



SEG
International
Bhd

segi.edu.my

EMBRACING A VIBRANT FUTURE

Annual Report 2017



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

The best in you, made
POSSIBLE

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Cover Rationale

Due to the high standards maintained by SEGi University & Colleges, all students can look forward to successful careers in their chosen fields. On the cover, students are beaming with confidence and they are integrated into the headline, Embracing A Vibrant Future, which is inspired by the endless possibilities that lie ahead of them.

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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

Hew Moi Lan
Executive Director / Chief Executive Officer

Nicholas Rupert Heylett Bloy
Non-Independent Non-Executive Director

Datuk Mohamed Azahari Bin Mohamed Kamil
Non-Independent Non-Executive Director

Dato' Amos Siew Boon Yeong
Independent Non-Executive Director

Dato Goh Leng Chua
Independent Non-Executive Director

Edwin Fua Chye Jin
Non-Independent Non-Executive Director

Company Secretaries

Chong Poh Yee
(MIA 7620)

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

Stock Exchange Listing

Main Market of
Bursa Malaysia Securities Berhad

Auditors

Ernst & Young (EY)
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

Tel: 603 7495 8000
Fax: 603 2095 5332

Registrar

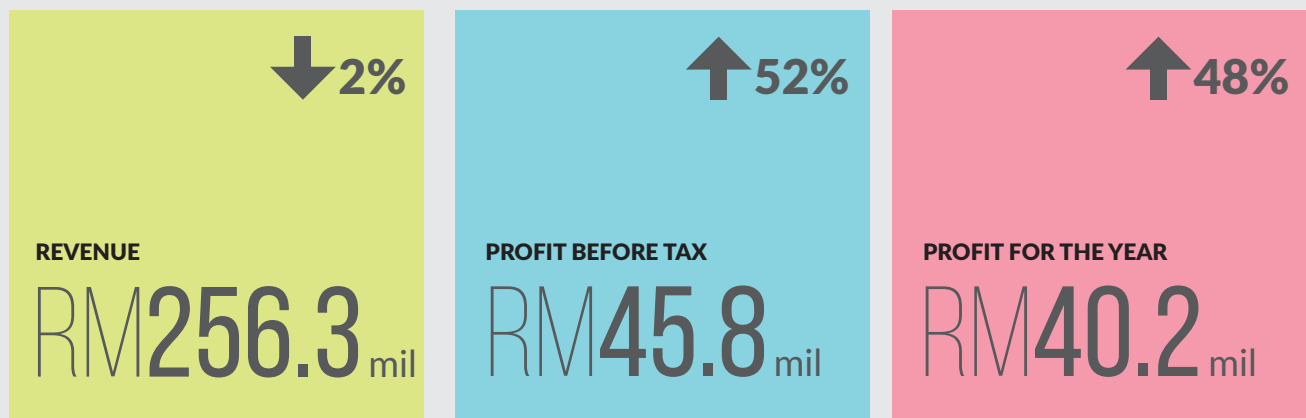
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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

GROUP 5-YEARS FINANCIAL SUMMARY

	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000	2017 RM'000
Revenue	236,774	242,012	253,183	260,249	256,286
Profit before tax	31,709	24,412	26,797	30,046	45,772
Profit for the year - attribute to shareholders	32,978	23,363	24,046	27,111	40,182
Share capital	167,090	175,017	187,024	187,024	147,503
Shareholders' fund	253,559	221,461	219,738	204,354	91,140
Total assets	355,037	375,479	356,383	300,314	264,761
Basic earnings per share (sen)	5.14	3.63	3.43	3.75	3.25
Net dividend for the year (sen)	7.50	11.00	7.00	6.00	3.50
Capital repayment (sen)	-	-	-	-	15.00

2017 FINANCIAL SUMMARY



BOARD OF DIRECTORS



DATO GOH LENG CHUA

NICHOLAS RUPERT HEYLETT BLOY

HEW MOI LAN

TAN SRI CLEMENT HII CHII KOK



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

**DATUK MOHAMED AZAHARI
BIN MOHAMED KAMIL**

DATO' AMOS SIEW BOON YEONG

EDWIN FUA CHYE JIN

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

INDEPENDENT NON-EXECUTIVE CHAIRMAN
- MALAYSIAN -



Tan Sri Dato' Seri Megat Najmuddin, 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, 73, 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) from 1998 till 2015 and currently the Honorary Patron of MICG. He was member of the Advisory

Board of the Malaysian Anti-Corruption Commission (MACC). He is the current President of Persatuan Darul Ridzuan in Wilayah Persekutuan and Selangor (a welfare organisation). In addition, he is the Advisor of the Tan Sri Muhyiddin Charity Golf (TSMCG); and also a trustee of MyKasih (Charity) Foundation and the Vijayaratnam Foundation.

Currently, Tan Sri Dato' Seri Megat Najmuddin is Chairman of Asian Pac Holdings Berhad, and MajuPerak Holdings Berhad. He is also a Director of QNET (M) Sdn Bhd.

He also served as a Non-Executive Independent Director of PETRONAS from April 2010 until April 2017. He was also a long time Chairman of Omesti Berhad and Tradewinds Corporation Berhad.

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 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, 60, is 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 2017.

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.

TAN SRI CLEMENT HII CHII KOK

GROUP MANAGING DIRECTOR
- MALAYSIAN -



Directors' Profile
(continued)

HEW MOI LAN

EXECUTIVE DIRECTOR/
CHIEF EXECUTIVE OFFICER
- MALAYSIAN -



Hew Moi Lan was appointed to the Board on 20 April 2010.

Hew Moi Lan, 57, 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 as 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 2017 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.

Nicholas Bloy was appointed to the Board on 2 April 2012.

Nicholas Bloy, 56, 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 2017.

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, other than those disclosed in the accompanying financial statements and has no conviction of any offences within the past five years other than traffic offences, if any.

NICHOLAS RUPERT HEYLETT BLOY

NON-INDEPENDENT &
NON-EXECUTIVE DIRECTOR
- BRITISH -



Directors' Profile
(continued)

DATUK MOHAMED AZAHARI BIN MOHAMED KAMIL

NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR
- MALAYSIAN -



Datuk Mohamed Azahari was appointed to the Board on 24 May 2016 as an Executive Director and was re-designated as Non-Independent Non-Executive Director on 15 July 2017 after his resignation as Group President.

Datuk Mohamed Azahari, 59, 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 was appointed as the Group President of SEGi University & Colleges from January 2016 until July 2017. 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). He is also the member of the Steering Committee of Bank Negara Malaysia, involving in the transformation of the Islamic Finance Education landscape.

Datuk Mohamed Azahari is board member of Johor Corporation's subsidiary companies and Larkin Sentral Property Bhd. He is currently the Managing Director of QSR Brands (M) Holdings Bhd.

Besides the above mentioned, he is the Chairman of the Crescent Wealth International Advisory Board Malaysia, a wholly owned subsidiary of the Crescent Funds Australia Limited.

Datuk Mohamed Azahari attended all the five Board meetings held during the year ended 31 December 2017.

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.

Dato' Amos Siew was appointed to the Board on 2 February 2001.

Dato' Amos Siew, 60, 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 2017.

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.

DATO' AMOS SIEW BOON YEONG

INDEPENDENT NON-EXECUTIVE DIRECTOR
- MALAYSIAN -



**Directors'
Profile**
(continued)

DATO GOH LENG CHUA

INDEPENDENT NON-EXECUTIVE DIRECTOR
- MALAYSIAN -



Dato Goh was appointed to the Board on 20 April 2010.

Dato Goh, 69, 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.

Dato Goh 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.

Dato Goh attended all the five Board Meetings held during the year ended 31 December 2017.

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 was appointed to the Board on 26 February 2015.

Edwin Fua, 38, 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 12 years, he has been involved in evaluating investments across South East Asia including Malaysia, Thailand, Indonesia, Philippines, India and Australia. He has investment experience that spans across the consumer, retail, manufacturing, education, healthcare 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 the Chairman of Sustainability Committee, and 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 2017.

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, other than those disclosed in the accompanying financial statements and has no conviction of any offences within the past five years other than traffic offences, if any.

EDWIN FUA CHYE JIN

NON-INDEPENDENT &
NON-EXECUTIVE DIRECTOR
- MALAYSIAN -



SENIOR MANAGEMENT



**TAN SRI CLEMENT
HII CHII KOK**
GROUP MANAGING DIRECTOR

HEW MOI LAN
EXECUTIVE DIRECTOR/
GROUP CHIEF EXECUTIVE OFFICER

CHERYL CHONG POH YEE
GROUP CHIEF FINANCIAL OFFICER

DANIEL TENG WAI CHONG
GROUP SENIOR EXECUTIVE DIRECTOR

**Senior
Management**
(continued)



TAN SRI CLEMENT HII CHII KOK

GROUP MANAGING DIRECTOR
MALE, MALAYSIAN

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



HEW MOI LAN

EXECUTIVE DIRECTOR/
GROUP CHIEF EXECUTIVE OFFICER
FEMALE, MALAYSIAN

The profile of Hew Moi Lan is set out in the Directors' Profile. [Page 8]



DANIEL TENG WAI CHONG

GROUP SENIOR EXECUTIVE DIRECTOR
MALE, MALAYSIAN

Daniel Teng, 56, joined the Group on 9 October 2017 as Group Senior Executive Director. He has over 30 years of working experience in the Information Technology (IT), Telecommunications and public sectors where he has a strong track record for strategy execution at senior leadership level.

In the IT and Telecommunications sectors, he led and developed teams in corporate and consumer sales, international and domestic wholesale, product management and business development.

In the public sector, he contributed to the establishment of Malaysia's principal hub tax incentive to attract more multinational companies to locate their regional headquarters and create high value jobs in Malaysia.

He graduated with a Diploma in Commerce from Tunku Abdul Rahman College in 1984 and completed his MBA from the University of East Asia in 1992. He attended the Mt Eliza Business School Strategic Leadership Program in 2001 and the Harvard Business School Alumni Club of Malaysia's ASEAN Senior Management Development Program in 2007.

Daniel Teng 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.



CHERYL CHONG POH YEE

GROUP CHIEF FINANCIAL OFFICER
FEMALE, MALAYSIAN

Cheryl Chong, 50, joined the Group in 2000 as Head of Finance and has more than 20 years of experience in the fields of accountancy, financial services and corporate services. She was redesignated on 1 July 2014 as Group Chief Financial Officer of the Company. 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.

KEY UNIVERSITY COUNCIL MEMBERS



**PROF. DR.
PATRICK KEE PENG KONG**
VICE CHANCELLOR, SEGI UNIVERSITY



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



DATO' PAHAMIN A. RAJAB
CHAIRMAN OF BOARD OF GOVERNORS

Key University Council Members



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

Tan Sri Dato' Seri Syed Anwar Jamalullail commenced his career with Malaysian Airlines Systems 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 Dato' Seri 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, Malakoff Corporation 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 Dato' Seri Syed Anwar is the Chairman of Cahya Mata Sarawak Berhad, Nestle (M) Berhad, Lembaga Zakat Selangor, and Malaysia Airports Holdings Berhad.

Tan Sri Dato' Seri 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 BOARD OF GOVERNORS

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, he 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 an Honorary Rotarian of the Rotary Club of Greater Kuala Lumpur.



PROF. DR. PATRICK KEE PENG KONG
VICE CHANCELLOR, SEGI UNIVERSITY
MALE, MALAYSIAN

Prof. Dr. Patrick Kee, 58, joined the Group in 2012 and assumed his position on 1 January 2016 as Vice Chancellor. He 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 30 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.

Professor Dr. Patrick Kee 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. SEE HOON PEOW
PRINCIPAL,
SEGi COLLEGE KUALA LUMPUR

CHEAH TEONG KEAT
PRINCIPAL,
SEGi COLLEGE PENANG

NORMAN CHU SU JIUN
PRINCIPAL, SEGi COLLEGE
KOTA DAMANSARA /
EXECUTIVE VICE PRESIDENT,
OPERATIONS, SEGi UNIVERSITY

DR. LISA TAN SAW POH
SENIOR VICE PRESIDENT /
SENIOR PRINCIPAL,
SUBANG & KL CAMPUSES

DOREEN D'ORVILLE
PRINCIPAL,
SEGi COLLEGE SARAWAK

Key Management Members



DR. LISA TAN SAW POH

SENIOR VICE PRESIDENT /
SENIOR PRINCIPAL, SUBANG & KL CAMPUSES
FEMALE, MALAYSIAN

Dr. Lisa Tan, 63, joined the Group in 2007 and assumed her position on 1 March 2016 as Senior Vice President and Senior Principal, Subang & KL Campuses. Dr. Lisa Tan, an educator and an advocate for life-long learning, holds a DBA from the University of South Australia and an MBA from the University of Bath, UK. She obtained a Diploma in Education from the National University of Singapore and a B.Sc (Hons) from the University of London.

Dr. Lisa Tan has contributed her expertise to the Malaysian private institutions of higher learning for more than 30 years. Her knowledge and experience have led SEGi College Subang Jaya to achieve the highly coveted MyQuest 6 Stars rating 3 times. In the latest evaluation exercise (2016/2017), the College achieved 6 stars in 9 categories, a record not achieved by any college in Malaysia. The success of the College in obtaining the latest ISO9001:2015 certification is also a testament to her passion towards quality tertiary education.

Dr. Lisa Tan 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.



NORMAN CHU SU JIUN

PRINCIPAL, SEGi COLLEGE KOTA DAMANSARA /
EXECUTIVE VICE PRESIDENT, 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 worked 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).



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 University of South Wales). He has more than 20 years of work experience in the Education industry, with 10 years at senior management level. He had ventured into management and administration of schools/colleges very early in his career. He was the youngest principal appointed in a prestigious Chinese Independent School, at the age of 31. Prior to SEGi, he was Principal to two colleges where one of them had been invited by the Ministry to be upgraded to University College status under his leadership.

Dr. See remains active in academia. To date, he has published 4 books, 2 booklets, more than 20 papers in reputable journals, books/proceedings and conferences. He has achieved a reputation in research on issues related to education, religion and the Chinese in Malaysia. He also speaks and writes regularly on similar issues in the Malaysian media.

Dr. See is also an active member of society. He holds and has held directorship and membership in various organizations, including the Good Shepherd Kindergarten, Centre for Malaysian Chinese Studies and Life Long Learning Committee (Malaysian Chinese Association).



DOREEN D'ORVILLE

PRINCIPAL, SEGi COLLEGE SARAWAK

Doreen D'orville holds a Master of Business Administration from the University of Southern Queensland and a BA (Hons) in Business Administration from a UK university. She is also a certified trainer and has conducted training for several multinational companies. She has over twenty-five years of experience in education in areas of administration, teaching and management. Doreen believes that students should undergo a holistic experience that raises their aspirations, supports them to achieve their full potential and enables them to exceed their expectations. She brings a wealth of experience which ensures students receive the best possible support at the College.



CHEAH TEONG KEAT

PRINCIPAL, SEGi COLLEGE PENANG

Cheah Tong Keat 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 University Utara Malaysia.

He was formerly in the IT and manufacturing industries 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 post graduate 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.

SEGI UNIVERSITY SENIOR ACADEMIC MEMBERS



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1. **PROF. DR. AZRIN ESMADY ARIFFIN**
DEPUTY VICE-CHANCELLOR, STUDENT AFFAIRS, SEGI UNIVERSITY
DEAN, FACULTY OF OPTOMETRY & VISION SCIENCES, SEGI UNIVERSITY
2. **BRIGADIER GENERAL (RTD) PROF. DATO' DR. HJ. SHOHAIMI ABDULLAH**
DEPUTY VICE CHANCELLOR, SPECIAL PROJECTS & GOVERNMENT RELATIONS, SEGI UNIVERSITY
3. **DR. DORIS PAMELA ALEXIUS**
SENIOR VICE PRESIDENT, SEGI UNIVERSITY
4. **ASSOC. PROF. DR. TEY KIM KUAN**
DEAN, FACULTY OF PHARMACY, SEGI UNIVERSITY
5. **PROF. DR. SAMIAH YASMIN ABDUL KADIR**
DEAN, FACULTY OF MEDICINE, SEGI UNIVERSITY
6. **ASSOC. PROF. DATUK DR. KHAIRIYAH BINTI ABD MUTTALIB**
DEAN, FACULTY OF DENTISTRY, SEGI UNIVERSITY
7. **DR. CHIA CHEE MING**
DEAN, FACULTY OF ENGINEERING AND THE BUILT ENVIRONMENT, SEGI UNIVERSITY
8. **LYDIA FOONG YOKE YEAN**
HEAD, FACULTY OF EDUCATION, SEGI UNIVERSITY
DIRECTOR, CONFUCIUS INSTITUTE, SEGI UNIVERSITY
9. **ASSOC. PROF. DR. MOHAMMAD FIRDAUS LOW ABDULLAH**
DEAN, FACULTY OF COMMUNICATION & CREATIVE DESIGN, SEGI UNIVERSITY
10. **PROF. DR. STANLEY YAP PENG LOK**
DEAN OF GRADUATE SCHOOL OF BUSINESS AND CENTRE FOR CONTINUING EDUCATION, SEGI UNIVERSITY
11. **PROF. DR. MOGANA DHAMOTHARAN**
PROFESSOR, FACULTY OF EDUCATION, SEGI UNIVERSITY
12. **DR. MAHADEVAN A/L SUPRAMANIAM**
DIRECTOR, RESEARCH & INNOVATION MANAGEMENT CENTRE & INSTITUTE OF GRADUATE STUDIES, SEGI UNIVERSITY
13. **DR. SUGUMARAN A/L SELLADURAI**
DEAN, FACULTY OF BUSINESS, ACCOUNTANCY & MANAGEMENT, SEGI UNIVERSITY
14. **WONG CHEE KONG**
REGISTRAR, SEGI UNIVERSITY



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PROF. DR. AZRIN ESMADY ARIFFIN

DEPUTY VICE-CHANCELLOR,
STUDENT AFFAIRS, SEGi UNIVERSITY
DEAN, FACULTY OF OPTOMETRY & VISION
SCIENCES, SEGi UNIVERSITY

Prof. Dr. Azrin Ariffin 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. Prof. 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 (RTD) PROF.
DATO' DR. HJ. SHOHAIMI ABDULLAH**

DEPUTY VICE CHANCELLOR, SPECIAL PROJECTS
& GOVERNMENT RELATIONS, SEGi UNIVERSITY

Brigadier General Prof. Dato' Dr. Hj. Shohaimi has held various senior appointments in the Malaysian Army prior to joining the National Defense University of Malaysia (UPNM) as a Senior Lecturer at the Faculty of Engineering in 2008.

He obtained his Professorship from the university in 2012. He was later appointed to be 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. 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.

Prof. 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 fields of ballistic and defense science. He is also an active member of the Chartered Institute of Logistic and Transport (CILT) and was appointed as Chartered Member in 2014.


**PROF. DR. SAMIAH YASMIN
ABDUL KADIR**

DEAN, FACULTY OF MEDICINE, SEGi UNIVERSITY

Prof. 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 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, Prof. 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 the Malaysian Qualifications Agency (MQA). She is also involved in academic and research committees besides supervising Master's 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.


**ASSOC. PROF. DATUK
DR. KHAIRIYAH BINTI ABD MUTTALIB**

DEAN, FACULTY OF DENTISTRY, SEGi UNIVERSITY

Datuk Dr. Khairiyah became Dean of Faculty of Dentistry (FOD) SEGi University on 1 September 2016. She has a Bachelor of 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 roles included being the Registrar of the Malaysian Dental Council, 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 continues to be a member of the Malaysian Dental Council and the Malaysian Dental Deans' Council.

She was active in 8 national oral health surveys which included being national coordinator, principal investigator and author/co-author of national survey reports, WHO and MOH documents, programme guidelines and other documents on oral healthcare in Malaysia. She continues to be a member of the Academy of Medicine Malaysia. She is also SEGi FOD Representative on the National Oral Health Research Initiative (NOHRI) Committee, and National Oral Cancer Initiative (NOCI). She was made a Fellow of the Academy of Medicine Malaysia (FAMM) and Distinguished Fellow of Asia of the International College of Dentist (FICD). She has received three Federal awards from the DYMM Yang Di Pertuan Agong - AMN, KMN and Panglima Jasa Negara (PJN).



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. Doris 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, she is responsible for the University's wide policy and strategy related to Examinations and Quality Assurance. Dr. Doris 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 improved retention rate. Dr. Doris has 30 years of experience as a tertiary educator.



PROF. DR. STANLEY YAP PENG LOK

DEAN OF GRADUATE SCHOOL OF BUSINESS AND
CENTRE FOR CONTINUING EDUCATION,
SEGi UNIVERSITY

Prof. Dr. Stanley Yap Peng Lok 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.

Prof. Dr. Stanley Yap is the Chief Editor of Asia Pacific Journal of Business, Humanities and Education, Head of Social Science

Cluster, Project Deputy Director of QS World Ranking Steering Committee, ISO Management Review Committee, Deputy Environment and Quality Management Representative, member of the Research Board and Senate of SEGi University. He has been appointed as an Auditor for Malaysia Research Assessment by the Ministry of Higher Education.

Prof. Dr. Stanley Yap has more than 20 years of work experience as a practitioner, educator and researcher, having graduated a number of PhDs and Masters students with indexed published works 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. Having previously holding senior positions in multinational and public listed organisations, his roles were creating wealth, running the day-to-day operations, developing franchising projects and sponsorships.

Prof. Dr. Stanley Yap 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.



PROF. DR. MOGANA DHAMOTHARAN

PROFESSOR, FACULTY OF EDUCATION,
SEGi UNIVERSITY

Prof. Dr. Mogana Dhamotharan joined the Faculty of Education, SEGi University on 15 February 2012. She was with the Wawasan Open University Penang as Professor and Dean of the School of Foundation and Liberal Studies from September 2008 to February 2011 and the Dean of the School of Education, Languages and Communications, Wawasan Open University, Kuala Lumpur from March 2011 to December 2011.

She was also Associate Professor in the Department of Educational Foundations, Sultan Hassanah Bolkiah Institute of Education, University of Brunei Darussalam. Prof. Dr. Mogana was a tutor with University of Malaya from 1977 to 1980, a lecturer from May 1982 and Associate Professor from 1995 to 2005. She has worked part-time and full-time as lecturer in the Language Centre, ITM. She has worked as the Commonwealth of Learning Consultant to the Open University of Sri Lanka from January to March 2004 on the Master of Arts in Teacher Education (MATE) Programme. She was granted a Visiting Fellowship from the Commonwealth of Learning in Vancouver from August 1994 to January 1995. 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, United Kingdom from 1985 to 1988.

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. Professor Dr Mogana Dhamotharan is also the Principal Researcher for the Development of a Comprehensive and Integrated Model of Quality Malaysian ECCE: Conceptualization of a Framework for Policy toward the Development of a Malaysian Quality ECCE Framework from March 2015 until March 2019. This research is supported in part by the Ministry of Education, Malaysia (Long Term Research Grant Code LRGS/SEGi/2015-0024-106-04).

Her research interests include: Teacher Education and Professional Development, TESL Methodology, Pedagogy, and Distance Learning.



ASSOC. PROF. DR. TEY KIM KUAN

DEAN, FACULTY OF PHARMACY, SEGi UNIVERSITY

Assoc. Prof. 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 experience in her belt as a pharmacist, with various disciplines including hospital, community and industrial pharmacy both in UK and Malaysia.

Prior to SEGi, she was attached to International Medical University, holding the positions of 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.

Assoc. Prof. 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.



ASSOC. PROF. DR.

MOHAMMAD FIRDAUS LOW ABDULLAH

DEAN, FACULTY OF COMMUNICATION & CREATIVE DESIGN, SEGi UNIVERSITY

Assoc. Prof. Dr. Firdaus holds a PhD in Organizational Communications and a Master's of Science in Corporate Communications from Universiti Putra Malaysia (UPM), a Masters in Economic, specialising in Economic Development & Planning and a Bachelor of Arts in Economics with honours 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 the 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 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.



DR. CHIA CHEE MING

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 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 Scholarship (ORS) 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.

Prof. Dr. Stanley Yap 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.



DR. SUGUMARAN A/L SELLADURAI

DEAN, FACULTY OF BUSINESS, ACCOUNTANCY
& MANAGEMENT, SEGi UNIVERSITY

Dr. Sugumaran attained his Doctorate in Business Administration from University Utara Malaysia and Master in Business Administration major in Marketing Management from University of Wales, U.K and Bachelor of Accountancy from University of Bolton, U.K.

He has more than 22 years of experience in the education industry, which includes regulatory, product development, operation and management. He plays a pivotal role in transforming the largest Faculty of Business, Accounting and Management into the most profitable unit in SEGi University & Colleges. Apart from his leadership role at the faculty, he is also involved in research and development, focusing in the fields 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).



DR. MAHADEVAN A/L SUPRAMANIAM

DIRECTOR, RESEARCH & INNOVATION
MANAGEMENT CENTRE & INSTITUTE OF
GRADUATE STUDIES, SEGi UNIVERSITY

Dr. Mahadevan 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 programmes at SEGi University.

He has many years of experience in both academia and industry. Prior to joining SEGi University in the 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 through public talks and has written many papers and books which has 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 Malaya.



LYDIA FOONG YOKE YEAP

HEAD, FACULTY OF EDUCATION, SEGi UNIVERSITY
DIRECTOR, CONFUCIUS INSTITUTE,
SEGi UNIVERSITY

Lydia Foong has been involved in Early Childhood Care and Education (ECCE) for over 27 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. Today, she spearheads 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 that focus on early childhood care and education policies, teacher education and reflective practice.



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 19 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.

ON BEHALF OF THE
BOARD OF DIRECTORS,
IT GIVES ME GREAT
PLEASURE TO PRESENT
TO YOU THE ANNUAL
REPORT AND AUDITED
FINANCIAL STATEMENTS
OF SEG INTERNATIONAL
BHD (“SEGi”) AND
THE GROUP FOR THE
YEAR ENDED
31 DECEMBER 2017.

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



MESSAGE FROM THE CHAIRMAN

Market Outlook

The Malaysian government is committed to providing the highest quality of education to its students. This can be seen in the various initiatives it has introduced to produce holistic graduates with a balance of academic knowledge and industrial experience. Preparing the students for workplace has been and will also be given an even greater emphasis by SEGi in the coming years.

Some of the initiatives by the government include 2u2i (study for two years and intern for another two years), and the CEO @ Faculty Programme and APEL (Accreditation of Prior Experiential Learning). SEGi has participated in some of these initiatives and we believe that they will enhance the quality of education and enrolment for SEGi.

Another significant focus under the government initiatives is the move towards online learning. Malaysia online education is expected to project a strong compound annual growth rate of 16.4% over the forecast period from 2016 to 2023. This is attributed to the initiatives by the government and the smart phone and tablet users in the country. In line with this initiative, SEGi has also established an online learning platform, PACE (Professional and Continuing Education) which should see further growth in near future.

Financial Performance

I am pleased to report that the Group achieved a revenue of RM256.3 million and a profit before taxation of RM45.8 million, a decrease of 1.5% and an increase of 52.3% respectively, as compared to the previous financial year.

The Group achieved a commendable performance with the earnings before interest, tax, depreciation and amortisation ("EBITDA") of RM61.7 million compared to RM42.6 million in the previous financial year. This reflects an increase of 44.8% in EBITDA.

The improvement in EBITDA and profit before tax is mainly a result of our streamlining exercise where assets and resources were utilised efficiently. I am proud to announce that the Group has put in place the right strategies to enhance the shareholders' value.

The Group's balance sheet continues to be healthy, closing the year with deposits, cash and bank balances of RM83.5 million and total assets of RM265 million.

Dividends and Cash Distributions

As part of our mission to deliver strong shareholder value in the form of dividend yield, the Board of Directors has declared an interim single tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2017. This interim dividend was paid on 18 January 2018, totaling more than RM43 million.

The Group will strive to maintain a balance by providing its shareholders with sustainable cash returns from dividends while conserving adequate funds for capital expenditure to enhance future profitability.







Operational Review

SEGi is passionate about what we do, sparking enthusiasm and inspiring the curious young minds to achieve their goals and dream career. We provide a high-quality and conducive environment for our current student population of 20,000 across five campuses to learn and continue to grow. SEGi encourages the leaders of tomorrow to embrace lifelong learning, hence, the establishment of Professional and Continuing Education (PACE).

Alongside our investment in world-class facilities and talented scholars, we are committed to enhancing student learning experience through our innovative and industry-relevant teaching techniques, and career service advices for graduates.

