	-
Share-based payment reserve	(e)	2,345	861	2,345	861
		1,695	28,638	34,998	14,484

(a) Accumulated loss/retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2015 and 31 December 2014 under the single tier system.

(b) Warrant reserve

The movements in the warrant reserve of the Group and of the Company are as follows:

	Group/Company	
	2015 RM'000	2014 RM'000
At 1 January	1,208	2,001
Exercise of warrants	(1,201)	(793)
Effect arising from expiry of warrants	(7)	-
At 31 December	-	1,208

The Warrants 2010/2015 are constituted by a Deed Poll dated 15 July 2010.

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

During the financial year, there was Nil (2014: 48,314,074) unexercised Warrants in issue at a revised exercise price of RM0.50.

During the financial year up to 5pm on 16 August 2015 ("Expiry Date"), 48,032,840 shares have been issued by virtue of the exercise of warrants. Accordingly, 281,234 warrants remained unexercised on the Expiry Date are thus lapsed and became null and void.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

32. Reserves (cont'd.)

(b) Warrant reserve (cont'd.)

The principal terms are as follows:

- | | | |
|-------|--|--|
| (i) | Tenure | 5 years from the date of issuance of the Warrants. |
| (ii) | Exercise period | The Warrants shall be exercisable at any time within the period commencing on, and inclusive of, the date of issue of the Warrants and ending on the date preceding the 5 th anniversary of the date of issue of the Warrants. |
| (iii) | Exercise rights | Each Warrant entitles the holder to subscribe for 1 new ordinary share of RM0.25 (prior to share split exercise, the par value of ordinary share was RM0.50) each ("Share") at the Exercise Price at any time during the Exercise Period. |
| (iv) | Exercise Price | RM1.00 cash per new Share, subject to the adjustments in accordance with the provisions of the Deed Poll. This was subsequently adjusted to RM0.50 each per new share upon the share split exercise of the Company completed on 12 July 2011. |
| (v) | Listing | Approval has been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 3 June 2010 for the admission of the Warrants to the Official List of Bursa Securities, the listing of and quotation for the Warrants, and the listing of and quotation for the new Shares to be issued pursuant to the exercise of the Warrants on the Main Market. |
| (vi) | Adjustment in the Exercise Price and/or the number of Warrants held by Holders in the event or alteration to the share capital | Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of Warrants held by each Holder shall be adjusted by the Directors in consultation with the auditor or principal adviser, in the event of alteration to share capital of the Company including but not limited to share consolidation or subdivision or conversion, issuance of shares by way of capitalisation of profits or reserves, capital distribution and right issue of shares or convertible securities in accordance with provisions as set out in the Deed Poll. |

The ordinary shares issued from the exercise of Warrants shall rank *pari passu* in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotment and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of Warrants.

(c) Available-for-sale financial asset reserve

The available-for-sale financial asset reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

(d) Exchange translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

32. Reserves (cont'd.)

(e) Share-based payment reserve

Share-based payments reserve represents the equity-settled share options granted (refer definition of grant date below) to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced upon the expiry or exercise of the share options.

According to MFRS 2, a grant date is the date at which the entity and another party (including an employee) agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. At the grant date the entity confers on the counterparty the right to equity instruments of the entity, provided the specified vesting conditions, if any, are met. If that agreement is subject to an approval process (for example, by shareholders) grant date is the date when approval is obtained. Hence, under the MFRS 2, an option is granted upon share option contract being entered, regardless whether at the material time the option has yet vested on the employee.

