



ANNUAL  
REPORT

2018

SEG  
International  
Bhd



LIVING AHEAD

**INSPIRING  
GROWTH**



ANNUAL  
REPORT

2018

SEG  
International  
Bhd





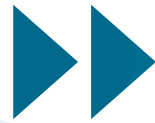
The best in you, made

**POSSIBLE**

# CREATING VALUE TOWARDS

The best in you, made

# POSSIBLE



## 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.

## PILLARS OF ACTION



As enablers, we provide a complete learning experience to make the best in you possible.



We are as strong as our weakest link, and our destiny is held together as SEGians, based on trust.



We do things differently as we strive to make a difference in the lives of others.

## OUR CAMPUSES

Nationwide locations to better support our customers.

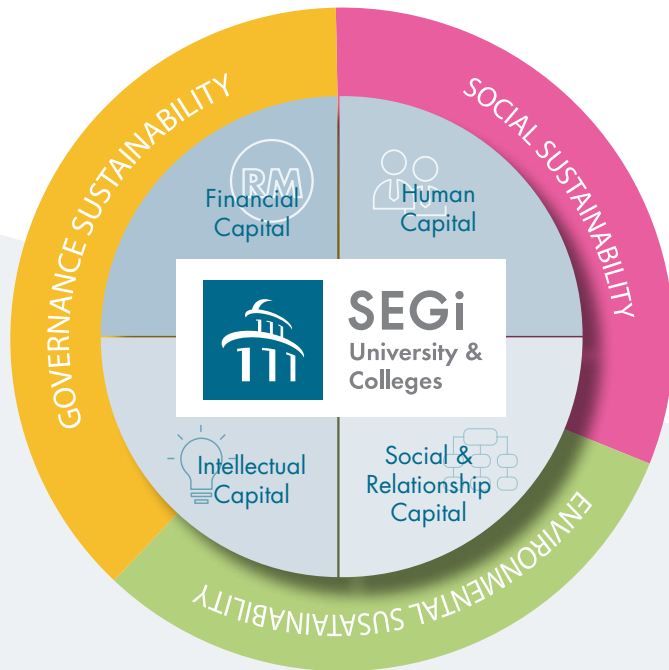


Visit our website for more information  
<http://pace.edu.my/>

# A SUSTAINABLE FUTURE

The First Malaysian University that earned **5 stars**

★★★★★ for Prioritising Society's Needs in Malaysia  
- by QS Stars -



## OUR STRENGTHS

### FINANCIAL CAPITAL

Robust financial structure. Consistent track record. Healthy fundamentals and financials.

### INTELLECTUAL CAPITAL



Strong brand equity and industry experience since **1977.**

### HUMAN CAPITAL



Competent and experience workforce. 10 hours training per annum per staff.

### SOCIAL & RELATIONSHIP CAPITAL



Established partnerships and collaborations with local and international industry players and communities.

## OUR OUTCOMES



- ▶ Profit Before Tax (FY 2018)  
**RM47,781,000**
- ▶ Share capital (FY 2018)  
**RM147,707,000**
- ▶ Total assets (FY 2018)  
**RM226,497,000**



- ▶ Group workforce **1,398** personnel  
(as at 31st December 2018)
- ▶ Employees' average tenure  
**6 years**
- ▶ Talent Pool attrition rate **7%**  
in 2018. (10% in 2017)



- ▶ History: **42 years** since founding
- ▶ Strategic partnerships: **600** Valued Corporate Partners in Malaysia and global



- ▶ **81%** graduate employability in 2018
- ▶ **RM833,000** scholarships pledged in 2018

# WHAT'S INSIDE THIS REPORT

# 33<sup>rd</sup>



**SEG**  
International  
Bhd

Annual General Meeting  
of SEG International Bhd

## Venue / Date / Time:

Level 2, Right Wing,  
SEGi University,  
No. 9, Jalan Teknologi,  
Taman Sains Selangor,  
Kota Damansara, PJU 5,  
47810 Petaling Jaya,  
Selangor Darul Ehsan.

Wednesday, 12 June 2019

at

10.30 a.m.

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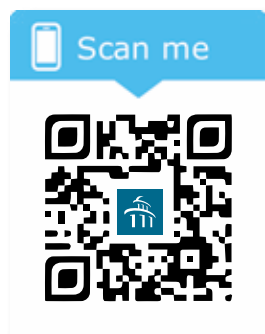
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## PROXY FORMS



### NEW FEATURE IN THIS ANNUAL REPORT

The digital version of SEG International Bhd Annual Report 2018 is available on our website.

Go to [www.segi.investor.net.my/annual-reports/](http://www.segi.investor.net.my/annual-reports/) or scan the QR code with your smartphone.

# AT THE GLANCE

Share Price  
**RM0.625**  
Price as at 1 April 2019

FY18 Dividend Yield  
**4.4%**

Market Capitalisation  
**RM780**  
million

Basic Earnings per Share (sen)  
**3.4**

LIVING AHEAD

# INSPIRING GROWTH

The cover concept is derived from SEGi's commitment to empower people forward. We believe that everyone has a potential to be the best version of themselves and inspire others. SEGi remains committed to evolving and delivering value to our shareholders. We invest in the possibilities of tomorrow to grow our students, team members and partners towards a better future.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

**Nicholas Rupert  
Heylett Bloy**  
Non-Independent  
Non-Executive Director

**Dato' Amos  
Siew Boon Yeong**  
Independent  
Non-Executive Director

**Tan Sri Clement  
Hii Chii Kok**  
Group Managing Director

**Dato' Seri Mohamed  
Azahari Bin  
Mohamed Kamil**  
Non-Independent  
Non-Executive Director

**Dato Goh Leng Chua**  
Independent  
Non-Executive Director

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

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

## COMPANY SECRETARIES

**Chong Poh Yee**  
(MIA 7620)

**Hew Ling Size**  
(MAICSA 7010381)

## REGISTERED OFFICE

6<sup>th</sup> 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

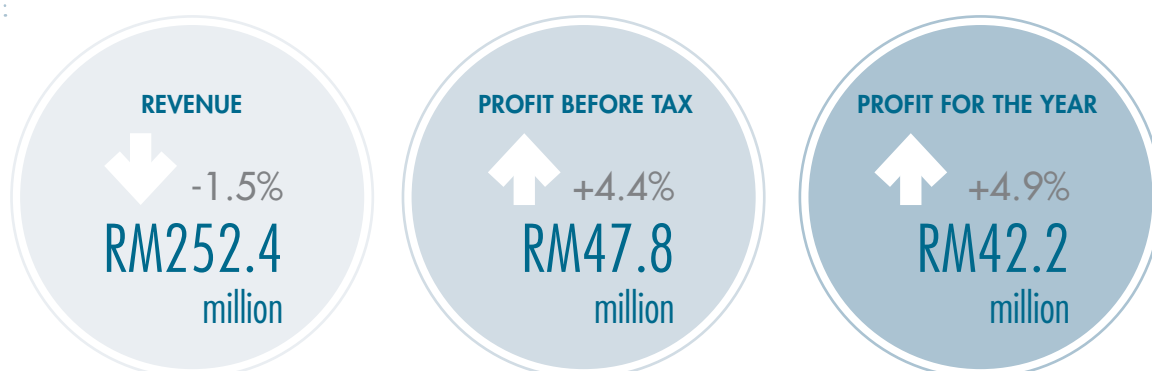
**Boardroom Share Registrars Sdn Bhd**  
(formerly known as Symphony Share  
Registrars Sdn Bhd)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : +603 7841 8000  
Fax : +603 7841 8151/52



FINANCIAL  
HIGHLIGHTSGROUP 5 YEARS  
FINANCIAL SUMMARY

	2014 RM'000	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000
Revenue	242,012	253,183	260,249	256,286	252,410
Profit before tax	24,412	26,797	30,159	45,772	47,781
Profit for the year - attributable to shareholders	23,363	24,046	27,111	40,182	42,158
Share capital	175,017	187,024	187,024	147,503	147,707
Shareholders' fund	221,461	219,738	204,354	91,140	92,460
Total assets	375,479	356,438	300,314	264,761	226,497
Basic earnings per share (sen)	3.63	3.43	3.75	3.25	3.40
Net dividend for the year (sen)	11.00	7.00	6.00	3.50	2.75
Capital repayment (sen)	-	-	-	15.00	-

## 2018 FINANCIAL SUMMARY



## 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*



## Board of Directors



◀ DATO' SERI 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*

## DIRECTORS' PROFILE

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

Position  
Independent Non-Executive Chairman

Nationality  
Malaysian

Gender  
Male



**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, 75, 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 is currently the Honorary Patron of MICG. He was a member of the Advisory Board of the Malaysian Anti-Corruption Commission (MACC). He is currently the President of Persatuan Darul Ridzuan in Wilayah Persekutuan and Selangor (a welfare organisation). In addition, he is the Advisor of Tan Sri Muhyiddin Charity Golf (TSMCG) and also a trustee of MyKasih (Charity) Foundation and Vijayaratnam Foundation.

Currently, Tan Sri Dato' Seri Megat Najmuddin is the Chairman of Asian Pac Holdings Berhad. He is also a Director of Malaysia Land Ventures Bhd, ICT Zone Ventures Bhd and 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 MajuPerak Holdings Berhad, 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 all five Board meetings held during the year.

He has no family relationships with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, and has no conviction of offences within the past five years other than traffic offences, if any.

## Directors' profile

**TAN SRI CLEMENT HII CHII KOK**

Position  
Group Managing Director

Nationality  
Malaysian

Gender  
Male

**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, 61, 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 the 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, including Yayasan Hiichiikok.

Tan Sri Clement Hii has attended all the five Board meetings held during the year ended 31 December 2018.

He has no family relationships with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, and has no conviction for offences within the past five years other than traffic offences, if any.



## Directors' profile

### HEW MOI LAN

Position  
Executive Director/Chief Executive Officer

Nationality  
Malaysian

Gender  
Female



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

Hew Moi Lan, 58, 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 that, 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 30 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 with 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 has participated in all the five Board meetings held during the year ended 31 December 2018 and does not hold any other directorships in public companies.

She has no family relationships with any director and/or major shareholder of the Company. She does not have any conflict of interest with the Company, and has no conviction for offences within the past five years other than traffic offences, if any.

## Directors' profile

**NICHOLAS RUPERT HEYLETT BLOY**

## Position

Non-Independent &amp; Non-Executive Director

## Nationality

British

## Gender

Male

**Nicholas Bloy** was appointed to the Board on 2 April 2012. Nicholas Bloy, 57, 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 has attended all five Board meetings during the year ended 31 December 2018.

Save as disclosed above, he does not have any family relationships with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, and has no conviction of any offences within the past five years other than traffic offences, if any.

## Directors' profile

### DATO' SERI MOHAMED AZAHARI BIN MOHAMED KAMIL

Position  
Non-Independent & Non-Executive Director

Nationality  
Malaysian

Gender  
Male



**Dato' Seri 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.

Dato' Seri Mohamed Azahari, 60, is a member of the Risk Management Committee and Executive Committee of the Company.

Dato' Seri 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 Universiti Teknologi MARA (UiTM).

Dato' Seri 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 Sultan Zainal Abidin (UniSZA) 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 at the International Islamic University of Malaysia (IIUM). He was a member of the Steering Committee of Bank Negara Malaysia, involved in the transformation of the Islamic Finance Education landscape.

Dato' Seri Mohamed Azahari is a 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 Crescent Funds Australia Limited.

Dato' Seri Mohamed Azahari has attended all the five Board meetings held during the year ended 31 December 2018.

He has no family relationships with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, and has no conviction for offences within the past five years other than traffic offences, if any.

## Directors' profile

**DATO' AMOS SIEW BOON YEONG****Position**

Independent Non-Executive Director

**Nationality**

Malaysian

**Gender**

Male

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

Dato' Amos Siew, 61, 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 has attended all the five Board Meetings held during the year ended 31 December 2018.

He has no family relationships with any other Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company. He has no convictions for offences, not being disclosed, within the past five (5) years, other than the public sanction and fine imposed by the Securities Commission Malaysia's Audit Oversight Board (AOB) for failing to comply with the requirements of the approved standards on auditing in Malaysia in his capacity as an approved company auditor, and traffic offences, if any.

## Directors' profile

### DATO GOH LENG CHUA

**Position**

Independent Non-Executive Director

**Nationality**

Malaysian

**Gender**

Male



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

Dato Goh, 70, 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 Sarawak Biodiversity Council (SBC) from 2019. 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 has attended all the five Board Meetings held during the year ended 31 December 2018.

He has no family relationships with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, and has no convictions for offences within the past five years other than traffic offences, if any.



## Directors' profile

**EDWIN FUA CHYE JIN****Position**

Non-Independent &amp; Non-Executive Director

**Nationality**

Malaysian

**Gender**

Male

**Edwin Fua** was appointed to the Board on 26 February 2015.

Edwin Fua, 39, 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 13 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 2018.

He does not have any family relationships with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, and has no conviction of any offences within the past five years other than traffic offences, if any.

# SENIOR MANAGEMENT



◀ TAN SRI CLEMENT  
HII CHII KOK  
Group Managing Director

HEW MOI LAN ▶  
Executive Director /  
Group Chief  
Executive Officer



◀ DANIEL TENG  
WAI CHONG  
Group Senior  
Executive Director



◀ CHERYL CHONG  
POH YEE  
Group Chief  
Financial Officer



DR. LISA TAN  
SAW POH ▶  
Chief Executive Officer,  
SEGi Group of Colleges



## Senior Management

**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 on page 7 in this annual report.

**DANIEL TENG WAI CHONG**

*Group Senior Executive Director*  
Male, Malaysian



**Daniel Teng**, 57, 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, as Senior Director at InvestKL, he has 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 Master of Business Administration at the University of East Asia in 1992. He attended the Mt Eliza Business School Strategic Leadership Programme in 2001 and the Harvard Business School Alumni Club of Malaysia's ASEAN Senior Management Development Programme in 2007.

Daniel Teng does not hold any directorships in public companies and listed issuers. He has no family relationships with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, and has no conviction of offences within the past five years other than traffic offences, if any.

**HEW MOI LAN**

*Executive Director/  
Group Chief Executive Officer*  
Female, Malaysian



The profile of Hew Moi Lan is set out in the Directors' Profile on page 8 in this annual report.

## Senior Management

### CHERYL CHONG POH YEE

*Group Chief Financial Officer*  
Female, Malaysian



**Cheryl Chong**, 51, joined the Group in 2000 as Financial Controller and has more than 30 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 its 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 directorships in public companies and listed issuers. She has no family relationships with any director and/or major shareholder of the Company. She does not have any conflict of interest with the Company, and has no conviction of offences within the past five years other than traffic offences, if any.

### DR. LISA TAN SAW POH

*Chief Executive Officer,  
SEGi Group Of Colleges*  
Female, Malaysian



**Dr. Lisa Tan**, 64, joined the Group in 2007 and assumed her position in 2018 as Chief Executive Officer, SEGi Group of Colleges. Dr. Lisa Tan, an educator and an advocate for life-long learning, holds a Doctor of Business Administration from the University of South Australia and an Master of Business Administration 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 directorships in public companies and listed issuers. She has no family relationships with any director and/or major shareholder of the Company. She does not have any conflict of interest with the Company, and has no conviction of offences within the past five years other than traffic offences, if any.

## CORPORATE HEADS



◀ **LILAINE  
LEE SOOK MUN**  
*Vice President,  
Group People Management  
(People Strategy)*



◀ **DOREEN  
ONG LEE AEI**  
*Vice President,  
Group People Management  
(Operations)*



**CAROLINE  
ANG GEK LING** ▶  
*Vice President,  
Group Marketing*



**YM RAJA SHAHRUL  
AZMAN BIN RAJA OMAR** ▶  
*Vice President,  
Industry Liaison and Valued  
Corporate Partnership,  
Student Affairs Division*



◀ **ELAINE CHAGNE  
PECK OON**  
*Senior Director,  
Group Finance*

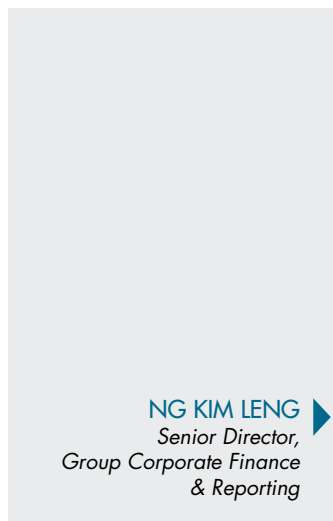




## Corporate Heads



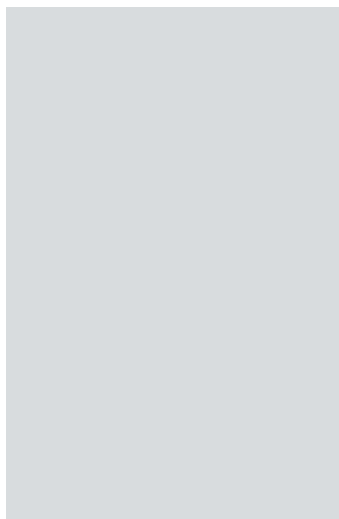
◀ JELAINE  
TEO SAI WAH  
*Senior Director,  
Procurement &  
Quality Assurance*



NG KIM LENG ▶  
*Senior Director,  
Group Corporate Finance  
& Reporting*



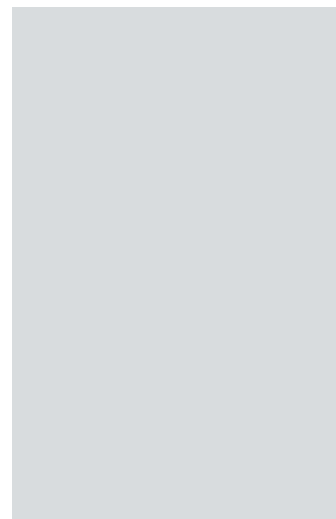
◀ JADE  
LIM YUEN HAR  
*Director, Internal Audit*



ADELINE  
P'NG AIH TEANG ▶  
*Director,  
Group Legal Service*



HEW LING SZE ▶  
*Company Secretary*



## Corporate Heads

**LILAINE LEE SOOK MUN**

*Vice President,  
Group People Management (People Strategy)*



**Lilaine** obtained her Master of Business Administration from Oxford Brookes University, UK, in 2000. She also holds a Diploma in Human Resource Management (DIHRM) from Malaysian Institute of Human Resources Management (MIHRM), Diploma in Executive Secretaryship (DES) from Stamford and she is a certified Human Resource Auditor from Open University Malaysia in 2011. She has exposure in both PLC and MNC companies with diversified industries and has been in the HR field and managerial position since 1993. Prior to joining SEGi, she held a position as the Head of HR for SEA region in a China MNC health care company in Tianjin. Her major focus is talent management for SEA region with the KPI to achieve localisation within 3 years. She has been part of SEGi Group since July 2007.

**CAROLINE ANG GEK LING**

*Vice President,  
Group Marketing*



**Caroline** is a multiple-distinction Doctor of Business Administration candidate at University of Wales St. Trinity David (UK) with an Master of Business Administration from the University of Cardiff Metropolitan (UK). She attained the prestigious Level 3 Innovation Manager accreditation from the Global Innovation Management Institute (US) and is a HRDF-certified trainer. Her 29 years of expertise encompasses value creation, integrated marketing, corporate communications and digital analytics. She is valued for her diversified experience in managing stakeholders within both public and private sectors, including government, advertising agencies, brand owners and media companies in Malaysia and Brunei Darussalam. Caroline's personal vision is to help transform people towards value-driven lives.

**DOREEN ONG LEE AEI**

*Vice President,  
Group People Management (Operations)*



**Doreen** joined the Group in 2004 and is a Human Resources Generalist with more than 25 years of experience working in managerial positions. She has a strong background in the area of human resources operations.

Doreen graduated from University of Malaya with a Bachelor in Social Sciences majoring in Malay Studies and Economics. She also holds a Master of Business Administration from University of East London majoring in Human Resource Management, and a Diploma in Personnel Management from Malaysian Institute of Human Resources Management. She has attended the Accredited Competency Professional Programme and is a qualified Occupational Safety and Health Officer. Over the course of her extensive 30 years of experience, she has worked in all areas of Human Resource Management and Development, with exposure in various industries i.e. manufacturing, retail, property development & construction and education. She specialises in Recruitment, Disciplinary and Industrial Relations, Compensation & Benefits, Policy & Procedures. In the talent acquisition area, she brings a wide range of experience in recruitment of foreign expatriates and professionals, skilled and unskilled workers from all over the world. Prior to joining SEGi, she has also garnered experience working in unionised environments.

**YM RAJA SHAHRUL AZMAN  
BIN RAJA OMAR**

*Vice President,  
Industry Liaison and Valued Corporate  
Partnership, Student Affairs Division*



**YM Raja Shahrul** joined SEGi University & Colleges in January 2016 and worked directly to office of the Group President. Thereafter, he was assigned to the B40 project where he and his team were involved in the recruitment of B40 students nationwide. At the same time, he was assisting the Group Regulatory until his appointment to lead the Industry Liaison and Valued Corporate Partnership under the Student Affairs Division.

Before joining SEGi, YM Raja Shahrul held a wide range of senior managerial roles within the Corporate Communications/ Affairs, Marketing, Investor Relations, Human Resource and Administration of the following companies: Asian Finance Bank (currently known as MBSB Bank), Malaysian Oxygen Berhad (MOX) currently known as Linde Malaysia, DRB HICOM Berhad, AKPK (wholly owned subsidiary of Bank Negara Malaysia), Indah Water Konsortium (IWK), Sapura Holdings, Berjaya Group and Sime Darby Berhad. YM Raja Shahrul graduated from the University College London with Honours in Bachelor of Arts degree in Business Administration/Management Studies.

## Corporate Heads

### ELAINE CHEGNE PECK OON

Senior Director,  
Group Finance



**Elaine** is a Chartered Accountant with the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants. She has experience in corporate finance, tax, secretarial and legal matters as well as business operations.

### JELAINE TEO SAI WAH

Senior Director,  
Procurement & Quality Assurance



**Jelaine** is certified with The Institute of Chartered Secretaries and Administrators. She has gained extensive experience in cost planning, procurement, facility management, and property management while she was attached to a public listed company involved in property development. She joined SEGi in 2001, and has more than 20 years of involvement in property and procurement.

### NG KIM LENG

Senior Director,  
Group Corporate Finance & Reporting



**Ng Kim Leng** attained his Bachelor of Accounting from University Utara Malaysia. He is a Chartered Accountant with the Malaysian Institute of Accountants. His professional experience includes but is not limited to audit, taxation, corporate and management consultancy and the accounting profession. He was the Head of Finance and Operations of an engineering and construction company prior to joining SEGi.

### JADE LIM YUEN HAR

Director,  
Internal Audit



**Jade** obtained her Bachelor of Science in Accounting and Finance from the University of London (External Programme) in 2002. She is also a professional member of the Association of Chartered Certified Accountants (ACCA) and The Institute of Internal Auditors Malaysia (CMAA). Prior to joining SEGi, Jade worked in both PLC and MNC companies with diversified businesses. She has over 16 years of experience in internal audit and risk management and is currently leading the Internal Audit Department.

### ADELINE P'NG AIH TEANG

Director,  
Group Legal Service



**Adeline** graduated with a Bachelor of Laws (Hons) degree from the University of London, holds a Certificate of Legal Practice and Master of Business Administration, and was in active legal practice before joining in-house. She has extensive experience in various areas of practice including corporate, conveyancing, commercial, and litigation.

### HEW LING SZE

Company Secretary



**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 led the Corporate Affairs Department of a main market listed company and gained exposure in corporate planning. She has more than 20 years of experience in corporate, management consultancy and secretarial services.

## KEY UNIVERSITY COUNCIL MEMBERS

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



DATO' PAHAMIN  
A. RAJAB  
*Chairman of  
Board of Governors*



PROFESSOR DR.  
PATRICK KEE  
PENG KONG  
*Vice Chancellor,  
SEGi University*



PROFESSOR DR. AZRIN  
ESMADY ARIFFIN  
*Deputy Vice Chancellor,  
Student Affairs,  
SEGi University*

NORMAN CHU  
SU JIUN  
*Deputy Vice Chancellor  
Finance & Corporate  
Development,  
SEGi University*



DR. DORIS PAMELA  
ALEXIUS  
*Deputy Vice Chancellor  
Academic,  
SEGi University*



## Key University Council Members

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

*Chancellor*



**Tan Sri 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 Syed Anwar was also the former Chairman of Cahya Mata Sarawak, Malaysia Airports Holdings Berhad, Media Prima Berhad, MRCB Berhad, DRB-Hicom Berhad, EON Bank Berhad, Uni Asia Life Assurance Berhad, Uni Asia General Insurance Berhad and the Executive Chairman of Realmild (M) Sdn Bhd and Radicare (M) Sdn Bhd. He was also formerly an independent director of Maxis Communications Berhad and Bangkok Bank Berhad.

Currently, Tan Sri Syed Anwar is the Chairman of SP Setia Berhad, Nestle (M) Berhad and Lembaga Zakat Selangor.

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

### **PROFESSOR DR. PATRICK KEE PENG KONG**

*Vice Chancellor,  
SEGi University*



**Professor Dr. Patrick Kee**, 59, joined the Group in 2012 and assumed his position on 1 January 2016 as Vice Chancellor. He holds a Bachelor in Engineering (Industrial with 1st Class Honours) in 1984 and earned a Doctor of Philosophy in Mechanical Engineering from the University of Melbourne, Australia in 1992.

He has over 30 years of working experience in both academic and senior management positions with the manufacturing industry and institutions of higher learning in Australia and Malaysia. He has received various honours and grants for his research and has published his findings in reputable technical publications, journals and reports locally and internationally. He has also presented numerous technical papers and keynote papers at both 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 Australia and the UK. He was awarded the "Promising Entrepreneur" award by the Asia Pacific Young Entrepreneurs Organisation in 1998 for his contribution in pioneering and setting up a successful school with almost 1,000 students within a private college in Malaysia.

The Malaysian Qualifications Agency has recently appointed Professor Kee to be a Council Member for the period from 2019 to 2021 due to his vast experience in the higher education industry 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 does not have any conflict of interest with the Company, and has no conviction of offences within the past five years other than traffic offences, if any.



## Key University Council Members

**PROFESSOR DR. AZRIN  
ESMADY ARIFFIN**

*Deputy Vice Chancellor, Student Affairs,  
SEGi University*



**Professor Dr. Azrin Esmady Ariffin** obtained his optometric qualification in 1984 from the University of New South Wales in Sydney, Australia and later earned a Doctorate in Clinical Optometry in 1993 from City, University of London.

Professor Azrin began his academic career at Universiti Kebangsaan Malaysia in 1985, spending 20 years as an academic there where he was also Head of the Optometry Department at one point. Professor 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.

Professor 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 Education, on educational issues concerning University-Industry Liaison.

**DR. DORIS PAMELA ALEXIUS**

*Deputy Vice Chancellor Academic,  
SEGi University*



**Dr. Doris** brings to her position broad and extensive experience in senior academic roles, most recently as Deputy Vice-Chancellor (Academic). As Deputy Vice-Chancellor (Academic), Dr. Doris is responsible for overseeing and planning the delivery of the University's programmes. Preserving the University's commitment to high quality learning and teaching, leading initiatives aimed at student success and retention, and developing and implementing strategies aimed at increasing quality assurance in the delivery of teaching programmes.

She has extensive experience in leading change through curriculum innovation and staff development. She has chaired major University committees relating to teaching and learning, quality, and student success and retention. In 2018, Dr. Doris led the University to obtain the ISO 9001:2015 and ISO 14001:2015 certifications. She has 30 years' experience as a tertiary educator.

