



SEGi
University &
Colleges

segi.edu.my

Shaping Tomorrow's World

Annual Report 2016





*The First Malaysian University that earned
5★ for Prioritizing Society's Needs in Malaysia - by QS Stars*

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.

The best in you, made

POSSIBLE

COVER RATIONALE

At SEGi, we are shaping the future by educating the leaders of tomorrow. Thousands of the best and brightest young minds from around the world gather at our five campuses to learn via innovative technologies and student-centric techniques. We take great pride in developing their potential, so that they can contribute significantly to the enhancement of life on earth.

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SEGi Education
Network

• Proxy Form

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

Datuk Mohamed Azahari Bin Mohamed Kamil
Executive Director / Group President

Ms. Hew Moi Lan
Executive Director / Chief Executive Officer

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

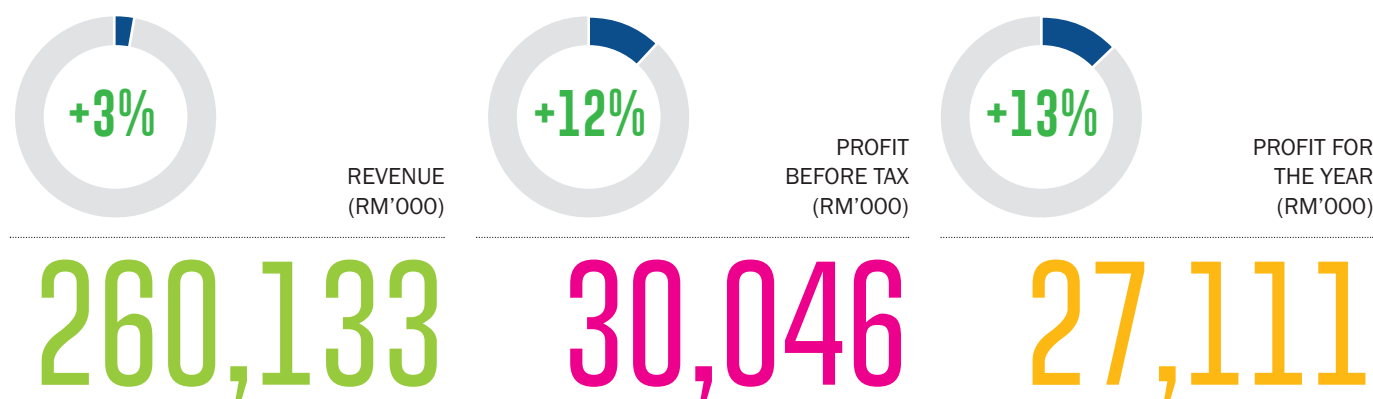
Tel : 603 7841 8000
Fax : 603 7841 8151/52

FINANCIAL HIGHLIGHTS

GROUP FIVE YEARS FINANCIAL SUMMARY

	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000
Revenue	284,863	236,774	242,012	253,183	260,133
Profit before tax	68,383	31,709	24,412	26,797	30,046
Profit for the year - attributable to shareholders	60,343	32,978	23,363	24,046	27,111
Share capital	166,219	167,090	175,017	187,024	187,024
Shareholders' fund	266,872	253,559	221,461	219,738	204,354
Total assets	386,160	355,037	375,479	356,438	300,314
Basic earnings per share (sen)	10.18	5.14	3.63	3.43	3.75
Dividend for the year (sen)	5.00	7.50	11.00	7.00	6.00

2016 FINANCIAL SUMMARY



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, Datuk Mohamed Azahari Bin Mohamed Kamil, Ms. Hew Moi Lan*

**BOARD OF
DIRECTORS**
(continued)



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



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

Independent Non-Executive Chairman
- Malaysian -

Aged 72, 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 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 Honorary Patron 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 five 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 five years other than traffic offences, if any.

TAN SRI CLEMENT HII CHII KOK

Group Managing Director
- Malaysian -

Aged 59, 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.



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, Executive Committee and Long Term Incentive Plan 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 Clement Hii 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 2016.

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 five years other than traffic offences, if any.

DIRECTORS' PROFILE

(continued)



DATUK MOHAMED AZAHARI BIN MOHAMED KAMIL

Executive Director / Group President
- Malaysian -

Aged 58, he was appointed to the Board on 24 May 2016.

Datuk Mohamed Azahari Bin Mohamed Kamil is a member of Risk Management Committee and Executive Committee of the Company.

Datuk Mohamed Azahari is a Chartered Banker as well as a Chartered Professional in Islamic Finance of the Asian Institute of Chartered Bankers. He holds a Master of Business Administration (Finance) from Central Michigan University and a Bachelor Degree in Business Administration from Western Michigan University as well as a Diploma in Banking from University ITM.

Datuk Mohamed Azahari was the Chief Executive Officer (CEO) of Asian Finance Bank (AFB) for the last eight (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 thirty (30) years of experience in the financial services industry both in banking and fund management.

He is a Board member of Universiti Sains Islam Malaysia (USIM), Universiti Teknologi MARA (UiTM) and Investment Board member of Universiti Malaysia Sabah (UMS) and a member of The Action Group Entrepreneurial Committee of Universiti Malaysia Kelantan (UMK). 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).

Datuk Mohamed Azahari is also the Corporate Advisor for Johor Corporation and a Board member of its subsidiary companies, Syarikat Larkin Sentral Property Sdn Bhd and QSR Brands (M) Holdings Sdn Bhd. He is also the member of the Steering Committee of Bank Negara Malaysia, involving in the transformation of the Islamic Finance Education landscape.

He is currently the Chairman of the Crescent Wealth International Advisory Board Malaysia, a wholly owned subsidiary of the Crescent Funds Australia Limited.

During the year ended 31 December 2016, Datuk Mohamed Azahari attended all the two Board meetings held, after his appointment to the Board on 24 May 2016.

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 five years other than traffic offences, if any.

HEW MOI LAN

Executive Director / Chief Executive Officer
- Malaysian -

Aged 56, she was appointed to the Board on 20 April 2010.



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 2016 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 five years other than traffic offences, if any.

**DIRECTORS’
PROFILE**

(continued)



**NICHOLAS RUPERT
HEYLETT BLOY**

Non-Independent & Non-Executive Director
- British -

Aged 55, he was appointed to the Board on 2 April 2012.

Nicholas Bloy is a member of the Remuneration Committee. 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 8(4) of the Companies Act, 2016.

Nicholas Bloy attended three Board meetings during the year ended 31 December 2016.

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 five years other than traffic offences, if any.

DATO' AMOS SIEW BOON YEONG

Independent Non-Executive Director
- Malaysian -

Aged 59, he was appointed to the Board on 2 February 2001.



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 partner 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 Non-Executive Director of EcoFirst Consolidated Bhd.

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 2016.

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 five years other than the reprimand in relation to the non-compliance of Vizione Holdings Bhd to the Main Market Listing Requirements, and traffic offences, if any.

DIRECTORS' PROFILE

(continued)



GOH LENG CHUA

Independent Non-Executive Director

- Malaysian -

Aged 68, he was appointed to the Board on 20 April 2010.

Goh Leng Chua is a member of the Audit Committee and Nominating 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 also sits as a Board Member of Forest Research Institute of Malaysia (FRIM), which is an agency under the Ministry of Natural Resources and Environment. 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 2016.

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 five years other than traffic offences, if any.

EDWIN FUA CHYE JIN

Non-Independent & Non-Executive Director
- Malaysian -

Aged 37, he was appointed to the Board on 26 February 2015.



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 10 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 Fua was involved in investment research, financial analysis and auditing with JP Morgan Chase & Co. and in PricewaterhouseCoopers. Edwin Fua was raised in Malaysia and educated in Malaysia and Australia. He holds a Bachelor of Commerce (Accounting & Finance) from Monash

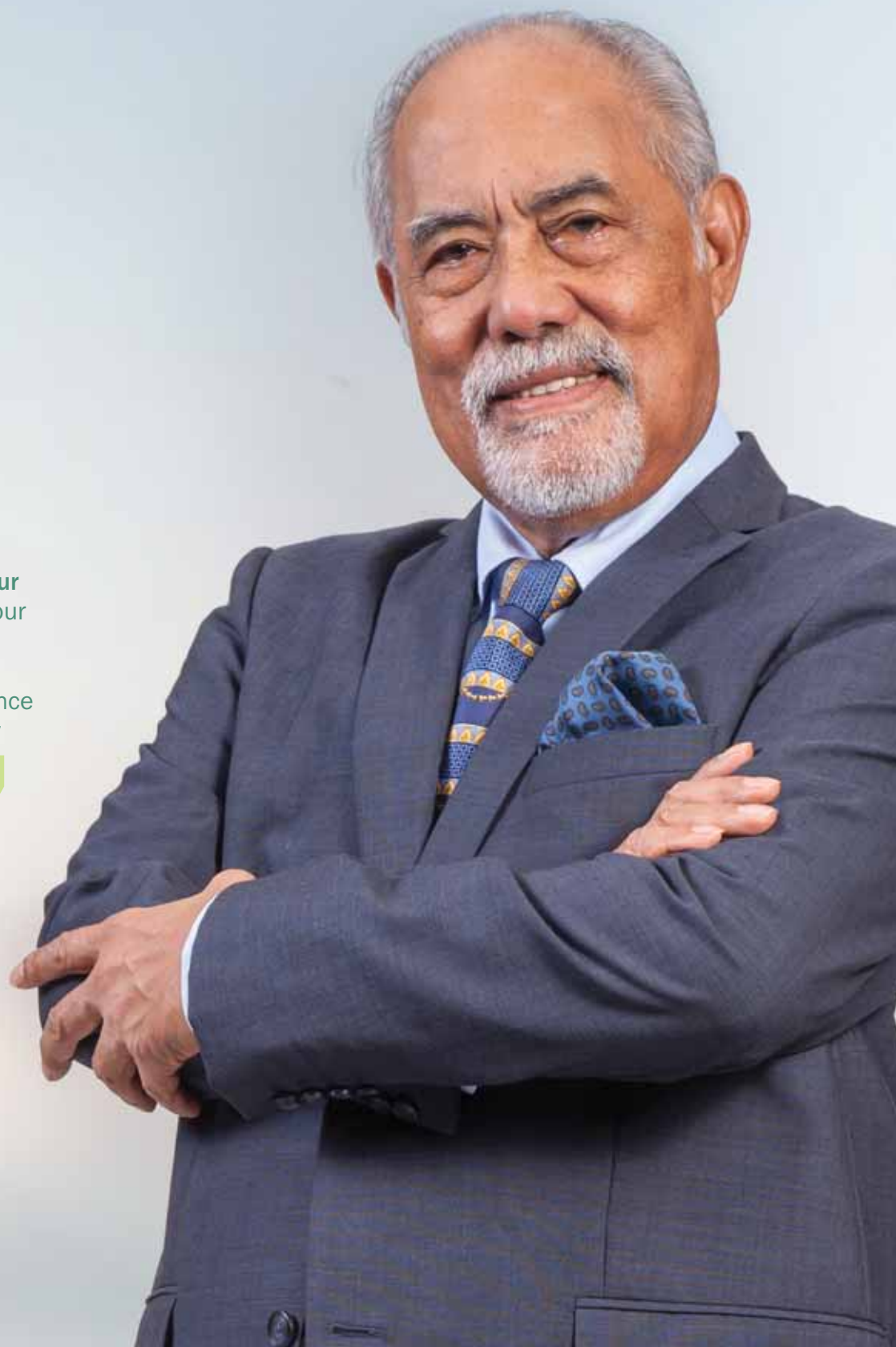
University, is a qualified accountant with the Malaysian Institute of Accountants and was previously a Chartered Financial Analyst charterholder.

Edwin Fua is also the member of the Audit Committee, Nominating Committee, Risk Management Committee, Executive Committee and Long Term Incentive Plan 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 2016.

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 five years other than traffic offences, if any.

MANAGEMENT DISCUSSION & ANALYSIS

“Over the years, we are prudent in developing our business models. With our strong leadership and foresight, the Group has demonstrated its resilience during this economically challenging season.”



MESSAGE FROM THE INDEPENDENT NON-EXECUTIVE CHAIRMAN

On behalf of the Board of Directors, I have great pleasure in presenting to you the Annual Report and Audited Financial Statements of SEG International Bhd (“SEGi”) and the Group for the year ended 31 December 2016.

– TAN SRI DATO’ SERI MEGAT NAJMUDDIN BIN DATO’ SERI DR. HAJI MEGAT KHAS –
Independent Non-Executive Chairman

MARKET OUTLOOK

Malaysia’s ongoing commitment to education is evident in the amount it invests in the sector each year, usually at least 20% of the annual budget for all levels of learning. The education reforms in Malaysia result in more opportunities for private sector participation.

The rise in private colleges and vocational training institutions has allowed more Malaysians to continue into higher education and has also drawn more international students. However, the level of competition between institutions for students has raised concerns about the quality of education provided and the financial stability of some institutions.

The Malaysia Qualifications Agency, the body that accredits academic programmes, ensures programmes are of high quality. Maintaining high standards is crucial to achieving the goal of attracting more foreign students since the intakes at public universities are mainly locals.

In short, the Malaysian government’s reform plans are a sign of its determination to improve the quality of education it provides to young people. There is also plans to strengthen its position as a global education provider, offering students, both at home and overseas, the opportunity to gain quality education at an affordable price.



FINANCIAL PERFORMANCE

Over the years, we are prudent in developing our business models. With our strong leadership and foresight, the Group has demonstrated its resilience during this economically challenging season.

I am pleased to report that the Group achieved a revenue of RM260.1 million and a profit before taxation of RM30.0 million in 2016, an increase of 2.75% and 12.12% respectively, as compared to the corresponding period in 2015.

The increase in revenue is a reflection of the stronger new enrolments, particularly international students, registered during the year under review. The improvement in revenue has contributed positively to the overall results.

Despite the overall challenges throughout 2016, the Group has continued to maintain a strong financial position with shareholders' funds at RM203.5 million, bank balances and deposits of RM107.1 million and a low gearing ratio. A strong balance sheet, built on the efficient management of capital and assets, allows the Group the financial flexibility to capitalise on growth opportunities and maximise shareholders' value.

The Group has also increased its efforts to reduce the operational costs through various cost saving initiatives, as we strive for efficiency and to enhance our stakeholders' value.

DIVIDENDS AND CASH DISTRIBUTIONS

The Board maintains a balanced approach to dividend payments, ensuring that sufficient funds are maintained for future growth, whilst recognising the need to provide reasonable returns to shareholders.

On 25 February 2016, the Board has declared an interim single tier dividend of RM0.06 per ordinary share in respect of the financial year ended 31 December 2016. This interim single tier dividend was paid on 20 April 2016.

The Board has also recommended a capital repayment of RM0.15 to our shareholders on 29 August 2016 ("Capital Repayment"). This was completed and paid out to the shareholders on 18 January 2017.

OPERATIONAL REVIEW

SEGi has been building up a wide network of agents and collaborations with international partners over the last few years. This has resulted in a notable growth in our international student enrolment in 2016 and we foresee the trend to continue in the coming years.

I also wish to report that SEGi supports the government's Economic Transformation Programme (ETP) that public-private partnerships ("PPP") have an important role to play in reforming Malaysia's education system. On that note, with the support of Ministry of Higher Education (MOHE), SEGi University have collaborated with Yayasan Sime Darby, Agrobank and Malaysia Building Society Berhad (MBSB) in rewarding sponsorship to outstanding and underprivileged Bumiputera students in the B40 income group. This complements existing sponsorships by SEGi University for B40 students to obtain private education in the university. This academia-industry initiative has a common goal to enhance graduate employability through financial support, innovative academic programmes, training and talent management.

I am pleased to announce here that QS (Quacquarelli Symonds), in its 2016 QS Stars rating, has given SEGi University the status of "The first Malaysian University that earned 5 stars for prioritising society's needs in Malaysia". The above collaboration is indeed a testimonial of that recognition.

SEGi has also collaborated with Avon, a world renowned beauty product manufacturer and distributor in establishing a teaching lab at our campus to provide hands on approach in learning to our students in the areas of entrepreneurship and business management.

In line with our strategy to expand our range of programmes and services, SEGi has invested in research and development. SEGi recently signed a Memorandum of Understanding with Asia's largest integrated insulin manufacturer, Biocon Sdn Bhd, with the support of MIDA to develop the Pharmacy Centre of Excellence at SEGi University.

SEGi University has made history as the first university in Malaysia to collaborate with MIDA, to provide advisory services on human resources development needs of the nation for SEGi to design academic programmes in line with industry expectations.



The Group's quest for excellence never ceases. I am pleased to announce that during the financial year under review, SEGi University was rated 5 Stars in the categories of teaching, facilities, social responsibility and inclusiveness in QS stars audit and achieved a stunning 3 Stars overall. SEGi University & Colleges was also awarded Bronze for the Most Creative Corporate Institution Video.

Besides QS, SEGi has also garnered a string of accolades. In 2016 SEGi gained the Bronze trophy in the Education & Learning category at the Putra Brand Awards 2016.



CORPORATE DEVELOPMENTS

On 29 August 2016, the Company announced the following Capital Repayment exercise:-

- capital reduction and repayment of RM0.15 in cash for each ordinary share in SEGi to the shareholders of SEGi by way of a reduction of the issued and paid-up share capital of SEGi under Section 64 of the Companies Act, 1965, whereby the par value of each ordinary share in SEGi will be reduced from RM0.25 to RM0.10 per share; and
- amendment to the memorandum and articles of association of SEGi to facilitate the implementation of the proposed capital reduction and repayment.

The Board is of the view that the Capital Repayment shall enable the Company to:-

- reward the shareholders for their continuous support towards the Group through cash distribution and value enhancement by returning equity to shareholders; and
- increase the Group's return on equity ("ROE") without affecting shareholders' shareholding.

The Capital Repayment has been completed on 18 January 2017.

CORPORATE SUSTAINABILITY

The Board recognises the importance of sustainability and its increasing impact to the business. SEGi believes that the principles and action to promote sustainability should be embedded across the Group in all aspects of the Group's operations and other activities. It is the Group's objective to create a culture of sustainability, embracing the community, with an emphasis on integrating the environmental, social and governance considerations into its sustainability strategy. SEGi is committed to balance the environmental, social and corporate governance (ESG) aspects of our business decision making, with the interests of various stakeholders to enhance investors' perception and public trust.

Social Sustainability

The Group focuses its social sustainability efforts on the development of programmes and processes that promote social interaction and cultural enrichment. SEGi recognises the importance of organisational development and emphasises on:

- team leader development;
- team effectiveness workshop;
- succession planning; and
- service enhancement entity.

“The Group’s quest for excellence never ceases. I am pleased to announce that during the financial year under review, SEGi University was rated 5 Stars in the categories of teaching, facilities, social responsibility and inclusiveness in QS (Quacquarelli Symonds) stars audit and achieved a stunning 3 Stars overall. SEGi University & Colleges was also awarded Bronze for the Most Creative Corporate Institution Video.”

SEGi will recruit and retain talents and high performing employees and nurture them by providing them opportunities for their professional and personal development. The Group has in place comprehensive training programmes to train and develop the staff from all levels, as well as to prepare them for career progression within the Group with emphasis on industry networking for employability.

SEGi also supports charitable activities and believes in giving back to our communities. Amongst others, SEGi, together with the students, participated in the following projects during the financial year:

- SEGi collected funds raised through the Sri Lanka Relief charity project to aid a children’s welfare home at Kolannawa affected by the recent Sri Lanka flood disaster. 30 of the orphans at the home are children with special needs.
- SEGi teamed up with Pertubuhan Tindakan Wanita Islam Soup Kitchen (PERTIWI), a local non-governmental organisation (NGO) to help distribute packed food to the homeless and less fortunate people at the Medan Tuanku Feeding Centre, Kuala Lumpur.
- In conjunction with World Down’s Syndrome Awareness Day on the 21st March 2016, SEGi took the opportunity to raise awareness about Down’s syndrome to fellow SEGians. There was also a hand printing activity for SEGians to show their support.

Environmental sustainability

The Group is committed to identify, manage and minimise the environmental impact of business operations in the following manner:

- To ensure continuous and on-going efforts are carried out to establish teaching, research, and practices in environmental sustainability throughout the Group.
- Strive to be at the forefront of sustainability research and education, and continuously developing and engaging our expertise to promote sustainability within and beyond the Group.
- Strive to ensure increase efficient use of resources and reduce dependence on non-renewable energy and exploring renewable energy for its operation.





SEGi has started implementing the following to encourage sustainable lifestyle among SEGians:

- Conduct campaign/workshop/seminar/briefing on recycling annually to promote awareness to produce less waste and increase recycling and environmental sustainability;
- Installation of smart devices or timer control on lighting and air-conditioning in our buildings and renovation projects for efficiency in cost savings; and
- Regularly inspect the air-conditioning systems of all our campuses.

Governance sustainability

The Group believes the importance of corporate governance in sustainability as accountability is key to a sustainable organisation. The Group incorporates various key governance measures, including the review and approval of Strategic and Risk Management Plans by the Executive Committee members and Board of Directors.

The Group is committed to operate in a responsible and sustainable manner. Moving forward, the Group will continue to enhance its sustainability and corporate responsibility efforts for the benefit of future generations. It will continue to emphasise on responsible and sustainable practices in our business operations, and the Board strongly believes that, in the course of doing so, it will enhance value to its stakeholders.

FUTURE OUTLOOK AND WAY FORWARD

The Group will continue to expand our student markets to see further improvements in our performance for the current year. With the continued weakness of the Ringgit, the Group will continue to focus on the strengthening of our international student market. We have also widened our programme offerings as well as target adult learners market in line with our establishment of the Professional And Continuing Education Programme (PACE) and embracing technology as the medium of education delivery.

With this strong foundation, our Board believes that the prospect of the Group is favourable and sustainable for long term growth.





ACKNOWLEDGEMENTS

The Group continues to remain vigilant and proactive in the management of the operation in the highly competitive business environment. It remains our priority to consistently deliver shareholder value while expanding the Group's business, mitigating all the necessary risk in its strategy.

On behalf of the Board, I would like to express my gratitude 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 my fellow Board members, the management and staff who, through their hard work and unwavering dedication, continue to maximise the value of our assets for our shareholders. On behalf of my fellow Directors, I would like to take this opportunity to welcome Datuk Mohamed Azahari bin Mohamed Kamil to the Board.

On this note, I would like to acknowledge the contribution of our former Board member, Dato' Sri Chee Hong Leong, for his support and contribution to the Group. We wish him success in his future undertakings.

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

6 April 2017

“The combination of our strong academic reputation, with the emphasis on employability and the students’ experience have resulted in higher enrolment.”



MESSAGE FROM THE CHANCELLOR

In approaching its 40th birthday, SEGi's journey has been a remarkable one, with so many achievements to be proud of. I am pleased to report the growth and diversity of the institution which has enhance the community and the University.

– YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL –
Chancellor

In approaching its 40th birthday, SEGi's journey has been a remarkable one, with so many achievements to be proud of. I am pleased to report the growth and diversity of the institution which has enhance the community and the University. SEGi is known regionally as a centre of research, scholarship and teaching. The combination of our strong academic reputation, with the emphasis on employability and the students' experience have resulted in higher enrolment.

We have an aggressive strategy of continuous improvement and this will drive our mission to offer our students excellent value for money.

Our overseas partnerships are an essential part of our international strategy. We aim to increase international student numbers, mainly through our international partnerships. The network of foreign university partnership is a key component of SEGi's global outreach and commitment to internationalisation. SEGi degree programmes are currently offered in collaboration with universities in UK, USA and Australia.

SEGi has made considerable efforts to reach out and attract students from a wide range of backgrounds. We have successful outreach programmes and SEGi's generous and flexible financial

packages aim to attract and offer those students. The efficiency of our internal processes, which emphasises on fostering a safe and caring campus, contribute to this success.

The University very much values its roots in this community and will continue to build on positive links to the wider network. SEGi's success depends on the talented, creative and committed people who work hard to make this University extraordinary and distinctive. A snapshot of these successes, be it on an individual level or as part of any collaboration, are covered in this report. We are also grateful for the immensely valuable contributions made to SEGi by our alumni and industry networks.

The continuing changes in the higher education environment in Malaysia and the rapid growth of local and international competition will result in a challenging future for Malaysia higher education sector. I am confident SEGi University will remain highly competitive, extend our international ambitions, and strive to provide an even more outstanding campus and academic experience for our students.

The University staff and students are the crucial elements that have succeeded in making SEGi as a University of choice.

“Our goal is to continue to develop generations of graduates who will lead, innovate and solve the problems at hand to take on the challenges of job market.”



MESSAGE FROM THE GROUP PRESIDENT

*It takes a team to build a great university.
It is the result of extraordinary teamwork by the
University's most important asset – its people
that has made SEGi a university of choice.*

– DATUK MOHAMED AZAHARI BIN MOHAMED KAMIL –
Group President

It takes a team to build a great university. It is the result of extraordinary teamwork by the University's most important asset – its people that has made SEGi a university of choice. The Vice Chancellor and his deans, the faculties, the staff and most importantly, our students, each plays a valued part in moving SEGi forward. We cannot possibly capture all of the moments or the remarkable opportunities that SEGi offers each and every one of us, but we can showcase a selection of accomplishments that are 'uncommonly' SEGi.

The ethos of our University is in the singular and exceptional ability to embrace and persevere the challenges of the day while continuing to prepare our

students for a complex and challenging future. Against the backdrop of often turbulent times, SEGi has evolved and endured. We never lose sight of our focus to be the premier regional higher education provider offering quality academic-based programmes on competitive terms, delivered through the most innovative technology and student centric learning techniques.

Our goal is to continue to best develop generations of graduates who will lead, innovate and resolve the problems at hand to take on the challenges of job market. We have every confidence that we are up to the challenge and we are focused to ensure our academic programmes are designed to be employability-ready.



“Our years of experience in the education industry has ensured that our students receive the best education possible. To date, SEGi has proudly produced over 300 first class graduates for two consecutive years, in years 2015 and 2016.”

MESSAGE FROM THE GROUP CHIEF EXECUTIVE OFFICER

2016 was another year of accolades and developments for SEGi University & Colleges. Among the backdrop of a highly competitive and diverse education market, SEGi has once again shown growth.