The movements in share-based payments reserve of the Group and of the Company are as follows:

	Group RM'000	Company RM'000
As at 1 January 2014	-	-
Share-based payments expense during the year	861	188
At 31 December 2014	861	188
Share-based payments expense during the year	1,484	308
At 31 December 2015	2,345	496

(i) The main features of the Company's Employee Share Option Scheme ("ESOS") are outlined below:

- The maximum number of new ordinary shares of RM0.25 each in the Company which may be issued upon the exercise of the ESOS shall not exceed 15% of the issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the ESOS.
- Full-time executives of the Group and executive directors of the Company in employment with the Company and its subsidiary companies which are not dormants shall be eligible to participate in the ESOS.
- The maximum number of options that may be offered to an Eligible Person shall be determined at the discretion of the Long Term Incentive Plan ("LTIP") Committee after taking into consideration, amongst others and where relevant, the performance, contribution, employment grade, seniority and length of service of the Eligible Person, subject to the following:
 - The executive directors and senior management do not participate in the deliberation or discussion of their own allocation; and
 - The allocation to an Eligible Person, who either singly or collectively, through persons connected to the Eligible Person, holds 20% or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any), must not exceed 10% of the new shares available under the LTIP; and
 - Not more than 60% of the new shares available under the LTIP shall be allocated in aggregate to the executive directors and senior management of the Company and its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

32. Reserves (cont'd.)

(e) Share-based payment reserve (cont'd.)

- (i) The main features of the Company's Employee Share Option Scheme ("ESOS") are outlined below (cont'd.):

The option price shall be the five-day weighted average market price of the Company's shares immediately preceding the date of the offer, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time at the LTIP Committee's discretion or the par value of the shares of the Company, whichever is the higher.

The ESOS shall be in force for a period of 10 years from the effective date (1 July 2014) for the implementation of the ESOS.

Details of the ESOS options granted in accordance to MFRS 2 are as follows:

As at 31 December 2015, the Company has an allocation of 31 million ESOS options that are made available to eligible employees of the Group. The vesting of these allocations to the employees are subject to certain vesting conditions and the sole discretion of the LTIP Committee. As at 31 December 2015, no options have been vested on any employee.

The following table illustrates the movements in the allocations of share options during the financial year:

	ESOS option allocations	
	2015	2014
	'000	'000
1 January 2015	31,965	-
Granted in accordance to MFRS 2	4,640	35,065
Forfeited during the year	(5,108)	(3,100)
Outstanding at 31 December 2015	31,497	31,965

The fair value of share options granted as at the grant date, is determined using the Black-scholes pricing model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used are as follows:

	ESOS options	
	2015	2014
Dividend yield (%)	9.63	6.89
Expected volatility (%)	17.75	14.24
Risk-free interest rate (%)	4.11	4.39
Exercise share price (RM)	1.42	1.45

The expected life of the option is based on historical date and is not necessarily indicative of exercise pattern that may occur. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends which may also not necessarily be the actual outcome.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

32. Reserves (cont'd.)

(e) Share-based payment reserve (cont'd.)

(ii) Shares Grant Plan ("SGP")

SGP is intended to allow the Company to award the Performance Share Plan ("PSP") Grant to selected Eligible Persons of the Company and its subsidiaries. The PSP Grant is an annual grant to incentivise the Eligible Persons towards the attainment of the long-term success and growth of the Company and its subsidiaries.

Upon acceptance of the PSP Grant by the selected Eligible Persons, the Eligible Person will be entitled to participate in the SGP where shares may be vested with the PSP Grantees at no cost over a period of up to 10 years upon fulfillment of vesting conditions, whereby the selected Eligible Persons will be assessed based on, amongst others, individual performance and the fulfillment of yearly performance targets and/or criteria set and the overall financial performance of the Group, in accordance with the terms and conditions stipulated and determined by the LTIP Committee at its discretion. The vesting of the PSP Grant is at the LTIP Committee's sole discretion.

The LTIP Committee may in its absolute discretion decide that the ordinary share of RM0.25 each in SEGi ("SEGi Shares") to be awarded to the selected Eligible Persons be satisfied by the following methods:

- Issuance of new SEGi Shares;
- Acquisition of existing SEGi Shares from the Main Market of Bursa Securities;
- Any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
- A combination of any of the above.