It has been a remarkable 12 months for us. SEGi has implemented various initiatives to nurture young people such as the introduction of *Jom ke SEGi* interest-free education loan scheme. This financial aid from SEGi is an exclusive offer to underprivileged Bumiputera students in the B40 income group.

We have also introduced a new tuition fee payment method via *JomPAY* to help students settle their tuition fee online with just a few clicks. The new payment method was aimed at eliminating the long queue at Student Bursaries.

SEGi was founded on the ethos, "quality education within the reach of willing minds and natural talents", and it continues to

guide us in our strategic plans. We believe that access to education and opportunities to learn should be made available to all, regardless of background or financial circumstances.

With that in mind and in line with our strategy to expand our range of affordable and internationally-recognised degree programmes, SEGi has launched BSc (Hons) Architecture under the Faculty of Engineering and The Built Environment.

In the past year, we have also inked several agreements with prestigious international universities – University of Albany, Minnesota State University, University of Toledo and University of Wyoming as our university partners for the American Degree Program (ADP).

Our search for excellence never ceases. I am delighted to share our accomplishments in the 2016/2017 Malaysia Quality Evaluation System (MyQuest) ratings, as three campuses – SEGi College Subang Jaya, SEGi College Penang and SEGi College Sarawak received a six-star rating (outstanding) while SEGi College Kuala Lumpur obtained a five-star rating (excellent).

The six-star ratings were another accolade to SEGi's trove as we have also won bronze in the Education & Learning category at the Putra Brand Awards (PBA) 2017. We will always strive to do the best for our students.

Corporate Developments

I am pleased to report that during the year under review, the Company issued bonus shares on the basis of 5 bonus shares for every 7 existing SEGi shares held. The Board was of the view that the Bonus Issue was the most appropriate avenue of rewarding the existing shareholders for their continuous support through the years. The Bonus Issue also enhanced the Company's capital base to a level which is more reflective of its current scale of operations and assets employed.

On 18 January 2017, the Company completed its Capital Repayment consisting of a cash distribution of 15 sen per ordinary share amounting to RM108.3 million to the shareholders. The Capital Repayment had again enabled the Company to reward the shareholders for their continuous support through cash distribution and value enhancement by returning equity to shareholders and increase the Group's return on equity without affecting shareholders' shareholding.



Corporate Sustainability

Sustainability has always been a part and parcel of SEGi's culture as we strive to achieve continual growth. We recognise that we need to be sustainable to add value to our organisation.

Through the Board engagements, we have identified several key themes of sustainability practices that will contribute towards the betterment of SEGi, environment and society. The practices of SEGi include the following:

- Social sustainability
- Environmental sustainability
- Sustainability governance

Social Sustainability

SEGi has always encouraged its management and staff to be involved with charity work because we believe in giving back to the community. Among the programmes were:

(a) Scholarship programmes

Since our establishment in 1977, SEGi has offered more than RM100 million worth of scholarships to the brightest and most talented young minds to enable them to continue with their tertiary studies. In 2017, we have also introduced a new interest free education loan scheme, *Jom ke SEGi* to reach more underprivileged Bumiputera students.

(b) Faculty of Dentistry community work

Staff and dental students from the Faculty of Dentistry at SEGi University have organised various events throughout 2017 to raise awareness of oral health care. Some of the campaigns were The Future Smiles, A Mighty Molars and Friends, Health Behind Every Smile, and many more.

(c) A Heartbeat's Journey

SEGi organised A Heartbeat's Journey event for children of Yayasan Chow Kit (YCK) in conjunction with Universal Children's Day.

Environmental Sustainability

In recent years, society have become increasingly concerned about environmental preservation. SEGi has also long adopted environmental stewardship as part of its strategy towards sustainability. Throughout the year 2017, we continued to make progress to operate responsibly to meet the expectation of the society.

On-going efforts were carried out to establish teaching and research methodology to promote sustainability within and beyond SEGi. Our initiatives have been re-aligned to reflect our commitment to be a responsible Group with effective policies to protect the environment and promote sustainability at all levels.

Sustainability Governance

Strong governance structures and clear policies of accountability enabled SEGi to promote sustainability in our business strategy. These structures were embedded into our business agenda whereby the Board was ultimately responsible for the management, direction, and long-term success for SEGi.

Moving forward, SEGi will be looking into developing a longer-term governance structure to ensure smooth incorporation of responsibilities over sustainability in the day-to-day operations. The structure will take into consideration the aspiration to improve our sustainability efforts and develop a long-term sustainability programme.

Future Outlook and Way Forward

Our ambition in the coming year is to exceed the students, staff and partners expectations. SEGi aims to provide the best environment for our staff and support for our students, to empower them to be the best, in line with our brand promise, The Best in You, Made Possible.

Although higher education is expected to be increasingly competitive, SEGi will continue to be a leading university that offers a rewarding student experience. We are ambitious and optimistic for the coming year, with plans to build on and create new partnerships.

The Group has taken positive steps to expand its adult learning market and its network to escalate the recruitment of international students. The Group has also successfully streamlined its operations in the previous year resulting in a significant improvement in its margins.

The Group is poised to see further growth particularly in international student recruitment in the near future.





Acknowledgements

On behalf of the Board, I wish to thank our valued shareholders for their unwavering trust and continuous support. It remains our priority to consistently deliver shareholder value while expanding the Group's business.

I would like to take this opportunity to convey my thanks and appreciation to the management and staff of the Group for their commitment and dedication in delivering the results of the Group. I also wish to acknowledge our global partners, students, regulatory authorities, bankers and business associates for their unwavering support and confidence in the Group. It is with your gracious support that we are able to continue reaching even greater heights.

2018 will be another eventful year for SEGi. We are poised and positioned for growth, and I am encouraged and excited about the future as we continue to focus on building our competitive advantage and strategise to shape the Group for years to come. I look forward to your continued interest and support as we progress to the next chapter in 2018.

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

30 March 2018

MESSAGE FROM THE CHANCELLOR

2017 was a successful year for SEGi. Our students' academic performance remained strong at all levels – diploma, undergraduate and postgraduate. We are also proud of our academic and corporate staff for performing well throughout the year.

SEGi has been producing the next generation of leaders in diverse fields since our establishment in 1977. Moving forward after more than 40 years, SEGi is committed to continuing its effort to be a strong higher education provider nationally and globally. We must anticipate and respond to the growing challenges by focusing on research, teaching and scholarship.

We are driven by a vision of success and excellence and share the vision of a future bolstered by employment-ready graduates from SEGi. True to our mission to be the premier regional higher education provider, SEGi was recognised for its educational excellence in outstanding achievement as the only higher education group with the highest 6 Stars rating in the 2016/2017 Malaysia Quality Evaluation System (MyQuest) ratings. SEGi College Subang Jaya, SEGi College Penang and SEGi College Sarawak achieved the highest 6 Stars (outstanding) rating while SEGi College Kuala Lumpur received the 5 Stars (excellent) rating.

In line with our mission, SEGi will focus on building & strengthening our graduates' capability and prepare our graduates to be leaders of tomorrow, ready for challenges in a diverse economic system. Our academic and professional staff have carried out a host of initiatives, which are critical to the success of this mission.

SEGi University launched a new degree programme, Bachelor of Science (Hons) in Architecture to meet the rising demand of architects in our country. The University also achieved a major milestone by producing the first Doctor of Philosophy in Management graduate in 2017.

None of this would be possible without the hard work and dedication from all our staff. In conclusion, on behalf of my colleagues at SEGi, I present the annual report, recording SEGi's continued progress, efforts and achievements in the past year. I look forward to elevating SEGi to a higher level not only on the local stage but also the global stage.

**“ THE COMBINATION OF
OUR STRONG ACADEMIC
REPUTATION, WITH THE
EMPHASIS ON
EMPLOYABILITY AND
THE STUDENTS'
EXPERIENCE HAVE
BROUGHT IMMENSE
SUCCESS, WINNING
MULTIPLE AWARDS IN
THE PAST YEAR.”**

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



**“ 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.”**

Tan Sri Clement Hii
Group Managing Director

MESSAGE FROM THE GROUP MANAGING DIRECTOR

In this ever-changing world, education cannot remain stagnant. Education is fundamentally about providing our students with the best intellectual and physical environment to learn and for conducting research. At SEGi, we inspire people, including our staff, to learn, achieve and make the most out of life.

With five campuses, SEGi is unleashing a flood of knowledge to produce graduates who are capable of holding leading positions in the employment market. Our schools and faculties continued to remain vibrant, each led by experienced and motivated scholars and researchers, aimed at inspiring thousands of young minds.

Our talented staff use flexible approaches to deliver industry-relevant curriculum to help students reach their full potential, paving way and preparing them for the challenging employment market.

In our strategic plan, SEGi has always stressed on training students to work in an international context, while at the same time, facilitate in the formation of learning communities.



We have already taken successful steps towards achieving this and it is reflected in the large number of local and international students on a year-to-year basis. Since our establishment in 1977, SEGi has more than 120,000 alumni. However, this does not mean we can rest on our laurels. The statistics proved that we are on the right track and SEGi, as a group, should continue with our efforts.

For the long-term, SEGi is geared to improve not only the quality of education, but also to build more opportunities for students and create a better working environment for the employees.

Looking back at the past year, SEGi has succeeded in positioning itself as an excellent higher education provider, rooted in its own region and also recognised as a centre that brings together the brightest young minds, with the aim of producing graduates of the 21st century.

In the coming years, SEGi will strengthen this position, so that we can continue to make a contribution to the society. Here's our bottom line: we illuminate the brain to spark the hearts and minds of youths, in hopes that the students will realise a life goal that changes their path in the future.



AT OUR HEART : SEGi PROGRAMMES

SEGi University and Colleges stands as one of the leading private higher education institutions in Malaysia, committed to excellence and to creating a better future for youths through our focus on innovative programmes.

The Best in You, Made Possible - we deliver this promise through industry-relevant modules with industry-standard facilities.

Students are at the very heart of SEGi. Therefore, we place a strong emphasis on their soft skills and employability, creating pathways for all students to maximise their academic potential to succeed upon graduation. The first step of your journey to success begins with education.

MEDICINE

Medical programme is developed especially for students who believe in making a difference in the lives of others through the delivery of better health care. It prepares aspiring doctors for a challenging career ahead that covers the parameters of promotion, prevention, therapeutic and rehabilitative medicine.

The Faculty of Medicine at SEGi University strives to produce doctors who are lifelong learners, keeping abreast with technological advances in medicine, to ensure the community receives prompt, accurate and effective care. This is made possible through the diverse teaching and learning experiences that are student and patient-centred promoting holistic care and emphasising professional and ethical values.

The faculty provides diverse learning opportunities in a variety of clinical settings across the country. Students will be able to develop leadership skills to become doctors of tomorrow. Our undergraduate programme is fully accredited by the Malaysian Qualifications Agency (MQA) and Malaysian Medical Council (MMC). It also brings students one step closer to excelling in the United States Medical Licensing Examination (USMLE).





DENTISTRY

The Faculty of Dentistry at SEGi University aims to place quality oral health education within the reach of willing minds and natural talents. We strive to be a premier higher education provider that empowers students through innovative technologies and student-centric learning techniques with the objective of producing dental practitioners who are knowledgeable and technically competent, socially responsible and responsive to the changing health needs of the community.

Our graduates should also be able to function effectively and independently in a dental team and adhere to the standards of professional conduct and

ethics, and in time able to promote continuous professional development through research and innovation. The faculty boasts a teaching facility that ensures students have hands-on training to develop necessary skills and aptitude.

The teaching facilities include 58 dental units, 53 prosthetic work stations, six dental X-rays facilities and have recently expanded to include a 28 dental chair clinic. The programme has received full accreditation from the Malaysian Qualifications Agency (MQA) and graduates are fully registrable with the Malaysian Dental Council.

OPTOMETRY & VISION SCIENCES

Contemporary optometry has gone well beyond spectacles and contact lenses. This philosophy is embedded within the Bachelor of Optometry (Hons) offered by the Faculty of Optometry and Vision Sciences at SEGi University. SEGi is one of the few higher education institutions to offer an optometry programme. Students will gain knowledge and expertise in subjects relating to the identification and treatment of dysfunctions and disorders of vision, and the vision system.

Our clinical system under the umbrella of SEGi EyeCare composes of the general optometric, specialty clinics and an optical dispensary, as it ensures effective learning and teaching for students. Throughout the studies, students can also gain practical experience using the latest specialised equipment. Most recently, the faculty has launched a new eye centre, Rotary-SEGi Eye Centre that exposes students to a real world setting within the campus.

We place a strong emphasis on students' interest to foster the development of skills for problem solving, critical thinking and communication as we try to shape students to become lifelong learners. Our undergraduate programme is fully accredited by the Malaysian Qualifications Agency (MQA) and it is also listed in the World Council Optometry (WCO) list of Optometry Schools in Asia Pacific.



PHARMACY

The Faculty of Pharmacy at SEGi University has a core team of qualified and experienced academic staff who are dedicated in teaching and research, and passionate about the pharmacy profession. The pharmacy programme aims to integrate scientific, clinical and professional knowledge with soft skills, providing graduates with competency and skills to contribute effectively within the health care system.

Students will gain hands-on experience in different pharmacy settings throughout the four years, with built-in experiential placements in community and hospital pharmacy, as well as pharmaceutical industry. The faculty boasts laboratories that are equipped with high-tech and modern instruments. There are also clinical skills lab, a mock pharmacy, aseptic unit and medical museum.

Our curriculum is designed and taught in an integrated manner throughout the duration of the programme to provide students with the scientific knowledge and skills in achieving competencies in the different discipline of pharmacy. The programme is fully accredited by the Malaysian Qualifications Agency (MQA) and Pharmacy Board Malaysia (PBM).



BIOMEDICAL SCIENCE

The Biomedical Science programme is designed to produce highly trained skilled graduates to produce a desirable percentage of scientist and researchers in Malaysia. Our BBMS graduates possess skills and talents in diagnostic, analytical, managerial and research competencies.

With the strategic learning methods and experiences adopted by SEGi University, graduates will be able to seek employment in various industries including pharmaceutical and cosmetic companies, hospitals, community health centres, biotechnology companies, biomedical research institutes, forensic laboratories, blood banks, and many more.





ALLIED HEALTH SCIENCES

Allied health covers a wide range of professions, to name a few, nurses, workplace safety and medical officers, technologists, environmental health specialists and hospital administrators. Their duties may include but not limited to the identification, evaluation and prevention of injuries, disease and disorders.

The Allied Health Science programmes have intensive learning modules with a strong emphasis on procedural skills. The curriculum will guide students to evaluate patients' responses, evaluate work environment safety, ensure environmental health, perform medical laboratory tests and make appropriate decisions about treatment and plan safety and health control measures.

Students will enhance their learning experience by using the human patient simulators available in our laboratories to ensure they are ready for the workforce upon graduation. Students can also have hands-on session in our industrial hygiene laboratory and medical laboratories which are well-equipped.

ENGINEERING & THE BUILT ENVIRONMENT

The Faculty of Engineering and The Built Environment focuses on a student-centered environment, allowing student-teacher interaction from Malaysia and our partner universities worldwide. Students have access to work in advanced laboratories and workshops with essential tools in the development of engineering skills.

The programmes are delivered using applied methodologies and state-of-the-art engineering facilities. All our engineering programmes are fully accredited by the Board of Engineers Malaysia (BEM) which is a signatory to the Washington Accord, an international accreditation agreement for professional engineering academic degrees, between the bodies responsible for accreditation in its signatory countries.

The recognition indicates that SEGi graduates meet international academic standards to practice engineering at an international level. As Malaysia is a signatory of the Washington Accord, it makes SEGi graduates more employable as they can expand career in countries under the signatories.



BUSINESS & ACCOUNTING

The Faculty of Business and Accountancy is the largest and most established in SEGi and we take pride in providing the highest quality of business education through the delivery of industry-relevant and innovative programmes in accordance with the ever-changing business world. The faculty is committed to develop global business professionals to produce leaders of tomorrow.

Students will experience a variety of learning methods including lectures, seminars, workshops, presentations and practical sessions on the job. We work with some of the world's most prestigious universities from the United Kingdom and Australia to develop a knowledge-rich and industry-relevant curriculum.

SEGi has also established a Centre of Excellence (CoE) to ensure a world-class tertiary education for our business and accounting students. In line with our brand promise to provide a complete learning experience, SEGi works closely with reputable industry advisors to facilitate the transfer of knowledge and experience.

COMMUNICATION

In this new digital age, communication has changed significantly as technology and social media sites have brought the world closer. It is essential to have good communication skills in diverse fields from advertising to public relations, marketing, political and public affairs, and other advanced platforms including but not limited to, law and professional schools.

Our dedicated faculty members are committed to help students in understanding communication in various contexts. The programmes developed are industry-relevant

to enable the application of theoretical perspectives in their chosen fields upon graduation. Students are guaranteed an in-depth knowledge of communication techniques and how the technologies shape and govern the society.

Besides that, students will also have the opportunity to work on industry standard software in our broadcasting studio. It boasts a variety of vision mixing systems, standard multi-camera production set-up with lighting, and many more to enrich learning experience.



EARLY CHILDHOOD CARE & EDUCATION

Quality education is one of the Sustainable Development Goals (SGDS) adopted by the United Nations to ensure inclusive and equitable education and promote life-long learning opportunities for all. With this in mind, SEGi offers a wide range of courses in the fields of education, including early childhood care and education (ECCE), teaching English as a second language (TESL), special needs education and counselling.

SEGi is the trusted provider of ECCE programmes, producing thousands of highly qualified ECCE educators and practitioners since 1998. We were appointed champion for ECCE training by Pemandu in 2010 for the National Key Economic Area (NKEA) Entry Point Project (EPP) 2.

Our students are exposed to a myriad of key issues relevant to the future planning of education in the country. Students will have the opportunity to further studies at the graduate level. SEGi collaborates closely with more than 100 registered schools and learning institutions, providing wide internship and a plethora of employment opportunities upon graduation.



HOSPITALITY & TOURISM

There is tremendous growth in the hotel and tourism industry as businesses and people spend more money on leisure than ever before, making this sector one of the largest and fastest creators of employment. Thus, there is a need for educated and trained individuals who can deliver first class services.

The Hospitality & Tourism programmes are designed to equip students with skills and knowledge that are increasingly in demand. The learning modules cover marketing, human resources, information management, planning and research, among others.

SEGi partners with some of the top national and multinational hotels to ensure our students get the best industry-relevant training. Students will undergo an internship as part of the programme, and have an option to complete their training at any of our affiliated partners. It gives our graduates an upper hand in terms of depth of exposure.

CREATIVE ARTS & DESIGN

The Creative Arts and Design programmes at SEGi are designed to unleash your creative potential through a rich core curriculum within a world-class environment. Our industry-standard facilities and reputable faculty members encourage students to explore their creativity and innovative ideas.

The various professional-level facilities and equipment such as photography studio, music room, green room for production purposes, voice over studio, broadcast studios and editing room allow students to gain real and hands-on experience. Meanwhile, our academic team members have close links with industry through various engagements. Our lecturers have served as jurors for fine art and design competitions.



TECHNOLOGY & INNOVATION

Technology is reshaping many aspects of the world's economies and structures of governments and societies. In developing countries, governments, businesses and the public are harnessing the transformative power of technology to make public services more efficient, to grow businesses and to strengthen and expand social networks.

As technology has made an influential impact on the society today and is well paving the way for what is possible in the future, the workforce must be equipped with right skills to meet these challenges. The Technology and Innovation programmes at SEGi are comprehensive and relevant to industry and continue to attract top students.

These programmes are designed to provide graduates with the opportunity to apply adaptive skills and knowledge to a field that is transforming constantly. Students will be given the opportunity to intern or work with our partners such as Huawei.





POSTGRADUATE STUDIES

The postgraduate programmes at SEGi University attract top students and are of international standards. The university has taken further steps to encourage even more students to pursue a postgraduate degree. SEGi University offers postgraduate programmes at the Masters and PhD level.

Malaysia is making the shift from a manufacturing economy to a service-based industry, which requires lots of innovation in creating products and services. The country requires highly skilled workers who are creative, knowledgeable and specialise in niche areas.

SEGi University's Institute of Graduate Studies (IGS) offers quality postgraduate degrees that are flexible to meet the needs of an ever-changing workforce demands, developing leaders of tomorrow with skills and knowledge to propel the country forward.



AMERICAN DEGREE PROGRAM (ADP)

SEGi has teamed up with some powerhouses of education to provide opportunities for students to experience American-style learning through American Degree Program (ADP). Students can customise their education pathway with flexible transfer arrangements or to complete the program in Malaysia through 4+0.

The ADP at SEGi is awarded by a reputable public university, Troy University whereby SEGi students will experience an education that is partially delivered by visiting professors from the United States of America.

Students will experience continuous learning through coursework. They have an opportunity to choose from a wide variety of majors. The Bachelor of Science program offers majors in Business Administration, Communication Arts and Psychology and minors in Psychology, Promotion, Global General Business and Communication Studies.



ENGLISH & PUBLIC RELATIONS

English is the global language of business and international communications and has dominated the web. It is estimated that 1.75 billion people use and speak English at a useful level. Various multinational companies including Microsoft in Beijing has made it compulsory to use English as its corporate language.

As English is one of the most dominating languages in almost every field of work, SEGi offers the Intensive English programme to help improve students' proficiency to enable them to further their studies and seek employment easily within an English-speaking environment.

SEGi also offers the Bachelor of Arts (Hons) in English and Public Relations as a double major degree in collaboration with the University of St Mark and St John (MARJON). The programme is aimed at producing entry-level public relations practitioners with a sound command of English.

LAW

SEGi is the only higher education institution in East Malaysia offering high-quality internationally recognised law programmes. These courses are ideal for students who wish to obtain a qualification of international standing en route to a successful career as a practising lawyer.

The law faculty offers Pearson Edexcel A-Levels (Arts), Diploma in Law and Bachelor of Laws (LLB). Our highly sought-after LLB is awarded by the University of London International Programmes (UK), and it offers the security of an internationally recognised 'Gold Standard' degree. 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.

FOUNDATION (PRE-UNIVERSITY)

SEGi Foundation programmes are designed to equip students with the academic skills required to gain entry to a wide range of undergraduate programmes. This one-year intensive course enhances the study and learning skills essential to progress into the first year of degree of your choice. Our Foundation programmes are recognised by various tertiary institutions in the United Kingdom, Australia, New Zealand and China.

These pre-university courses will assist in the transition of secondary studies to tertiary education. Students are exposed to theoretical classes and coursework which will allow them to become problem solvers.

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.

The campus also boasts the Faculty of Medicine, the Faculty of Optometry and Vision Sciences, the Faculty of Dentistry and the Faculty of Pharmacy. Among some of the comprehensive teaching facilities are SEGi Oral Health Centre and Rotary-SEGi EyeCare, to

name a few. The campus 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, Faculty of Technology and Innovation, Faculty of Creative Arts and Design and the School of Hospitality and Tourism. Adjacent to 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 make campus life a complete and exciting experience.

This Kota Damansara campus is a Centre of Excellence (CoE) for Health Sciences, and Technology & Innovation, and is an International Students Hub of Excellence.

Technology &
Innovation
**Centre of
Excellence**

Health
Sciences
**Centre of
Excellence**

International
Students
**Hub of
Excellence**



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 while another new mall, Da Men Mall is also within walking distance from the campus.

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 sports facilities at the 3K Sports Complex located across the road from the campus building.

SEGi College Subang Jaya has been awarded the highest level of achievement by the Higher Education Ministry, receiving a six-star rating (outstanding) at the 2016/2017 Malaysian Quality Evaluation System (MyQuest) for Private Colleges.

This Subang Jaya campus is a Centre of Excellence (CoE) for Creative Arts & Design, and Early Childhood Care & Education, and is an International Students Hub of Excellence.

Creative Arts
& Design
**Centre of
Excellence**

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

International
Students
**Hub of
Excellence**



SEGi College Kuala Lumpur

The campus is 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, 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.

SEGi College Kuala Lumpur has been recognised for its achievements by the Higher Education Ministry, receiving a five-star rating (excellent) at the 2016/2017 Malaysian Quality Evaluation System (MyQuest) for Private Colleges.

This Kuala Lumpur campus is a Centre of Excellence (CoE) for Business & Accounting, and Hospitality & Tourism, and is an International Students Hub of Excellence.

Business &
Accounting
**Centre of
Excellence**

Hospitality &
Tourism
**Centre of
Excellence**

International
Students
**Hub of
Excellence**

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, as well as American Degree Program (ADP).

This campus was recognised for its educational excellence by the Ministry of Higher Education in the 2016/2017 Malaysia Quality Evaluation System (MyQuest). SEGi College Penang received a six-star (outstanding) rating in the biennial evaluation.



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 in 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 offers 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.

SEGi is also the only higher education institution in East Malaysia offering high-quality internationally recognised law programmes. There are two campuses within close proximity to one another to accommodate students in American Degree Program (ADP) and healthcare related courses.

SEGi College Sarawak has been awarded the highest level of achievement by the Higher Education Ministry, receiving a six-star rating (outstanding) at the 2016/2017 Malaysian Quality Evaluation System (MyQuest) for Private Colleges. The six-star rating is the highest accolade a private college could achieve in the biennial evaluation and is reflective of SEGi's commitment in providing quality education.





SEGi Professional and Continuing Education (PACE)

Lifelong learning is important especially in the current labour market demands. Working adults are encouraged to pursue continuous learning as it helps in career advancement. SEGi understands working adults have a busy schedule trying to balance work and family commitments. Therefore, SEGi created Professional and Continuing Education programme (PACE) to provide opportunity for working adults to pursue their studies without having to compromise on commitments and responsibilities.

PACE is a consortium of global universities from the UK, USA, Australia and Malaysia that offers a flexible study mode that best suits your schedule. Students can attend part-time or weekend classes, as well as through our online platform. With a consortium of global universities comprising of prestigious UK and Australian universities, we ensure the same quality of education that students will obtain at their home base. PACE provides more than just theoretical learning as there would be monthly workshops to maximise interaction with one another. Our team of dedicated and experienced lecturers will assist you throughout your flexible education journey that comes in different modes including online learning via blackboard and distance learning option.



HEALTH SCIENCES

The curriculum for SEGi University Health Sciences programmes were developed with the aim to produce health care professionals who are competent and caring while at the same time, it prepares them for a challenging career ahead to be able to respond to the changes brought by technology. SEGi provides a full range of facilities in a variety of clinical settings that is conducive to develop their leadership skills for future success.



An integrated curriculum to nurture aspiring health care professionals



Early & Extensive Clinical Practice

Our learning modules combine a strong emphasis on theory and practice by introducing a wealth of theories and formal clinical training during their studies.

Accredited by the MQA

Our undergraduate programmes - Medicine, Optometry, Dentistry, and Pharmacy have received full accreditation from the Malaysian Qualifications Agency (MQA).



State-of-the-art Facility

SEGi boasts comprehensive teaching facilities such as SEGi Oral Health Centre, Rotary-SEGi EyeCentre, fully equipped laboratories and clinics to ensure students have hands-on training to develop necessary skills and aptitude.



Student-centered Learning Approach

We place a strong emphasis on students' interest to foster development skills for problem solving, critical thinking and communication as we try to shape students to become lifelong learners.

TECHNOLOGY & INNOVATION

Technological innovation has led to the fourth industrial revolution. It will change the world and bring opportunities to everyone. SEGi prepares a new generation of IT talents to enter the global workforce through the delivery of innovative programmes and collaboration with some of the biggest industry players such as Oracle, Huawei and Microsoft.



**Connecting
your talent
to technology
with innovative
curriculum**



Cutting-edge Computer Labs

We pride ourselves in providing the latest computer technology for the students. At SEGi Tower, the Mac computers are installed with various software programmes to provide a comprehensive learning experience for our students.

Workforce Development Program

The Workforce Development Program (WDP) prepares our graduates to enter the workforce with the most in-demand Oracle skills.



Panopto Lectures

SEGi offers an easy-to-use tool known as Panopto that allows simultaneous capture of audio and video in lecture classes, making it convenient for later viewing to aid students in the learning process.

Partnerships with Industry Leaders



SEGi establishes strong links with key industry players from a wide range of fields to provide access to internships and job opportunities for our students.

BUSINESS & ACCOUNTING

The Faculty of Business and Accounting is the oldest and most established in SEGi. The faculty has a strong presence in the industry and is the top choice among the school leavers. Our learning modules are industry driven to adapt to the ever-changing business world. Our highly skilled graduates are sought after by top employers.

Business &
Accounting
**Centre of
Excellence**

**Education beyond
number crunching,
to produce business
leaders of tomorrow**



SEGi-
Sphere

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 & 3+0

SEGi offers the most 3+0 quality UK degrees and also homegrown double degree programmes.