– HEW MOI LAN –
Group Chief Executive Officer

I am proud of SEGi's reputation of academic excellence and its strong commitment to creating an even stronger presence domestically and internationally. With our skills and capabilities, SEGi University was awarded 5 Stars in the categories of teaching, facilities, social responsibility and inclusiveness in the QS (Quacquarelli Symonds) stars audit and achieved a stunning QS 3 Stars overall. Besides that, SEGi has also won the second Bronze trophy in the Education & Learning category at The Putra Brand Awards 2016.

Our years of experience in the education industry has ensured that our students receive the best education possible which to date, SEGi has proudly produced over 300 first class graduates for two consecutive years, in the years 2015 and 2016. The commitment

we made in building the future generation has made us as 'the FIRST Malaysian University that has earned 5 Stars for prioritizing society's needs in Malaysia' in the 2016 QS (Quacquarelli Symonds) Stars result.

Looking ahead to 2017, we are perfectly placed to lead SEGi as the leading higher education provider in Malaysia. It may bring forth its own set of challenges, but I am confident we are prepared to face them and to emerge victoriously, together as a team. Our unique strengths and talents are our greatest assets in order to make sure all 5 campuses get the relevant support they need to function effectively.

We have to work harder as a team to maintain our positive positioning. If we can emerge stronger, I am positive that we can together reach greater heights.

SENIOR MANAGEMENT



- 1 TAN SRI CLEMENT HII CHII KOK**
Group Managing Director | Age 59, Male, Malaysian.

The profile of Tan Sri Clement Hii Chii Kok is set out in the Directors' Profile. [Page 7]

- 2 DATUK MOHAMED AZAHARI BIN MOHAMED KAMIL**
Executive Director/Group President | Age 58, Male, Malaysian.

The profile of Datuk Mohamed Azahari Bin Mohamed Kamil is set out in the Directors' Profile. [Page 8]

- 3 HEW MOI LAN**
Executive Director/Group CEO | Age 56, Female, Malaysian.

The profile of Hew Moi Lan is set out in the Directors' Profile. [Page 9]

- 4 CHERYL CHONG POH YEE**
Group Chief Financial Officer | Age 49, Female, Malaysian.

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. She assumed the position as Chief Financial Officer of the Group in 1st July 2014. 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.

Cheryl Chong does not hold any directorship in public companies and listed issuers. 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 of offences within the past five years other than traffic offences, if any.

- 5 LEE LIAN FEY, DANNY**
Group Chief Marketing Officer | Age 47, Male, Malaysian.

Mr Danny Lee has his first degree from the University of Oklahoma, Norman, USA in business administration (specialised in marketing and management information system) and master's degree from Northumbria University, Newcastle, UK in marketing. After his first five-year career in advertising industry, Danny decided for a change and joined the private education industry. He assumed his responsibility as Group Chief Marketing Officer on 11th January 2016. 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 24 years of experience in marketing and in education, with hands-on experience in strategic development as well as in operations.

Danny Lee does not hold any directorship in public companies and listed issuers. 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 five years other than traffic offences, if any.

KEY MANAGEMENT MEMBERS



DR. LISA TAN SAW POH

Senior Principal / Senior Vice President,
Subang & KL Campuses

Dr. Lisa Tan holds a DBA from University of South Australia and MBA from the University of Bath, UK. She also has a Diploma in Education from Singapore University and B.Sc (Hons) from the University of London. Dr. Lisa has worked with the Singapore Ministry of Education and private institutions of higher learning in Malaysia for more than thirty (30) years and has vast experience in the field of education and management. Her experience also stretches to governmental and private bodies in Malaysia, China, Philippines, Vietnam and Ghana, Africa.



DR. DORIS PAMELA ALEXIUS

Senior Vice President, SEGi University

Dr. Doris Alexius is a doctorate graduate from University of Newcastle, Australia, MBA, International Business, RMIT, Australia and BSc Zoology, India. Her doctoral research was entitled "Corporate Social Responsibility in Relation to Firm Size and Ownership". Dr. Alexius is passionate about teaching and learning and went on to complete the USQ, Australia, PG Certificate in Graduate Certificate in Tertiary Education. In her capacity as Senior Vice President, Academic she is responsible for the University wide policy and strategy related to Examinations and Quality Assurance. Dr. Alexius drives the academic strategy and overall academic performance of the University. She is also responsible for developing a performance culture that promotes teaching excellence and improving retention rate. Dr. Alexius has 30 years of experience as a tertiary educator.



DR. SEE HOON PEOW

Principal, SEGi College Kuala Lumpur

Dr. See holds a PhD in Sociology and Anthropology from International Islamic University Malaysia, Master of Philosophy in Sociology from University of Malaya and LLB (Hons) from University of Glamorgan (now known as the University of South Wales). He has extensive work experience in the education industry with exposure in academic and business operations. His wide academic interest in humanities and social sciences resulted him to publish many books and papers locally and internationally with reputable publishers and journals.

KEY MANAGEMENT MEMBERS

(continued)



CHEAH TEONG KEAT

Principal, SEGi College Penang

Teong Keat Cheah 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 Post Graduate 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 his Doctorate in Business Administration from Universiti Utara Malaysia.



IVY LAU EE NEE

Principal, SEGi College Sarawak

Ivy Lau, a strong believer in quality academic excellence, holds a Master of Business Administration from Charles Sturt University, Australia. With more than 20 years of practical working experience 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 District Director, 2016/2017 in Toastmasters International District 87 (East Malaysia, Brunei and Indonesia). 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

Principal, SEGi College Kota Damansara /
Executive Vice President of Operations,
SEGi University

Norman Chu holds a Bachelor of Science in Civil Engineering and a Master of Science in Civil Engineering from Iowa State University, USA. He is currently pursuing his Doctorate 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 for Civil Engineering programme. He then became the Head of the School of the Built Environment, Registrar and then Vice President of Operations in 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 COUNCIL MEMBERS



**YAM TAN SRI DATO' SERI
SYED ANWAR JAMALULLAIL**
Chancellor

Tan Sri Dato' Seri Syed Anwar Jamalullail commenced his career with Malaysia Airlines Berhad (formerly known as Malaysian Airline System Berhad) in 1975 as a Financial Accountant, before moving on to hold senior positions in various companies. His last position was as Group Managing Director of Amanah Capital Partners Berhad. He is the former Chairman of the Lembaga Tabung Haji Investment Panel. Tan Sri Syed Anwar was also the former Chairman of Media Prima Berhad, MRCB Berhad, DRB-Hicom Berhad, EON Bank Berhad, Uni Asia Life Assurance Berhad, Uni Asia General Insurance Berhad and the Executive Chairman of Realmild (M) Sdn Bhd and Radicare (M) Sdn Bhd. He was also formerly an independent director of Maxis Communications Berhad and Bangkok Bank Berhad.

Currently, Tan Sri Syed Anwar is the Chairman of Cahya Mata Sarawak Berhad, Nestle (M) Berhad, Lembaga Zakat Selangor, and Malakoff Corporation Berhad.

Tan Sri Syed Anwar holds a Bachelor of Arts degree in Accounting from Macquarie University in Sydney, Australia, having qualified in 1974. He is also a Chartered Accountant and a Certified Practising Accountant (Australia).



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 was recognised internationally as an expert in intellectual property laws by the World Intellectual Property Organisation. 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
Vice Chancellor, SEGi University

Professor Dr. Patrick Kee obtained his Bachelor of Engineering (Industrial with 1st Class Honours) in 1984 and earned a Doctor of Philosophy 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 the manufacturing industry and institutions of higher learning in Australia and Malaysia. 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 keynotes papers at local and international conferences.

He is the external reviewer and examiner for international journals for advanced manufacturing technology and higher degree research theses for universities in Australian and the UK. He was awarded the "Promising Entrepreneur" by the Asia Pacific Young Entrepreneurs Organization in 1998 for his contribution in pioneering and setting up a successful school with almost a thousand students within a private college in Malaysia.

KEY ACADEMIC COUNCIL MEMBERS

(continued)



PROFESSOR DR. AZRIN ESMADY ARIFFIN

Deputy Vice Chancellor, Student Affairs, SEGi University

Professor Dr. Azrin Esmady obtained his optometric qualification in 1984 from the University of New South Wales in Sydney, Australia and later earned a PhD in Clinical Optometry in 1993 from City, University of London. Dr. Azrin began his academic career at Universiti Kebangsaan Malaysia in 1985, and progressed through the ranks in a period that spanned 20 years. Prof. Azrin was the first ever appointed Professor of Optometry in Malaysia and he is also credited as the first Dean of an Optometry school in the country.

Prof. Azrin is on the Malaysian Optical Council and various professional committees that deal with opto-political matters. He also sits on some special committees of the Malaysian Qualifications Agency and the Ministry of Higher Education, on educational issues at large.



BRIGADIER GENERAL PROFESSOR DATO' DR. HJ. SHOHAIMI ABDULLAH

Deputy Vice Chancellor, Research, Innovation & Quality Assurance, SEGi University

Brigadier General Professor Dato' Dr. HJ. Shohaimi was commissioned into the Royal Electrical and Mechanical Engineers ("EME") Corps of the Malaysian Army after completing his Army Cadetship in 1982.

He started serving at the National Defense University Malaysia (UPNM) in 2008 as it's a senior lecturer at the Faculty of Engineering, and later obtained his Professorship in 2012. He was later appointed as the Assistant Vice Chancellor to lead the UPNM Institute of Executive Studies (NIEED) in 2011. In the year 2012, UPNM undertook a collaboration with the International College of Automotive (ICAM) and Prof. Shohaimi was appointed as the Chief Executive to guide ICAM to embrace its new role as a University. ICAM was upgraded to a full university status and renamed DRB Hicom University of Automotive in December 2014. Prof. Shohaimi and his team completed their mission in ICAM and returned to UPNM to head the Centre for Postgraduate Studies at the end of 2014 as its Dean.

Professor Shohaimi is an active member of the International Ballistic Society. He has conducted several researches in the ballistic field and has published a fair amount of papers in the field of ballistic and defense sciences. He is also an active member of the Chartered Institute of Logistic and Transport (CILT) and was appointed as a Chartered Member in 2014.

In 2016, Prof. Shohaimi was appointed as Deputy Vice Chancellor, Research, Innovation & Quality Assurance at SEGi University, where he is responsible for the University's Research, Innovation and Management Centre (RIMC).

KEY ACADEMIC TEAM MEMBERS



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

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 medical education for more than 25 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 with Malaysia Qualifying Agency (MQA). She is also involved in academic and research committees besides supervising Masters' students in medical and health related fields. As a medical doctor, she was involved in leading several medical missions in east Asia as well as being involved in establishing and managing several healthcare facilities in Malaysia.



DATUK DR. KHAIRIYAH BINTI ABD MUTTALIB
Dean, Faculty of Dentistry, SEGi University

Datuk Dr. Khairiyah Abd Muttalib became Dean of Faculty of Dentistry (FOD) SEGi University on 1 September 2016. She has a B Dental Surgery (Bristol) and a postgraduate DPHDent (Sydney) and is a registered Dental Public Health Specialist. She was formerly the Principal Director of Oral Health, Ministry of Health Malaysia (MOH). Her former role included being Registrar of the Malaysian Dental Council (2012-2015); Chair of the Joint Technical Committee on Accreditation of Dental Degree Programme; Chair of the Executive Committee for the National Oral Health Plan 2011-2020 and member of the National Conjoint Committee for Postgraduate Dental Education. She has been involved in 7 national oral health surveys, 5 as national co-ordinator, was principal investigator of various studies, author/co-author of national survey reports, WHO and MOH documents, programme guidelines and other documents on oral healthcare in Malaysia. She continues to serve as a member of the Dental Public Health Specialist Subcommittee, Academy of Medicine Malaysia, is a member of the MDC, SEGi FOD Representative on the National Oral Health Research Initiative (NOHRI) Committee, and Advisory Committee Member for the National Health & Morbidity Survey (NHMS) Academy of Medicine Malaysia. She is also a member of the MDC, SEGi FOD Representative 2017: School based Oral Health Survey. She has received three Federal awards from the DYMM Yang Di Pertuan Agong - AMN, KMN and Panglima Jasa Negara (PJN). At profession level, she was made a Fellow of the Academy of Medicine Malaysia (FAMM) and Distinguished Fellow of Asia under the International College of Dentist (FICD).



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

The profile of Professor Dr. Azrin Esmady is set out on Page 32.

KEY ACADEMIC TEAM MEMBERS

(continued)



ASSOCIATE PROFESSOR DR. TEY KIM KUAN

Dean, Faculty of Pharmacy,
SEGi University

Associate Professor Dr. Tey obtained her Bachelor of Pharmacy in 1991 from University of Bradford and her Doctor of Philosophy from The University of London. She carries more than 20 years of experience in her belt as a pharmacist, with various disciplines including hospital, community and industrial pharmacy both in the UK and Malaysia. Prior to SEGi, she was attached to International Medical University, holding the positions as Head of Department and Programme Coordinator.

She was a member of the Joint Technical Committee for the Pharmacy Board Malaysia, appointed by the Ministry of Health; and the panel auditor for Community Pharmacy appointed by Malaysian Pharmaceutical Society.

Associate Professor Dr. Tey is a member of numerous professional bodies and committees. She has conducted and supervised multidisciplinary research in various aspects of pharmacy practice and pharmacy education. From time to time, she is often invited as a speaker and knowledge partner at both local and international conferences.



IR. PROFESSOR DR. JEFFREY 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 Vice-President of IEM. Prof. Dr. Chiang earned a PhD and a Bachelor in Engineering (Hons) in Civil Engineering from University of Wollongong, Australia.



PROFESSOR MOGANA DHAMOTHARAN

Professor, Faculty of Education

Professor Mogana Dhamotharan joined the Faculty of Education, SEGi University on 15 February 2012. She was with the Wawasan Open University as Dean of the School of Foundation and Liberal Studies from September 2008 to February 2011. Since 2011 she was Dean of the School of Education, Languages and Communications, Wawasan Open University. She was also Associate Professor in the Department of Educational Foundations, Sultan Hassanah Bolkiah Institute of Education, University of Brunei Darussalam.

Professor Mogana was a tutor with University of Malaya from 1977-1980, a lecturer from May 1982 and Associate Professor from 1995-2005. She has worked part-time and full-time as lecturer in the Language Centre, ITM. As the Commonwealth of Learning Consultant to the Open University of Sri Lanka from January-March 2004 on the Master of Arts in Teacher Education (MATE) Programme, she earned a Visiting Fellowship from the institution. With that, she spent six months in Vancouver, Canada working in the area of Distance Learning. She has served on numerous Committees and Boards whilst at the University of Malaya and received Awards of Merit for Performance and Service.

She received the Overseas Research Student (ORS) Award by the Council of Vice Chancellors and College Principals (CVCP) United Kingdom in the final year of her doctoral studies in Glasgow University, Scotland, UK.

Her publications include co-authored books, preschool books, refereed contributions in books, refereed articles in international journals, refereed articles in local journals, other peer refereed publications, reports, and contributions in newspapers and magazines. She has presented papers and conducted workshops at International, Regional and Local Conferences, Seminars and Workshops. Her research interests include: Teacher Education and Professional Development, Pedagogy, and Distance Learning.

KEY ACADEMIC TEAM MEMBERS

(continued)



DR. SUGUMARAN A/L SELLADURAI

Dean, Faculty of Business, Accountancy & Management, SEGi University

Dr. Sugumaran attained his Doctorate in Business Administration from Universiti Utara Malaysia and Master in Business Administration major in Marketing Management from University of Wales, UK and Bachelor of Accountancy from University of Bolton, UK. He has more than 22 years of experience in education industry including regulatory, product development and management. He plays a pivotal role in transforming the Faculty of Business, Accounting and Management as the largest and most profitable unit within the SEGi University & Colleges and setting up the SEGi College Kota Damansara. Apart from his leadership role at faculty, he involves in research and focuses in the field of Strategic Planning, Corporate Social Reporting and Active Teaching and Learning. His research articles have been published in Journal of International Business and Economics (SCOPUS).



ASSOCIATE PROFESSOR DR. MOHAMMAD FIRDAUS LOW ABDULLAH

Dean, Communication & Creative Design, SEGi University

Associate 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.



ASSOCIATE PROFESSOR DR. STANLEY YAP PENG LOK

Dean of Graduate School of Business, SEGi University

Associate Professor Dr. Stanley 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, FAA accreditation panel member of Finance Accreditation Agency, and Certification and CPD board member of Malaysian Financial Planning Council.

He has more than twenty years of work experience as practitioner, educator and researcher combined in fields as diverse as Accountancy, Financial Planning, Franchising and Internationalisation, Banking and Finance, Marketing Management, Transaction Cost Economics and Entrepreneurship and have been attached to a number of local as well as multinational companies. Holding senior positions in these organisations, his roles besides creating wealth also include running the day-to-day operations, developing sponsorship and franchising projects.

Associate Professor Dr. Stanley is the Visiting Professor of Sultan Idris Education University and was the Vice Dean of the Faculty of Business, Management and Social Sciences, Quest International University Perak before assuming his current role as the Dean of Graduate School of Business and Centre for Continuing Education.

KEY ACADEMIC TEAM MEMBERS

(continued)



WONG CHEE KONG

Registrar, SEGi University

Wong Chee Kong currently holds the portfolio of the Registrar in SEGi University. He first joined SEGi University in 2010 as the Head of the School of Information Technology.

His 18 years of work experience in the education industry spans across diverse areas of teaching, training, education management and administration.

He obtained his undergraduate and postgraduate qualifications from the University of Lincoln, UK.

LYDIA FOONG YOKE YEAN

Head of Faculty of Education, SEGi University
Director of Confucius Institute, SEGi University

Lydia Foong has been involved in Early Childhood Care and Education (ECCE) for 26 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 the strategy, facilitation and development of various programmes and ECCE advocacy initiatives and holds memberships to numerous associations. 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. She is actively involved in research projects including a long term research grant on the evaluation of existing early childhood programmes.

DR. MAHADEVAN A/L SUPRAMANIAM

Director, Research Innovation Management
Committee & Institute of Graduate School,
SEGi University

Dr. Mahadevan Supramaniam serves as Director, Research and Innovation Management Centre & Institute of Graduate Studies of SEGi University. He provides leadership in developing a strategic R&D Blueprint for high impact research, drawing his expertise in R&D strategy, policy, funding and governance to deliver high quality research and in parallel, heading the postgraduate by research programs at SEGi University.

He has many years of experience in both the academia and industry. Prior to joining SEGi University in 2015, Dr. Mahadevan has held multiple portfolios including Head of R&D at Taylor's University, Head of Research Commercialisation at Taylor's Consultancy Sdn Bhd, a commercial arm of Taylor's University, R&D Engineer at Xyratex, United Kingdom and Software Engineer at ON Semiconductor (formerly known as Motorola). Dr. Mahadevan's expertise lies in R&D development and policies, Enterprise Resource Planning, Business Process Management and Integrated Technologies for industries. He has shared most of his experiences on his expertise area through public talks and has written many papers and books which have been published all over the world. Dr. Mahadevan holds a DBA from the Twintech International University College of Technology Malaysia and a Master's Degree from University of Malaya.

KEY ACADEMIC TEAM MEMBERS

(continued)



ASSOCIATE PROFESSOR DR. VINOETHINI A/P APPANAIDU

Deputy Dean, Faculty of
Medicine, SEGi University

Associate Professor Dr. Vinothini started teaching the first batch of medical students in SEGi University in 2011. She was later promoted as the Head of Clinical Sciences and was actively involved in the setting up of the clinical campus. She is currently the Deputy Dean of the Faculty of Medicine. She obtained her Bachelor in Medicine from University of Malaya and later, her Master of Medicine from the same University. She has more than twenty (20) years of experience in the medical field. Her areas of expertise include Family Medicine, Primary Care Gastroenterology, Health Education and Diabetes Mellitus. For more than 15 years she has taught undergraduates and postgraduates both in public and private universities and had published numerous journal articles in the medical field.

PROFESSOR DR. MOHAMAD RAILI BIN SUHAILI

Deputy Dean, Faculty of
Medicine, SibU Campus

Professor Dr. Mohamad Raili is a graduate of Universiti Malaya (MBBS and MPH). He is a Public Health Specialist who has served with the Ministry of Health for 26 years in different states and in various capacities. He dedicated a huge part of his career with the Ministry of Health in management and in the control and prevention of vector borne diseases. He worked with the World Health Organization (WHO) as a consultant, on a part-time basis, in many countries in Africa, Asia and South America, from 2002 – 2012. His areas of consultancy were in Social Mobilisation, COMBI, Programme Evaluation and Outbreak Management. His academic career started with his appointment as a Professor in Public Health in UNIMAS in 2007 where he managed the Postgraduate Programme (MPH and DrPH) besides conducting classes for undergraduates. He has supervised several postgraduate students (for Masters and Doctoral) and served as an examiner as well. He left UNIMAS to join SEGi in May 2014. His area of expertise and interest include management (general and programme-specific), outbreak management, health informatics, COMBI, HSR and GIS. He has published papers on dengue, legionella, leptospirosis, tobacco control and other topics.

DR. CHIA CHEE MING

Deputy Dean, Faculty of
Engineering and The Built
Environment, SEGi University

Dr. Chia Chee Ming started his career at SEGi University and has been lecturing since 2009, specialised in Applied Mechanics. He is now holding the position of Deputy Dean at the Faculty of Engineering & the Built Environment, as well as the Chief Editor for SEGi Review: Engineering & Technological Advances. Dr. Chia obtained both his Bachelor of Mechanical Engineering Degree (1st Class Honours) and PhD from the prestigious University of Sheffield in 2004 and 2008, respectively. His PhD study was funded by Rolls Royce and Dr. Chia was awarded the Overseas Research Students (ORS) scholarship throughout his postgraduate study. Academics aside, he was appointed as Chairman (2015 & 2016) of 'Elshaddai Refugee Learning Centre', a non-profit NGO in collaboration with UNHCR to provide schooling opportunities for refugee children in Klang. As a committee member of 'Beautiful Gate Foundation for the Disabled (Klang Centre)', he is also in charge of curriculum development for the disabled since 2015.

DR. CHONG WEI YING

Deputy Dean,
Graduate School of Business,
SEGi University

Dr. Chong Wei Ying joined SEGi in June 2014 as a senior lecturer of Graduate School of Business. She holds a PhD from University of Malaya and a Bachelor of Science in Management Information System from Southern Illinois University Carbondale, Illinois, United States. Her principal interest is entrepreneurship and service industry. She has researched and published in ISI/Scopus indexed journals and presented papers at international conferences in the area of entrepreneurship and service industry. Prior to academy career, she has extensive working experience in retail industry with exposure in both service and business operation.

AT OUR HEART: **SEGi PROGRAMMES**

SEGi finds its strength in its diversity, offering a wide range of programmes that are constantly upgraded to ensure they remain truly industry-relevant and to sustain its leadership position in the private education sector.

SEGi does not rest on its laurel but embraces constant improvement of its programmes and continues to develop new programmes to ensure our graduates are highly employable.





PRE-UNIVERSITY

While training them to be all-round and independent individuals, our Pre-University programmes are designed to provide students with the right foundation for academic progression. At SEGi, the programmes are complemented with a complete learning experience, steering students into a college environment and preparing them for graduate 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.

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), the Malaysian Medical Council (MMC) and listed in the International Medical Education Directory (IMED).

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 Practising Optometrists. The small class sizes also allow students to enjoy the opportunity to interact closely with the academic staff.

Our Optometry and Vision Sciences programme is accredited by the Malaysian Qualifications Agency (MQA), the Malaysian Optical Council (MOC) and is also listed in the World Council Optometry (WCO) list of Optometry Schools in Asia Pacific.

PHARMACY

SEGi's Pharmacy programme aims to incorporate 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.

AT OUR HEART: SEGi PROGRAMMES

(continued)



SEGi's Bachelor of Dental Surgery programme has received full accreditation from the Malaysian Qualifications Agency and graduates are fully registrable with the Malaysian Dental Council.

ALLIED HEALTH SCIENCES

The Allied Health Science programmes are designed for students to acquire the knowledge and skills to enhance the role of professionalism within their respective industries with the aim of advancing the complete performance of healthcare provided in a growing and dynamic healthcare setting. The programmes offered at SEGi aims to address the pertinent healthcare workforce shortage in the region by preparing healthcare providers 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.

Allied Health Science programmes include the Diploma in Medical Laboratory Technology and the Biomedical Science degree programme.

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 shifts. They are also expected to take on the role of coordinating and integrating the activities of people to ensure that an organisation achieves its targets.

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



DENTISTRY

The SEGi University Faculty of Dentistry is among the latest additions to the wide range of study areas available. The Faculty boasts its own 25 dental chair clinic with practising 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 are like. 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.

AT OUR HEART: SEGi PROGRAMMES

(continued)

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 practising lawyer. The programmes aim to promote independent learning, develop key intellectual transferable skills, develop critical awareness, and strengthen the students understanding the language of the law.

As a commonwealth country, Malaysia practices common law system as practised 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 practising 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 to 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 and academics. 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 everyday business and communications.

Graduates of the Technology & Innovation programmes are given internship and employment opportunities with our partners such as Huawei.

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 necessary 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 practising civil engineers and also for postgraduate studies in any country outside Malaysia.



AT OUR HEART: SEGi PROGRAMMES

(continued)



BUILT ENVIRONMENT

The term built environment refers to man-made structures and infrastructure. 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 cultivated.

Built Environment encompasses a variety of disciplines including construction, project management, architecture, 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 well-heeled future in the expanding job market.

CREATIVE ARTS & DESIGN

The SEGi Creative Arts and Design programmes inspire creativity through a blend of theory with practice, thus providing a holistic approach in the enrichment of an educational experience that further develop students' skills in communication, problem-solving and ethical understanding as well as studio-based skills in their chosen areas of study. 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.

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 take their place as responsible leaders, engaged citizens and pioneering problem-solvers in their communities and chosen fields of work. Students will learn essential skills to prepare them for future participation in the areas of advertising, marketing, management, TV journalism, publishing, public affairs, consulting and much more, as well as advanced platforms such as law and professional schools.

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.



HOSPITALITY & TOURISM

With the tremendous growth in the hotel and tourism industry as businesses, and also due to the fact that people are spending more money on leisure than ever before, the sector of industry is one of the largest and fastest creators of employment. The need for educated and trained people who can be counted on to deliver first class services are on the rise.