The following table illustrates the movements in PSP Grant allocation during the financial year:

	PSP Grant allocations	
	2015	2014
	'000	'000
1 January 2015	5,115	-
Granted in accordance to MFRS 2	570	5,605
Forfeited during the year	(810)	(490)
Outstanding at 31 December 2015	4,875	5,115

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

33. Discontinued operation and disposal group classified as held for sale

In previous financial year, on 19 May 2014, a wholly owned subsidiary of the Company, SEG International Group Sdn Bhd, entered into a shares sale agreement (“SSA”) with Global Activate Sdn Bhd (“GASB”) for proposed disposal of the entire issued and paid-up share capital of SEGi International Learning Alliance Sdn Bhd (“SILA”) of 1 million ordinary shares for the cash consideration of RM14 million. The proposed disposal has been completed on 1 April 2016.

As at 31 December 2015, the assets and liabilities related to SILA have been presented in the statement of financial position as “Assets of disposal group classified as held for sale” and “Liabilities directly associated with disposal group classified as held for sale”, and its results are presented separately on the statement of comprehensive income as “Loss from discontinued operation, net of tax”.

Statement of comprehensive income disclosures

The results of SILA for the year ended 31 December are as follows:

	Group	
	2015	2014
	RM'000	RM'000
Administrative expenses	(27)	(24)
Other operating expenses	(471)	(471)
Operating loss	(498)	(495)
Finance costs	(770)	(2,085)
Loss from discontinued operation, net of tax	(1,268)	(2,580)

The following amounts have been included in arriving at loss from disposal group classified as held for sale:

	Group	
	2015	2014
	RM'000	RM'000
Auditors’ remuneration:		
- Current year	6	5
- Under provision in prior year	1	-
Interest expense:		
- Term loan	770	2,085

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

33. Discontinued operation and disposal group classified as held for sale (cont'd.)

Statements of financial position disclosures

The major classes of assets and liabilities of SILA classified as held for sale as at 31 December are as follows:

	Group	
	2015 RM'000	2014 RM'000
Assets:		
Property #	56,970	56,970
Cash and bank balances	216	363
Other receivable	300	-
Assets of disposal group classified as held for sale	57,486	57,333
Liabilities:		
Payables	(193)	(5)
Term loan	(44,000)	(44,000)
Liabilities directly associated with disposal group classified as held for sale	(44,193)	(44,005)
Net assets directly associated with disposal group classified as held for sale	13,293	13,328

Property consists of freehold land and capital work-in-progress amounting to RM54,730,000 and RM2,240,000 respectively.

The details of the term loan at the end of the reporting period are as follows:

	Number of monthly instalments	Monthly instalments RM	Effective dates of commencement of repayment
Term loan 1	108	*	Jan 2016 ^

* The term loan is repayable in fixed monthly installments annually, ranging from RM200,000 to RM516,630 in accordance to loan repayment schedule.

^ The monthly principal repayment for term loan 1 commenced on the 37th month from the date of the first drawdown.

The term loan at the end of the reporting period bore a weighted average effective interest rate of 4.99% (2014: 4.74%) per annum.

Term loan 1 is secured by:

- (i) a facility agreement;
- (ii) a first party first legal charge over the freehold land of a subsidiary (Note 15); and
- (iii) a corporate guarantee given by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

33. Discontinued operation and disposal group classified as held for sale (cont'd.)

Statements of cash flows disclosures

The cash flows attributable to SILA are as follows:

	Group	
	2015 RM'000	2014 RM'000
Operating	(1,405)	(2,724)
Investing	-	(69)
Financing	1,258	3,111
Net cash (outflows)/inflows	(147)	318

34. Commitments

(a) Capital commitments

Authorised capital expenditure not provided for in the financial statements:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Approved and contracted for:				
Property, plant and equipment	127	631	-	-

(b) Operating lease commitments - as lessee

The Group and the Company have entered into non-cancellable operating lease agreements for the use of premises and equipment. These leases have an average lease terms of between one and ten years with renewal option included in contracts. There are no restrictions placed upon the Group and the Company by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating lease contracted for as at reporting date but not recognised as liabilities are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Future minimum rentals payments:				
Not later than 1 year	30,987	33,079	19,229	18,825
Later than 2 years and not later than 5 years	51,453	66,772	30,584	45,708
Later than 5 years	13,586	22,334	1,369	5,474
	96,026	122,185	51,182	70,007

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35. 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 end of the reporting period are as follows:

	Group	
	2015	2014
	RM	RM
Hong Kong Dollar	0.55	0.45
United States Dollar	4.29	3.50

36. Related party disclosures

(a) Identities of related parties

Related parties refer to directors, key management personnel and entities within SEG International Bhd group of companies.