**NORMAN CHU SU JIUN**

*Deputy Vice Chancellor  
Finance & Corporate Development,  
SEGi University*



**Mr. Norman Chu** holds a Bachelor of Science and a Master of Science in Civil Engineering from Iowa State University, USA. 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, Vice President of Operations in SEGi University, and Principal of SEGi College Kota Damansara, before assuming his current position in 2018. He is an Associate Member of the American Society of Civil Engineering (ASCE) and a Graduate Member of the Board of Engineers Malaysia (BEM).

## SENIOR ACADEMIC MEMBERS

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



◀ DATUK ASSOCIATE  
PROFESSOR DR.  
KHAIRIYAH ABD  
MUTTALIB  
Dean,  
Faculty of Dentistry,  
SEGi University



DR. SUGUMARAN A/L  
SELLADURAI  
Dean, Faculty of Business,  
Accountancy & Management,  
SEGi University  
▶



◀ ASSOCIATE  
PROFESSOR DR. TEY  
KIM KUAN  
Dean,  
Faculty of Pharmacy,  
SEGi University

DR. LYDIA FOONG  
YOKE YEAN ▶  
Dean, Faculty of Education,  
SEGi University /  
Director,  
Confucius Institute,  
SEGi University



DR. CHIA CHEE MING ▶  
Dean,  
Faculty of Engineering and  
The Built Environment,  
SEGi University



PROFESSOR DR. ▶  
STANLEY  
YAP PENG LOK  
Dean,  
Graduate School of  
Business and Centre for  
Continuing Education,  
SEGi University



## Senior Academic Members

WONG CHEE KONG ▶  
Registrar,  
SEGi University



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



◀ DR. MAHADEVAN A/L  
SUBRAMANIAM  
Director,  
Research & Innovation  
Management Centre &  
Institute of Graduate Studies,  
SEGi University



◀ DR. CHIONG KAI SHING  
Head of  
Pre-University Studies,  
SEGi University

HAW WAI YEE ▶  
Head of School of  
Information Technology  
SEGi University



MUHAMMAD BONNIE ▶  
LOPEZ ABDULLAH  
Head of School of  
Hospitality and Tourism  
SEGi University



## Senior Academic Members

### PROFESSOR DR. SAMIAH YASMIN ABDUL KADIR

*Dean, Faculty of Medicine,  
SEGi University*



**Professor Dr. Samiah Yasmin** gained her Medical Doctor (M.D.) from Universiti Kebangsaan Malaysia (UKM) in 1991. She pursued her interest in Primary Medical Care and obtained a Master of Family Medicine, from her alma mater university, UKM, in 1998.

Professor Dr. Samiah Yasmin has been in the medical education field for more than 28 years and was heavily involved in the development of the Faculty of Medicine, SEGi University since 2010. Prior to joining SEGi, she was the Head of Department of Family Medicine, Faculty of Medicine, UKM. Her strong background in medical education has placed her as panel for accreditation of medically related programmes with Malaysia Qualification Agency (MQA). She is also involved in academic and research committees besides supervising Masters' students in medical and health related fields. As a medical doctor, she was involved in leading several medical missions in east Asia as well as establishing and managing several healthcare facilities in Malaysia.

### DATUK ASSOCIATE PROFESSOR DR. KHAIRIYAH ABD MUTTALIB

*Dean, Faculty of Dentistry,  
SEGi University*



**Datuk Dr. Khairiyah** has a Bachelor in Dental Surgery (Bristol) and a Postgraduate Diploma in Public Health, Dentistry (Sydney). She is a gazetted Dental Public Health Specialist and was formerly the Principal Director (Oral Health), Ministry of Health Malaysia (MOH). Her former role included being the Registrar of the Malaysian Dental Council (MDC), Chair of the Joint Technical Committee on Accreditation of Dental Degree Programme; and a member of the National Conjoint Committee for Postgraduate Dental Education. She continues to be a member of the MDC and of the Malaysian Dental Deans' Council and is a member and Fellow of the Academy of Medicine Malaysia. For her contributions, she was awarded Federal AMN, KMN and Panglima Jasa Negara (PJN) by DYMM Yang di-Pertuan Agong.

### ASSOCIATE PROFESSOR DR. TEY KIM KUAN

*Dean, Faculty of Pharmacy,  
SEGi University*



**Associate Professor Dr. Tey** obtained her Bachelor in Pharmacy in 1991 from the University of Bradford, and her Doctor of Philosophy from the University of London. She carries more than 20 years' experience under her belt as a pharmacist, working with various disciplines including hospital, community and industrial pharmacy, both in the UK and in Malaysia.

Prior to joining SEGi, she was attached to the International Medical University, holding positions as Head of Department and Programme Coordinator. She was a member of the Joint Technical Committee for the Pharmacy Board Malaysia, appointed by the Ministry of Health; and a member of the Technical Committee and Steering Committee on Environmental Scan Study on human capital issues within the Pharmaceutical Manufacturing Sector, an initiative by MIDA under the Eleventh Malaysia Plan, 2016-2020 (RMK11).

Associate Professor Dr. Tey is currently the EXCO member of the International Society for Pharmaceutical Engineering (ISPE) Malaysia, as well as the advisor for the ISPE Student Chapter of SEGi. She has conducted and supervised multidisciplinary research in various aspects of pharmacy practice and pharmacy education. From time to time, she is invited as a speaker and knowledge partner at both local and international conferences.

### DR. LYDIA FOONG YOKE YEAN

*Dean, Faculty of Education, SEGi University /  
Director, Confucius Institute,  
SEGi University*



**Dr. Lydia Foong** has been involved in Early Childhood Care and Education (ECCE) for over 28 years, both locally and in the UK, where she worked in various early childhood and tertiary settings. She holds a Montessori Early Childhood Diploma and a Montessori Primary Education Certificate from the UK, Bachelor in Education (Hons) from University of Greenwich, UK, as well as a Master of Educational Management and Doctor of Philosophy in Education from University of Malaya. She is actively involved in research projects related to early childhood education policy and practice, teacher training and reflective practice.



## Senior Academic Members

**DR. SUGUMARAN A/L SELLADURAI**

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



**Dr. Sugumaran** attained his Doctorate in Business Administration from Universiti Utara Malaysia and Master of 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, QA/QC, budgeting, product development, operation, franchise collaboration, online learning and overall 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 the Journal of International Business and Economics (SCOPUS).

**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, specialising 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 from 2016 - 2018.

Dr. Chia Chee Ming obtained both his Bachelor in Mechanical Engineering (1st Class Honours) and Doctorate in Mechanical Engineering from the prestigious University of Sheffield in 2004 and 2008, respectively. His PhD study was funded by Rolls Royce and Dr. Chia Chee Ming 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 United Nations High Commissioner for Refugees (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.

**PROFESSOR DR. STANLEY YAP  
PENG LOK**

*Dean, Graduate School of Business  
and Centre for Continuing Education,  
SEGi University*



**Professor Dr. Stanley Yap** holds a Doctorate in Business Administration from the University of South Australia, a Master of 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.

Professor 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.

Professor Dr. Stanley Yap has more than 20 years of work experience as a practitioner, educator and researcher, having a number of PhD and Masters graduated 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 has been attached to a number of local as well as multinational companies. Having previously held senior positions in both multinational and public listed organisations, his roles were creating wealth, running the day-to-day operations, and developing franchising projects and sponsorships.

Professor 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.

## Senior Academic Members

### WONG CHEE KONG

Registrar,  
SEGi University



**Wong Chee Kong** has been holding the Office of the Registrar in SEGi University since 2016. He first joined SEGi University in 2010 as the Head of the School of Information Technology.

His 20 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 in Computing from the University of Lincoln, UK.

As a systems thinker, he is a firm believer in using system thinking approaches to productivity, cost-reduction and improvement of business processes.

### ASSOCIATE PROFESSOR DR. MOHAMMAD FIRDAUS LOW ABDULLAH

Dean, Faculty of Communication  
& Creative Design,  
SEGi University



**Associate Professor Dr. Firdaus** holds a Doctorate in Organisational Communications and a Master of Science in Corporate Communications from Universiti Putra Malaysia (UPM), a Master of 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 MMU rebranding team, and was also key in developing MMU's corporate identity. From 1999 to 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 Chief Executive Officer of Multimedia College Sdn Bhd, a wholly-owned subsidiary of MMU before assuming his current position as the Dean of the Faculty of Communication & Creative Design on 4 February 2015.

### DR. MAHADEVAN SUPRAMANIAM

Director, Research & Innovation Management  
Centre & Institute of Graduate Studies,  
SEGi University



**Dr. Mahadevan** serves as the Director of Research & 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 the academia and industry. Prior to joining SEGi University in 2015, Dr. Mahadevan has held multiple portfolios including Head of R&D at Taylor's University, Head of Research Commercialisation at Taylor's Consultancy Sdn Bhd, a commercial arm of Taylor's University, R&D Engineer at Xyratex, UK 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 Doctor of Business Administration from the Twintech International University College of Technology Malaysia and a Master's Degree from University Malaya.



## Senior Academic Members

**DR. CHIONG KAI SHING**

Head of Pre-University Studies,  
SEGi University



**Dr. Chiong Kai Shing** holds a first-class bachelor's degree in the field of Environmental Science from Universiti Putra Malaysia, a Master of Engineering in Safety, Health and Environment and a doctoral degree in the field of science, specifically sustainability science and engineering education from University of Malaya. She is also a certified trainer by Human Resource Development Fund (HRDF). She has been in the academic and training industries for more than 10 years. Her diverse roles include developing course content and training modules, leading academic programmes, dealing with accreditation bodies, lecturing and training. She has also been involved in a number of government projects including developing audit guidelines, monitoring systems, training for government officers and studies on research universities.

**HAW WAI YEE**

Head of School of Information Technology  
SEGi University



**Ms. Haw Wai Yee** holds a first-class bachelor's degree in the field of Information Technology, specifically in Business Systems Development from University of Southern Queensland, Australia and Master of Science in Information Technology from Universiti Putra Malaysia. She is also a corporate IT trainer. She has been in the academic and IT training industries for more than 20 years. Her diverse roles included developing course content and training modules, leading academic programmes, dealing with accreditation bodies, lecturing and training. She has also been involved in a number of university's academic and IT projects including developing academic guidelines, academic syllabus, academic programme structures, developing IT systems to support academic operation systems, and conduct training for staff and students.

**MUHAMMAD BONNIE LOPEZ  
ABDULLAH**

Head of School of Hospitality and Tourism,  
SEGi University



**Muhammad Bonnie Lopez** graduated from Universiti Teknologi MARA (UiTM) Shah Alam in 2009, with a Master of Science (research based) in Hotel Management, with his thesis, "The Relationship of Market Orientation and Service Quality and the Implication on Business Performance in the Hotel Industry in Klang Valley". His previous studies would include a Bachelor of Science Degree in Food Service Management, (Cum Laude) and an Associate Degree of Applied Science in Culinary Arts Management (Cum Laude), both from Johnson and Wales University, USA, from 1994 to 1995. He started his passion in culinary arts and hospitality while he was still in his schooling days. After being awarded the King Scout Award, it motivated him to pursue his studies in Diploma in Chef Training at UiTM Shah Alam in 1990. He has educational experiences at several hospitality and culinary institutes which include 12 years at Nilai University as Dean and a Senior Lecturer there. He also has industry experiences as a Food and Beverage Operations Manager and Executive Chef at several institutional catering industry and several hotels in both Malaysia and abroad. He also serves as an active committee member and rookie judge in various culinary competitions, a recent one being a committee member for the World Congress 2018 Culinary Competition at KLCC Convention Centre.

# PRINCIPALS, SEGi GROUP OF COLLEGES



◀ SRI JAIANDRAN A/L MUNUSAMY  
*Acting Principal,  
SEGi College Kuala Lumpur*



◀ DOREEN D'ORVILLE  
*Principal,  
SEGi College Sarawak*



CHEAH TEONG KEAT ▶  
*Principal,  
SEGi College Penang*

## Principals, SEGi Group of Colleges

**SRI JAIANDRAN A/L MUNUSAMY**

*Acting Principal,  
SEGi College Kuala Lumpur*



**Sri Jaiandran** was raised in Taiping, Perak and studied in S.M King Edward VII, Sri brings with him vast experience through his work. Sri has a strong background in Engineering, General Management, and Strategy & Planning, having worked with global universities from Australia, USA and UK. Sri has a Master of Science in Mechanical Engineering and Bachelor of Engineering in Mechanical Engineering from Universiti Sains Malaysia (USM). He started as a lecturer at PRIME College and then became Programme Leader, Head of Faculty, Head of Academic-Operation and Deputy Principal of SEGi College Subang Jaya. During his tenure at SEGi College Subang Jaya, Sri worked extensively in redesigning and implementing trending undergraduate academic programmes, resulting in improved academic quality.

**DOREEN D'ORVILLE**

*Principal,  
SEGi College Sarawak*



**Doreen D'orville** holds a Master of Business Administration from the University of Southern Queensland and a Bachelor of Art (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 25 years of experience in education in areas of administration, teaching and management. Doreen D'orville 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 Teong Keat** was formerly in the IT and manufacturing industry before his foray into the education line. Since then, he has been involved in lecturing, training and human capital development.

Some of his initiatives include setting up and running a human capital development business for a renowned education group and heading an educational institution which focuses on working adults and postgraduate courses.

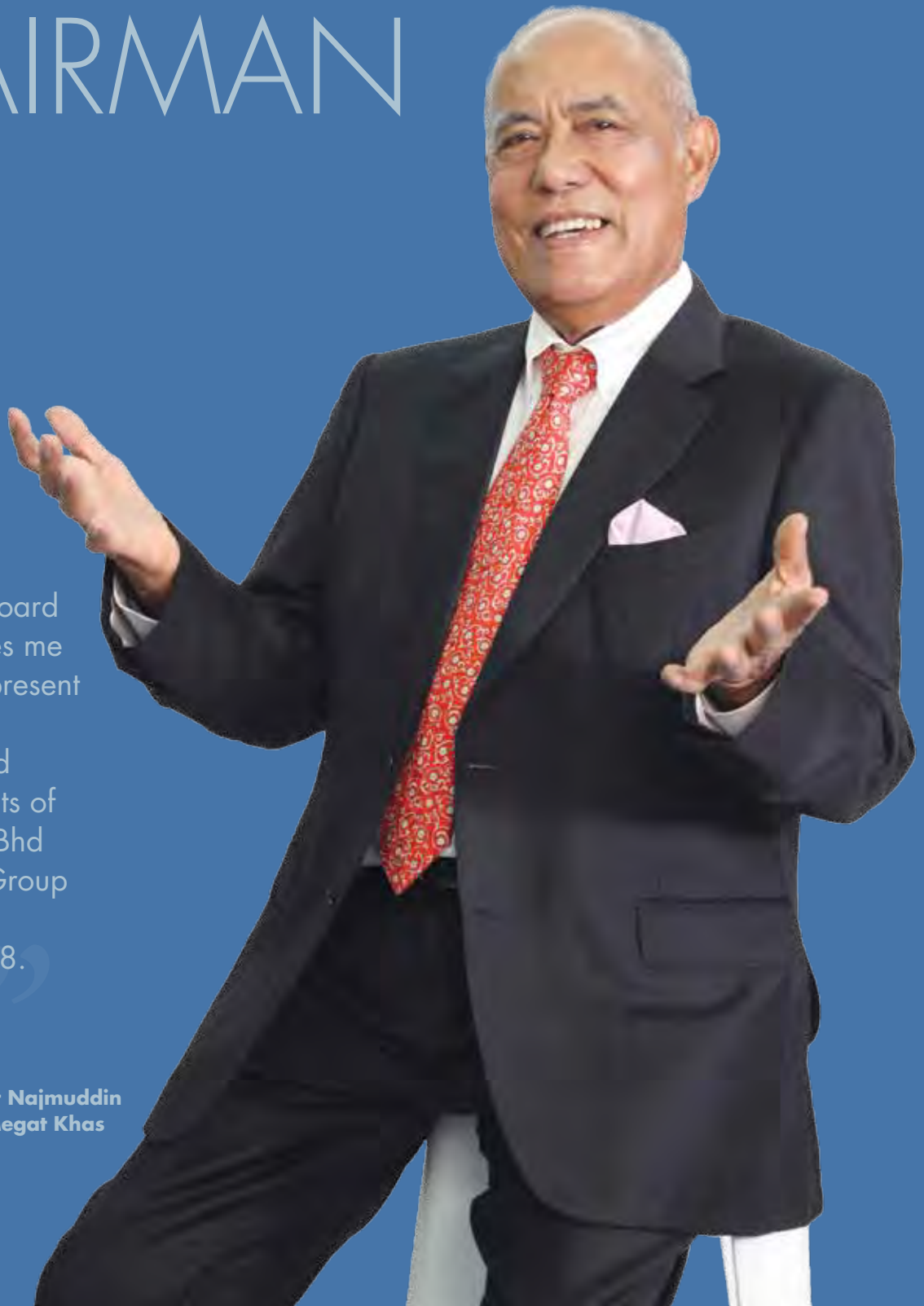
His previous appointments include Senior Director of Post Graduate Studies for the INTI Education Group and Chief Operating Officer of MIM-INTI Management Institute. He holds a Bachelor in Business Administration from RMIT University, and a Master of Business Administration specialising in Information Technology Management from Maastricht School of Management. He is currently pursuing his Doctorate in Business Administration from Universiti Utara Malaysia.

## MANAGEMENT DISCUSSION & ANALYSIS

# MESSAGE FROM THE CHAIRMAN

“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 2018.”

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



## Management Discussion & Analysis

### LEADERSHIP, STRATEGY AND TEAMWORK

are the dynamic factors that steer



**SEGi**  
International  
Bhd



towards a future of  
strength and sustainability.

## MARKET OUTLOOK

The higher education industry faces the challenges of keeping abreast with technological advancements and meeting evolving market needs. Employers today expect more from employees while school leavers are required to harness both academic skills and soft skills to be able to successfully compete in the workplace.

As a forward-looking Group, SEGi is committed to delivering more than just quality education through our university and colleges. Leadership, strategy and teamwork are the dynamic factors that steer SEG International Bhd towards a future of strength and sustainability.

We believe that every step of the customer experience matters. Therefore, we strive to provide value in everything we do - from our brand persona to student experience to supporting our alumni and maintaining a strong corporate image to all stakeholders within and outside Malaysia.

SEGi has stepped up its efforts to maintain our competitiveness, extend our international ambitions, and strive to provide even more outstanding educational institution and academic experience. The management team, including academic and non-academic team members together with our students are the crucial elements that have succeeded in making SEGi University and Colleges the brand of choice.

In fact, SEGi is not just about being an academic brand. We are proud of our brand entity. SEGi has demonstrated the singular and exceptional ability to embrace and persevere against multiple industry challenges, while continuing to grow and expand our reach beyond local and international boundaries. Against the backdrop of often turbulent times, SEGi has evolved and endured. We never lose sight of our focus of being a resilient corporate name that is also synonymous as the premier regional higher education provider. SEGi University and Colleges has garnered strong industry branding through our quality academic-based programmes, delivered through innovative technologies and student-centric learning techniques.



## Management Discussion & Analysis

### FINANCIAL PERFORMANCE

Despite operating in a competitive environment, I am proud to report that SEGi continued to perform with a consistent track record for the year under review. The strategic partnerships, as well as the collaborative arrangements with overseas institutions of higher learning, proved fruitful, as all parties complemented one another through their areas of specialisations and strengths.

The Group achieved revenue of RM252.4 million and a profit before taxation of RM47.8 million for the financial year ended 31 December 2018, a decrease of 1.5% and an increase of 4.4% respectively, as compared to last year's corresponding period.

The Group's earnings before interest, tax, depreciation, and amortisation ("EBITDA") for the year was RM61.6 million compared to RM59.8 million in the corresponding period for 2017. This reflects an increase of 3.0% in EBITDA. The improvement in EBITDA and profit before tax is mainly a result of our streamlining exercise where assets and resources were more efficiently utilised.

The Group has successfully kept its fundamentals and financials healthy, closing the year with shareholders' funds of RM92.5 million, and cash and bank balances of RM53.7 million, after its dividend payout amounting to RM34.1 million to the shareholders in November 2018. This provided the Group with the capacity and flexibility to take advantage of potential opportunities.

The Group will continue to pursue its efforts to seek opportunities for growth while striving to establish a sustainable business to maximise long-term return on shareholders' funds.





## Management Discussion & Analysis



INCREASE  
**3.0%**

The Group achieved a commendable performance with the EBITDA of RM61.6 million





## Management Discussion & Analysis

### DIVIDENDS

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

During the previous financial year, the Board of Directors declared an interim single tier dividend of RM0.035 per ordinary share each in respect of the financial year ended 31 December 2017. This interim single tier dividend amounting to RM43,337,000 was paid on 18 January 2018.

On 18 October 2018, the Board of Directors declared an interim single tier dividend of RM0.0275 per ordinary share each in respect of the financial year ended 31 December 2018. This interim single tier dividend amounting to RM34,059,000 was paid on 15 November 2018.

Directors declared an interim single tier dividend of

# 2.75SEN

per ordinary share in respect of the financial year ended 31 December 2018.

### OPERATIONAL REVIEW

Since its inception in 1977, SEGi has been delivering quality and affordable higher education programmes to both the nation's youth and in recent years, to a growing number of adult learners. With academic programmes tailored to meet both industry and student needs, SEGi graduates are highly sought after in the job market and have become leaders in their respective industries. We are proud to host some of the best graduates from diverse backgrounds with concrete foundations for more than 40 years.

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

The past twelve months have been synergistic for SEGi University and Colleges. We have created value and made our impact in many significant areas. We have reinforced our strong global connections with internationally-acclaimed universities. On the local front, we have reached out to local communities to provide quality education that is relevant for future nation builders. We have partnered with industry players to share their experience and insights with our students.



## Management Discussion &amp; Analysis



## CORPORATE DEVELOPMENTS

During the financial year, the Group disposed of the following subsidiary companies:

- SEGi Diversified Sdn Bhd;
- SEGi Methods Sdn Bhd and its subsidiary company, SEGi Land (M) Sdn Bhd;
- SEGi Youth Training Sdn Bhd;
- Pusat Kemahiran Maju Ria Sdn Bhd;
- I-Station Solutions Sdn Bhd; and
- Skills Malaysia INVITE Sdn Bhd.

(hereinafter referred to as "the Disposal").

The Disposal was undertaken for the purpose of disposing the non-operating and dormant subsidiary companies while reducing the costs associated in maintaining the subsidiary companies and improving the balance sheet of the Group. The Disposal will enable SEGi to channel Group resources into more viable business activities.

I am proud to announce that SEGi has entered into a collaboration with University of Central Lancashire (UCLan) with the dual award for selected Health Sciences and Engineering programmes. UCLan was listed in the top 3.3% of universities worldwide by The Centre for World University Rankings 2017.

During the year, the Group continued with its corporate responsibility initiatives in education and contributed to the community. SEGi demonstrates its commitment and participated actively in corporate social responsibility initiatives which include scholarships, research funds, school outreach projects, public workshops, bursaries and promotion of charity, sports and other nation-building projects. Over RM100 million of SEGi scholarships have been awarded to date.

## Management Discussion & Analysis

# CORPORATE SUSTAINABILITY

The Board recognises the importance of sustainability and its increasing impact on the business. SEGi believes that the principles of and actions to promote sustainability should be embedded across the Group in all aspects of the Group's operations and other activities. It is the Group's objective to create a culture of sustainability within the Group, and the community, with an emphasis on integrating the environmental, social and governance considerations into its decision making and the delivery of outcomes arising from its decisions and action.

### SOCIAL SUSTAINABILITY



I wish to inform that SEGi University and Colleges is consistently recruiting, retaining and nurturing human capital and talented, high-performing employees. We provide opportunities for their professional and personal development. This is made possible through robust and comprehensive training programmes with mentorship and a well-defined career progression path within the Group. Some of the initiatives include the annual Employee Engagement Survey, Talent Management Plan, Succession Planning Programme and the SEGi Aspiring Entrepreneurs Club.

It is also the way we are making a difference to the social and economic well-being of our communities through our teaching, research and public involvements, where contributions are made towards social welfare and development to benefit both institution and society.

SEGi also seeks to foster an inclusive and affirming campus climate for our students to develop connections and broaden their growth prospects through the SEGian Voice which monitors students' Happiness Index, SEGi Graduate Employment Readiness Programme and SEGi Value Corporate Partnership Programme. In addition, SEGi also supports charitable activities and believes in giving back to our communities through community outreach programmes and SEGi Alumni Association activities.

### ENVIRONMENTAL SUSTAINABILITY



The Group is committed to identify, manage and minimise the environmental impact of its business operations through changes made on its daily practices, resources and enforcements.

We have made inroads through B40 Initiatives, University Social Responsibility Programme, Solar Initiative and the 3R Reduce, Recycle and Reuse Campaign which received positive response from both staff, employees and the public in general.



### GOVERNANCE SUSTAINABILITY

The Group believes that corporate governance and accountability are the key to a sustainable organisation. By incorporating various key governance measures, including the review and approval of Strategic and Risk Management Plans by the Executive Committee members and Board of Directors and internal audit measures, we drive strong commitment from our team members to create a culture of governance.

The Group is committed to operate in a responsible and sustainable manner and will continue to enhance these excellent practices and efforts for the benefit of future generations. The Board strongly believes that, in the course of doing so, we will drive continuous value creation for our stakeholders, integral to our long-term sustainability.



## Management Discussion &amp; Analysis

## FUTURE OUTLOOK AND WAY FORWARD

In moving forward, it is integral that the Group remains focused on our core values, continue to drive value-added transformation to meet evolving market needs and enhance our SEGi culture of excellence.

We are quality-centric and future-driven in everything we do. While we focus on strengthening our competencies today, we stay a step ahead by strategising to enhance our capacities and capabilities in the future for sustainable growth.

We believe that every stakeholder is important to us. From our students to investors, employees, strategic industry collaborators, industry partners, suppliers to the government and community, we all play an integral role to grow and coexist for mutual growth and harmony within the ecosystem.

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

We are committed to be a nation-builder and lead the way forward towards a positive impact for the environment and a sustainable future. Besides having a strong governance structure and clear policies with regards to corporate sustainability, ongoing efforts have been carried out to establish robust teaching and research methodologies that promote environmental awareness and sustainability at all levels.

## ACKNOWLEDGEMENTS

SEGi is a remarkable organisation that thrives upon decades of hard work, innovation and above all, the endeavours and commitment of its people. It has been my utmost privilege to serve as Group Chairman and be part of its continuous success.

In closing, I would like to express my deepest gratitude to my fellow Board members who have contributed greatly to the Group with their invaluable expertise and experience.

My heartfelt appreciation goes to the management and staff for their commitment, dedication, and perseverance in facing the challenges during the year under review. I would also like to extend my sincere appreciation to all our valued shareholders, global partners, students, regulatory authorities, bankers and business associates for their unwavering trust and continuous support throughout the years. As we forge ahead, we will continue to intensify our efforts to enhance and strengthen Group performance towards an illustrious and meaningful future.

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

Chairman

28 March 2019





## Management Discussion & Analysis

# MESSAGE FROM THE CHANCELLOR

“2018 was a successful year for SEGi. We are proud of our academic and corporate staff for performing well throughout the year.”