Cutting-edge Computer Labs



Our business and accounting students have access to the computer labs, which double as a research and resource tool to aid students in class assignments and data analyses.



Esteemed Industry Advisors

In line with our brand promise to provide a complete learning experience, we work closely with reputable industry advisors to facilitate the transfer of knowledge and experience.

CREATIVE ARTS & DESIGN

SEGi wants to inspire creativity and turn your creative instincts into a profitable career. Therefore, we use 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 field of study.



**Taking your
creative
ambitions to
the next level**



Progressive Creative Arts Facilities

SEGi provides various professional-level facilities and equipment such as music room, green room for production purposes, voice over studio, broadcast studios and editing room for real and hands-on experience along with the routine coursework.

Photography Studio

Students can express their creativity through photography as our campuses in Kota Damansara and Subang Jaya are equipped with a modern studio complete with lighting for photography shooting.



Walk of Fame

We are proud of our students. SEGi displays their work on the Walk of Fame to inspire excellence in others.



Reputable Academicians

Our academic team members have close links with industry through various engagements. Our lecturers have served as jurors for fine art and design competitions.

EARLY CHILDHOOD CARE AND EDUCATION

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

**Today's
Graduates,
Tomorrow's
Educators**

SEGi is the trusted provider of Early Childhood Care and Education (ECCE) programmes, producing thousands of highly qualified educators and ECCE practitioners since 1998. We were appointed champion for ECCE training by Pemandu in 2010 for the National Key Economic Area (NKEA) Entry Point Project 2. Apart from ECCE, we also offer other specialisation fields that are linked to the teaching profession – TESL, Special Needs Education, and Counselling.



Esteemed Industry Advisors

SEGi works hand-in-hand with advisors from the childcare and pre-school industry to support students' learning experience and to improve the quality of ECCE programmes.

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

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.



UK Montessori Certification

SEGi College Subang Jaya offers the Montessori Apparatus Workshop and Integrating Montessori Practice (IMP) aimed at empowering learners with the theory and practice of the Montessori approach.



Global Partnerships with World-wide Universities

SEGi works with some of the most prestigious universities from the United Kingdom to develop a knowledge-rich and industry-relevant curriculum for our collaborative and double degree programmes.

HOSPITALITY & TOURISM

The Hospitality and Tourism programmes at SEGi are modelled upon the philosophy of structured workplace learning. Our students will undergo hands-on training and practical experience in preparation for the workforce upon graduation.



**Learning facilities
modelled after
5-star hotels for
the best learning
experience**



Modern and
State-of-the-art
Facilities

Among our top-notch facilities at SEGi College Kota Damansara, SEGi College Kuala Lumpur and SEGi College Penang to simulate the actual working environment are mock restaurants, mock housekeeping rooms, and full-functioning kitchens.

Extensive Internship and Employment Opportunities

SEGi collaborates closely with more than 100 hotels as affiliated partners, providing wide internship opportunities to our Hospitality and Tourism students and a plethora of employment opportunities upon graduation.



Structured Workplace Learning

We cultivate learning excellence through a comprehensive module that incorporates hands-on training and practical experience. There will be field trips to local and international tourism destinations to provide an in-depth understanding of programme syllabus and the industry.



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

World Renowned University Partners

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



UNITED
KINGDOM



University of Greenwich

University of Greenwich (UOG) can trace its roots back to 1890, founded as Woolwich Polytechnic and later awarded university status in 1992. The University has a long history in the field of education and has three campuses in south east London and Kent within a progressive learning environment supported by modern and hi-tech facilities.

Today, it has 1,200 programmes including some of the more popular choices of Law, Nursing, Business, and Engineering. The University has been acknowledged by the sector and its peers to be a silver rated provider of higher education according to the 2017 Teaching Excellence Framework (TEF). UOG is also the proud recipient of The Queen's Anniversary Prize for Higher and Further Education 2015, awarded for innovative research and development carried out by Greenwich's Natural Resources Institute within the Faculty of Engineering & Science.





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. As a research active university, UOS aims to enhance the learning experience of its students as well as its academic standing of the institution as a seat of higher learning and scholarship.

Academic programmes are at the core of the University's commitment to producing well-rounded graduates. The Guardian ranks its Hospitality, Event Management & Tourism as 4th best in the country, while Nursing is ranked 5th best. Other highly-ranked majors in the Guardian league tables are Business, Management & Marketing, Accounting & Finance, Mechanical Engineering and Fashion & Textiles.



Abertay University

Abertay University (AU) has a long history in Scotland education. In The Guardian University Guide 2018, Abertay has been ranked 66th in the respected table after leaping impressively 19 spots from 85th place the year before. The university offers ample opportunities for students to learn from world leaders every day since the courses are taught and developed by world-leading research teams, whose discoveries are hailed internationally. They are the top rated university in Scotland across multiple disciplines, particularly in accounting and finance, civil engineering, as well as food and drink courses.



University of St Mark & St John

The University of St Mark & St John strives for excellence, ranked in top 10 of Higher Education institutions in England. According to the National Student Survey 2016, the university shot up the league tables achieving 100% student satisfaction in some of its courses.

MARJON has been successfully training teachers since 1840, receiving praise in the Ofsted inspections, including an "outstanding" for the secondary Management and Quality Assurance. This ensures students are well-prepared for employment upon graduation, along with practical experience in relevant employment fields.

In the Higher Education Statistics Agency (HESA) 2014, more than 94% of its graduates were in a new job or enjoying further study within six months of graduating.



Cardiff University

Cardiff University first opened its door in 1883 and has undergone tremendous growth to become one of Britain's leading research universities. Today, it is the 8th largest university in the UK and is a member of the Russell Group, a group of 24 leading UK research intensive universities.

The University has a leading engineering school, conducting internationally renowned research alongside teaching that places students at the centre of the learning experience. In the latest Research Excellence Framework (REF) 2014, the school of engineering was ranked 1st in the UK for Civil Engineering and 7th in General Engineering including the Mechanical and Electrical and Electronic Engineering disciplines.



Swansea University

Founded in 1920, Swansea is a research-led university and was recognised as the 26th research-intensive university in the UK according to the Research Excellence Framework (REF) 2014. The University is also ranked 22nd in the UK for impact in REF 2014, outperforming many Russell Group universities.

Its College of Engineering has strong links with the industry and it is fully equipped with outstanding facilities. The Guardian University Guide 2018 ranks its engineering as 9th best in the UK while its civil engineering department has been ranked in the world top 200 by QS World University Rankings and Shanghai Global Rankings.



University of London International Programmes

University of London is 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 international in character with over 50,000 students in more than 190 countries.



**UNITED
KINGDOM**



University of Southern Queensland (USQ)

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 to 2011.



AUSTRALIA





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 Troy University System. 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.



Minnesota State University is among 57 institutions across the United States recognised as a national leader in undergraduate research. Prospective students will get the best opportunity to acquire academic qualification from more than 130 possible undergraduate majors. With support and guidance from faculty mentors, students would be able to excel in their respective fields.

The university encourages students' creative and scholarly endeavors by providing real-world research opportunities. Minnesota State Mankato is home to modern research facilities and a number of leading research centers. Students have ample of opportunities to integrate theory, apply it in research projects and take it to the next level by participating in the signature Undergraduate Research Symposium that is meant to showcase the faculty-student collaboration.



University of Toledo

The University of Toledo (UT) established in 1872 is a student-centered, public metropolitan research institution with 23,000 students. Its College of Business and Innovation (COBI) is among the top 100 Bloomberg best undergraduate business schools in 2016 in the United States.

COBI's MBA also ranks among Princeton Review's top 300 MBA programs in the United States. This is a testament to COBI's commitment to deliver not only high-quality business education but also provides students with powerful tools to build a successful career upon graduation.

The college has qualified and experienced staff members to ensure the best well-rounded college experience for the students. COBI enriches students' learning experience by providing state-of-the-art complex that houses John B. and Lilian E. Neff Trading Room to enable them to have access to live and delayed feeds from the global financial data.



University of Wyoming

The University of Wyoming (UW) delivers top-notch education in the small community of Laramie, Wyoming. First opened its door in 1886, the university is committed to continuously provide high-quality education to students. UW offers abundant opportunities for students to participate in independent research projects across many disciplines including business, education, psychology and nursing, which is aimed at fostering innovation and success to produce future global leaders.

Each year, the university welcomes over 14,000 students from all 50 states across the nation and 90 countries worldwide. Apart from a well-rounded education here, students can expect a vibrant and engaging campus life by joining any of the 243 recognised student clubs. For students who are seeking for an exciting university experience, UW is where you want to be. According to the Backpacker Magazine, UW is the third (3rd) best outdoor school in the nation.



University of Albany SUNY

SUNY Albany is strategically located at the heart of New York State's Tech Valley, the new epicenter of the global semiconductor industry, thereby offering students with limitless opportunities for internships and public service which can be beneficial for them to gain experience before launching their careers. It is also one of the only three universities in New York with AACSB dual accreditation in business administration and accounting.

Opportunities to participate in research projects are aplenty in this internationally recognised public research university. Students are guaranteed top-notch education guided by world-class scholars and teachers, many whom are actively engaged in life-enhancing research. The excellence of education provided by SUNY Albany is recognised by various independent sources including rankings released by the US News and World Report.

EXCELLENCE AT SEGi

SEGi IS COMMITTED IN PROVIDING QUALITY
AND AFFORDABLE EDUCATION TO YOUTHS TO
PRODUCE LEADERS OF TOMORROW.

Excellent and Beyond: **SEGi achieves most six stars rating in MyQuest 2016/2017**

SEGi College Subang Jaya, SEGi College Penang and SEGi College Sarawak have gone beyond excellent with six stars (outstanding) in the 2016/2017 Malaysia Quality Evaluation System (MyQuest) ratings while SEGi College Kuala Lumpur also received five stars (excellent) rating in the same biennial evaluation carried out every two years by the Ministry of Higher Education.

The six stars rating is another accolade to SEGi's trove as the institution has also won a string of prestigious awards. This is a testament to our academic excellence.



SEGi takes pride in celebrating the achievements of our outstanding students. Their hard work in classroom leads to academic success as well as superb sports performance. Their achievements were recognised at international, national and local levels.

| STUDENTS WHO MADE A DIFFERENCE



| PRISCILLA FU PING MEI

Priscilla Fu Ping Mei from the Faculty of Law at SEGi College Sarawak was accorded with the prestigious “Highest Mark in Malaysia” for Pearson Edexcel International Advanced Level Law 2016. The Outstanding Learner Award winners are highly valued due to their proven track record and achievements – amongst all the Pearson Edexcel students in Malaysia and globally.



| SAMUEL NG AND SAMANTHA LEE

Two Malaysian students were chosen as presenters at the Global English Fair 2017 in Seowon University in Cheongju, South Korea. Samuel Ng Yung Sern (photo) and Samantha Lee Mae Yan, who are pursuing a bachelor's degree in education, majoring in TESL (Teaching of English as Second Language) at the Faculty of Education in SEGi University, Kota Damansara represented the institution at the five-day event from November 28 to December 2.

I STUDENT ATHLETES WHO MADE A DIFFERENCE

Bronze For SEGi At Sunway University Badminton Open
Four Medals For SEGi Dental Students
Bronze For SEGi At KL Taekwondo Open Tournament 2017
SEGiian Badminton Duo Take Gold
SEGi Earns Bronze In Bowling Tournament
Four Medals In Taekwondo Championship
Victory In Cricket Championship
Masiswa Sports Carnival
One Silver & One Bronze For SEGi
Two Bronze For SEGi



BRONZE FOR SEGi AT SUNWAY UNIVERSITY BADMINTON OPEN

SEGi University badminton team won bronze at an intervarsity badminton tournament at 2017 Sunway University Badminton Open. The team showed fantastic spirit to earn the win at a two-day tournament on April 29 and 30 held in Sports Arena, Sunway University.



FOUR MEDALS FOR SEGi DENTAL STUDENTS

Students from the Faculty of Dentistry (FOD) demonstrated their strength and fitness, and exhibited fine sportsmanship at 2017 National Dental Interschool Sports Carnival (NDISC). They clinched four medals – one gold, one silver and two bronze, and came in at 4th place among 13 dental schools in Malaysia in the event.



BRONZE FOR SEGi AT KL TAEKWONDO OPEN TOURNAMENT 2017

Three SEGiians represented the institution in the Kuala Lumpur Taekwondo Open Tournament 2017. After a tense two-day match, Ashoka emerged as the second runner-up and walked away with a bronze medal.

**Excellence
At SEGi**
(continued)



**SEGiAN BADMINTON
DUO TAKE GOLD**

SEGi University badminton team did us proud by clinching a gold medal at an intervarsity badminton tournament. Students Ng Chi Cherng and Lydia Ngor won gold in the mixed doubles category at the Intersvarsity UNITEN Badminton Open 2017.



**SEGi EARNs BRONZE IN
BOWLING TOURNAMENT**

SEGi University sent male bowlers to MASISWA Bowling Tournament and competed with 30 teams in the event. The team prepared and trained vigorously for this largest bowling and won bronze medals in a double category.



**FOUR MEDALS IN
TAEKWONDO CHAMPIONSHIP**

SEGi Taekwondo athletes won four medals – two gold and two bronze in 2nd Nilai University Invitational Taekwondo Championship 2017. Afnan Firdaus and Wieda won gold medals in poomsae and sparring categories respectively while Muhammad Zubair and Mike Choong clinched bronze medals in sparring category.

**Excellence
At SEGi**
(continued)

**VICTORY IN
CRICKET CHAMPIONSHIP**

SEGi University cricket team won in the 1st APU T10 Cricket Championship after a strong performance against other teams. Organised by APU University, the three-day event saw participation from 15 universities. SEGi team captain Amith Giti and his teammates stormed to victory after battling several rounds against other teams.



**MASISWA
SPORTS CARNIVAL**

SEGi University badminton and table tennis teams competed in Masiswa Sports Carnival organised by Sunway University. Our students did us proud as the badminton players won a silver medal while the table tennis team clinched a bronze medal.



**ONE SILVER &
ONE BRONZE FOR SEGi**

A team of five students – Robin, Afnan Firdaus, Muhammad Zubair, Mike Choong and Adrian represented SEGi University at WENWU Taekwondo Closed and Invitational Championship 2017 held at SJK (C) Kwong Hon. Afnan won a silver medal while Choong clinched a bronze in sparring category.



**TWO BRONZE
FOR SEGi**

Students from SEGi University Taekwondo Team put their fighting spirits to test and won two bronze medals at the 1st Sunway University Taekwondo Kyorugi Championship 2017. A team of three students – Afnan Firdaus, Mike Choong and Hoo Jia Ying represented the institution in the championship. Afnan and Hoo walked away with bronze medals.

2017 AT A GLANCE



4

JANUARY

1. SEGi College Sarawak (SCSWK) has signed a progression agreement with the University of Hertfordshire (UH) in the United Kingdom. Under the progression agreement, SEGians will be able to complete the final year of the Bachelor of Laws (LLB) Honours Programme in UH.
2. Staff and students from the Faculty of Dentistry at SEGi University organised an oral health campaign at Surau Al-Syakirin in Bandar Utama. The campaign, Health Behind Every Smile, saw a positive turnout from the community.
3. A lecturer from Abertay University, Dr Alex Avramenko visited the Faculty of Business, Accounting and Management (FOBAM) at SEGi University. During his five-day working visit, Dr Alex delivered lectures to students and also met with SEGi lecturers to discuss on future collaborations.
4. Student Affairs Office at SEGi College Subang Jaya (SCSJ) organised a blood donation drive at its Student Life and Culture Centre. The blood donation drive is organised thrice annually.



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FEBRUARY

5. SEGi College Subang Jaya (SCSJ) 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 BA (Hons) Accounting & Finance (3+0) programme in collaboration with the University of Greenwich.
6. The Faculty of Dentistry at SEGi University organised a Mighty Molars and Friends campaign for kindergarteners in Tadika Aktif, Bandar Utama. The campaign was aimed at raising awareness on the importance of healthy oral cavity and proper oral hygiene care from an early age.
7. The 11th Student Representative Council at SEGi College Subang Jaya organised Chinese New Year (CNY) celebration in conjunction with the Lunar New Year. Among some of the activities were calligraphy competition and a photo booth to capture CNY moments.
8. Student Affairs Division at SEGi University organised their 10th Student Intellectual Discourse to discuss about the "strawberry" label given to generation Y. The discourse titled Are We Raising A Strawberry Generation saw four speakers from various backgrounds debating the issue by highlighting the impact of technology on Gen Y or those who were born after 1981.



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**2017 At
A Glance**
(continued)



MARCH

9. The SEGi Dental Society at SEGi University has signed a Memorandum of Agreement (MoA) with Colgate Palmolive (M) Sdn Bhd. Under the MoA, Colgate will provide its dental products to the dental students for their entrepreneurship venture.
10. Final year undergraduate students were given an opportunity to understand the depth of Statistical Package for the Social Science (SPSS) at a workshop organised by the University of Sunderland, Entrepreneur Club at SEGi College Subang Jaya (SCSJ). The workshop was conducted by a lecturer from the Faculty of Business and Accountancy.
11. A group of staff and dental students from the Faculty of Dentistry at SEGi University visited Rumah Hope children's home in Paramount Garden to raise awareness of oral health care among the children. The Future Smiles campaign saw a participation of 12 students and staff from SEGi, educating the kids about oral care in a fun and light-hearted manner.

12. SEGi University Student Affairs Division, Counselling Unit collaborated with students from Diploma in Early Childhood Education and organised a fun-filled event themed To Be Seen, To Be Heard for kids from the Praise Emmanuel Children's Home (PECH). Among some of the activities were free eye screening tests and a specially orchestrated hand movement performance.
13. International Women's Day that falls on March 8 is celebrated annually in SEGi College Subang Jaya (SCSJ) since 2013 to recognise and appreciate women for their sacrifices and contributions. The Student Affairs Office at SCSJ organised a special celebration and encouraged the staff and students to dress in purple. Among some of the activities were cupcake sale and fashion show.
14. Greenwich Alliance Club at SEGi College Subang Jaya (SCSJ) organised an accounting forum titled Accountants Beyond 2020. The event received overwhelming responses from accounting students from SCSJ, SEGi University, SEGi College Kuala Lumpur and many more.

APRIL

15. Eight teams that made up of 24 students from the Faculty of Business and Accountancy, and the American Degree Program (ADP) at SEGi College Subang Jaya participated in the Battle of Brains, a business debate for students to develop their communicative skills.
16. The Student Affairs Office at SEGi College Subang Jaya (SCSJ) organised Skytrex Thrill in Shah Alam to encourage a healthy lifestyle among its students through extreme outdoor activities. The event received enthusiastic responses from 40 students.
17. The Faculty of Pharmacy at SEGi University organised its Gala Night at Hotel Royale Chulan.



MAY

18. The Counselling Unit of Student Affairs Division and the Faculty of Education at SEGi University celebrated and commemorated the World Autism Awareness Month by releasing 20 blue helium balloons and invited a speaker from Brightstars, Marissa Ali for a sharing session.
19. The Faculty of Business, Accounting and Management (FOBAM) organised a recycling competition at SEGi College Kota Damansara.
20. The Chinese Director of Confucius Institute at SEGi University, Chen Ming Hui and its teacher, Mou Ying visited SJK (C) Chiao Nan at Jalan Pahang, Kuala Lumpur.
21. The Confucius Institute at SEGi University organised a certificate award ceremony for 23 students who have successfully completed a Mandarin Language course. It provided an opportunity for students to learn from one another and also motivated them to learn more about the language.

22. The Faculty of Business, Accounting and Management (FOBAM) at SEGi University organised a sharing session titled Social Media: A Great Platform for Entrepreneurs for students to engage with industry leaders - Sunway Group corporate adviser Tan Sri Ramon Navaratnam, KAT Group of Companies executive chairman Datuk Khairol Anuar Mohamad Tawi and DHL Express Malaysia and Brunei managing director Christopher Ong.
23. SEGi University and Colleges entered into an agreement with AmBank Group to offer JomPAY electronic payments which enables payers to make tuition fee payments via Internet Banking, Mobile Banking and ATMs of various banks in Malaysia. Following the inking of the agreement, SEGi students can pay their tuition fees via JomPAY with just a few clicks.
24. Newly elected Student Representative Council from SEGi College Subang Jaya organised its first camping trip for the committee members to Malacca. This year's EXCO camp was held in a private bungalow to foster a closer bond between the members.

25. Newly elected Student Representative Council (SRC) from SEGi College Subang Jaya were sworn in to take over the duties and roles in the 11th SRC with 11 executive committee members.
26. The qualifying round of AXN University Challenge was held at SEGi University. The challenge is a series of timed obstacle course challenges that put contestants' strength, agility, speed and courage to the test.

JUNE

27. SEGi University has inked several Memorandum of Understanding (MoUs) with 14 companies under the Valued Corporate Partnership (VCP) programme. It is part of the institution's initiative to reach out to key industry players to facilitate and extend professional and social links between the group and a myriad of companies from various industries.



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28. The Faculty of Business, Accounting and Management (FOBAM) together with the Accounting and Finance Club (AFC) from SEGi University and SEGi College Kota Damansara organised a fundraising drive for an orphanage in line with its objective to Being a Responsible Corporate Citizen.
29. The UOS Entrepreneur Club at SEGi College Subang Jaya organised a Drive-Thru Charity Car Wash to raise funds for an orphanage. The event was aimed at fostering and developing social awareness among the students to encourage students to lend a helping hand for the less fortunate community.
30. The Faculty of Business, Accounting and Management (FOBAM) at SEGi University organised a talk, Employer's Expectation: A Great Platform to Develop Career Pathway as part of its enrichment programme for the students. Students were given an opportunity to learn the ropes from five industry experts - Jobstreet Malaysia corporate communication representative; professional coach-cum-facilitator, Umar Zaman Mydeen; CEO-cum-founder of an award-winning digital agency Orion, Shanker Joyrama; Managing Director of Fresenius Medical

Care Malaysia, Michael Wong; and Financing and Treasury Manager of Asia Pacific Technip FMC Malaysia, Wah Yi Shin.

31. The School of Allied Health Sciences Class of Co-Curriculum Management together with the Counseling Unit of Student Affairs Division organised a campaign, Spread the Hope, Join the Fight to raise funds for National Cancer Council Malaysia (MAKNA). Apart from the exhibition booths, the organisers also invited a cancer survivor, A.S. Dass for a sharing session.
32. The Psychology Club at SEGi College Subang Jaya (SCSJ) organised a talk, Coaching in the Education World as a platform for 50 students from SCSJ Faculty of Education to learn about the changes in the education industry.
33. The Head of Student Affairs Office at SEGi College Subang Jaya initiated an event known as Spreading Positivity. Organised by the 11th Student Representative Council (SRC), participants uttered thank you to those who crossed their path. As a gesture of appreciation, yellow roses were given to those who wish to thank their family, friends or lecturers.

34. Greenwich Alliance Club at SEGi College Subang Jaya organised a friendly bowling competition at Ampang Super Bowl in The Summit, USJ. The event was aimed at encouraging Bachelor in Accounting and Finance (BAAF) students to be involved in extracurricular activities.

JULY

35. The Chinese Society at SEGi College Kota Damansara organised a special celebration to coincide with the Chinese Valentine's Night, typically known as Qi Xi (seventh night festival). The event saw participation from more than 100 students. Among some of the activities were Rubber Band, Paired Chopstick and Three-Legged Race.



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36. Professor David Blackwood from Abertay University (AU), United Kingdom visited SEGi University, Kota Damansara in conjunction with the soft launch of a double degree, Bachelor of Engineering (Hons) Civil Engineering, a collaboration between SEGi and Abertay. During his three-day visit, Professor Blackwood also delivered lectures to students from the Faculty of Engineering and The Built Environment (FoEBE).
37. The Faculty of Education at SEGi College Subang Jaya organised an informative sharing session on Applied Behaviour Analysis (ABA), aimed at assisting students from Diploma in Psychology to understand how ABA is used in educational psychology to aid in the learning processes of autistic individuals.
38. The Faculty of Engineering and The Built Environment together with Intrix, a heat pump company, organised a seminar on the New Guidelines for the Design, Installation, Inspection, Testing, Operation and Maintenance of Water Heater Systems for engineering students. The talk was co-delivered by Suruhanjaya Tenaga.
39. Omega Leo Club of SEGi College Subang Jaya organised a workshop on KISS Goodbye to Stress in an effort to create a stress-free environment and to promote better mental health.
40. Greenwich Alliance Club (GAC) together with SEGi College Subang Jaya Dodgeball Club organised a friendly dodgeball competition at City Harvest KL Dodgeball Court.
41. The Centre for Pre-U Studies at SEGi University held a Foundation Awards Ceremony to honour 40 achievers who scored CGPA 3.5 and above. It was also held in conjunction with a programme preview session to expose the existing Foundation Studies students to a plethora of undergraduate programme choices available at SEGi and our university partners.
42. Student Affairs Office and UOS Entrepreneur Club from SEGi College Subang Jaya organised a career boot camp targeted at graduating class of 2017 to prepare them for a job interview session in seeking employment after graduation.
43. SEGi College Subang Jaya ranked fourth in UCSI Futsal Tournament 2017. The tournament was held in UCSI North Wing Campus and saw participation from 20 private colleges and universities.
44. The Faculty of Dentistry at SEGi University organised a Continuing Professional Development (CPD) session for dental students and its faculty members. Associate Professor Dr Zamros Yuzadi Yusof from the University of Malaya spoke on Evaluating Population Strategies while alumni Dr Lo Sue Ann and Dr Wong Yung Hua also enlightened the Year 5 dental students on the one-year compulsory service in the public service.

AUGUST



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45. A group of engineering students from the Faculty of Engineering and The Built Environment (FoEBE) at SEGi University visited Kampung Orang Asli Gurney in Ulu Yam as part of its social responsibility service programme. Participants donated food items and repaired their damaged houses.
46. Trainee teachers from the Faculty of Education at SEGi University coached over 30 Primary Six pupils of SJK (T) RRI Sungai Buloh under a programme known as Rainbow Road to Success. These trainee teachers who are currently pursuing Bachelor of Education (Hons) set up various English testing stations to ignite the pupils' interest in learning.
47. FOURSEGi Club and mass communication students from SEGi University organised a Pyjamas Movie Night to foster closer relations between students from various faculties across SEGi University and SEGi College Kota Damansara.
48. Troy University Chancellor Dr Jack Hawkins and Senior Vice Chancellor for Academic Affairs, Dr Earl Ingram visited SEGi to discuss about the ongoing

- collaboration in American Degree Program (ADP).
49. A group of 150 Indonesian students from the University of Trisakti, Jakarta visited SEGi University during a study tour to Malaysia. They were given a tour around the Faculty of Engineering and The Built Environment (FoEBE).
50. The 11th Student Representative Council (SRC) and Omega LEO Club of SEGi College Subang Jaya organised a blind date, the first of its kind event in the institution. It was aimed at encouraging people to share their stories while dining and talking to strangers without a clue on their appearances.

SEPTEMBER

51. The Director of Undergraduate Law Programme from the University of London, Professor Simon Askey visited SEGi College Sarawak for a meet and greet session and congratulated the LLB students for passing their May/June 2017 examinations with flying colours.

52. A Pledge of Professionalism ceremony was held in conjunction with the new intake of pharmacy students in the Faculty of Pharmacy at SEGi University. The session is held annually for new students to pledge their responsibilities and duties as a pharmacist.
53. Student volunteers from the Diploma in Psychology at SEGi College Subang Jaya conducted a listening session at Sunway Pyramid in front of Celcom Blue Cube. The session was organised together with Sidewalk Talk Malaysia, Befrienders in the Klang Valley, Department of Social Welfare and Malaysian Mental Health Association (MMHA).
54. The Faculty of Business, Accounting and Management (FOBAM) at SEGi University organised the 11th Student Intellectual Discourse for its students.
55. The Faculty of Business, Accounting and Management (FOBAM) at SEGi University and SEGi College Kota Damansara together with ACCA organised an informative session on Accountants and Business Survival as part of its enrichment programme.



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56. SEGi College Sarawak organised a two-day health awareness campaign at its main campus to enlighten the general public on health issues such as general well-being, women and reproductive health. There were a series of medical talks conducted by medical specialists.
57. Student Affairs Office of SEGi College Subang Jaya organised a bullying prevention campaign to create awareness and educate students on the importance of standing up to bullying. The event was a success as it reached approximately 300 students during the four-day campaign.
58. Student Affairs Office at SEGi College Subang Jaya together with Praxis organised a financial and wealth management campaign known as Spend it Right through a fun monopoly game. Sponsored by VISA Singapore, the event saw participation from 70 students.
59. Greenwich Alliance Club (GAC) at SEGi College Subang Jaya organised an educational visit to Chartered Institute of Management Accountants (CIMA) to expose students to the real life work environment and have a better understanding of the day-to-day operations in a professional body.