(b) Significant related party transactions

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:

	Company	
	2015	2014
	RM'000	RM'000
Sale of services to subsidiaries:		
- management fee (Note 4)	9,522	12,044
- interest charge (Note 6)	2,154	2,198
- maintenance fee	552	1,774
- rental of premises	15,105	14,745
- service charge	180	180
Purchase of services from subsidiaries:		
- accreditation fee	8,598	7,132
- management fee (Note 5)	2,623	6,256
Dividend income from subsidiaries	71,781	76,040

Information regarding outstanding balances arising from related party transactions as at 31 December 2015 and 31 December 2014 are disclosed in Note 20 and Note 27.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

36. Related party disclosures (cont'd.)

(b) Significant related party transactions (cont'd.)

Compensation of key management personnel:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors of the Company:				
- fee	266	242	266	242
- remuneration	774	748	774	748
- contributions to EPF	90	72	90	72
	1,130	1,062	1,130	1,062
Other key management personnel:				
- salary and other short-term employee benefits	2,943	3,283	802	735
- contribution to EPF	292	314	95	86
	3,235	3,597	897	821
Total	4,365	4,659	2,027	1,883

37. Fair value of financial instruments

(a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current and non-current)	20
Cash and bank balances	22
Loans and borrowings (current and non-current)	24
Trade and other payables (current and non-current)	27

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date.

The fair value of quoted investments is estimated based on their quoted market prices at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

37. Fair value of financial instruments (cont'd.)

(a) Determination of fair value (cont'd.)

Financial guarantee

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed was to default.

The fair value of all unexpired financial guarantees issued by the Company were deemed nil and were not recognised as financial liabilities, as based on the current and past repayment trends of the guaranteed parties, the likelihood of the guaranteed party defaulting within the guaranteed period were assessed to be remote.

(b) Fair value measurement

Fair value hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy analysis

The Group has carried its quoted investments that are classified as available-for-sale financial assets at their fair values. These financial assets belong to level 1 of the fair value hierarchy.

There were no transfer between any levels of the fair value hierarchy during the financial year. There were also no changes in the purpose of any financial instruments that subsequently resulted in a different classification.

38. Financial risk management objectives and policies

The Group's and Company's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's and Company's operations. The Group's and Company's principal financial assets include trade and other receivables, and cash and short term deposits that derive directly from its operations. The Group and Company also hold financial assets at fair value through profit and loss.

The Group and Company is exposed to market risk, credit risk, and liquidity risk. The Group's and Company's management oversees the management of these risks. The Group's senior management is supported by Audit and Risk Committee that provide independent oversight to the effectiveness of the risk management process. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

38. Financial risk management objectives and policies (cont'd.)

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, AFS investments and derivative financial instruments. The Group and the Company's exposure to interest risk and foreign currency risk arises from loans and borrowings, trade and other receivables, and trade and other payables.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group and the Company does not have material foreign currency transactions, assets or liabilities and hence the exposure to foreign currency risk is minimal.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to the risk of changes in market interest rates relates primarily to the Group's and Company's long term debt obligation with floating interest rates. The Group's policy is to manage interest rate risk by using a mix of fixed and variable rate loan and borrowings.

Sensitivity analysis for interest rate risk

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Effects on profit net of tax				
Increase of 100 basis points	(470)	(463)	-	-
Decrease of 100 basis points	470	463	-	-

(iii) Equity price risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group's exposure to price risks is nominal as the investment in quoted shares is considered insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

38. Financial risk management objectives and policies (cont'd.)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the debtors profile of its trade receivables on an on-going basis. At 31 December 2015, approximately 43% (2014: 64%) of the Group's trade receivables were due from students under the PTPTN loan scheme.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the reporting date.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Credit risks from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Deposits with banks and other financial institutions are neither past due nor impaired are only placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's and of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

38. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

	← 2015 →			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables (Note 27)	84,581	-	-	84,581
Hire purchase and finance lease payables (Note 25)	1,454	1,606	-	3,060
Total undiscounted financial liabilities	86,035	1,606	-	87,641
Company				
Financial liabilities:				
Other payables, representing total undiscounted financial liabilities (Note 27)	19,273	1,271	-	20,544
	← 2014 →			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables (Note 27)	62,300	8	-	62,308
Hire purchase and finance lease payables (Note 25)	1,031	1,242	-	2,273
Dividend payable	40,441	-	-	40,441
Total undiscounted financial liabilities	103,772	1,250	-	105,022

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

38. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations (cont'd.):

	← 2014 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
Company				
Financial liabilities:				
Trade and other payable (Note 27)	52,578	1,271	-	53,849
Hire purchase and finance lease payable (Note 25)	32	-	-	32
Dividend payable	40,441	-	-	40,441
Total undiscounted financial liabilities	93,051	1,271	-	94,322

39. Capital management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximises shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade, other payables and dividend payable less cash and cash equivalents.

The management are of the opinion that the Group has insignificant external borrowings and therefore the debt-to-equity ratio is not presented as it does not provide a meaningful indicator of the risk of borrowings.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

39. Capital management (cont'd.)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Loans and borrowings	3,060	2,273	-	32
Trade and other payables	84,581	62,308	20,544	53,849
Less: Cash and bank balances	(57,826)	(80,994)	(22,586)	(55,901)
Financial liabilities, attributable to discontinued operation, net of cash and bank balances	44,409	44,368	-	-
Net debts	74,224	27,955	(2,042)	(2,020)
Equity attributable to equity holders of the Company	219,738	221,461	253,041	207,307
Gearing ratio	34%	13%	-1%	-1%

40. Operating segments

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

41. Supplementary information - Disclosure of realised and unrealised profits/losses

The breakdown of the (accumulated losses)/retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total accumulated loss/retained profits:				
- realised	(19,715)	9,855	32,329	11,076
- unrealised	6,016	6,360	324	1,339
	(13,699)	16,215	32,653	12,415
Consolidation adjustments	12,959	9,356	-	-
At 31 December (Note 32(a))	(740)	25,571	32,653	12,415

GROUP PROPERTIES

AS AT 31 DECEMBER 2015

No.	Address	Approximate Areas/ Description	Existing Use	Tenure	Approximate Age of Building (years)	NBV as at 31/12/2015 (RM'000)	Date of Revaluation/ Acquisition
Owned by Company							
1.	33-35 Jalan Hang Lekiu 50100 Kuala Lumpur	4,515 sq ft land area with a 9-storey commercial building	Education Centre	Freehold	38	6,529	14/12/1993
Owned by Subsidiaries							
2.	211, Jalan Bukit Mata Kuching 93100 Kuching, Sarawak	22,081 sq ft land area with 6-storey building	Education Centre	Leasehold Expiry date @ 13/08/2785	39	9,394	13/06/2001
3.	South City Plaza Lot 3.09a, 3 rd Floor Persiaran Serdang Perdana 43300 Seri Kembangan, Selangor	21,986 sq ft built-up area of shoptlot space	Training Centre	Leasehold Expiry date @ 09/11/2093	12	7,622	03/07/1998
4.	South City Plaza Lot 3.09b, 3 rd Floor Persiaran Serdang Perdana 43300 Seri Kembangan, Selangor	15,482 sq ft built-up area of shoptlot space	Training Centre	Leasehold Expiry date @ 09/11/2093	12	5,367	08/01/1999
5.	Casa Residenza, Service Apartment Block B Persiaran Surian Kota Damansara, PJU 5 47810 Petaling Jaya, Selangor	110,500 sq ft built-up area of 125 units service apartment	Residential	Leasehold Expiry date @ 25/01/2104	3	38,872	31/03/2013
125 units from:-							
<ul style="list-style-type: none"> • B1-11-10 to B1-11-13A • B1-12-10 to B1-12-13A • B1-13-10 to B1-13-13A • B1-13A-10 to B1-13A-13A • B1-15-10 to B1-15-13A • B1-16-10 to B1-16-13A • B1-17-10 to B1-17-13A • B1-18-10 to B1-18-13A • B1-19-10 to B1-19-13A • B1-20-10 to B1-20-13A • B1-21-10 to B1-21-13A • B1-22-10 to B1-22-13A • B1-23-10 to B1-23-13A • B1-23A-10 to B1-23A-13A • B1-25-10 to B1-25-13A • B1-26-10 to B1-26-13A • B1-27-10 to B1-27-13A • B1-28-10 to B1-28-13A • B1-29-10 to B1-29-13A • B1-30-10 to B1-30-13A • B1-31-10 to B1-31-13A • B1-32-10 to B1-32-13A • B1-33-10 to B1-33-13A • B1-33A-10 to B1-33A-13A • B1-35-10 to B1-35-13A 							