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





## Management Discussion &amp; Analysis

Our students' academic performance remains

**STRONG** at all levels  
PRE-UNIVERSITY  
DIPLOMA UNDERGRADUATE  
POSTGRADUATE

2018 was a successful year for SEGi. Our students' academic performance remained strong at all levels - pre-university, 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. Through innovation and developing programmes required by the times, SEGi has made a name for itself as the premier higher education provider in the country. Even so, now is not the time to rest on our laurels. 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 innovation.

We are driven by a vision of success and excellence and share the vision of a future bolstered by employment ready graduates from SEGi. To accommodate the rapid change in technology in the workforce SEGi has been quick to train and develop our students to be technically skilled in the digital space and be relevant in a digitally driven workplace. At SEGi we are proud that our academic and corporate staff have the foresight to prepare our students with digital and essential skills giving them an advantage in employability and achieving success in their careers.

In line with our goals, SEGi will focus on prioritising the needs of the students in the country. Be it study aid, creating a conducive learning environment, internships or getting employed, our academic and professional staff have carried out a host of initiatives, which are critical to the success of this goal.

SEGi University's new partnership with the prestigious University of Central Lancashire (UCLan) provides a new dynamic and opportunity for the students studying with SEGi University. The unique dual awards from both SEGi University and UCLan improves the student's employability in the workforce. The new programme launched by the SEGi Group of Colleges, Diploma in Restaurant Management with its unique industry collaboration with QSR Brands (M) Holdings Berhad will raise the employability of our graduates in the hospitality industry.

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.



## Management Discussion & Analysis

# MESSAGE FROM THE GROUP MANAGING DIRECTOR

“We’ve thrived due to many factors, but primarily it’s our dedication towards excellence in providing tertiary education.”

**Tan Sri Clement Hii**  
*Group Managing Director*



## Management Discussion &amp; Analysis

we have about

20,000  
students

in our

5 CAMPUSES  
throughout Malaysia

SEGi University and Colleges have come a long way from its modest beginnings and is now in its 42<sup>nd</sup> year of operations. We have grown from strength to strength and to date, we have about 20,000 students in our 5 campuses throughout Malaysia.

We've thrived due to many factors, but primarily it's our dedication towards excellence in providing tertiary education. It means investing in our vision - whether it's a comprehensive library, state-of-the-art laboratory or simply just making the learning, teaching and researching experience a more conducive one. It means keeping our ears to the ground on not only what employers want today but in the future - and incorporating ways to meet these needs in our curriculum.

Hence, I am pleased to report the growth and diversity of the institution which has enriched the community and the University. SEGi is known regionally as a centre of research, scholarship and teaching. The combination of our strong academic reputation, with the emphasis on employability and the students' experience have resulted in higher enrolment.

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

Our overseas partnerships are an essential part of our international strategy. We aim to increase international student numbers, mainly through our international partnerships. The network of foreign university partnerships is a key component of SEGi's global outreach and commitment to internationalisation.

SEGi's degree programmes are currently offered in collaboration with universities in the UK, USA and Australia. SEGi has made considerable efforts to reach out and attract students from a wide range of backgrounds and nationalities. We have great outreach programmes and SEGi's generous and flexible financial packages aim to attract more students. The efficiency of our internal processes, which emphasises on fostering a safe and caring campus, contribute to our momentum.



# 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 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.

## At Our Heart : SEGi Programmes

## MEDICINE

The 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-ray 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.





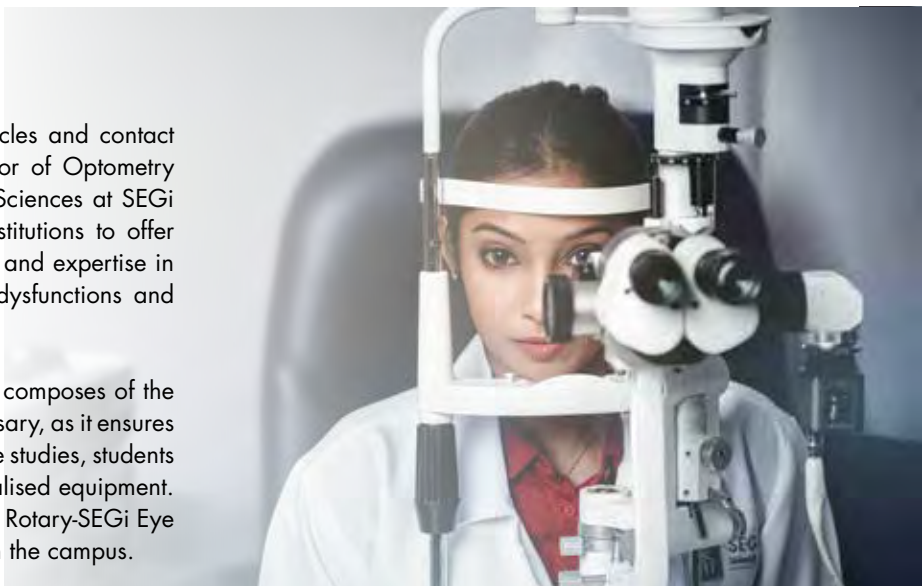
## At Our Heart : SEGi Programmes

### 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 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 to 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 competence 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 in the pharmaceutical industry. The faculty boasts laboratories that are equipped with high-tech and modern instruments. There are also clinical skills labs, a mock pharmacy on aseptic unit and a 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 disciplines of pharmacy. The programme is fully accredited by the Malaysian Qualifications Agency (MQA) and Pharmacy Board Malaysia (PBM).





## At Our Heart : SEGi Programmes



### BIOMEDICAL SCIENCE

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

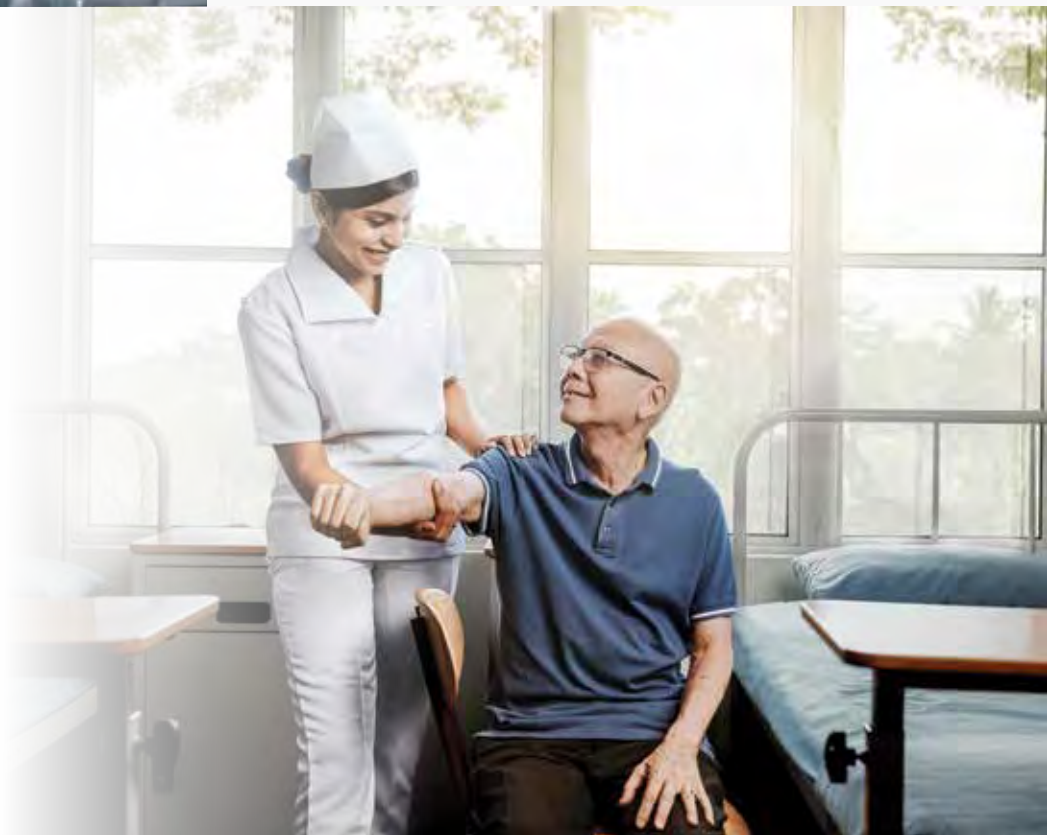
With the strategic learning methods and experiences adopted by SEGi University, graduates will be able to seek employment in various industries including pharmaceutical and cosmetic companies, hospitals, community health centres, biotechnology companies, biomedical research institutes, forensic laboratories,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



## At Our Heart : SEGi Programmes

### 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 to develop their 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 their careers in countries under the signatories.

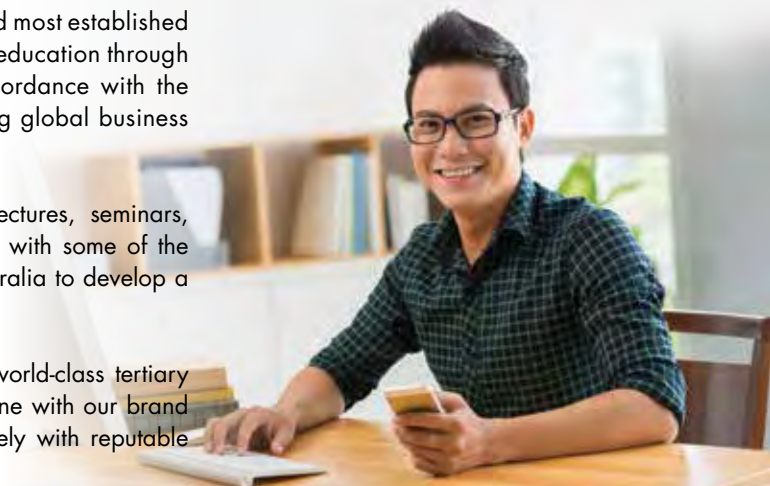


### BUSINESS & ACCOUNTING

The Faculty of Business, Accounting and Management 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 developing 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, accounting and management 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.





## At Our Heart : SEGi Programmes

### 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 helping students understand 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 setups with lighting, and many more to enrich learning experience.



### EARLY CHILDHOOD CARE & EDUCATION

Quality education is one of the Sustainable Development Goals (SDGs) adopted by the United Nations to ensure inclusive and equitable education and promote lifelong 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 their studies at the graduate level. SEGi collaborates closely with more than 100 registered schools and learning institutions, providing a wide array of internship and a plethora of employment opportunities upon graduation.



## At Our Heart : SEGi Programmes



### 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 with any of our affiliated partners. It gives our graduates an upper hand in terms of depth of exposure.

### 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, grow businesses and 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 the right skills to meet these challenges. The Technology and Innovation programmes at SEGi are comprehensive and relevant to the 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.



### 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 creative 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 rooms allow students to gain real and hands-on experience. Meanwhile, our academic team members have close links with the industry through various engagements. Our lecturers have served as jurors for fine art and design competitions.





## At Our Heart : SEGi Programmes

### 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 postgraduate degrees. SEGi University offers postgraduate programmes at the Masters and PhD levels.

Malaysia is making the shift from a manufacturing economy to a service-based industry, which requires a lot 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, 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 the American Degree Program (ADP). Students can customise their education pathway with flexible transfer arrangements or by completing the programme 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 programme offers majors in Business Administration, Communication Arts and Psychology and minors in Psychology, Promotion, Global General Business and Communication Studies.





## At Our Heart : SEGi Programmes

### 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.

### 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.

### 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.





# 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 from 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, Accounting and Management, Faculty of Technology and Innovation, Faculty of Communication and Creative 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 Student Hub of Excellence.



## Strong Foundation: SEGi Campuses

SEGi College Subang Jaya



SEGi College Kuala Lumpur



SEGi College Penang



SEGi College Sarawak



## Strong Foundation: SEGi Campuses

### 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 from the 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 Student 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 students with its signature dedication from academicians and management staff, a 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 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 Student Hub of Excellence.

### 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 and 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.



## Strong Foundation: SEGi Campuses



### 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 opportunities 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 offer 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.



CENTRE OF  
EXCELLENCEHEALTH  
SCIENCES

SEGi University Health Sciences programmes and curriculums were developed with the aim to nurture and produce competent, capable, compassionate and caring health care professionals. In addition, our aim is also to ensure that they are highly adaptable and prepared to face the fast-changing challenge of the industry brought by the rapidly advancing technology. As such, SEGi provides a full range of industry-standard facilities in a variety of clinical settings and experience academicians instrumental in developing our students' leadership skills, technical skills and knowledge, ensuring their future success.



## ACCREDITED BY MQA

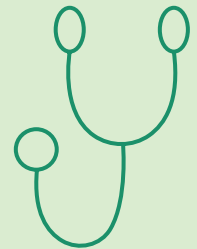
Our undergraduate programmes for Medicine, Optometry, Dentistry, and Pharmacy have received full accreditation from the Malaysian Qualifications Agency (MQA).

STATE-OF-THE-ART  
FACILITIES

SEGi provides conducive and comprehensive teaching facilities, fully equipped and state-of-the-art laboratories and clinics to ensure students have the hands-on trainings to develop their knowledge, skills and aptitude, such as SEGi Oral Health Centre and Rotary-SEGi EyeCentre.

EARLY AND EXTENSIVE  
CLINICAL PRACTICE

Our learning modules combine theories and clinical trainings throughout the students' studies at SEGi.

STUDENT-CENTRED  
LEARNING  
APPROACH

Our aim is to develop our students into lifelong learners and well-rounded individuals. As such, we prioritise our students' interests and include them into our curriculum and ensure that they also develop their problem-solving, critical-thinking and communication skills.



“ An integrated curriculum to nurture aspiring health care professionals ”

# TECHNOLOGY & INNOVATION

Technology & Innovation  
**Centre of Excellence**

As Malaysia aims to be a developed nation by 2025, the Information and Communications Technology (ICT) sector has been identified as a channel in achieving this, making the Information Technology (IT) industry among the best-paying industries in Malaysia. Digital Transformation is driving change in the business industry. The demand for skilled IT workforce with knowledge of IT management processes is on the rise. SEGi is prepared to ensure the new generation who choose their career path in IT will be prepared and be a part of the Digital Future. SEGi offers innovative programmes and collaborations with some of the biggest industry players, such as Oracle, Huawei and Microsoft.



## IN-DEMAND PROGRAMMES AND QUALIFICATIONS

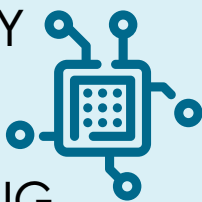
SEGi equipped our IT graduates with the most in-demand IT skills and qualifications, such as Oracle Workforce Development Programme (WDP), Certified Ethical Hacker (CEH) Certification, Microsoft IT Academy Programme, Huawei University Teaching Lab, The Microsoft Certified Professional (MCP), Amazon Web Services (AWS) Certification, SAS Data Analytics and AutoCAD certification.



## CUTTING-EDGE COMPUTER LABS

SEGi provides cutting-edge computer labs fully equipped with the latest software programmes to ensure our students enjoy comprehensive learning experience.

## TECHNOLOGY ADVANCED TEACHING AND LEARNING EXPERIENCE



SEGi offers our students easy-to-use tools known as Panopto and Blackboard Technology that aid our students to refer back to past lectures online and garner important information regarding their studies.

## PARTNERSHIPS WITH INDUSTRY LEADERS



SEGi IT programmes are designed to provide opportunities for students to enhance their learning experience and let them go beyond the classroom to enhance their IT skills and secure their career in IT. With that aim, SEGi has established strong links with key industry players from a wide range of IT fields to provide our students internship and job opportunities.

“ Propelling talents into the Digital Future with innovative curriculum ”

# BUSINESS & ACCOUNTING

Business &  
Accounting  
**Centre of  
Excellence**

Business and its related degrees are always popular among students largely because it is applicable to all industries. Companies and organisations, regardless of their trade, rely on the principles of business to be successful. In a job market as competitive as today's, a business-related degree opens up a world of opportunities for graduates. The Faculty of Business, Accounting and Management is the oldest and most established in SEGi. It has a strong industry presence and its learning modules are industry driven and up-to-date with the fast-paced and ever-changing business world. Our holistic approach to education aims to produce purposeful business leaders and thinkers who are able to respond to future challenges, contribute towards the global economy as well as impact society in a positive manner. The School further enriches students' educational experience through various learning opportunities both in and outside the classroom to help them get the most out of their studies. It creates an environment that encourages students' engagement through up-to-date and innovative learning approaches that reinforce students' understanding of business theories and prepares them for their future.

# 3+0

## GLOBALLY RECOGNISED 3+0 AND DOUBLE DEGREES

SEGi offers the most 3+0 globally recognised UK and Double Degrees.

### CUTTING-EDGE COMPUTER LABS

Our business and accounting students are provided with cutting-edge labs to aid them with their research, data analyses, projects and assignments.



### RESPECTED INDUSTRY ADVISORS



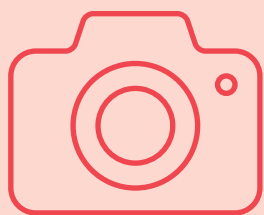
Ensuring our students receive a complete learning experience, we work closely with our industry partners to provide our students the opportunity to learn from respected industry experts through their sharing of their knowledge and experience.

“ Education beyond numbers, producing future business leaders ”

# CREATIVE ARTS & DESIGN



SEGi aims to inspire young talents to utilise their creativities into successful careers. Thus, we use a holistic approach in stoking our students' artistic fires by providing them a conducive environment, top-of-the-line facilities, freedom of creative expressions, and supportive and equally talented academicians for a rich learning experience. In addition, we are also committed in providing opportunities for our students to develop necessary skills to succeed in the industry upon graduation, such as communication, problem solving, and ethical understanding skills, as well as studio-based skills.



## INDUSTRY STANDARD PHOTOGRAPHY STUDIO

Students can express their creativity through photography and learn the art of it first-hand as our campuses in Kota Damansara and Subang Jaya are fully equipped with state-of-the-art industry-standard photography studios.

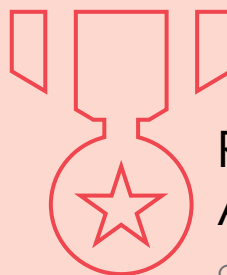
## PROGRESSIVE CREATIVE ARTS FACILITIES



SEGi provides various professional-level facilities and equipment to cater to students' every need as they go through their educational journey at SEGi with real hands-on experience along with the required coursework, such as state-of-the-art music rooms, green rooms for production purposes, voice-over studios, broadcast studios and editing rooms.

## WALK OF FAME

SEGi also provides students the avenue to showcase their talents and inspire others through the Walk-of-Fame. This is also SEGi's way of expressing how proud we are of our talented students and to motivate them to be their best.



## REPUTABLE ACADEMICIANS

Our academic team have close industry linkages through various engagements. Some of our lecturers have also served as jurors for fine art and design competitions.

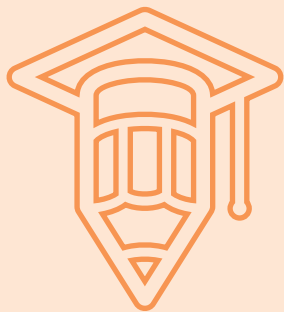
“ Taking young talents up to the next level of success ”



# EARLY CHILDHOOD CARE AND EDUCATION

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

Since 1998, SEGi has produced thousands of highly qualified and sought-after educators and Early Childhood Care and Education (ECCE) practitioners, making it into one of the most trusted providers of ECCE in the country. SEGi has made a name in the industry and has achieved notable recognitions - We were appointed champion for ECCE training by PEMANDU in 2010 for the National Key Economic Area (NKEA) Entry Point Project 2. SEGi also offers other specialisations for the teaching profession, such as TESL, Special Needs Education, and Counselling.

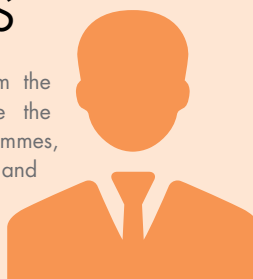


## WIDE INTERNSHIP AND EMPLOYMENT OPPORTUNITIES

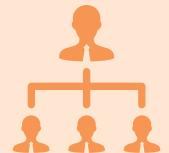
SEGi has a strong network of over 100 registered schools and learning institutions, thus providing our students the opportunity for internships and employments.

## RESPECTED INDUSTRY ADVISORS

SEGi works in partnership with advisors from the childcare and pre-school industry to ensure the continuous improvement of its ECCE programmes, ensuring that the programmes are relevant and supportive of giving students top quality learning experiences. SEGi is also the consultant for Citikids Care, the first corporate childcare centre established by a bank in Malaysia.



## UK MONTESSORI CERTIFICATION



SEGi College Subang Jaya offers the Montessori Apparatus Workshop and Integrating Montessori Practice (IMP) aimed to give our ECCE students an added competitive edge with the knowledge and skills brought by 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.

“ Today’s graduates, tomorrow’s educators ”

# HOSPITALITY & TOURISM

Hospitality & Tourism  
**Centre of Excellence**

SEGi Hospitality and Tourism programmes are modelled upon the philosophy of structured workplace learning. Its teaching philosophy is centred on equipping students with future-ready advantages in the Hospitality and Tourism industries by equipping them with skills that help them to thrive in all circumstances. Our students will undergo hands-on training and practical experience in preparation for the workforce upon graduation.

## EXTENSIVE INTERNSHIP AND EMPLOYMENT OPPORTUNITIES



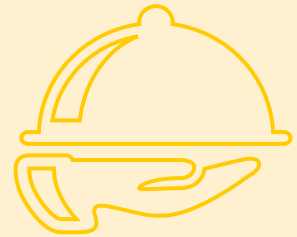
SEGi collaborates closely with more than 100 hotels as affiliated partners, providing wide internships opportunities to our students and an abundance of employment options upon graduation.



## MODERN, STATE-OF-THE- ART FACILITIES

Our campuses in Kota Damansara, Kuala Lumpur and Penang provide top-notch facilities to give our students real-life working experience with mock restaurants and housekeeping rooms, and fully-functioning kitchens.

## STRUCTURED WORKPLACE LEARNING



We cultivate learning excellence through a comprehensive module that incorporate interactive training and practical experience. Our Tourism students will be involved in field trips to local and international tourism destinations to provide them an in-depth understanding of the programme syllabus and the industry.



## REPUTABLE MEMBERSHIPS AND AFFILIATIONS

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

“ Developing future professionals in the Hospitality and Tourism industries ”

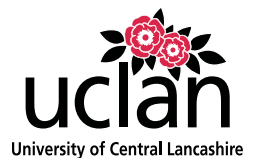
# STRATEGIC COLLABORATIONS: UNIVERSITY PARTNERS

## 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.

### University of Central Lancashire

The University of Central Lancashire is one of the largest universities in the UK which hosts about 25,000 students. This public university, located in Preston, Lancashire, England was founded as the Institution for the Diffusion of Knowledge in 1828 and became a university in 1992. Imbued with a celestial-sounding motto, "Ex solo ad solem", which translates "From the Earth to the Sun", the vastness of the university's portfolio includes over 400 undergraduate programmes and 200 postgraduate courses. Hailed for its high student satisfaction in the recent international Student Barometer survey, its impressive reputation as a regional economy powerhouse testifies to over 1,000 students and graduates who have started a business or embarked on self-employment.



### 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 high-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.

## Strategic collaborations: University Partners



### 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 as a seat of higher learning and scholarships.

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 4<sup>th</sup> best in the country, while Nursing is ranked 5<sup>th</sup> best. Other highly-ranked majors in the Guardian league tables are Business, Management & Marketing, Accounting & Finance, Mechanical Engineering and Fashion & Textiles.



### Cardiff University



### 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 8<sup>th</sup> 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 1<sup>st</sup> in the UK for Civil Engineering and 7<sup>th</sup> in General Engineering including the Mechanical and Electrical and Electronic Engineering disciplines.



### 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.



**UNIVERSITY  
OF LONDON**

**INTERNATIONAL  
PROGRAMMES**

**REGISTERED  
CENTRE**



## Strategic collaborations: University Partners

University of Southern  
Queensland (USQ)

## 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.



## Troy University

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 programme in attracting foreign students from around the world.

University of London International  
Programmes

Troy University



# EXCELLENCE AT SEGi



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## 1. SUKAN INSTITUSI PENGAJIAN TINGGI (SUKIPT)

SEGi University won a gold and two bronze medals at the Sukan Institusi Pengajian Tinggi (SUKIPT).

The event was organised by the Ministry of Higher Education (MoHE) in collaboration with Higher Education Institutions Sports Council (MASUM, MSP, MASKOM and MASISWA). SUKIPT is held biennially with the alternate of Malaysia Education Institutes Sports Carnival (SIPMA) every other year.

## 2. SEGi WINS BRONZE AT PUTRA BRAND AWARDS 2018 FOR FOURTH YEAR

SEGi University & Colleges has been awarded Bronze for the fourth time at the Putra Brand Awards 2018 under the Education & Learning category. The event was held at the Majestic Hotel, Kuala Lumpur on 26 October 2018.

SEGi was awarded Bronze in 2017, 2016, and 2012, as well as Silver from 2013 to 2015 under the same category. The event was organised by 4As (Association of Accredited Advertising Agents of Malaysia) and was endorsed by Matrade and supported by the Branding Association of Malaysia, the Malaysian Advertisers Association, and the Media Specialists Association.

## 3. SEGi WINS 3<sup>RD</sup> PLACE IN INTERNATIONAL DENTAL PHYSIOLOGY QUIZ 2018

SEGi University fielded a team of five third-year dental students for the International Dental Physiology Quiz 2018, which was held at Balai Ungku Aziz, Faculty of Dentistry University of Malaya (UM), Petaling Jaya, Selangor. This annual event was organised by Persatuan Pergigian UM (DENSOC) and the students were accompanied by Associate Professor Dr. Mohamed Magdi, a lecturer from Faculty of Medicine, SEGi University and Mrs. Sulinda Daud, Co-Advisor for SEGi Dental Society (SDS).

## 4. AGRO CULINARY CHALLENGE

On the 2<sup>nd</sup> of December 2018, School of Hospitality & Tourism (SOHT) SEGi College Kota Damansara had sent two teams of four participants to take part in a competition organised during MAHA 2018.

SEGi won 1 Gold and 1 Silver medals in the category of team in AGRO Culinary Challenge. This was a big achievement for SOHT, as the students were competing with people from various industries and were only trained three days before the event.





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#### 5. ASIA'S MOST PRESTIGIOUS INTERIOR DESIGN AWARD AND BEST INTERIOR DESIGN (SHOWHOUSE CATEGORY) AWARD

Our Diploma in Interior Architecture student, Low Chin Yong (second from left) won the Asia's Most Prestigious Interior Design Award and Best Interior Design (Showhouse category) Award.

#### 6. METROPOLITAN HOME TRUSTED BRAND AWARDS 2018

Our Faculty of Creative Arts & Design, Diploma in Interior Architecture student, Low Chin Yong (right) received the Metropolitan Home Trusted Brand Awards 2018.

#### 7. TOP CLUB AWARD 2018

Our Omega Leo Club won the Top Club Award 2018. The club committee members also won a few additional awards such as Top Leo Member Award, Top Treasurer Award, Excellent President Award, Excellent Secretary Award, International President Leo Leadership Award, and Services & Above Award. The Awards were presented by District Governor 308 B1, Lion Richard Ho and District Chairperson 308 B1 Leo Club, Lion Lee Wai Koong.

#### 8. NATIONAL OUTSTANDING EDUCATOR AWARD 2018

Our School of Music Senior Lecturer, Mr. Yii Kah Hoe won the prestigious National Outstanding Educator Award 2018 presented by the Private Education Cooperative of Malaysia.