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.

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

AMERICAN DEGREE PROGRAM

The Troy University Bachelor of Science program with majors in Communication Arts, Psychology and Business Administration and minors in Promotion, Communication Studies, 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 lecturers as well as group projects, presentations and field trips outside of the classroom. The American Degree Programs 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.

SEGi also offers the Bachelor of Arts (Hons) in English and Public Relations with a dual award from the University of St Mark and St John, 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 who are business savvy with deep knowledge in their specialisation. 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 to meet the needs of an ever-changing business world, developing professionals with skills and knowledge in line with the business community.

STRONG FOUNDATION: SEGi CAMPUSES

SEGi UNIVERSITY KOTA DAMANSARA

This flagship campus is strategically located on a 10-acre site at Kota Damansara with the newly built Kota Damansara MRT Station at our doorstep. The purpose-built campus has an academic library, research and recreational facilities, providing a complete learning experience for up to 12,000 students in this particular campus alone. 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 that 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.



Technology &
Innovation
**Centre of
Excellence**

Health
Sciences
**Centre of
Excellence**

International
Students
**Hub of
Excellence**



STRONG FOUNDATION: SEGi CAMPUSES

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SEGi COLLEGE SUBANG JAYA

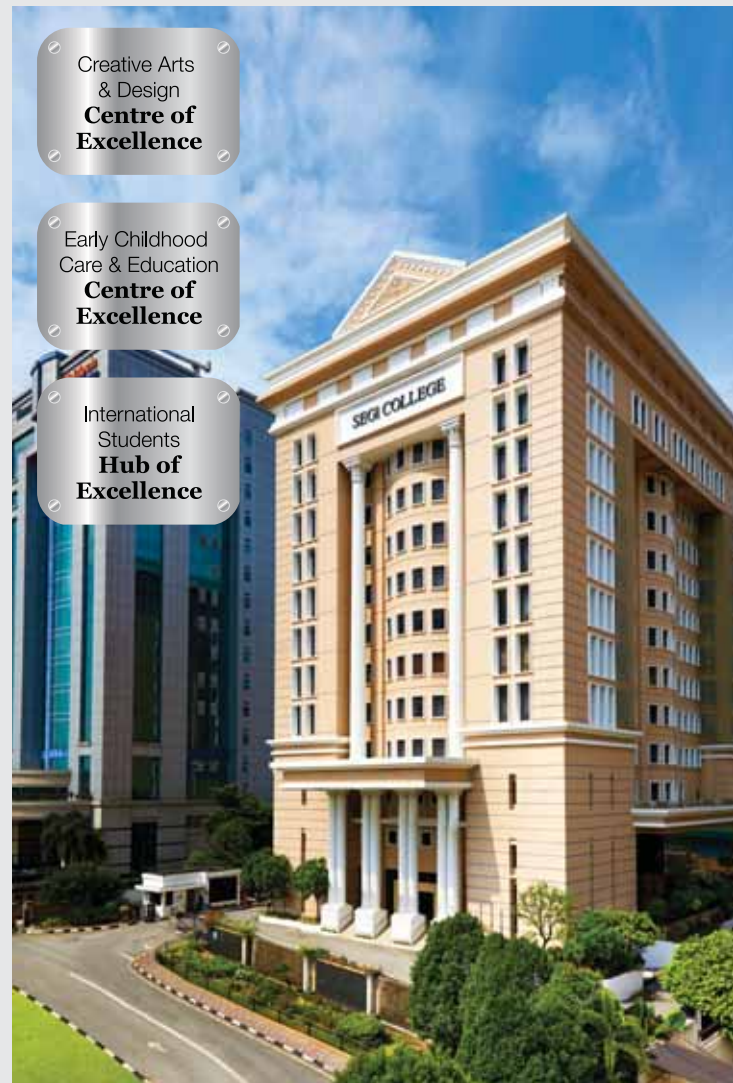
This modern 12-storey Subang Jaya campus, which opened its doors in January 2006, is located within the college belt of the Subang Jaya district. It has the capacity to accommodate 6,500 students and is complete with facilities especially for music and early childhood education programmes.

It is conveniently accessible by public transport and major highways - next to The Summit Shopping Complex. Those studying at SEGi College Subang Jaya also benefit free access to sports facilities through the “SEGi-3K Sports Partnership”. This enables students to use the gymnasium, swimming pool, football field, badminton courts, squash courts and other sporting facilities at the 3K Sports Complex located across the road from the campus building.

SEGi COLLEGE KUALA LUMPUR

The campus is strategically located in the capital city of Malaysia 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. With more than 35 years of education excellence, SEGi College Kuala Lumpur has nurtured and groomed thousands of graduates who have gone on to become leaders in their chosen fields. The college also boasts having many lecturers with more than 10 years' experience. To date, the college has up to 4,000 students studying full-time and part-time modes.



Creative Arts
& Design
**Centre of
Excellence**

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

International
Students
**Hub of
Excellence**

Business &
Accounting
**Centre of
Excellence**

Hospitality &
Tourism
**Centre of
Excellence**

International
Students
**Hub of
Excellence**

STRONG FOUNDATION: SEGi CAMPUSES

(continued)



SEGi COLLEGE PENANG

SEGi College Penang serves as SEGi's education hub to students in the Northern Region of Malaysia. It is located in Green Hall, which comprises modern facilities and a conducive study environment, providing existing and future students with a complete learning experience.

The unique coastal location of the campus provides you with an ideal learning lifestyle with a breezy atmosphere, fresh air and affordable living costs. Amenities are convenient and readily available with eateries, banks, shopping malls and public transport located nearby to SEGi College Penang. Our Penang campus provides a unique learning experience to its students with its signature dedication from academicians and management staff which is characteristic of Penang hospitality.

SEGi College Penang offers a wide range of diploma, degree, postgraduate and professional courses in the fields of business, accounting, marketing, human resource, early childhood education, mass communication, information technology, computing, hotel management and tourism.

SEGi COLLEGE SARAWAK

SEGi College Sarawak is the gateway for the Group to East Malaysia. Established with the prime objective of providing quality training to school leavers preparing them for a bright future, SEGi College Sarawak today stands as one of the largest private colleges in East Malaysia. The campus is located at the heart of the capital city, Kuching, providing students with access to local amenities nearby such as banks, restaurants, hotels and shopping centres.

The Kuching Main Campus provides programmes in the fields of management, accountancy, hospitality, IT and is the only campus in the Group which offers law programmes at diploma and degree level. Following our expansion into healthcare-related qualifications as well as the addition of the American Degree Program (ADP), we now have two campuses within close proximity to each other.



SEGi PACE

SEGi understands it is essential that working professionals be equipped with the relevant skills to stay on the 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 adult learners to advance at their own pace and complete their studies with an 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.

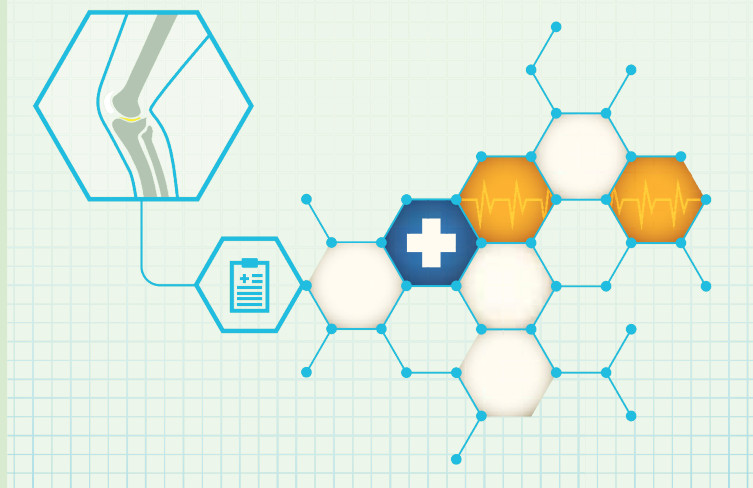
For the full list of programmes under PACE, visit www.pace.edu.my



Globally recognised programmes with leading clinical partnerships

The curriculum for the SEGi University MBBS programme was developed with the aim of producing doctors who competent and caring while also being able to anticipate and respond to the changes in community needs, medical science and technology. Our MBBS is recognised by various medical councils around the world, including the Thailand Medical Council and the Sri Lanka Medical Council.

HEALTH SCIENCES



Early Clinical Exposure

Students are exposed to clinical methodologies as early as Year 1 into their studies. Formal clinical training will be done from Year 3 onwards.



IT Savvy

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



Well Equipped

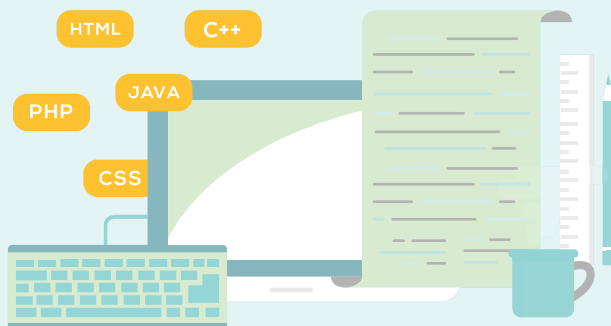
Our Anatomy Museum and Dissertation Hall houses hundreds of models. Cadaveric specimens are used during practical classes.



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.

TECHNOLOGY AND INNOVATION



Programming innovative minds for future's technology

Technology has made an influential impact on the society today and is well paving the way for what is possible in the future.

SEGi works hand-in-hand with major industry players of the industry, with experts such as Oracle, Huawei and Microsoft.



Mac Computer Lab

Located at SEGi Tower, the Mac computers are installed with the latest software programmes for students to familiarise with.



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.



Computer Laboratory of Optimum Technology

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



Panopto Lectures

Lectures held in classrooms are able to be 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.

Business &
Accounting
**Centre of
Excellence**

Offering the most UK business degree programmes

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.

BUSINESS AND ACCOUNTING



SEGiSphere

An all-in-one portal to cater to the needs of student ranging from recruitment, shopping, lecturer's notes and also access to E-Library



Double Degree and 3+0 Programmes

Offering the most 3+0 UK degree and also homegrown double degree programmes.



High Employability

100% of our Accounting and Finance graduates are employed within 3 months of 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.

CREATIVE ARTS AND DESIGN



Igniting creative talents bred by world-leading experts

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.



Production

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



New Photography Studio

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



Sought-after Graduates

More than 94% of our graduates are employed within the first 6 months upon graduation.



Excellent Academicians

Our list of academicians consists of world-class as well as award winning talents and composers.

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

Leading Education for Tomorrow's Teachers

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.

EARLY CHILDHOOD CARE AND EDUCATION



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.



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.



Reputable Academicians

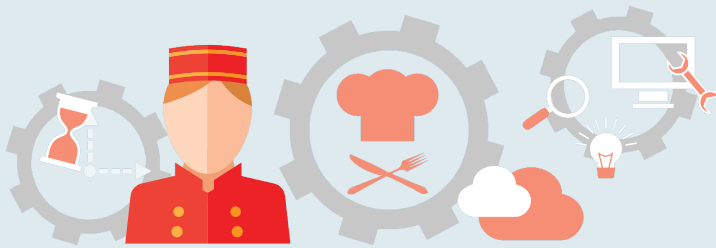
Apart from our experienced early childhood specialists, we also have academicians with impressive and diverse backgrounds such as Nursing, Pharmacy, TESL, Communications, Linguistics, Business and Psychology. This diversity is our advantage as it allows us to address the multi-dimensional and multi-disciplined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



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. We are also the consultant for CitiKids Care, the first corporate childcare centre established by a bank in Malaysia.

HOSPITALITY AND TOURISM



Gold standard education catering to wide-ranging service industry

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.



Wide Internship and Employment Opportunities

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



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 the students must apply their knowledge by organising an event relevant to that module.



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

CONSORTIUM OF GLOBAL UNIVERSITIES

SEGi University & Colleges 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.

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

STRATEGIC COLLABORATIONS: UNIVERSITY PARTNERS

(continued)



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.



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. UOG has links with further education and colleges in the Thames Gateway area and plays a regional role in training teachers, nurses and social care professionals. It also houses research and consultancy in architecture, landscape architecture, employment relations, fire safety, natural resources, social network analysis, education, training, educational leadership and public services.



Keele University is in the top 4% of the world's universities. Its range of degree programmes are distinctively challenging and flexible. Keele graduates are well-rounded and accomplished. The University delivers real impact through research and teaching, locally and globally. In the most recent Research Excellence Framework (2014), 97% of research undertaken at Keele was classified as the world leading, or of international importance. Keele is renowned for research-led high-quality teaching.

STRATEGIC COLLABORATIONS: UNIVERSITY PARTNERS

(continued)



Cardiff University is one of Britain's leading teaching and research universities. Founded by Royal Charter in 1883, the University today combines impressive modern facilities and a dynamic approach to teaching and research with its proud heritage of service and achievement. The University's breadth of expertise in research and research-led teaching encompasses: the humanities; the natural, physical, health, life and social sciences; engineering and technology; preparation for a wide range of professions; and a longstanding commitment to lifelong learning. The University is also home to three major new Research Institutes, offering radical new approaches to neurosciences and mental health, cancer stem cells and sustainable places. Having gained national and international standing, Cardiff University's vision is to be recognised as a world-leading university and to achieve the associated benefits for its students, staff and all other stakeholders.



**UNIVERSITY
OF LONDON**
INTERNATIONAL
PROGRAMMES | REGISTERED
CENTRE



University of London is truly one of the great 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 its 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.



University of
St Mark & St John
Plymouth



University of St Mark & St John (MARJON) was set up nearly 175-years ago in London 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. It has also been successfully training teachers since 1840, receiving praise in its Ofsted inspections, including an 'Outstanding' for its secondary Management and Quality Assurance.



**UNITED
KINGDOM**

STRATEGIC COLLABORATIONS: UNIVERSITY PARTNERS

(continued)



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 enrolment 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. Today, the University serves the educational needs of students in four Alabama campuses, sixty teaching sites in 17 U.S. States and 11 countries. Troy University has more than 100,000 alumni representing all 50 states and from numerous foreign countries. Troy University is known as Alabama's International University for its extensive international program in attracting foreign students from around the world.



AUSTRALIA

University of Southern Queensland (USQ) which was established in 1967 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.

EXCELLENCE AT SEGi



**22
NOV**

SEGi REACHES FOR THE STARS WITH ANOTHER ACCOLADE

SEGi University Kota Damansara

SEGi University was rated 5 Stars in the categories of teaching, facilities, social responsibility and inclusiveness based on the 2015 data compilation in the QS (Quacquarelli Symonds) stars audit and achieved a stunning 3 Stars overall. The award presentation took place at the Twelfth QS Asia Pacific Professional Leaders in Education Conference and Exhibition (12 th QS-APPLE). SEGi University & Colleges was also awarded Bronze for the Most Creative Corporate Institution Video.

**26
FEB**

SEGi UNIVERSITY WINS BIG AT THE MALAYSIAN OPTOMETRY STUDENT SPORTS EVENT (MOSSE) 2016

SEGi University Kota Damansara

The Optometry and Vision Science students from SEGi University won 3 gold, 1 silver and 4 bronze medals at the Malaysian Optometry Student Sport Event (MOSSE) 2016.



**01
APR**

SEGi UNIVERSITY BAGS 4 GOLD MEDALS AT THE NATIONAL DENTAL INTERVARSITY SPORT CARNIVAL (NDISC) 2016

SEGi University took home 4 Gold, 1 Silver and 2 Bronze Medals at the National Dental Intersivity Sports Carnival (NDISC) held in Penang where 90 students from the Faculty of Dentistry of SEGi University and an advisor from the SEGi Dental Society (SDS) participated.

EXCELLENCE AT SEGi

(continued)



**11
MAY**

SEGi SARAWAK'S A LEVEL STUDENTS VICTORIOUS IN MOOTING COMPETITION

SEGi College Sarawak

SEGi College Sarawak's Faculty of Law participated in the Bond University High School Mooting Competition. The competition has been on-going for the past 10 years in Kuching and is exclusively for students from Kuching secondary schools or colleges that conduct A-Level programmes.

ACADEMIC

**20
MAY**

MIND ART GRADUATE SHOWCASE MAY 2016

Garden Deck, Encorp Strand Mall, Kota Damansara

ACADEMIC

The Faculty of Communication & Creative Design of SEGi University Kota Damansara organised 'Mind Art Graduate Showcase May 2016' which was held for 2 consecutive days at the Garden Deck, Encorp Strand Mall, Kota Damansara showcasing artworks from 19 graduates from BA (Hons) Visual Communication Design, Diploma in Creative Multimedia, Diploma in Graphic Design and Diploma in Interior Design.



**24
JUL**

BRONZE FOR SEGi AT MAPCU INTERVARSITY GAMES 2016

MAPCU

SEGi University participated in the MAPCU Intersarsity Games 2016, where a total of 20 teams from MAPCU member institutions all over the nation participated in the tournament.

EXCELLENCE AT SEGi

(continued)

ACADEMIC

11
SEP

SEGi Wins Top Spot AT NACES!

University of Nottingham, Malaysia Campus (UNMC)

SEGi University's First Year Chemical Engineering Student, Shabinthran Vasanthasegran emerged as Champion in the Technical Essay Writing category at the National Chemical Engineering Symposium (NACES) 2016 themed 'X-Solution: Food-Water- Energy Nexus', held at the University of Nottingham, Malaysia Campus (UNMC).



06
OCT

SEGi UNIVERSITY WINS GOLD!

SEGi University Kota Damansara & MSN Panasonic Sports Complex, Shah Alam.

SEGi University's Futsal team has emerged with the top spot in the International Student Sports Carnival 2016, a national level competition open to all universities and colleges in Malaysia. The tournament was organised by the Ministry of Higher Education and was held at the MSN Panasonic Sports Complex in Shah Alam.



17
OCT

SEGi UNIVERSITY'S TAEKWONDO TEAM WINS 1 GOLD, 3 SILVERS & 2 BRONZE MEDALS

SEGi University Kota Damansara

The Taekwondo Team of SEGi University recently participated in the Malaysian Association of Private Colleges and Universities (MAPCU) Taekwondo Tournament held on the 23rd of October 2016.

The team showed outstanding team spirit in the university level competition which was opened to all universities and colleges in Malaysia where they proudly brought home 1 Gold medal, 3 Silver medals and 2 Bronze medals.





**09
NOV**

INTER-VARSITY TABLE TENNIS CHAMPIONSHIP 2016

SEGi University Kota Damansara

SEGi University recently participated in the Inter-Varsity Table Tennis Championship 2016 hosted by University Teknikal Malaysia, Melaka in collaboration with the Ministry of Higher Education which was held at the Sports Centre from the 9th to the 12th of November. The event saw 58 other Universities come together for a friendly table tennis competition. Tan Qing Wen brought home the bronze medal.

**25
NOV**

SEGi UNIVERSITY WINS 2 BRONZE MEDALS IN MASISWA SPORTS CARNIVAL 2016

SEGi University Kota Damansara

SEGi University's Badminton & Bowling team participated in the MASISWA Sports Carnival 2016 held at the British Malaysian Institute, Gombak from the 25th to 27th of November 2016.

The team won 2 Bronze medals:

Teh Hua Min & Gee Huey Chi (Badminton Women's Double)
Harith Hizwan (Bowling - Single).





**01
MAR**

STAFF EXCHANGE PROGRAMME

SEGi University Kota Damansara

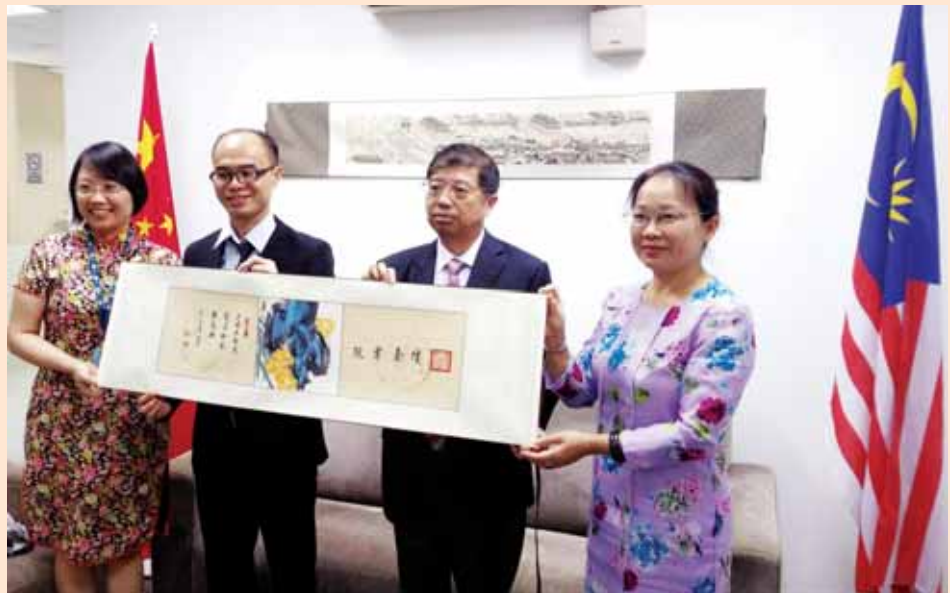
Ms. Mehrunishah Begum, a lecturer from the Faculty of Business, Accounting and Management at SEGi University was sent on a staff exchange programme at Abertay University at Dundee, Scotland. Her visit from 6th February 2016 to 20th February 2016 was a platform for her to share her teaching experience on Entrepreneurship and to gain insights on the teaching and learning practices at Abertay University.

**25
JUL**

DISCOVERING STUDY OPPORTUNITIES IN THE HAINAN PROVINCE, CHINA

SEGi University
Kota Damansara

The Confucius Institute at SEGi University hosted the Hainan (China) International Education Talk with the presence of the Deputy Director-General of the Education Department from the Hainan Province, Mr. Li Yuenan and 11 delegates from various universities from the province, to share with SEGians opportunities for further studies and scholarships.



25
OCT

THE CONFUCIUS INSTITUTE AT SEGi UNIVERSITY ORGANISES CHINESE BRIDGE AUTUMN CAMP AT HAINAN, CHINA

SEGi University Kota Damansara &
Hainan Normal University

The Confucius Institute at SEGi University organised Chinese Bridge Autumn Camp 2016 from the 25th of October 2016 till the 2nd of November 2016 under the sponsorship of the Chinese Embassy of the People's Republic of China. The opening ceremony was held at Hainan Normal University. The aim was to let students learn Mandarin and to explore the Chinese culture.



CORPORATE RESPONSIBILITY REPORT

Everything that SEGi does is aimed at creating a brighter tomorrow for our students and employees. As the nation's premier education provider, SEGi believes in managing its business in ethically and socially responsible manner for the benefit of its 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 creating a better place for the community. The Bursa Malaysia Corporate Responsibility Framework looks at these 4 main focal areas, namely:-



MARKETPLACE



COMMUNITY



ENVIRONMENT



WORKPLACE



THE MARKETPLACE

SEGi's believes that all students deserve to receive the best education possible and be able to maximise their potential regardless of their 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.

In 2016, 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**



1. **11.04.2016, SMJK Kwang Hua Klang Benefits from Learning Inspired**

SEGi College Subang Jaya (SCSJ) presented a mock cheque of RM5,000 to the Principal of SMJK Kwang Hua Klang, Mr Law Choon Lee. The school is one of the selected participants of the Learning Inspired National Initiative by SEGi College Subang Jaya.



THE COMMUNITY

Under this focal area, SEGi has been very active especially in employee volunteerism, youth development, the underprivileged and the environment. The main objective is to make the community a better place by carrying out projects that impacts the hearts and minds of people.



1. 10.01.2016, Free Eye Vision Screening

Free Eye Vision Screening at our SEGi booth at the Star Education Fair at the Kuala Lumpur Convention Centre.

2. 21.01.2016, CSR event at Subang Parade

Students from the Faculty of Education from SEGi College Subang Jaya organised exciting activities and educational games at the Lower Ground floor of Subang Parade for the young children who visited.

3. 19.03.2016, Mural Painting at SJK Tamil RRI Sungai Buloh

Charity Mural painting at SJK Tamil Rri Sungai Buloh to stimulate learning environment for the school students.

4. 07.04.2016, "I'm Possible" by Delwin Cheah

In conjunction with World Autism Awareness Day on 2nd April, SEGi University invited Delwin Cheah, a savant artist with Asperger Syndrome to SEGi University to inspire students in the event "I'm Possible". Delwin's artworks were displayed for all to admire and be inspired. There were also exhibition booths set up at the Dictator Stage area by the students from the Faculty of Education.

5. 14.06.2016, Breaking Fast Together for a Good Cause

Shah Alam Convention Centre (SACC) collaborated with the Hospitality and Tourism students from SEGi College Subang Jaya to organise a Buka Puasa event with 45 children from 2 orphanages, Rumah Perlindungan Al-Nasuha and Rumah Kasih Pertiwi.

6. 05.08.2016, Fun Science Fair at SJK(T) RRI, Sungai Buloh

The Faculty of Education from SEGi University organised a Science Fair at SJK(T) RRI Sungai Buloh, in an event that was planned by 32 Diploma in Early Childhood Education students that created the science-related activities for 126 kindergarten and Year 1 pupils to participate in.





7. 07.08.2016, Easing the Plight of the Homeless

26 students from the Faculty of Engineering and the Built Environment who are pursuing the BSc (Hons) Quantity Surveying programme at SEGi University teamed up with Pertubuhan Tindakan Wanita Islam Soup Kitchen (PERTIWI), a local non-governmental organisation (NGO) to help distribute packed food to the homeless and less fortunate people at the Medan Tuanku Feeding Centre, Kuala Lumpur.

8. 10.08.2016, Counselling to Save Lives

SEGi University's Faculty of Education collaborated with the Counselling Centre under the Student Affairs Division to organise the Counselling Awareness Day. With the theme "From Darkness to Light", the event was championed by 2 registered counsellors and 65 students taking the subject "Guidance & Counselling" this semester. The aim of the event was to emphasise on the importance of seeking counselling as a form of positive therapy and to debunk the stigma surrounding people with mental disorders.