GROUP PROPERTIES

AS AT 31 DECEMBER 2015

No.	Address	Approximate Areas/Description	Existing Use	Tenure	Approximate Age of Building (years)	NBV as at 31/12/2015 (RM'000)	Date of Revaluation/Acquisition
6.	Unit No. A-PH-08, Pangsapuri Casa Subang Jalan Subang 1, USJ1 47600 Subang Jaya, Selangor	1,555 sq ft built-up area of a service apartment	Residential	Freehold	8	470	19/10/2005
7.	Unit No. A-PH-11, Pangsapuri Casa Subang Jalan Subang 1, USJ1 47600 Subang Jaya, Selangor	1,555 sq ft built-up area of a service apartment	Residential	Freehold	8	425	19/10/2005
8.	Unit No. B-23A-02, Pangsapuri Casa Subang Jalan Subang 1, USJ1 47600 Subang Jaya, Selangor	1,062 sq ft built-up area of a service apartment	Residential	Freehold	8	238	19/10/2005
9.	Unit No. B-23A-11, Pangsapuri Casa Subang Jalan Subang 1, USJ1 47600 Subang Jaya, Selangor	1,062 sq ft built-up area of a service apartment	Residential	Freehold	8	235	19/10/2005
10.	HS (D) 280409, PT 29532 Mukim Bukit Raja Daerah Petaling, Selangor	522,720 sq ft land area	Property held for sale*	Freehold	-	56,970	26/06/2012
						126,122	

* The sale was completed on 1 April 2016.

ANALYSIS OF SHAREHOLDINGS

Analysis of Shareholdings as at 31 March 2016

Authorised Share Capital	:	RM250,000,000
Issued and Fully Paid-up Share Capital	:	RM187,024,477*
Class of shares	:	Ordinary shares of RM0.25 each
Voting rights	:	Every member present in person or by proxy or represented by attorney shall have one vote and upon a poll, every such member shall have one vote for every share held.

* Inclusive of 26,048,600 treasury shares

Distribution Schedule of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 – 99	69	4.72	2,382	0.00
100 – 1,000	149	10.20	101,238	0.01
1,001 – 10,000	679	46.48	3,725,658	0.52
10,001 – 100,000	407	27.86	12,893,826	1.79
100,001 – less than 5% of issued shares	154	10.54	355,374,960	49.22
5% and above of issued shares	3	0.21	349,951,244	48.47
TOTAL	1,461	100.00	722,049,308	100.00

Substantial Shareholders as at 31 March 2016

According to the register required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders (excluding bare trustees) of the Company:-

Name of Shareholders	No. of Shares Held			
	Direct	%	Indirect	%
1. Tan Sri Clement Hii Chii Kok ("TSC")	231,405,116	32.05	**268,079,604	37.13
2. Pinnacle Heritage Solutions Sdn Bhd ("PHS")	268,079,604	37.13	++231,405,116	32.05
3. Nicholas Rupert Heylett Bloy	-	-	##499,484,720	69.18
4. Richard Elletson Foyston	-	-	##499,484,720	69.18
5. Navis Capital Partners Limited	-	-	##499,484,720	69.18
6. SmartUni 1 Ltd	-	-	##499,484,720	69.18
7. Navis Asia Fund VI G.P., Ltd	-	-	##499,484,720	69.18
8. HAL Investments (Asia) Ltd	-	-	##499,484,720	69.18
9. HAL Holding N.V.	-	-	##499,484,720	69.18
10. HAL Trust	-	-	##499,484,720	69.18
11. Rodney Chadwick Muse	-	-	##499,484,720	69.18