60. Student Affairs Office at SEGi College Subang Jaya (SCSJ) organised one of its biggest events in 2017, Pedal with Pride. O Bike Malaysia sponsored 250 bicycles for the event. It was aimed at spreading patriotism among SEGians. SCSJ management team including its senior principal Dr Lisa Tan cycled 5km around Subang Jaya.
61. Omega LEO Club of SEGi College Subang Jaya and Kuala Lumpur Capital Lions Club visited the paediatric ward in Kuala Lumpur General Hospital. The visit was aimed at raising awareness about paediatric cancer.
62. Omega LEO Club of SEGi College Subang Jaya together with Omega LEO Club of KDU Petaling Jaya, as well as Leo Club of Brickfields Asia College jointly organised an event for orphans. The event was aimed at providing an opportunity for club members and other participants to interact with the orphans. They visited several places, among others, Yakult Factory and Putrajaya Lake.
63. A blood donation campaign was held at SCCL Room in SEGi University. The event was organised by the Faculty of Pharmacy.

OCTOBER

64. Year 5 dental students from the Faculty of Dentistry at SEGi University visited various Health Ministry facilities in Johor, Penang, Kelantan and Pahang on a five-day study trip. The visits enabled students to gain a deeper understanding of dental care in community settings as well as strategies used in clinical outreach programmes and the delivery of dental care in rural areas.
65. The Faculty of Business, Accounting and Management (FOBAM) at SEGi University and SEGi College Kota Damansara organised a talk on Safety is Priceless: Prepare and Prevent, Don't Repair and Repent with two guest speakers – former deputy CPO Perak, Hon Prof DCP (R) Dato A. Paramasivam and Head of Training (competency) from Royal Malaysia Police, Supt Tharamadurai Ramanathan.
66. SEGi Dental Society organised the 2017 Annual Dental Gala Night at Tropicana Golf and Country Resort.



67. The Faculty of Engineering and The Built Environment (FoEBE) at SEGi University launched a new undergraduate programme in architecture. The programme, Bachelor of Science (Hons) Architecture is taught by practicing architects certified by Lembaga Arkitek Malaysia (LAM) Pt 2.
68. The Faculty of Business, Accounting and Management (FOBAM) at SEGi University and SEGi College Kota Damansara organised a talk on Financial Planning, Assurance, Investment and Opportunities, in collaboration with financial institutions.
69. Students from the Faculty of Early Childhood Care and Education at SEGi College Subang Jaya (SCSJ) exhibited their work at the BA (Hons) Early Years Education Annual Graduation Showcase. It was aimed at preparing the students to be an industry leader in the ECE sector upon graduation.
70. Siragugal Club (Indian Cultural) at SEGi College Subang Jaya held their annual members gathering at the camps garden terrace. About 60 members attended the gathering and they chowed down on good food.

71. Dance Club & Sigma Phi of SEGi College Subang Jaya together with Music and Dance Club of SEGi College Kuala Lumpur organised a Sleepy Hollow talent night with numerous auditions and the finale took place in Evolve Concept Mall.
72. Student Affairs Office at SEGi College Subang Jaya organised a homecoming event at the campus student lounge as a platform for the graduating class to mingle prior to their graduation.
73. Music Club and Student Affairs Division at SEGi University organised SEGi Idol to unearth SEGians hidden talent and potential.

NOVEMBER

74. More than 100 students participated in the SDS Excursion Day at Kompleks Sukan Setiawangsa in Kuala Lumpur. The event was organised by SEGi Dental Society and the Faculty of Dentistry at SEGi University.

75. The Faculty of Dentistry (FOD) at SEGi University participated in the annual Mouth Cancer Awareness Week 2017 (MCAW 2017) in support of the Oral Cancer Research and Coordinating Centre (OCRCC) to raise public awareness on oral cancer.
76. A group of students from SEGi College Penang Students Representative Council (SRC) provided assistance to Penangites who were affected by the floods following the torrential rains in the state. The project named Helping Hands received positive responses from staff members and students.
77. Seventeen students from the Faculty of Education at SEGi University visited Google Malaysia office in Axiata Tower to understand how technology can be used as a tool in education.
78. The Faculty of Business, Accounting and Management (FOBAM) at SEGi University organised a talk on Corporate Makeover: Are you ready? as part of its enrichment programme.



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79. Students from the Bachelor of Mass Communication (Hons) at SEGi University organised A Heartbeat's Journey for children of Yayasan Chow Kit (YCK). The event was held in conjunction with Universal Children's Day.
80. A group of trainee teachers from Early Childhood Club at SEGi College Kota Damansara organised a special children's day celebration for 450 pupils in SJK (T) RRI Sungai Buloh. During the one-day celebration, the trainee teachers set up an activity booth and organised a colouring contest.
81. The Confucius Institute at SEGi University organised a public forum titled Belt and Road Initiative: The Future is NOW! as a platform for intellectual discourses on Belt and Road Initiative and to heighten public awareness on how people of countries along the Belt and Road can benefit from it, and how they can be equipped with the knowledge and skills to be a part of this opportunity at its current formative stage.
82. Dean of Faculty of Dentistry at SEGi University, Associate Professor Datuk Dr Khairiyah Abd Muttalib and Associate Professor Dr Srinivas S Ramachandra participated in Global Dental Ambassadors (GDA) programme in Cambodia.
83. The Faculty of Dentistry at SEGi University participated in National Oral Health Awareness Day organised by Smile Malaysia in collaboration with 1M4U (1Malaysia for Youth) and Dental Dean's Council of Malaysia.
84. Greenwich Alliance Club of SEGi College Subang Jaya organised a special event in conjunction with Halloween in its campus. Inspired by the ESCAPE Room concept, participants were required to escape a haunted room.
85. SEGi University signed a Memorandum of Agreement (MoA) with Chartered Institute of Management Accountants (CIMA).
86. Final year students from the Faculty of Communication and Creative Design (FOCCD) organised LOL: Lots of Love campaign to promote love and care to the community around us. The campaign as held at the main campus of SEGi University. The event also raised funds for the Street Feeders Kuala Lumpur and Green Pastures Old Folks Home.
87. The International Student Society together with Student Affairs Division at SEGi University organised an international cultural food fair. Local and international students from more than 20 countries, to name a few, Saudi Arabia, Bangladesh, Pakistan, China, Indonesia and more, sold traditional food at the event.
88. SEGi University Students' Representative Council together with Student Affairs Division organised a Prom Night at Eastin Hotel. It was an event to allow local and international students to mingle and make new friends.



DECEMBER

89. SEGi University signed a Memorandum of Understanding (MoU) with Tenaga Switchgear Sdn Bhd (TSG). Tenaga Switchgear is a part of Tenaga Nasional Berhad's (TNB) drive to diversify into manufacturing of High Voltage Switchgear.
90. SEGi Dental Society at SEGi University hosted one of the largest events, The Dental Undergraduates Survival Kit 2.0 (DUSK 2.0). The event was organised by the Malaysian Dental Students' Association (MDSA) to instill the fundamental knowledge on the practice of dentistry, especially on handling medical and dental emergencies in clinical practice, and to enlighten dental students on various dental specialisations.

SUSTAINABILITY STATEMENT



SEGi believes that the principles and actions to promote sustainability should be embedded across the Group's operations and activities. SEGi is committed to balance the economic, environmental and social ("EES") aspects of our business decision making, with the interests of various stakeholders that are essential to enhance investor perception and public trust. By actively engaging with our stakeholders, we are ensuring that material issues are identified, addressed and managed effectively.

SEGi STRIVES TO MAKE A POSITIVE DIFFERENCE TO THE LIFE AND FUTURE OF OUR STUDENTS AND EMPLOYEES BY MAKING SOCIALLY RESPONSIBLE DECISIONS THAT WILL BRING BENEFICIAL AND MEASURABLE IMPACTS ON THE PEOPLE AND THE SOCIETY AROUND US. SOCIAL RESPONSIBILITY IS ONE OF OUR CORE STRATEGIC GOALS, SITTING EQUALLY ALONGSIDE OUR COMMITMENTS TO A WORLD-CLASS EDUCATIONAL INSTITUTION, AND EFFECTIVE LEARNING AND TEACHING EXPERIENCE.

Governance Structure

In SEGi, sustainability is led from the top. The Board is pleased to announce that sustainability has been included into the Board's agenda recently. The Board has appointed one of its directors, Mr. Edwin Fua Chye Jin, to head up a Sustainability Committee comprising representatives from various departments.

The Sustainability Committee is tasked with considering how the Group's operations impact various stakeholders and how it could be improved to support the longevity of the business. The Committee will meet at least 4 times annually and make recommendations periodically to senior management and the Board regarding sustainability initiatives and policy decisions that can be undertaken by the Group.

Scope and Material Sustainability Matters

In terms of considering the scope for sustainability, we set the following parameters for ourselves in the current year:

1. Reporting Cycle: Yearly from January to December
2. Geography: Malaysia, but specifically within our campus and our local area community surrounding our campuses
3. Coverage: Internal (students, staff, capital providers) and external (community, employers)

Sustainability matters are the risks and opportunities to an organisation's operations and activities. As not all material sustainability matters are of equal importance, our maiden sustainability reporting, inter alia, focuses on the material sustainability matters that concern our top 5 major stakeholders. SEGi will also establish baseline performance measures against which to improve the Group's sustainability efforts in future.

Stakeholder Engagement

At SEGi, stakeholder engagement is a continuous dialogue. The Group will engage with internal and external stakeholders through meetings, surveys, discussions, briefings and calls to better identify and understand their expectations.

For 2017, the Sustainability Committee engaged with employees of various departments as proxies to the stakeholders to understand what would be the material sustainable matters for each of these groups.

As a result, the Committee identified the following material matters. Herein, the focus is on issues that could have the greatest impact and are most important to our business and stakeholders.

This process involved a review of the sustainability context for the Group, an engagement with the stakeholders by our employees from various departments and divisions and a final review by the Committee. We give due consideration to those matters that will contribute towards the betterment of SEGi, environment and society. The outcome of the materiality assessment was presented and adopted by the Board of Directors.

Material Sustainability Matters

In 2017 itself, the Committee has met to map out who are the Group's key stakeholders and what would be material sustainability matters of concerns for them with regards to our Business. The top 5 material sustainability matters which are of high importance to our stakeholders and business are summarised in the table below:

**Sustainability
Statement**
(continued)

Key Stakeholders	Material Sustainability Objective / Matter	Initiatives undertaken or under consideration	Indicators
Internal			
Students	To provide holistic education that improves student employability with industry-relevant curriculum.	<ol style="list-style-type: none"> 1) Meeting the MQA (Malaysian Qualifications Agency) accreditation requirements. 2) Improving student employability by actively engaging with our value corporate partners ("VCP"). 3) Increasing use of technology to improve learning flexibility and student access. 4) Ensuring there is a good balance of out-of-class student engagement. 5) Relevant new course development after consultation with industrial partners. 6) Periodic review of curriculum to remain relevant. 	<ol style="list-style-type: none"> 1) No breach of MQA requirements. 2) SEGi has 468 VCPs as at 31 December 2017 and is targeting to increase the VCP by 20 in 2018 3) Graduate employability (within 6 months of graduation) of 82.7% in SEGi University (over last 3 years) with targets to improve. 4) Student attrition of 13.2% with targets to improve. 5) a) New industry collaboration with QSR Brands (M) Holdings Bhd on our Diploma of Restaurant Management. b) New Cyber Security programme in 2018. 6) Annual review of curriculum with the endorsement of industrial advisory partners.
Staff	Retention and recruitment of talent.	<ol style="list-style-type: none"> 1) Talent management and Succession Planning programme for specific candidates to groom them to reach senior level. 2) Sponsorship for internal and external training for staff. 3) Extended discount package for staff to study SEGi programmes. 4) Staff satisfaction survey. 5) Benchmarking our HR policies, compensation and benefits to market. 6) OSHA initiatives. 	<ol style="list-style-type: none"> 1) a) Senior Level attrition of 0% in 2017 and will target to maintain single digit attrition for senior level staff. b) Talent pool attrition rate of 10% in 2017 and will target to reduce this attrition to single digit for talent pool staff. 2) At least 10 hours training per annum per staff. 3) Education assistance scheme established for full time employees. 4) Average staff survey score of 3.71 out of 5 in 2017. 5) HR policy and compensation benchmarking once every 5 years. 6) Safe working environment for all staff with aim for zero major accidents every year.

**Sustainability
Statement**
(continued)

Key Stakeholders	Material Sustainability Objective / Matter	Initiatives undertaken or under consideration	Indicators
Shareholders and Capital Providers	Risk management and Internal control system to safeguard assets and shareholders' investment.	<ol style="list-style-type: none"> 1) Adherence to MQA & MOHE (Ministry of Higher Education) and Bursa Malaysia's Listing Requirements. 2) Ensure compliance with Malaysian Code on Corporate Governance ("the Code"), to adopt internationally recognised standards in internal audit and risk management ("IA&RM"). 3) Provide relevant training to IA to keep abreast with latest development on IA&RM skillset. 4) Promote collaborative initiatives with local players. 	<ol style="list-style-type: none"> 1) Fulfilling MQA accreditation requirements for all approved programmes offered and zero warning letter from Bursa Malaysia in 2018. 2) To have full compliance with the Code and the International Professional Practices Framework in 5 years unless alternative measure is given. 3) At least 10 hours training per annum per staff. 4) Organise briefing and/or press interview.
External			
Community	To contribute positively to enrich the communities where we operate in.	<ol style="list-style-type: none"> 1) Wide range of scholarship schemes. 2) B40 initiatives. 3) University Social Responsibility Programme. 4) Student Development talks. 5) Solar initiative. 6) Reduce paper usage, Reduce, Recycle and Reuse Campaign. 	<ol style="list-style-type: none"> 1) Continue with SEGi Corporate Responsibility. 2) 60 B40 students have been recruited under our B40 programmes initiative in 2017. 3) Organised 29 social programmes in 2017 and target to have 20 in 2018. 4) Organised 299 talks/ events in 2017 and target to organise at least 275 talks/ events on student development in 2018. 5) Solar initiative feasibility completed and RM 3mil investment to commence and complete in 2018. 6) Implemented eBoard paper in 2017 and will target to launch the Reduce, Recycle and Reuse Campaign in 2018 as part of creating awareness and encourage the staff to contribute to the environmental pillar of sustainability.

Moving forward

Key Stakeholders	Material Sustainability Objective / Matter	Initiatives undertaken or under consideration	Indicators
Employers	To focus on accessibility or employability of our students in the industry.	<ol style="list-style-type: none"> 1) Improving student employability by actively engaging with our value corporate partners ("VCP"). 2) Active monitoring and feedback loop on our student employability via the student tracer studies. 3) Active engagement with our alumni network to solicit feedback. 4) Collaboration with industry partners. 5) Provision of holistic education. 	<ol style="list-style-type: none"> 1) SEGi has 468 VCPs as at 31 December 2017. 2) Graduate employability (within 6 months of graduation) of 82.7% in SEGi University (over last 3 years) with targets to improve. 3) Annual alumni gathering to build up and maintain the networking. 4) Execution of 50 MOUs with industry partners in 2018 to strengthen our industry collaborations so that our programmes remain relevant to achieve high graduate employability. 5) Established two new industry-driven programmes, such as Bachelor of Science (Hons) Architecture and Bachelor of Biomedical Science (Hons) and target to set up at least two other Industry-driven programmes such as Bachelor of Science (Hons) Cybersecurity and Diploma in Restaurant Management in 2018.

SEGi recognises that sustainability is an ongoing and evolving practices. We will continue to embark our sustainability journey to better define the governance and oversight of our sustainability programme through greater refinement of our structure and the identification of more discrete goals. We strive to continuously improve how we report, meeting the information needs of our stakeholders and helping them to better understand our approach to sustainability.

We also enclose some of our on-going initiatives as reported in our Corporate Sustainability Initiatives in the ensuing statement.



**THE
MARKETPLACE**



**CHAMPIONING
CSR**



**THINK
SUSTAINABILITY**



**EMPLOYEES AND
THE WORKPLACE**

SUSTAINABILITY INITIATIVES

OUR STRATEGY FOR SOCIAL RESPONSIBILITY IS IN LINE WITH BURSA MALAYSIA CORPORATE SOCIAL RESPONSIBILITY, TO BRING CHANGE IN THESE AREAS:-



THE MARKETPLACE

ATTRACTING THE BRIGHTEST YOUNG TALENT

SEGi University and Colleges has recorded an impressive 93% of its alumni in employment or in graduate school. Our alumni have an excellent track record in various employment sectors from business, engineering to the hospitality and tourism, early childhood education, health sciences and many more.

SEGi is committed to attracting the best and brightest talent to produce tomorrow's visionary leaders. We create impact across campuses, in the community and around the world by offering educational opportunities through scholarships and awards. In 2017, SEGi has introduced new schemes in support of government's initiative to improve literacy among youths.

B40 EDUCATION SCHOLARSHIP SCHEME

SEGi University collaborated with Agrobank, Sime Darby Foundation and Malaysia Building Society Berhad (MBSB) to offer partial scholarships to fund Bumiputera students to complete tertiary education and become future leaders. B40 Education Scholarship Scheme is introduced to meritorious students to cover PTPTN loan shortfall.

SCHOLARSHIP

In an effort to attract the finest minds, SEGi offers full and partial scholarships to support high-achieving students who display utmost excellence in academics and co-curricular, to develop the institution's reach and the diversity of the student cohort:-

**SEGi High Achiever's
Scholarship**

**SEGi Sports
Scholarship**

**SEGi ACE
Scholarship**

**SEGi Principal's
Scholarship**

JOM KE SEGi

This is an interest-free education loan scheme open to students of all races from BR1M households, with a monthly income below RM3,885. The loan covers PTPTN shortfall and is convertible to scholarships for students who obtain a First-Class honours Degree or CGPA 3.75 in Diploma.



MAY 2017

SEGi awards scholarships to Victoria Institution

SEGi University awarded two full scholarships worth RM140,000 to Victoria Institution (VI). It was first-of-its-kind scholarship granted to a public school in Malaysia, aimed at championing education for deserving students who excel in both the academics and co-curricular activities. VI principal, Kamarul Azman Md Arif received the mock cheque on behalf of the institution.



CHAMPIONING CSR

AN ENDURING COMMITMENT TO SOCIAL RESPONSIBILITY

Since its establishment in 1977, SEGi University and Colleges has been an important contributor to the well-being and growth of communities. As one of the nation's largest and longest established higher private education providers, SEGi plays a key role to empower communities.

SEGi continues to make a tangible impact on our local communities through various efforts and initiatives. We strive to build a community with a shared future for mankind. Over the years, SEGi has taken an active role in the community through numerous projects. Following is just an example from 2017:



NOVEMBER

New Rotary-SEGi Eye Centre

SEGi University has launched a new eye centre, Rotary-SEGi Eye Centre aimed at providing charitable eye care services to the low-income segment of society by way of screening, detecting, correcting and referring cases for further medical interventions. Health Minister Datuk Seri Dr S Subramaniam launched the eye centre at SEGi University Kota Damansara.

In conjunction with the launching of the new eye care centre, Rotary and SEGi University have also introduced a "Basic Vision Testing in Children" training course aimed at equipping teachers with the basic knowledge and methods to identify and recognize basic vision deficiencies in children, which may result in learning difficulties. The training certified by the Association of Malaysian Optometrists, is organised by Rotary while the Faculty of Optometry and Vision Sciences at SEGi University will deliver the course modules.



THINK SUSTAINABILITY

ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability involves making responsible decision which will be in the best interest of protecting the natural world. Businesses especially educational institutions are expected to lead in the area of preserving the environment as they are in a position to influence youths to make a significant difference.

SEGi responds nimbly to changes in our environment and looks beyond making short term gains and consider not only the immediate impact on actions taken but also the long term implications on the natural world to meet future challenges.



MAY Earth Day Campaign

The Accounting and Finance Club at SEGi University launched the Earth Day campaign at the Piazza to welcome new students for May intake.



EMPLOYEES AND THE WORKPLACE



JUNE

Iftar night celebration

International students and staff at SEGi College Subang Jaya gathered at an inter-cultural celebration hosted by the Student Affairs office to mark the holy month of Ramadan. Those attended were treated to a sumptuous feast.

Hari Raya Bubur

Lambuk Giveaway

Recognising that Bubur Lambuk giveaway is a popular tradition among Muslims during the holy month of Ramadan, SEGi University Student Affairs Division joined in the tradition and prepared two large pots of the rice porridge for a charity project. They prepared 1,273 packs of bubur lambuk for distribution to staff and the public.

APPRECIATING EACH INDIVIDUAL'S TALENT IN THE ORGANIZATION WILL CREATE A HIGHLY MOTIVATED WORKFORCE THAT STRIVES FOR THE BEST OF SEGi AS A WHOLE. WHILE IT IS IMPORTANT TO HAVE A GREAT TALENT POOL IN WORKPLACE, SEGi HAS ALWAYS BELIEVED IN BRINGING OUT THE BEST IN OUR EMPLOYEES. TREATING EMPLOYEES LIKE FAMILY IS AN APPEALING IDEA AS IT WILL LEAD TO A HIGH-PERFORMING BUSINESS. THEREFORE, EMPLOYEE RETENTION AND JOB SATISFACTION ARE OUR PRIORITIES.



The Board of Directors recognises and subscribes to the importance of the principles and best practices set out in the Malaysian Code on Corporate Governance ("MCCG"), the Corporate Governance Guide (3rd 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 provide the following statement together with the Corporate Governance Report 2017 of the Company ("CG Report"). This Statement is to be read together with the CG Report which reports the manner in which the Group has applied the key principles of good governance and the extent to which it has observed the corporate governance practices. Where there are gaps in the Company's observation of any of the principles and best practices, the necessary explanations were disclosed for the departure, and the alternative practice it has adopted and how such alternative practice achieves the intended outcome as set out in the MCCG. A copy of the CG Report is available on the Company's website, <https://segi.edu.my/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Roles and Responsibilities

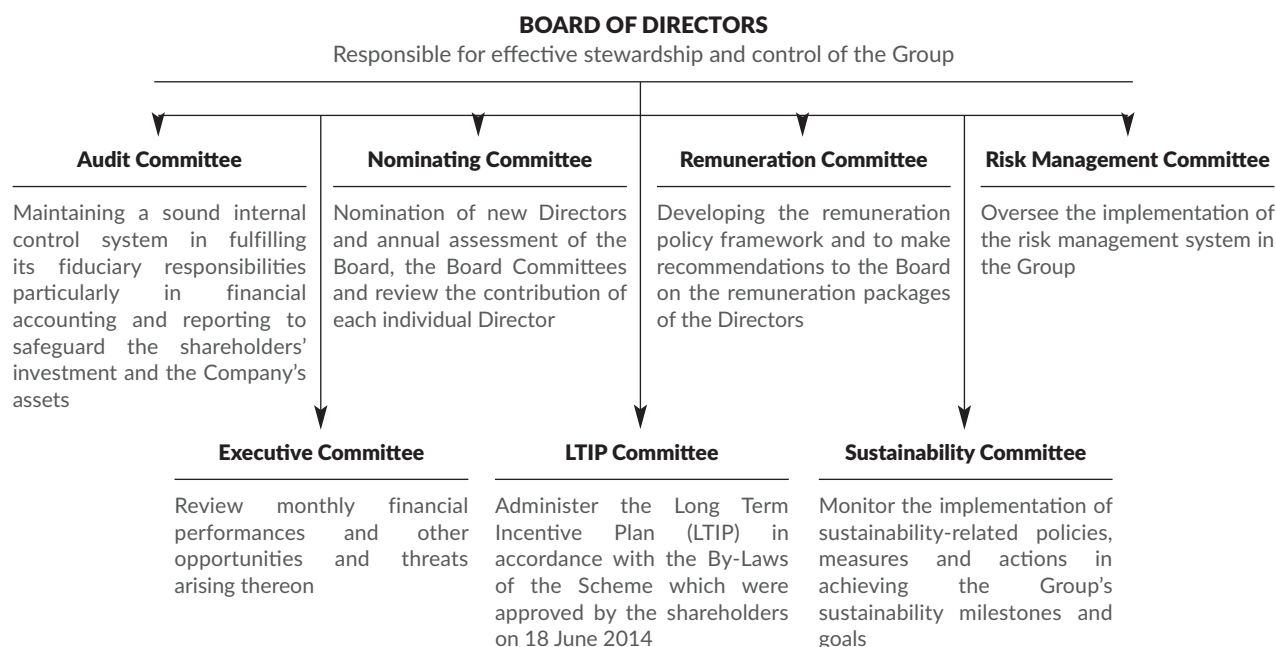
The Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management, monitoring the achievement of these goals and overseeing the investments of the Group. The Board is mindful of its responsibilities to the shareholders and various stakeholders for creating and delivering sustainable value in contributing to the goal of a knowledge-oriented society and long-term success of the Group.

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 grooming of talents for senior management positions 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 Group's 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.

The Board delegated 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.



Separation of positions of the Chairman and Managing Director

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

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

The Board therefore believes that a balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties objectively. The Board delegates to the Group Managing Director the implementation of the Group's strategic plan, policies and decision adopted by the Board to achieve the Group's objective of creating long term value for its shareholders.

Code of Conduct ("the Code")

The Board adopted the Code within the aim of emphasising the Company's commitment of ethics and compliance with applicable laws and regulations, setting forth basic standards of ethical behaviour within the Group. 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:

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

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 Board established a whistle-blowing policy so that any employee may report genuine concerns relating to any malpractice or improper conduct related to the Group's businesses. Any whistle-blower acting in good faith is protected from retaliation for raising such allegations. Procedures are in place for investigations and appropriate follow-up actions.

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 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 is committed towards implementing sustainable practices in order to achieve the right balance between the needs of the community and the requirements of shareholders, and other stakeholders within the Group. Our policy and commitment to sustainability is found in our Sustainability Policy which is available on the Company's website.

Further information on the Group's sustainability practices are set out in the Sustainability Statement in this annual report.

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 it is in the best interests of the Company and to preserve long-term value to shareholders to conduct its business free from corruption and in accordance with the highest principles of integrity.

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.

All Directors are provided with Board meeting materials containing information relevant to the business of the meeting, which include but not limited to minutes of the previous meeting, minutes of the Board Committees' meetings, Directors' circular resolutions passed, quarterly results or annual financial statements, any acquisition and disposal proposals, updates from the Bursa Securities, Companies Commission of Malaysia and any other relevant regulatory bodies, related party transactions, report on Director's dealing in securities and changes on their directorships, if any.

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, 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 has reviewed the Board Charter on 12 April 2018 to ensure it remains relevant and is in line with the current standards of corporate governance. The Board Charter is available on the Company's website.

II. Board Composition

The Board recognises the benefits of having a diverse Board to ensure decisions are made objectively, taking into account diverse perspectives and insights. 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 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 Board complied with the requirement of one third (1/3) of its members to be independent pursuant to Paragraph 15.02(1) of Bursa Securities Main Market Listing Requirements. There is no individual Director or group of Directors who dominates the Board's decision making.

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 into account the interests of the Group, shareholders and communities in which the Group conducts business as well as the public at large.

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

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

The Board reviews the composition and size of its Board from time to time to ensure they meet the above Principles. With the current composition, the Board is satisfied that it represents the required mix of skills, experience, independence and diversity for the Board to discharge its duties and responsibilities effectively.

Diversities in Gender, Ethnicity and Age

The Board formalised the Board Diversity Policy. The Board currently has representatives from both male and female genders and also a mix of ethnicities, age and competencies. The composition of our Board together with the Senior and Key Management are as follows:

	Total number	Percentage (%)
Gender		
Male	20	66.67
Female	10	33.33
Age Group		
30 – 39 years	2	6.67
40 – 49 years	6	20.00
50 – 59 years	15	50.00
60 years and above	7	23.33
Ethnicity		
Bumiputera	6	20.00
Chinese	19	63.34
Indian	4	13.33
Others	1	3.33

The Board supports the recruitment and development of women across the Group, including women in leadership positions. The Group has a well-balanced representation between genders in the Senior Management as well as the entire staff force.

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 an Executive Director and a Non-Executive Director. Certain members of the Senior Management are invited to join the meetings. The scope of the SPC covers positions across all levels but focuses particularly on critical key positions of the Group.