9. 07.09.2016, Sri Lanka Relief

The Rotaract Club of SEGi University initiated "Sri Lanka Relief", a charity project to aid those recently affected by the Sri Lanka flood disaster. They

successfully collected RM6,500 in donation which will be channelled to the Orphanage of Kolannawa in Sri Lanka.

10. 22.09.2016, Health Screening Day

SEGi Pharmacy Students Association (SPSA) at SEGi University organised "Health Screening Day". SEGians took the opportunity to get their health screened by the National Kidney Foundation (NKF) at a subsidised rate of RM5 at the Diabetes Awareness Campaign organised by the There were also health talks on diabetes, kidney diseases and fitness by representatives from NKF, the Faculty of Pharmacy and Chi Fitness Gym.

11. 25.10.2016, Festival of Lights 2016

The Student Affairs Division of SEGi University organised Festival of Lights 2016, a night of dinner and dance. The event was held in conjunction with the Deepavali celebrations to bring joy and cheer to 46 children from Yayasan Seribu Harapan Malaysia.

12. 29.10.2016, Deepavali Volunteers 2017

There were 14 volunteers from SEGi College Kuala Lumpur celebrated the Deepavali celebration which was organised by Institut Onn Jaafar. The event was held at Pusat Transit Gelandangan Jalan Pahang, Kuala

Lumpur. Basically students distributed food and drinks and celebrated the festival of light with the less fortunate community. This event was life telecast on NTV7 and the SEGi College students were interviewed by the press.

13. 02.11.2016, Donating Blood to Save Lives

The Sports and Recreational Unit under the Student Affairs Division of SEGi University worked alongside The National Blood Centre to organise Blood Donation Day 2016 in conjunction, with the International Cultural Food Fair 2016.

14. 13.11.2016, 23rd Annual Charity Walk

30 of our students and 3 staffs from Student Affairs Department had volunteered to participate in the 23rd Annual Charity Walk with the disabled people that was organised by the Spastic Children's Association of Selangor and Federal Territory. This event has eventually taught the students how to respect the people who are disabled and give them love and care.

15. 28.11.2016, A Touch of Colour

The project to repaint the external Ground Floor of the Rumah Ozanam for spreading joy and happiness to the home.



ENVIRONMENT

The 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. 23.03.2016, Earth Day

The final year UOG BAM and BAHM joined the voluntary programme at Zoo Negara. The reason for participating in this event is to provide daily care for animals including exhibit cleaning, food preparation and animal behavioural enrichment activities. Around 37 final year students participated in this event.

2. 09.10.2016, Recycle with Love

Around 23 students from all programmes attended the event "Recycle with Love" which was organised by Persatuan Pencinta Prihatin at the Astaka Taman Tasik Titiwangsa. The students were assigned into 3 groups to be a volunteer on assisting the activities conducted for the children. This event was officiated by Datuk Kayveas.





WORKPLACE

As one of the largest private higher education institutions 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. With few initiatives in place, we expect SEGi to become a more conducive workplace.

1. 29.06.2016, Hari Raya Bubur Lambuk Project

SEGi University's Student Affairs Division spearheaded a charity project to contribute to society by producing 1,000 packs of bubur lambuk, a traditional rice porridge for distribution to the public.

2. 27.07.2016, Celebrating Together as One

SEGi University organised a Hari Raya Open House 2016 for its employees in conjunction with Eid al-Fitr or commonly known as Hari Raya Aidilfitri in Malaysia.

All were treated to an array of traditional Malay dishes such as ketupat, lemang, rendang, satay, roast lamb, kuih-muih and many more. There were also fun and games to entertain the guests such as "Creative Sampin", "Makan Lemang", "Best Dressed Male" and "Best Dressed Female", as well as special performances by employees.



2016 AT A GLANCE



1. 7 JANUARY, 2016

Orientation - Water Polo Session

The Student Affairs Division of SEGi University organised an Orientation Day Water Polo Session for the new January 2016 cohort to help the students to get acquainted through water polo.

2. 9 JANUARY, 2016

YB Dato' Seri Haji Idris Jusoh, the Minister of Higher Education visited us at the Education Fair at KLCC

YB Dato' Seri Haji Idris Jusoh, the Minister of Higher Education dropped by our booth at the Education Fair at Kuala Lumpur Convention Centre.

3. 21 JANUARY, 2016

'Ultimate Study Skills' Workshop

The Student Affairs Division of SEGi College Subang Jaya conducted a workshop entitled 'Ultimate Study Skills' for students who needed help with their studies by changing the mindsets of the students to be successful and inspire them to continue improving their grades no matter the obstacles. The workshop was a great motivational booster for the students to gain better grades.

4. 23 JANUARY, 2016

Skytrex Xtreme: Climb Up, Swing In, Chill Out

SEGi College Subang Jaya's Student Affairs Office organised an outdoor event at the Skytrex Adventure at Taman Botani Negara Shah Alam, called "Skytrex Xtreme: Climb Up, Swing In, Chill Out" to promote a healthier lifestyle amongst the students.

5. 26 JANUARY, 2016

SEGi University's Engineering Faculty Enters MOU with Daikin

SEGi University entered into a Memorandum of Understanding (MoU) with Daikin R&D Malaysia Sdn. Bhd. to enable Engineering students to intern at one of the most established research and development companies in Malaysia, besides providing the opportunity for both SEGi academicians and Daikin R&D employees to have an exchange of ideas and collaborate together on projects.

6. 28 JANUARY, 2016

Early Years Education Graduation Showcase

SEGi College Subang Jaya organised a Graduation Showcase for the Bachelor of Arts (Honours) Early Years Education students to showcase their learning experiences through live sharings, recorded interviews, role play, poster presentation and videos.

7. 4 FEBRUARY, 2016

SEGi Enters MoU with Bromma (M) Sdn. Bhd.

SEGi University entered into a Memorandum of Understanding (MoU) with Bromma (M) Sdn. Bhd., which was signed by Professor Dr. Patrick Kee, Acting Vice Chancellor and Deputy Vice Chancellor (Academic) on behalf of SEGi University and Mr. Jerker Lindstrom, Manager of Research & Development of Bromma (M) Sdn. Bhd. to provide internship placements for our students.

8. 5 FEBRUARY, 2016

Careers in Psychology: A talk by Mr. Kazuo Hope

SEGi College Kota Damansara's American Degree Program held a talk on "Careers in Psychology" by Mr. Kazuo Hope at SEGi College Kota Damansara for its undergraduate Psychology students to discover that an exciting array of careers awaits them upon graduation.



09



12



13

9. 17 FEBRUARY, 2016

The Signing Ceremony of the Memorandum of Agreement (MoA) between SEGi University & Colleges and iCOOP College
SEGi University & Colleges entered a Memorandum of Agreement (MoA) with iCOOP College, a subsidiary of the Co-operative College of Malaysia (Maktab Koperasi Malaysia). The MoA details a 5-year collaborative plan with iCOOP College to provide the Certificate in Entrepreneurship for working adults under SEGi's Centre for Continuing Education, where graduates can obtain dual certification papers from SEGi University and iCOOP College through corporate training programmes.

10. 18 FEBRUARY, 2016

Preparation for Lion Dance Celebration
The team of students from Student Affairs, SEGi University getting ready for the big event tomorrow which is the Chinese New Year Celebration.

11. 19 FEBRUARY, 2016

Lion Dance Celebration
Staff and students welcomed the new year with distribution of mandarin oranges and dance performances by the Chinese Cultural Society followed by the "main" event: a spectacular lion dance, dragon dance and the 24 Drums Performances.

12. 26 FEBRUARY, 2016

SEGi College Subang Jaya Students' Visit to MIA and PwC
SEGi College Subang Jaya's Greenwich Alliance Club and the campus' Professional Experience Office organised a trip to the Malaysian Institute of Accountants (MIA) and PricewaterhouseCoopers (PwC) for 38 students from the BA (Hons) Accounting & Finance (3+0) University of Greenwich programme.

13. 3 MARCH, 2016

Student Representative Council (SRC) swearing-in ceremony
SEGi College Kota Damansara today held their annual Student Representative Council (SRC) swearing-in ceremony to instate the new council for the year 2016/2017 and to show appreciation and recognition to the 2015/2016 council.

14. 10 MARCH, 2016

Iranian Study Group Visits SEGi College Subang Jaya
A study group of educators and parents from Modern Education, Tehran, Iran led by Dr. Yadolla Saeednia visited SEGi College Subang Jaya recently. Ms. Carolyn Choo, Head of the Early Childhood Education Department conducted a presentation for the visitors discussing the Early Childhood Education programmes available at SEGi College Subang Jaya.

15. 12 MARCH, 2016

Edufair at Mid Valley
SEGi University opened a booth at the EFS Education Fair at the Mid Valley Exhibition Centre (MVEC) from 11am-7pm.

16. 13 MARCH, 2016

Edufair at KLCC
SEGi University opened a booth at the FAON Education Fair at Hall 4, Kuala Lumpur Convention Centre (KLCC) from 11am-6pm.

17. 15 MARCH, 2016

The X-Ray Diffraction Crystallography: A talk by Dr. Reza Kia
SEGi University held a talk on "X-Ray Imaging" by Dr. Reza Kia for its Pharmacy and Medicine faculties.

18. 16 MARCH, 2016

Enriching the Lives of Students One Club at a Time
The Student Affairs department of SEGi College Kota Damansara organised a Club and Society Recruitment Drive at the lobby area as a platform for students to discover and sign-up for various clubs and societies available at SEGi College Kota Damansara.

A total of 11 clubs participated in the recruitment drive and many fun activities were held to attract students, which included cup doodling, a karate demonstration and Henna painting.



19. **17 MARCH, 2016**

**The 8th Student Intellectual Discourse
“Perceptions across Cultures”**

SEGi University’s Student Affairs Division held the 8th Student Intellectual Discourse entitled “Perceptions across Cultures” participated by 3 student speakers: Kavin Raj and Ng Yung Sern (Sam) from the Centre for Foundation Studies and Nwaibuike Uchechukwu Emmanuel from the Faculty of Engineering & Built Environment. The dialogue was moderated by Mr. Chandrasekaran, a lecturer from the School of Communication Studies.

20. **19 MARCH, 2016**

Mural Painting at SJK (T) RRI

25 students from SEGi University’s Early Childhood Education Club, Faculty of Education conducted a community service project at SJK (T) RRI, a local Tamil school. Their task was to paint murals in the school’s washrooms to create a stimulating and conducive environment for the students which took 3 days to complete.

21. **20 MARCH, 2016**

Edufair at Mid Valley

SEGi University opened a booth at the EFS Education Fair Part 2 at the Mid Valley Exhibition Centre (MVEC) from 11am-7pm.

22. **20 MARCH, 2016**

World Down’s Syndrome Awareness Day

SEGi College Subang Jaya’s CATCH Club took the opportunity to raise awareness about Down’s syndrome to fellow SEGians.

There was also a talk on Down’s syndrome by Ms. Nagasangari, Senior Lecturer from the Faculty of Education. She has worked as a Programme Development Coordinator with children with special needs.

23. **23 MARCH, 2016**

Acting Together on Impulse

SEGi College Kota Damansara’s INVOLVE Club organised “Impulse”, a team-building workshop focusing on communication skills to help its students improve their spontaneity and improvisation skills through presentation skills and teamwork.

24. **25 MARCH, 2016**

ADP Students Promote Peace

SEGi College Kota Damansara’s American Degree Program (ADP) students organised the “Peace Campaign 2016” to raise awareness on non-violent conflict resolutions by creating the importance of sustaining peace in the world. The campaign took place on the 24th and 25th of March 2016, at the lobby of the campus.

25. **26 MARCH, 2016**

Building Leadership Skills Through Fun & Games

SEGi College Kota Damansara organised a Leadership camp held at the Woods Resort, Ulu Yam, Sungai Tua for 38 students who held various leadership positions at clubs and societies at the campus.

26. **28 MARCH, 2016**

Preparing for Future Employment

The students from the American Degree Program (ADP) at SEGi College Kota Damansara attended a one-day workshop to understand employer-employee dynamics in organisations and to provide them with insights on how to improve communication skills in the corporate world.



27. 1 APRIL, 2016

SPSS Workshop 2016 for Final Year Students

SEGi College Subang Jaya's UOS Entrepreneur Club from the Faculty of Business and Accountancy (FOBAA) organised a Statistical Package for Social Sciences (SPSS) Workshop for 70 final year business students to assist them in completing their Dissertation project paper using this statistical tool.

28. 4 APRIL, 2016

Sexual Harassment Workshop

SEGi College Kota Damansara's American Degree Program held a workshop on sexual harassment to inform students that sexual harassment in the workplace is illegal and a form of sexual harassment.

29. 5 APRIL, 2016

SCSJ Visits Universiti Pendidikan Sultan Idris (UPSI) Campus

SEGi College Subang Jaya (SCSJ) organised an educational visit to Universiti Pendidikan Sultan Idris (UPSI), Tanjung Malim, Perak for 32 students from the BA (Hons) in Early Years Education (3+0) programme and 7 Early Childhood Education lecturers.

30. 6 APRIL, 2016

SEGi Campus Job Fair

The SEGi Campus Job Fair was an avenue for students to explore career and job opportunities related to their programmes, as well as to prepare them for job interviews. A total of 28 companies participated in the event, including KPMG Malaysia, Takaful and UniQlo Malaysia. The official sponsors for the event are Maybank Banking Berhad and RBC Investor & Treasury Services (RBC ITS).

31. 8 APRIL, 2016

Bowling Challenge 2016

SEGi College Kota Damansara organised the second Annual Principal Challenge Trophy 2016 to promote bowling as a leisure sport amongst students and to encourage healthy competition amongst the students.

32. 9 APRIL, 2016

Learning the Basics of Saving a Life

SEGi College Subang Jaya's Faculty of Education and the C.A.T.C.H club committee members organised a First Aid Training session for 30 SEGi students and alumni members which was conducted by Mr. Devan from the Red Crescent Society of Malaysia.

The training was to equip students who will be future kindergarten teachers with the necessary knowledge of how to give first aid in case of an emergency.

33. 9 APRIL, 2016

Engineering & Science Made Fun for 151 School children

SEGi University's Local Marketing Team and the Faculty of Engineering and the Built Environment organised an Engineering and Science (E&S) Challenge for 151 schoolchildren from Kwang Hua High School, SM Chung Hua (PSDN) Klang, SMJK Katholik, SMK Subang Jaya, Tenby International School, SMK Jinjang and SMK Seri Kembangan. The E&S Challenge 2016 incorporated Science, Technology, Engineering, and Mathematics (STEM) into their activities.

34. 13 APRIL, 2016

Young Explorers Science Fair

SEGi University's Faculty of Education organised the Young Explorers Science Fair to foster children's interest in learning Science and enhance their creativity and problem-solving skills.



35. 13 APRIL, 2016

Industrial Talk by Petronas

The SEGi Career Centre of SEGi University collaborated with the School of Information & Technology to organise an industrial talk by Petronas Malaysia, the nation's oil and gas company. The invited speaker, Nurul Azni Sharena Shaari is a Senior Manager BF and she shared on "Reshaping of Education Space through Evolution of Learning Technologies".

36. 13 APRIL, 2016

Chinese Origami by Confucius Centre

The Confucius Institute at SEGi University organised a free Chinese origami session for Segians to get acquainted with the Chinese culture.

37. 13 APRIL, 2016

Preventing Child Abuse and Neglect

The students from the Bachelor of Arts in Early Years Education (3+0) programme from the University of Greenwich, UK at SEGi College Subang Jaya organised an exhibition to promote ways to prevent child abuse and neglect in conjunction with Child Abuse Prevention Month.

38. 16 APRIL, 2016

SEGi College Subang Jaya Hosts Self-Development Training for Teachers

SEGi College Subang Jaya hosted the "Latihan Dalam Perkhidmatan (LADAP)", a self-development training for 90 secondary school teachers from SMK MGS Klang. The training entitled "Classroom Behaviour Management" was delivered by Ms. Rosaline Ng, a lecturer from SEGi College Subang Jaya's Faculty of Education.

39. 16 APRIL, 2016

SEGi University's Science Discovery Day

The local marketing team of SEGi University invited 211 secondary school students from SMK Seafield, SMK Shah Alam, SMK Bandar Sri Damansara 1, SMK Jinjang, SMK Kepong and SMK Menjalara to SEGi University's Science Discovery Day, an event to nurture their interest in Science as well as to help students determine their future career paths. There were inspirational talks by the Faculty of Optometry, Dentistry, Medicine and School of Allied Health Sciences.

40. 16 APRIL, 2016

2nd annual Principal Challenge Trophy Badminton Tournament

SEGi College Kota Damansara held the second annual Principal Challenge Trophy Badminton Tournament.

The tournament aimed to encourage healthy competition amongst the students as well as to promote badminton as a professional sport. It was also a platform for students to harness their badminton skills and to present their potential as SEGi College's representatives in intervarsity, state, or even national competitions.

41. 20 APRIL, 2016

The X-Ray Diffraction Crystallography: A talk by Dr. Reza Kia
SEGi University held a talk on "X-Ray Imaging" by Dr. Reza Kia for its Pharmacy and Medicine faculties.



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42. **21 APRIL, 2016**

Enlightening Students On Their Career Pathways

SEGi College Subang Jaya (SCSJ) opened a booth at the "Minggu Kerjaya PPD 2016" which was held at SMK Bandar Puncak Jalil as part of a career day showcase where 3,000 Form 5 students from SMK SS17, USJ 12, USJ 13, SMK Batu 8, SMK Puchong Utama, SMK Subang Jaya, SMK Subang Utama, SMK Shah Alam, SMK Alam Megah among 20 other schools gathered to seek guidance on their future.

43. **22 APRIL, 2016**

SEGi's First MBBS Graduates Celebrate with Luncheon

The Faculty of Medicine marked the milestone of witnessing its first batch of graduates with a special Graduate Luncheon for graduating students and their family and friends.

44. **23 APRIL, 2016**

SEGi University's 15th Convocation Ceremony

SEGi University held its 15th Convocation Ceremony at SEGi University on 23rd April 2016, which saw a total of 582 graduates from various programmes ranging from Diploma, Degree and Masters. Out of the 582 graduates, a total of 21 graduates obtained first class honours. In addition, a total of 44 graduates from the first batch of SEGi University's M.B.B.S programme also received their degrees to be on their way to be medical practitioners.

45. **26 APRIL, 2016**

Edufair at Mid Valley

SEGi University opened a booth at the EFS Education Fair Part 2 at the Mid Valley Exhibition Centre (MVEC) from 11am-7pm.

46. **29 APRIL, 2016**

SEGi University Enters Tripartite Collaboration with AVON and UMK

SEGi University entered into a Memorandum of Understanding (MoU) with AVON Malaysia and Universiti Malaysia Kelantan (UMK). Under the tripartite collaboration, Avon will provide internship opportunities to SEGi and UMK students.

47. **4 MAY, 2016**

Exciting Programme Planned for Confucius Institute at SEGi University

The Chinese Director of the Confucius Institute at SEGi University, Mr. Chen Ming Hui met with the Diplomatic Cultural Officer of the Embassy of the People's Republic of China, Mr. Zhou Bing at the Chinese Embassy in Kuala Lumpur. They discussed the details of the Malaysia and China Cultural Summer Camp Programme 2016 with sponsorship assistance from the Chinese Embassy in Malaysia.

48. **4 MAY, 2016**

Empowering the Y Generation

SEGi University's Faculty of Communication and Creative Design organised "Y & Beyond: Go Beyond Expectations", a convention to overcome the stereotypes faced by Generation Y in their daily lives. In conjunction with the talk, a bazaar selling clothing, accessories and food were set up at the Piazza, along with live performances by Generation Y students.

49. **10 MAY, 2016**

'Run & Rush: Heritage Hunt' by Diploma in Tourism Management final year students

SEGi College Penang's Diploma in Tourism Management final year students organised the 'Run & Rush: Heritage Hunt' to encourage students to learn more about George Town through traditional games and to encourage team spirit and good sportsmanship where 105 participants participated.

2016 AT A GLANCE

(continued)



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50. 10 MAY, 2016

Student Affairs Division of SEGi University launched the 2nd STEP Programme 2016

The Student Affairs Division of SEGi University launched the 2nd STEP Programme 2016 where 60 new candidates were selected through a nomination process and an interview session. The STEP programme now includes students from SEGi University, SEGi College Kota Damansara, SEGi College Subang Jaya and SEGi College Kuala Lumpur.

54. 18 MAY, 2016

Google for Education at SEGi

SEGi University became the first private higher institution of learning in Malaysia to enter into a Memorandum of Agreement (MoA) with Google for Education to make learning and teaching more efficient for members of the Faculty of Education. Under the MoA, academicians and students at the Faculty of Education will be adopting Google Classroom, a Google app which is a free suite of communication and collaboration tools.

51. 11 MAY, 2016

Debating on the Effects of Peer Pressure

SEGi University's Student Affairs Division in collaboration with Chalkzone Academia organised a debate at Auditorium A with the topic "Is Peer Pressure Harmful or Beneficial to Individuals?"

55. 20 MAY, 2016

Engineering Students Race with Robotic Innovations

SEGi University's Student Affairs Division and the Faculty of Engineering & the Built Environment organised the first ever Robotic Competition where 6 groups with a total of 33 students participated.

52. 14 MAY, 2016

SEGi Mud Challenge 2016

SEGi College Subang Jaya's UOS Entrepreneur Club from the Faculty of Business and Accounting organised the SEGi Mud Challenge 2016, a fun-filled event that saw 62 participants being tested on their physical and mental strengths at Taman Botanic Shah Alam.

56. 26 MAY, 2016

Learning About the Chinese Culture Through Paper Cutting

SEGi University's Confucius Institute organised a Paper Cutting Session for both the staff and students. SEGians were taught various paper cutting patterns such as a bee, five pointed star, the double happiness character in Chinese, a Chinese lantern, a snowflake and many others.

53. 17 MAY, 2016

Westin Hotel Shares Insights to SEGi Sarawak Students

SEGi College Sarawak invited Mr. Christopher Fulton from Westin Hotel's corporate office (Sales and Marketing) to share his 14 year-experience in the hotel industry with SEGi College Sarawak's hospitality students to motivate and encourage them to obtain an international exposure to enhance their career in the industry.



57. 26 MAY, 2016

Launch of PACE Centre of Excellence (CoE), SEGi College Kuala Lumpur

SEGi University and Colleges unveiled PACE Centre of Excellence (CoE) at SEGi College Kuala Lumpur which was launched by Datuk Mohamed Azahari Bin Mohamed Kamil, Group President of SEGi University & Colleges, Professor Dr. Patrick Kee Peng Kong, Acting Vice Chancellor of SEGi University, Dr. Lisa Tan Saw Poh, Senior Vice President, Senior Principal Subang & KL Campuses, Dr. See Hoon Peow, Principal of SEGi College Kuala Lumpur and Mr. Raj Dass, the representative from University of Greenwich and also Principal Lecturer, Faculty of Business.

58. 2 JUNE, 2016

SEGi University's Student Lounge Now Has a New Look

The Deputy Vice Chancellor of Student Affairs, Professor Dr. Azrin Ariffin launched the re-opening of the Student Lounge at SEGi University. The renovation of the student lounge was initiated by the former Deputy Vice Chancellor of Student Affairs, Dato' Professor Dr. Jamaludin Mohaiadin. The renovation took about a month to complete.

59. 4 JUNE, 2016

"Karnival Komuniti Sihat (KASIH) 2016"

SEGi University's Pharmacy Student Society collaborated with Cyberjaya University College of Medical Sciences Pharmacy Students Society (CUPSS) and the University of Nottingham Pharmacy Students Society (PharmNOTTS) to organise "Karnival Komuniti Sihat (KASIH) 2016" at the Kampung Batu 13 community hall in Kajang to hold health screenings for 200 villagers.

60. 9 JUNE, 2016

Launch of New Rooftop Garden at Penang Campus

The Penang Deputy Chief Minister II, Dr. P. Ramasamy launched the newly installed rooftop garden located on the rooftop of the SEGi College Penang campus in Jalan Green Hall, George Town, Penang. The rooftop features various eye-pleasing plants, a water feature and an artificial turf with a view of the neighbouring heritage buildings.

61. 11 JUNE, 2016

STAR TALK : Dr. Ahmad Yusuf from Faculty of Medicine

SEGi University was invited to speak at the STAR Edufair on 11th June 2016 (Saturday) on "Being A Doctor Beyond The Hospital Walls" at Kuala Lumpur Convention Centre (KLCC), Exhibition Hall 4 (Stage Area). Dr. Ahmad Yusuf was sent to represent SEGi University.

62. 11 JUNE, 2016

Edufair at KLCC

SEGi University & Colleges opened a booth at the FACON Education Fair at Hall 5, Kuala Lumpur Convention Centre (KLCC) from 10am-6pm.

63. 17 JUNE, 2016

SEGi ECCE Students to Assist Local Primary School

SEGi University entered into a Memorandum of Understanding (MoU) with Sekolah Jenis Kebangsaan Tamil Rubber Research Institute Sungai Buloh (SJKT RRI Sg. Buloh). The MoU details a collaborative plan with SJKT RRI Sg. Buloh to enable SEGi University's Faculty of Education students to carry out their practical training, to regularly assist the school to improve their environment, conduct motivational talks, as well as to regularly send tutors to teach the students English at SJKT RRI Sg. Buloh.



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64. **25 JUNE, 2016**

Fun Reading at Pustaka Bookaroo Festival

SEGi College Sarawak's Early Childhood Care and Education students participated in a two-day volunteer programme at the Pustaka Bookaroo Festival in Kuching, an event aimed at bringing the wonders and benefits of reading to children.

The students from Diploma in Early Childhood Education (DECE) and BA (Hons) in Early Years Education (BAEYE) programme engaged the children through various activities to encourage them to express themselves through reading, art and play.

65. **27 JUNE, 2016**

Drinking Chinese Tea the Right Way

The Confucius Institute at SEGi University invited Mr. Jeremiah Lim, a tea specialist from the Kuala Lumpur Tea Art Society to conduct two sessions of tea tasting to enrich the life experiences of SEGians.

66. **20 JULY, 2016**

Foundation Preview & Awards Ceremony

SEGi University's Centre for Pre-U Studies and the counselling centre under the student affairs division organised the Foundation Preview and Awards Ceremony for Foundation Studies at Multi-Purpose Hall (MPH) where students were shown preview on the Bachelor Degree Programmes held at SEGi University and were followed by the awards ceremony at MPH.