ANALYSIS OF SHAREHOLDINGS

Directors' Shareholdings

Name of Shareholders	No. of Shares Held			
	Direct	%	Indirect	%
1. Tan Sri Clement Hii Chii Kok	231,405,116	32.05	**268,079,604	37.13
2. Nicholas Rupert Heylett Bloy	-	-	##499,484,720	69.18
3. Hew Moi Lan	464,800	0.06	-	-
4. Dato' Amos Siew Boon Yeong	2,200,000	0.30	-	-
5. Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr Haji Megat Khas	16,662	0.01	-	-
6. Dato' Sri Chee Hong Leong	-	-	-	-
7. Goh Leng Chua	-	-	-	-
8. Edwin Fua Chye Jin	-	-	-	-

** TSC is deemed interested in such SEGi shares held by PHS pursuant to the shareholders' agreement dated 25 April 2012 entered between TSC and PHS for regulating their relationship with one another as shareholders of SEGi ("Shareholders' Agreement").

++ PHS is deemed interested in such SEGi shares held by TSC pursuant to the Shareholders' Agreement.

Deemed interest by virtue of shares held by PHS in which the Director(s)/company(ies) is deemed to have an interest.

Thirty Largest Shareholders

Name of Shareholders	No. of Shares	%
1. Pinnacle Heritage Solutions Sdn Bhd	268,079,604	37.13
2. RHB Capital Nominees (Tempatan) Sdn Bhd Securities Account for Hii Chii Kok @ Hii Chee Kok	44,381,640	6.15
3. AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok	37,490,000	5.19
4. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok	30,000,000	4.15
5. Maybank Investment Bank Berhad IVT	29,600,000	4.10
6. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok	23,710,000	3.28
7. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok	22,266,000	3.08
8. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok	20,107,476	2.78
9. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Hii Chii Kok @ Hii Chee Kok	20,000,000	2.77
10. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rexter Capital Sdn Bhd	19,425,571	2.69
11. M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Sinar Pavilion Sdn Bhd	11,944,000	1.65
12. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Siew Hee	8,965,600	1.24
13. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Hii Chii Kok @ Hii Chee Kok	8,500,000	1.18

ANALYSIS OF SHAREHOLDINGS

Name of Shareholders	No. of Shares	%
14. Hii Chii Kok @ Hii Chee Kok	8,500,000	1.18
15. AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok	8,000,000	1.11
16. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Basic Index Sdn Bhd	7,778,100	1.08
17. Pelaburan Mara Berhad	6,109,500	0.85
18. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok	5,000,000	0.69
19. Koperasi Permodalan Felda Malaysia Berhad	4,950,000	0.69
20. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad for Rexter Capital Sdn Bhd	4,877,000	0.68
21. CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad for Yayasan Mohd Noah (A/C2)	4,536,000	0.63
22. Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund	4,098,000	0.57
23. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tang Lee Hieh	4,000,200	0.55
24. EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for M & A Securities Sdn Bhd	4,000,000	0.55
25. CitiGroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	3,700,000	0.51
26. Hii Chii Kok @ Hii Chee Kok	3,450,000	0.48
27. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account Bonus Tradisi Sdn Bhd	3,341,000	0.46
28. Kenanga Nominees (Tempatan) Sdn Bhd Perdana Technology Venture Sdn Bhd	3,128,160	0.43
29. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Progress Fund	3,117,400	0.43
30. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for RHB Kidsave Trust	3,081,100	0.43

SEGi EDUCATION NETWORK

SEGi GROUP OF INSTITUTIONS

SEGi University

No. 9, Jalan Teknologi,
Taman Sains Selangor,
Kota Damansara, PJU 5,
47810 Petaling Jaya,
Selangor Darul Ehsan
Toll free : 1800 88 7344
Tel : 603 6145 2777
Fax : 603 6145 1666
infokd@segi.edu.my