During the year, the SPC together with the Group People Management department (“GPM”) has developed and implemented a talent management and development programme (“HiPo”) to identify and develop talents for leadership, including the critical risk positions. The HiPo programme is on-going. 3 block sessions were conducted in June, July and August respectively. As for the on job training (“OJT”), GPM is still in the midst of developing the programme where the talent pool needs to be exposed to different roles and functions.

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

Tan Sri Dato' Seri Megat Najmuddin bin Dato' Seri Dr. Haji Megat Khas Independent Non-Executive Director	- Chairman
Dato Goh Leng Chua Independent Non-Executive Director	- Member
Edwin Fua Chye Jin Non-Independent Non-Executive Director	- Member

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 maintaining a high standard of corporate governance.

The committee met once during the year under review.

Nomination and Appointment of Directors

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.

In evaluating the suitability of a candidate, the committee takes into account objective criteria such as qualifications, skills, experiences, professionalism, integrity and time commitment of the candidate, and diversity required on the Board in the context of the Group's strategic direction. In the case of evaluating a potential Independent Director, the committee assesses the candidate's ability to be impartial and capability of providing objective judgement in boardroom deliberations.

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 and regulatory requirements obligations, including obligations arising from the Bursa Securities Main Market Listing Requirements.

The committee also 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. The committee also assessed the Independent Directors on their ability to discharge their duties with unbiased and independent judgement.

Summary of Activities carried out during the financial year

Evaluation on the performance of the Board and Board Committees

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.

The overall ratings of the appraisals were above average and the committee was satisfied that:

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

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.

Election and Re-election

In accordance with the Constitution 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.

The committee reviewed and deliberated on the list of Directors to retire by rotation, together with the results of the evaluation for re-appointment of the respective Directors. The Committee was satisfied with their performance and recommended to the Board to table the resolutions for the re-election of the Directors retiring at the Company's annual general meeting.

Annual Assessment of Independence and Tenure of Independent Directors

The Board recognises the importance of independence and objectivity in its decision making process. The committee assessed the Independent Directors' independence based on the criteria set out in Bursa Securities Main Market Listing Requirements.

In respect of the financial year under review, the rating results of the self-assessment checklist for Independent Directors demonstrated the Directors' independence in their judgement and clarity of thought in problem solving.

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. 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.

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, the Board has evaluated and agreed that both the Independent Directors:

- met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements;
- 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 impartial in their opinion to the Board;
- are unafraid to express an unpopular stance on issues and approaches any transactions that require Board's approval with a watchful eye and an inquiring mind;
- 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
- have vast experience, expertise and the ability to make independent judgment to challenge management in an effective and constructive manner.

The Board, based on the review and recommendations made by the Nominating Committee, was satisfied with them as Independent Directors of the Company. The Board recommended their retention as Independent Non-Executive Directors based on the reasons enumerated above and will seek shareholders' approvals at the forthcoming Annual General Meeting ("AGM") for their retention as Independent Directors.

IV. Remuneration Committee

The Board has set up its Remuneration Policy. The Remuneration Policy is designed to support key business strategies and create a strong, performance-orientated environment.

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 AGM.

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

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

The committee met once during the year under review.

Directors' Remuneration

The aggregate remuneration of Directors for the financial year ended 31 December 2017, in respective band of RM50,000 are as follows:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM0	-	2
RM50,001 to RM100,000	-	3
RM100,001 to RM150,000	1	-
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	-	1

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

The details of the remuneration for the Directors of the Company for the year under review are disclosed in the CG-Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. 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.

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 the 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 2016 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 100 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 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 and non-audit fees, if any, including the nature and extent of the non-audit services rendered and the appropriateness of the level of fees;
- vi) communication and interaction; and
- vii) independence, objectivity and professional scepticism.

The Audit Committee also took into consideration the comments and viewpoints of the management during the annual assessment.

The Committee acknowledged their sound 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 2017 and concluded that save for the following, there were no significant non-audit services provided by the external auditors:

Non-Audit fees	RM
Review of Directors' Statement on Risk Management and Internal Control	7,000

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.

During the year under review, the Internal Auditor has reviewed the related party transactions and reported that those related party transactions did not trigger any disclosure requirements pursuant to the Bursa Securities Main Market Listing Requirements.

II. Risk Management and Internal Control Framework

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control 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 are also regularly reviewed by senior management and recommendations are made to the Audit Committee and Board for approval.

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 Independent Non-Executive Director	- Chairman
Datuk Mohamed Azahari bin Mohamed Kamil Non-Independent Non-Executive Director	- Member
Hew Moi Lan Executive Director/Group Chief Executive Officer	- Member
Edwin Fua Chye Jin Non-Independent Non-Executive Director	- Member

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

The RMC Working Committee, comprising the heads from various business units and corporate departments, was formed to identify, evaluate and manage risks that affect the operations and performance of the Group. The principal risks identified will then be highlighted in the Risk Management Committee meetings 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.

The Committee has reviewed and updated the Risk Management Policy in 2017 to ensure the Policy is in line with the 2017 MCCG. The Committee is applying ISO 31000:2009 Risk management framework closely to ensure effectiveness of the risk management system.

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 risk management, internal control and governance systems.

The Internal Audit department is staffed by 3 professionals and it is led by Mr. Chow, Kim Wai (Director, Internal Audit). He holds a Bachelor of Commerce (majoring in Accounting) and is currently members of the following reputable professional bodies i) Chartered Accountant, Malaysian Institute of Accountant; ii) CPA, CPA Australia and iii) Chartered Member, The Institute of Internal Auditors Malaysia.

The Internal Audit Charter is established to ensure the Internal Audit function is free from any relationship resulting in a conflict of interest, which could impair their objectivity and independence. In addition, Internal Audit SOP is established to ensure the Internal Audit function carries out their duties closely in line with the International Professional Practices Framework (IPPF).

During the financial year ended 31 December 2017, the Internal Audit function carried out the following activities to assure the Audit Committee regarding the risk management, internal control and governance state of the Group:

- i) Based on the approved 2017 Internal audit plan which was formulated after considering key business processes and risks of the Group, carried out internal audits on SEGi University and Colleges and key Corporate offices.
- ii) Tabled Internal Audit reports and follow-up audit results to the Audit Committee and Management to ensure agreed actions plan are indeed carried out to address significant findings;
- iii) Reported to the Audit Committee any special audit reports which are not covered in the approved internal audit plan. Special audit assignments are value added services requested by the Management in relation to compliance, governance, risk management and internal controls.
- iv) Updated Audit Committee on the compliance level by the Internal Audit function in relation to IPPF and actions plans to be carried out for certain areas which are not fully in line with such standard.

The total cost incurred for the Internal Audit function for the financial year ended 31 December 2017 was approximately RM313,660.

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.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Group is committed to maintain a high standard for the dissemination of relevant and material information on the development of the Group. The Group also places strong emphasis on the importance of timely and equitable dissemination of information to stakeholders.

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.

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.

II. Conduct of General Meetings

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 Board observes the requirement under the Practice 12.1 of MCCG to serve notice for at least 28 days prior to the meeting, and will strive for it to ensure the shareholders are given sufficient notice and time to peruse the annual report and consider the resolutions that will be discussed and decided at the General Meetings.

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 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.

FOSTER COMMITMENT

Time Commitment

The Directors observe the recommendations of the MCCG 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 will 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 schedules to attend 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 exercise independent judgement when deliberating matters concerning the Group including strategy, operations, performance, finance, resources and standard of conduct.

Senior management 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 in fulfilling their roles and responsibilities. During the year ended 31 December 2017, five meetings were held. The attendance 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	2 out of 2 (100%)
Hew Moi Lan	5 out of 5 (100%)
Nicholas Rupert Heylett Bloy	3 out of 5 (60%)
Dato' Amos Siew Boon Yeong	5 out of 5 (100%)
Dato 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 keeping abreast with industry development and trends. The Directors are also regularly updated on new and relevant statutory as well as regulatory guidelines during the Board meetings.

The Company regularly identifies relevant training programmes, either internal or external, for the Directors and members of the Board Committees. During the year under review, the Directors attended education programmes and seminars in connection to the relevant changes in laws and regulations, updates on accounting and auditing standards, practices and rules, capital market developments, corporate governance, corporate 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	Petronas Board Strategic Training	22 – 24.01.2017
	Sustainability Engagement Series for Directors/Chief Executive Officer	13.03.2017
	Global Emerging Markets Regulatory Conference 2017	14.03.2017
	Petronas Board Strategic Training	17 – 18.03.2017
	Bank Negara's Governor Address on Economy	24.03.2017
	Assessment of Directors	11.04.2017
	Fraud Risk Management Workshop	13.07.2017
	Bursa CG Breakfast Series – “Board Excellence : How to Engage and Enthuse Beyond Compliance with Sustainability”	17.07.2017
	Stepping up Corporate Governance, Compliance and Anti-Corruption Practices	20.07.2017
	The Asian Captive Conference 2017	16 – 17.08.2017
	Khazanah Megatrends Forum 2017	02 – 03.10.2017
	Corporate Governance Breakfast Series entitled Integrating an Innovation Mindset with Effective Governance	07.10.2017
Tan Sri Clement Hii Chii Kok	Sustainability Reporting	03.11.2017
Hew Moi Lan	Sustainability Reporting	03.11.2017
Nicholas Rupert Heylett Bloy	Views from the top : Private Investment Opportunities amid global volatility	06 – 09.09.2017
	Private equity Leaders' panel : The new normal	19.09.2017
	M&A : The South East Asia Story	19.09.2017
	Getting your money out	27.09.2017
	Middle market opportunities : an Asian sweet spot	15.11.2017
Datuk Mohamed Azahari bin Mohamed Kamil	Sustainability Engagement Series	13.03.2017
Dato' Amos Siew Boon Yeong	Criminal Risk Prevention for Entrepreneur	07.07.2017
	National Tax Conference 2017	25 – 26.07.2017
	Conversation with Auditors of Public Interest Entities and Schedule Funds	11.10.2017
	Going Concern – ISA 570 (Revised)	16.10.2017
	Seminar Percukaian Kebangsaan 2017	02.11.2017
	MIA International Accountants Conference 2017	07 – 08.11.2017
	8 th SBY Tax & Corporate Review (one of the Key Speaker on the Seminar)	23.11.2017
	Professional Skepticism for Audit Engagement Leaders Program	29.12.2017

Director	Name of Programme	Date
Dato Goh Leng Chua	Advocacy Session on Corporate Disclosure for Directors and Principal Officers of Listed Issuers	24.10.2017
Edwin Fua Chye Jin	Sustainability Reporting	03.11.2017
	Companies Act 2016 – Key Insights and Implication for Directors, Auditors/Accountants & Company Secretaries	13.03.2017
	Company Valuation, Restructuring & Funding – (Views on valuations techniques and key issues by Damodaran)	17.03.2017

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

COMPLIANCE STATEMENT

The Board has taken steps to ensure that the Group complied with the principles and practices of the MCCG. The Board will take the initiative and effort to enhance those departures disclosed above and in the CG Report, or consider for alternative measures, if necessary.

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 12 April 2018.

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 2016.

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

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

This statement was approved by the Board of Directors on 12 April 2018.

The Board of Directors (the “Board”) is pleased to present the Audit Committee (“AC” or “the Committee”) Report for the year ended 31 December 2017.

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 Independent Non-Executive Director	- Chairman
Dato Goh Leng Chua Independent Non-Executive Director	- Member
Edwin Fua Chye Jin Non-Independent Non-Executive Director	- Member

The Chairman, Dato’ Amos Siew, is currently a member of Malaysian Institute of Certified Public Accountants as well as Malaysian Institute of Accountants (“MIA”). Mr. Edwin Fua is also a member of 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, decent and relevant areas of expertise in fulfilling their roles and responsibilities. The NC reported to the Board on the results of the appraisals and were endorsed by the Board.

MEETINGS

During the year under review, five meetings were held. The dates of the meetings were 23 February 2017, 6 April 2017, 25 May 2017, 30 August 2017 and 24 November 2017. The attendance of each member was as follows:

AC Members	No. of meetings attended
Dato’ Amos Siew Boon Yeong	5/5 (100%)
Dato 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 documentation to the Committee members prior to each meeting.

The minutes of each AC meeting were recorded and tabled for confirmation at the next meeting and they 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.

The Terms of Reference of the Committee are available on the Company's website, <https://www.segi.edu.my/sites/default/files/TermrefAC.pdf>.

ACTIVITIES DURING THE YEAR

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

Financial reporting

- Reviewed the quarterly reports of the Group and audited financial statements of the Company and the Group to ensure that they were in compliance with the requirements of applicable approved accounting standards and relevant authorities before recommending for the Board's consideration and approval. The AC enquired with the management on the fluctuations in the financial performance and position of the Group and made enquiries on the processes to ensure that adequate controls were 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 2016, MMLR, 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.
- Discussed with the management and the external auditors on the status of implementation of new accounting standards and advised the management to assess the potential impact of these standards.

External auditors

- Reviewed the external auditors' scope of work and audit plans for the year prior to the commencement of the annual 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.

Internal auditors

Reviewed the effectiveness of the internal audit process, audit function resource requirements, and assessed the performance of the internal auditors to ensure the department has sufficient and adequate manpower and there were no suppression or infringement on scope imposed by the management.

- Reviewed the programmes and annual internal audit plan for the current financial year to ensure adequate scope and comprehensive coverage of the activities of the Company and the Group. The committee also ensured significant risks reported in the Risk Management Committee are covered in the internal audit plan.
- Reviewed the reports of the internal auditors, arising from their audit reviews and follow-up reviews to ensure relevant controls are being put in place to mitigate significant risks faced by the Group and address significant audit findings highlighted in the audit reports respectively.
- Reviewed the revised Internal Audit Charter and Internal Audit Standards Operating Procedures and Risk Management Policy to ensure alignment with 2017 Malaysian Code on Corporate Governance ("the Code") and to ensure effectiveness of the Risk Management and Internal Control systems. These were subsequently recommended to the Board for approval.
- Reviewed the compliance checklist on International Professional Practices Framework ("IPPF") and noted that the internal audit function has complied with most of the mandatory guidance of IPPF and the team is working towards full compliance with standards.
- Met with the internal auditors independently without the presence of the management.

Reviewed and verified that the computation of the awards and allocations of Performance Share Plan (PSP) Grants and Employees' Share Option Scheme (ESOS) Options reflected the approved awards and allocations by the Long Term Incentive Plan ("LTIP") Committee.

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 recommending the same to the Board for approval.

Reviewed the related party transactions entered into by the Company and the Group and the disclosure of such transactions in the annual report of the Company, if necessary.

Reviewed the extent of the Group's compliances with provisions set out in the Code in relation to financial reporting, Internal Audit function, audit and risk management 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 compliances 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 key corporate departments in accordance to the approved Internal Audit Plan as well as some ad-hoc special audits 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.

Further details of the Internal Audit Function are found in the Corporate Governance Overview Statement in this Annual Report.

The Audit Committee Report was approved by the Board of Directors on 12 April 2018.

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 2017.

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 ("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 identified are grouped into 5 categories 1) Strategic; 2) Reputational; 3) Regulatory; 4) Financial; and 5) Operational. The associated business risks from these 5 categories are first being assessed and rated based 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 Group's 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 Group 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 action plans 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, three RMWC and two RMC meetings were conducted to review the Risk Profile and the outcomes of the meetings were also presented to the Board.

II) Control environment

a. THE AUDIT COMMITTEE ("AC")

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

In order to achieve that, the AC evaluates the internal audit function to assess its effectiveness in discharging of its responsibilities. Internal audit findings are presented, together with the Management's comments and proposed action plans, 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 the 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 AC 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, people management, regulatory, and marketing 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's Top and Senior 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 Senior 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 and Senior 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 the AC 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 AC with 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 Whistle Blowing Policy provides a transparent and confidential platform for dealing with any concerns raised by employee.

ASSURANCE

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

CONCLUSION

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

During the financial year under review, there were no major weaknesses of internal control which resulted in material losses, contingencies or uncertainties that would require a disclosure in the Group'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 2017 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 12 April 2018.

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 2017, the amounts of audit fees paid or payable by the Company and the Group to the external auditors are as follows:-

	Company (RM)	Group (RM)
Audit fees	125,000	549,000
Non-audit fees	7,000	7,000

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 2017.

5. Long Term Incentive Plan ("LTIP")

On 1 July 2014, the Company implemented a LTIP for a period of 10 years. 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.

During the financial year, a total of 1,286,852 ESOS options and 232,939 PSP Grants were granted in accordance to the Companies Act 2016 and vested by the Company under ESOS and SGP respectively. No ESOS options have been exercised as at the date of this report.

The aggregate ESOS options and PSP Grants granted in accordance to the Companies Act 2016 and vested to the Directors was 9.49% of the total ESOS options and PSP Grants granted and vested during the year.

In accordance to the By-Laws, the maximum allocation applicable to Directors and Senior Management is 60%. The total amounts of ESOS options and PSP Grants granted and vested since commencement of the LTIP is 21.31% of the total ESOS options and PSP Grants granted and vested under the LTIP scheme.

**Notice of
Annual
General Meeting**

NOTICE IS HEREBY GIVEN that the Thirty-Second 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 Wednesday, 6 June 2018 at 10.30 a.m. for the following purposes:-

AS ORDINARY BUSINESS

- | | |
|---|---------------------------------|
| 1. To receive the Audited Financial Statements for the year ended 31 December 2017 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 2017. | Ordinary Resolution 1 |
| 3. To re-elect the following Directors who retire pursuant to Article 86 of the Constitution of the Company:- | |
| (a) Nicholas Rupert Heylett Bloy | Ordinary Resolution 2 |
| (b) Dato’ Amos Siew Boon Yeong | Ordinary Resolution 3 |
| (c) Fua Chye Jin | Ordinary Resolution 4 |
| 4. 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:-

- | | |
|---|------------------------------|
| <p>5. Authority to allot and issue shares pursuant to Section 75 of the Companies Act 2016</p> <p>“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.”</p> | Ordinary Resolution 6 |
| <p>6. Proposed Renewal of Authority for the Purchase by SEG International Bhd (“SEGi”) of its Own Shares (“Proposed Share Buy-Back”)</p> <p>“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:</p> <p>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;</p> | Ordinary Resolution 7 |

**Notice of
Annual
General Meeting**
(continued)

- 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 2017, the Company's retained profits based on the latest audited financial statements were recorded at RM2,900,000; 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."

7. Retention of Independent Directors

"To retain the following as Independent Non-Executive Directors of the Company notwithstanding that they have been Independent Directors of the Company for a cumulative term of more than nine years."

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

Ordinary Resolution 8
Ordinary Resolution 9

8. Proposed amendment to the Constitution of the Company

Special Resolution 1

"THAT, the proposed alterations, modifications, additions or deletions to the Constitution of the Company as set out in Appendix A of the Notice of Annual General Meeting be and is hereby approved.

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

By Order of the Board

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

Petaling Jaya, Selangor
30 April 2018

NOTES:

1. 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.
2. 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.
3. 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.
4. The details of the Directors' remuneration, including the Directors' fees, are set out in the Corporate Governance Report. In determining the fees payable to the Non-Executive Directors, the Board considered the areas of responsibilities and risk involved for each Non-Executive Director. Shareholders' approval will be sought prior to the payment.
5. Explanatory notes on Special Business

a. Ordinary Resolution 6 - Authority to allot and issue shares pursuant to Section 75 of the Companies Act 2016

The proposed Ordinary Resolution 6, 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 Thirty-First AGM held on 25 May 2017 and hence no proceeds were raised therefrom.

b. Ordinary Resolution 7 - Proposed Renewal of Authority for the Proposed Share Buy-Back

The proposed Ordinary Resolution 7, 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 share capital of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Detailed information on the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 30 April 2018 which is despatched together with this Annual Report.

c. Ordinary Resolutions 8 and 9 – 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 each and recommended that they 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 deemed able to give independent opinions to the Board;
- (b) Being Directors for more than nine years have given them added advantages 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 actively participated in the Board deliberations and have never compromised on their independent judgement.

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

The Special Resolution is to update the Constitution of the Company to be in line with the Listing Requirements of Bursa Securities as well as the Malaysian Code of Corporate Governance ("MCCG"), as follows:

- to enable the issuance of notice of a general meeting, annual report or any document required to be sent to shareholders by the Company via electronic means such as publication in the Company's website or by emails, or any other portable electronic format, with immediate effect in accordance with Paragraph 2.19B of Bursa Securities. With this change in the Constitution, there will be significant financial cost savings to the Company, as well as being environmental friendly in line with the Company's commitment to the preservation of our environment, and more efficient means of communication with shareholders; and
- to allow for 2-tier voting process as defined in the MCCG for the re-appointment of an independent director, who has served for a cumulative term of 12 years in aggregate, for his continued service as independent director.

6. Details of the Directors who are standing for re-election at this Annual General Meeting as required under Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are set out on pages 6, 9, 11 and 13 – Profile of the Board of Directors in this Annual Report.

Appendix A

- i. To insert the new Article 58A immediately after Article 58 to read as follows:

Article 58A Issuance of documents through electronic means

Subject to the Act, Listing Requirements and any other relevant authorities, if any, the Company may send notice of a general meeting, its annual report or any documents required to be sent under the Listing Requirements to its securities members ("Document") via electronic means by:

- (a) publishing on a designated website link, provided it notifies its securities holders separately in writing in hard copy, i.e. via letter or notification, or by way of electronic means, which includes electronic mail, short messaging service, or any other form of communication permitted under this Articles for purposes of written notification, about the publication and designated website link to download the notice of general meeting, annual report or Document; or
- (b) emailing its securities holders.

The contact details of the securities holders as contained in the Record of Depositors for the time being shall be deemed as the last known addresses provided by the securities holders to the Company for purposes of the aforesaid communication with the securities holders.

If the Company sends the notice of general meeting, annual report or Document through electronic mail, there must be proof of electronic mail delivery. In the event of delivery failure, the Company shall make alternative arrangements for service by serving the notice of general meeting, annual report or Document to the respective securities holders in hard copy, or in electronic format such as CD-ROM, USB drive or any other portable electronic format whatsoever (whether available now or in future).

Notwithstanding the aforesaid electronic means of communication, if any securities holder requests for a hard copy, the Company shall forward a printed hard copy of the notice of general meeting, annual report or Document to the securities holder within 4 market days from the date of receipt of the request, free of charge.

Where it relates to Document required to be completed by securities holders, including a rights issue or offer for sale, the Company must send these Documents through electronic mail, in hard copy or in any other manner as the Exchange may prescribe from time to time.

- ii. To insert the new Article 86.3 immediately after Article 86.2 to read as follows:

Article 86.3 Two-tier voting

In addition to Article 86.1, an Independent Director, as defined by the Listing Requirements, who has served for a cumulative term of nine (9) years, shall provide justification and seek shareholders' approval for his continued service as Independent Director and the resolution shall be passed by way of an ordinary resolution. If the Board continues to retain the Independent Director after the twelfth year, the Company shall seek shareholders' approval for his continued service as Independent Director through a two-tier voting process as defined by the Malaysian Code on Corporate Governance.

FINANCIAL STATEMENTS

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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 2017.

Principal activities

The Company is principally engaged in the businesses of investment holding and provision of management consultancy services, property management, rental of premises, business advisory services and educational and training services.

The principal activities and other information relating to the subsidiaries are disclosed in Note 17 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit net of tax	40,088	43,784
Attributable to:		
Equity holders of the Company	40,182	43,784
Non-controlling interests	(94)	-
	40,088	43,784

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.

Dividend

The amounts of dividend declared by the Company since 31 December 2016 were as follows:

	RM'000
In respect of the financial year ended 31 December 2017:	
Interim single tier dividend of RM0.035 per ordinary share each amounting to RM43,336,917 declared on 14 December 2017 and paid on 18 January 2018.	43,337

The directors do not propose any final dividend for the financial year ended 31 December 2017.

Issues of shares and debentures

During the financial year:-

(i) Capital repayment

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.

As at the date of this report, the total issued share capital of the Company is 1,264,246,148 ordinary shares.

(ii) Performance Share Plan Grants

The Company issued 232,939 new ordinary shares pursuant to the Company's Share Grant Plan under the Long Term Incentive Plan.

(iii) Bonus shares

On 29 June 2017, bonus issue of 515,915,301 new shares were credited as fully paid-up on the basis of five (5) bonus shares for every seven (7) existing shares held on 28 June 2017.

The new ordinary shares issued during the financial year ranked pari-passu in all respects with the existing ordinary shares of the Company.

There were no issuance of debentures by the Company.

Long-Term Incentive Plan

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

During the financial year, a total of 1,286,852 ESOS options and 232,939 PSP Grants were granted by the Company under ESOS and SGP respectively in accordance to Section 253 (Para 5, Part 1, Fifth Schedule) of the Companies Act 2016 in Malaysia.

Details of the LTIP are set out in Note 29 (d) to the financial statements.

Treasury shares

There were no movements of treasury shares during the financial year. As at 31 December 2017, the total shares bought back of 26,048,600 are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

During the financial year, there were no re-sale of treasury shares and further relevant details are disclosed in Note 27 to the financial statements.

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas
Tan Sri Clement Hii Chii Kok
Hew Moi Lan
Nicholas Rupert Heylett Bloy
Datuk Mohamed Azahari Bin Mohamed Kamil
Dato' Amos Siew Boon Yeong
Dato Goh Leng Chua
Fua Chye Jin

The names of directors of subsidiaries are set out in the respective subsidiary's statutory financial statements and the said information is deemed incorporated herein by such reference and made a part hereof.

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 other than shares issued and awarded under the Company's LTIP.

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 disclosed below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

	Group RM'000	Company RM'000
Fees	236	236
Salaries and other emoluments	1,155	618
Bonus	159	80
Defined contribution plan	158	84
Estimated money value of benefits-in-kind	52	31
	1,760	1,049

Indemnity and insurance for directors and officers

The directors and officers of the Group and of the Company are covered under a directors' and officers' liability insurance. The insurance has an aggregate limit of RM10,000,000 against any legal liability, if incurred by the directors and officers of SEG International Bhd ("SEGi") and its subsidiaries in discharging of their duties while holding office for SEGi and its subsidiaries subject to the terms of the policy. The insurance premium for SEGi and its subsidiaries is RM10,000.

Directors' interests

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

	Number of ordinary shares			
	1.1.2017	Acquired/ Bonus issue	Sold	31.12.2017
The Company				
Direct interest				
Tan Sri Clement Hii Chii Kok	231,405,116	165,289,363	-	396,694,479
Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	39,662	28,329	-	67,991
Hew Moi Lan	464,800	420,980	-	885,780
Dato' Amos Siew Boon Yeong	2,200,000	1,571,428	-	3,771,428
Indirect interest				
Nicholas Rupert Heylett Bloy ^	499,484,720	356,774,794	-	856,259,514
Tan Sri Clement Hii Chii Kok *	268,079,604	191,485,431	-	459,565,035
Number of options over ordinary shares				
	1.1.2017	Granted/ Bonus issue adjustment	Exercise/ Lapsed	31.12.2017
Direct interest				
Hew Moi Lan	-	158,186	-	158,186

^ 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 and options over shares in the Company or its related corporations during the financial year.

Other statutory information

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors, 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.

**Directors'
Report**
(continued)

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office. Auditors' remuneration are disclosed below:

	Group RM'000	Company RM'000
Auditors' remuneration	556	132

Signed on behalf of the Board in accordance with a resolution of the directors dated 12 April 2018.

**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 251(2)
of the Companies Act 2016*

**Statement by directors
Pursuant to Section 251(2) of the Companies Act 2016**

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 125 to 205 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2017 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 12 April 2018.

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

Tan Sri Clement Hii Chii Kok

**Statutory
Declaration**

*Pursuant to Section 251(1)(b)
of the Companies Act 2016*

**Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016**

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 125 to 205 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 12 April 2018

**Chong Poh Yee
(MIA member no. 7620)**

Before me,

**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 2017 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 125 to 205.

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 2017, 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 2016 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.

(i) Goodwill and (ii) investment in subsidiaries

(i) Goodwill

(Refer to summary of significant accounting policies in Note 2.4(b), significant accounting judgements, estimates and assumptions in Note 3(b) and disclosure of goodwill in Note 16(a) to the financial statements)

As at 31 December 2017, the carrying amount of goodwill recognised by the Group stood at RM27,778,000, which represents 19% of the Group's total non-current assets and 30.8% of the Group's total equity. This goodwill relates to three subsidiaries principally engaged in the educational activities as disclosed in Note 16(a) 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 cash flows projections.