67. **28 JULY, 2016**

"Steel-ing" the Future with Bahru Stainless Sdn. Bhd

SEGi University entered into a Memorandum of Understanding (MOU) with Bahru Stainless Sdn. Bhd. to co-operate in the areas of research, sharing of expertise, exchanging of ideas, as well as providing industrial training for SEGi University students.

68. **27 JULY, 2016**

Reading the Fun Way

The Chalkzone Academia under the Faculty of Education at SEGi University collaborated with the Student Affairs Division to organise a reading marathon to cultivate the habit of reading amongst employees and students. Participants were encouraged to spend at least 15 minutes reading at the Student Lounge.

69. **28 JULY, 2016**

Inspiring SEGians to Be Successful Entrepreneurs

Mr. Romulus Sirbu, an Adjunct Professor at SEGi University and also the President of Avon Malaysia recently delivered a public lecture to Bachelor's degree students from the Faculty of Business. Mr. Sirbu shared his working experience of 20 years as an entrepreneur and also enlightened the students on the expectations of today's employers. The event was made even more memorable with the presence of Datuk Mohamed Azahari Mohamed Kamil, the Executive Director and Group President of SEGi University & Colleges.

70. **16 AUGUST, 2016**

Celebrating Independence Day in Unity

SEGi University's International Student Society (SISS) organised the Independence Day Celebration, which celebrated the Independence Day of five countries - Malaysia, Indonesia, India, Pakistan, and Kyrgyzstan.

Students sang their national anthems and presented poems, videos and performances from their homeland to share about their respective countries.



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71. 2 SEPTEMBER, 2016

Going Crazy Over Traditional Delicacies!

The students of SEGi College Subang Jaya's School of Hospitality & Tourism organised Food Ethnic Foundry, an event promoting local Malaysian cuisine at the Summit USJ Shopping Mall which showcased an array of interesting food trucks such as Fleur De Sel, Sharonee, Tonga Shakes and many more.

72. 2 SEPTEMBER, 2016

SEGi Enters MoU with Intrix Renewable Sdn. Bhd.

SEGi University entered into a Memorandum of Understanding (MOU) with Intrix Renewable Sdn. Bhd., a manufacturer in heating systems, to co-operate in the areas of research, sharing of expertise, exchanging of ideas, as well as providing industrial training for SEGi University students.

73. 6 SEPTEMBER, 2016

The Race by SEGi College Subang Jaya

SEGi College Subang Jaya (SCSJ) recently organised "The Race by SCSJ", led by the Assistant Manager of Student Affairs, Anand Vijey Manicam. He and his team invited external parties such as Rapid KL, IM4U, Evolve Concept Mall, Acer and Huawei to collaborate on a fun challenge based on the television show, "The Amazing Race" for both students and fellow colleagues.

74. 7 SEPTEMBER, 2016

Training to be a Teacher

Students from SEGi University's Faculty of Education participated in a 3 day-2 night Teachers Training Programme for First Degree Holders under the Entry Project Point 4 (EPP4) National Key Economic Area (NKEA) held at the Teachers in Service Training Centre at Sungai Karangan, Padang Serai, Kedah.

75. 8 SEPTEMBER, 2016

SEGi Enters MoU with Universiti Pertahanan Malaysia (UPNM)

SEGi University entered into a Memorandum of Understanding (MOU) with National Defense University of Malaysia (UPNM) to develop an academic programme and research in the areas of Criminal Justice and Enforcement, and to develop an entrepreneurship programme for retiring service men undergoing pre-retirement training with PERHEBAT (Perbadanan Hal Ehwal Bekas Angkatan Tentera).

76. 19 SEPTEMBER, 2016

Taking the Pledge of Professionalism

SEGi University's Faculty of Pharmacy organised a pledging ceremony for its first year students to instill integrity and that they will maintain a high standard of professionalism at all times.

77. 20 SEPTEMBER, 2016

Spotlight on the Diverse Malaysian Culture

The Student Affairs Division of SEGi University collaborated with the SEGi Malay Culture Society, Kural Indian Culture Society, Chinese Culture Society and SEGi Sikh Society to organise the Malaysian Cultural Showcase in honour of Malaysia Day. The student societies performed traditional dances to enlighten international students at the campus about the culture of Malaysia. There were also booths selling traditional delicacies such as the gulab jamun and mooncakes.



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78. 20 SEPTEMBER, 2016

SEGi Launches IChemE Student Chapter

The Faculty of Engineering & the Built Environment at SEGi University launched the SEGi IChemE Student Chapter with much enthusiasm in the presence of Professor Dr. Azrin Esmady Ariffin (Deputy Vice- Chancellor of Student Affairs), Ir. Prof. Dr. Jeffrey Chiang (Dean of the Faculty of Engineering & the Built Environment), SEGi IChemE Student Chapter advisors, the academic team and students.

79. 22 SEPTEMBER, 2016

Warm Heart - Mid-Autumn Festival

SEGi University's Chinese Cultural Society and Confucius Institute organised the "Warm Heart—Mid-Autumn Festival" event in conjunction with the much celebrated mooncake festival among the Chinese people.

Students took the opportunity to show their talents and awed audiences with their Chinese song performances, traditional Chinese Yoyo performance, San Ju Ban performance, a drama and group song performance.

80. 27 SEPTEMBER, 2016

Chinese Students Begin Their Exchange Programme at SEGi University

SEGi University's International Office warmly welcomed students from Guangxi University for Nationalities to SEGi University under the Study Abroad Programme (SAP). A total of 27 students will be studying at SEGi University for 10 months to master the fundamentals of the English Language and to take the credit transfer subjects at SEGi University for their Business Management programme.

81. 3 OCTOBER, 2016

Inter-SEGi Cricket Tournament 2016

The Sports Unit of SEGi University Kota Damansara organised a friendly Inter-SEGi Cricket tournament 2016 at the Kajang High School. SEGi University emerged as the Champion and was followed by SEGi College Kota Damansara (1st Runner Up), SEGi College Subang Jaya (2nd Runner Up) and SEGi College Kuala Lumpur (3rd Runner Up).

82. 6 OCTOBER, 2016

SEGi's Confucius Institute Explores Opportunity for Future Collaboration

The staff from the Confucius Institute at SEGi University paid a visit to SJK (C) Jalan Davidson in Kuala Lumpur to seek an opportunity to collaborate together in the future for academic purposes as well as for Chinese cultural exchange programmes.

83. 10 OCTOBER, 2016

Learning About Life through Board Games

SEGi College Subang Jaya, GProvision and VISA organised a special board game session for students to play Praxis, a financial simulation board game which teaches the value of financial responsibility. Students were cast in real life scenarios where wise financial planning and prudent investments were crucial to winning the game. They soon find themselves purchasing properties, making retirement plans, saving money, and competing against each other in an exciting fast-paced board game.



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84. 10 OCTOBER, 2016

The 2nd SEGi-Manpower STEP Programme

The SEGi Career Centre under the Student Affairs Division of SEGi University today held the closing ceremony for the 2nd SEGi-Manpower STEP Programme. The STEP programme or SEGi's Talent Enhancement Programme was first launched in May 2015 by the SEGi Career Office at SEGi University in collaboration with Manpower Group, a renowned human resource consulting firm. Through STEP, high achieving final year students from various programmes are selected to experience intensive training to prepare them for the working life.

85. 11 OCTOBER, 2016

The Official Launch of the AVON Beauty Boutique at SEGi University

The AVON Beauty Boutique at SEGi University was launched today in the presence of Datuk Mohamed Azahari Kamil (Group President / Executive Director, SEGi University & Colleges), Adjunct Professor Romulus Sirbu (President, Avon Malaysia) and Fathia Latiff (Actress & Avon Ambassador), alongside members of the press, staff and students.

The AVON Beauty Boutique is one of the initiatives under the tripartite collaboration between SEGi University, AVON Malaysia and Universiti Malaysia Kelantan (UMK) which took place on the 29th of April this year.

86. 13 OCTOBER, 2016

SEGi's Malaysia Integrity Forum

SEGi University held the Malaysia Integrity Forum where they brought together four inspiring national youth leaders for the very first time for a panel discussion. These four social

influencers were Deborah Henry (former Miss Malaysia Universe 2011 and Co-Founder of Fugee School), Ng Yeen Seen (2016 World Economic Forum (WEF) Young Global Leader (YGL), Rizmel Nazrin (Special Officer to the Malaysian Minister of Home Affairs), and Zaim Mohzani (the Co-Founding Principal of Nation Building School). The discussion was moderated by Datuk Mohamed Azahari Kamil (Group President / Executive Director, SEGi University & Colleges).

87. 13 OCTOBER, 2016

SEGi Campus Job Dating

The SEGi Career Centre under the Student Affairs Division of SEGi University organised SEGi Campus Job Dating, a traditional speed-dating event with a twist where instead of finding a romantic partner, students had the opportunity to impress future employers with their resumes and qualifications. Held for a day, students were seen wearing their best suits and bearing their resumes to meet the future employers. Participating employers were Campus Job Fair, Hitachi eBworx, Juris, NCR Payments, Sunrise Events and VADS.

88. 17 OCTOBER, 2016

SEGi University and USIM establishes official partnership with FireEye Ireland Limited

SEGi University and Universiti Sains Islam Malaysia (USIM) signed a Memorandum of Understanding (MoU) with FireEye Ireland Limited under the agreement of strengthening the field of cybersecurity in Malaysia. The parties agreed to develop and conduct academic programmes to carry out research collaborations and to also provide professional short courses in the area of cybersecurity.



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89. 18 OCTOBER, 2016

The Launch of SEGi's New Quantity Surveying Club

The Faculty of Engineering & the Built Environment of SEGi University launched the opening of their new Quantity Surveying Club which was attended by Ir. Prof. Dr. Jeffrey Chiang (Dean of Faculty of Engineering and the Built Environment, SEGi University), lecturers, staff and students. The guest of honour was a representative from Pertubuhan Tindakan Wanita Islam (PERTIWI) Soup Kitchen, which is a non-governmental organisation established to provide regular meals to the homeless or less fortunate at various locations around Kuala Lumpur on a regular basis.

90. 21 OCTOBER, 2016

"Careers in Psychology" Forum

The American Degree Program (ADP) students taking the subject General Psychology this semester teamed up with the Counselling Centre under the Student Affairs Division to organise a forum entitled, "Careers in Psychology". The four guest speakers were Lum Khay Xian (Mental Health Officer at the Malaysian Mental Health Association), Soh Teng Kuann (Registered Counsellor at InPsych Psychological Counselling Services), Lee Kuan Shin (Consultant Clinical Psychologist at Pantai Hospital Kuala Lumpur) and Dr. Ananthi (Independent Researcher Scholar & Academic Consultant). The discussion was moderated by Lee Jia Xi (Project Manager and ADP student).

91. 21 OCTOBER, 2016

The Power of LinkedIn

The SEGi Career Centre under the Student Affairs Division of SEGi University organised LinkedIn Networking, a workshop to share with Final Year students on the benefits of having a LinkedIn Profile and how powerful it can be. The speaker Mr. Arif Khan is the Regional Account Director of Emerging Markets, LinkedIn Singapore.

92. 2 NOVEMBER, 2016

Tasting Cultures From All Over the World

The Student Affairs Division of SEGi University in collaboration with the SEGi International Student Society (SISS) organised International Cultural Food Fair in conjunction with their annual International Cultural Night. Students took the opportunity to taste and to learn more on the many different food served in other countries.

93. 11 NOVEMBER, 2016

SEGi Zen Festival

The students from the Faculty of Communication & Creative Design of SEGi University held the SEGi Zen Festival today at the Piazza, SEGi University Kota Damansara. SEGi Zen Festival, is an event which emphasises on the power of positivity and happiness and how it can motivate people effectively.

The festival kick-started with an interactive forum consisting of speakers Abby Latif, Ariz Ramli Caprice, Hannah Lo as well as Dato' Sharifah.

94. 15 NOVEMBER, 2016

Confucius Institute Performing Arts Group Asia Tour 2016

The Confucius Institute at SEGi University organised the Confucius Institute Performing Arts Group Asia Tour 2016 which was held at the multi-purpose hall from 10am-12pm. The Performing Arts group consisted of 16 University students and 4 lecturers from the Central China Normal University, Wuhan, China. They are well known in China and are known as one of the best Performing Arts Group amongst Chinese universities and have performed for China's No. 1 TV station.



95. 16 NOVEMBER, 2016

Foundation Awards Ceremony & Programme Preview Session
SEGi University's Centre for Pre-U Studies teamed up with the Student Affairs Division to organise a Programme Preview Session & Foundation Awards Ceremony for its Foundation graduates. The Programme Preview Session gave the students the opportunity for representatives from various faculties at SEGi University to share about the many Bachelor's degree programmes with choices to graduate from either SEGi University or any of our partner universities from the UK, USA and Australia.

The session was followed by the Awards Ceremony for Foundation graduates to reward them for their co-curricular and academic achievements. Amongst the awards that were conferred on that day were the Most Active Student award, Most Participative Student award and the Dean's List award for students who scored CGPA 3.0 and above.

96. 18 NOVEMBER, 2016

Faculty of Dentistry Pre-Convocation Awards Ceremony
SEGi University's Faculty of Dentistry organised a Pre-Convocation Awards Ceremony for their graduating students. This batch saw a total of 23 students graduating. The Awards Ceremony was held to show appreciation and recognition to the top students and award them for their achievements.

97. 30 NOVEMBER, 2016

Screening Day 2016

The Faculty of Communication and Creative Design organised Screening Day 2016 with the theme "Hollywood" to showcase the videos that the students had made as part of the student's final assessment for the subject Videography and Documentary. The main objective of the event was to encourage students to produce great quality videos and to inspire other students that they can do the same.

98. 7 DECEMBER, 2016

Confucius Institute at SEGi University 2016 Board Meeting in Hainan

The Confucius Institute at SEGi University organised its 2nd Board Meeting at the South Longkun campus at Hainan Normal University. Mr. Lin Qiang (President, Hainan Normal University), Mr. Li Sen (Vice President, Hainan Normal University) and Professor Dr. Patrick Kee Peng Kong (Vice Chancellor, SEGi University) as well as other council members attended the meeting.

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. Where there are gaps in the Company’s observation of any of the recommendations, the necessary explanations were disclosed.

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 formulates the strategic plans, deliberating and directing the strategic plans and policies and strategic allocation of the Group’s resources to align with the overall objectives 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 to oversee the business affairs of the Group. Each Board Committee operates within their clearly defined terms of reference. Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to the Board’s approval. None of the individual Board members has unfettered power of decision.

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 reporting 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 the effectiveness of the succession planning of the Group, in particular, the succession of senior management and the progress of the talent pool under the talent management programme;
- 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.

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.

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.

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. The Board takes keen interest to ensure that the Group is in compliance with statutory regulations on safety and occupational health, and to promote environmentally friendly policies throughout the Group. Our policy and our commitment to sustainability is found in our Sustainability Policy which is available on the Company's website.

The Group focuses on giving back to the community by supporting projects that have a positive impact on society as a whole as well as those who are in need. 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 them with a safe working place. Relevant training programmes to equip them with the necessary skills and to keep abreast with the new developments and knowledge in order to improve their performance are also provided for the employees.

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.

CORPORATE GOVERNANCE STATEMENT

(continued)

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 Board materials containing information relevant to the business of the meeting, at least five (5) days prior to the meeting, to ensure deliberations at the meeting are focused and constructive, and to facilitate decision making. Management team and external advisers, if necessary, are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda. Directors are allowed to either participate in person or through other communication channels, such as via tele-conferencing.

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 Constitution (formerly known as Articles of Association), corporate policies and procedures as well as 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 support rendered by the Company Secretaries in discharging their functions and duties.

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 has reviewed the Board Charter on 6th April 2017 for adequacy and completeness. 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 three (3) are Independent Non-Executive Directors, two (2) are Non-Independent Non-Executive Director and three (3) are Executive Directors. The Board members comprise 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 the Group continues to be a competitive leader in the education industry. A brief profile of each Director is presented on pages 6 to 13.

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 also act as a check and balance for the Executive

Directors and ensure that matters pertaining to strategies, performance and resource allocations proposed by the management are objectively evaluated. The Independent Non-Executive Directors always take account of the interests of the Group, shareholder 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.

The Board reviews the composition and size of its Board from time to time to ensure they meet the above Principles.

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 chairmen of the various committees report 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.

In the case of candidate(s) being considered for the position of independent director, the committee will ensure that such potential candidate(s) has/have the ability to discharge such responsibilities/functions as expected from independent non-

executive directors. Amongst others, the potential candidate(s) must fulfil the criteria as prescribed by Bursa Securities Main Market Listing Requirements and be able to give independent and objective judgement to the Board.

The process of 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.

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 evaluate the Directors based on the following:

- (a) on the effectiveness of the Board and its Committees as a whole based on specific criteria, covering areas such as Board structure and operation, the required mix of skills and experience of the Directors and Board Committees, principal responsibilities of the Board and Board Committees, size of non-executive participation and Board governance; and
- (b) on the contributions of individual Director and Committee member based on specific criteria, including contributions to deliberations, role and duties, knowledge, expertise, integrity, time commitment, independence and training programmes attended.

CORPORATE GOVERNANCE STATEMENT

(continued)

The overall rating was satisfactory and the committee was satisfied that:

- (a) the size of the Board is optimum and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board;
- (b) the composition of the Audit Committee was satisfactory and the members have sufficient and relevant expertise in fulfilling their roles and responsibilities; and
- (c) the Board consists of a good balance of independent directors and the directors are capable to resolve potential areas of conflicts that may impair the independence of the independent directors.

The committee also evaluated the changes on certain Board committees to strengthen the effectiveness of the Board. The changes 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	- Chairman
Independent Non-Executive Director	
Goh Leng Chua	- Member
Independent Non-Executive Director	
Edwin Fua Chye Jin	- Member
Non-Independent Non-Executive Director	

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 twice 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 remunerations of the Executive Directors are structured so as to link rewards to their performances. 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.

During the financial year under review, the committee reviewed and recommended the remunerations of the Executive Directors to the Board for its approval. The committee further recommended the Non-Executive Directors' fees to the Board for shareholders' approval at the Company's forthcoming annual general meeting.

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	- Chairman
Independent Non-Executive Director	
Tan Sri Clement Hii Chii Kok	- Member
Group Managing Director	
Nicholas Rupert Heylott Bloy	- Member
Non-Independent Non-Executive Director	

The committee met once 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 - Chairman
Group Managing Director

Datuk Mohamed Azahari Bin Mohamed Kamil - Member
Executive Director/Group President

Hew Moi Lan - Member
Executive Director/Group Chief Executive Officer

Edwin Fua Chye Jin - Member
Non-Independent Non-Executive Director

The associate members of the Exco comprise 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.

- **Succession Planning Programme**

The Exco set up a Succession Planning Committee (“SPC”) in 2013 to oversee the strategy and governance of succession planning. The members of the SPC consists of Executive Directors, a Non-Executive Director and certain members of the Senior Management. The scope of the SPC covers positions across all section but focusses particularly on critical key positions of the Group.

During the year, the first batch of employees successfully completed the programme, many of whom have been promoted to senior positions.

- **Audit Committee**

The Audit Committee assists the Board in discharging its duty in maintaining a sound internal control system and in fulfilling its fiduciary responsibilities particularly in financial accounting and reporting to safeguard the shareholders’ investment and the Company’s assets.

The terms of reference of the Audit Committee can be viewed at the Company’s website 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 risk management processes of the Group.

The key components of the risk management 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 - Chairman
Independent Non-Executive Director

Datuk Mohamed Azahari Bin Mohamed Kamil - Member
Executive Director/Group President

Hew Moi Lan - Member
Executive Director/Group Chief Executive Officer

Edwin Fua Chye Jin - Member
Non-Independent Non-Executive Director

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 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

(continued)

• 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 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 Constitution (formerly known as 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.

Diversities in Gender, Ethnicity and Age

The Board is supportive of diversities in gender, ethnicity and age as it believes that there are benefits in having a diverse Board and workforce as it will improve board functioning and decision making processes.

The Board currently has representatives from both male and female genders and also a mix of ethnicities, age and competencies. The Board believes that its membership is selected based on each candidate's skills, experience, core competencies and other qualities, regardless of gender. The Board endeavours 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, even though it does not have a formalised policy on board diversity.

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 Executive and Non-Executive Directors

	Fee (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits- in-kind (RM'000)	Other Emoluments (RM'000)
Executive Directors	-	1,552	113	146	200
Non-Executive Directors	234	-	-	-	-
Total	234	1,552	113	146	200

Note:
Other emoluments include statutory contributions.

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

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM1 – RM50,000	-	3
RM50,001 to RM100,000	-	3
RM100,001 to RM150,000	1	-
RM650,001 to RM700,000	1	-
RM1,150,001 to RM1,200,000	1	-

Notes:

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

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 as they possess in-depth knowledge of the Company's operations, and were independent in their opinion to the Board;
- they have contributed sufficient time and exercised due care during their tenure as Independent Directors of the Company, and carried out their professional duties in the interest of the Company and shareholders; and
- they have vast experience, expertise and independent judgment to challenge management in an effective and constructive manner.

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.

REINFORCE INDEPENDENCE

Annual Assessment of Independence and Tenure of Independent Directors

The Board assesses 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.

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 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 MCGG 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.

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 2016, 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	5 out of 5 (100%)
Tan Sri Clement Hii Chii Kok	5 out of 5 (100%)
Datuk Mohamed Azahari	
Bin Mohamed Kamil	
(appointed on 24 May 2016)	2 out of 2 (100%)
Hew Moi Lan	5 out of 5 (100%)
Dato' Sri Chee Hong Leong	
(retired on 24 May 2016)	2 out of 2 (100%)
Nicholas Rupert Heylett Bloy	3 out of 5 (60%)
Dato' Amos Siew Boon Yeong	5 out of 5 (100%)
Goh Leng Chua	5 out of 5 (100%)
Edwin Fua Chye Jin	5 out of 5 (100%)

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.

CORPORATE GOVERNANCE STATEMENT

(continued)

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:

Director	Name of Programme	Date
Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	Leaders Room Talk – The Iclif Leadership And Governance Centre (Iclif)	17.02.2016
	Independent Directors Programme – The Essence of Independence	08.03.2016
	Offshore Technology Conference Asia – International Conference & Exhibition Professionals (ICEP)	22 – 25.03.2016
	Corporate governance and collaboration solutions for boards and senior executives	24.05.2016
	PETRONAS Board Excellence: Best Practices for Board Excellence Programme	03.08.2016
	Petronas Board Strategic Away Training Days	12 – 13.08.2016
	Khazanah Megatrend Forum 2016	26 – 27.09.2016
	MICG's Seminar On "Chairman" Roles	28.09.2016
	Giving Talk at Malaysian Oil & Gas Engineering Council (MOGEC) Networking Lunch & Talk	07.12.2016
Tan Sri Clement Hii Chii Kok	Corporate governance and collaboration solutions for boards and senior executives	24.05.2016
	KPI & Goal Setting – challenges, successes, develop and identify the organisation targets	08.12.2016
Datuk Mohamed Azahari Bin Mohamed Kamil	Corporate governance and collaboration solutions for boards and senior executives	24.05.2016
	The Leadership Journey by Aresty Institute of Executive Education, The Wharton School, University of Pennsylvania	23.09.2016
	KPI & Goal Setting – challenges, successes, develop and identify the organisation targets	08.12.2016
Hew Moi Lan	Corporate governance and collaboration solutions for boards and senior executives	24.05.2016
	KPI & Goal Setting – challenges, successes, develop and identify the organisation targets	08.12.2016

CORPORATE GOVERNANCE STATEMENT

(continued)

Director	Name of Programme	Date
Nicholas Rupert Heylett Bloy	Speaker for Super Investor Singapore: Market Outlook	14 – 15.03.2016
	Partners Group Conference 2016	14 – 15.04.2016
	Speaker for 2016 KWAP Private Equity Forum (Malaysia Private Forum): Asian private equity roundup	20.09.2016
	11 th Annual SuperReturn Asia 2016, Hong Kong Speaker for SEA: A disappointment or an interesting place to explore today? Where & Why (27 September 2017)	26 – 29.09.2016
	Speaker for Lessons from those who have seen it all before: How to survive a boom and bust cycle in Asia (28 September 2017)	
	2016 AVCJ Forum	15 – 17.11.2016
	Speaker for Delivering alpha in turbulent markets (17 November 2016)	
Dato' Amos Siew Boon Yeong	Corporate governance and collaboration solutions for boards and senior executives	24.05.2016
	National Tax Conference 2016	09 – 10.08.2016
	Forum on Key Audit Matters	14.09.2016
	Seminar Percukaian Kebangsaan 2016	27.10.2016
	7 th SBY Tax & Corporate Review	16.11.2016
Goh Leng Chua	Audit Oversight Board – The New Auditor's Report – Sharing the UK Experience	13.01.2016
	CG Breakfast Series for Directors: Improving Board Risk Oversight Effectiveness	26.02.2016
	Corporate governance and collaboration solutions for boards and senior executives	24.05.2016
Edwin Fua Chye Jin	Financial Risk Management for Public Listed Companies – W2: Credit & Financial Analysis	14.03.2016
	Company Analysis: The Strategic Position	17.03.2016
	Value Investing in Quality Bursa Malaysia Shares	16.03.2016

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 99 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 twice with the external auditors without the presence of the management and Executive Directors to discuss any issues the external auditors may raise. No significant issues were raised during these meetings. 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 carried out an annual assessment on the performance, suitability and independence of the external auditors based on the following key areas:

- i) quality of service;
- ii) capability of the audit team;
- iii) sufficiency of resources;
- iv) scope of audit and planning;
- v) audit fees;
- vi) communication and interaction; and
- vii) independence, objectivity and professional scepticism.

The committee acknowledged their technical expertise, credibility and capability in carrying out the audit of the Group and recommended to the Board for their re-appointment in the forthcoming AGM. The Board, after deliberating on the audit team's effectiveness and their performance, supported the recommendation of the Audit Committee to recommend Messrs. Ernst and Young for re-appointment in the forthcoming AGM.