#### 9. PEARSON OUTSTANDING AWARDS

David Lai (A-Levels) was awarded with Pearson Outstanding Learner Awards Ceremony 2018.

## EVENTS HIGHLIGHT

### JANUARY

10 January 2018

#### SEGi ORAL WELLNESS PROGRAMME

This programme, organised in association with Colgate Palmolive Malaysia, was aimed at updating Dental students on dental caries detection and tooth hypersensitivity and conducting hands-on experience on the same for Year 3 dental students. It was attended by Dr. Salleh Bin Zakaria from Ministry of Health, Malaysia and Professor Dr. Seow Liang Lin, Associate Dean, IMU, Malaysia as well as Year 3 students.

Throughout the programme, the students updated their knowledge on tooth sensitivity and caries detection.

Among the activities organised include two guest lectures and a hands-on demo on application of Fluoride varnish.

The first lecture was on "Challenges in implementing ICDAS from a public health and epidemiological perspective" by Dr. Salleh Bin Zakaria from Ministry of Health, Malaysia and the second lecture was on "Prevention and Management of Caries and Dentin Hypersensitivity" by Professor Dr. Seow Liang Lin, Associate Dean, IMU, Malaysia.



23 January 2018

#### ROTARY & LUXOTTICA (SEGi EYE CARE CENTRE)

Following the recent Rotary-SEGi Eye Centre launch at SEGi University Kota Damansara, the institution's Faculty of Optometry and Vision Sciences hosted a Mini Vision Clinic for children between the ages of 7 and 17.

The school children were elated as they were brought into the clinic for an eye screening, guided and supervised by qualified optometrists and SEGi optometry students.

The event was aimed at providing free vision screening and spectacles to 80 pupils. It was in line with the objective

of the Rotary-SEGi Eye Centre to provide eye examination to those who are unable to have access to eye care services due to financial constraints.

This event was held in collaboration with OneSight and Luxottica. Also present were the Managing Director of Luxottica South East Asia, Claus Skadjaer, the Dean of Faculty of Optometry and Vision Sciences at SEGi University, Professor Dr. Azrin Esmady Ariffin, representatives from the Rotary Club, Luxottica Malaysia, as well as optometry students.



26 January 2018

#### STARRY STARRY NIGHT ALUMNI REUNION (1<sup>ST</sup> ALUMNI REUNION)

The 1<sup>st</sup> SEGi Alumni Reunion was attended by more than 100 former students from all faculties who congregated for a night of fun, and to catch up with old friends, and learn how the University has developed over the years.





## Events Highlight

## FEBRUARY

2 February 2018

**MAJLIS PERSIDANGAN MAHASISWA PULAU PINANG BY PENANG YOUTH DEVELOPMENT COMMUNITY (PYDC)**

The event held was organised by Penang Youth Development Community (PYDC) at Jen Hotel, Pulau Pinang.



21 - 23 February 18

**CHINESE AND ARABIC CALLIGRAPHY ON SHOW AT SEGi UNIVERSITY**

In conjunction with the Chinese New Year festive season, the Confucius Institute at SEGi University Kota Damansara hosted a three-day Calligraphy and Art Exhibition by Ma Wei Wei.

The exhibition was held at the lobby of the campus. This event served as an important platform for social and cultural interaction between China and Malaysia, and to promote a greater understanding and appreciation for arts and culture.



3 February 2018

**TRAINEE TEACHERS FROM SCKD CONDUCT COMMUNITY OUTREACH PROGRAMME**

Education at SEGi College Kota Damansara (SCKD) is more than just classroom work and academics. A group of trainee teachers from SCKD Early Childhood Club planned and conducted activities on stage at a community event, "Chinese New Year Shopping Festival 2018".

The event served as a platform for the trainee teachers to engage with children and also develop a sense of belonging in the community.

The pre-service teachers applied their skills and knowledge gained in classroom while planning fun activities for the children.

The festival was organised by the largest mums community group in Malaysia, Caring Moms, at Sunway Geo Avenue.



26 February 2018

**CHINESE NEW YEAR CELEBRATION 2018**

SEGi University Kota Damansara organised an event to celebrate and create the mood of Chinese New Year among students and staff of SEGi. Laughter and excitement filled the air as academic and corporate staff gathered at the lobby of the campus, eagerly awaiting for a lion dance troupe to wow the crowd. Present at the event were SEGi University Group Chief Executive Officer Ms. Hew Moi Lan, SEGi University Vice Chancellor Professor Dr. Patrick Kee and the Deputy Vice Chancellor Professor Dr. Azrin Esmady Ariffin, SEGi College Kota Damansara Principal Norman Chu, deans from various faculties and other staff members.



February 2018

**DIVERSITY VOYAGE**

Diversity Voyage was aimed at promoting Malaysian Food at the International level, strengthen bonds between both between Malaysia and Japan and also learn about the cultures of the world.

This programme was named "Diversity Voyage" with the hope that each participant would learn from his/her own experience by cooperating with diverse members, and applying their learning to take action and create a better future together.



## Events Highlight

### MARCH

3 March 2018

#### INTERNATIONAL WOMEN'S DAY (IWD) 2018

SEGi College Subang Jaya (SCSJ) did its bit to mark International Women's Day (IWD) 2018 by setting up a variety of booths for photo, #PressforProgress pledge, Vamp cosmetics sales, and roses and cupcakes sales.

There were also other fun activities such as make-up challenge and make-up class held at the ground floor of SCSJ.

Organised by the Student Affairs Office (SAO), the event was aimed in recognising and appreciating women for their sacrifice, contribution and achievements. This has been annual event at SCSJ since 2013, celebrating women working and studying at the institution.



17 March 2018

#### RELOCATION OLD FOLKS' HOME @ GAN EN ZHI JIA, PENANG

The programme was held by Students Representatives' Council (SRC) and it was organised by Inna Lee Yin Nah at Gan En Zhi Jia Old Folks' Home, Penang.

18 March 2018

#### NEXT BIG CHEF - 2<sup>ND</sup> RUNNER UP NEXT BIG CHEF @ SCATFAIR 2018

This event was aimed at recognising the standard of culinary skills and techniques of Diploma in Culinary Arts (DICA) students against other colleges, identifying DICA students who are capable of winning competitions and applying the knowledge learnt in each culinary event. The 2<sup>nd</sup> Runner Up for Next Big Chef @ SCATFAIR 2018 received a scholarship of RM10,000 and also a cash prize of RM300.



18 March 2018

#### RUNAID 2018

SEGi Dental Society (SDS) hosted a charity run "RUNAID 2018" at SEGi University, Kota Damansara for Dentistry for the Needy (DFTN), a programme under the Islamic Dental Association of Malaysia (IDAM) which delivered dental care to the needy and the homeless.

The event received an overwhelming response from the public with 720 participants of all ages. The event also received tremendous support from sponsors and government agencies, thus, making it a grand success.





## Events Highlight

## APRIL

6 April 2018

**HOLI SPLASH**

Holi Splash event was organised by SEGi College Penang at Batu Feringghi Beach, Penang.



6 - 8 April 18

**4<sup>TH</sup> NATIONAL CLINICAL PHARMACY CHALLENGE - ADVICE, TRUST, CARE**

This is an annual competition which upholds the concept of clinical pharmacy to empower future pharmacists in optimising the use of medications to ensure better health outcomes of patients.

The event was held by SEGi Pharmacy Students' Association (SPSA) in collaboration with Malaysian Pharmacy Students' Association (MyPSA) and joined by Datin Dr. Faridah Aryani Md. Yusof, Assistant Director of Pharmaceutical Division, Ministry of Health and 13 local and private pharmacy schools. SEGi Team emerged Second Runner-Up.



17 April 2018

**MOA BETWEEN SEGi UNIVERSITY & DAIKIN**

SEGi University offers high-quality education and equip students with the "future-ready skills". As such, SEGi developed its engineering degree in partnership with industries so that graduates are well-prepared for the changes in the job market. The Memorandum of Agreement (MoA) between SEGi University was established with Daikin Electronic Devices Malaysia Sdn. Bhd. The collaboration and partnership has enabled SEGi's students to undergo their industrial training at Daikin during their study.



27 - 29 April 2018

**5<sup>TH</sup> WORLD HARVEST FESTIVAL SARAWAK'S ETHNIC KITCHEN**

This event was aimed at raising the standards of culinary skill of SEGi College Sarawak's Diploma In Culinary Arts students.



28 April 2018

**WHEEL OF CHALLENGES 2018**

Wheel of Challenges 2018 event was organised by School of Education and Languages from 7.00 a.m. to 3.00 p.m. and it was held at SEGi College Penang.



## JUNE

12 June 2018

**MOU SIGNING CEREMONY BETWEEN SEGi AND THE INSTITUTION OF ENGINEERS MALAYSIA (IEM)**

The signing of Memorandum of Understanding (MoU) between SEGi and the Institution of Engineers Malaysia is to help students venture into the real Engineering world.



## Events Highlight

### JULY

4 July 2018

#### THE SIGNING OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN SEGi UNIVERSITY AND COLLEGES AND AFFIN BANK BERHAD

The signing of Memorandum of Understanding (MoU) between SEGi University and Colleges and Affin Bank Berhad marks the launching of the Affin Education Financing-i programme.



12 July 2018

#### TAN SRI CLEMENT HII: POWER TALK, "THE ENTREPRENEUR IN YOU".

Tan Sri Clement Hii (Managing Director of SEGi University and Colleges) gave a Power Talk titled "The Entrepreneur In You" at SEGi University Kota Damansara.

The talk featured his life experience, the value of education & how various events in his life inspired him to embark on the entrepreneurial journey.

He also launched the Aspiring Entrepreneurs Club (AEC) at the end of the talk. AEC is a student club that aims to develop, train and nurture tomorrow's entrepreneurs through a series of PowerTalk(s) and competitions.



7 July 2018

#### SEGi FUN RUN 2018

SEGi Fun Run was held at SEGi University where Dean of Faculty of Optometry and Vision Sciences at SEGi University, Professor Dr. Azrin Esmady Ariffin, was invited to commence the flag-off ceremony.



### AUGUST

23 August 18

#### EARLY CHILDHOOD EDUCATORS IN THE 21<sup>ST</sup> CENTURY CLASSROOM SEMINAR

SEGi University Online (PACE) in collaboration with Faculty of Education, EP-Tec and University Bookstores organised a half-day seminar to educate and equip early childhood educators with 21st century skills. Participants took home valuable knowledge, tips and resources in equipping their classrooms with 21st century technology and resources with minimal investment besides networking with other Early Childhood Educators.





## Events Highlight

## OCTOBER

5 - 7 October 2018

**MAJLIS SUKAN IPTS ZON SARAWAK**

Majlis Sukan IPTS Zone Sarawak was held at Stadium Tertutup Majlis Bandaraya Kuching Selatan (MBKS) with the aims of promoting a healthy lifestyle among students and encouraging the development of team spirit among all members of the teams and their coaches.



26 October 18

**FOUNDATIONS AWARD CEREMONY**

The event was held to award certificate of achievement to high achievers from the Centre for Pre-University Studies, Dean's list recipients and the most outstanding award in the category of non-academic activities. The event was attended by all the award recipients (students) and parents and was aimed at acknowledging students' achievements and encouraging them to strive for the better.



29 October 2018

**UCLAN MOA SIGNING**

SEGi University formalised its partnership with University of Central Lancashire (UCLan), UK with the signing of the Institutional Agreement. The agreement was signed by Ms. Hew Moi Lan, Executive Director/Group CEO, SEG International Bhd. and Ms. Liz Bromley, Deputy Vice Chancellor of University of Central Lancashire (UCLan), UK, in the presence of Y.B. Steven Sim Chee Keong, Deputy Youth and Sports Minister, Malaysia, H.E. Vicki Treadell, British High Commissioner to Malaysia, and Professor Patrick Kee, Vice Chancellor of SEGi University.

The agreement will increase the options for cross border sharing and learning for students at SEGi University, specifically for the Faculty of Business Accounting and Management, Faculty of Engineering and Built Environment, Faculty of Education, Faculty of Communication and Creative Design, School of Information Technology and School of Hospitality and Tourism. It will pave the way for an international Dual Award partnership between SEGi University and UCLan for 17 selected degrees offered at SEGi University.



31 October 2018

**INTERNATIONAL FOOD FESTIVAL**

SEGiians shared their diverse cultures through food at SEGi University International Food Fair. It was held from 11.00am to 3.00pm at the Piazza of SEGi University. Students from more than 15 countries comprising Pakistan, Maldives, Indonesia, Eritrea, Yemen, India, Bangladesh, Tunisia, Brunei, Mauritius, Sri Lanka, Egypt, Central Asia (Kazakhstan, Turkmenistan, Kyrgyzstan), Sudan, Seychelles, as well as Malaysia celebrated and shared their cultures by showcasing an array of their traditional food which they prepared themselves.



## Events Highlight

### NOVEMBER

16 November 2018

#### **POWERTALK SERIES ENTITLED, "ENTREPRENEURIAL JOURNEY - BUILDING YOUR CAREER IN THE FIRST 10 YEARS" BY DEREK TOH, WOBB FOUNDER**

SEGi Aspiring Entrepreneurs Club (AEC) organised one of its Power Talk featuring Mr. Derek Toh, the founder and Chief Executive Officer of WOBB, a Malaysian job search platform founded in 2014, with the title "Entrepreneurial Journey - Building your career in the first 10 years" at SEGi College Subang Jaya.

Mr. Derek Toh shared his bitter-sweet journey of becoming a self-made, successful businessman, inspiring philosophies, tips and advice through six engaging short stories; *The Rich Entrepreneur*, *The Farmer*, *Please Mentor Me*, *I was a Director*, and *Chase your Dreams* to more than 70 SEGi students.



16 November 18

#### **POWER TALK ENTITLED "DON'T MESS WITH MARKETING!"**

Power talk entitled, "Don't Mess with Marketing" organised by HERMO is an inspiring talk about the know-how of marketing for our Faculty of Business students.



28 & 29 November 2018

#### **MOU SIGNING CEREMONY BETWEEN SEGi GROUP OF COLLEGES (SGC) WITH ITENAS AND STIE EKUITAS IN BANDUNG, INDONESIA**

Dr. Lisa Tan, Chief Executive Officer (CEO), SEGi Group of Colleges (SGC) and Mr. Roslan Othman, Head, Faculty of Creative Arts & Design and International Collaboration & Partnership were in Bandung, Indonesia to attend two Memorandum of Understanding (MoU) signing ceremonies between SEGi Group of Colleges with Institut Teknologi Nasional (ITENAS) and Sekolah Tinggi Ilmu Ekonomi Ekuitas (STIE Ekuitas) respectively.

The collaboration and partnership is intended to create an academic cooperation through a cooperative programme in promoting scholarly activities; which includes short courses, skills training, student and staff exchange programmes, exchanges of research projects, teaching personnel, publications, journals and other materials of common interest, academic visitations, students' mobility programmes and students' holiday programmes.





## DECEMBER

4 December 2018

**THE CROC AND THE SOCK STORYTELLING**

The Croc and The Sock Storytelling was organised by Early Childhood Education Club which was aimed at enhancing students' talents and skills in delivering storytelling to children.



12 December 2018

**MAD SHOWCASE**

The Faculty of Creative Arts and Design final year students hosted the MAD Showcase Event with a theme "Time Machine 80s, Series 1" at the ground floor of SEGi College Subang Jaya. The Multimedia Arts & Design (MAD) Showcase did not only provide our final year students a platform to showcase their talent and creativity; but also became an avenue for them to secure and discover employment opportunities from employers visiting the showcase.



22 December 2018

**TEN OUTSTANDING YOUNG MALAYSIAN AWARDS CEREMONY (TOYM) 2018**

Associate Professor Dr. Rebecca Wong Shin Yee, Associate Professor in Physiology, Head of Medical Education & Head of Curriculum, Faculty of Medicine, SEGi University, recently won the Ten Outstanding Young Malaysians (TOYM) Award 2018 under the "Academic Leadership & Accomplishment" category.

The awards were organised by Junior Chamber International (JCI) worldwide, a non-profit international non-governmental organisation of young people between 18 and 40 years old with members in around 124 countries, and are recognised internationally, as winners in each country are eligible to compete for the Ten Outstanding Young Persons (TOYP) of the World. The prestigious TOYM awards, for the past 33 years, have selected only a total of 207 as honourees for the awards. Some past winners include outstanding Malaysians like Datuk Lee Chong Wei, Datuk Nicol David and Tan Sri Michelle Yeoh.





# 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 operate in a responsible and sustainable manner. It will continue to emphasise on responsible and sustainable practices in our business operations, and the Board believes that, in the course of doing so, it will enhance value for its stakeholders.





## Sustainability Statement

### GOVERNANCE STRUCTURE

In SEGi, while the Board is primarily responsible for the Group's sustainability efforts, it is assisted by the Sustainability Committee. The Committee comprises representatives from various departments, and is currently led by the Director, Mr. Edwin Fua Chye Jin.

The Sustainability Committee is tasked with considering and evaluating:

- how the Group's operations impact various stakeholders;
- the adequacy and effectiveness of sustainability initiatives and processes; and
- how it could be improved to support the longevity of the business.

The Committee also monitors and manages all sustainability strategies and initiatives of the Group.

The Committee will meet at least 4 times annually and make recommendations periodically to the Board for its decision regarding sustainability initiatives and policy decisions that can be undertaken by the Group. The Senior Management will be responsible for executing the sustainability initiatives and strategies once adopted.

### SCOPE AND BASIS FOR THE SCOPE

In terms of considering the scope for sustainability, we have set the following parameters for ourselves during the financial year under review:

1  
Reporting Cycle: from 1 January  
2018 to 31 December 2018

2  
Geographical location: within  
Malaysia, specifically within our  
campuses and our local area  
community surrounding our campuses  
(Klang Valley, Penang, Kuching) as  
the Group's core business is operating  
educational institutions

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 sustainability reporting, inter alia, focuses on the material sustainability matters that concern our top 5 major stakeholders which are of high importance to our business. SEGi will also establish baseline performance measures against which to improve the Group's sustainability efforts in future.

## Sustainability Statement




### STAKEHOLDER ENGAGEMENT

At SEGi, we actively continued with stakeholder engagement throughout the financial period as part of our sustainability assessment process. The Group will engage with internal and external stakeholders through meetings, surveys, discussions, briefings and calls to better identify and understand their expectations. This enables SEGi to be more encompassing and able to capture varied and even differing viewpoints that serve to further refine our sustainability related concerns and materiality matters.

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 gave 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.

Key Stakeholder	Engagement Method	Frequency	Areas of Concern	What Matters/ Current Execution	Areas for improvement
<b>Students</b> • Local • International 	Climate Survey	Twice a year	Feedback on services, facilities, teaching and programme	1) Improvements are aligned with needs and priority 2) Direct engagement between students and the University / College	1) Creating visibility all the way to top management for better results 2) Formation of task force to monitor and control feedback
	SEGiian Voice	Daily feedback to gauge happiness index	Happiness index of our stakeholder	1) Upgrading of student lounge 2) Improved cafeteria 3) Maintenance of facilities	1) Daily recordings of services 2) Part of agenda in Operational Task Force Meeting to benchmark our level of happiness - decrease/ increase
	SEGi Graduate Employment Readiness Programme	Throughout the year	Enable real-time feedback, preparation and prioritisation of hands-on experience for all students	Future employability	Not applicable as programme still underway
<b>Employees</b> 	Induction (for new employee)	Twice a year	First time engagement to prepare them for a new role	1) General Induction 2) Academic Induction	1) Encourage further collaboration via online tools 2) Encourage informal meet-ups / meals between staff and Senior GPM members
	Employee Engagement Survey	Once a year	Formal feedback on environment, engagement, work life balance, gender equality, diversity	1) Collaborative and cooperative culture with healthy attitude towards feedback 2) Effective dissemination of survey results at both senior and mid management to enable change	1) Continuous awareness training with mid and senior management on interpreting survey results 2) Enhance focus on change / results



## Sustainability Statement

Key Stakeholder	Engagement Method	Frequency	Areas of Concern	What Matters/ Current Execution	Areas for improvement
<b>Shareholders and Capital Providers</b> 	Exco and Board meetings (for Major Shareholders)	Monthly	Improved communication and relationship	1) Business plan and strategy discussions	None
	Public Shareholders ("PS")	Once a year in the AGM	Improved communication and relationship	1) The Group's performance 2) Trust and confidence	Implement online survey for shareholders to enable more frequent feedback
	Bank Lenders ("the Bank")	Quarterly results and Annual Review	Improved communication and relationship	1) Adherence to ratio requirements 2) CFO accessibility	Invite Board and Senior Management of the Bank to participate SEGi's corporate/ CSR events
	Amanah Raya ("Landlord")	Quarterly inspection	Leased campuses	1) Care for the campuses 2) Third party reporting	1) Actively engage on shared idea/ shared cost for sustainability improvement, e.g. installation of solar system 2) Invite Board and Senior Management of the Landlord to participate SEGi's corporate / CSR events
<b>Community</b> 	Community outreach programmes	Throughout the year	Community enrichment	1) Scholarship and B40 programmes 2) Personal Development talks	1) Wider NGO outreach 2) Offer wider range of development talks (e.g. MBTi personality tests)
	Feedback from students and prospective students on mobility access	Throughout the year	Campus disability access	Development of disabled friendly facilities	Enhance disabled friendly facilities, e.g. toilet for disabled and accessible design for the blind
	SEGi Alumni Association	Throughout the year	Creating a feedback and networking loop	Registration of the SEGi University Alumni Association in June 2018 Active event collaboration with the Alumni	None
<b>Employer</b> 	SEGi Valued Corporate Partnership ("VCP") Programme	Throughout the year	Active industry engagement to ensure relevance of programmes	1) Industry input into course development 2) Internship work experience 3) Career / Hiring matching	1) Collaboration on R&D 2) Enhance Student Placement Programme

# Sustainability Statement




## MATERIAL SUSTAINABILITY MATTERS

In 2017, the Committee mapped out who were the Group's key stakeholders and what would be material sustainability matters of concerns for them with regards to our Business. The material topics were reviewed by the Committee through a process of both internal and external stakeholder engagements. The top 5 material sustainability matters which are of high importance to our stakeholders and business are summarised in the table below:

Key Stakeholders/ Material Sustainability Objective	Initiatives undertaken or under consideration	2018 Outcomes/ Indicators
<b>Internal</b>		
<b>Students:</b> To provide holistic education that improves student employability with industry-relevant curriculum 	<ol style="list-style-type: none"> <li>1) Meeting the MQA (Malaysian Qualifications Agency) accreditation requirements</li> <li>2) Improving student employability by actively engaging with industry partners</li> <li>3) Increasing use of technology to improve learning flexibility and student access</li> <li>4) Ensuring there is a good balance of out-of-class student engagement</li> <li>5) Relevant new course development after consultation with industrial partners</li> <li>6) Periodic curriculum - Curriculum Review Committee</li> </ol>	<ol style="list-style-type: none"> <li>1) Compliance to MQA requirements in 2018 (as in 2017)</li> <li>2) SEGi has more than 600 active VCPs as at 31 December 2018 (468 in Dec 2017)</li> <li>3) SEGi University's graduate employability (within 6 months of graduation) of 81% as at August 2018 (vs 82-83% since 2015)</li> <li>4) Student attrition to 9.7% in 2018 (vs 13.2% in 2017)</li> <li>5) Launch of the Graduate Employment Readiness Programme with increase employment related opportunities for balanced development</li> <li>6) Diploma of Restaurant Management and Cyber Security programmes to be offered in Sept 2019 Broaden collaborations with external advisors including with public universities (UiTM, UM, UPM, UTM, USM), industry (Deloitte, VLP Engineering, SKALI Group, Petronas Gas, TM R&amp;D), professional bodies (National Association of ECCE Malaysia, ACCA, EC-Council, Institute Public Relations Malaysia, Malaysian Dental Association) and government bodies (Ministry of Health, Ministry of Defense)</li> <li>7) Measurement of Programme Education Outcome (PEO) and Programme Learning outcome attainment</li> </ol>
<b>Staff:</b> Retention and recruitment of talent. 	<ol style="list-style-type: none"> <li>1) Talent management and Succession Planning ("SP") programme for specific candidates to groom them to reach senior level</li> <li>2) Sponsorship for internal and external training for staff (staff development programme)</li> <li>3) Extended discount package for staff to study most SEGi programmes (education assistance programme - EAS)</li> <li>4) Staff satisfaction survey (staff engagement survey)</li> <li>5) Benchmarking our HR policies, compensation and benefits to market</li> <li>6) OSHA initiatives</li> </ol>	<ol style="list-style-type: none"> <li>1) Talent pool attrition rate has reduced to 7% in 2018 (from 10% in 2017)</li> <li>2) In 2018, the implementation of annual training plan was 61%</li> <li>3) Education assistance scheme established for all full time employees</li> <li>4) Average staff survey score of 3.60 in 2018 (vs 3.71 out of 5 in 2017)</li> <li>5) In 2018, SEGi has participated in a private education sector HR survey by Willis Towers Watson. This was used to review our compensation plan. Benchmarking to be done every 5 years</li> <li>6) In 2018, there were zero major accidents at workplace</li> <li>7) Fire drills conducted yearly in each campus</li> </ol>



## Sustainability Statement

Key Stakeholders/ Material Sustainability Objective	Initiatives undertaken or under consideration	2018 Outcomes/ Indicators
<b>Shareholders and Capital Providers:</b>  Risk management and Internal control system to safeguard assets and shareholders' investment.  	1) Adherence to MQA & MOE 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 skill set 4) Promote collaborative initiatives with local players	1) Fulfilled all MQA accreditation requirements for our approved programmes in 2018. No warning letters from Bursa Malaysia in 2018 2) There are departures on certain best practices. The Group strives for full compliance with the Code and the International Professional Practices as soon as possible 3) At least 10 hours training per annum per staff has been endorsed and being carried out 4) Had regular briefings with investors and financiers to keep the stakeholders abreast of the latest developments of the Group
<b>External</b>		
<b>Community:</b>  To contribute positively to enrich the communities where we operate in.  	1) Wide range of scholarship schemes 2) B40 initiatives 3) University Social Responsibility ("USR") Programme 4) Student Development talks 5) Solar initiative 6) Reduce paper usage, Reduce, Recycle and Reuse Campaign	1) In 2018, SEGi pledged RM833,000 worth of scholarship to 103 merit scholars (2017: RM723,000 for 100 merit scholars). 2) 110 B40 students have been recruited under our B40 programme initiative in 2018 (2017: 60). 3) Organised 50 USR programmes in 2018 (29 in 2017). 4) Organised 313 talks/ events in 2018 (299 in 2017). 5) Solar power panels are installed in 2018 to reduce carbon footprint. 6) Encourage water and energy saving practices such as reminders to conserve water and phased electricity / air conditioning shut downs periods (e.g. at night, unused locations). 7) Obtained Certificate of Conformance on ABS Quality Evaluations in 2018 for ISO 14001:2015 for Environment Management System.
<b>Employers:</b>  To focus on accessibility or employability of our students in the industry.  	1) Improving student employability by actively engaging with industry partners 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	1) SEGi has more than 600 active VCPs as at 31 December 2018 (vs 468 on December 2017). 2) SEGi University's graduate employability (within 6 months of graduation) of 81% as at August 2018 (vs 82-83% since 2015). 3) Registration of the SEGi University Alumni Association with active events for networking. The Alumni also supports graduation ceremonies in planning the after graduation parties for graduates. 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) in 2017, and target to offer two other Industry-driven programmes such as Bachelor of Science (Hons) Cybersecurity and Diploma in Restaurant Management in September 2019.