**Independent
Auditors' Report**
to the members of
SEG International Bhd
(Incorporated in Malaysia) (continued)

Key Audit Matters (cont'd.)

(i) Goodwill and (ii) investment in subsidiaries (cont'd.)

(i) Goodwill (cont'd.)

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, discount rate and terminal growth rate.

(ii) Investment in subsidiaries

(Refer to summary of significant accounting policies in Note 2.4(a), significant accounting judgements, estimates and assumptions in Note 3(b) and disclosure of investment in subsidiaries in Note 17 to the financial statements)

As at 31 December 2017, the carrying amount of investment in subsidiaries stood at RM77,515,000, which represents 71.5% of the Company's total non-current assets and 32% of the Company's total assets.

Similarly, we focused on impairment assessment of investment in subsidiaries as the impairment testing relies on VIU calculations using a five-year cash flows projections.

In addressing these areas 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 and of the Company's disclosures of each key assumption on which the Group and the Company have based their cash flow projections. Key assumptions are those to which the recoverable amount is most sensitive, as disclosed in Notes 16(a) and 17(b) 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.

**Independent
Auditors' Report**
to the members of
SEG International Bhd
(Incorporated in Malaysia) (continued)

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 2016 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.

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 of 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.

**Independent
Auditors' Report**
to the members of
SEG International Bhd
(Incorporated in Malaysia) (continued)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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
12 April 2018

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

**Statements Of
Comprehensive Income**
For the financial year ended
31 December 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Continuing operations					
Revenue	4	256,286	260,249	74,150	39,358
Cost of services	5	(73,495)	(80,232)	(22,692)	(24,757)
Gross profit		182,791	180,017	51,458	14,601
Interest income	6	1,265	1,199	2,122	2,777
Other income	7	9,811	8,362	2,082	4,150
Distribution expenses		(27,660)	(30,801)	(171)	(144)
Administrative expenses		(57,503)	(63,117)	(3,576)	(4,556)
Other expenses		(60,451)	(65,294)	(5,872)	(4,093)
Operating profit		48,253	30,366	46,043	12,735
Finance costs	8	(2,481)	(207)	(2,499)	-
Profit before tax from continuing operations	9	45,772	30,159	43,544	12,735
Income tax (expense)/credit	12	(5,684)	(3,121)	240	388
Profit net of tax from continuing operations		40,088	27,038	43,784	13,123
Discontinued operation					
Loss net of tax from discontinued operation	30	-	(113)	-	-
Profit for the year		40,088	26,925	43,784	13,123
Other comprehensive (loss)/income:					
Items that can be reclassified to profit or loss:					
Fair value (loss)/gain on available-for-sale ("AFS") financial assets		(10)	50	-	-
Foreign currency translation reserve		(1,242)	579	-	-
Other comprehensive (loss)/income, net of tax		(1,252)	629	-	-
Total comprehensive income for the year		38,836	27,554	43,784	13,123

**Statements Of
Comprehensive Income**
For the financial year ended
31 December 2017 (continued)

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit/(loss) attributable to:					
Equity holders of the Company		40,182	27,111	43,784	13,123
Non-controlling interests		(94)	(186)	-	-
		40,088	26,925	43,784	13,123
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		38,930	27,740	43,784	13,123
Non-controlling interests		(94)	(186)	-	-
		38,836	27,554	43,784	13,123
Earnings per share attributable to equity holders of the Company					
- Basic *	13	3.25 sen	2.19 sen		
- Diluted *	13	3.24 sen	2.19 sen		
Earnings per share from continuing operations attributable to equity holders of the Company:					
- Basic *	13	3.25 sen	2.20 sen		
- Diluted *	13	3.24 sen	2.20 sen		
Loss per share from discontinued operations attributable to equity holders of the Company:					
- Basic *	13	-	(0.01) sen		
- Diluted *	13	-	(0.01) sen		

* Earning per share for the preceding financial year have been adjusted for the bonus issue for comparative purposes.

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

**Statements Of
Financial Position**
As at 31 December 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Assets					
Non-current assets					
Property, plant and equipment	15	110,825	120,661	6,562	6,772
Intangible assets	16	27,801	27,829	-	-
Investment in subsidiaries	17	-	-	77,515	85,299
Other investment	18	910	920	-	-
Receivables	20	122	244	22,782	25,767
Deferred tax assets	25	6,959	10,890	1,573	1,333
		146,617	160,544	108,432	119,171
Current assets					
Inventories	19	109	98	-	-
Receivables	20	14,810	20,645	66,825	70,479
Tax recoverable		11,877	11,904	1,325	1,325
Deposits, cash and bank balances	21	83,506	71,397	54,749	32,617
Other financial asset	22	7,842	35,726	7,842	35,726
		118,144	139,770	130,741	140,147
Total assets		264,761	300,314	239,173	259,318
Equity and liabilities					
Current liabilities					
Borrowings	23	9,988	1,570	9,000	-
Payables	24	121,408	84,541	80,753	35,072
Current tax liabilities		241	558	-	-
		131,637	86,669	89,753	35,072
Net current (liabilities)/assets		(13,493)	53,101	40,988	105,075

**Statements Of
Financial Position**
As at 31 December 2017 (continued)

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current liabilities					
Borrowings	23	34,789	1,474	34,250	-
Payables	24	3,812	3,843	490	1,206
Deferred tax liabilities	25	4,346	4,843	-	-
		42,947	10,160	34,740	1,206
Total liabilities		174,584	96,829	124,493	36,278
Net assets		90,177	203,485	114,680	223,040
Equity attributable to equity holders of the Company					
Share capital	26	147,503	187,024	147,503	187,024
Treasury shares	27	(37,486)	(37,486)	(37,486)	(37,486)
Share premium	28	-	68,504	-	68,504
Reserves	29	(18,877)	(13,688)	4,663	4,998
		91,140	204,354	114,680	223,040
Non-controlling interests		(963)	(869)	-	-
Total equity		90,177	203,485	114,680	223,040
Total equity and liabilities		264,761	300,314	239,173	259,318

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

**Consolidated
Statement Of
Changes In Equity**
For the financial year ended
31 December 2017

Group	Note	Non-distributable					Attributable to equity holders				Total equity
		Share capital	Treasury shares	Share premium	Available-for-sale financial asset reserve	Exchange translation reserve	Share-based payment reserve	Accumulated losses	of the Company	Non-controlling interests	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2017		187,024	(37,486)	68,504	(20)	739	2,545	(16,952)	204,354	(869)	203,485
Profit for the year		-	-	-	-	-	-	40,182	40,182	(94)	40,088
Other comprehensive loss for the year, net of tax:											
Fair value loss on AFS financial assets		-	-	-	(10)	-	-	-	(10)	-	(10)
Foreign currency translation		-	-	-	-	(1,242)	-	-	(1,242)	-	(1,242)
Total comprehensive income for the year		-	-	-	(10)	(1,242)	-	40,182	38,930	(94)	38,836
Transactions with owners:											
- Capital repayment	26(i)	(108,307)	-	-	-	-	-	-	(108,307)	-	(108,307)
- Issuance of bonus shares	26(ii)	51,592	-	(51,592)	-	-	-	-	-	-	-
- Share-based payment	29(d)	282	-	-	-	-	(782)	-	(500)	-	(500)
- Dividends	14	-	-	-	-	-	-	(43,337)	(43,337)	-	(43,337)
Adjustment for effects of Companies Act 2016	26(iii)	16,912	-	(16,912)	-	-	-	-	-	-	-
At 31 December 2017		147,503	(37,486)	-	(30)	(503)	1,763	(20,107)	91,140	(963)	90,177

**Consolidated
Statement Of
Changes In Equity**

For the financial year ended
31 December 2017 (continued)

Group	Note	Non-distributable				Share-based		Accumulated losses	Attributable to equity holders of the Company	Non-controlling interests	Total equity
		Share capital	Treasury shares	Share premium	Available-for-sale financial asset reserve	Exchange translation reserve	payment reserve				
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
Other comprehensive income for the year, net of tax:											
Fair value gain on AFS financial assets		-	-	-	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(d)	-	-	-	-	-	200	-	200	-	200
- Dividends	14	-	-	-	-	-	-	(43,323)	(43,323)	-	(43,323)
- Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(150)	(150)
At 31 December 2016		187,024	(37,486)	68,504	(20)	739	2,545	(16,952)	204,354	(869)	203,485

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

**Statement Of
Changes In Equity**
For the financial year ended
31 December 2017

Company	Note	Non-distributable				Distributable	
		Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Share-based payment reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2017		187,024	(37,486)	68,504	2,545	2,453	223,040
Total comprehensive income for the year		-	-	-	-	43,784	43,784
Transactions with owners:							
- Capital repayment	26(i)	(108,307)	-	-	-	-	(108,307)
- Issuance of bonus shares	26(ii)	51,592	-	(51,592)	-	-	-
- Share-based payment	29(d)	282	-	-	(782)	-	(500)
- Dividends	14	-	-	-	-	(43,337)	(43,337)
Adjustment for effects of Companies Act 2016	26(iii)	16,912	-	(16,912)	-	-	-
At 31 December 2017		147,503	(37,486)	-	1,763	2,900	114,680
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(d)	-	-	-	200	-	200
- Dividends	14	-	-	-	-	(43,323)	(43,323)
At 31 December 2016		187,024	(37,486)	68,504	2,545	2,453	223,040

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

**Statements Of
Cash Flows**

For the financial year ended
31 December 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash flows from operating activities					
Profit before tax from continuing operations		45,772	30,159	43,544	12,735
Loss before tax from discontinued operation		-	(113)	-	-
Profit before tax, total		45,772	30,046	43,544	12,735
Adjustments for:					
Impairment loss on investment in subsidiaries	9, 17	-	-	4,346	-
Allowance for impairment loss on:					
- trade receivables	9, 20(c)	-	116	-	-
- other receivables	9, 20(a)	-	57	-	-
- amount due from a subsidiary	9, 20(b)	-	-	-	340
Unwinding of discount on amount due from a subsidiary	8	-	-	147	-
Unrealised foreign exchange (gain)/loss	9	(80)	90	(460)	688
Dividend income	4	(56)	(63)	(49,385)	(13,839)
Interest income	6	(1,265)	(1,199)	(2,122)	(2,777)
Reversal of allowance for impairment loss on amounts due from subsidiaries	9, 20(b)	-	-	-	(2,358)
Gain on disposal of property, plant and equipment	7, 9	(194)	(44)	-	-
Interest expense	8	2,481	207	2,352	-
Bad debts written off	9	2,022	150	8	18
Depreciation of property, plant and equipment	9, 15	13,235	13,331	214	280
Impairment loss of property, plant and equipment	9, 15	2,000	-	-	-
Property, plant and equipment written off	9, 15	332	461	-	1
Amortisation of development costs	9, 16(b)	28	44	-	-
(Gain)/loss on disposal of subsidiaries	9	-	(656)	-	1,191
Share-based payment expense		(500)	200	(29)	194
Operating cash flows before changes in working capital		63,775	42,740	(1,385)	(3,527)
<u>Changes in working capital</u>					
(Increase)/decrease in inventories		(11)	2	-	-
Decrease in trade and other receivables		4,215	6,941	572	2,714
(Decrease)/increase in trade and other payables		(7,743)	4,310	514	(637)
Cash generated from/(used in) operations		60,236	53,993	(299)	(1,450)
Interest received		1,065	1,199	1,923	1,172
Interest paid		(2,481)	(207)	(2,352)	-
Net taxes (paid)/refunded		(2,540)	5,045	-	984
Net cash generated from/(used in) operating activities		56,280	60,030	(728)	706

**Statements Of
Cash Flows**

*For the financial year ended
31 December 2017 (continued)*

		Group		Company	
	Note	2017	2016	2017	2016
		RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Dividend received		56	63	44,885	13,839
Additions of development costs		-	(8)	-	-
Proceeds from disposal of property, plant and equipment		396	384	*	-
Purchase of property, plant and equipment		(5,809)	(6,971)	(4)	(95)
Net cash inflows for disposal of subsidiaries		-	14,050	-	42
Withdrawal/(placement) of other investments		27,884	(8,420)	27,884	(8,420)
Repayment from subsidiaries		-	-	15,152	47,283
Net cash generated from/(used in) investing activities		22,527	(902)	87,917	52,649
Cash flows from financing activities					
Purchase of own shares	27	-	(1)	-	(1)
Repayment of hire purchase and finance lease payables		(1,641)	(2,449)	-	-
Net drawdown of term loan, net off repayment		43,250	-	43,250	-
Capital repayment		(108,025)	-	(108,025)	-
Performance Share Plan ("PSP") Grant granted		(282)	-	(282)	-
Dividends paid		-	(43,323)	-	(43,323)
(Placement)/drawndown of deposits with licensed banks and financial institutions with maturity of more than three months		(318)	4,762	(313)	4,770
Net cash used in financing activities		(67,016)	(41,011)	(65,370)	(38,554)
Net increase in cash and cash equivalents		11,791	18,117	21,819	14,801
Cash and cash equivalents at beginning of year		61,970	43,853	23,330	8,529
Cash and cash equivalents at end of year	21	73,761	61,970	45,149	23,330

* Less than RM1,000

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

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017*

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 12 April 2018.

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 2016 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 2017 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 on 1 January 2017, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2017.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 107 Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRS Standards 2014 - 2016 Cycle (Amendments to MFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in MFRS 12)	1 January 2017

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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

2.2 Changes in accounting policies (cont'd.)

The adoption of the above MFRS and Amendments to MFRS did not have any significant effect on the financial performance or position of the Group and of the Company except as 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 these amendments, entities are not required to provide comparative information for preceding periods. Apart from the additional disclosures in Note 23, the application of these amendments has had no impact on the Group and on the Company.

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
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	
Payment Transactions	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 140 Transfer of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
MFRS 16 Leases	1 January 2019
Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatment	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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

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

The above standards and interpretations that may impact the financial statements of the Group and of the Company are discussed below:

MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)

The amendments to MFRS 2 address three main areas:

- (a) The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- (b) The classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
- (c) Accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The directors of the Company do not anticipate that the application of the amendments will have a significant impact on the Group's and the Company's financial statements as the Group and the Company do not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

MFRS 9 Financial Instruments

MFRS 9 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. During 2017, the Group has performed an impact assessment of all three aspects of MFRS 9. The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group adopts MFRS 9.

Based on the analysis of the Group's financial assets and liabilities as at 31 December 2017 on the basis of facts and circumstances that exist at that date, the directors of the Company have assessed the impact of MFRS 9 to the Group's financial statements as follows:

(a) Classification and measurement

The Group and the Company do not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of MFRS 9. They expect to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale ("AFS") will continue to record gains and losses in other comprehensive income.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

(b) Impairment

The Group does not expect a significant impact on its financial statements on applying the simplified approach and record lifetime expected losses on all trade receivables.

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

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

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step 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.

The Group plans to adopt the new standard on the required effective date using the modified retrospective method. The directors have assessed the effects of applying the new standard on the Group's financial statements. The adoption of MFRS 15 will not have a significant effect on the financial statements of the Group and of the Company upon its initial application.

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

2.4 Subsidiaries and basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The Group controls an investee if, and only if, the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year 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 owners 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 to be in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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

2.4 Subsidiaries and basis of consolidation (cont'd.)

(b) Basis of consolidation (cont'd.)

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.

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, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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.

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 ("CGU") 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 CGU 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 CGU 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.

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

2.5 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.

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.

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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

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.

(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.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

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

2.7 Foreign currency (cont'd.)

(c) Foreign operations (cont'd.)

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

	Year end rates		Average rates	
	2017 RM	2016 RM	2017 RM	2016 RM
Hong Kong Dollars ("HKD100")	0.519	0.578	0.549	0.534
United States Dollars ("USD")	4.062	4.486	4.281	4.145

2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

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

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.

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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

2.9 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group and the Company depreciate them separately based on their specific useful lives. 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. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land has an infinite useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

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

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

The 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.

2.10 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.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

2.10 Impairment of non-financial assets (cont'd.)

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 asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the 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 2017 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.

2.11 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.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and of the Company's cash management.

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

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair-value-through-profit or loss, loans and receivables and available-for-sale ("AFS") investments.

All financial assets are recognised initially at fair value, plus, in the case of financial assets not at fair-value-through-profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

(i) Initial recognition and subsequent measurement

Financial assets at fair-value-through-profit or loss

Financial assets at fair-value-through-profit or loss include financial assets held for trading or financial assets designated as such upon initial recognition. 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 statements of financial position at fair value with net changes in fair value (net gain or loss on fair value changes) presented as other income or other expenses in the statements of profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

These assets are initially recognised at fair value and 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 as other income in profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as allowance for impairment of loans and receivables.

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

AFS financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS financial assets are those that are neither classified as held for trading nor designated at fair-value-through-profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

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

2.14 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

(i) Initial recognition and subsequent measurement (cont'd.)

AFS financial assets (cont'd.)

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited to the AFS reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statements of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

Investments in equity investments whose fair values cannot be reliably measured are recognised at cost less impairment loss.

The Group and the Company evaluate whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group and the Company are unable to trade these financial assets due to inactive markets, the Group and the Company may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

(ii) 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 statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group and the Company have 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 and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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

2.14 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

(ii) Derecognition (cont'd.)

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if and to what extent they have retained the risks and rewards of ownership. When they have 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 and of the Company's continuing involvement in the asset. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have 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.

(b) Financial liabilities

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 payables and borrowings.

(i) Initial recognition and subsequent measurement

After initial recognition, trade and other payables and loans and borrowings are 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 profit or loss.

(ii) 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 profit or loss.

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

2.14 Financial instruments (cont'd.)

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements 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.

2.15 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.

(a) 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.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, 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 effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

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

2.15 Impairment of financial assets (cont'd.)

(b) 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 financial assets, 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.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as AFS investments, 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 other 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.

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

2.17 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.

2.18 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 of the 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.

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

2.19 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 2.22(e).

2.20 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.

2.21 Treasury shares

The Company's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them respectively.

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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

2.22 Revenue and other income

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and they can be reliably measured, regardless of when the payment is being made. Revenue and other income are 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 and other income are 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 comprehensive income.

(d) Dividend income

Dividend income 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 comprehensive income due to its operating nature.

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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

2.23 Income taxes

(a) Current income 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.

(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.

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

2.23 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

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.

(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
- when receivables and payables that are stated with the amount of GST included.

2.24 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

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

2.25 Segment reporting

Segment reporting in the financial statements are presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to operating segments. Operating segments are distinguishable components of the Group that engage 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 is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance, and for which discrete financial information is available.

All transactions between operating segments are conducted based on mutually agreed allocation bases, with intra-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

2.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: 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

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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

2.26 Fair value measurement (cont'd.)

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.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.27 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.

2.28 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 2.14(a)(i).

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.

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

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:

Impairment of goodwill and investment in subsidiaries

- Goodwill

Goodwill represents the excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated.

- Investment in subsidiaries

The Company reviews its investment in subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant estimation is required in determining the recoverable amount.

When value-in-use calculation are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of goodwill and investment in subsidiaries are disclosed in Note 16(a) and Note 17 respectively.

4. Revenue

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Educational services rendered	254,539	258,297	-	-
Non-educational services rendered	536	404	732	732
Management fee	-	-	8,476	8,947
Rental income	559	936	15,557	15,840
Dividend income	56	63	49,385	13,839
Sale of eyecare and healthcare related products	596	549	-	-
	256,286	260,249	74,150	39,358

**Notes To The
Financial Statements**
For the financial year ended
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5. Cost of services

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Salaries and related expenses	66,116	70,580	-	-
Other direct costs	7,379	9,652	22,692	24,757
	73,495	80,232	22,692	24,757
Included in other direct costs are the followings:				
Operating lease expenses	-	-	19,457	20,452
Students' direct expenses	1,636	1,837	-	-
Sharing and royalty fees	1,398	927	-	-
Library, lab and workshop expenses	899	1,560	-	-
Management fees	509	537	3,235	4,305
Examination fees	284	870	-	-
Cost of goods sold	243	260	-	-
Others	2,410	3,661	-	-
	7,379	9,652	22,692	24,757

6. Interest income

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Interest income from:				
Subsidiaries	-	-	894	1,605
Fixed deposits	1,265	1,199	1,228	1,172
	1,265	1,199	2,122	2,777

Included in the interest income from subsidiaries of the Company is interest of Nil (2016: RM3,000) from impaired amounts due from subsidiaries.

**Notes To The
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For the financial year ended
31 December 2017 (continued)

7. Other income

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Hostel related income		3,221	2,969	-	-
Student deposits forfeited		475	1,265	-	-
Gain on foreign exchange		386	-	912	13
Gain on disposal of property, plant and equipment	9	194	44	-	-
Fair value gain on other financial asset		181	921	181	921
Laboratory fees		11	728	-	-
Gain on disposal of subsidiaries		-	656	-	-
Reversal of allowance for impairment loss on amounts due from subsidiaries	9	-	-	-	2,358
Accounting service fees from subsidiaries		-	-	960	855
Compensation from Local Authority		3,060	-	-	-
Others		2,283	1,779	29	3
		9,811	8,362	2,082	4,150

8. Finance costs

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest expense on:				
Hire purchase liabilities	129	207	-	-
Overdraft	13	-	13	-
Term loan	2,339	-	2,339	-
Unwinding of discount on amount due from a subsidiary	-	-	147	-
	2,481	207	2,499	-

**Notes To The
Financial Statements**

*For the financial year ended
31 December 2017 (continued)*

9. Profit before tax from continuing operations

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

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Auditors' remunerations:					
- current year		550	543	125	125
- (over)/underprovision in prior years		(1)	17	-	4
- other services		7	7	7	7
Employee benefits expense	10	107,590	118,611	1,547	2,258
Directors' remuneration	11	1,760	2,245	1,049	1,064
Operating lease rentals in respect of leased:					
- premises		28,237	30,136	19,457	20,452
- hostels		2,025	4,634	-	-
- equipments		358	456	-	-
Depreciation and amortisation of:					
- property, plant and equipment	15	13,235	13,331	214	280
- development costs	16	28	44	-	-
Foreign currency exchange (gain)/loss:					
- realised		(281)	107	(426)	(13)
- unrealised		(80)	90	(460)	688
(Gain)/loss on disposal of:					
- property, plant and equipment	7	(194)	(44)	-	-
- subsidiaries		-	(656)	-	1,191
Allowance for impairment losses of:					
- trade receivables	20(c)	-	116	-	-
- other receivables	20(a)	-	57	-	-
- amount due from a subsidiary	20(b)	-	-	-	340
- investment in subsidiaries	17	-	-	4,346	-
- property, plant and equipment	15	2,000	-	-	-
Write offs of:					
- property, plant and equipment	15	332	461	-	1
- bad debts		2,022	150	8	18
Reversal of allowance for impairment loss on amounts due from subsidiaries	7,20(b)	-	-	-	(2,358)

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

10. Employee benefits expense

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Employee benefits expense:	9				
Salaries, wages, bonuses and allowances		93,142	101,589	1,388	1,833
Defined contribution plan		10,201	10,754	151	183
Social security contributions		928	918	2	2
Share-based payment expense		(500)	200	(29)	194
Other benefits		3,819	5,150	35	46
		107,590	118,611	1,547	2,258

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,472,000 (2016: RM1,865,000) and RM782,000 (2016: RM799,000), respectively as further disclosed in Note 11.

11. Directors' remuneration

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

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Executive/Non-Executive:					
Salaries and other emoluments		1,155	1,552	618	600
Bonus		159	113	80	113
Defined contribution plan		158	200	84	86
Total executive/Non-Executive directors' remuneration excluding benefits- in-kind		1,472	1,865	782	799
Estimated money value of benefits-in-kind		52	146	31	31
Total executive/Non-Executive directors' remuneration including benefits- in-kind		1,524	2,011	813	830
Non-executive:					
Fees		236	234	236	234
Total directors' remuneration including benefits-in-kind	9	1,760	2,245	1,049	1,064

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (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	
	2017	2016	2017	2016
Executive directors:				
RM100,001 – RM150,000	1	1	1	1
RM650,001 – RM700,000	1	1	1	1
RM1,150,001 – RM1,200,000	-	1	-	1
Non-executive directors:				
Below RM50,001	2	3	3	3
RM50,001 – RM100,000	3	3	3	3
RM700,001 – RM750,000	1	-	-	-

12. Income tax expense/(credit)

The major components of income tax for the years ended 31 December 2017 and 2016 are as follows:

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current income tax:					
Malaysia income tax		1,439	3,072	-	-
Foreign income tax		348	300	-	-
Under provision of Malaysian income tax in respect of prior years		463	579	-	-
		2,250	3,951	-	-
Deferred tax:	25				
Origination and reversal of temporary differences		4,383	(913)	-	(374)
(Over)/under provision in respect of prior years		(949)	83	(240)	(14)
		3,434	(830)	(240)	(388)
Income tax expense/(credit) recognised in profit or loss		5,684	3,121	(240)	(388)

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

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

Domestic current income tax is calculated at the Malaysia statutory tax rate of 24% (2016: 24%) 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 financial years ended 31 December 2017 and 2016 are as follows:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Profit before tax from continuing operations	45,772	30,159	43,544	12,735
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	10,985	7,238	10,451	3,056
Adjustments:				
Non-deductible expenses	1,901	2,334	1,012	678
Income not subject to tax	(5,405)	(5,523)	(11,896)	(4,108)
Deferred tax assets not recognised	2,427	1,642	433	-
Utilisation of previously unrecognised deferred tax assets	(655)	(131)	-	-
Utilisation of current year's allowance for increased export of service	(816)	(1,316)	-	-
Different tax rate of certain subsidiaries	(2,267)	(1,785)	-	-
Under/(over) provision in respect of prior years:				
- income tax	463	579	-	-
- deferred tax	(949)	83	(240)	(14)
Income tax expense/(credit) recognised in profit or loss	5,684	3,121	(240)	(388)

Tax savings during the financial years arising from:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Utilisation of previously unrecognised:				
Tax losses	(132)	(116)	-	-
Capital allowance	(523)	(15)	-	-
Utilisation of current year's allowance for increased export of service	(816)	(1,316)	-	-
	(1,471)	(1,447)	-	-

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

13. Earnings/(loss) per share

Continuing operations

(a) Basic

Basic earnings per share from continuing operations are calculated by dividing the Group's profit from continuing operations, net of tax, attributable to equity holders of the Company of RM40,182,000 (2016: RM27,224,000) by the weighted average number of ordinary shares in issue during the financial year, net of treasury shares, of approximately 1,238,120,000 (2016: 1,237,964,000).

(b) Diluted

Diluted earnings per share from continuing operations are calculated by dividing profit from continuing operations, 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/(loss) per share for the years ended 31 December:

	Group 2017	2016
Profit attributable to equity holders of the Company (RM'000)	40,182	27,111
Add: Loss from discontinued operation, net of tax, attributable to equity holders of the Company (RM'000)	-	113
Profit from continuing operations, net of tax, attributable to equity holders of the Company used in computation of basic/diluted earnings per share (RM'000)	40,182	27,224
Weighted average number of ordinary shares ('000)	1,238,120	1,237,964
Effect of dilution ('000) - Shares Grant Plan ("SGP")	668	442
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,238,788	1,238,406

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

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

The following reflect the profit and share data used in the computation of basic and diluted earnings/(loss) per share for the years ended 31 December (cont'd.):

	Group	
	2017	2016
<u>Basic earnings per share (sen):</u>		
Basic earnings per share for profit from continuing operations, net of tax	3.25	2.20
Basic loss per share for loss from discontinued operations, net of tax	-	(0.01)
Basic earnings per share for profit for the year, net of tax	3.25	2.19
<u>Diluted earnings per share (sen):</u>		
Diluted earnings per share for profit from continuing operations, net of tax	3.24	2.20
Diluted loss per share for loss from discontinued operations, net of tax	-	(0.01)
Diluted earnings per share for profit for the year, net of tax	3.24	2.19

Earnings per share for the preceding financial year have been adjusted for the issuance of bonus shares for comparative purposes.