The Audit Committee also considered the non-audit services provided by the external auditors during the year ended 31 December 2016 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 and ESOS Valuation.

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. The risk management and internal control system are designed to manage, and not to eliminate, the risks faced by the Group within acceptable and appropriate level. 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.

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, as it forms an important platform where the shareholders can engage directly with the Board and the management 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 is mindful of the poll voting requirement pursuant to the amendments to the Bursa Securities Main Market Listing Requirements on 24 March 2016. The Board will implement poll voting for all the resolutions to be passed in the forthcoming AGM. The Company will appoint one (1) scrutineer, who is independent of the Group and the person undertaking the polling process, to validate the votes cast.

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 meetings 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:

i. **Cheryl Chong Poh Yee**
Group Chief Financial Officer

ii. **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 save for the disclosure of details of the remuneration of each Director. However, the Company complies with the disclosure requirements under the Bursa Securities Main Market Listing Requirements. The Board is of the view that the transparency and accountability aspects of Corporate Governance as applicable to Directors' Remuneration are appropriately served by the band disclosure pursuant to the Bursa Securities Main Market Listing Requirements.

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 6th April 2017.

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. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2016, the amounts of audit fees paid or payable by the Company and the Group to the external auditors are as follows:-

	Company (RM'000)	Group (RM'000)
Audit fees	115	533
Non-audit fees	17	17

3. 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.

4. 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 2016.

5. INTERNAL AUDIT FUNCTION

During the year under review, the Company incurred expenses amounting to RM318,300 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 that 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 6th April 2017.

The Board of Directors is pleased to present the Audit Committee (“AC” or “the Committee”) Report for the year ended 31 December 2016.

COMPOSITION

The AC comprises three members, all of whom are non-executive Directors, with a majority of them being independent:

Dato’ Amos Siew Boon Yeong - Chairman
Independent Non-Executive Director

Goh Leng Chua - Member
Independent Non-Executive Director

Edwin Fua Chye Jin - Member
Non-Independent Non-Executive Director

The Chairman, Dato’ Amos Siew, is currently a member of the Malaysian Institute of Certified Public Accountants as well as the Malaysian Institute of Accountants (“MIA”). Mr. Edwin Fua is also a member of the MIA. As such, the composition of the AC is in line with the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”).

The Nominating Committee (“NC”) evaluates the AC annually and is satisfied that the AC members have sufficient, recent and relevant expertise in fulfilling their roles and responsibilities. The NC reported to the Board on the results of the appraisal and was endorsed by the Board.

MEETINGS

During the year under review, five meetings were held on 24 February 2016, 6 April 2016, 24 May 2016, 29 August 2016 and 24 November 2016. Attendance of each member was as follows:

AC Members	No. of meetings attended
Dato’ Amos Siew Boon Yeong	5/5 (100%)
Goh Leng Chua	5/5 (100%)
Edwin Fua Chye Jin	5/5 (100%)

Certain members of senior management attended the meetings by invitation of the Committee. The external auditors were also 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 met twice during the financial year with the external auditors without the management present.

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

The minutes of each AC meetings were recorded and tabled for confirmation at the next meetings and the minutes were subsequently circulated to the Board of Directors for information. The Chairman of the Committee also reported the outcome of each meeting to the Board during the Board meetings which were held immediately after the AC meetings.

ACTIVITIES DURING THE YEAR

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

- i. Financial reporting
 - Reviewed the quarterly reports of the Group and audited financial statements of the Company and the Group before recommending for the Board’s approval. The AC enquired the management on the fluctuations in the financial performance and position of the Group and made enquiries on the adequate processes and controls in place to ensure the accuracy of reporting.
 - Reviewed the Company’s compliances, in particular the quarterly reports and audited 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. The AC also made enquiries on the change of accounting policies, if any, to ensure conformity to the applicable approved accounting standards.
- ii. External auditors
 - 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.
- Met with the external auditors independently without the presence of the management.

iii. Internal auditors

- 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 the results of the audit, the audit report, and the important issues highlighted including the management's responses and the follow-up action plans implemented.
- Reviewed with the internal auditors the special assignments performed and the results thereof.
- Met with the internal auditors independently without the presence of the management.

iv. Reviewed the Company's Audit Committee Report and Statement on Risk Management and Internal Control ("SORMIC") to ensure the contents therein are accurate and in compliance with the MMLR, prior to approval by the Board.

v. 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, if necessary.

vi. 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.

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 the Group's Institutions and corporate departments in accordance to the approved Internal Audit Plan as well as some ad-hoc special audit as assigned by the Senior Management. 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 Internal Audit Function is elaborated in detail under the SORMIC in this Annual Report.

The Audit Committee Report was approved by the Board of Directors on 6th April 2017.

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Listing Requirements of Bursa Malaysia Securities Bhd, the Board of Directors ("Board") is pleased to outline the state of risk management and internal control of the Group for the financial year ended 31 December 2016.

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.

5 KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

I) Risk management

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.

Significant risks of the Group are identified which come from 8 categories 1) Strategic; 2) Market; 3) Reputation; 4) Regulatory; 5) Financial; 6) Operations; 7) People management and 8) System. The associated business risks from these 8 categories are first being assessed and rated basing on their risk likelihood and impact. After risk assessments, the identified business risks are then mapped onto the Risk map

which is divided into 4 Quadrants to determine relevant actions plan to be devised:-

I. "Prevent at Source" risks.

Risks in this quadrant are classified as Primary Risks and are rated "high" priority. They are the critical risks that threaten the achievement of the Company objectives. These risks are both significant in consequence and likely to occur. They should be reduced or eliminated with preventive controls and should be subject to control evaluation and testing.

II. "Detect and Monitor" risks.

Risks in this quadrant are significant, but they are less likely to occur. To ensure that the risks remain low likelihood and are managed by the Company appropriately, they need to be monitored on a rotational basis. Detective controls should be put into place to ensure that these high significant risks will be detected before they occur. These risks are second priority after Primary Risks.

III. "Monitor" risks.

Risks in this quadrant are less significant, but have a higher likelihood of occurring. These risks should be monitored from time to time to ensure that they are being appropriately managed and that their significance has not changed due to changing business conditions.

IV. "Low Control" risks.

Risks in this quadrant are both not significant and unlikely to occur. They require minimal monitoring and control unless subsequent risk assessments indicate a substantial change, prompting a move to another risk category.

For business risks which are rated and mapped at Quadrant 1 and 2 of the Risk Map, the RMWC would then discuss to formulate relevant actions plan with deadline to mitigate them accordingly. 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, four 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, group people 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.

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 and Colleges.
- c. The Safety and Health Committee reviews the occupational safety and health procedures within the Group's institutions.
- d. The Group's Whistle Blowing Policy provides a transparent and confidential platform for dealing with any concerns raised by employee.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(continued)

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 2016 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 6th April 2017.

NOTICE IS HEREBY GIVEN that the Thirty-First 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 Thursday, 25 May 2017 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 2016 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 2016. **(Ordinary Resolution 1)**
3. To re-elect the following Directors who retire pursuant to Article 86 of the Constitution of the Company:-
 - (a) Tan Sri Clement Hii Chii Kok **(Ordinary Resolution 2)**
 - (b) Goh Leng Chua **(Ordinary Resolution 3)**
4. To elect the following Director who retires pursuant to Article 93 of the Constitution of the Company:
 - (a) Datuk Mohamed Azahari Bin Mohamed Kamil **(Ordinary Resolution 4)**
5. To re-appoint Messrs. Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESS

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

6. **Re-appointment of Director**

“THAT Tan Sri Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas be and is hereby re-appointed as Director of the Company.” **(Ordinary Resolution 6)**
7. **Authority to allot and issue shares pursuant to Section 75 of the Companies Act, 2016**

“THAT subject always to the Companies Act, 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, regulations and guidelines, the Directors be and are hereby empowered, pursuant to Section 75 of the Act, 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 Securities and that such authority shall continue in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company.” **(Ordinary Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

(continued)

8. Proposed Renewal of Authority for the Purchase by SEG International Bhd ("SEGi") of its Own Shares ("Proposed Share Buy-Back")

"THAT, subject to the Act (as may be amended, modified or re-enacted from time to time), the Constitution 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 the Bursa Securities and/or hold such number of ordinary shares 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. the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the total retained profits of the Company at the time of the purchase(s). As at 31 December 2016, the Company's retained profits based on the latest audited financial statements were recorded at RM2,453,000; and
- iii. upon the purchase by the Company of its own shares, the Directors shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and subsequently distributed as dividends or resold on the market of the Bursa Securities or be cancelled or any combination thereof;

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 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) 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 8)

9. 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 9)

(b) Dato' Amos Siew Boon Yeong **(Ordinary Resolution 10)**

10. Proposed Allocation of Employees' Share Option Scheme ("ESOS") Options under the Long Term Incentive Plan ("LTIP") to Hew Moi Lan

"THAT in addition to the existing allocation, approval be and is hereby given to the Board, from time to time throughout the duration of the LTIP, to offer and grant Hew Moi Lan, Executive Director/Chief Executive Officer of the Company, up to 1,400,000, additional options to subscribe for new SEGi Shares under the LTIP, in accordance with the Main Market Listing Requirements of Bursa Securities (where applicable), or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time, and subject always to such terms and conditions and/or any adjustments or variations which may be made in accordance with the provisions of the LTIP By-Laws.

AND THAT in order to implement, complete and give full effect to such allocation, allotment and issuance, approval be and is hereby given to the Directors of the Company to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Directors of the Company may deem fit and in the best interest of the Company."

(Ordinary Resolution 11)

NOTICE OF ANNUAL GENERAL MEETING

(continued)

11. Proposed amendment to the Constitution of the Company

“THAT, the deletion of the existing Article 96.1 of the Constitution of the Company, as set out below, be and is hereby approved.

Article 96 The office of Director shall, ipso facto, be vacated –

~~96.1—upon his attainment of the age of 70 years, unless it has been previously approved by resolution passed by a majority of not less than three fourths of such members of the Company entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of the Company;” (Special Resolution 1)~~

12. 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
29 April 2017

NOTES:

- The Agenda item No. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
- 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. There shall be no restriction as to the qualification of the proxy. A member who is an exempt authorised nominee may appoint at least one proxy in respect of each securities account it holds.
- 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, and in the case of a poll, it shall be deposited not less than 24 hours before the time appointed for the taking of the poll.
- Explanatory notes on Special Business

a. Ordinary Resolution 6 – Re-appointment of Director

The proposed Resolution 6 is to seek the shareholders' approval on the re-appointment of Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas who had been re-appointed in the previous Annual General Meeting held on 24 May 2016 as Director under Section 129(6) of the former Companies Act 1965 which was then in force and whose term would expire at the conclusion of this meeting, as Director of the Company. If passed, the proposed Resolution 6 will authorise the continuation of the Director in office from the date of this AGM onwards and he shall subject to retirement by rotation going forward.

b. Ordinary Resolution 7 - Authority to allot and issue shares pursuant to Section 75 of the Companies Act, 2016

The proposed Ordinary Resolution 7, 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 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 Thirtieth AGM held on 24 May 2016 and hence no proceeds were raised therefrom.

c. Ordinary Resolution 8 - Proposed Renewal of Authority for the Proposed Share Buy-Back

The proposed Ordinary Resolution 8, 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 29 April 2017 which is despatched together with this Annual Report

NOTICE OF ANNUAL GENERAL MEETING

(continued)

d. Ordinary Resolutions 9 and 10 – 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.

e. Ordinary Resolution 11 – Proposed grant of additional ESOS Options to Hew Moi Lan ("the Proposed Allocation")

The proposed Ordinary Resolution 11 is made pursuant to the LTIP which had been approved by the shareholders of the

Company at the Extraordinary General Meeting ("EGM") held on 18 June 2014. The LTIP was implemented on 1 July 2014 and is currently in force for a period of ten (10) years from the effective date of implementation of the LTIP ("LTIP Period").

The shareholders at the EGM had earlier approved the offer and grant Hew Moi Lan up to 2,500,000, options to subscribe for new SEGi Shares and/or SEGi Shares under the LTIP, subject to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the LTIP By-Laws. The Board now wishes to seek the approval of shareholders to allocate additional ESOS Options up to 1,400,000 as described in the Ordinary Resolution 10.

The proposed Ordinary Resolution 11 is to approve the Proposed Allocation, subject always to such terms and conditions and/or any adjustments and/or variations which may be made in accordance with the provisions of the LTIP By-Laws.

The Proposed Allocation is part of the incentive scheme which SEGi has implemented for all its employees.

Hew Moi Lan, is eligible to participate in the LTIP, and is therefore deemed interested to the extent of her Proposed Allocation under the LTIP. Accordingly, she has declared her interest in the Proposed Allocation and has abstained and will continue to abstain from deliberating and voting on any subject matter pertaining to her entitlement under the LTIP at the Board meeting(s) and will continue to abstain from voting in respect of her direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Allocation to be tabled at this AGM. Hew Moi Lan shall also ensure that persons connected with her will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolution approving the Proposed Allocation to be tabled at this AGM.

Save as disclosed above, none of the other Directors, major shareholders and/or persons connected to her has any interest, whether direct or indirect, in the Proposed Allocation.

f. Special Resolution – Proposed amendment to the Constitution of the Company

The Special Resolution, if passed, will render the Constitution of the Company to be in line with the Companies Act, 2016 following the repeal of Section 129 of the Companies Act, 1965 in respect of a Director over the age of 70.

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 election, re-election and re-appointment 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 6, 7, 8 and 12 – Profile of the Board of Directors in this Annual Report.

110	115	115	116	120
Directors' Report	Statement by Directors	Statutory Declaration	Independent Auditors' Report	Statements of Comprehensive Income
122	124	127	129	197
Statements of Financial Position	Statements of Changes in Equity	Statements of Cash Flows	Notes to the Financial Statements	Supplementary Information

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 2016.

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. Corporate information is disclosed in Note 1 to the financial statements.

The principal activities and other information relating to the subsidiaries are disclosed 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	27,038	13,123
Loss net of tax from discontinued operation	(113)	-
	<u>26,925</u>	<u>13,123</u>
Attributable to:		
Equity holders of the Company	27,111	13,123
Non-controlling interests	(186)	-
	<u>26,925</u>	<u>13,123</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.

Dividends

The amounts of dividends paid by the Company since 31 December 2015 were as follows:

RM'000

In respect of the financial year ended 31 December 2016:

First interim single tier dividend of RM0.06 per ordinary share of RM0.25 each amounting to RM43,322,958.48 declared on 25 February 2016 in respect of the financial year ended 31 December 2016, paid on 20 April 2016.

43,323

The directors do not propose any final dividend for the financial year ended 31 December 2016.

Issues of shares and debentures

On 29 August 2016, the Company announced the proposed capital reduction and repayment of RM0.15 in cash for each ordinary share of RM0.25 each to the shareholders by way of a reduction of the issued and paid-up share capital of the Company under Section 64 of the Companies Act, 1965, whereby the par value of each ordinary share in the Company will be reduced from RM0.25 to RM0.10 per share.

On 18 January 2017, the Company paid the capital repayment of RM0.15 amounting to RM108,307,000 to the entitled shareholders.

There was no issue of new ordinary shares or debentures by the Company during the financial year.

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 29(e) 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

(continued)

Treasury shares

During the financial year, the Company purchased 1,000 of its issued ordinary shares on the open market under the share buy-back programme. Details are as follows:

	Lowest RM	Price per share Highest RM	Average RM	No of shares	Par value RM	Cost of shares RM'000
At 1 January 2016				26,047,600		37,485
Additions during the financial year	1.28	1.28	1.28	1,000	0.25	1
At 31 December 2016				26,048,600		37,486

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.

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
 Datuk Mohamed Azahari Bin Mohamed Kamil (Appointed on 24 May 2016)
 Hew Moi Lan
 Dato' Sri Chee Hong Leong (Retired on 24 May 2016)
 Dato' Amos Siew Boon Yeong
 Nicholas Rupert Heylett Bloy
 Goh Leng Chua
 Fua Chye Jin

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' REPORT

(continued)

Directors' interests

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

	Number of ordinary shares of RM0.25 each			
	1.1.2016	Acquired	Sold	31.12.2016
The Company				
Direct interest				
Tan Sri Clement Hii Chii Kok	231,405,116	-	-	231,405,116
Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	16,662	23,000	-	39,662
Hew Moi Lan	464,800	-	-	464,800
Dato' Amos Siew Boon Yeong	2,200,000	-	-	2,200,000
Indirect interest				
Nicholas Rupert Heylett Bloy ^	499,484,720	-	-	499,484,720
Tan Sri Clement Hii Chii Kok *	268,079,604	-	-	268,079,604

^ Deemed interests through Pinnacle Heritage Solutions Sdn. Bhd. ("PHS")

* Deemed interests in such SEGi shares held by PHS pursuant to the shareholders' agreement dated 25 April 2012 entered between Tan Sri Clement Hii Chii Kok and PHS for regulating their relationship with one another as shareholders of SEGi.

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.

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:
- 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
 - 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.

DIRECTORS' REPORT

(continued)

Other statutory information (cont'd.)

- (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, except as disclosed in the financial statements:
- (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 2017.

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 120 to 196 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 2016 and of their financial performance and cash flows for the year then ended.

The information set out in Note 37 to the financial statements on page 197 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 2017.

**Tan Sri 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 120 to 197 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 Apr 2017

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 audit of the financial statements

Opinion

We have audited the financial statements of SEG International Bhd, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 120 to 196.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their 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.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Goodwill

As at 31 December 2016, the carrying amount of goodwill recognised by the Group stood at RM27,778,000, which represents 17% of the Group's total non-current assets and 14% of the Group's total equity. This goodwill relates to three subsidiaries principally engaged in the educational activities as disclosed in Note 16 to the financial statements. The Group is required to perform annual impairment test of the cash generating units (CGUs) or groups of CGUs to which this goodwill has been allocated. The Group estimated the recoverable amount of its CGUs or groups of CGUs to which the goodwill is allocated based on value in use (VIU) calculations using a five-year cash flows projections.

We consider this impairment test to be an area of audit focus due to the significance of the amount, the complexity of the assessment process and the significant management judgement and assumptions involved. Specifically, we focus on the evaluation of the assumptions on expected revenue growth and discount rate.

INDEPENDENT AUDITORS' REPORT

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

In addressing this area of focus, we performed, among others, the following procedures:

- (a) Obtained an understanding of the relevant internal process in estimating the recoverable amount of the CGUs or groups of CGUs;
- (b) Considered the historical accuracy of management's estimates of profits (and the resulting cash flows) in previous years; and
- (c) Evaluated the key assumptions used in estimating the expected number of students to enrol to the courses by comparing to the historical actual trends analysis of student headcounts in previous years.

We have also evaluated the adequacy of the Group's disclosures of each key assumption on which the Group has based its cash flow projections. Key assumptions are those to which the recoverable amount is most sensitive, as disclosed in Note 16(a) to the financial statements.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that 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 of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT
AUDITORS' REPORT**

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

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.

Other reporting responsibilities

The supplementary information set out in Note 37 to the financial statements on page 197 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 2017

Kua Choh Leang
No. 02716/01/2019
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Continuing operations					
Revenue	4	260,133	253,183	39,358	97,689
Cost of services	5	(80,232)	(80,047)	(4,305)	(2,623)
Gross profit		179,901	173,136	35,053	95,066
Interest income	6	1,199	1,058	2,777	3,207
Other income	7	8,478	10,296	4,150	874
Distribution expenses		(30,801)	(26,039)	(144)	(178)
Administrative expenses		(63,117)	(60,374)	(4,556)	(4,617)
Other expenses		(65,294)	(69,853)	(24,545)	(23,227)
Operating profit		30,366	28,224	12,735	71,125
Finance costs	8	(207)	(159)	-	(1)
Profit before tax from continuing operations	9	30,159	28,065	12,735	71,124
Income tax (expense)/credit	12	(3,121)	(2,901)	388	(529)
Profit net of tax from continuing operations		27,038	25,164	13,123	70,595
Discontinued operation					
Loss net of tax from discontinued operation	30	(113)	(1,268)	-	-
Profit for the year		26,925	23,896	13,123	70,595
Other comprehensive income/(loss):					
Item that cannot be reclassified to profit or loss:					
Fair value gain on available for sale financial assets		50	40	-	-
Item that can be reclassified to profit or loss:					
Foreign currency translation reserve		579	(948)	-	-
Other comprehensive income/(loss), net of tax		629	(908)	-	-
Total comprehensive income for the year		27,554	22,988	13,123	70,595

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2016
(continued)

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(loss) attributable to:					
Equity holders of the Company		27,111	24,046	13,123	70,595
Non-controlling interests		(186)	(150)	-	-
		26,925	23,896	13,123	70,595
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		27,740	23,138	13,123	70,595
Non-controlling interests		(186)	(150)	-	-
		27,554	22,988	13,123	70,595
Earnings per share attributable to equity holders of the Company					
- Basic	13	3.75 sen	3.43 sen		
- Diluted	13	3.75 sen	3.43 sen		
Earnings per share from continuing operations attributable to equity holders of the Company:					
- Basic	13	3.77 sen	3.61 sen		
- Diluted	13	3.77 sen	3.61 sen		
Loss per share from discontinued operations attributable to equity holders of the Company:					
- Basic	13	(0.02) sen	(0.18) sen		
- Diluted	13	(0.02) sen	(0.18) sen		

**STATEMENTS OF
FINANCIAL POSITION**
as at 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Assets					
Non-current assets					
Property, plant and equipment	15	120,661	125,389	6,772	6,958
Intangible assets	16	27,829	27,865	-	-
Investment in subsidiaries	17	-	-	85,299	86,850
Other investment	18	920	870	-	-
Receivables	20	244	1,469	25,767	24,475
Deferred tax assets	25	10,890	10,189	1,871	1,508
		160,544	165,782	119,709	119,791
Current assets					
Inventories	19	98	100	-	-
Receivables	20	20,645	27,224	70,479	102,156
Tax recoverable		11,904	20,714	1,325	2,309
Cash and bank balances	21	71,397	57,826	32,617	22,586
Other financial asset	22	35,726	27,306	35,726	27,306
Assets of disposal group classified as held for sale	30	-	57,486	-	-
		139,770	190,656	140,147	154,357
Total assets		300,314	356,438	259,856	274,148
Equity and liabilities					
Current liabilities					
Hire purchase liabilities	23	1,570	1,454	-	-
Payables	24	88,384	84,636	35,072	19,273
Current tax liabilities		558	372	-	-
Liabilities directly associated with disposal group classified as held for sale	30	-	44,193	-	-
		90,512	130,655	35,072	19,273
Net current assets		49,258	60,001	105,075	135,084

**STATEMENTS OF
FINANCIAL POSITION**

*as at 31 December 2016
(continued)*

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current liabilities					
Hire purchase liabilities	23	1,474	1,606	-	-
Payables	24	-	-	1,206	1,271
Deferred tax liabilities	25	4,843	4,972	538	563
		6,317	6,578	1,744	1,834
Total liabilities		96,829	137,233	36,816	21,107
Net assets		203,485	219,205	223,040	253,041
Equity attributable to equity holders of the Company					
Share capital	26	187,024	187,024	187,024	187,024
Treasury shares	27	(37,486)	(37,485)	(37,486)	(37,485)
Share premium	28	68,504	68,504	68,504	68,504
Reserves	29	(13,688)	1,695	4,998	34,998
		204,354 (869)	219,738 (533)	223,040 -	253,041 -
Non-controlling interests					
Total equity		203,485	219,205	223,040	253,041
Total equity and liabilities		300,314	356,438	259,856	274,148

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2016

Group	Note	Non-distributable				Share-based		Accumulated losses	Attributable to equity holders		Non-controlling interests	Total equity
		Share capital	Treasury shares	Share premium	Available-for-sale financial asset reserve	Exchange translation reserve	payment reserve		of the Company	controlling interests		
		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 2016		187,024	(37,485)	68,504	(70)	160	2,345	(740)	219,738	(533)		219,205
Profit for the year		-	-	-	-	-	-	27,111	27,111	(186)		26,925
<u>Other comprehensive income for the year, net of tax:</u>												
Available-for-sale financial assets:												
- Gain on fair value changes		-	-	-	50	-	-	-	50	-		50
Foreign currency translation		-	-	-	-	579	-	-	579	-		579
Total comprehensive income for the year		-	-	-	50	579	-	27,111	27,740	(186)		27,554
Transactions with owners:												
- Purchase of own shares	27	-	(1)	-	-	-	-	-	(1)	-		(1)
- Share-based payment	29(e)	-	-	-	-	-	200	-	200	-		200
- Dividends	14	-	-	-	-	-	-	(43,323)	(43,323)	-		(43,323)
- Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(150)		(150)
As at 31 December 2016		187,024	(37,486)	68,504	(20)	739	2,545	(16,952)	204,354	(869)		203,485

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2016
(continued)

Group	Note	Non-distributable					Distributable		Attributable to equity holders		Non-controlling interests	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)	Company		
		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	27	-	(3)	-	-	-	-	-	-	(3)	-	(3)
- Share-based payment	29(e)	-	-	-	-	-	-	1,484	-	1,484	-	1,484
- Dividends	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 2016
(continued)*

		Non-distributable			Distributable			
		Share capital	Treasury shares	Share-based premium	payment reserve	Warrant reserve	Retained profits	Total equity
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RIVI'000
Company								
As at 1 January 2016		187,024	(37,485)	68,504	2,345	-	32,653	253,041
Total comprehensive income for the year		-	-	-	-	-	13,123	13,123
Transactions with owners:								
- Purchase of own shares	27	-	(1)	-	-	-	-	(1)
- Share-based payment	29(e)	-	-	-	200	-	-	200
- Dividends	14	-	-	-	-	-	(43,323)	(43,323)
As at 31 December 2016		187,024	(37,486)	68,504	2,545	-	2,453	223,040
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	29(b)	-	-	7	-	(7)	-	-
- Purchase of own shares	27	-	(3)	-	-	-	-	(3)
- Share-based payment	29(e)	-	-	-	1,484	-	-	1,484
- Dividends	14	-	-	-	-	-	(50,357)	(50,357)
As at 31 December 2015		187,024	(37,485)	68,504	2,345	-	32,653	253,041

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash flows from operating activities					
Profit before tax from continuing operations		30,159	28,065	12,735	71,124
Loss before tax from discontinued operation		(113)	(1,268)	-	-
Profit before tax, total		30,046	26,797	12,735	71,124
Adjustments for:					
Allowance for impairment loss on amount due from subsidiary	9	-	-	340	-
Unrealised foreign exchange loss	9	90	-	688	-
Dividend income	4	(63)	(63)	(13,839)	(71,781)
Interest income	6	(1,199)	(1,058)	(2,777)	(3,207)
Reversal of allowance for impairment loss on amounts due from subsidiaries	7	-	-	(2,358)	-
Gain on disposal of property, plant and equipment	7, 9	(44)	(223)	-	(50)
Interest expense		207	929	-	1
Bad debts written off	9	150	509	18	17
Depreciation of property, plant and equipment	9, 15	13,331	13,580	280	339
Property, plant and equipment written off	9, 15	461	935	1	-
Amortisation of development costs	9, 16	44	83	-	-
Allowance for impairment loss on trade receivables	9	116	-	-	-
Allowance for impairment loss on other receivables	9	57	-	-	-
(Gain)/loss on disposal of subsidiaries	9	(656)	-	1,191	-
Share-based payment expense		200	1,484	194	308
Operating cash flows before changes in working capital		42,740	42,973	(3,527)	(3,249)
<u>Changes in working capital</u>					
Decrease/(increase) in inventories		2	(42)	-	-
Decrease/(increase) in trade and other receivables		7,221	(986)	2,714	(311)
Increase/(decrease) in trade and other payables		4,310	21,513	(637)	697
Cash generated from/(used in) operations		54,273	63,458	(1,450)	(2,863)
Interest received		1,199	1,058	1,172	1,053
Interest paid		(207)	(929)	-	(1)
Net taxes refunded/(paid)		5,045	(6,689)	984	(906)
Net cash generated from/(used in) operating activities		60,310	56,898	706	(2,717)

STATEMENTS OF CASH FLOWS

*for the financial year ended 31 December
2016 (continued)*

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash flows from investing activities					
Dividend received		63	63	13,839	71,781
Additions of development costs	16	(8)	-	-	-
Proceeds from disposal of property, plant and equipment		384	315	-	50
Purchase of property, plant and equipment		(6,971)	(5,608)	(95)	(296)
Net cash inflows for disposal of subsidiaries		13,770	-	42	-
Placement of other investment		(8,420)	(6,931)	(8,420)	(6,931)
Repayment from/(advances to) subsidiaries		-	-	47,283	(28,384)
Net cash (used in)/generated from investing activities		(1,182)	(12,161)	52,649	36,220
Cash flows from financing activities					
Purchase of own shares	27	(1)	(3)	(1)	(3)
Repayment of hire purchase and finance lease payables		(2,449)	(1,266)	-	(32)
Proceeds from new shares, net of expenses		-	24,015	-	24,015
Dividends paid		(43,323)	(90,798)	(43,323)	(90,798)
Placement of deposits with licensed banks and financial institutions with maturity of more than three months		4,762	(468)	4,770	(467)
Net cash used in financing activities		(41,011)	(68,520)	(38,554)	(67,285)
Net increase/(decrease) in cash and cash equivalents		18,117	(23,783)	14,801	(33,782)
Cash and cash equivalents at beginning of year		43,853	67,636	8,529	42,311
Cash and cash equivalents at end of year	21	61,970	43,853	23,330	8,529

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016

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 disclosed 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 2017.