## Sustainability Statement

### SOCIAL SUSTAINABILITY

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

Social responsibility describes the way SEGi is making a difference to the social and economic well-being of the communities through its teaching, research and public involvements, where contributions towards major challenges in social welfare and developments are made in order to create benefits for the institution and society.

SEGi seeks to foster an inclusive and affirming campus climate for our students to develop connections and broaden their scope. We believe that all students and staff at SEGi have a duty to embed equality, diversity, and inclusion in our culture, regardless of gender identity, disability, ethnic origin, religion or belief. Our efforts have resulted in us receiving major recognition by relevant external bodies.

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

- In conjunction with the National Suicide Prevention Awareness Month in September, and the World Mental Health Day in October, the Peer Counsellors team, who have been trained under the Counselling Unit of Student Affairs SEGi University, had organised a Suicide Prevention Campaign for three consecutive days on 8<sup>th</sup> to 10<sup>th</sup> October 2018.
- SEGi Aspiring Entrepreneurs Club (AEC) on 6 November 2018, organised one of its Power Talk featuring Derek Toh, the founder and Chief Executive Officer of WOBB, a Malaysian job search platform founded in 2014, with the title 'Entrepreneurial Journey - Building your career in the first 10 years' at SEGi College Subang Jaya.


### ENVIRONMENTAL SUSTAINABILITY

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

- To ensure continuous and ongoing efforts are carried out to establish teaching, research, and practices in environmental sustainability throughout the Group.
- Strive to be at the forefront of sustainability research and education, and continuously developing and engaging our expertise to promote sustainability within and beyond the Group.
- Strive to ensure increased efficient use of resources and reduced dependence on non-renewable energy and exploring renewable energy options for its operations.
- Conduct campaigns/workshops/seminars/briefings on recycling annually, to promote awareness of producing less waste and increasing the practice of recycling and environmental sustainability;
- Installation of smart devices or timer controls on lighting and air-conditioning in our buildings and renovation projects for efficiency in cost savings; and
- Regularly inspect the air-conditioning systems of all our campuses.

## Sustainability Statement

### GOVERNANCE SUSTAINABILITY



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

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

### MOVING FORWARD

SEGi recognises that sustainability is an ongoing and evolving practice in creating long-term business value. We will continue to embark on 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 continue monitoring the sustainability performance of the Group. The Board will also consider the need to implement other sustainability practices as appropriate to further enhance the long-term economic, environmental and social value.

## SUSTAINABILITY INITIATIVES

JANUARY 2018



SEGi Sarawak

### Staff Appreciation Dinner



SEGi Kuala Lumpur

### Pongal Celebration





## Sustainability Initiatives

### FEBRUARY 2018

Feb  
26

SEGi University  
**Durian Feast**



Feb  
26

SEGi Sarawak  
**Chinese New Year**



Feb  
26

SEGi University  
**Chinese New Year**



## Sustainability Initiatives

### FEBRUARY 2018

Feb  
26

SEGi Penang  
**Chinese  
New Year** .....



Feb  
27

SEGi Kuala Lumpur  
**Chinese New Year** .....





## Sustainability Initiatives

### MARCH 2018

Mar  
12

SEGi Subang Jaya  
**Chinese New Year  
Gathering** .....



Mar  
29

SEGi Subang Jaya  
**Talent Management Programme** .....



### APRIL 2018

Apr  
13-14

SEGi  
**SEGi Corporate Teambuilding** .....



Apr  
20-21

SEGi  
**SEGi Corporate Teambuilding** .....

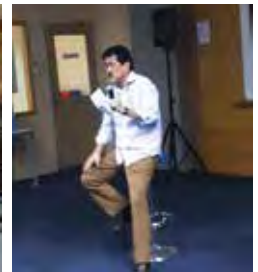


## Sustainability Initiatives

APRIL 2018



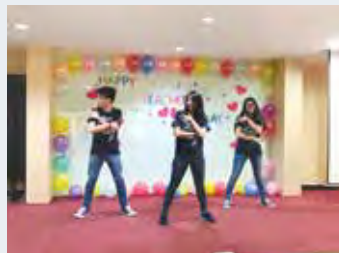
SEGi University  
**Talent Management Programme**



SEGi Sarawak  
**Teacher's Day Lunch**



SEGi Kuala Lumpur  
**Teacher's Day**





## Sustainability Initiatives

### JUNE 2018



SEGi University  
**Talent Management Programme**



SEGi Subang Jaya  
**Hari Raya Celebration**



### JULY 2018



SEGi University  
**Hari Raya Celebration**



SEGi Subang Jaya  
**Durian Feast**



## Sustainability Initiatives

### JULY 2018



IFPA Resources

**Talent  
Engagement** .....



### AUGUST 2018



SEGi University

**Teambuilding** .....



### OCTOBER 2018



SEGi University

**Teambuilding** .....



### NOVEMBER 2018



SEGi University

**Teambuilding** .....





## Sustainability Initiatives

### NOVEMBER 2018



SEGi Group of Colleges  
**Budget Meeting**



SEGi Penang  
**Deepavali**



SEGi University  
**Teambuilding**



SEGi University  
**Managing Your People Issue**





## Sustainability Initiatives

### DECEMBER 2018

Dec  
1-2

#### SEGi University Teambuilding



Dec  
5

#### SEGi University Christmas



Dec  
9

#### SEGi Penang Teambuilding





## Sustainability Initiatives

Dec  
14

### SEGi Sarawak Christmas Lunch- Gym Launching .....



Dec  
1

### SEGi Sarawak Annual Dinner .....



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 (3<sup>rd</sup> 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 2018 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 practices it has adopted and how such alternative practices achieve 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 Executive Committee ("Exco") reviews and deliberates on the business and strategic plan, the opportunities and threats arising each month and oversees the business conduct of the Group. Any issue arising will be tabled to the Board for decision, if necessary. The Exco also monitors the budget monthly and the action plans, if any, to rectify the overrun. 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.

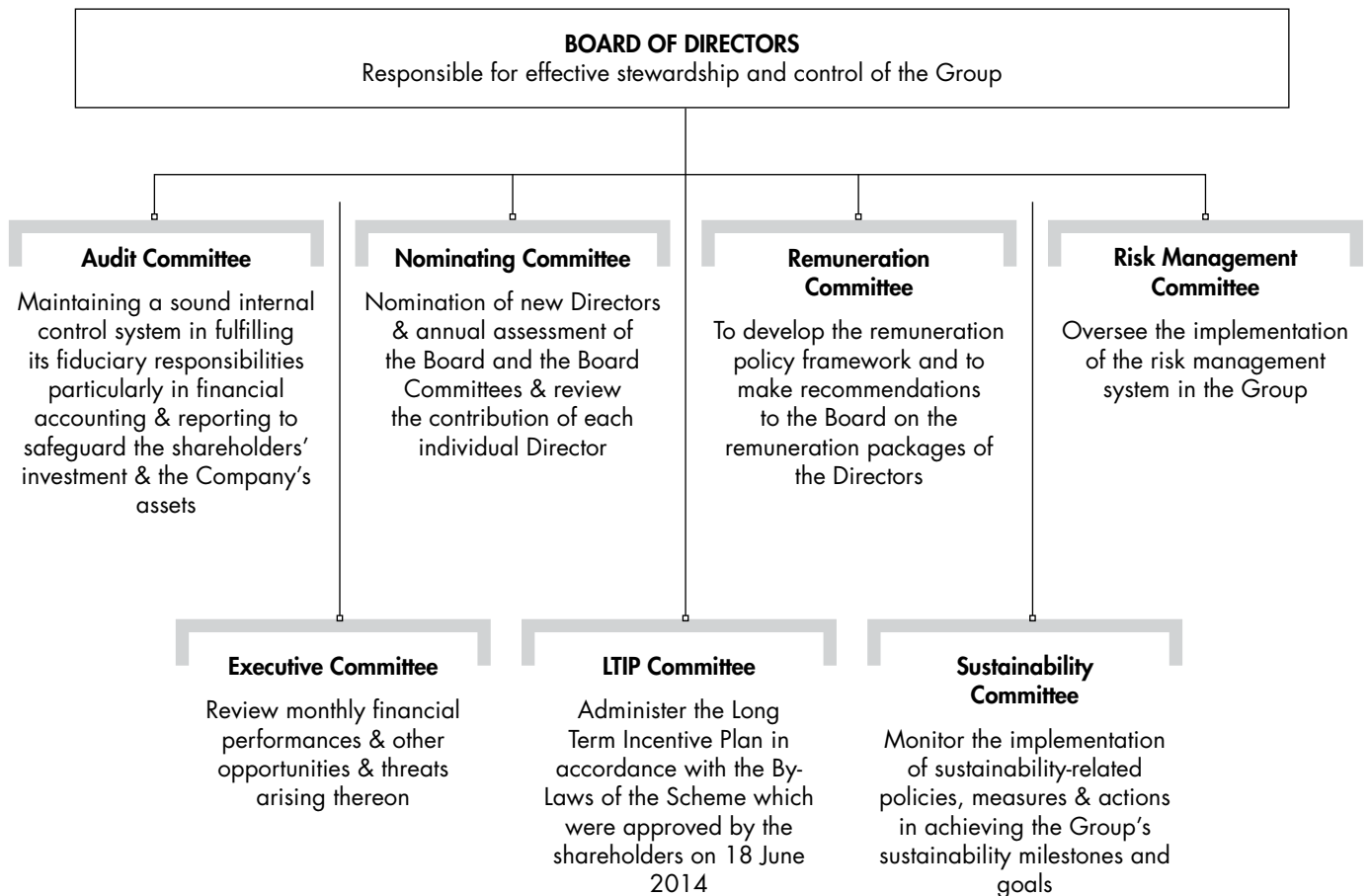
The Board's key responsibilities are to:

- 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 the 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.



## Corporate Governance Overview Statement

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)****I. Board Roles and Responsibilities (cont'd.)****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 the 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 decisions adopted by the Board to achieve the Group's objective of creating long term value for its shareholders.

## Corporate Governance Overview Statement

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

#### I. Board Roles and Responsibilities (cont'd.)

##### Code of Conduct ("the Code")

The Board adopted the Code with the aim of emphasising the Company's commitment to ethics and compliance with applicable laws and regulations, setting forth basic standards of ethical behaviour within the Group. The Code sets out rules of behaviour that Directors, officers and employees are expected to adopt when performing their duties, which include but are not limited to the following:

- complying with legislation, regulatory and Bursa Securities Main Market Listing Requirements;
- acting in the best interest of the Group;
- acting honestly and with integrity;
- being accountable and responsible; and
- recognising 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 environmental, 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 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.

## Corporate Governance Overview Statement

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

#### I. Board Roles and Responsibilities (cont'd.)

##### 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. The Board maintains a direct line of communication with Senior Management.

All Directors are provided with Board meeting materials containing information relevant to the business of the meeting, which include but are 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 dealings 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 10 April 2019 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 being 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.



## Corporate Governance Overview Statement

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

#### II. Board Composition (cont'd.)

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 businesses; and
- the principal criterion for the appointment of new Directors is their ability to add value to the Company and its Group businesses.

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

Gender	Total number	Percentage (%)
Male	15	46.88
Female	17	53.12
<b>Age Group</b>		
30 - 39 years	2	6.25
40 - 49 years	12	37.50
50 - 59 years	15	46.88
60 years and above	3	9.38
<b>Ethnicity</b>		
Bumiputera	4	12.50
Chinese	23	71.88
Indian	4	12.50
Others	1	3.13

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 two Executive Directors, a Non-Executive Director and a Senior Management. The SPC is led by the Group Managing Director, aiming to develop the talents both vertically and horizontally, particularly focusing on critical key positions in the Group.

The SP programme is an on-going exercise. In 2018, the performance report cards of the talents were tabled while there are still internal trainings to be completed under the SP programme. 10 talents have graduated from the programme recently.

## Corporate Governance Overview Statement

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)****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 of 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 laws 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 committee also evaluates the candidate's independence to ensure that he/she fulfils the independence criteria as set out in Bursa Securities Main Market Listing Requirements.

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 requirement 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 assessments of the Board in respect of their skills, experience, contributions and other qualities including core competencies. The committee also assesses the Independent Directors on their ability to discharge their duties with unbiased and independent judgement.

## Corporate Governance Overview Statement

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

#### III. Nominating Committee (cont'd.)

##### 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) the effectiveness of the Board and its Committees as a whole, based on specific criteria, covering areas such as Board structure and operations, 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) the contributions of individual Director and Committee members 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 conflict that may impair their independence.

The committee viewed the evaluation exercise as a constructive platform for the Board to discuss the areas for improvement and formulate corrective measures where required to enhance the effectiveness of 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 are eligible for election by shareholders at the annual general meeting ("AGM") 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 respective Directors expressed their intention for re-election. 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 AGM.

##### 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.



## Corporate Governance Overview Statement

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)****III. Nominating Committee (cont'd.)****Summary of activities carried out during the financial year (cont'd.)**

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 twelve years, while Dato Goh Leng Chua will attain his 9-year service with the Group in April 2019, the Board has evaluated and agreed that all 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 judgments 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 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 concerned 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:

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

The committee met once during the year under review.

## Corporate Governance Overview Statement

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

#### IV. Remuneration Committee (cont'd.)

##### Directors' Remuneration

The aggregate remuneration of Directors for the financial year ended 31 December 2018, 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	-	4
RM100,001 to RM150,000	1	-
RM650,001 to RM700,000	1	-

*Notes: 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 116 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 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.

## Corporate Governance Overview Statement

**PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D.)****I. Audit Committee (cont'd.)**

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 thrice 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 that may materially affect the performance of the Group 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 2018 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	10,000

**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 transactions 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.



## Corporate Governance Overview Statement

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D.)

#### 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, but not eliminate the risks faced by the Group within acceptable and appropriate levels. These controls provide reasonable but not absolute assurance against material misstatements, 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 risk management matters and reviews the adequacy and integrity of the risk management system. The Group has formal Standard Operating Procedures which are reviewed from time to time. The risk management and internal control system is also regularly reviewed by senior management and recommendations are made to the Audit Committee and Board for approval.

#### 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:

<b>Dato' Amos Siew Boon Yeong</b> Independent Non-Executive Director	- Chairman
<b>Dato' Seri Mohamed Azahari Bin Mohamed Kamil</b> Non-Independent Non-Executive Director	- Member
<b>Hew Moi Lan</b> Executive Director/Group Chief Executive Officer	- Member
<b>Edwin Fua Chye Jin</b> 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 ("RMWC").

The RMWC, 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 restructured the RMWC Framework. Moving forward, the RMWC will only focus on Entity Wide Risks and major significant risks which are detrimental to the Group. Those business-as-usual items will be monitored by the internal auditors during their audit.

RMWC will also promote a compliance culture throughout the Group by having a Code of Conduct Roadshow and incorporating Compliance Learning during Induction and KPI setting.

## Corporate Governance Overview Statement

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D.)

#### II. Risk Management and Internal Control Framework (cont'd.)

##### Internal Audit Function

The Board has established an in-house internal audit department to assist the Audit Committee and the Board in providing independent assessments on the adequacy, efficiency and effectiveness of the Group's risk management, internal control and governance systems. The Internal Audit is building a team that would enable more IT-driven audit techniques in the future looking at the development of current digital transformation trends.

The Internal Audit department is staffed by 3 professionals and it is led by Ms. Jade Lim Yuen Har (Director, Internal Audit). Ms. Jade Lim obtained her Bachelor of Science in Accounting and Finance from the University of London (External Programme) in 2002. She is also a professional member of the Association of Chartered Certified Accountants (ACCA) and The Institute of Internal Auditors Malaysia (CMIIA).

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 2018, 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 2018 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 action plans 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) Reviewed, investigated and verified certain whistle-blowing issues and reported to Audit Committee on the findings and outcomes.
- v) Updated Audit Committee on the compliance level by the Internal Audit function in relation to IPPF and action plans to be carried out for certain areas which are not fully in line with such standards.

The total cost incurred for the Internal Audit function for FY 2018 was approximately RM374,448.

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 RELATIONSHIPS WITH STAKEHOLDERS

#### I. Communication with Stakeholders

The Group is committed to maintaining 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.

SEGi will also leverage on information technology to disseminate all publications to shareholders via electronic means to promote more efficient engagement and communication with securities holders.

## Corporate Governance Overview Statement

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D.)

#### I. Communication with Stakeholders (cont'd.)

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

- |   |  |
|---|--|
| i. <b>Cheryl Chong Poh Yee</b><br>Group Chief Financial Officer | ii. <b>Hew Ling Sze</b><br>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 providing 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. Contact 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](http://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 reports 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 includes but is not limited to 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 an independent scrutineer to undertake the polling process and to validate the votes cast.

## Corporate Governance Overview Statement

**FOSTER COMMITMENT****Time Commitment**

The Directors observe the recommendations of the MCCG that they are required to notify the Chairman before accepting any new directorships 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 Committee 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 Committee 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 decisions, 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 staff and/or external advisors may be invited to attend the Board meetings to advise the Board on issues under their respective purview.

The Board is satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities. During the year ended 31 December 2018, five meetings were held. The Directors have dedicated adequate time and effort to attend the Board and Board Committee meetings held. The attendance of the Board of Directors are as follows:

<b>Name of Directors</b>	<b>No. of meetings attended</b>
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%)
Dato' Seri Mohamed Azahari Bin Mohamed Kamil	5 out of 5 (100%)
Hew Moi Lan	5 out of 5 (100%)
Nicholas Rupert Heylett Bloy	5 out of 5 (100%)
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 marketplace 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.



## Corporate Governance Overview Statement

### FOSTER COMMITMENT (CONT'D.)

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 and 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	32 <sup>nd</sup> Asia Pacific Roundtable - Disruption: People. Technology. Power. Security	07 - 09.05.2018
Tan Sri Clement Hii Chii Kok	Power Talk Series: The Entrepreneur In You Technical Training: Transition from GST to Sales and Services Tax (SST)	12.07.2018 29.08.2018
Hew Moi Lan	Technical Training: Transition from GST to Sales and Services Tax (SST)	29.08.2018
Nicholas Rupert Heylett Bloy	HKVCA Asia PE Forum - Southeast Asia Panel Discussion AVCJ Korea Forum - South Asian Private Equity Update Super Return 2018, HKG - How are the large-cap, mid-cap and small-cap markets developing? AVCJ, HKG - Asian private equity: A new maturity	16 - 18.01.2018 07.09.2018 17 - 20.09.2018 13 - 15.11.2018
Dato' Seri Mohamed Azahari Bin Mohamed Kamil	Advocacy Programme on CG Assessment Using the Revised Asean CG Scorecard Methodology	09.08.2018
Dato' Amos Siew Boon Yeong	International Standard and Quality Control 1 (ISQC 1) Training Practice and Impact of the Companies Act 2016 and Companies Regulations 2017 - The Rundown National Tax Conference 2018 MIA International Accountants Conference 2018 Seminar Percukaian Kebangsaan 2018	19.05.2018 23.05.2018 16 - 17.07.2018 09 - 10.10.2018 13.11.2018
Dato Goh Leng Chua	Corporate Governance Briefing Sessions: MSSG Reporting & CG Guide	15.03.2018
Edwin Fua Chye Jin	Legal Issues in Financing Documents AMLA, Cyber Risk and Personal Data Protection Code of Practice (PDPA) for The Banking and Financial Sector AVCJ Indonesia: Realising the potential of Indonesia Super Return 2018, HK: how are the large-cap, mid-cap and small-cap markets developing?	12.02.2018 15.03.2018 25.04.2018 17 - 20.09.2018

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 10 April 2019.

# AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Audit Committee ("AC" or "the Committee") Report for the year ended 31 December 2018.

## COMPOSITION

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

**Dato' Amos Siew Boon Yeong** - Chairman  
Independent Non-Executive Director

**Dato Goh Leng Chua** - Member  
Independent Non-Executive Director

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

The Chairman, Dato' Amos Siew, is currently a member of 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, recent 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 27 February 2018, 12 April 2018, 15 May 2018, 10 August 2018 and 15 November 2018. 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>.

## Audit Committee Report

### ACTIVITIES DURING THE YEAR

During the year under review, the Committee carried out the following activities in discharging its functions and duties:

#### i. 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, for instance, Malaysian Financial Reporting Standards (MFRS) 9, 15 and 16, and advised the management to assess the potential impact of these standards.

#### ii. 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 Partner and 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 assessments to evaluate the objectivity, performance and independence of the external auditors, including their suitability, independence, performance and quality of work provided and recommended to the Board to table for shareholders' approval on their re-appointment.
- Reviewed and assessed the quotations for the non-audit services from the external auditors and ensured that the provision of these services would not compromise the external auditors' independence, if they are being engaged for their services.
- Met with the external auditors independently without the presence of the management.

#### iii. Internal auditors

- Reviewed the effectiveness of the internal audit process, internal audit department's annual work plan, 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 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 RMC 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 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.

## Audit Committee Report

### ACTIVITIES DURING THE YEAR (CONT'D.)

- iv. 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.
- v. Reviewed the whistle-blowing issues with the management and proper investigation(s) were conducted.
- vi. 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.
- vii. 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.
- viii. Reviewed the extent of the Group's compliances with provisions set out in the Malaysian Code on Corporate Governance ("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. The internal auditors also conducted investigations on certain allegations in respect of the whistle-blowing to ensure appropriate actions, as well as corrective steps, if any, were carried out.

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 10 April 2019.



# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

## 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 2018.

## 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 a 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 ongoing 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:-

#### a. "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.

#### b. "Detect and Monitor" risks

Risks in this quadrant are significant, but they are less likely to occur. To ensure that the risks remain low in 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.

#### c. "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.

## Statement on Risk Management & Internal Control

### 5 KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D.)

#### I. Risk management (cont'd.)

##### d. "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's 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.

## Statement on Risk Management & Internal Control

### 5 KEY COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D.)

#### 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 employees.

### ASSURANCE

The Group has also obtained reasonable assurance from the Group Managing Director and Group 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 that 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 the 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 2018 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 10 April 2019.

OTHER  
INFORMATION**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 2018, the amounts of audit fees paid or payable by the Company and the Group to the external auditors are as follows:-

	Company (RM'000)	Group (RM'000)
Audit fees	120	598
Non-audit fees	27	175

**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 2018.

**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 1,886,162 ESOS options and 316,994 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 10.55% 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 22.82% of the total ESOS options and PSP Grants granted and vested during the year.





## STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the year, and of their results and cash flows for the year then ended. The Directors also ensured that the financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 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 10 April 2019.

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

## Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

## 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	42,121	33,704
Attributable to:		
Equity holders of the Company	42,158	33,704
Non-controlling interests	(37)	-
	42,121	33,704

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 except for the bad debt written off as disclosed in Note 9 to the financial statements.

## Dividend

The amounts of dividend declared by the Company since 31 December 2017 were as follows:

	RM'000
In respect of the financial year ended 31 December 2018:	
Interim single tier dividend of RM0.0275 per ordinary share each amounting to RM34,059,152 declared on 18 October 2018 and paid on 15 November 2018.	34,059

The directors do not propose any final dividend for the financial year ended 31 December 2018.

## Directors' report

**Issues of shares and debentures**

During the financial year:-

**Performance Share Plan Grants**

The Company issued 316,994 new ordinary shares pursuant to the Company's Share Grant Plan under the Long Term Incentive Plan.

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 debenture 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 1,886,162 ESOS options and 316,994 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 30(d) to the financial statements.

**Treasury shares**

There were no addition or resale of treasury shares during the financial year. As at 31 December 2018, 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. Further relevant details are disclosed in Note 28 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  
Dato' Seri Mohamed Azahari Bin Mohamed Kamil  
Dato' Amos Siew Boon Yeong  
Dato Goh Leng Chua  
Fua Chye Jin



## Directors' report

### Directors (cont'd.)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Chok Soo Yan  
Chong Poh Yee  
Dato' Pahamin A. Rajab  
Datuk Dr. Khairiyah Binti Dato' Abd Muttalib  
Doreen D'orville  
Dr. Tan Saw Poh  
Elaine Chegne Peck Oon  
Helen Ngu Moi Hiong  
Kamalam Pillay Rungapadiachy  
Leong Kam Sun  
Ng Kim Leng  
Ong Lee Aei  
Professor Dr. Azrin Esmady Bin Ariffin  
Professor Dr. Kee Peng Kong  
Professor Dr. Samiah Yasmin Binti Abdul Kadir  
Savinilorna Payandi-Pillay-Ramen  
Teng Wai Chong

### 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	266	266
Salaries and other emoluments	642	642
Bonus	75	75
Defined contribution plan	86	86
Estimated money value of benefits-in-kind	31	31
	1,100	1,100

### 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' report

**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:

	1.1.2018	Number of ordinary shares		31.12.2018
		Acquired	Sold	
<b>The Company</b>				
<b>Direct interest</b>				
Tan Sri Clement Hii Chii Kok	396,694,479	-	-	396,694,479
Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	67,991	-	-	67,991
Hew Moi Lan	885,780	83,674	-	969,454
Dato' Amos Siew Boon Yeong	3,771,428	-	-	3,771,428
<b>Indirect interest</b>				
Nicholas Rupert Heylett Bloy ^	856,259,514	-	-	856,259,514
Tan Sri Clement Hii Chii Kok *	459,565,035	-	-	459,565,035

	Number of options over ordinary shares			
	1.1.2018	Granted	Exercise/ Lapsed	31.12.2018
<b>Direct interest</b>				
Hew Moi Lan	158,186	148,753	-	306,939

^ Deemed interests through Pinnacle Heritage Solutions Sdn. Bhd. ("PHS")'s, direct and indirect interest in SEGi shares.

\* 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.

## Directors' report

### Other statutory information (cont'd.)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors, except as disclosed in the financial statements:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

### Auditors

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

	Group RM'000	Company RM'000
Auditors' remuneration		
Ernst & Young	526	120
Other auditors	114	-
	640	120

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 April 2019.

**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

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 128 to 194 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 2018 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 10 April 2019.

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

**Tan Sri Clement Hii Chii Kok**

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# 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 128 to 194 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 .

Subscribed and solemnly declared by  
the abovenamed Chong Poh Yee at  
Kuala Lumpur in the Federal Territory  
on 10 April 2019

**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 2018 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 128 to 194.

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 2018, 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 each 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.

### Impairment of (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)(i) and disclosure of goodwill in Note 16(a) to the financial statements)

As at 31 December 2018, the carrying amount of goodwill recognised by the Group stood at RM27,521,000, which represents 19% of the Group's total non-current assets and 12% of the Group's total assets. This goodwill mainly relates to three subsidiaries principally engaged in the educational activities. 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.

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.

## Independent Auditors' Report

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

### Report on the audit of the financial statements (cont'd.)

#### Key Audit Matters (cont'd.)

##### Impairment of (i) goodwill and (ii) investment in subsidiaries (cont'd.)

##### (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)(iii) and disclosure of investment in subsidiaries in Note 17 to the financial statements)

As at 31 December 2018, the carrying amount of investment in subsidiaries stood at RM78,615,000, which represents 73% of the Company's total non-current assets and 46% of the Company's total assets.

The history of continued losses and the depleting shareholders' fund reported by certain subsidiaries indicated that the carrying amount of the investment in subsidiaries may be impaired. Accordingly, the Company carried out impairment testing on these investment in subsidiaries by estimating the recoverable amount using VIU calculations.

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

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) evaluated the basis of preparing cash flow projection taking into consideration the assessment of management's historical budgeting accuracy; and
- (c) together with EY valuation specialist, evaluated the methodology applied and management's key assumptions used which comprise discount rate, forecast annual growth rates and terminal growth rate by making comparisons to historical trends, internal and external market data.