There were 1,136,000 share options awarded to employees (out of total number of ESOS option of 28,488,000 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	
	2017	2016
	RM'000	RM'000
Recognised during the financial year:		
<u>In respect of the financial year ended 31 December 2016:</u>		
Interim single tier dividend of RM0.06 per ordinary share paid on 20 April 2016	-	43,323
<u>In respect of the financial year ended 31 December 2017:</u>		
Interim single tier dividend of RM0.035 per ordinary share paid on 18 January 2018	43,337	-
	43,337	43,323

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

15. Property, plant and equipment

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Computer hardware and software RM'000	Fixtures, fittings and office equipment RM'000	Library books and manuals RM'000	Motor vehicles RM'000	Capital work-in progress RM'000	Total RM'000
Group									
At 31 December 2017									
Net book value									
At 1 January 2017	4,250	4,900	58,771	2,326	45,892	1,993	1,637	892	120,661
Additions	-	-	-	1,669	3,087	507	-	727	5,990
Reclassification	-	-	-	644	541	-	-	(1,185)	-
Disposals	-	-	-	(83)	(38)	-	(81)	-	(202)
Adjustment	-	-	-	-	-	-	-	(57)	(57)
Written off (Note 9)	-	-	-	(1)	(328)	(3)	-	-	(332)
Impairment (Note 9)	-	-	(2,000)	-	-	-	-	-	(2,000)
Depreciation charge (Note 9)	-	(6)	(1,225)	(1,692)	(8,965)	(888)	(459)	-	(13,235)
At 31 December 2017	4,250	4,894	55,546	2,863	40,189	1,609	1,097	377	110,825
Cost	4,250	4,963	68,148	15,377	100,163	8,459	3,428	377	205,165
Accumulated depreciation	-	(69)	(10,602)	(12,514)	(59,974)	(6,850)	(2,331)	-	(92,340)
Accumulated impairment loss	-	-	(2,000)	-	-	-	-	-	(2,000)
Net book value	4,250	4,894	55,546	2,863	40,189	1,609	1,097	377	110,825
At 31 December 2016									
Net book value									
At 1 January 2016	4,250	4,906	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	4,250	4,900	58,771	2,326	45,892	1,993	1,637	892	120,661
Cost	4,250	4,963	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	4,250	4,900	58,771	2,326	45,892	1,993	1,637	892	120,661

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

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

	Freehold land RM'000	Buildings RM'000	Computer hardware and software RM'000	Fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Company						
At 31 December 2017						
Net book value						
At 1 January 2017	4,250	2,201	176	145	-	6,772
Addition	-	-	-	4	-	4
Disposals	-	-	*	-	-	*
Depreciation charge (Note 9)	-	(77)	(110)	(27)	-	(214)
At 31 December 2017	4,250	2,124	66	122	-	6,562
Cost	4,250	3,876	607	273	441	9,447
Accumulated depreciation	-	(1,752)	(541)	(151)	(441)	(2,885)
Net book value	4,250	2,124	66	122	-	6,562

* Less than RM1,000

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

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

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

- (a) During the financial year, the Group acquired property, plant and equipment at aggregate cost of RM5,990,000 (2016: RM9,404,000) of which RM124,000 (2016: RM2,433,000) were acquired by means of hire purchase.

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

	Group	
	2017 RM'000	2016 RM'000
Fixtures, fittings and office equipment	2,237	3,822
Motor vehicles	1,038	1,561
	3,275	5,383

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(a).

- (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 RM54,258,000 (2016: RM57,325,000) and RM6,375,000 (2016: RM6,451,000), respectively.
- (c) During the financial year, a subsidiary of the Group, SEGi Assets Sdn Bhd, carried out a review of the recoverable amount of its building and an impairment loss of RM2,000,000 representing the write-down of the building to the recoverable amount based on its fair value less costs of disposal was recognised in profit or loss for the financial year ended 31 December 2017.

The sensitivity test indicated that with a decrease in fair value by 5%, there will be additional impairment loss of RM437,000 required while other realistic variations remained the same.

16. Intangible assets

	Goodwill RM'000	Development costs RM'000	Total RM'000
Group			
Cost			
At 1 January 2016	35,016	7,037	42,053
Additions during the financial year	-	8	8
At 31 December 2016 / 31 December 2017	35,016	7,045	42,061

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

16. Intangible assets (cont'd.)

	Note	Goodwill RM'000	Development costs RM'000	Total RM'000
Group				
Accumulated amortisation and impairment				
At 1 January 2016		(7,238)	(6,950)	(14,188)
Amortisation	9	-	(44)	(44)
At 31 December 2016		(7,238)	(6,994)	(14,232)
Amortisation	9	-	(28)	(28)
At 31 December 2017		(7,238)	(7,022)	(14,260)
Net carrying amount				
At 31 December 2016		27,778	51	27,829
At 31 December 2017		27,778	23	27,801

(a) Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to the Group's CGU identified from the education segment.

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flow projections based on financial budget approved by the Board of Directors covering a five-year period (2016: five-year period).

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) Pre-tax discount rate of 13% (2016: 11.8%) 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 3% - 11% are applied to the five years cash flow projections.
- (v) Terminal growth rate of 1% (2016: 1%) represents the growth rate applied to extrapolate post-tax cash flow beyond the five year financial budget period.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

16. Intangible assets (cont'd.)

(a) Impairment testing of goodwill (cont'd.)

Sensitivity to changes in assumptions

The management believes that there are no reasonably possible change in any of the above key assumptions which would cause the carrying values of the CGU to materially exceed their recoverable amounts.

(b) Development costs

Development costs refer to costs incurred in study materials developments. As explained in Note 2.8, 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	
	2017	2016
	RM'000	RM'000
Unquoted shares at cost:		
At 1 January	90,094	92,113
ESOS options and PSP Grant shares (forfeited by)/granted to employees of subsidiaries	(471)	6
Capitalisation of amount due from a subsidiary	-	651
Fair value gain on amount due from a subsidiary	(2,967)	-
Disposal during the year	-	(2,676)
At 31 December	86,656	90,094
Accumulated impairment losses:		
At 1 January	(4,795)	(5,263)
Additions during the financial year (Note 9)	(4,346)	-
Disposal during the year	-	468
At 31 December	(9,141)	(4,795)
	77,515	85,299

**Notes To The
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For the financial year ended
31 December 2017 (continued)

17. Investment in subsidiaries (cont'd.)

The details of the subsidiaries are as follows:

Name of Company	Effective equity interest		Principal activities
	2017 %	2016 %	
Incorporated in Malaysia:			
SEGi College (KL) Sdn. Bhd.*	100	100	Provision of professional, commercial and academic education.
SEGi Human Capital Training & Development Sdn. Bhd. (formerly known as 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.
PMDC Learning Alliance (EM) Sdn. Bhd. (formerly known as SMRC Learning Alliance (EM) Sdn. Bhd.)**	100	100	Provision of management consultancy services investment holding.

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For the financial year ended
31 December 2017 (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
	2017 %	2016 %	
Incorporated in Malaysia (cont'd):			
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.
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	94	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.

**Notes To The
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For the financial year ended
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17. Investment in subsidiaries (cont'd.)

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

Name of Company	Effective equity interest		Principal activities
	2017 %	2016 %	
Incorporated in Malaysia (cont'd.):			
Held through subsidiaries (cont'd.):			
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.
I-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.
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**	100	100	Provision of education and recruitment services.

* Audited by Ernst & Young, Malaysia.

** Audited by firms of chartered accountants other than Ernst & Young.

*** Audited by member firm of Ernst & Young Global in the respective country.

**Notes To The
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31 December 2017 (continued)*

17. Investment in subsidiaries (cont'd.)

(a) Disposal of subsidiaries

In the previous 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 Group had lost control over SILA effective on 1 April 2016.

The deconsolidation of SILA in previous financial year had the following effects:

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

(ii) Other subsidiaries

On 30 June 2016, the Group 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 Group had lost control over these subsidiaries effective on 1 July 2016.

**Notes To The
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For the financial year ended
31 December 2017 (continued)

17. Investment in subsidiaries (cont'd.)

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

(ii) Other subsidiaries (cont'd.)

The deconsolidation of these 5 subsidiaries in the previous financial year 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 investments	-	(1,233)
	<hr/>	<hr/>
Gain/(loss) on deconsolidation	70	(1,191)
	<hr/>	<hr/>
Cash flows arising from deconsolidation		
Consideration received	50	42
Less: Cash and cash equivalents of deconsolidation	-	-
	<hr/>	<hr/>
Net cash inflows on deconsolidation	50	42
	<hr/>	<hr/>

(b) Impairment loss on investment in subsidiaries

During the financial year, the Company has carried out review of recoverable amounts of the investments determined based on value-in-use and the key assumptions used in calculating the recoverable amounts as described below. Based on the key assumptions, the recoverable amount was estimated to be lower than the carrying amount and an impairment loss amounting to RM4,346,000 was recognised and included in other expenses in the profit or loss for the financial year ended 31 December 2017.

The value-in-use was calculated using cash flow projections based on financial budget approved by the Board of Directors covering a five-year period (2016: five-year period).

Key assumptions used in value-in-use calculations are presented below:

- (i) Pre-tax discount rate of 13% (2016: 11.8%).
- (ii) Revenue annual growth rate of 3% to 11% (2016: 3% to 11%).
- (iii) Terminal growth rate of 1% (2016: 1%) represents the growth rate applied to extrapolate post-tax cash flow beyond the five year financial budget period.

The management believes that there are no reasonably possible change in any of the above key assumptions which would cause the carrying values of the investments to materially exceed their recoverable amounts.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

18. Other investment

	Group	
	2017	2016
	RM'000	RM'000
Non current:		
Fair value through other comprehensive income		
Quoted shares	910	920

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

19. Inventories

	Group	
	2017	2016
	RM'000	RM'000
Cost		
Eyecare and health related products	109	98

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 RM243,000 (2016: RM260,000).

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

20. Receivables

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current					
Non-trade					
Deposits	(a)	122	244	-	-
Amounts due from a subsidiary	(b)	-	-	22,782	25,767
		122	244	22,782	25,767
Current					
Trade					
Trade receivables	(c)	5,539	7,619	-	-
Less: Allowance for impairment losses		(248)	(248)	-	-
		5,291	7,371	-	-
Non-trade					
Other receivables, deposits and prepayments	(a)	10,073	13,828	1,215	1,595
Less: Allowance for impairment losses		(554)	(554)	-	-
		9,519	13,274	1,215	1,595
Amounts due from subsidiaries	(b)	-	-	65,610	68,884
Total current trade and other receivables		14,810	20,645	66,825	70,479
Total trade and other receivables (non-current and current)		14,932	20,889	89,607	96,246
Add: Deposits, cash and bank balances	21	83,506	71,397	54,749	32,617
Less: Prepayments		(4,623)	(7,534)	(251)	(466)
Total loans and receivables		93,815	84,752	144,105	128,397

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

20. Receivables (cont'd.)

(a) Other receivables, deposits and prepayments

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:

	Group Individually impaired	
	2017	2016
	RM'000	RM'000
Other receivables - nominal amounts	554	554
Less: Allowance for impairment losses	(554)	(554)
	-	-

Movement in allowance accounts:

	Note	Group	
		2017	2016
		RM'000	RM'000
At 1 January		(554)	(497)
Charge for the year	9	-	(57)
At 31 December		(554)	(554)

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.

(b) Amounts due from subsidiaries

	Company	
	2017	2016
	RM'000	RM'000
Interest bearing	88,050	94,254
Non-interest bearing	342	397
	88,392	94,651

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

20. Receivables (cont'd.)

(b) Amounts due from subsidiaries (cont'd.)

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% to 5% (2016: 1% to 5%) per annum.

The amounts due from subsidiaries of RM83,892,000 (2016: RM94,651,000) are stated net of allowances for impairment of RM8,470,000 (2016: RM8,470,000). In the previous financial year, the impairment review has led to recognition of allowance for impairment loss amounting to RM340,000 and reversal of allowance for impairment loss amounting to RM2,358,000.

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	
	2017	2016
	RM'000	RM'000
Hong Kong Dollar ("HKD")	221	246

(c) Trade receivables

The normal trade credit terms granted by the Group ranged from 30 to 180 days (2016: 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	
	2017	2016
	RM'000	RM'000
Neither past due nor impaired	5,291	7,371
Impaired	248	248
	5,539	7,619

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.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

20. Receivables (cont'd.)

(c) Trade receivables (cont'd.)

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	
	2017	2016
	RM'000	RM'000
<hr/>		
Group		
Trade receivables - nominal amounts	248	248
Less: Allowance for impairment losses	(248)	(248)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Movement in allowance accounts:

	Note	2017	2016
		RM'000	RM'000
<hr/>			
At 1 January		(248)	(132)
Charge for the year	9	-	(116)
		<hr/>	<hr/>
At 31 December		(248)	(248)
		<hr/>	<hr/>

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.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

21. Deposits, cash and bank balances

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Short-term deposits with financial institutions		40,894	9,101	40,894	9,101
Fixed deposits with licensed banks	(a)	9,745	14,427	9,600	14,287
Cash and bank balances		32,867	47,869	4,255	9,229
		83,506	71,397	54,749	32,617

- (a) Fixed deposits with licensed banks of the Group and of the Company amounting to approximately RM9,745,000 (2016: RM9,427,000) and RM9,600,000 (2016: RM9,287,000) 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	
	2017	2016	2017	2016
WAEIR (%)	3.15	3.17	3.15	3.17
Average maturities (Months)	1 - 16	1 - 16	1 - 16	1 - 16

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deposits, cash and bank balances	83,506	71,397	54,749	32,617
Less: Deposits with licensed banks with maturity of more than three months	(9,745)	(9,427)	(9,600)	(9,287)
Total cash and cash equivalents	73,761	61,970	45,149	23,330

As at 31 December 2017, the Company does not have any available (2016: RM50,000,000) undrawn committed borrowing facilities.

22. Other financial asset

	Group / Company	
	2017 RM'000	2016 RM'000
Fair value through profit or loss		
Investment security	7,842	35,726

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

23. Borrowings

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current:					
Secured					
Hire purchase liabilities	(a)	539	1,474	-	-
Term loan	(b)	34,250	-	34,250	-
		34,789	1,474	34,250	-
Current:					
Secured					
Hire purchase liabilities	(a)	988	1,570	-	-
Term loan	(b)	9,000	-	9,000	-
		9,988	1,570	9,000	-
		44,777	3,044	43,250	-

(a) Hire purchase liabilities

	Group	
	2017 RM'000	2016 RM'000
Minimum lease payments:		
- repayable within 1 year	1,032	1,697
- repayable between 1 year to 5 years	585	1,558
	1,617	3,255
Less: Future finance charges	(90)	(211)
Present value	1,527	3,044

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

23. Borrowings (cont'd.)

(a) Hire purchase liabilities (cont'd.)

The net hire purchase liabilities are repayable as follows:

	Group
	2017
	2016
	RM'000
	RM'000
Non-current:	
- repayable between 1 year to 5 years	539
	1,474
Current:	
- not later than 1 year	988
	1,570
	1,527
	3,044

The hire purchase liabilities at the end of the reporting period bore effective interest rates ranging from 4.6% to 6.4% (2016: 4.5% to 6.5%) per annum.

(b) Term Loan

	Group / Company
	2017
	2016
	RM'000
	RM'000
Non-current:	
Secured	
- repayable between 1 year to 2 years	9,000
- repayable between 2 to 5 years	25,250
	34,250
Current:	
Secured	
- repayable within 1 year	9,000
	43,250

During the current financial year, the term loan bore a weighted average effective interest rate of 5.4% per annum.

The term loan is secured by the legal mortgage of certain freehold lands and buildings of the Group as disclosed in the Note 15.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

23. Borrowings (cont'd.)

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2017 RM'000	← Cash flows → New borrowings RM'000	Repayment RM'000	Other RM'000	31 December 2017 RM'000
Group					
Term loan:					
Non-current	-	43,250	-	(9,000)	34,250
Current	-	6,750	(6,750)	9,000	9,000
	-	50,000	(6,750)	-	43,250
Hire purchase liabilities:					
Non-current	1,474	53	-	(988)	539
Current	1,570	71	(1,641)	988	988
	3,044	124	(1,641)	-	1,527
Total liabilities from financing activities	3,044	50,124	(8,391)	-	44,777
Company					
Term loan:					
Non-current	-	43,250	-	(9,000)	34,250
Current	-	6,750	(6,750)	9,000	9,000
Total liabilities from financing activities	-	50,000	(6,750)	-	43,250

The 'other' column includes the effect of reclassification on non-current portion of interest bearing borrowings, including hire purchase liabilities to current due to the passage of time. The Group and the Company classify interest paid as cash flows from operating activities.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

24. Payables

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current					
Deposits		3,812	3,843	490	1,206
Current					
Trade					
Trade payables	(a)	93	130	-	-
Other payables					
Other payables and accruals	(b)	77,978	84,411	3,387	2,157
Dividend payable		43,337	-	43,337	-
Amounts due to subsidiaries	(c)	-	-	34,029	32,915
		121,315	84,411	80,753	35,072
		121,408	84,541	80,753	35,072
Total trade and other payables		125,220	88,384	81,243	36,278
Add: Borrowings	23	44,777	3,044	43,250	-
Less: Dividend payable		(43,337)	-	(43,337)	-
Total financial liabilities carried at amortised cost		126,660	91,428	81,156	36,278

(a) Trade payables

The normal trade credit terms granted to the Group ranged from 30 to 90 days (2016: 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 RM17,332,000 (2016: RM21,647,000).

(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	
	2017 RM'000	2016 RM'000
United States Dollar ("USD")	9,324	8,883

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

25. Deferred tax assets/(liabilities)

Deferred tax as at 31 December relates to the following:

	As at 1 January 2016 RM'000	Recognised in profit or loss RM'000	As at 31 December 2016 RM'000	Recognised in profit or loss RM'000	As at 31 December 2017 RM'000
Group					
Deferred tax assets					
Unabsorbed capital allowances	1,919	(655)	1,264	(145)	1,119
Unused tax losses	4,604	(1,091)	3,513	(1,319)	2,194
Unutilised tax credit	3,666	(2,311)	1,355	(1,355)	-
Other temporary differences	-	4,758	4,758	(1,112)	3,646
	10,189	701	10,890	(3,931)	6,959
Deferred tax liability					
Property, plant and equipment	(4,972)	129	(4,843)	497	(4,346)
	5,217	830	6,047	(3,434)	2,613
Company					
Deferred tax assets					
Unabsorbed capital allowances	1,194	(40)	1,154	(413)	741
Unused tax losses	314	403	717	422	1,139
	1,508	363	1,871	9	1,880
Deferred tax liability					
Property, plant and equipment	(563)	25	(538)	231	(307)
	945	388	1,333	240	1,573

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Presented after appropriate offsetting as follows:				
Deferred tax assets	6,959	10,890	1,573	1,333
Deferred tax liability	(4,346)	(4,843)	-	-
	2,613	6,047	1,573	1,333

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unused tax losses	43,272	35,910	1,804	-
Unabsorbed capital allowances	5,286	5,425	-	-
Unutilised tax credit	748	748	-	-
Other deductible temporary differences	2,355	2,196	-	-
	51,661	44,279	1,804	-

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 2017 (continued)

26. Share capital

			Group/Company		
	Note	2017 '000	2016 '000	2017 RM'000	2016 RM'000
Ordinary shares:					
Authorised					
At 31 January/31 December		-	1,000,000	-	250,000
Issued and fully paid-up					
Ordinary shares with no par value (2016 - Par value of RM0.25 each)		748,098	748,098	187,024	187,024
Capital repayment	(i)	-	-	(108,307)	-
Issuance of bonus shares	(ii)	515,915	-	51,592	-
New shares issued under the employee share option scheme		233	-	282	-
Adjustment for effects of Companies Act 2016	(iii)	-	-	16,912	-
At 31 December		1,264,246	748,098	147,503	187,024

(i) Capital repayment

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) Issuance of bonus share

On 29 June 2017, bonus issue of 515,915,301 new shares were credited as fully paid-up on the basis of five (5) bonus shares for every seven (7) existing shares held on 28 June 2017.

(iii) Adjustment for effects of Companies Act 2016

Under the Companies Act 2016 ("Act") in Malaysia which came into effect on 31 January 2017, the concept of authorised share capital no longer exist.

In accordance with Section 74 of the Act, the Company's ordinary shares no longer have a par or nominal value with effect from 31 January 2017. Pursuant to Section 618(2) of the Act, the amounts standing to the credit of the Company's share premium accounts have become part of the Company's share capital. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result thereof.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

26. Share capital (cont'd.)

(iii) Adjustment for effects of Companies Act 2016 (cont'd.)

Pursuant to subsection 618(3) of the Act, the Company may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the Act. The Board of Directors will make a decision thereon by 31 January 2019.

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's residual assets.

27. Treasury shares

In the previous 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
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/ 31 December 2017				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 127(4)(b) of the Companies Act 2016 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:

	Note	Group / Company 2017 RM'000	2016 RM'000
At 1 January		68,504	68,504
Issuance of bonus shares	26(ii)	(51,592)	-
Adjustment for effects of Companies Act 2016	26(iii)	(16,912)	-
At 31 December		-	68,504

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

29. Reserves

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Retained profits	(a)	(20,107)	(16,952)	2,900	2,453
Available-for-sale financial asset reserve	(b)	(30)	(20)	-	-
Exchange translation reserve	(c)	(503)	739	-	-
Share-based payment reserve	(d)	1,763	2,545	1,763	2,545
		(18,877)	(13,688)	4,663	4,998

(a) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2017 and 31 December 2016 under the single tier system.

(b) 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.

(c) 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.

(d) 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.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

29. Reserves (cont'd.)

(d) Share-based payment reserve (cont'd.)

The movements in share-based payment reserve of the Group and of the Company are as follows:

	Group/Company RM'000
At 1 January 2016	2,345
Share-based payment expense during the year	1,020
Overprovision of share-based payment expense in prior years	(820)
At 31 December 2016	2,545
Share-based payment expense during the year	484
Overprovision of share-based payment expense in prior years	(984)
PSP Grant granted	(282)
At 31 December 2017	1,763

(i) The main features of the Company's Employee Share Option Scheme ("ESOS") are outlined below:

- The maximum number of new ordinary shares 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;
 - The allocation to an Eligible Person, who either individually 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.

The option price shall be the five-day weighted average market price of the Company's shares immediately preceding the date of the offer, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time at the LTIP Committee's discretion or the par value of the shares of the Company, whichever is the higher.

The ESOS shall be in force for a period of 10 years from the effective date (1 July 2014) for the implementation of the ESOS.

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

29. Reserves (cont'd.)

(d) Share-based payment reserve (cont'd.)

- (i) The main features of the Company's Employee Share Option Scheme ("ESOS") are outlined below (cont'd.):

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

As at 31 December 2017, the Company has an allocation of 28 million (2016: 18 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 2017, 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	
	2017	2016
	'000	'000
At 1 January	17,925	31,497
Granted in accordance to MFRS 2	953	1,719
Effect from bonus issue	12,804	-
Forfeited during the year	(3,194)	(15,291)
At 31 December	28,488	17,925

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 option	
	2017	2016
Dividend yield (%)	4.95	5.36
Expected volatility (%)	20.67	21.03
Risk-free interest rate (%)	3.94	3.61
Exercise share price (RM)	0.68	1.18

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 2017 (continued)*

29. Reserves (cont'd.)

(d) 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 fulfilment of vesting conditions, whereby the selected Eligible Persons will be assessed based on, amongst others, individual performance and the fulfilment 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 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 2016, 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	
	2017	2016
	'000	'000
At 1 January	3,263	4,875
Granted in accordance to MFRS 2	-	6
Effect from bonus issued	2,331	-
Exercised during the year	351	-
Forfeited during the year	(1,045)	(1,618)
At 31 December	4,900	3,263

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (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:

Statements of comprehensive income disclosures

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

	Group 2016 RM'000
Administrative expenses	4
Other operating expenses	(117)
	<hr/>
Operating loss	(113)
Finance costs	-
	<hr/>
Loss from discontinued operation, net of tax	(113)
	<hr/>

Loss before tax from discontinued operation

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

	Group 2016 RM'000
Auditors' remuneration:	
- Overprovision in prior year	(4)
	<hr/>

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (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 are as follows:

	Group 2016 RM'000
Assets:	
Property	56,970
Cash and bank balances	-
Other receivable	150
Total assets	57,120
Liabilities:	
Payables	(306)
Term loan	(43,400)
Total liabilities	(43,706)
Net assets disposed	13,414

Statements of cash flows disclosures

The cash flows attributable to SILA for the financial period ended 31 March 2016 are as follows:

	Group 2016 RM'000
Operating activities	384
Financing activities	(600)
Net cash outflows	(216)

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

31. Commitments and contingencies

(a) Capital commitments

Authorised capital expenditure not provided for in the financial statements:

	Group 2017 RM'000	2016 RM'000
Approved and contracted for:		
Property, plant and equipment	28	220

(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 2017 RM'000	2016 RM'000	Company 2017 RM'000	2016 RM'000
Future minimum rentals payable:				
Not later than 1 year	27,331	31,845	19,554	19,457
Later than 2 years and not later than 5 years	93,430	36,699	67,285	15,063
Later than 5 years	1,864	7,456	-	-
	122,625	76,000	86,839	34,520

(c) Guarantees

	Group 2017 RM'000	2016 RM'000	Company 2017 RM'000	2016 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 2017 (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	
		2017	2016
	Note	RM'000	RM'000
Sale of services to subsidiaries:			
- management fee	4	8,476	8,947
- maintenance fee		552	552
- rental of premises		15,557	15,494
- service charge		180	180
- accounting fee	7	960	855
Purchase of services from subsidiaries:			
- accreditation fee		9,878	8,669
- management fee	5	3,235	4,305
Interest income from subsidiaries	6	894	1,605
Dividend income from subsidiaries	4	49,385	13,839

Information regarding outstanding balances arising from related party transactions as at 31 December 2017 and 31 December 2016 are disclosed in Note 20(b) and Note 24(c).

The Directors of the Company are of the opinion that the above transactions are entered into in the normal course of business and based on negotiated and mutually agreed terms.

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

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (continued)

32. Related party disclosures (cont'd.)

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

Compensation of key management personnel:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Directors of the Company:				
- fee	236	234	236	234
- remuneration	1,366	1,811	729	744
- defined contribution plan	158	200	84	86
	1,760	2,245	1,049	1,064
Other key management personnel:				
- salary and other short-term employee benefits	3,179	2,734	451	713
- defined contribution plan	381	363	54	100
	3,560	3,097	505	813
Total	5,320	5,342	1,554	1,877

33. Fair value of financial instruments

(a) 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
Receivables (non-current and current)	20
Deposits, cash and bank balances	21
Borrowings (non-current and current)	23
Payables (non-current and current)	24

**Notes To The
Financial Statements**
*For the financial year ended
31 December 2017 (continued)*

33. Fair value of financial instruments (cont'd.)

(b) Fair value measurements

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Deposits, cash and bank balances, receivables, payables and borrowings

The carrying amounts of these financial assets and liabilities are reasonable approximation 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 loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Quoted investments

The fair value of quoted investments is determined by reference to stock exchange quoted market bid prices at the close of the business at the reporting date.

(iii) Amount due from/(to) subsidiaries

The Company does not anticipate the carrying amounts recorded at the reporting date that would eventually be received or settled to be significantly different from the fair values as the amounts are repayable on demand.

(iv) 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; and
- 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.

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. The quoted investment and other financial asset belong to Level 1 and Level 2 respectively 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 2017 (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's 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 and the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The following table demonstrates the sensitivity of the Group's and 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 Group/Company Profit net of tax	
	2017	2016
	RM'000	RM'000
Strengthen by 10%		
United State Dollar	932	888
Hong Kong Dollar	(22)	(25)
Weaken by 10%		
United State Dollar	(932)	(888)
Hong Kong Dollar	22	25

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (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
	2017 2016
	RM'000 RM'000
Effects on profit net of tax	
Increase of 100 basis points	(448) (30)
Decrease of 100 basis points	448 30

(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, deposits, 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.

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 2017, approximately 31% (2016: 37%) 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 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 that 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 2017 (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:

		<div style="text-align: center;">← 2017 →</div>		
	Note	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	24	78,071	3,812	81,883
Hire purchase liabilities	23(a)	1,032	585	1,617
Term loan	23(b)	11,021	37,525	48,546
Total undiscounted financial liabilities		90,124	41,922	132,046
Company				
Financial liabilities:				
Other payables	24	37,416	490	37,906
Term loan	23(b)	11,021	37,525	48,546
Total undiscounted financial liabilities		48,437	38,015	86,452

		<div style="text-align: center;">← 2016 →</div>		
	Note	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	24	84,541	3,843	88,384
Hire purchase liabilities	23(a)	1,697	1,558	3,255
Total undiscounted financial liabilities		86,238	5,401	91,639
Company				
Financial liabilities:				
Other payables, representing total undiscounted financial liabilities	24	35,072	1,206	36,278

**Notes To The
Financial Statements**
For the financial year ended
31 December 2017 (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 and the Company manage their 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 deposits, cash and bank balances.