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 ("IFRS") 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 2016 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 2016, the Group and Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2016.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS 2012-2014 Cycle	1 January 2016
Amendments to MFRS 116, 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116, 141: Agriculture: Bearer Plants	1 January 2016
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, 12, 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016

Adoption of the above standards did not have any effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 31 December 2016
(continued)*

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
MFRS 107: Disclosures Initiatives (Amendments to MFRS 107)	1 January 2017
MFRS 112: Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)	1 January 2017
MFRS 2: Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
MFRS 16: Leases	1 January 2019
Amendments to MFRS 10, 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The above MFRS and Amendments to MFRS that may impact the financial statements of the Group and of the Company are discussed below:

MFRS 107 Disclosures Initiatives (Amendments to MFRS 107)

The amendments to MFRS 107 Statement of Cash Flows requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of this amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosures to be provided by the Group and the Company.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 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, that is 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.

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

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

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.

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

The Group is currently assessing the impact of MFRS 16 and plans to adopt the new standard on the required effective date.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2016. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

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

2.4 Basis of consolidation (cont'd.)

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 intragroup 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.

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.

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

2.5 Business combinations and goodwill (cont'd.)

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 reassesses 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 interests

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

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

2.6 Current versus non-current classification (cont'd.)

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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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 2016
(continued)

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	
	2016 RM	2015 RM	2016 RM	2015 RM
Hong Kong Dollars ("HKD100")	0.578	0.554	0.534	0.508
United States Dollars ("USD")	4.486	4.292	4.145	3.941

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

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

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.

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.

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

2.9 Intangible assets (cont'd.)

(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.

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%

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

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

2.10 Property, plant and equipment (cont'd.)

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.

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, 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 assets 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.

Goodwill is tested for impairment annually as at 31 December 2016 and also when circumstances indicate that the carrying value may be impaired.

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

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.

2.14 Provisions

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

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

2.15 Financial assets (cont'd.)

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.

(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 2016 and 2015.

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

2.15 Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(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 2016
(continued)

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.

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

2.16 Impairment of financial assets (cont'd.)

AFS financial assets (cont'd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

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

2.17 Financial liabilities (cont'd.)

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 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.

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

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

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.

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

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

2.26 Income taxes (cont'd.)

(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.

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

2.26 Income taxes (cont'd.)

(c) Goods and Services Tax ("GST")

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

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

2.29 Fair value measurement (cont'd.)

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: Valuation techniques for which the lowest level input that is significant to the fair value measurement directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to fair value measurement is unobservable

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.

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

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that may have significant effects on the amounts recognised in the financial statements.

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 managements estimates would result in approximately 5.0% (2015: 5.4%) 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

3. Significant accounting estimates and judgements (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(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 25.

4. Revenue

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Educational services rendered	259,250	252,327	732	732
Management fee	-	-	8,947	9,522
Rental income	820	793	15,840	15,654
Dividend income	63	63	13,839	71,781
	260,133	253,183	39,358	97,689

5 Cost of services

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Salaries and related expenses	70,580	67,090	-	-
Other direct costs	9,652	12,957	4,305	2,623
	80,232	80,047	4,305	2,623
Included in other direct costs are the followings:				
Examination fees	870	4,044	-	-
Cost of goods sold	260	191	-	-
Management fees	537	415	4,305	2,623
Sharing and royalty fees	927	1,014	-	-
Students' direct expenses	1,837	2,069	-	-
Library, lab and workshop expenses	1,560	1,275	-	-
Other direct costs	3,661	3,949	-	-
	9,652	12,957	4,305	2,623

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

6. Interest income

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest income from:				
- Subsidiaries	-	-	1,605	2,154
- Fixed deposits	1,199	1,058	1,172	1,053
	1,199	1,058	2,777	3,207

Included in the interest income from subsidiaries of the Company is RM3,000 (2015: Nil) from impaired amounts due from subsidiaries.

7. Other income

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Reversal of allowance for impairment loss on amounts due from subsidiaries (Note 9)	-	-	2,358	-
Gain on disposal of property, plant and equipment (Note 9)	44	223	-	50
Hostel related income	2,969	4,957	-	-
Rental income	116	165	-	-
Laboratory fees	728	1,770	-	-
Fair value gain on other financial asset	921	799	921	799
Student deposits forfeited	1,265	427	-	-
Realised gain on foreign exchange	-	-	13	-
Gain on disposal of subsidiaries (Note 9)	656	-	-	-
Accounting service fees from subsidiaries	-	-	855	-
Others	1,779	1,955	3	25
	8,478	10,296	4,150	874

8. Finance costs

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expense on hire purchase liabilities	207	159	-	1

NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 31 December 2016
(continued)*

9. Profit before tax from continuing operations

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Auditors' remuneration:				
- Auditors of the Company:				
- current year	382	403	115	95
- underprovision in prior year	17	22	4	-
- other services	17	17	17	17
- Other firms of auditors	151	128	-	-
Employee benefits expense (Note 10)	115,420	108,336	1,424	1,657
Directors' remuneration (Note 11)	2,245	1,130	2,245	1,130
Operating lease rentals in respect of leased:				
- premises	30,136	29,239	20,452	19,770
- hostels	4,634	9,515	-	-
- equipments	456	334	-	-
Depreciation and amortisation:				
- property, plant and equipment (Note 15)	13,331	13,580	280	339
- development costs (Note 16)	44	83	-	-
Foreign currency exchange loss/(gain), net:				
- realised	107	246	(13)	1,420
- unrealised	90	-	688	-
(Gain)/loss on disposal of:				
- property, plant and equipment (Note 7)	(44)	(223)	-	(50)
- subsidiaries (Note 7)	(656)	-	1,191	-
Allowance for impairment loss:				
- trade receivables (Note 20(a))	116	-	-	-
- other receivables (Note 20(b))	57	-	-	-
- amount due from a subsidiary	-	-	340	-
Write off of:				
- property, plant and equipment (Note 15)	461	935	1	-
- bad debts	150	509	18	17
Reversal of allowance for impairment loss on amounts due from subsidiaries (Note 7)	-	-	(2,358)	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

10. Employee benefits expense

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Employee benefits expense (Note 9):				
Salaries, wages and allowances	99,924	92,483	1,120	1,232
Social security contributions	918	818	2	2
Contributions to defined contribution plan	10,554	9,780	97	99
Share-based payment expense (Note 30(e))	200	1,484	194	308
Other benefits	3,824	3,771	11	16
	115,420	108,336	1,424	1,657

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,865,000 (2015: RM839,000) and RM1,865,000 (2015: RM839,000) respectively as further disclosed in Note 11.

11. Directors' remuneration

The details of remuneration received and receivable by directors of the Company during the years are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Executive:				
Salaries and other emoluments	1,552	570	1,552	570
Bonus	113	179	113	179
Contributions to defined contribution plan	200	90	200	90
Total executive directors' remuneration (excluding benefits-in-kind)	1,865	839	1,865	839
Estimated money value of benefits-in-kind	146	25	146	25
Total executive directors' remuneration (including benefits-in-kind) (Note 32)	2,011	864	2,011	864
Non-executive:				
Fees	234	266	234	266
Total directors' remuneration including benefits-in-kind (Note 9)	2,245	1,130	2,245	1,130

NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 31 December 2016
(continued)*

11. Directors' remuneration (cont'd.)

The number of directors of the Company whose total remuneration during the years fell within the following bands is analysed below:

	Number of directors			
	Group		Company	
	2016	2015	2016	2015
Executive directors:				
RM100,001 – RM150,000	1	1	1	1
RM650,001 – RM700,000	1	-	1	-
RM700,001 – RM750,000	-	1	-	1
RM1,150,001 – RM1,200,000	1	-	1	-
Non-executive directors:				
Below RM50,001	3	2	3	2
RM50,001 – RM100,000	3	4	3	4

12. Income tax expense/(credit)

The major components of income tax for the years ended 31 December 2016 and 2015 are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax				
- Malaysia income tax	3,072	1,218	-	-
- Foreign income tax	300	270	-	-
- Underprovision of Malaysian income tax in respect of prior years	579	818	-	714
	3,951	2,306	-	714
Deferred tax (Note 25):				
- Origination and reversal of temporary differences	(913)	(751)	(374)	(329)
- Under/(over) provision in respect of prior years	83	1,346	(14)	144
	(830)	595	(388)	(185)
Income tax expense/(credit) recognised in profit or loss	3,121	2,901	(388)	529

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

12. Income tax expense/(credit) (cont'd.)

Domestic current income tax is calculated at the Malaysia statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The reconciliations between income tax and the product of accounting profits multiplied by the applicable corporate tax rate for the years ended 31 December 2016 and 2015 are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before tax from continuing operations	30,159	28,065	12,735	71,124
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	7,238	7,016	3,056	17,781
Adjustments:				
Non-deductible expenses	2,334	2,893	678	273
Non-taxable income	(7,308)	(11,214)	(4,108)	(18,383)
Deferred tax assets not recognised	1,642	2,252	-	-
Utilisation of previously unrecognised deferred tax assets	(131)	(210)	-	-
Utilisation of previously unrecognised allowance for increased export of service	(1,316)	-	-	-
Under/(over) provision in respect of prior years:				
- income tax	579	818	-	714
- deferred tax	83	1,346	(14)	144
Income tax expense/(credit) recognised in profit or loss	3,121	2,901	(388)	529

Tax savings during the financial years arising from:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Utilisation of previously unrecognised				
- tax losses	(116)	(210)	-	-
- capital allowance	(15)	-	-	-
- allowance for increased export of service	(1,316)	-	-	-
	(1,447)	(210)	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

13. Earnings/(loss) per share

Continuing operations

(a) Basic

The basic earnings per share is arrived at by dividing the Group's profit attributable to equity holders of the Company of RM27,111,000 (2015: RM24,046,000) by the weighted average number of ordinary shares in issue during the financial year, net of treasury shares, of approximately 722,049,000 (2015: 701,236,000).

(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 years ended 31 December:

	Group 2016 RM'000	2015 RM'000
Profit attributable to equity holders of the Company	27,111	24,046
Add back: Loss from discontinued operation, net of tax, attributable to equity holders of the Company	113	1,268
Profit net of tax from continuing operations attributable to equity holders of the Company used in computation of basic/diluted earnings per share	27,224	25,314
Weighted average number of ordinary shares	722,049	701,236
Effect of dilution ('000) - Shares Grant Plan ("SGP")	442	261
Adjusted weighted average number of ordinary shares ('000)	722,491	701,497

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

13. Earnings/(loss) per share (cont'd.)

	Group	
	2016 RM'000	2015 RM'000
<u>Basic earnings per share (sen):</u>		
Basic earnings per share for profit from continuing operations, net of tax	3.77	3.61
Basic loss per share for loss from discontinued operations, net of tax	(0.02)	(0.18)
Basic earnings per share for profit for the year, net of tax	3.75	3.43
<u>Diluted earnings per share (sen):</u>		
Diluted earnings per share for profit from continuing operations, net of tax	3.77	3.61
Diluted loss per share for loss from discontinued operations, net of tax	(0.02)	(0.18)
Diluted earnings per share for profit for the year, net of tax	3.75	3.43

There were 2,508,000 share options awarded to employees (out of total number of ESOS option of 17,925,000 allocated) under the existing employee share option scheme that have not been included in the calculation of diluted earnings per share as the options are currently out of money.

14. Dividends

	Group/Company	
	2016 RM'000	2015 RM'000
Recognised during the financial year:		
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
In respect of the financial year ended 31 December 2016:		
First interim single tier dividend of RM0.06 per ordinary share of RM0.25 each paid on 20 April 2016	43,323	-
	43,323	50,357

**NOTES TO THE
FINANCIAL STATEMENTS**

*for the financial year ended 31 December 2016
(continued)*

15. Property, plant and equipment

	Freehold and leasehold lands 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	Capital work-in progress RM'000	Total RM'000
Group								
At 31 December 2016								
Net book value								
At 1 January 2016	9,156	59,996	2,419	49,992	2,303	1,226	297	125,389
Additions	-	-	1,548	5,243	618	1,269	726	9,404
Disposals	-	-	(1)	(39)	-	(300)	-	(340)
Written off (Note 9)	-	-	-	(461)	-	-	-	(461)
Reclassification	-	-	12	119	-	-	(131)	-
Depreciation charge (Note 9)	(6)	(1,225)	(1,652)	(8,962)	(928)	(558)	-	(13,331)
At 31 December 2016	9,150	58,771	2,326	45,892	1,993	1,637	892	120,661
Cost	9,213	68,148	13,502	97,943	8,146	5,177	892	203,021
Accumulated depreciation	(63)	(9,377)	(11,176)	(52,051)	(6,153)	(3,540)	-	(82,360)
Net book value	9,150	58,771	2,326	45,892	1,993	1,637	892	120,661
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

**NOTES TO THE
FINANCIAL STATEMENTS**

*for the financial year ended 31 December 2016
(continued)*

15. Property, plant and equipment (cont'd.)

	Freehold lands RM'000	Buildings RM'000	Computer hardware and software RM'000	Fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Company						
At 31 December 2016						
Net book value						
At 1 January 2016	4,250	2,279	270	159	-	6,958
Additions	-	-	38	57	-	95
Written off (Note 9)	-	-	-	(1)	-	(1)
Depreciation charge (Note 9)	-	(78)	(132)	(70)	-	(280)
At 31 December 2016	4,250	2,201	176	145	-	6,772
Cost	4,250	3,876	608	269	441	9,444
Accumulated depreciation	-	(1,675)	(432)	(124)	(441)	(2,672)
Net book value	4,250	2,201	176	145	-	6,772
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	742	11,790
Accumulated depreciation	-	(1,597)	(655)	(1,838)	(742)	(4,832)
Net book value	4,250	2,279	270	159	-	6,958

NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 31 December 2016
(continued)*

15. Property, plant and equipment (cont'd.)

- (a) During the financial year, the Group acquired property, plant and equipment at aggregate cost of RM9,404,000 (2015: RM7,661,000) of which RM2,433,000 (2015: RM2,053,000) were acquired by means of hire purchase.

Net carrying amounts of property, plant and equipment held under hire purchase agreements are as follows:

	Group	
	2016 RM'000	2015 RM'000
Fixtures, fittings and office equipment	3,822	3,287
Motor vehicles	1,561	1,123
	5,383	4,410

Leased assets are pledged as security for the related hire purchase liabilities. Details of the terms and conditions of the obligation under hire purchase are disclosed in Note 23.

- (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 RM57,325,000 (2015: RM74,249,000) and RM6,451,000 (2015: RM6,529,000) respectively, of which the carrying amount of the freehold land of the Group of Nil (2015: 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 2015	6,236	35,817	42,053
Reclassification during the financial year	801	(801)	-
At 31 December 2015	7,037	35,016	42,053
Additions during the financial year	8	-	8
At 31 December 2016	7,045	35,016	42,061

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

16. Intangible assets (cont'd.)

	Development costs RM'000	Goodwill RM'000	Total RM'000
Accumulated amortisation and impairment			
At 1 January 2015	(6,236)	(7,869)	(14,105)
Reclassification	(631)	631	-
Amortisation (Note 9)	(83)	-	(83)
At 31 December 2015	(6,950)	(7,238)	(14,188)
Amortisation (Note 9)	(44)	-	(44)
At 31 December 2016	(6,994)	(7,238)	(14,232)
Net carrying amount			
At 31 December 2015	87	27,778	27,865
At 31 December 2016	51	27,778	27,829

(a) Impairment testing for CGUs containing goodwill

Goodwill arising from business combinations has been allocated into three individual CGU, namely three subsidiary principally engaged in provision of educational services.

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 board.

NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 31 December 2016
(continued)*

16. Intangible assets (cont'd.)

(a) Impairment testing for CGUs containing goodwill (cont'd.)

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.
- (iii) Discount rate of 9% (2015: 7%) 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% - 11 % 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. Investment in subsidiaries

	Company	
	2016 RM'000	2015 RM'000
Unquoted shares at cost:		
At 1 January	92,113	87,681
ESOS options and PSP Grant shares granted to employees of subsidiaries	6	1,176
Capitalisation of amount due from a subsidiary	651	3,256
Disposal during the year	(2,676)	-
At 31 December	90,094	92,113
Accumulated impairment losses:		
At 1 January	(5,263)	(5,263)
Disposal during the year	468	-
At 31 December	(4,795)	(5,263)
	85,299	86,850

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FINANCIAL STATEMENTS**

*for the financial year ended 31 December 2016
(continued)*

17. Investment in subsidiaries (cont'd.)

The details of the subsidiaries are as follows:

Name of Company	Effective equity interest		Principal activities
	2016 %	2015 %	
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.
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.
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 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 2016
(continued)*

17. Investment in subsidiaries (cont'd.)

The details of the subsidiaries are as follows (cont'd.):

Name of Company	Effective equity interest		Principal activities
	2016 %	2015 %	
Incorporated in Malaysia (cont'd.):			
Held through subsidiaries (cont'd.):			
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.*	94	70	Provision of educational services.
SEGi College (Subang Jaya) Sdn. Bhd.*	100	100	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.
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 Youth Training Sdn. Bhd.**	100	100	Provision of training services.
SEGi Methods Sdn. Bhd.**	100	100	Investment holding.
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.
-Station Solutions Sdn. Bhd.**	100	100	Provision of E-learning solutions.
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.

**NOTES TO THE
FINANCIAL STATEMENTS**

*for the financial year ended 31 December 2016
(continued)*

17. Investment in subsidiaries (cont'd.)

The details of the subsidiaries are as follows (cont'd.):

Name of Company	Effective equity interest		Principal activities
	2016 %	2015 %	
Incorporated in Malaysia (cont'd.):			
Held through subsidiaries (cont'd.):			
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.
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.
Karden Limited** (Note 17(a))	100	-	Provision of education and recruitment services.
Disposed subsidiaries:			
SEGi International Learning - Alliance Sdn. Bhd.* (Note 17(b)(i))	-	100	Provision of training and educational services.
SBT Professional Publications Sdn. Bhd.** (Note 17(b)(ii))	-	100	Operation of a book centre, dealing in all kinds of reading materials, information search and related business.
SEGi International Education Sdn. Bhd.** (Note 17(b)(ii))	-	100	Provision of training and educational services.
Systematic Training Network Sdn. Bhd.** (Note 17(b)(ii))	-	100	Provision of educational services.
SEGi Learning Resources (Sarawak) Sdn. Bhd.** (Note 17(b)(ii))	-	100	Provision of educational and training services.

NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 31 December 2016
(continued)*

17. Investment in subsidiaries (cont'd.)

The details of the subsidiaries are as follows (cont'd.):

Name of Company	Effective equity interest		Principal activities
	2016 %	2015 %	

Incorporated in Malaysia (cont'd.):

Disposed subsidiaries (cont'd.):

Summit Early Childhood Edu-Care (Rawang) Sdn. Bhd.** (Note 17(b)(iii))	-	70	Provision of child educational and related services.
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* 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.

(a) Acquisition of a subsidiary

On 15 February 2016, the Group acquired Karden Limited for a purchase consideration of HKD1.

No disclosure on the fair values of the acquired assets and liabilities as the acquisition of the subsidiary has no material effects on the Group's financial results and financial position.

(b) Disposal of subsidiaries

During the financial year, the Group completed for following disposals:

(i) 100% equity interest in SEGi International Learning Alliance Sdn Bhd ("SILA")

On 1 April 2016, the proposed disposal of the subsidiary of the Company, SEGi International Learning Alliance Sdn Bhd ("SILA") has been completed for a cash consideration of RM14,000,000 as agreed in a share sale agreement with Global Activate Sdn Bhd.

Upon completion of the share sale agreement, SILA was deconsolidated from the Group's financial statements since the Company had lost control over SILA effective on 1 April 2016.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

17. Investment in subsidiaries (cont'd.)

(b) Disposal of subsidiaries (cont'd.)

(i) 100% equity interest in SEGi International Learning Alliance Sdn Bhd ("SILA") (cont'd.)

The deconsolidation of SILA had the following effects:

	Group 2016 RM'000
Consideration received	14,000
Less: Net assets deconsolidated (Note 30)	(13,414)
Gain on deconsolidation of SILA	586
Cash flows arising from deconsolidation	
Consideration received	14,000
Less: Cash and cash equivalents of deconsolidation of SILA (Note 30)	-
Net cash inflows on deconsolidation	14,000

(ii) Other subsidiaries

On 30 June 2016, the Company disposed the following 5 subsidiaries for a cash consideration of RM50,000 to Modulasi Efektif Sdn Bhd:

- (i) Summit Early Childhood Edu-Care (Rawang) Sdn Bhd;
- (ii) SEGi Learning Resources (Sarawak) Sdn Bhd;
- (iii) SEGi International Education Sdn Bhd;
- (iv) Systematic Training Network Sdn Bhd; and
- (v) SBT Professional Publications Sdn Bhd.

Upon the disposal, these 5 subsidiaries were deconsolidated from the Group's financial statements since the Company had lost control over these subsidiaries effective on 1 July 2016.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

17. Investment in subsidiaries (cont'd.)

(b) Disposal of subsidiaries (cont'd.)

(ii) Other subsidiaries (cont'd.)

The deconsolidation of these 5 subsidiaries had the following effects:

	Group 2016 RM'000	Company 2016 RM'000
Consideration received	50	42
Add : Net liability deconsolidated	20	-
Less: Carrying amount of investment	-	(1,233)
Gain/(loss) on deconsolidation	70	(1,191)
Cash flows arising from deconsolidation		
Consideration received	50	42
Less: Cash and cash equivalents of deconsolidation	-	-
Net cash inflows on deconsolidation	50	42

18. Other investment

	Group 2016 RM'000	2015 RM'000
Non current:		
Fair value through other comprehensive income		
Quoted shares	920	870

The Group designated its investments in quoted shares as available-for-sale financial assets and measured at fair value.

19. Inventories

	Group 2016 RM'000	2015 RM'000
Cost		
Eyecare and health related products	98	100

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

19. Inventories (cont'd.)

Inventories represent eyecare and healthcare 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 RM260,000 (2015: RM191,000).

20. Receivables

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current					
Trade					
Trade receivables	(a)	7,371	13,909	-	-
Non-trade					
Other receivables, deposits and prepayments	(b)	13,274	13,315	1,595	3,233
Amounts due from subsidiaries	(c)	-	-	68,884	98,923
Total current trade and other receivables		20,645	27,224	70,479	102,156
Non-current					
Non-trade					
Deposits	(b)	244	1,469	-	-
Amounts due from subsidiaries	(c)	-	-	25,767	24,475
		244	1,469	25,767	24,475
Total trade and other receivables (current and non-current)		20,889	28,693	96,246	126,631
Add: Cash and bank balances (Note 21)		71,397	57,826	32,617	22,586
Less: Prepayments		(7,534)	(7,661)	(466)	(866)
Total loans and receivables		84,752	78,858	128,397	148,351

(a) Trade receivables

	Group	
	2016 RM'000	2015 RM'000
Trade receivables	7,619	14,041
Allowance for impairment losses	(248)	(132)
	7,371	13,909

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

20. Receivables (cont'd.)

(a) Trade receivables (cont'd.)