SEGi College Kuala Lumpur

33 – 35, Jalan Hang Lekiu,
50100 Kuala Lumpur
Tel : 603 2070 2078
Fax : 603 2034 2759
infokl@segi.edu.my

SEGi College Subang Jaya

Persiaran Kewajipan USJ 1,
47600 UEP Subang Jaya,
Selangor Darul Ehsan
Tel : 603 8600 1888
Fax : 603 8600 1999
infosj@segi.edu.my

SEGi College Penang

Wisma Green Hall, 43 Green Hall,
10200 Penang
Tel : 604 263 3888/262 8127
Fax : 604 262 2193
infopg@segi.edu.my

SEGi College Sarawak

211, Jalan Bukit Mata Kuching,
93100 Kuching, Sarawak
Tel : 6082 252 566
Fax : 6082 231 355
infoswk@segi.edu.my

SEGi GROUP OF TRAINING CENTRES

SMI Training Centre Sarawak

211, Jalan Bukit Mata Kuching,
93100 Kuching, Sarawak
Tel : 6082 252 566
Fax : 6082 231 355

SMI Training Centre Penang

Wisma Green Hall, 43 Green Hall,
10200 Penang
Tel : 604 263 3888/262 8127
Fax : 604 262 2193

SEGi BUSINESS UNITS

IFPA Resources Sdn Bhd

2nd Floor, SEGi College,
Persiaran Kewajipan USJ 1,
47600 UEP Subang Jaya,
Selangor Darul Ehsan
Tel : 603 8605 3886
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I-Station Solutions Sdn Bhd

No. C6-23-3A, Jalan Multimedia 7/AH,
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Bumi Intuisi Sdn Bhd

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Platinum Icon Sdn Bhd

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Milenium Optima Sdn Bhd

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Taman Sains Selangor 1,
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Tel : 603 6145 1702
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Summit Early Childhood Edu-Care Sdn Bhd

5th Floor, SEGi College,
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Agensi Pekerjaan Job Venture Sdn Bhd

5th Floor, SEGi University,
No. 9, Jalan Teknologi,
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Worldwide Accreditation Ltd

Les Cascades Building,
Edith Cavell Street, Port Louis,
Mauritius

Darson Limited

2nd Floor, Hong Kong Trade Centre,
161-167 Des Voeux Road Central,
Hong Kong

Karden Limited

2nd Floor, Hong Kong Trade Centre,
161-167 Des Voeux Road Central,
Hong Kong



SEG
International
Bhd

(145998 U)

PROXY FORM

I/We _____
of _____
being a member/members of SEG International Bhd hereby appoint _____
of _____
or failing him/her _____
of _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirtieth Annual General Meeting of the Company to be held at Level 2, Right Wing, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 24 May 2016 at 2.30 p.m. and at any adjournment thereof.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X":

ORDINARY RESOLUTIONS		FOR	AGAINST
1	Approval of the payment of Directors' fees.		
2	Re-election of Hew Moi Lan in accordance with Article 86 of the Company's Articles of Association.		
3	Re-appointment of Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
4	Re-appointment of Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.		
5	Authority pursuant to Section 132D of the Companies Act, 1965 for Directors to issue shares.		
6	Proposed Renewal of Authority for the Proposed Share Buy-Back.		
7	Retention of Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas as Independent Non-Executive Director in accordance with Malaysian Code on Corporate Governance 2012.		
8	Retention of Dato' Amos Siew Boon Yeong as Independent Non-Executive Director in accordance with Malaysian Code on Corporate Governance 2012.		

Dated this _____ day of _____ 2016

Number of shares held

Signature of member(s)

Notes:

1. If you wish to appoint other person(s) to be your proxy, delete the words "the Chairman of the meeting" and insert the name(s) and address(es) of the person(s) desired in the space so provided.
2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
3. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
4. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where two proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in order for the appointments to be valid.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its Attorney.
7. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at 6th Floor, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the Meeting or adjourned meeting.

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

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SEGi
University &
Colleges

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