We have also evaluated the adequacy of the Group's 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 directors' report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the annual report which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

## Independent Auditors' Report

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

### Report on the audit of the financial statements (cont'd.)

#### *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)

### Report on the audit of the financial statements (cont'd.)

#### *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 the 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  
10 April 2019

**H'ng Boon Keng**  
No. 03112/08/2020 J  
Chartered Accountant



# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue	4	252,410	256,286	61,902	74,150
Cost of services	5	(85,389)	(89,471)	(22,844)	(22,692)
<b>Gross profit</b>		167,021	166,815	39,058	51,458
Interest income	6	944	1,265	1,799	2,122
Other income	7	8,839	9,811	1,874	2,082
Distribution expenses		(9,651)	(11,684)	(205)	(171)
Administrative expenses		(60,969)	(57,503)	(3,042)	(3,576)
Other expenses		(56,309)	(60,451)	(3,583)	(5,872)
<b>Operating profit</b>		49,875	48,253	35,901	46,043
Finance costs	8	(2,094)	(2,481)	(2,192)	(2,499)
<b>Profit before tax</b>	9	47,781	45,772	33,709	43,544
Income tax (expense)/credit	12	(5,660)	(5,684)	(5)	240
<b>Profit for the year</b>		42,121	40,088	33,704	43,784
<b>Other comprehensive income/(loss):</b>					
<b>Items that can be reclassified to profit or loss:</b>					
Fair value loss through other comprehensive income ("FVOCI") equity instruments		(90)	(10)	-	-
Foreign currency translation reserve		596	(1,242)	-	-
<b>Other comprehensive income/(loss), net of tax</b>		506	(1,252)	-	-
<b>Total comprehensive income for the year</b>		42,627	38,836	33,704	43,784
<b>Profit attributable to:</b>					
Equity holders of the Company		42,158	40,182	33,704	43,784
Non-controlling interests		(37)	(94)	-	-
		42,121	40,088	33,704	43,784
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		42,664	38,930	33,704	43,784
Non-controlling interests		(37)	(94)	-	-
		42,627	38,836	33,704	43,784
<b>Earnings per share attributable to equity holders of the Company</b>					
- Basic	13	3.40 sen	3.25 sen		
- Diluted	13	3.40 sen	3.24 sen		

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	15	103,010	110,825	6,436	6,562
Intangible assets	16	27,527	27,801	-	-
Investment in subsidiaries	17	-	-	78,615	77,515
Other investment	18	820	910	-	-
Receivables	20	1,815	122	21,772	22,782
Deferred tax assets	26	9,692	6,959	1,573	1,573
		142,864	146,617	108,396	108,432
<b>Current assets</b>					
Inventories	19	102	109	-	-
Receivables	20	22,572	14,810	41,327	66,825
Tax recoverable		7,021	11,877	821	1,325
Other financial asset	21	269	7,842	269	7,842
Deposits, cash and bank balances	22	53,669	83,506	20,127	54,749
		83,633	118,144	62,544	130,741
<b>Total assets</b>		<b>226,497</b>	<b>264,761</b>	<b>170,940</b>	<b>239,173</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Borrowings	23	9,636	9,988	9,000	9,000
Payables	24	47,360	112,201	20,258	80,167
Provisions		10,777	9,207	607	586
Contract liabilities	25	32,532	-	-	-
Current tax liabilities		464	241	-	-
		100,769	131,637	29,865	89,753
<b>Net current (liabilities)/assets</b>		<b>(17,136)</b>	<b>(13,493)</b>	<b>32,679</b>	<b>40,988</b>
<b>Non-current liabilities</b>					
Borrowings	23	25,881	34,789	25,250	34,250
Payables	24	4,060	3,812	1,068	490
Deferred tax liabilities	26	4,327	4,346	-	-
		34,268	42,947	26,318	34,740
<b>Total liabilities</b>		<b>135,037</b>	<b>174,584</b>	<b>56,183</b>	<b>124,493</b>
<b>Net assets</b>		<b>91,460</b>	<b>90,177</b>	<b>114,757</b>	<b>114,680</b>
<b>Equity attributable to equity holders of the Company</b>					
Share capital	27	147,707	147,503	147,707	147,503
Treasury shares	28	(37,486)	(37,486)	(37,486)	(37,486)
Share premium	29	-	-	-	-
Reserves	30	(17,761)	(18,877)	4,536	4,663
		92,460	91,140	114,757	114,680
Non-controlling interests		(1,000)	(963)	-	-
<b>Total equity</b>		<b>91,460</b>	<b>90,177</b>	<b>114,757</b>	<b>114,680</b>
<b>Total equity and liabilities</b>		<b>226,497</b>	<b>264,761</b>	<b>170,940</b>	<b>239,173</b>

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 2018

Group	Note	Non-distributable					Attributable to equity holders of the Company	Non-controlling interests	Total equity	
		Share capital (Note 27) RM'000	Treasury shares (Note 28) RM'000	Fair value reserve of financial assets at FVOCI (Note 30(b)) RM'000	Exchange translation reserve (Note 30(c)) RM'000	Share-based payment reserve (Note 30(d)) RM'000				Accumulated losses (Note 30) RM'000
At 1 January 2018		147,503	(37,486)	(30)	(503)	1,763	(20,107)	91,140	(963)	90,177
Effect of adoption of new accounting standards		-	-	-	-	-	(7,717)	(7,717)	-	(7,717)
As at 1 January 2018 (restated)		147,503	(37,486)	(30)	(503)	1,763	(27,824)	83,423	(963)	82,460
Profit for the year		-	-	-	-	-	42,158	42,158	(37)	42,121
Other comprehensive income/(loss) for the year, net of tax:										
Fair value loss on financial assets		-	-	(90)	-	-	-	(90)	-	(90)
Foreign currency translation		-	-	-	596	-	-	596	-	596
Total comprehensive income for the year		-	-	(90)	596	-	42,158	42,664	(37)	42,627
Transactions with owners:										
- Share-based payment	30(d)	204	-	-	-	228	-	432	-	432
- Dividend	14	-	-	-	-	-	(34,059)	(34,059)	-	(34,059)
At 31 December 2018		147,707	(37,486)	(120)	93	1,991	(19,725)	92,460	(1,000)	91,460

Group	Note	Non-distributable						Attributable to equity holders of the Company	Non-controlling interests	Total equity	
		Share capital	Treasury shares	Share premium	Available-for-sale financial assets reserve	Exchange translation reserve	Share-based payment reserve				Accumulated losses
		(Note 27) RM'000	(Note 28) RM'000	(Note 29) RM'000	(Note 30(b)) RM'000	(Note 30(c)) RM'000	(Note 30(d)) RM'000				(Note 30) 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 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	27(i)	(108,307)	-	-	-	-	-	-	(108,307)	-	(108,307)
- Issuance of bonus shares	27(ii)	51,592	-	(51,592)	-	-	-	-	-	-	-
- Share-based payment	30(d)	282	-	-	-	-	(782)	-	(500)	-	(500)
- Dividend	14	-	-	-	-	-	-	(43,337)	(43,337)	-	(43,337)
Adjustment for effects of Companies Act 2016	27(iii)	16,912	-	(16,912)	-	-	-	-	-	-	-
At 31 December 2017		147,503	(37,486)	-	(30)	(503)	1,763	(20,107)	91,140	(963)	90,177

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 2018

Company	Note	Non-distributable			Distributable		Total equity RM'000
		Share capital (Note 27) RM'000	Treasury shares (Note 28) RM'000	Share premium (Note 29) RM'000	Share-based payment reserve (Note 30(d)) RM'000	Retained profits (Note 30(a)) RM'000	
At 1 January 2018		147,503	(37,486)	-	1,763	2,900	114,680
Total comprehensive income for the year		-	-	-	-	33,704	33,704
Transactions with owners:							
- Share-based payment	30(d)	204	-	-	228	-	432
- Dividend	14	-	-	-	-	(34,059)	(34,059)
<b>At 31 December 2018</b>		<b>147,707</b>	<b>(37,486)</b>	<b>-</b>	<b>1,991</b>	<b>2,545</b>	<b>114,757</b>
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	27(i)	(108,307)	-	-	-	-	(108,307)
- Issuance of bonus shares	27(ii)	51,592	-	(51,592)	-	-	-
- Share-based payment	30(d)	282	-	-	(782)	-	(500)
- Dividend	14	-	-	-	-	(43,337)	(43,337)
Adjustment for effects of Companies Act 2016	27(iii)	16,912	-	(16,912)	-	-	-
<b>At 31 December 2017</b>		<b>147,503</b>	<b>(37,486)</b>	<b>-</b>	<b>1,763</b>	<b>2,900</b>	<b>114,680</b>

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 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		47,781	45,772	33,709	43,544
Adjustments for:					
Impairment loss of investment in subsidiaries	9, 17	-	-	1,190	4,346
Allowance for ECL on:					
- trade receivables	9, 20(c)	2,685	-	-	-
- amount due from a subsidiary	9, 20(b)	-	-	619	-
Unwinding of discount on amount due from a subsidiary	6, 8	-	-	(86)	147
Unrealised foreign currency exchange loss/(gain)	9	808	(80)	485	(460)
Dividend income	4	(46)	(56)	(34,211)	(49,385)
Interest income	6	(944)	(1,265)	(1,713)	(2,122)
Reversal of allowance for ECL on amounts due from a subsidiary	7, 9	-	-	(150)	-
Gain on disposal of property, plant and equipment	7, 9	(33)	(194)	-	-
Interest expense	8	2,094	2,481	2,192	2,352
Bad debts written off	9	6,256	2,022	43	8
Bad debts written back		-	-	(597)	-
Depreciation of property, plant and equipment	9, 15	12,196	13,235	161	214
Impairment loss of property, plant and equipment	9, 15	-	2,000	-	-
Property, plant and equipment written off	9, 15	6	332	-	-
Amortisation of development costs	9, 16(b)	17	28	-	-
Loss on disposal of subsidiaries	9, 17(a)	356	-	*	-
Share-based payment expense		432	(500)	(215)	(29)
Operating cash flows before changes in working capital		71,608	63,775	1,427	(1,385)
Changes in working capital					
Decrease/(Increase) in inventories		7	(11)	-	-
(Increase)/Decrease in trade and other receivables		(21,007)	4,215	196	572
(Decrease)/Increase in trade and other payables		7,397	(7,743)	27	514
Decrease in amount due from subsidiaries		-	-	9,049	15,152
Cash generated from/(used in) operations		58,005	60,236	10,699	14,853
Interest paid		(2,094)	(2,481)	(2,112)	(2,352)
Net taxes (paid)/refunded		(3,335)	(2,540)	499	-
<b>Net cash generated from/(used in) operating activities</b>		<b>52,576</b>	<b>55,215</b>	<b>9,086</b>	<b>12,501</b>

## Statements of Cash Flows

For the financial year ended 31 December 2018

		Group	Company
Note	2018 RM'000	2017 RM'000	2018 RM'000
2017 RM'000			
<b>Cash flows from investing activities</b>			
Interest received	975	1,065	939
Dividend received	46	56	34,211
Proceeds from disposal of property, plant and equipment	82	396	-
Purchase of property, plant and equipment	(3,629)	(5,809)	(35)
Net cash inflows for disposal of subsidiaries	17(a) 3	-	*
Withdrawal of other investments	7,573	27,884	7,573
<b>Net cash generated from investing activities</b>	5,050	23,592	42,688
<b>Cash flows from financing activities</b>			
Repayment of hire purchase and finance lease payables	(1,067)	(1,641)	-
(Repayment)/Drawdown of term loan	(9,000)	43,250	(9,000)
Capital repayment	27(i) -	(108,307)	-
Dividend paid	(77,396)	-	(77,396)
Drawdown/(Placement) of deposits with licensed banks and financial institutions with maturity of more than three months	1,078	(318)	1,083
<b>Net cash used in financing activities</b>	(86,385)	(67,016)	(85,313)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(28,759)	11,791	(33,539)
<b>Cash and cash equivalents at beginning of year</b>	73,761	61,970	45,149
<b>Cash and cash equivalents at end of year</b>	22 45,002	73,761	11,610
			45,149

\* 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 2018

## 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 10 April 2019.

## 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 2018, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2018.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 2 Classification and Measurement of Share-based 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

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 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group and the Company applied MFRS 9 retrospectively, with an initial application date of 1 January 2018. Under the transitional provisions of MFRS 9, the Group and the Company have elected not to restate the comparative information, which continues to be reported under MFRS 139. Differences arising from the adoption of MFRS 9 have been recognised in opening retained earnings.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

### 2.2 Changes in accounting policies (cont'd.)

#### (a) Classification and measurement

Under MFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's and the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's and the Company's business model was made as of the date of initial application on 1 January 2018. The assessment of whether contractual cash flows on debt instruments solely consist of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of MFRS 9 did not have a significant impact to the Group and the Company. The following are the changes in the classification of the Group's and the Company's financial assets:

#### (i) Trade and other receivables

Trade receivables and other receivables previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

#### (ii) Other investment

Quoted equity investments previously classified as available-for-sale financial assets are now classified and measured as financial assets at FVOCI.

#### (iii) Other financial assets

There was no changes to other financial asset previously classified as financial assets at fair value through profit or loss.

The Group has not designated any financial liabilities at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

#### (b) Impairment

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss ("ECL") model. Under MFRS 9, loss allowances will be measured on either 12-month ECLs or lifetime ECLs.

Upon adoption of MFRS 9, the Group and the Company did not have a significant effect on the financial statements except the recognition of additional impairment on the Group's trade receivables which resulted in a decrease in retained profits of RM760,000 as at 1 January 2018. The impact to the Group's impairment allowances is as below:

	Allowance for impairment under MFRS 139 as at 31 December 2017 RM'000	Additional allowance RM'000	ECL under MFRS 9 as at 1 January 2018 RM'000
Allowance for impairment losses	248	760	1,008



# Notes to the Financial Statements

For the financial year ended 31 December 2018

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

### 2.2 Changes in accounting policies (cont'd.)

#### (b) Impairment (cont'd.)

#### MFRS 15 Revenue from Contracts with Customers

MFRS 15 supersedes MFRS 111 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

MFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group and the Company adopted MFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group and the Company have elected to apply the standard to contracts that are not completed as at 1 January 2018.

The cumulative effect of initially applying MFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under MFRS 118.

Upon adoption of MFRS 15, the Group and the Company did not have a significant effect on the financial statements except:

- (a) decrease in other payables and accruals which resulted in a decrease in retained earnings by RM6,957,000 as at 1 January 2018 as below and further detailed in Note 2.21(a)(ii); and
- (b) unfulfilled performance obligations referred as fees received in advance included in payables is reclassified as contract liabilities as further disclosed in Note 24 and 25.

#### Consolidated statement of financial position

	As at 31 December 2017 RM'000	MFRS 15 adjustments		As at 1 January 2018 RM'000
		Note (a) RM'000	Note (b) RM'000	
<b>Group</b>				
<b>Contract liabilities</b>				
Fees received in advance	-	6,957	17,332	24,289
<b>Payables</b>				
<b>Trade</b>				
Fees received in advance	17,332	-	(17,332)	-

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

### 2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
MFRS 16 Leases	1 January 2019
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement	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
Amendments to MFRS 2 Share-based Payment	1 January 2020
Amendments to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14 Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendments to MFRS 137 Provision, Contingent Liabilities and Contingent Asset	1 January 2020
Amendments to MFRS 138 Intangible Assets	1 January 2020
Amendments to IC Interpretation 12 Service Concession Agreements	1 January 2020
Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132 Intangible Assets-Website Costs	1 January 2020
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

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

#### 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, the Group as a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset (i.e. the right-of-use 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.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events such as a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments. The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

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

#### MFRS 16 Leases (cont'd.)

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. As at 31 December 2018, the Group and the Company have commitments from non-cancellable operating leases amounting to RM159,435,000 and RM143,074,000, respectively, as further detailed in Note 31(b). The Group and the Company will choose to apply the standard using a modified retrospective approach and the full impact of MFRS 16 is currently being reviewed by management to determine the extent of these commitments will result in the recognition of right-of-use assets and interest expense on lease liabilities for future payments, effect of income statement and the classification of cash flows of the Group and the Company. Other than the commitments above, the Group and the Company elected to apply exemption for commitments expiring within 12 months and low value assets under the requirements of MFRS 16.

### 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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

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

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

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.

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 re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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.



## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

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

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

##### Business combinations and goodwill (cont'd.)

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.

#### 2.5 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 2018

## 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.

### 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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### 2.8 Intangible assets (cont'd.)

##### Research and development costs

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

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

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

#### 2.9 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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

### 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.

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 2018 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.



## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### 2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term deposits which have a maturity of three months or less, 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.

#### 2.14 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

##### (i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payment of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### 2.14 Financial instruments (cont'd.)

##### (a) Financial assets (cont'd.)

##### (ii) Subsequent measurement

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

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

##### Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group and the Company's financial assets at amortised cost include trade and other receivables and deposits, cash and bank balances.

##### Financial assets at fair value through OCI (debt instruments)

The Group and the Company measure debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's and the Company's debt instruments at fair value through OCI includes investments in quoted equity shares included under other non-current financial assets.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### 2.14 Financial instruments (cont'd.)

##### (a) Financial assets (cont'd.)

##### (ii) Subsequent measurement (cont'd.)

###### Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Unquoted shares in Malaysia previously classified as available-for-sale financial assets is now classified and measured as fair value through OCI. The Group and the Company elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future. There was no impairment losses recognised in profit or loss for these investments in prior periods.

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. 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 with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes investment security under other financial asset.

##### (iii) 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 2018

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

#### 2.14 Financial instruments (cont'd.)

##### (a) Financial assets (cont'd.)

###### (iii) 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

###### (i) Initial recognition and measurement

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

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

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

###### (ii) Subsequent measurement

###### Loans and borrowings

After initial recognition, trade and other payables, interest-bearing 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.

###### (iii) 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 statements of profit or loss.

##### (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.



## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### 2.15 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments carried at amortised cost and fair value through OCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other financial assets including investment securities, short-term deposits and cash and cash equivalents are placed with reputable financial institutions. The Group and the Company consider these counterparties have a low risk of default and a strong capacity to meet contractual cash flows, and are of low credit risk. The impairment provision is determined based on the 12-month ECL.

The Group and the Company consider a financial asset in default when contractual payments are 30 to 180 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 2.16 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 and the Company incurred in connection with the borrowing of funds.

#### 2.17 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 and the Company. 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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

### 2.17 Employee benefits (cont'd.)

#### (b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group and the Company 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 and the Company receive remuneration in the form of share options as consideration for services rendered.

#### Equity-settled transactions

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 using an appropriate valuation model. 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.

### 2.18 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 and the Company are 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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### 2.18 Leases (cont'd.)

##### (a) As lessee (cont'd.)

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group and the Company 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 and the Company do 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 2.21(d).

#### 2.19 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.

#### 2.20 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.

#### 2.21 Revenue and other income

The Group and the Company recognise revenue from contracts with customers for the provision of education services and sale of goods based on the five-step model as set out below:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

### 2.21 Revenue and other income (cont'd.)

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or

Create or enhance an asset that the customer controls as the asset is created or enhanced; or

Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

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 followings describes the performance obligations in contracts with customers:

#### (a) Educational services

Educational services revenue comprise:

##### (i) Tuition fees

Tuition fees are recognised over a period of time when the services are rendered.

##### (ii) Facility fees

In the previous financial years, the Group recognised student's facility fees at a point in time. During the current financial year, the Group changed the accounting policy whereby the student's facility fees are recognised over a period of time when the services are rendered in accordance to the new standard.

##### (iii) Administration fees

Administration fees from application services are recognised when the services are rendered at a point in time.

#### b) Sale of goods

Sales are recognised net of returns and trade discount when the services or goods are rendered at a point in time.

#### (c) Management fee

Management fees are recognised when services are rendered.

#### (d) 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.

#### (e) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### (f) Interest income

Interest income recognised on an accrual basis that reflects the effective yield of the asset.



## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### 2.22 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 and the Company operate 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.

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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

### 2.22 Income taxes (cont'd.)

#### (b) Deferred tax (cont'd.)

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 Service 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.

### 2.23 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.

### 2.24 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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### 2.25 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

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.

#### 2.26 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### 2.27 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).

### 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.

#### (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

##### (i) 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.

##### (ii) 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(b) respectively.



# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 4. Revenue

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Educational services rendered	250,737	254,539	-	-
Non-educational services rendered	603	536	732	732
Management fee	-	-	9,527	8,476
Rental income	402	559	17,432	15,557
Dividend income	46	56	34,211	49,385
Sale of eyecare and healthcare related products	622	596	-	-
	252,410	256,286	61,902	74,150

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 is as follows:

Educational services rendered - Contract liabilities (Note 25)

	Group 2018 RM'000
Within one year	31,623
More than one year	909
	32,532

## 5. Cost of services

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Salaries and related expenses	67,517	66,116	-	-
Other direct costs	17,872	23,355	22,844	22,692
	85,389	89,471	22,844	22,692

Included in other direct costs are the followings:

Operating lease expenses	-	-	19,545	19,457
Agent fee	10,657	14,818	-	-
Incentive to staff	1,157	1,158	-	-
Students' direct expenses	1,440	1,636	-	-
Sharing and royalty fees	1,784	1,398	-	-
Library, lab and workshop expenses	927	899	-	-
Management fees	200	509	3,299	3,235
Examination fees	-	284	-	-
Cost of goods sold	238	243	-	-
Others	1,469	2,410	-	-
	17,872	23,355	22,844	22,692

# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 6. Interest income

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Interest income from:				
Subsidiaries	-	-	805	894
Fixed deposits	944	1,265	908	1,228
Unwinding of discount on amount due from a subsidiary	-	-	86	-
	944	1,265	1,799	2,122

## 7. Other income

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Hostel related income		3,904	3,221	-	-
Student deposits forfeited		1,453	475	-	-
Gain on foreign currency exchange		-	386	-	912
Gain on disposal of property, plant and equipment	9	33	194	-	-
Fair value gain on other financial assets		152	181	152	181
Laboratory fees		33	11	-	-
Bad debt written back on amounts due to subsidiaries	9	-	-	597	-
Accounting service fees from subsidiaries		-	-	960	960
Compensation from Authority		-	3,060	-	-
Reversal of allowance for ECL on amounts due from a subsidiary	9	-	-	150	-
Others		3,264	2,283	15	29
		8,839	9,811	1,874	2,082

## 8. Finance costs

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Interest expense on:				
Hire purchase liabilities	78	129	-	-
Overdraft	-	13	12	13
Term loan	2,016	2,339	2,016	2,339
Loans from subsidiary companies	-	-	164	-
Unwinding of discount on amount due from a subsidiary	-	-	-	147
	2,094	2,481	2,192	2,499

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 9. Profit before tax

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

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Auditors' remunerations:					
- current year					
- Ernst & Young		451	389	120	115
- overseas member firms of Ernst & Young		37	37	-	-
- other auditors		110	114	-	-
- under/(over) provision in prior years					
- Ernst & Young		38	(1)	-	-
- other auditors		4	-	-	-
Non-audit fees for services rendered by:					
- Ernst & Young		79	84	27	17
- others		96	87	-	-
- underprovision in prior years					
- Ernst & Young		7	-	7	-
Employee benefits expense	10	107,767	107,590	1,435	1,547
Operating lease rentals in respect of leased:					
- premises		27,408	28,237	19,545	19,457
- hostels		1,600	2,025	-	-
- equipments		487	358	-	-
Foreign currency exchange loss/(gain):					
- realised		29	(281)	(158)	(426)
- unrealised		808	(80)	485	(460)
Depreciation and amortisation of:					
- property, plant and equipment	15	12,196	13,235	161	214
- development costs	16	17	28	-	-
Gain on disposal of:					
- property, plant and equipment	7	(33)	(194)	-	-
- subsidiaries	17(a)	356	-	*	-
Allowance for ECL on:					
- trade receivables	20(c)	2,685	-	-	-
- amounts due from a subsidiary	20(b)	-	-	619	-
Allowance for impairment loss of:					
- investment in subsidiaries	17	-	-	1,190	4,346
- property, plant and equipment	15	-	2,000	-	-
Write offs of:					
- property, plant and equipment	15	15	332	-	-
- bad debts		6,256	2,022	43	8
Bad debt written back on amounts due to subsidiaries	7	-	-	597	-
Reversal of allowance for ECL on amounts due from a subsidiary	7	-	-	(150)	-

\* Less than RM1,000

# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 10. Employee benefits expense

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Employee benefits expense:	9				
Salaries, wages, bonuses and allowances		92,697	93,142	1,472	1,388
Defined contribution plan		10,254	10,201	156	151
Social security contributions		989	928	2	2
Share-based payment expense		432	(500)	(215)	(29)
Other benefits		3,395	3,819	20	35
		107,767	107,590	1,435	1,547

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM803,000 (2017: RM1,472,000) and RM803,000 (2017: RM782,000), respectively as further disclosed in Note 11.

## 11. Directors' remuneration

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

	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Executive/Non-Executive:				
Salaries and other emoluments	642	1,155	642	618
Bonus	75	159	75	80
Defined contribution plan	86	158	86	84
Total executive/Non-Executive directors' remuneration excluding benefits-in-kind	803	1,472	803	782
Estimated money value of benefits-in-kind	31	52	31	31
Total executive/Non-Executive directors' remuneration including benefits-in-kind	834	1,524	834	813
Non-executive:				
Fees	266	236	266	236
Total directors' remuneration including benefits-in-kind	1,100	1,760	1,100	1,049

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

	Group 2018	Group 2017	Company 2018	Company 2017
<b>Executive directors:</b>				
RM100,001 – RM150,000	1	1	1	1
RM650,001 – RM700,000	1	1	1	1
<b>Non-executive directors:</b>				
Below RM50,001	2	2	2	3
RM50,001 – RM100,000	4	3	4	3
RM700,001 – RM750,000	-	1	-	-



## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 12. Income tax expense/(credit)

The major components of income tax for the years ended 31 December 2018 and 2017 are as follows:

Note	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current income tax:				
Malaysia income tax	8,104	1,439	-	-
Foreign income tax	274	348	-	-
Under provision of Malaysian income tax in respect of prior years	162	463	5	-
	8,540	2,250	5	-
Deferred tax:	26			
Origination and reversal of temporary differences	(2,662)	4,383	-	-
Over provision in respect of prior years	(218)	(949)	-	(240)
	(2,880)	3,434	-	(240)
Income tax expense/(credit) recognised in profit or loss	5,660	5,684	5	(240)

Domestic current income tax is calculated at the Malaysia statutory tax rate of 24% (2017: 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 2018 and 2017 are as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Profit before tax	47,781	45,772	33,709	43,544
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	11,467	10,985	8,090	10,451
Adjustments:				
Non-deductible expenses	1,431	1,901	391	1,012
Income not subject to tax	(5,395)	(5,405)	(8,247)	(11,896)
Deferred tax assets not recognised	3,707	2,427	308	433
Utilisation of previously unrecognised deferred tax assets	(3,593)	(655)	(542)	-
Utilisation of current year's allowance for increased export of service	(214)	(816)	-	-
Different tax rate of certain subsidiaries	(1,687)	(2,267)	-	-
Under/(over) provision in respect of prior years:				
- income tax	162	463	5	-
- deferred tax	(218)	(949)	-	(240)
Income tax expense/(credit) recognised in profit or loss	5,660	5,684	5	(240)

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

Tax savings during the financial years arising from:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Utilisation of previously unrecognised:				
Tax losses	(3,346)	(132)	(542)	-
Capital allowance	(247)	(523)	-	-
Utilisation of current year's allowance for increased export of service	(214)	(816)	-	-
	(3,807)	(1,471)	(542)	-

### 13. Earnings per share

#### Continuing operations

#### (a) Basic

Basic earnings per share are calculated by dividing the Group's profit net of tax, attributable to equity holders of the Company of RM42,158,000 (2017: RM40,182,000) by the weighted average number of ordinary shares in issue during the financial year, net of treasury shares, of approximately 1,238,411,000 (2017: 1,238,120,000).