The normal trade credit terms granted by the Group ranged from 30 to 180 days (2015: 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	
	2016 RM'000	2015 RM'000
Neither past due nor impaired	7,371	13,909
Impaired	248	132
	7,619	14,041

Trade 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 neither past due nor impaired have been renegotiated during the financial year.

Trade 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	
	2016 RM'000	2015 RM'000
Group		
Trade receivables - nominal amounts	248	132
Less: Allowance for impairment losses	(248)	(132)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

20. Receivables (cont'd.)

(a) Trade receivables (cont'd.)

Movement in allowance accounts:

	2016 RM'000	2015 RM'000
At 1 January	(132)	(132)
Charge for the year (Note 9)	(116)	-
At 31 December	(248)	(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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current				
Deposits	244	1,469	-	-
Current				
Other receivables, deposits and prepayments	13,828	13,812	1,595	3,233
Allowance for impairment losses	(554)	(497)	-	-
	13,274	13,315	1,595	3,233
	13,518	14,784	1,595	3,233

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	
	2016 RM'000	2015 RM'000
Group		
Other receivables - nominal amounts	554	497
Less: Allowance for impairment losses	(554)	(497)
	-	-

**NOTES TO THE
FINANCIAL STATEMENTS**

*for the financial year ended 31 December 2016
(continued)*

20. Receivables (cont'd.)

(b) Other receivables, deposits and prepayments (cont'd.)

Movement in allowance accounts:

	2016 RM'000	2015 RM'000
Group		
At 1 January	(497)	(497)
Charge for the year (Note 9)	(57)	-
At 31 December	(554)	(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 2016 RM'000	2015 RM'000
Interest bearing	94,254	123,095
Non-interest bearing	397	303
	94,651	123,398

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% (2015: 1% - 5%) per annum.

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 2016 RM'000	2015 RM'000
Hong Kong Dollar ("HKD")	246	211

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

21. Cash and bank balances

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Short-term deposits with financial institutions	9,101	4,671	9,101	4,671
Fixed deposits with licensed banks (Note a)	14,427	14,189	14,287	14,057
Cash and bank balances	47,869	38,966	9,229	3,858
	71,397	57,826	32,617	22,586

- (a) Fixed deposits with licensed banks of the Group and of the Company amounting to approximately RM9,427,000 (2015: RM14,193,000) and RM9,287,000 (2015: RM14,057,000) 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	
	2016	2015	2016	2015
WAEIR (%)	3.17	3.20	3.17	3.20
Average maturities	1 - 16 months	1 - 16 months	1 - 16 months	1 - 16 months

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Deposits, cash and bank balances:				
- Continuing operations	71,397	57,826	32,617	22,586
- Discontinued operation	-	216	-	-
Total deposits, cash and bank balances	71,397	58,042	32,617	22,586
Less: Deposits with licensed banks with maturity of more than three months	(9,427)	(14,189)	(9,287)	(14,057)
Total cash and cash equivalents	61,970	43,853	23,330	8,529

As at 31 December 2016, the Company has available RM50,000,000 (2015: Nil) of undrawn committed borrowing facilities.

**NOTES TO THE
FINANCIAL STATEMENTS**

*for the financial year ended 31 December 2016
(continued)*

22. Other financial asset

	Group/Company 2016 RM'000	2015 RM'000
Current:		
Fair value through profit or loss		
Fixed and call deposit with a licensed financial institution	35,726	27,306

23. Hire purchase liabilities

	Group 2016 RM'000	2015 RM'000
Minimum lease payments:		
- repayable within 1 year	1,697	1,595
- repayable between 1 year to 5 years	1,558	1,688
	3,255	3,283
Less: Future finance charges	(211)	(223)
Present value	3,044	3,060

The net hire purchase liabilities are repayable as follows:

	Group 2016 RM'000	2015 RM'000
Non-current:		
- repayable between 1 year to 5 years	1,474	1,606
Current:		
- not later than 1 year	1,570	1,454
	3,044	3,060

The hire purchase liabilities at the end of the reporting period bore effective interest rates ranging from 4.5% to 6.5% (2015: 3.5% to 6.8%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

24. Payables

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current					
Trade					
Trade payables	(a)	130	441	-	-
Other payables					
Other payables and accruals	(b)	88,254	84,195	2,157	2,729
Amounts due to subsidiaries	(c)	-	-	32,915	16,544
		88,254	84,195	35,072	19,273
		88,384	84,636	35,072	19,273
Non-current					
Deposits		-	-	1,206	1,271
Total trade and other payables		88,384	84,636	36,278	20,544
Add: Borrowings (Note 23)		3,044	3,060	-	-
Total financial liabilities carried at amortised cost		91,428	87,696	36,278	20,544

(a) Trade payables

The normal trade credit terms granted to the Group ranged from 30 to 90 days (2015: 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 RM21,647,000 (2015: RM35,072,000).

(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	
	2016 RM'000	2015 RM'000
United States Dollar ("USD")	8,883	3,013

**NOTES TO THE
FINANCIAL STATEMENTS**

*for the financial year ended 31 December 2016
(continued)*

25. Deferred tax assets/(liabilities)

Deferred tax as at 31 December relates to the following:

	As at 1 January 2015 RM'000	Recognised in profit or loss RM'000	As at 31 December 2015 RM'000	Recognised in profit or loss RM'000	As at 31 December 2016 RM'000
Group					
Deferred tax assets					
Unabsorbed capital allowances	3,002	(1,083)	1,919	(655)	1,264
Unused tax losses	4,290	314	4,604	(1,091)	3,513
Unutilised tax credit	3,220	446	3,666	(2,311)	1,355
Other temporary differences	-	-	-	4,758	4,758
	10,512	(323)	10,189	701	10,890
Deferred tax liabilities					
Property, plant and equipment	(4,700)	(272)	(4,972)	129	(4,843)
	5,812	(595)	5,217	830	6,047
Company					
Deferred tax assets					
Unabsorbed capital allowances	1,126	68	1,194	(40)	1,154
Unused tax losses	-	314	314	403	717
	1,126	382	1,508	363	1,871
Deferred tax liability					
Property, plant and equipment	(366)	(197)	(563)	25	(538)
	760	185	945	388	1,333

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

25. Deferred tax assets/(liabilities) (cont'd.)

Deferred tax as at 31 December relates to the following (cont'd.):

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Presented after appropriate offsetting as follows:				
Deferred tax assets	10,890	10,189	1,871	1,508
Deferred tax liabilities	(4,843)	(4,972)	(538)	(563)
	6,047	5,217	1,333	945

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2016 RM'000	2015 RM'000
Unabsorbed capital allowances	36,548	11,931
Unused tax losses	12,331	32,534
Unutilised tax credit	748	748
Other deductible temporary differences	2,672	244
	52,299	45,457

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 2016
(continued)*

26. Share capital

	Par value RM	2016 '000	Group/Company 2015 '000	2016 RM'000	2015 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	748,098	700,065	187,024	175,017
Exercise of warrants	0.25	-	48,033	-	12,007
At 31 December	0.25	748,098	748,098	187,024	187,024

(a) Share capital

- (i) On 29 August 2016, the Company announced the proposed repayment of RM0.15 in cash for each ordinary share of RM0.25 each to the shareholders by way of a reduction of the issued and paid-up share capital of the Company under Section 64 of the Companies Act, 1965, whereby the par value of each ordinary share in the Company will be reduced from RM0.25 to RM0.10 per share.

On 18 January 2017, the Company paid the capital repayment of RM0.15 amounting to RM108,307,000 to the entitled shareholders.

- (ii) In the previous 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 ranked 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 2016
(continued)

27. 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 →					
	Lowest RM	Highest RM	Average RM	No of shares	Par value RM	Cost of shares RM'000
Balance 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
Balance at 31 December 2015/1 January 2016				26,047,600		37,485
Additions during the financial year	1.28	1.28	1.28	1,000	0.25	1
Balance at 31 December 2016				26,048,600		37,486

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.

28. Share premium

The movement in the share premium of the Group and of the Company is as follows:

	Group/Company	
	2016 RM'000	2015 RM'000
At 1 January	68,504	55,288
Exercise of warrants	-	13,209
Effect arising from expiry of warrants	-	7
At 31 December	68,504	68,504

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.

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*for the financial year ended 31 December 2016
(continued)*

29. Reserves

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Accumulated losses/retained profits	(a)	(16,952)	(740)	2,453	32,653
Warrant reserve	(b)	-	-	-	-
Available-for-sale financial asset reserve	(c)	(20)	(70)	-	-
Exchange translation reserve	(d)	739	160	-	-
Share-based payment reserve	(e)	2,545	2,345	2,545	2,345
		(13,688)	1,695	4,998	34,998

(a) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2016 and 31 December 2015 under the single tier system.

(b) Warrant reserve

The movements in the warrant reserve of the Group and of the Company were as follows:

	Group/Company	
	2016 RM'000	2015 RM'000
At 1 January	-	1,208
Exercise of warrants	-	(1,201)
Effect arising from expiry of warrants	-	(7)
At 31 December	-	-

The Warrants 2010/2015 were constituted by a Deed Poll dated 15 July 2010.

In the previous financial year up to 5pm on 16 August 2016 ("Expiry Date"), 48,032,840 shares were issued by virtue of the exercise of warrants. Accordingly, 281,234 warrants remained unexercised on the Expiry Date subsequently lapsed and became null and void.

(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 2016
(continued)

29. Reserves (cont'd.)

(e) Share-based payment reserve

Share-based payment 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 payment reserve of the Group and of the Company are as follows:

	Group/Company RM'000
At 31 December 2014	861
Share-based payment expense during the year	1,484
At 31 December 2015	2,345
Share-based payment expense during the year	200
At 31 December 2016	2,545

(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 (reduced to RM0.10 each with effect from 18 January 2017) 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 dormant 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 2016
(continued)*

29. 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 2015) for the implementation of the ESOS.

Details of the ESOS options granted in accordance to MFRS 2 are as follows:

As at 31 December 2016, the Company has an allocation of 18 million (2015: 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 2016, 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	
	2016	2015
	'000	'000
As at 1 January	31,497	31,965
Granted in accordance to MFRS 2	1,719	4,640
Forfeited during the year	(15,291)	(5,108)
Outstanding at 31 December	17,925	31,497

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	
	2016	2015
Dividend yield (%)	5.36	9.63
Expected volatility (%)	21.03	17.75
Risk-free interest rate (%)	3.61	4.11
Exercise share price (RM)	1.18	1.42

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 2016
(continued)

29. 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 (reduced to RM0.10 each with effect from 18 January 2017) in the Company ("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 Companies Act, 1965, 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	
	2016 '000	2015 '000
As at 1 January	4,875	5,115
Granted in accordance to MFRS 2	6	570
Forfeited during the year	(1,618)	(810)
Outstanding at 31 December	3,263	4,875

NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 31 December 2016
(continued)*

30. Loss net of tax from discontinued operation

Disposal of SEGi International Learning Alliance Sdn Bhd ("SILA")

On 19 May 2014, a wholly owned subsidiary of the Company, SEGi International Group Sdn Bhd, entered into a shares sale agreement ("SSA") with Global Activate Sdn Bhd for proposed disposal of the entire issued and paid-up share capital of SILA of 1 million ordinary shares for the cash consideration of RM14 million. The proposed disposal has been completed on 1 April 2016.

Upon completion of the SSA, SILA was deconsolidated from the Group's financial statements since the Company had lost control over SILA effective on 1 April 2016.

The deconsolidation of SILA had the following effects:

Statement of comprehensive income disclosures

The results of SILA for the financial period ended 31 March 2016 and financial year ended 31 December 2015 are as follows:

	Group 1.1.2016 to 31.3.2016 RM'000	1.1.2015 to 31.12.2015 RM'000
Administrative expenses	4	(27)
Other operating expenses	(117)	(471)
Operating loss	(113)	(498)
Finance costs	-	(770)
Loss from discontinued operation, net of tax	(113)	(1,268)

Loss before tax from discontinued operation

The following amounts have been included in arriving at loss from discontinued operation:

	Group 1.1.2016 to 31.3.2016 RM'000	1.1.2015 to 31.12.2015 RM'000
Auditors' remuneration:		
- Current year	-	6
- (Over)/under provision in prior year	(4)	1
Interest expense:		
- Term loan	-	770

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

30. Loss net of tax from discontinued operation (cont'd.)

Disposal of SEGi International Learning Alliance Sdn Bhd ("SILA") (cont'd.)

Statements of financial position disclosures

The major classes of assets and liabilities of SILA as at 31 March 2016 and 31 December 2015 are as follows:

	Group	
	1.1.2016 to 31.3.2016 RM'000	1.1.2015 to 31.12.2015 RM'000
Assets:		
Property	56,970	56,970
Cash and bank balances	-	216
Other receivable	150	300
Total assets	57,120	57,486
Liabilities:		
Payables	(306)	(193)
Term loan	(43,400)	(44,000)
Total liabilities	(43,706)	(44,193)
Net assets disposed	13,414	13,293

Statements of cash flows disclosures

The cash flows attributable to SILA are as follows:

	Group	
	1.1.2016 to 31.3.2016 RM'000	1.1.2015 to 31.12.2015 RM'000
Operating	384	(1,405)
Financing	(600)	1,258
Net cash outflows	(216)	(147)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

31. Commitments and contingencies

(a) Capital commitments

Authorised capital expenditure not provided for in the financial statements:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Approved and contracted for: Property, plant and equipment	220	127	-	-

(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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Future minimum rentals payable:				
Not later than 1 year	31,845	30,987	19,457	19,229
Later than 1 year and not later than 5 years	36,699	51,453	15,063	30,584
Later than 5 years	7,456	13,586	-	1,369
	76,000	96,026	34,520	51,182

(c) Guarantees

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Guarantees				
Secured:				
Bank guarantees given to third parties	25,955	25,955	25,882	25,882
Unsecured:				
Bank guarantees given to third party	14,710	14,710	14,710	14,710
	40,665	40,665	40,592	40,592

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

32. 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 Company also carried out the following transactions with the related parties during the financial years:

	Company	
	2016 RM'000	2015 RM'000
Sale of services to subsidiaries:		
- management fee (Note 4)	8,947	9,522
- maintenance fee	552	552
- rental of premises	15,494	15,105
- service charge	180	180
- accounting fee (Note 7)	855	-
Purchase of services from subsidiaries:		
- accreditation fee	8,669	8,598
- management fee (Note 5)	4,305	2,623
Interest income from subsidiaries (Note 6)	1,605	2,154
Dividend income from subsidiaries (Note 4)	13,839	71,781

Information regarding outstanding balances arising from related party transactions as at 31 December 2016 and 31 December 2015 are disclosed in Note 20 and Note 24.

Compensation of key management personnel:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors of the Company:				
- fee	234	266	234	266
- remuneration	1,811	774	1,811	774
- contributions to EPF	200	90	200	90
	2,245	1,130	2,245	1,130

NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 31 December 2016
(continued)*

32. Related party disclosures (cont'd.)

(b) Significant related party transactions (cont'd.)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Other key management personnel:				
- salary and other short-term employee benefits	2,734	2,943	713	802
- contribution to EPF	363	292	100	95
	3,097	3,235	813	897
Total	5,342	4,365	3,058	2,027

33. 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	21
Borrowings (current and non-current)	23
Trade and other payables (current and non-current)	24

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.

33. 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 investment and other financial asset that are classified as available-for-sale financial assets and financial assets at fair value through profit or loss respectively at their fair values. These financial assets belong to level 1 of the fair value hierarchy.

There were no transfers 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

34. Financial risk management objectives and policies

The Group's and the Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's and the Company's operations. The Group's and the 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 the Company also hold financial assets at fair value through profit and loss.

The Group and the Company are exposed to market risk, credit risk, and liquidity risk. The Group's and the Company's management oversees the management of these risks. The Group's senior management is supported by Audit Committee that provides 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.

(a) Market risk

Market risk is the risk that the fair value or 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 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 does not have material foreign currency transactions, assets or liabilities and hence the exposure to foreign currency risk is minimal.

The following table demonstrates the sensitivity of the Company's profit net of tax to a reasonably possible change of 10% of respective foreign currencies against the functional currency, with all other variables held constant. The sensitivity analysis includes significant outstanding foreign currency denominated monetary items with their translation at year end adjusted for a 10% change in foreign exchange rates as at the end of the financial year, as disclosed in Note 20 and Note 24.

	(Increase)/decrease Company Profit net of tax	
	2016 RM'000	2015 RM'000
Increase by 10%		
USD	(888)	(301)
HKD	25	21
Decrease by 10%		
USD	888	301
HKD	(25)	(21)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

34. Financial risk management objectives and policies (cont'd.)

(a) Market risk (cont'd.)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

In prior year, the Group's exposure to the risk of changes in market interest rates relates primarily to the Group'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	
	2016 RM'000	2015 RM'000
Effects on profit net of tax		
Increase of 100 basis points	-	(470)
Decrease of 100 basis points	-	470

(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 minimal as the investment in quoted shares is considered insignificant.

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2016
(continued)

34. Financial risk management objectives and policies (cont'd.)

(b) Credit risk (cont'd.)

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 2016, approximately 37% (2015: 43%) 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 2016
(continued)

34. 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:

	← 2016 →		
	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables (Note 24)	88,384	-	88,384
Hire purchase liabilities (Note 23)	1,697	1,558	3,255
Total undiscounted financial liabilities	90,081	1,558	91,639
Company			
Financial liabilities:			
Other payables, representing total undiscounted financial liabilities (Note 24)	35,072	1,206	36,278
	← 2015 →		
	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables (Note 24)	84,636	-	84,636
Hire purchase liabilities (Note 23)	1,595	1,688	3,283
Total undiscounted financial liabilities	86,231	1,688	87,919
Company			
Financial liabilities:			
Other payables, representing total undiscounted financial liabilities (Note 24)	19,273	1,271	20,544

NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 31 December 2016
(continued)*

35. 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.

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.

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Hire purchase liabilities (Note 23)	3,044	3,060	-	-
Trade and other payables (Note 24)	88,384	84,636	36,278	20,544
Less: Cash and bank balances (Note 21)	(71,397)	(57,826)	(32,617)	(22,586)
Financial liabilities, attributable to discontinued operation, net of cash and bank balances	-	44,409	-	-
Net debts	20,031	74,279	3,661	(2,042)
Equity attributable to equity holders of the Company	204,354	219,738	223,040	253,041
Gearing ratio	10%	34%	2%	-1%

36. 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 2016
(continued)

37. Supplementary information - Disclosure of realised and unrealised losses/profits

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total accumulated losses/retained profits:				
- realised	(53,632)	(19,715)	874	32,329
- unrealised	6,771	6,016	1,579	324
	(46,861)	(13,699)	2,453	32,653
Consolidation adjustments	29,909	12,959	-	-
At 31 December (Note 29(a))	(16,952)	(740)	2,453	32,653

**GROUP
PROPERTIES**

as at 31 December 2016

No.	Address	Approximate Areas/ Description	Existing Use	Tenure	Approximate Age of Building (years)	NBV as at 31/12/2016 (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	39	6,452	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	40	9,262	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 shophot space	Training Centre	Leasehold Expiry date @ 09/11/2093	13	7,524	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 shophot space	Training Centre	Leasehold Expiry date @ 09/11/2093	13	5,299	08/01/1999
5	Casa Residenza, Service Apartment Block B Persiaran Surian Kota Damansara, PJU 5 47810 Petaling Jaya, Selangor 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 	110,500 sq ft built-up area of 125 units service apartment	Residential	Leasehold Expiry date @ 25/01/2104	4	38,050	31/03/2013

**GROUP
PROPERTIES**

as at 31 December 2016 (continued)

No.	Address	Approximate Areas/ Description	Existing Use	Tenure	Approximate Age of Building (years)	NBV as at 31/12/2016 (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	9	459	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	9	414	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	9	232	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	9	229	19/10/2005
						67,921	

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2017

Total number of issued shares : RM748,097,908*
 Class of shares : Ordinary shares
 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	73	5.16	2,481	0.00
100 – 1,000	163	11.52	108,948	0.02
1,001 – 10,000	668	47.21	3,723,978	0.52
10,001 – 100,000	397	28.06	12,274,486	1.70
100,001 – less than 5% of issued shares	112	7.92	400,369,811	55.45
5% and above of issued shares	2	0.14	305,569,604	42.32
TOTAL	1,415	100.00	722,049,308	100.00

SUBSTANTIAL SHAREHOLDERS

as at 31 March 2017

According to the register required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders (excluding bare trustees) of the Company:-

Name of Shareholders	Direct	No. of shares held		%
		%	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
12. Navis GP Investment HoldCo Ltd	-	-	##499,484,720	69.18

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2017 (continued)

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	No. of shares held		%
		%	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. Datuk Mohamed Azahari Bin Mohamed Kamil	-	-	-	-
4. Hew Moi Lan	464,800	0.06	-	-
5. Dato' Amos Siew Boon Yeong	2,200,000	0.30	-	-
6. Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	39,662	0.01	-	-
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 ("Shareholder Agreement")

++ PHS is deemed interested in such SEGi shares held by TSC pursuant to the Shareholder 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. AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	37,490,000	5.19
3. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	30,000,000	4.15
4. Maybank Investment Bank Berhad IVT	29,600,000	4.10
5. AmSec Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad (Hedging)	27,000,000	3.74
6. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	26,410,000	3.66
7. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	24,881,640	3.45
8. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rexter Capital Sdn Bhd	22,900,071	3.17
9. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	22,266,000	3.08
10. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	22,000,000	3.05
11. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Hii Chii Kok	20,000,000	2.77
12. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	17,157,476	2.38

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2017 (continued)

THIRTY LARGEST SHAREHOLDERS (CONT'D.)

	Name of shareholders	No. of shares	%
13	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Siew Hee	8,965,600	1.24
14	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Basic Index Sdn Bhd	8,533,000	1.18
15	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Hii Chii Kok	8,500,000	1.18
16	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	8,450,000	1.17
17	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	8,000,000	1.11
18	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bonus Tradisi Sdn Bhd	6,546,300	0.91
19	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	6,250,000	0.87
20	Pelaburan Mara Berhad	5,838,000	0.81
21	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Generasi Panduan Sdn Bhd	5,138,700	0.71
22	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Harmoni Genting Sdn Bhd	4,883,800	0.68
23	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad for Yayasan Mohd Noah (A/C2)	4,536,000	0.63
24	Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund	4,488,000	0.62
25	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad for Rexter Capital Sdn Bhd	4,078,500	0.56
26	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tang Lee Hieh	4,000,200	0.55
27	CitiGroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	3,700,000	0.51
28	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account Bonus Tradisi Sdn Bhd	3,610,000	0.50
29	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Symphony Diversified Sdn Bhd	3,537,500	0.49
30	Kenanga Nominees (Tempatan) Sdn Bhd Perdana Technology Venture Sdn Bhd	3,128,160	0.43

SEGi GROUP OF COLLEGES

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
Fax : 603 8605 3816
info@ifpa.com.my

Bumi Intuisi Sdn Bhd

1-03-A (1C), Level 1,
Luxor Tech Centre, No. 1A,
Jalan Teknologi 3/4,
Taman Sains Selangor 1,
Kota Damansara PJU5,
47810 Petaling Jaya.
Tel : 603 6148 9984
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contact@bumi-intuisi.com.my

Platinum Icon Sdn Bhd

1-03-A (1A), Level 1,
Luxor Tech Centre, No. 1A,
Jalan Teknologi 3/4,
Taman Sains Selangor 1,
Kota Damansara PJU5,
47810 Petaling Jaya.
Tel : 603 6144 6512
Fax : 603 6143 5409
contact@platinumicon.com.my

Milenium Optima Sdn Bhd

1-03-A (1B), Level 1,
Luxor Tech Centre, No. 1A,
Jalan Teknologi 3/4,
Taman Sains Selangor 1,
Kota Damansara PJU5,
47810 Petaling Jaya.
Tel : 603 6143 6295
Fax : 603 6143 5409
contact@milenumoptima.com

Summit Early Childhood Edu-Care Sdn Bhd

5th Floor, SEGi College,
Persiaran Kewajipan USJ 1,
47600 UEP Subang Jaya,
Selangor Darul Ehsan
Tel : 603 8600 1777
Fax : 603 8605 3999
sylow@segi.edu.my

Agensi Pekerjaan Job Venture Sdn Bhd

5th Floor, SEGi University,
No. 9, Jalan Teknologi,
Taman Sains Selangor,
Kota Damansara, PJU 5,
47810 Petaling Jaya,
Selangor Darul Ehsan
Tel : 603 6145 2777
Fax : 603 6145 2666
info@job-venture.net

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

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SEG
International
Bhd

(145998 U)

FORM OF PROXY

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 Thirty-First 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 Thursday, 25 May 2017 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 Tan Sri Clement Hii Chii Kok in accordance with Article 86 of the Constitution of the Company.		
3.	Re-election of Goh Leng Chua in accordance with Article 86 of the Constitution of the Company.		
4.	Election of Datuk Mohamed Azahari Bin Mohamed Kamil in accordance with Article 93 of the Constitution of the Company.		
5.	Re-appointment of Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.		
6.	Re-appointment of Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas as Director.		
7.	Authority pursuant to Section 75 of the Companies Act, 2016 for Directors to issue shares.		
8.	Proposed Renewal of Authority for the Proposed Share Buy-Back.		
9.	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.		
10.	Retention of Dato' Amos Siew Boon Yeong as Independent Non-Executive Director in accordance with Malaysian Code on Corporate Governance 2012.		
11.	Proposed Allocation of Employees' Share Option Scheme Options under the Long Term Incentive Plan to Hew Moi Lan.		
	SPECIAL RESOLUTION		
1.	Proposed amendment to the Constitution of the Company.		

Dated this _____ day of _____ 2017

Number of shares held _____

Signature of member(s) _____

Notes:

- 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.
- 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.
- A proxy may but need not be a member of the Company and there is no restriction as to the qualification of the proxy.
- 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.
- 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.
- If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its Attorney.
- 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, and in the case of a poll, it shall be deposited not less than 24 hours before the time appointed for the taking of the poll.

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Affix
Stamp

SEG International Bhd (145998 U)
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 &
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