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	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Borrowings	23	44,777	3,044	43,250	-
Payables	24	125,220	88,384	81,243	36,278
Less: Deposits, cash and bank balances	21	(83,506)	(71,397)	(54,749)	(32,617)
Net debts		86,491	20,031	69,744	3,661
Equity attributable to equity holders of the Company		91,140	204,354	114,680	223,040
Capital and net debt		177,631	224,385	184,424	226,701
Gearing ratio		49%	9%	38%	2%

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 2017 (continued)*

37. Comparatives

The presentation and classification in the current financial statements have been consistent with the previous financial year except for certain comparatives which have been reclassified to conform with current year's presentation as follows:

As at 31 December 2016

Statement of financial position	As previously stated RM'000	Note (i) RM'000	Note (ii) RM'000	As restated RM'000
Group				
Non-current liabilities				
Payables	-	3,843	-	3,843
Current liabilities				
Payables	88,384	(3,843)	-	84,541

For the financial year ended 31 December 2016

Statement of comprehensive income

Company				
Cost of services	4,305	-	20,452	24,757
Other expenses	24,545	-	(20,452)	4,093

- (i) Being reclassification of deposits received to conform with current financial year's presentation.
- (ii) Being reclassification of lease rental to conform with current financial year's presentation.

**Group
Properties**
As at 31 December 2017

No.	Address	Approximate Areas/ Description	Existing Use	Tenure	Approximate Age of Building (years)	NBV as at 31/12/2017 (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	40	6,375	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	41	9,129	13/06/2001
3	South City Plaza Lot 3.09a, 3rd Floor Persiaran Serdang Perdana 43300 Seri Kembangan, Selangor	21,986 sq ft built-up area of shoplot space	Training Centre	Leasehold Expiry date @ 09/11/2093	14	6,253	03/07/1998
4	South City Plaza Lot 3.09b, 3rd Floor Persiaran Serdang Perdana 43300 Seri Kembangan, Selangor	15,482 sq ft built-up area of shoplot space	Training Centre	Leasehold Expiry date @ 09/11/2093	14	4,403	08/01/1999
5	Casa Residenza, Service Apartment Block B Persiaran Surian Kota Damansara, PJU 5 47810 Petaling Jaya, Selangor	110,500 sq ft built-up area of 125 units service apartment	Residential	Leasehold Expiry date @ 25/01/2104	5	37,227	31/03/2013
125 units from:-							
<ul style="list-style-type: none"> • B1-11-10 to B1-11-13A • B1-12-10 to B1-12-13A • B1-13-10 to B1-13-13A • B1-13A-10 to B1-13A-13A • B1-15-10 to B1-15-13A • B1-16-10 to B1-16-13A • B1-17-10 to B1-17-13A • B1-18-10 to B1-18-13A • B1-19-10 to B1-19-13A • B1-20-10 to B1-20-13A • B1-21-10 to B1-21-13A • B1-22-10 to B1-22-13A • B1-23-10 to B1-23-13A • B1-23A-10 to B1-23A-13A • B1-25-10 to B1-25-13A • B1-26-10 to B1-26-13A • B1-27-10 to B1-27-13A • B1-28-10 to B1-28-13A • B1-29-10 to B1-29-13A • B1-30-10 to B1-30-13A • B1-31-10 to B1-31-13A • B1-32-10 to B1-32-13A • B1-33-10 to B1-33-13A 							

**Group
Properties**

As at 31 December 2017 (continued)

No.	Address	Approximate Areas/ Description	Existing Use	Tenure	Approximate Age of Building (years)	NBV as at 31/12/2017 (RM'000)	Date of Revaluation/ Acquisition
5	Casa Residenza, Service Apartment Block B Persiaran Surian Kota Damansara, PJU 5 47810 Petaling Jaya, Selangor	110,500 sq ft built-up area of 125 units service apartment	Residential	Leasehold Expiry date @ 25/01/2104	5	37,227	31/03/2013
	125 units from:- • B1-33A-10 to B1-33A-13A • B1-35-10 to B1-35-13A						
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	10	448	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	10	405	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	10	226	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	10	224	19/10/2005
						64,690	

**Analysis of
Shareholdings**
As at 30 March 2018

Total number of issued shares : 1,238,197,548*
 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	104	5.98	4,010	0.00
100 – 1,000	108	6.21	51,663	0.00
1,001 – 10,000	553	31.80	2,885,064	0.23
10,001 – 100,000	793	45.60	22,671,675	1.83
100,001 – less than 5% of issued shares	179	10.29	688,751,530	55.63
5% and above of issued shares	2	0.12	523,833,606	42.31
TOTAL	1,739	100.00	1,238,197,548	100.00

Substantial Shareholders as at 30 March 2018

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")	396,694,479	32.04	**459,565,035	37.12
2. Pinnacle Heritage Solutions Sdn Bhd ("PHS")	459,565,035	37.12	++396,694,479	32.04
3. Nicholas Rupert Heylett Bloy	-	-	##856,259,514	69.15
4. Richard Elletson Foyston	-	-	##856,259,514	69.15
5. Navis Capital Partners Limited	-	-	##856,259,514	69.15
6. SmartUni 1 Ltd	-	-	##856,259,514	69.15
7. Navis Asia Fund VI G.P., Ltd	-	-	##856,259,514	69.15
8. HAL Investments (Asia) Ltd	-	-	##856,259,514	69.15
9. HAL Holding N.V.	-	-	##856,259,514	69.15
10. HAL Trust	-	-	##856,259,514	69.15
11. Rodney Chadwick Muse	-	-	##856,259,514	69.15
12. Navis GP Investment Hold Co Ltd	-	-	##856,259,514	69.15

**Analysis of
Shareholdings**

As at 30 March 2018 (continued)

Directors' Shareholdings

	Name of Shareholders	Direct	No. of shares held		%
			%	Indirect	
1.	Tan Sri Clement Hii Chii Kok	396,694,479	32.04	**459,565,035	37.12
2.	Nicholas Rupert Heylett Bloy	-	-	##856,259,514	69.15
3.	Datuk Mohamed Azahari Bin Mohamed Kamil	-	-	-	-
4.	Hew Moi Lan	885,780	0.07	-	-
5.	Dato' Amos Siew Boon Yeong	3,771,428	0.30	-	-
6.	Tan Sri Dato' Seri Megat Najmuddin bin Dato' Seri Dr Haji Megat Khas	67,991	0.01	-	-
7.	Dato 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/are deemed to have an interest.

Thirty Largest Shareholders

	Name of shareholders	No. of shares	%
1.	Pinnacle Heritage Solutions Sdn Bhd	459,565,035	37.12
2.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	77,982,856	6.43
3.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	68,598,856	5.66
4.	AmSec Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad (Hedging)	60,737,142	4.91
5.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	55,753,374	4.60
6.	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	55,127,101	4.55
7.	Maybank Investment Bank Berhad IVT	50,742,857	4.10
8.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Hii Chii Kok	48,857,142	4.03
9.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	45,274,285	3.66
10.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rexter Capital Sdn Bhd	38,585,900	3.12
11.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	26,300,000	2.12
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Siew Hee	15,369,600	1.24
13.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Symphony Diversified Sdn Bhd	14,452,200	1.17
14.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bonus Tradisi Sdn Bhd	13,638,328	1.10

**Analysis of
Shareholdings**
As at 30 March 2018 (continued)

Thirty Largest Shareholders (continued)

Name of shareholders	No. of shares	%
15. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Basic Index Sdn Bhd	9,691,171	0.78
16. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Harmoni Genting Sdn Bhd	8,567,142	0.69
17. Hii Chii Kok	8,200,865	0.66
18. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	8,000,000	0.65
19. CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad for Yayasan Mohd Noah (A/C2)	7,776,000	0.63
20. Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund	7,693,714	0.62
21. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad for Rexter Capital Sdn Bhd	6,991,714	0.56
22. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tang Lee Hieh	6,881,485	0.56
23. CitiGroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	6,342,857	0.51
24. Kenanga Nominees (Tempatan) Sdn Bhd Perdana Technology Venture Sdn Bhd	5,362,560	0.43
25. Yayasan Guru Tun Hussein Onn	5,142,857	0.42
26. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Generasi Panduan Sdn Bhd	5,045,071	0.41
27. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sinar Pavilion Sdn Bhd	3,985,071	0.32
28. AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siew Boon Yeong	3,771,428	0.30
29. UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	3,615,771	0.29
30. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Krystle Lim Xin Ee	3,407,999	0.28



SEGi
International
Bhd

SEGi UNIVERSITY & 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 1777
Fax : 603 6145 1666
Email : infokd@segi.edu.my

SEGi College Kota Damansara

No. B2-01, Block 2 SEGi Tower
Jalan Teknologi 2/1D
Seksyen 2, Kota Damansara
Sungai Buloh
47810 Petaling Jaya
Selangor Darul Ehsan

Tel : 603 6145 5888
Fax : 603 6145 9888
Email : infokd@segi.edu.my

SEGi College Kuala Lumpur

33 – 35, Jalan Hang Lekiu
50100 Kuala Lumpur

Tel : 603 2070 2078
Fax : 603 2034 2759
Email : infokl@segi.edu.my

SEGi College Subang Jaya

Persiaran Kewajipan USJ 1
47600 UEP Subang Jaya
Selangor Darul Ehsan

Tel : 603 8605 3888
Fax : 603 8605 3999
Email : infosj@segi.edu.my

SEGi College Penang

Wisma Green Hall
43 Green Hall, 10200 Penang

Tel : 604 263 3888
Fax : 604 262 2193
Email : infopg@segi.edu.my

SEGi College Sarawak

211, Jalan Bukit Mata Kuching
93100 Kuching, Sarawak

Tel : 6082 252 566
Fax : 6082 231 355
Email : infoawk@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
Email : infoawk@segi.edu.my

SEGi Human Capital Training & Development

No. 35, Jalan Green Hall
10200 George Town
Pau Pinang

Tel : 604 263 3888
Fax : 604 262 2193
Email : shctd@segi.edu.my

SEGi BUSINESS UNITS

IFPA Resources Sdn Bhd

5th Floor, Menara Summit
Persiaran Kewajipan USJ 1
47600 UEP Subang Jaya
Selangor Darul Ehsan

Tel : 603 8605 3886
Fax : 603 8605 3816
Email : info@ifpa.com.my

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
Email : sylow@segi.edu.my

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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-Second 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 Wednesday, 6 June 2018 at 10.30 a.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 Nicholas Rupert Heylett Bloy in accordance with Article 86 of the Constitution of the Company.		
3.	Re-election of Dato' Amos Siew Boon Yeong in accordance with Article 86 of the Constitution of the Company.		
4.	Re-election of Edwin Fua Chye Jin in accordance with Article 86 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.	Authority pursuant to Section 75 of the Companies Act, 2016 for Directors to issue shares.		
7.	Proposed Renewal of Authority for the Proposed Share Buy-Back.		
8.	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.		
9.	Retention of Dato' Amos Siew Boon Yeong as Independent Non-Executive Director in accordance with Malaysian Code on Corporate Governance 2012.		
	SPECIAL RESOLUTION		
1.	Proposed amendment to the Constitution of the Company.		

Dated this _____ day of _____ 2018

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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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

1st fold here



segi.edu.my

No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor

Toll Free: 1800 88 7344 Tel: 603 6145 1777 Fax: 603 6145 2679

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9792
COMPANY NAME : SEG INTERNATIONAL BHD
FINANCIAL YEAR : December 31, 2017

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>

	the Group's performance as a whole, including reviewing the actions taken by the management periodically.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman, Tan Sri Dato' Seri Megat Najmuddin bin Dato' Seri Dr. Haji Megat Khas, is an Independent Non-Executive Director. He is responsible for ensuring Board's effectiveness and conduct.</p> <p>The responsibilities of the Chairman include:</p> <ul style="list-style-type: none">a. leading the Board in its responsibilities for the business and affairs of the Company and its oversight of management;b. overseeing the Board in the effective discharge of its supervisory role;c. ensuring the integrity and effectiveness of the governance process of the Board;d. facilitating the effective contribution of all Directors and ensuring constructive relations be maintained between Directors and between the Board and management; ande. ensuring that there is regular and effective evaluation of the Board's performance.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied	
Explanation on application of the practice	:	The role of the Independent Non-Executive Chairman and the Group Managing Director ("MD") are distinct and separate to ensure there is a balance of power and authority. The Chairman, Tan Sri Dato' Seri Megat Najmuddin bin Dato' Seri Dr. Haji Megat Khas, is responsible for ensuring Board's effectiveness and conduct whilst the MD, Tan Sri Clement Hii Chii Kok, has overall responsibilities for the operating units, organisational effectiveness and implementation of the Board's policies and decisions, and to consult and inform the Board on matters that are sensitive, extraordinary or of a strategic nature.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries play an important advisory role and is a source of information and advice to the Board and Board Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.</p> <p>Cheryl Chong Poh Yee, the Group Financial Officer, has more than 20 years of experience in the fields of accountancy, financial services and corporate services. She is a 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.</p> <p>Hew Ling Sze was admitted as an Associate of The Institute of Chartered Secretaries and Administrators in 1996. In 1997, she graduated with a Master of Business Administration majoring in International Investment from Universiti Kebangsaan Malaysia. She has more than 20 years of experience in corporate, management consultancy and secretarial services.</p> <p>The Company Secretaries are also the Secretary for all Board Committees.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied	
Explanation on application of the practice	:	<p>Board meetings are structured with a pre-set agenda, whereby prior to each Board meeting, all Directors are provided with a set of Board papers containing information relevant to the business of the meeting, at least five (5) days prior to the meeting, to ensure deliberations at the meeting are focused and constructive and 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.</p> <p>Minutes of the meetings would be circulated to the Directors on a timely basis for review and thereafter for confirmation at next Board meeting. The minutes of the various Board Committees will be included in the board papers for information.</p> <p>The signed Board minutes are entered in minutes books kept by the Company Secretary.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter set out the roles, functions and composition, operation and processes 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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none">• 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. <p>The Board Charter will be reviewed periodically to ensure its adequacy, and updated in accordance with the needs of the Company and any new regulations that may have an impact on the Board's responsibilities. The Board Charter is available on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>All Board members are expected to show good stewardship and act in a professional manner, as well as uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.</p> <p>The Board adopted the Code to address matters relevant to the Company's legal obligations as well as other obligations to its stakeholders. This is to ensure the interests of shareholders are protected and the confidence of the investment market is 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.</p> <p>The Code sets out obligations that Directors, officers and employees are expected to behave when performing their duties. The Board's key responsibilities are to:</p> <ul style="list-style-type: none">• oversee the overall strategic plan and performance of the Group's business and develop initiatives for profit and asset growth;• oversee, evaluate and monitor the conduct of business of the Company and 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;• approve and monitor the progress of major capital expenditure, capital management and acquisitions and divestments;• ensure that appropriate corporate governance and the adequacy and integrity of the management information

	<p>and internal control systems are established and maintained;</p> <ul style="list-style-type: none"> • select, appoint and evaluate the performance of, determine the remuneration of, plan for the successor of and, where appropriate, removal of senior executives; • establish a succession plan; • ensure that the Board continues to have the blend of skills, experience and attributes appropriate for the Company and its business, 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. <p>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.</p> <p>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.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>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.</p> <p>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.</p> <p>The summary of the whistle-blowing policy is available on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>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 Directors and three (3) are Executive Directors.</p> <p>Out of the two (2) Non-Independent Non-Executive Directors, Datuk Mohamed Azahari bin Mohamed Kamil will attain his independence status after his resignation as Group President of the Group for 2 years, namely, after 14 July 2019. By then, the Nominating Committee will re-assess his independence to the Group to ensure he meets the independence guidelines as set out in the Main Market Listing Requirements before recommending it to the Board for consideration and approval for his re-designation.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
Explanation on application of the practice	:	<p>The Company has obtained shareholders' approval during the 31st annual general meeting ("AGM") for the independence position of Tan Sri Megat Najmuddin bin Dato' Seri Dr. Haji Megat Khas and Dato' Amos Siew Boon Yeong.</p> <p>The Board assesses the independence of the Independent Directors on an annual basis and is of the opinion that the ability of an independent 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 and both of them met the Independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements.</p> <p>In respect of the financial year under review, the self-assessment checklist for Independent Directors also 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.</p> <p>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.</p> <p>The Board, based on the review and recommendations made by the Nominating Committee, was satisfied with them as Independent Directors of the Company, and therefore recommended their retention as Independent Non-Executive Directors for shareholders' approvals at the AGM for their retention as Independent Directors.</p> <p>The Company is going to recommend for shareholders' approval to incorporate enabling provisions in the company's Constitution to allow</p>

	for the operationalisation of two-tier voting to be in line with Practice 4.2 of MCCG 2017.	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	It was in the Board Charter that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. The Board may, subject to the assessment of the Nomination Committee on an annual basis, recommend for an independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director to be approved at the general meetings of the Company.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board supports the need for diversity amongst the Board and workforce, amongst others, including in race, ethnicity, age, gender, skills and competencies, where possible.</p> <p>The Board believes that its membership is selected based on each candidate’s skills, experience, core competencies and other qualities, regardless of gender.</p> <p>The Board believes that there are benefits in having a diverse Board and workforce as it will improve board functioning and decision making processes. 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, if any.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>In pursuing its gender diversity agenda, the Board supports the Guidance 4.4. of MCCG 2017 to take steps to ensure that women candidates are sought in its recruitment exercise for Board and Senior Management positions.</p> <p>While large companies are required to have 30% women directors, the Board considers to have at least 30% women holding key positions in the organisation. Diversity, when extended to Senior Management, will also serve as a talent pipeline for Board candidacy.</p> <p>The Board currently has one woman Director on the Board, together with the Senior Management, the Group has approximately 33% women holding key positions in the organisation.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

Application	:	Applied
Explanation on application of the practice	:	<p>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 Nominating Committee ("NC") recommends to the Board for approval.</p> <p>The Board would also consider sourcing new Directors via industry and professional associations and independent search firms.</p> <p>The NC 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.</p> <p>In the case of candidate(s) being considered for the position of independent director, the NC 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 Main Market Listing Requirements and be able to give independent and objective judgement to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.7

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by an Independent Director, Tan Sri Megat Najmuddin bin Dato’ Seri Dr. Haji Megat Khas.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC 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.</p> <p>The NC conducted a self-appraisal by the Directors to evaluate the Directors based on the following:</p> <p>(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</p> <p>(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.</p> <p>The NC 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.</p> <p>The NC also reviewed and recommended to the Board the tabling of the resolutions for the election and re-election of the Directors retiring at the Company's AGM.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has set up its Remuneration Policy for Directors and Executive Management. The Remuneration Policy is designed to support key business strategies and create a strong, performance-orientated environment.</p> <p>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.</p> <p>A copy of the same is available on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Remuneration Committee (“RC”) is responsible for developing the remuneration policy framework and to make recommendations to the Board on the remuneration packages of the Directors.</p> <p>The objectives of the RC are to ensure that the remuneration policies of the Company are competitive, thereby enabling the Company to attract and retain high calibre executives and at the same time protect the interests of the shareholders.</p> <p>The RC carried out an annual review of the Directors’ remuneration whereupon recommendations were submitted to the Board for approval. The RC will ensure the Directors’ remuneration packages are aligned with the Group’s business strategy and long term objectives.</p> <p>The terms of reference of the RC are available on the Company’s website.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application :	Applied																																																																		
Explanation on application of the practice :	<div>Detailed disclosure on named basis for the remuneration of individual Directors for the financial year ended 31 December 2017 is set out below. The remuneration breakdown of individual Directors includes fee, salary, bonus, benefits in kind and other emoluments, as follows:</div> <table><tr><th></th><th>Fee (RM'000)</th><th>Salary (RM'000)</th><th>Bonus (RM'000)</th><th>Benefits-in-kind (RM'000)</th><th>Other Emoluments (RM'000)</th></tr><tr><td>Executive Directors</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Tan Sri Clement Hii Chii Kok</td><td>-</td><td>120,000</td><td>-</td><td>-</td><td>14,400</td></tr><tr><td>Hew Moi Lan</td><td>-</td><td>498,000</td><td>80,000</td><td>31,150</td><td>69,360</td></tr><tr><td>Non-Executive Directors</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Tan Sri Megat Najmuddin bin Dato' Seri Dr. Hj Megat Khas</td><td>93,500</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Datuk Mohamed Azahari bin Mohamed Kamil (re-designated to non-Executive Director on 15 July 2017)</td><td>25,208</td><td>536,675</td><td>79,355</td><td>20,533</td><td>73,924</td></tr><tr><td>Nicholas Rupert Heylett Bloy</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr><tr><td>Dato' Amos Siew Boon Yeong</td><td>62,700</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Dato Goh Leng Chua</td><td>55,000</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Edwin Fua Chye Jin</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr></table> <div><p><u>Notes</u></p><p>i. Other emoluments include statutory contributions.</p><p>ii. 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.</p></div>		Fee (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Other Emoluments (RM'000)	Executive Directors						Tan Sri Clement Hii Chii Kok	-	120,000	-	-	14,400	Hew Moi Lan	-	498,000	80,000	31,150	69,360	Non-Executive Directors						Tan Sri Megat Najmuddin bin Dato' Seri Dr. Hj Megat Khas	93,500	-	-	-	-	Datuk Mohamed Azahari bin Mohamed Kamil (re-designated to non-Executive Director on 15 July 2017)	25,208	536,675	79,355	20,533	73,924	Nicholas Rupert Heylett Bloy	N/A	N/A	N/A	N/A	N/A	Dato' Amos Siew Boon Yeong	62,700	-	-	-	-	Dato Goh Leng Chua	55,000	-	-	-	-	Edwin Fua Chye Jin	N/A	N/A	N/A	N/A	N/A
	Fee (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Other Emoluments (RM'000)																																																														
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Edwin Fua Chye Jin	N/A	N/A	N/A	N/A	N/A																																																														
Explanation for departure :																																																																			
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																																																																			

Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	The Board noted the requirements of the remuneration for the Senior Management of the Company, in bands of RM50,000. After considering the highly competitive market for talents in the Education industry, the Board is of the opinion that the disclosure of Senior Management’s remuneration would not be in the best interest of the Group and it also due to confidentiality and security concerns. The Board is also of the view that the disclosure of Senior Management’s remuneration in the Audited Financial Statements are adequate as it complies with the requirement of the applicable approved accounting standards.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee ("AC"), Dato' Amos Siew Boon Yeong, is an Independent Non-Executive Director, and is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The policy on observation of a cooling-off period of at least 2 years for a former key audit partner prior to his appointment as a member of AC was adopted in the Terms of Reference of the AC.</p> <p>A copy of the Terms of Reference of AC is available on the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC 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 AC will also take into consideration the comments and viewpoints of the management during the annual assessment.</p> <p>The external auditors declared their independence to the AC and their compliance with By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.</p> <p>The AC recommended the external auditors' re-appointment to the Board and for the Board to table for shareholders' approval at the forthcoming AGM.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman and members of the AC are financially literate, and have carried out their duties in accordance with the Terms of Reference of the AC. The qualification and experience of the AC members are set out in the Directors' Profile in the Annual Report.</p> <p>The AC provides assistance to the Board in fulfilling its fiduciary responsibilities, particularly in areas relating to financial accounting and reporting practices. The AC also assists the Board in reviewing annual financial statements and unaudited interim results to ensure accuracy and adequacy.</p> <p>In summaries, the AC participated actively in the following:</p> <p>i. Financial reporting</p> <ul style="list-style-type: none">• 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, 2016/1965, 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.

	<p>ii. External auditors</p> <ul style="list-style-type: none"> • 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. • 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. <p>iii. Internal auditors</p> <ul style="list-style-type: none"> • Reviewed the effectiveness of the internal audit process, audit function resource requirements, and assess the performance of the internal auditors to ensure internal audit works are being carried out primarily in line with the International Professional Practices Framework (IPPF). • Reviewed the 2017 Internal annual audit plan to ensure adequacy of scope and 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 significant/repeated findings highlighted including the management's responses and the follow-up action plans implemented to address these findings. • Reviewed with the internal auditors the special assignments performed during the year and the results thereof.
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	<ul style="list-style-type: none"> • Met with the internal auditors independently without the presence of the management. <p>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.</p> <p>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.</p> <p>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.</p> <p>All AC members undertake continuous professional development to keep themselves abreast of relevant developments in accounting and financial reporting standards to enable them to participate actively during deliberations.</p> <p>The NC also evaluates the AC annually on the following areas:</p> <ul style="list-style-type: none"> - quality and composition; - skills and competencies; and - meeting administration and conduct. <p>The ratings indicated that the composition of the AC is satisfactory and the members have sufficient and relevant expertise in fulfilling their roles and responsibilities.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has entrusted the Risk Management Committee (RMC) and AC to review the risk management processes and internal control state within the Group.</p> <p>During the year, the AC had met 5 times and reviewed the Internal, Follow-up and Special audit reports presented by the Director, Internal Audit. The outcomes of the meetings were also presented to the Board.</p> <p>During the year, the RMC had met two times to review status of implementing the agreed actions plan to mitigate current and new business risks faced by the Company and Group. The outcomes of the meetings were also presented to the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group is applying the following internationally recognised standards closely to ensure adequacy and effectiveness of its risk management and internal control system:</p> <ul style="list-style-type: none">i) Risk management-ISO 31000:2009 andii) Internal audit-IPPF <p>The key features of risk management and internal control framework are duly disclosed in the SORMIC which formed part of the 2017 annual report, please refer to pages 104 – 106 for details.</p> <p>During the year, both the RMC and AC had recommended to the Board to update the Group's Risk management policy and Internal Audit Charter in tandem with the MCCG 2017.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	<p>Internal Audit charter (IAC) is established which spelt out Mission, Policy, Scope of work, Responsibility, Authority, Accountability and Independence of the Internal audit department (IAD).</p> <p>Yearly Internal Audit plan is reviewed and approved by the AC to ensure key Business units and Corporate functions are covered. The AC also reviewed the audit scope and coverage to ensure appropriateness in relation to the business of the Group and it covered significant business risks being tracked by the RMC.</p> <p>The Director, Internal Audit is required to report to the AC whether the internal audit activities are being carried out closely with the IPPF and Group Internal Audit SOP to ensure effectiveness of the internal audit function.</p> <p>The Audit Committee report in the 2017 annual report provides details on the other steps carried out by the AC to ensure effectiveness and independent of the internal audit function, please refer to pages 101 – 103 of the annual report for details.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has set up its in-house Internal audit function to assist the AC and RMC to ensure effectiveness of the risk management and internal control framework.</p> <p>The IAD is staff by 3 professionals and it is led by Mr. Chow, Kim Wai. He holds a Bachelor of Commerce (majoring in Accounting) and is currently members of reputable professional bodies like i) Chartered Accountant, Malaysian Institute of Accountant; ii) CPA, CPA Australia and iii) Chartered Member, The Institute of Internal Auditors Malaysia.</p> <p>During the year, the AC reviewed and updated the Internal Audit Charter to ensure it is in line with the changes in the 2017 MCCG so that the internal audit function is able to discharge its duties objectively and independently.</p> <p>The Director, Internal Audit had also reported the internal audit function's compliance status pertaining to the IPPF and met the AC privately to further assure that there is no conflict of interest to impair quality of works.</p> <p>The other steps which the AC carried out to review the performance of the internal audit function are duly disclosed in the Audit Committee report, please refer to pages 101 – 103 of the annual report for details.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>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:</p> <ul style="list-style-type: none">• the various disclosures and announcements to Bursa Malaysia Securities Berhad 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. <p>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.</p> <p>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.</p> <p>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.</p> <p>The Company also conducts press conferences and regular meetings with analysts to update them on the latest development of the</p>

	<p>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.</p> <p>The Group welcomes inquiries and feedbacks from shareholders and other stakeholders. All queries and concerns regarding the Group may be conveyed to the designated persons.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Due to the restriction imposed by this field/system, even though the application status is "Departure", this Practice is not applicable to us as the Company is not "Large Company" by virtue of its market capitalisation as at 1 January 2018.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company served more than 21 days of notice prior to this in compliance with Main Market Listing Requirements and the then Companies Act, 1965. The Company would consider serving for the 28-day notice as recommended under the MCCG 2017.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Save for Mr. Nicholas Rupert Heylett Bloy, all Directors attended the Company’s 31st AGM. The Directors engaged directly with shareholders and are accountable for their stewardship of the Company. The Chairman of AC, NC, RC, Risk Management and Executive Committee were available to respond to questions addressed to them, if any.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable to the Company in view that the Company does not have large number of shareholders, did not in the past held meetings in remote location and does not intend to have meetings in remote locations in the future. Hence, the shareholders are happy with the current way of conducting General Meetings.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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