#### (b) Diluted

Diluted earnings per share are calculated by dividing profit 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.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2018	2017
Profit attributable to equity holders of the Company (RM'000)	42,158	40,182
Weighted average number of ordinary shares ('000)	1,238,411	1,238,120
Effect of dilution ('000)		
- Shares Grant Plan ("SGP")	653	351
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,239,064	1,238,471
<b>Basic earnings per share (sen):</b>		
Basic earnings per share for profit for the year, net of tax	3.40	3.25
<b>Diluted earnings per share (sen):</b>		
Diluted earnings per share for profit for the year, net of tax	3.40	3.24

# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 13. Earnings per share (cont'd.)

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

In the current financial year, 1,886,162 (2017: 1,136,000) share options vested by employees (out of total number of ESOS option of 24,965,000 allocated) under the existing employee share option scheme that have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

## 14. Dividends

	Company	
	2018 RM'000	2017 RM'000
<b>Recognised during the financial year:</b>		
<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
<u>In respect of the financial year ended 31 December 2018:</u>		
Interim single tier dividend of RM0.0275 per ordinary share paid on 15 November 2018	34,059	-
	34,059	43,337

## 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
<b>Group</b>									
<b>At 31 December 2018</b>									
<b>Net book value</b>									
At 1 January 2018	4,250	4,894	55,546	2,863	40,189	1,609	1,097	377	110,825
Additions	-	-	-	760	2,224	232	934	286	4,436
Reclassification	-	-	-	14	286	-	-	(300)	-
Disposals	-	-	-	-	(49)	-	-	-	(49)
Written off (Note 9)	-	-	-	-	(5)	(1)	-	-	(6)
Depreciation charge (Note 9)	-	(6)	(1,224)	(1,691)	(8,082)	(725)	(468)	-	(12,196)
At 31 December 2018	4,250	4,888	54,322	1,946	34,563	1,115	1,563	363	103,010
Cost	4,250	4,963	68,148	16,151	102,619	8,690	4,362	363	209,546
Accumulated depreciation	-	(75)	(11,826)	(14,205)	(68,056)	(7,575)	(2,799)	-	(104,536)
Accumulated impairment loss	-	-	(2,000)	-	-	-	-	-	(2,000)
Net book value	4,250	4,888	54,322	1,946	34,563	1,115	1,563	363	103,010

# Notes to the Financial Statements

For the financial year ended 31 December 2018

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

	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
<b>Group</b>									
<b>At 31 December 2017</b>									
<b>Net book value</b>									
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

# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 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
<b>Company</b>						
<b>At 31 December 2018</b>						
<b>Net book value</b>						
At 1 January 2018	4,250	2,124	66	122	-	6,562
Addition	-	-	-	35	-	35
Depreciation charge (Note 9)	-	(77)	(57)	(27)	-	(161)
At 31 December 2018	4,250	2,047	9	130	-	6,436
Cost	4,250	3,876	607	308	441	9,482
Accumulated depreciation	-	(1,829)	(598)	(178)	(441)	(3,046)
Net book value	4,250	2,047	9	130	-	6,436
<b>At 31 December 2017</b>						
<b>Net book value</b>						
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



## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

- (a) During the financial year, the Group acquired property, plant and equipment at aggregate cost of RM4,436,000 (2017: RM5,990,000) of which RM807,200 (2017: RM124,000) were acquired by means of hire purchase.

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

	Group	
	2018 RM'000	2017 RM'000
Fixtures, fittings and office equipment	2,028	2,237
Motor vehicles	1,393	1,038
	3,421	3,275

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 RM42,702,000 (2017: RM43,602,000) and RM6,297,000 (2017: RM6,375,000), respectively.
- (c) In the previous financial year, a subsidiary, SEGi Assets Sdn Bhd, recognised an impairment loss of RM2,000,000 representing the write-down of its building to the estimated recoverable amount based on its fair value less costs of disposal.

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

	Note	Goodwill RM'000	Development costs RM'000	Total RM'000
<b>Group</b>				
<b>Cost</b>				
At 1 January 2017 / 31 December 2017		35,016	7,045	42,061
Disposal of subsidiaries	17(a)	(257)	-	(257)
At 31 December 2018		34,759	7,045	41,804
<b>Accumulated amortisation</b>				
At 1 January 2017		(7,238)	(6,994)	(14,232)
Amortisation	9	-	(28)	(28)
At 31 December 2017		(7,238)	(7,022)	(14,260)
Amortisation	9	-	(17)	(17)
At 31 December 2018		(7,238)	(7,039)	(14,277)
<b>Net carrying amount</b>				
At 31 December 2017		27,778	23	27,801
At 31 December 2018		27,521	6	27,527

# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 16. Intangible assets (cont'd.)

### (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 5-year period (2017: 5-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 15% (2017: 13%) 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% (2017: 3% - 11%) are applied to the five years cash flow projections.
- (v) Terminal growth rate of 1% (2017: 1%) represents the growth rate applied to extrapolate post-tax cash flow beyond the five year financial budget period.

### 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	
	2018 RM'000	2017 RM'000
<b>Unquoted shares at cost:</b>		
At 1 January	86,656	90,094
ESOS options and PSP Grant shares granted to employees of subsidiaries/(forfeited by the Company)	647	(471)
Fair value loss/(gain) on amount due from a subsidiary	1,643	(2,967)
Disposal of subsidiary during the year	(500)	-
At 31 December	88,446	86,656
<b>Accumulated impairment losses:</b>		
At 1 January	(9,141)	(4,795)
Additions during the financial year (Note 9)	(1,190)	(4,346)
Disposal during the year	500	-
At 31 December	(9,831)	(9,141)
	78,615	77,515

# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 17. Investment in subsidiaries (cont'd.)

The details of the subsidiaries are as follows:

Name of Company	Effective equity interest		Principal activities
	2018 %	2017 %	
Incorporated in Malaysia:			
SEGi College (KL) Sdn. Bhd.*	100	100	Provision of professional, commercial and academic education.
PDCE Resources Sdn. Bhd. (formerly known as SEGi Human Capital Training & Development 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.
PMDC Learning Alliance (EM) Sdn. Bhd. (formerly known as SMRC Learning Alliance (EM) Sdn.Bhd.)**	100	100	Provision of management consultancy services and investment holding.
Held through subsidiaries:			
SEGi University Sdn. Bhd.*	100	100	Provision of professional, commercial and academic education.
SEGi EyeCare Sdn. Bhd.**	100	100	Provision of eye care and optometry related services.
SMRC Learning Alliance (KL) Sdn. Bhd.**	100	100	Provision of educational and training services.
SEGi College (Sarawak) Sdn. Bhd.**	100	100	Operation of an educational institution for further studies.
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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 17. Investment in subsidiaries (cont'd.)

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

Name of Company	Effective equity interest		Principal activities
	2018 %	2017 %	
<b>Held through subsidiaries (cont'd.):</b>			
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.
SEGi Properties (M) Sdn. Bhd.**	100	100	Investment property holding.
SEGi DentalCare Sdn. Bhd.**	100	100	Provision of dental care and training services.
SEGi EduHub Sdn. Bhd.**	100	100	Property investment and development.
Metromas Realtors Sdn. Bhd.*	100	100	Investment holding and property investment.
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.
<b>Incorporated in Republic of Mauritius:</b>			
Worldwide Accreditation Ltd.***	100	100	Provision of licensing and accreditation of educational programmes.
<b>Incorporated in Republic of China (Hong Kong):</b>			
Darson Limited**	100	100	Provision of education and recruitment services and other related services.
Karden Limited**	100	100	Provision of education and recruitment services.
<b>Disposed subsidiaries:</b>			
SEGi Diversified Sdn. Bhd.**	-	100	Investment holding.
SEGi Methods Sdn. Bhd.**	-	100	Investment holding.
SEGi Land (M) Sdn. Bhd.*	-	100	Property investment.
SEGi Youth Training Sdn. Bhd.**	-	100	Provision of training services.
Pusat Kemahiran Maju Ria Sdn. Bhd.**	-	100	Provision of educational and training services.
I-Station Solutions Sdn. Bhd.**	-	100	Provision of E-learning solutions.
Skills Malaysia INVITE Sdn. Bhd.**	-	100	Dormant.

\* 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 Financial Statements

For the financial year ended 31 December 2018

### 17. Investment in subsidiaries (cont'd.)

#### (a) Disposal of subsidiaries

On 5 September 2018, the Group disposed the following 7 subsidiaries for a cash consideration of RM3,000 to a third party:

- (i) SEGi Diversified Sdn. Bhd.;
- (ii) SEGi Methods Sdn. Bhd. and its subsidiary, SEGi Land (M) Sdn. Bhd.;
- (iii) SEGi Youth Training Sdn. Bhd.;
- (iv) Pusat Kemahiran Maju Ria Sdn. Bhd.;
- (v) I-Station Solutions Sdn Bhd; and
- (vi) Skills Malaysia INVITE Sdn. Bhd.

Upon the disposal, these 7 subsidiaries were deconsolidated from the Group's financial statements since the Group had lost control over these subsidiaries effective on 5 September 2018.

In the current financial year, the deconsolidation of these 7 subsidiaries had the following effects:

	Note	Group 2018 RM'000	Company 2018 RM'000
Consideration received		3	*
Less: Net asset		(122)	-
Add : Net liability deconsolidated		20	-
Less: Goodwill	16	(257)	-
Loss on deconsolidation	9	(356)	*
Cash flows arising from deconsolidation			
Consideration received		3	*
Less: Cash and cash equivalents of deconsolidation		-	-
Net cash inflows on deconsolidation		3	*

\* Less than RM1,000

#### (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 applied, the recoverable amount was estimated to be lower than the carrying amount and an impairment loss amounting to RM1,190,000 (2017: RM4,346,000) was recognised and included in other expenses in the profit or loss.

The value-in-use was calculated using cash flow projections based on financial budget approved by the Board of Directors covering a 5 year period (2017: 5 year period).

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

- (i) Pre-tax discount rate of 15% (2017: 13%).
- (ii) Revenue annual growth rate of 3% to 11% (2017: 3% to 11%)
- (iii) Terminal growth rate of 1% (2017: 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 2018

### 18. Other investment

	2018 RM'000	Group 2017 RM'000
<b>Non current:</b>		
<b>Fair value through other comprehensive income</b>		
Quoted equity investments in Malaysia	820	910

The Group designated its investments in quoted shares as equity instruments at fair value through other comprehensive income.

### 19. Inventories

	2018 RM'000	Group 2017 RM'000
<b>At lower of cost and net realisable value</b>		
Eyecare and health related products	102	109

Inventories represent eyecare and healthcare products for sale stated at lower of cost and net realisable value.

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM238,000 (2017: RM243,000).

### 20. Receivables

	Note	2018 RM'000	Group 2017 RM'000	2018 RM'000	Company 2017 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Deposits	(a)	1,815	122	-	-
Amounts due from a subsidiary	(b)	-	-	21,772	22,782
		1,815	122	21,772	22,782
<b>Current</b>					
<b>Trade</b>					
Trade receivables	(c)	21,943	5,539	-	-
Less: Write-off	9	(6,256)	-	-	-
Less: Allowance for ECL		(3,577)	(248)	-	-
		12,110	5,291	-	-
<b>Non-trade</b>					
Other receivables, deposits and prepayments	(a)	10,959	10,073	986	1,215
Less: Allowance for ECL		(497)	(554)	-	-
		10,462	9,519	986	1,215

# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 20. Receivables (cont'd.)

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Amounts due from subsidiaries		-	-	40,341	65,610
Total current trade and other receivables		22,572	14,810	41,327	66,825
Total trade and other receivables (non-current and current)		24,387	14,932	63,099	89,607
Add: Deposits, cash and bank balances	22	53,669	83,506	20,127	54,749
Less: Prepayments		(4,091)	(4,623)	(403)	(251)
Total financial assets carried at amortised cost		73,965	93,815	82,823	144,105

### (a) Other receivables, deposits and prepayments

Included in other receivables are amounts due from a company which a director has interest ("DRC") amounting to RM1,647,851. The amounts arose from cost sharing arrangements between the Group and the DRC and the amounts had been fully recovered subsequent to the year end.

#### Other receivables that are impaired

The Group's applies the simplified approach whereby allowance for impairment are measured at lifetime ECL. Movement in allowance for ECL:

	Group Individually impaired	
	2018 RM'000	2017 RM'000
Other receivables - nominal amounts	497	554
Less: Allowance for ECL	(497)	(554)
	-	-

Movement in allowance for ECL:

	Group	
	2018 RM'000	2017 RM'000
At 1 January	554	554
Write-off	(57)	-
At 31 December	497	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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 20. Receivables (cont'd.)

#### (b) Amounts due from subsidiaries

	Company	
	2018 RM'000	2017 RM'000
Interest bearing	62,014	88,050
Non-interest bearing	99	342
	62,113	88,392

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% (2017: 1% to 5%) per annum.

#### Amount due from subsidiaries that are impaired

The Company applies the simplified approach whereby allowance for impairment are measured at lifetime ECL. Movement in allowance for ECL:

	Company Individually impaired	
	2018 RM'000	2017 RM'000
Other receivables - nominal amounts	8,297	8,470
Less: Allowance for ECL	(8,297)	(8,470)
	-	-

Movement in allowance for ECL:

		Company	
	Note	2018 RM'000	2017 RM'000
At 1 January		8,470	8,470
Charge for the year	9	619	-
Write-off		(792)	-
At 31 December		8,297	8,470

Amount due from subsidiaries that are individually determined to be impaired at the reporting date relate to subsidiaries that are in significant financial difficulties and have defaulted on payments. These amount due from subsidiaries are not secured by any collateral or credit enhancements.

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	
	2018 RM'000	2017 RM'000
Hong Kong Dollar ("HKD")	-	221

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 20. Receivables (cont'd.)

#### (c) Trade receivables

The normal trade credit terms granted by the Group ranged from 30 to 180 days (2017: 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. The Group recognises a loss allowance based on lifetime ECL at each reporting date.

##### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	<b>Group</b>	
	<b>2018 RM'000</b>	<b>2017 RM'000</b>
Neither past due nor impaired	12,110	5,291
Write-off	6,256	-
Impaired	3,577	248
	<b>21,943</b>	<b>5,539</b>

##### Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Most of the Group's trade receivables arise from students under the Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN") loan scheme.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

##### Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for ECL used to record the impairment are as follows:

	<b>Individually impaired</b>	
	<b>2018 RM'000</b>	<b>2017 RM'000</b>
<b>Group</b>		
Trade receivables - nominal amounts	3,577	248
Less: Allowance for ECL	(3,577)	(248)
	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 20. Receivables (cont'd.)

#### (c) Trade receivables (cont'd.)

Trade receivables that are neither past due nor impaired (cont'd.)

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for ECL used to record the impairment are as follows: (cont'd.)

Movement in allowance for ECL:

	Note	2018 RM'000	2017 RM'000
At 1 January		248	248
Effect of MFRS 9 adoption		760	-
At 1 January, restated		1,008	248
Charge for the year	9	2,685	-
Write-off		(116)	-
At 31 December		3,577	248

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.

### 21. Other financial asset

	Group/Company 2018 RM'000	2017 RM'000
<b>Current:</b>		
<b>Fair value through profit or loss</b>		
Investment security	269	7,842

### 22. Deposits, cash and bank balances

	Note	Group 2018 RM'000	2017 RM'000	Company 2018 RM'000	2017 RM'000
Short-term deposits with financial institutions		7,503	40,894	7,503	40,894
Fixed deposits with licensed banks	(a)	8,667	9,745	8,517	9,600
Cash and bank balances		37,499	32,867	4,107	4,255
		53,669	83,506	20,127	54,749



## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 22. Deposits, cash and bank balances (cont'd.)

- (a) Fixed deposits with licensed banks of the Group and of the Company amounting to approximately RM5,067,000 (2017: RM9,745,000) and RM4,917,000 (2017: RM9,600,000) 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	
	2018	2017	2018	2017
WAEIR (%)	2.71	3.15	2.72	3.15
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	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Deposits, cash and bank balances	53,669	83,506	20,127	54,749
Less: Deposits with licensed banks with maturity of more than three months	(8,667)	(9,745)	(8,517)	(9,600)
Total cash and cash equivalents	45,002	73,761	11,610	45,149

### 23. Borrowings

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Non-current:</b>					
Secured					
Hire purchase liabilities	(a)	631	539	-	-
Term loan	(b)	25,250	34,250	25,250	34,250
		25,881	34,789	25,250	34,250
<b>Current:</b>					
Secured					
Hire purchase liabilities	(a)	636	988	-	-
Term loan	(b)	9,000	9,000	9,000	9,000
		9,636	9,988	9,000	9,000
		35,517	44,777	34,250	43,250

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 23. Borrowings (cont'd.)

#### (a) Hire purchase liabilities

	2018 RM'000	Group 2017 RM'000
Minimum lease payments:		
- repayable within 1 year	697	1,032
- repayable between 1 year to 5 years	672	585
	1,369	1,617
Less: Future finance charges	(102)	(90)
Present value	1,267	1,527

The net hire purchase liabilities are repayable as follows:

	2018 RM'000	Group 2017 RM'000
Non-current:		
- repayable between 1 year to 5 years	631	539
Current:		
- not later than 1 year	636	988
	1,267	1,527

The hire purchase liabilities at the end of the reporting period bore effective interest rates ranging from 4.5% to 6.4% (2017: 4.6% to 6.4%) per annum.

#### (b) Term Loan

	Group/Company 2018 RM'000	2017 RM'000
<b>Non-current:</b>		
Secured		
- repayable between 1 year to 2 years	9,000	9,000
- repayable between 2 to 5 years	16,250	25,250
	25,250	34,250
<b>Current:</b>		
Secured		
- repayable within 1 year	9,000	9,000
	34,250	43,250

During the current financial year, the term loan bore a weighted average effective interest rate of 5.55% (2017: 5.4%) per annum.

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

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 23. Borrowings (cont'd.)

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

	1 January 2018 RM'000	New borrowings RM'000	Cash flows repayment RM'000	Other RM'000	31 December 2018 RM'000
<b>Group</b>					
Term loan:					
Non-current	34,250	-	-	(9,000)	25,250
Current	9,000	-	(9,000)	9,000	9,000
	43,250	-	(9,000)	-	34,250
Hire purchase liabilities:					
Non-current	539	728	-	(636)	631
Current	988	79	(1,067)	636	636
	1,527	807	(1,067)	-	1,267
Total liabilities from financing activities	44,777	807	(10,067)	-	35,517
<b>Company</b>					
Term loan:					
Non-current	34,250	-	-	(9,000)	25,250
Current	9,000	-	(9,000)	9,000	9,000
Total liabilities from financing activities	43,250	-	(9,000)	-	34,250
	1 January 2017 RM'000	New borrowings RM'000	Cash flows repayment RM'000	Other RM'000	31 December 2017 RM'000
<b>Group</b>					
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

# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 23. Borrowings (cont'd.)

A reconciliation of liabilities arising from financing activities is as follows (cont'd.):

	1 January 2017 RM'000	New borrowings RM'000	Cash flows repayment RM'000	Other RM'000	31 December 2017 RM'000
<b>Company</b>					
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.

## 24. Payables

		<b>Group</b>		<b>Company</b>	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Deposits		4,060	3,812	1,068	490
<b>Current</b>					
<b>Trade</b>					
Trade payables	(a)	87	93	-	-
Fees received in advance		-	17,332	-	-
		87	17,425	-	-
<b>Non-trade</b>					
Other payables and accruals		47,273	51,439	2,142	2,801
Dividend payable		-	43,337	-	43,337
Amounts due to subsidiaries	(b)	-	-	18,116	34,029
		47,273	94,776	20,258	80,167
		47,360	112,201	20,258	80,167

# Notes to the Financial Statements

For the financial year ended 31 December 2018

## 24. Payables (cont'd.)

	Note	Group		Company	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Total trade and other payables (current and non-current)		51,420	116,013	21,326	80,657
Add: Borrowings	23	35,517	44,777	34,250	43,250
Less: Fees received in advance		-	(17,332)	-	-
Less: Dividend payable		-	(43,337)	-	(43,337)
Total financial liabilities carried at amortised cost		86,937	100,121	55,576	80,570

### (a) Trade payables

The normal trade credit terms granted to the Group ranged from 30 to 90 days (2017: 30 to 90 days).

### (b) 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	
	2018 RM'000	2017 RM'000
United States Dollar ("USD")	4,134	9,324

## 25. Contract liabilities

	Group 2018 RM'000
Fees received in advance	32,532
<b>At 1 January</b>	-
Adjustment on initial application of MFRS 15	24,289
Opening balance under MFRS 15	24,289
Deferred during the year	181,591
Recognised as revenue during the year	(173,348)
<b>At 31 December</b>	32,532

In the prior year, contract liabilities were referred as fees received in advance and included in payables as disclosed in Note 24.



## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 26. Deferred tax assets/(liabilities)

Deferred tax as at 31 December relates to the following:

	As at 1 January 2017 RM'000	Recognised in profit or loss RM'000	As at 31 December 2017 RM'000	Recognised in profit or loss RM'000	As at 31 December 2018 RM'000
<b>Group</b>					
<b>Deferred tax assets</b>					
Unabsorbed capital allowances	1,264	(145)	1,119	(590)	529
Unused tax losses	3,513	(1,319)	2,194	79	2,273
Unutilised tax credit	1,355	(1,355)	-	-	-
Other temporary differences	4,758	(1,112)	3,646	3,244	6,890
	10,890	(3,931)	6,959	2,733	9,692
<b>Deferred tax liability</b>					
Property, plant and equipment	(4,843)	497	(4,346)	19	(4,327)
	6,047	(3,434)	2,613	2,752	5,365
<b>Company</b>					
<b>Deferred tax assets</b>					
Unabsorbed capital allowances	1,154	(413)	741	(345)	396
Unused tax losses	717	422	1,139	341	1,480
	1,871	9	1,880	(4)	1,876
<b>Deferred tax liability</b>					
Property, plant and equipment	(538)	231	(307)	4	(303)
	1,333	240	1,573	-	1,573
<b>Presented after appropriate offsetting as follows:</b>					
	Group		Company		
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	
Deferred tax assets	9,692	6,959	1,573	1,573	
Deferred tax liability	(4,327)	(4,346)	-	-	
	5,365	2,613	1,573	1,573	

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 26. Deferred tax assets/(liabilities) (cont'd.)

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unused tax losses	39,030	43,948	1,283	2,259
Unabsorbed capital allowances	3,675	3,775	-	-
Unutilised tax credit	748	748	-	-
Other deductible temporary differences	8,706	3,211	-	-
	52,159	51,682	1,283	2,259

The above deferred tax assets have not been recognised due to uncertainty of its recoverability.

The availability of unutilised tax losses for offsetting against future taxable profits of a subsidiary in Malaysia is subject to no substantial changes in the shareholding of the subsidiary under the Income Tax Act 1967 and guidelines issued by the tax authority. With effect from year of assessment (YA) 2019, unutilised business losses arising from a YA is allowed to only be carried forward from YA 2018 for utilisation up to 7 consecutive YAs from that YA. In addition, any accumulated unabsorbed business losses brought forward from YA 2018 shall be allowed to be utilised for 7 consecutive YAs (i.e. until YA 2025).

### 27. Share capital

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Ordinary shares:					
Issued and fully paid-up					
Ordinary shares		1,264,246	748,098	147,503	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		317	233	204	282
Adjustment for effects of Companies Act 2016	(iii)	-	-	-	16,912
At 31 December		1,264,563	1,264,246	147,707	147,503

#### (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 was 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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

**27. Share capital (cont'd.)****(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.

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 Company did not exercise its right to use the balance of the credit amount as prescribed under Section 68(3) of the Act.

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.

**28. Treasury shares**

There were no new treasury shares which were purchased in the previous and current financial year. Details of the balance of the treasury shares are as follows:

	No of shares	Cost of shares RM'000
At 31 December 2017/1 January 2018/31 December 2018	26,048,600	37,486

**29. Share premium**

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

		Group/Company	
	Note	2018 RM'000	2017 RM'000
At 1 January		-	68,504
Issuance of bonus shares	27(ii)	-	(51,592)
Adjustment for effects of Companies Act 2016	27(iii)	-	(16,912)
At 31 December		-	-

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 30. Reserves

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
(Accumulated losses)/Retained profits	(a)	(19,725)	(20,107)	2,545	2,900
Fair value reserve of financial assets at FVOCI (previously known as Available-for-sale financial assets reserve)	(b)	(120)	(30)	-	-
Exchange translation reserve	(c)	93	(503)	-	-
Share-based payment reserve	(d)	1,991	1,763	1,991	1,763
		(17,761)	(18,877)	4,536	4,663

#### (a) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2018 and 31 December 2017 under the single tier system.

#### (b) Fair value reserve of financial assets at FVOCI

The fair value reserve of financial assets at FVOCI represents the cumulative fair value changes, net of tax, of debt instruments at fair value through OCI 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 2018

### 30. 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 2017	2,545
Share-based payment expense during the year	484
Over provision of share-based payment expense in prior years	(984)
PSP Grant granted	(282)
At 31 December 2017	1,763
Share-based payment expense during the year	376
Under provision of share-based payment expense in prior years	345
PSP Grant granted	(493)
At 31 December 2018	1,991

(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 2018

### 30. 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 2018, the Company has an allocation of 25 million (2017: 28 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.

The following table illustrates the movements in the allocations of share options during the financial year:

	ESOS option allocations and grants	
	2018 '000	2017 '000
At 1 January	28,488	17,925
Granted in accordance to MFRS 2	12,825	17,300
Vested during the year	(1,886)	(1,287)
Effect from bonus issue	-	12,804
Forfeited during the year	(14,462)	(18,254)
At 31 December	24,965	28,488

The fair value of share options granted as at the grant date, is determined using the Binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used are as follows:

	ESOS options	
	2018	2017
Dividend yield (%)	4.11	4.95
Expected volatility (%)	21.46	20.67
Risk-free interest rate (%)	3.96	3.94
Exercise share price (RM)	0.66	0.68

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.

- (ii) Shares Grant Plan ("SGP")

SGP is intended to allow the Company to award the Performance Share Plan ("PSP") Grant to selected Eligible Persons of the Company and its subsidiaries. The PSP Grant is an annual grant to incentivise the Eligible Persons towards the attainment of the long-term success and growth of the Company and its subsidiaries.

Upon acceptance of the PSP Grant by the selected Eligible Persons, the Eligible Person will be entitled to participate in the SGP where shares may be vested with the PSP Grantees at no cost over a period of up to 10 years upon fulfillment of vesting conditions, whereby the selected Eligible Persons will be assessed based on, amongst others, individual performance and the 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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 30. Reserves (cont'd.)

#### (d) Share-based payment reserve (cont'd.)

##### (ii) Shares Grant Plan ("SGP") (cont'd.)

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:

	<b>PSP Grant allocations</b>	
	<b>2018</b>	<b>2017</b>
	<b>'000</b>	<b>'000</b>
At 1 January	4,900	3,263
Granted in accordance to MFRS 2	343	-
Effect from bonus issued	-	2,331
Exercised during the year	(317)	(233)
Forfeited during the year	(716)	(461)
At 31 December	4,210	4,900

### 31. Commitments and contingencies

#### (a) Capital commitments

Authorised capital expenditure not provided for in the financial statements:

	<b>2018</b>	<b>Group</b>	<b>2017</b>
	<b>RM'000</b>		<b>RM'000</b>
Approved and contracted for:			
Property, plant and equipment	1,436		28

#### (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:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Future minimum rentals payable:				
Not later than 1 year	25,029	27,331	19,749	19,554
Later than 2 years and not later than 5 years	90,779	93,430	80,260	67,285
Later than 5 years	43,627	1,864	43,065	-
	159,435	122,625	143,074	86,839

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 31. Commitments and contingencies (cont'd.)

#### (c) Guarantees

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Guarantees</b>				
Secured:				
Bank guarantees given to third parties	27,278	25,955	27,205	25,882
Unsecured:				
Bank guarantees given to third party	14,355	14,710	14,355	14,710
	41,633	40,665	41,560	40,592

Bank guarantee given to third parties are secured by fixed deposits with licensed banks as disclosed in Note 22.

### 32. Related party disclosures

#### 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	
(Income)/expenses	Note	2018 RM'000	2017 RM'000
Sale of services to subsidiaries:			
- management fee	4	(9,527)	(8,476)
- maintenance fee		(552)	(552)
- rental of premises		(17,432)	(15,557)
- service charge		(180)	(180)
- accounting fee	7	(960)	(960)
Interest income from subsidiaries	6	(891)	(894)
Dividend income from subsidiaries	4	(34,211)	(49,385)
Purchase of services from subsidiaries:			
- accreditation fee		8,380	9,878
- management fee	5	3,299	3,235

Information regarding outstanding balances arising from related party transactions as at 31 December 2018 and 31 December 2017 are disclosed in Note 20(b) and Note 24(b).

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 2018

### 32. Related party disclosures (cont'd.)

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

Compensation of key management personnel:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Directors of the Company:				
- fee	266	236	266	236
- remuneration	748	1,366	748	729
- defined contribution plan	86	158	86	84
	1,100	1,760	1,100	1,049
Other key management personnel:				
- salary and other short-term employee benefits	1,995	3,179	475	451
- defined contribution plan	239	381	57	54
	2,234	3,560	532	505
Total	3,334	5,320	1,632	1,554

### 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	22
Borrowings (non-current and current)	23
Payables (non-current and current)	24

#### (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, contract liabilities 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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 33. Fair value of financial instruments (cont'd.)

#### (b) Fair value measurements (cont'd.)

##### (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.

##### Fair value hierarchy analysis

The Group has carried its quoted investment and other financial asset that are classified as debt instruments at fair value through OCI 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.

### 34. Financial risk management objectives and policies

The Group's and the Company's principal financial liabilities comprise borrowings, contract liabilities 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, debt instruments 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.



## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### (a) Market risk (cont'd.)

##### (i) Foreign currency risk (cont'd.)

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.

	Decrease/(increase) Group/Company Profit net of tax	
	2018 RM'000	2017 RM'000
<b>Strengthen by 10%</b>		
United State Dollar	1,711	932
Hong Kong Dollar	-	(22)
<b>Weaken by 10%</b>		
United State Dollar	(1,711)	(932)
Hong Kong Dollar	-	22

##### (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	
	2018 RM'000	2017 RM'000
<b>Effects on profit net of tax</b>		
Increase of 100 basis points	(355)	(448)
Decrease of 100 basis points	355	448

##### (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.

## Notes to the Financial Statements

For the financial year ended 31 December 2018

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

#### (b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, deposits, cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The impairment provision is determined based on the 12-month ECL.

The Group establishes an allowance for ECL that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

##### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the debtors profile of its trade receivables on an on-going basis. At 31 December 2018, approximately 75% (2017: 31%) of the Group's trade receivables were due from students under PTPN 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 2018

## 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:

----- 2018 -----				
	Note	On demand or within one year RM'000	One to five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	24	47,360	4,060	51,420
Hire purchase liabilities	23(a)	697	672	1,369
Term loan		10,584	27,034	37,618
Total undiscounted financial liabilities		58,641	31,766	90,407
<b>Company</b>				
<b>Financial liabilities:</b>				
Other payables	24	20,258	1,068	21,326
Term loan		10,584	27,034	37,618
Total undiscounted financial liabilities		30,842	28,102	58,944
----- 2017 -----				
	Note	On demand or within one year RM'000	One to five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	24	68,864	3,812	72,676
Hire purchase liabilities	23(a)	1,032	585	1,617
Term loan		11,021	37,525	48,546
Total undiscounted financial liabilities		80,917	41,922	122,839
<b>Company</b>				
<b>Financial liabilities:</b>				
Other payables	24	36,830	490	37,320
Term loan		11,021	37,525	48,546
Total undiscounted financial liabilities		47,851	38,015	85,866

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 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 payables and contract liabilities 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	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Borrowings	23	35,517	44,777	34,250	43,250
Payables	24	51,420	116,013	21,326	80,657
Less: Fees received in advance	24	-	(17,332)	-	-
Less: Deposits, cash and bank balances	22	(53,669)	(83,506)	(20,127)	(54,749)
Net debts		33,268	59,952	35,449	69,158
Equity attributable to equity holders of the Company		92,460	91,140	114,757	114,680
Capital and net debt		125,728	151,092	150,206	183,838
Gearing ratio		26%	40%	24%	38%

### 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 2018

### 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 2017

	As previously stated RM'000	Note (i) RM'000	Note (ii) RM'000	As restated RM'000
<b>Statement of financial position</b>				
<b>Group</b>				
<b>Current liabilities</b>				
<b>Payables</b>				
<b>Trade</b>				
Fees received in advance	-	17,332	-	17,332
<b>Non-trade</b>				
Other payables and accruals	68,771	(17,332)	-	51,439

#### For the financial year ended 31 December 2017

#### Statement of comprehensive income

<b>Group</b>				
Cost of services	73,495	-	15,976	89,471
Distribution expenses	27,660	-	(15,976)	11,684

(i) Being reclassification of fees received in advance in payables from non-trade to trade in nature.

(ii) Being reclassification of agent fee and incentive to staff to conform with current financial year's presentation.



# GROUP PROPERTIES

AS AT 31 DECEMBER 2018

No.	Address	Approximate Areas/ Description	Existing Use	Tenure	Approximate Age of Building (years)	NBV as at 31/12/2018 (RM'000)	Date of Revaluation/ Acquisition
<b>Owned by Company</b>							
1	33-35 Jalan Hang Lekiu 50100 Kuala Lumpur	4,515 sq ft land area with a 9-storey commercial building	Education Centre	Freehold	41	6,297	14/12/1993
<b>Owned by Subsidiaries</b>							
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	42	8,997	13/06/2001
3	South City Plaza Lot 3.09a, 3 <sup>rd</sup> Floor Persiaran Serdang Perdana 43300 Seri Kembangan, Selangor	21,986 sq ft built-up area of shaplot space	Training Centre	Leasehold Expiry date @ 09/11/2093	15	6,156	03/07/1998
4	South City Plaza Lot 3.09b, 3 <sup>rd</sup> Floor Persiaran Serdang Perdana 43300 Seri Kembangan, Selangor	15,482 sq ft built-up area of shaplot space	Training Centre	Leasehold Expiry date @ 09/11/2093	15	4,334	08/01/1999
5	Casa Residenza, Service Apartment - Block B Persiaran Surian, Kota Damansara, PJU 5 47810 Petaling Jaya, Selangor  125 units from:- • B1-11-10 to B1-11-13A • B1-12-10 to B1-12-13A • B1-13-10 to B1-13-13A • B1-13A-10 to B1-13A-13A • B1-15-10 to B1-15-13A • B1-16-10 to B1-16-13A • B1-17-10 to B1-17-13A • B1-18-10 to B1-18-13A • B1-19-10 to B1-19-13A • B1-20-10 to B1-20-13A • B1-21-10 to B1-21-13A • B1-22-10 to B1-22-13A • B1-23-10 to B1-23-13A • B1-23A-10 to B1-23A-13A • B1-25-10 to B1-25-13A • B1-26-10 to B1-26-13A • B1-27-10 to B1-27-13A • B1-28-10 to B1-28-13A • B1-29-10 to B1-29-13A • B1-30-10 to B1-30-13A • B1-31-10 to B1-31-13A • B1-32-10 to B1-32-13A • B1-33-10 to B1-33-13A • B1-33A-10 to B1-33A-13A • B1-35-10 to B1-35-13A	110,500 sq ft built-up area of 125 units service apartment	Residential	Leasehold Expiry date @ 25/01/2104	6	36,405	31/03/2013

As at 31 December 2018

[illegible]

# ANALYSIS OF SHAREHOLDINGS

## Analysis of Shareholdings as at 29 March 2019

Total number of issued shares	: 1,264,563,142*
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	136	8.44	5,585	0.00
100 - 1,000	117	7.26	55,467	0.00
1,001 - 10,000	490	30.40	2,528,466	0.20
10,001 - 100,000	719	44.60	20,853,229	1.68
100,001 - less than 5% of issued shares	148	9.18	687,438,235	55.51
5% and above of issued shares	2	0.12	527,633,560	42.61
<b>TOTAL</b>	<b>1,612</b>	<b>100.00</b>	<b>1,238,514,542</b>	<b>100.00</b>

## Substantial Shareholders as at 29 March 2019

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	32.03	**459,565,035	37.11
2. Pinnacle Heritage Solutions Sdn Bhd ("PHS")	459,565,035	37.11	++396,694,479	32.03
3. Nicholas Rupert Heylett Bloy	-	-	##856,259,514	69.14
4. Richard Elletson Foyston	-	-	##856,259,514	69.14
5. Navis Capital Partners Limited	-	-	##856,259,514	69.14
6. SmartUni 1 Ltd	-	-	##856,259,514	69.14
7. Navis Asia Fund VI G.P., Ltd	-	-	##856,259,514	69.14
8. HAL Investments (Asia) Ltd	-	-	##856,259,514	69.14
9. HAL Holding N.V.	-	-	##856,259,514	69.14
10. HAL Trust	-	-	##856,259,514	69.14
11. Rodney Chadwick Muse	-	-	##856,259,514	69.14
12. Navis GP Investment HoldCo Ltd	-	-	##856,259,514	69.14

## Analysis of Shareholdings

### Directors' Shareholdings

Name of Directors		Direct	No. of shares held %	Indirect	%
1.	Tan Sri Clement Hii Chii Kok	396,694,479	32.03	**459,565,035	37.11
2.	Nicholas Rupert Heylett Bloy	-	-	##856,259,514	69.14
3.	Dato' Seri Mohamed Azahari Bin Mohamed Kamil	-	-	-	-
4.	Hew Moi Lan	-	-	-	-
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, direct and indirect, 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	37.11
2.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	68,068,525	5.50
3.	AmSec Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad (Hedging)	60,737,142	4.90
4.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	59,268,571	4.79
5.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	51,428,571	4.15
6.	Maybank Investment Bank Berhad IVT	50,742,857	4.10
7.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	45,274,285	3.66
8.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rexter Capital Sdn Bhd	38,535,900	3.11
9.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Hii Chii Kok	34,285,714	2.77
10.	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	29,412,816	2.37
11.	Hii Chii Kok	26,170,285	2.11
12.	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	20,714,285	1.67
13.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Siew Hee	15,369,600	1.24
14.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Hii Chii Kok	14,571,428	1.18

## Analysis of Shareholdings

## Thirty Largest Shareholders (continued)

	Name of shareholders	No. of shares	%
15.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	14,485,714	1.17
16.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bonus Tradisi Sdn Bhd	14,225,028	1.15
17.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	12,714,285	1.03
18.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Generasi Panduan Sdn Bhd	12,637,385	1.02
19.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Symphony Diversified Sdn Bhd	12,344,700	1.00
20.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Basic Index Sdn Bhd	9,691,171	0.78
21.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Harmoni Genting Sdn Bhd	9,131,442	0.74
22.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok	8,000,000	0.65
23.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad for Yayasan Mohd Noah (A/C2)	7,776,000	0.63
24.	Kenanga Capital Sdn Bhd Pledged Securities Account for Hii Chii Kok	7,700,000	0.62
25.	Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund	7,693,714	0.62
26.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad for Rexter Capital Sdn Bhd	6,991,714	0.56
27.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tang Lee Hieh	6,881,485	0.56
28.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd IPM for Maximum Ace Sdn Bhd	5,723,000	0.46
29.	CitiGroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	5,651,557	0.46
30.	Kenanga Nominees (Tempatan) Sdn Bhd Perdana Technology Venture Sdn Bhd	5,362,560	0.43



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-Third 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, 12 June 2019 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 2018 together with the Reports of Directors and Auditors thereon. | <b>Please refer to Note 1</b> |
| 2. To approve the payment of Directors' fees for the year ended 31 December 2018.   | <b>Ordinary Resolution 1</b>  |
| 3. To re-elect the following Directors who retire pursuant to Article 86 of the Constitution of the Company:-                                   |                               |
| (a) Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas   | <b>Ordinary Resolution 2</b>  |
| (b) Dato' Seri Mohamed Azahari Bin Mohamed Kamil  | <b>Ordinary Resolution 3</b>  |
| (c) Hew Moi Lan   | <b>Ordinary Resolution 4</b>  |
| 4. To re-appoint Messrs. Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration.                        | <b>Ordinary Resolution 5</b>  |

## AS SPECIAL BUSINESS

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

- |   |                              |
|---|------------------------------|
| 5. <b>Authority to allot and issue shares pursuant to Section 75 of the Companies Act 2016</b>  | <b>Ordinary Resolution 6</b> |
| <p>"<b>THAT</b> 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 and to such person or persons whomsoever, whether or not a shareholder of the Company, 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>   |                              |
| 6. <b>Proposed Renewal of Authority for the Purchase by SEG International Bhd ("SEGi") of its Own Shares ("Proposed Share Buy-Back")</b>  | <b>Ordinary Resolution 7</b> |
| <p>"<b>THAT</b>, 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> <ul style="list-style-type: none"> <li>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 share capital of the Company for the time being;</li> <li>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 2018, the Company's retained profits based on the latest audited financial statements were recorded at RM2,545,000; and</li> <li>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;</li> </ul> |                              |

## Notice of Annual General Meeting

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

- i. the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by an ordinary resolution passed by the shareholders of the Company in a general meeting;
- ii. the expiry of the period within which the next AGM of the Company is required to be held pursuant to Section 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. **Continuing in Office as Independent Non-Executive Directors**

- (a) "THAT authority be hereby given to Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company." **Ordinary Resolution 8**
- (b) "THAT authority be hereby given to Dato' Amos Siew Boon Yeong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company." **Ordinary Resolution 9**
- (c) "THAT authority be hereby given to Dato Goh Leng Chua, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company." **Ordinary Resolution 10**

8. **Proposed adoption of a new Constitution of the Company in place of its existing Memorandum and Articles of Association.** **Special Resolution 1**

"THAT approval be and is hereby given to the Company to revoke the existing Memorandum and Articles of Association in its entirety with immediate effect and in place hereof, the proposed new Constitution of the Company, as set out in Part B of the Circular to Shareholders dated 30 April 2019 accompanying the Company's 2018 Annual Report ("Circular"), be and is hereby adopted as the new Constitution of the Company **AND THAT** the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendments as may be required by any relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give effect to the foregoing."

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 2019

## Notice of Annual General Meeting

### 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 CG 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, and to such person or persons whomsoever, whether or not a shareholder of the Company, 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-Second AGM held on 6 June 2018 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 Part A of the Circular - the Statements to Shareholders dated 30 April 2019.

#### **c. Ordinary Resolutions 8, 9 and 10 - Retention of Independent Directors**

The Board of Directors has vide the Nominating Committee conducted assessments of independence on:

- (i) Tan Sri Megat Najumuddin Bin Dato' Seri Dr. Haji Megat Khas and Dato' Amos Siew Boon Yeong who have served as Independent Directors for a cumulative term of more than twelve years each and recommended that the approval of the shareholders be sought through a two-tier voting process for their continuance in office as Independent Non-Executive Director; and
- (ii) Dato Goh Leng Chua who has served as Independent Director for a cumulative term of more than nine years and recommended that the approval of the shareholders be sought for his continuance in office as Independent Non-Executive Director;

## Notice of Annual General Meeting

based on the following 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 calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner; and
- (g) They have actively participated in the Board deliberations and have never compromised on their independent judgement.

**d. Special Resolution 1 - Proposed adoption of a new Constitution of the Company in place of its existing Memorandum and Articles of Association**

The proposed Special Resolution 1, if passed, will render the Company's Constitution to be in line with the Companies Act 2016, which came into force on 31 January 2017, the updated provisions made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and the prevailing statutory and regulatory requirements, as well as to provide better clarity and consistency throughout. The proposed new Constitution of the Company is set out in Part B of the Circular.

**6. Personal data privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Company's 33<sup>rd</sup> AGM and/or any adjournment thereof, the member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the 33<sup>rd</sup> AGM (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the 33<sup>rd</sup> AGM (including any adjournment thereof), and to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**7. 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 to 13 - Profile of the Board of Directors in this Annual Report.**







**SEG**  
International  
Bhd  
145998-U

# PROXY FORM

I/We .....

of .....

being a member/members of SEG International Bhd hereby appoint.....

of .....

or failing him/her .....

of .....

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Third 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, 12 June 2019 at 10.30 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below with an "X":

	<b>ORDINARY RESOLUTIONS</b>	<b>FOR</b>	<b>AGAINST</b>
1.	Approval of the payment of Directors' fees.		
2.	Re-election of Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas.		
3.	Re-election of Dato' Seri Mohamed Azahari Bin Mohamed Kamil.		
4.	Re-election of Hew Moi Lan.		
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.		
9.	Retention of Dato' Amos Siew Boon Yeong as Independent Non-Executive Director in accordance with Malaysian Code on Corporate Governance.		
10.	Retention of Dato Goh Leng Chua as Independent Non-Executive Director in accordance with Malaysian Code on Corporate Governance.		
	<b>SPECIAL RESOLUTION</b>		
1.	Proposed adoption to the new Constitution of the Company.		

Dated this ..... day of ..... 2019

Number of shares held

Signature of member(s)

## Notes:

1. If you wish to appoint other person(s) to be your proxy, insert the name(s) and address(es) of the person(s) desired in the space so provided.
2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
3. A proxy may but need not be a member of the Company and there is no restriction as to the qualification of the proxy.
4. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where two proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in order for the appointments to be valid.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of an officer or its attorney duly authorised.
7. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at 6<sup>th</sup> Floor, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the Meeting or adjourned meeting, and in the case of a poll, it shall be deposited not less than 24 hours before the time appointed for the taking of the poll.

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AFFIX  
STAMP

**SEG International Bhd** (145998-U)  
6<sup>th</sup> Floor, SEGi University, No. 9, Jalan Teknologi  
Taman Sains Selangor, Kota Damansara, PJU 5  
47810 Petaling Jaya, Selangor Darul Ehsan

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**SEG**  
International  
Bhd

EDUCATION  
NETWORK

## 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. B201, Block 2 SEGi Tower  
Jalan Teknologi 2/1D  
Seksyen 2, Kota Damansara  
Sungai Buloh  
47810 Petaling Jaya  
Selangor Darul Ehsan

Tel : 603 6145 2777 / 9888  
Fax : 603 6145 1666  
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 : infoswk@segi.edu.my

## SEGi BUSINESS UNITS

### IFPA Resources Sdn Bhd

5<sup>th</sup> 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

5<sup>th</sup> 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



**SEG**  
International  
Bhd

**HQ**

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 2679

[segi.edu.my](http://segi.edu.my)

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 9792  
**COMPANY NAME** : SEG INTERNATIONAL BHD  
**FINANCIAL YEAR** : December 31, 2018

## **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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"><li>a. leading the Board in its responsibilities for the business and affairs of the Company and its oversight of management;</li><li>b. overseeing the Board in the effective discharge of its supervisory role;</li><li>c. ensuring the integrity and effectiveness of the governance process of the Board;</li><li>d. facilitating the effective contribution of all Directors and ensuring constructive relations be maintained between Directors and between the Board and management; and</li><li>e. ensuring that there is regular and effective evaluation of the Board's performance.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	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.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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"><li>• compliance with legislation, regulatory and Bursa Securities Main Market Listing Requirements;</li><li>• to act in the best interest of the Group;</li><li>• to act honestly and with integrity;</li><li>• accountability and responsibility; and</li><li>• recognise the importance of corporate responsibility.</li></ul> <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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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"><li>• oversee the overall strategic plan and performance of the Group's business and develop initiatives for profit and asset growth;</li><li>• oversee, evaluate and monitor the conduct of business of the Company and the Group and their corporate strategies;</li><li>• approve and monitor financial and other reporting as required;</li><li>• 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;</li><li>• approve and monitor the progress of major capital expenditure, capital management and acquisitions and divestments;</li><li>• ensure that appropriate corporate governance and the adequacy and integrity of the management information</li></ul>

	<p>and internal control systems are established and maintained;</p> <ul style="list-style-type: none"> <li>• select, appoint and evaluate the performance of, determine the remuneration of, plan for the successor of and, where appropriate, removal of senior executives;</li> <li>• establish a succession plan;</li> <li>• 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;</li> <li>• monitor the performance of the Company's management and ensure appropriate resources are available to the management; and</li> <li>• develop and implement an effective communication channel between the Board, shareholders and general public.</li> </ul> <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>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<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, three (3) are Non-Independent Non-Executive Directors and two (2) are Executive Directors.</p> <p>Out of the three (3) Non-Independent Non-Executive Directors, Dato' Seri Mohamed Azahari bin Mohamed Kamil will attain his independence status 2 years after his resignation as Group President of the Group, namely, after 14 July 2019. By then, the Nominating Committee will 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 to Independent Non-Executive Director. By then, the Company will be able to comply with Practice 4.1.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
<b>Explanation on application of the practice</b>	:	<p>The Company has obtained shareholders' approval during the 32<sup>nd</sup> 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 had obtained shareholders' approval to allow for the operationalisation of the two-tier voting system to be in line with Practice 4.2 of MCGG 2017.</p>

	For the forthcoming AGM, Tan Sri Megat Najmuddin and Dato' Amos Siew will be subjected to the two-tier voting system, and Dato Goh Leng Chua, who will attain his 9-year of service in April 2019, will be subjected to the shareholders' approval for their retention as Independent Directors.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	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 more than 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<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>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 targets to have at least 30% women holding key positions in the organisation. Gender 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 and, together with the Senior Management, the Group has approximately 53% women holding key positions in the organisation (2017: 33%).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NC is chaired by an Independent Director, Tan Sri Megat Najmuddin bin Dato’ Seri Dr. Haji Megat Khas.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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/or re-election of the Directors retiring at the Company's AGM.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<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>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b> :	Applied																																																																		
<b>Explanation on application of the practice</b> :	<div>Detailed disclosure on named basis for the remuneration of individual Directors for the financial year ended 31 December 2018 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><b>Executive Directors</b></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>522,000</td><td>74,700</td><td>31,150</td><td>71,604</td></tr><tr><td><b>Non-Executive Directors</b></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>Dato' Seri Mohamed Azahari bin Mohamed Kamil</td><td>55,000</td><td>-</td><td>-</td><td>-</td><td>-</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)	<b>Executive Directors</b>						Tan Sri Clement Hii Chii Kok	-	120,000	-	-	14,400	Hew Moi Lan	-	522,000	74,700	31,150	71,604	<b>Non-Executive Directors</b>						Tan Sri Megat Najmuddin bin Dato' Seri Dr. Hj Megat Khas	93,500	-	-	-	-	Dato' Seri Mohamed Azahari bin Mohamed Kamil	55,000	-	-	-	-	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																																																														
<b>Explanation for departure</b> :																																																																			
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																																																																			

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b> :	Departure	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :	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>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee ("AC") is Dato' Amos Siew Boon Yeong, while the Chairman of the Board is Tan Sri Megat Najmuddin bin Dato' Seri Dr. Haji Megat Khas. Both of them are Independent Non-Executive Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	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.  A copy of the Terms of Reference of AC is available on the Company's website.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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"><li>• 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.</li><li>• Reviewed the Company's compliances, in particular the quarterly reports and audited financial statements, with the provisions of the Companies Act, 2016, 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.</li></ul>

	<p>ii. External auditors</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Reviewed the assistance given by the Group employees to the auditors.</li> <li>• Considered and recommended to the Board for approval the audit fees payable to the external auditors.</li> <li>• 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.</li> <li>• 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.</li> <li>• Met with the external auditors independently without the presence of the management.</li> </ul> <p>iii. Internal auditors</p> <ul style="list-style-type: none"> <li>• 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).</li> <li>• Reviewed the 2018 Internal annual audit plan to ensure adequacy of scope and coverage of the activities of the Company and the Group.</li> <li>• 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.</li> <li>• Reviewed with the internal auditors the special assignments performed during the year and the results thereof.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Met with the internal auditors independently without the presence of the management.</li> </ul> <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 whistle-blowing issues, the investigation(s) carried out, where necessary, the outcome(s)/finding(s) of the investigation(s).</p> <p>vii. 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"> <li>- quality and composition;</li> <li>- skills and competencies; and</li> <li>- meeting administration and conduct.</li> </ul> <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>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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> <p>The Compliance Learning will also be introduced as part of the agenda of RMC Working Committee ("RMWC") Meeting so that the RMWC will be educated for those compliance issues and their importance. RMWC was set up to assist RMC to identify and review the risk profile of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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> <p>i) Risk management-ISO 31000:2009 and ii) Internal audit-IPPF.</p> <p>The key features of risk management and internal control framework are duly disclosed in the SORMIC which formed part of the 2018 annual report, please refer to pages 112 – 114 for details.</p> <p>During the year, both the RMC and AC had recommended to the Board on the proposed update of the Group’s Risk Management Policy and Internal Audit Charter in tandem with the MCCG 2017.</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**

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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<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 2018 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 105 and 111 of the annual report for details.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 Ms. Jade Lim Yuen Har (Director, Internal Audit). Ms. Jade Lim obtained her Bachelor of Science in Accounting and Finance from the University of London (External Programme) in 2002. She is also a professional member of the Association of Chartered Certified Accountants (ACCA) and The Institute of Internal Auditors Malaysia (CMIIA).</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 105 and 111 of the 2018 annual report for details.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		



<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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"><li>• the various disclosures and announcements to Bursa Malaysia Securities Berhad including quarterly and annual results via <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a>;</li><li>• the Company's website at <a href="http://www.segi.edu.my">www.segi.edu.my</a>; and</li><li>• the Company's investor relations website at <a href="http://segi.investor.net.my">segi.investor.net.my</a>.</li></ul> <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 <a href="http://segi.investor.net.my">segi.investor.net.my</a>. 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>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	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 2019.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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	:	Applied	
Explanation on application of the practice	:	The Company served more than 28 days of notice for its 32 <sup>nd</sup> AGM, and would consider to continue serving for the 28-day notice for its future general meetings as recommended under the MCCG 2017.	
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**

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	:	Applied	
Explanation on application of the practice	:	<p>All Directors attended the Company’s 32nd AGM. The Directors engaged directly with shareholders and are accountable for their stewardship of the Company.</p> <p>The Chairman of AC, NC, RC, Risk Management and Executive Committee were available to respond to questions addressed to them, 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

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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	Not applicable to the Company in view of the fact that the Company does not have large number of shareholders situated outside of the main place of business in Selangor. As a result, no meetings have been held, in the past in remote location and the Company does not intend to have meetings in remote locations in future. Hence, the shareholders are happy with the current way of conducting General Meetings.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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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