



SEG
International
Bhd



The NEXT NORMAL. It's here.

ANNUAL REPORT 2022

COVER RATIONALE

The **NEXT NORMAL**. It's here.

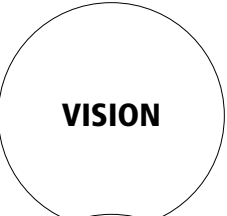
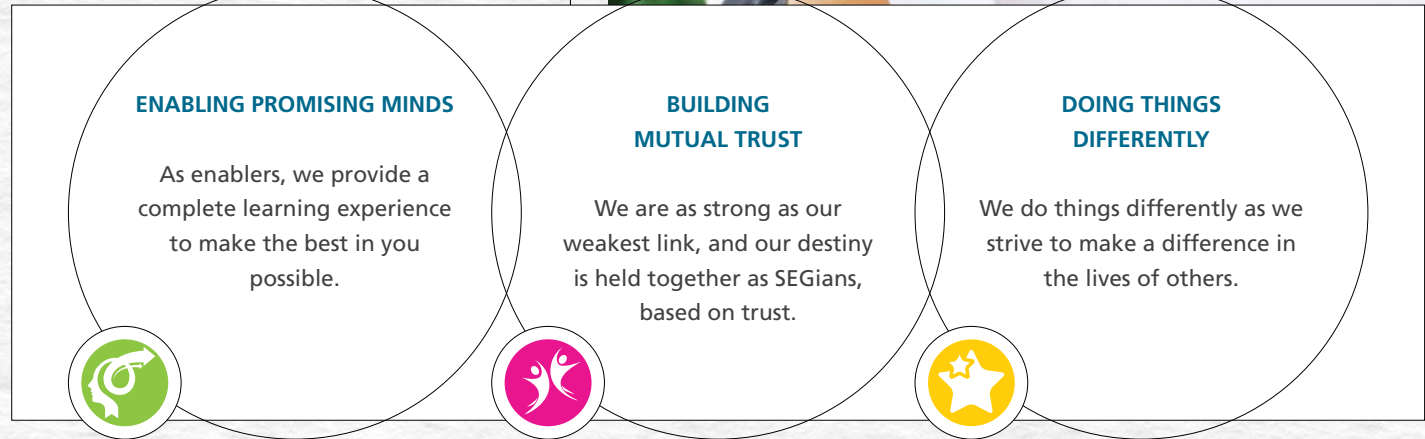
The COVID-19 pandemic brought an abrupt and significant transformation in the field of education, resulting in traditional teaching and learning methods being replaced with online platforms. This was a necessary response by students and academics worldwide who scrambled to minimise disruptions to their studies. As a result, the shift to online education has forever changed the way we approach teaching and learning in the post-COVID era.

Rather than returning to the pre-pandemic norm of in-person classroom instruction, learners and educators worldwide have embraced the possibilities of hybrid learning – a unique blend of virtual and physical instruction. In this new era of education, technology plays an even more integral role in delivering effective teaching and learning experiences.

The education industry has fully embraced the next normal of hybrid learning, which has already arrived and is transforming the way we approach teaching and learning. This concept is also the inspiration behind the theme of this year's annual report, "The Next Normal. It's Here."

SEGi University has established a 46-year legacy of excellence in providing affordable and high-quality education. SEGi has a unique approach that blends experienced and innovative narratives in the delivery of academic programmes and services, further solidifying its position as a leader in the education industry. With this extensive experience and innovative approach to integrating technology into education, SEGi is well-positioned to continue leading the way in pioneering next-generation teaching and learning in the country.

PILLARS OF ACTION



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



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.

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- Form of Proxy

37th

ANNUAL GENERAL MEETING



Venue:
6th Floor, SEGi University
No. 9, Jalan Teknologi
Taman Sains Selangor
Kota Damansara, PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan



Date:
21 June 2023 at
10.30 a.m.



Online Meeting Platform:
<https://web.vote2u.my>
(Domain registration number
with MYNIC D6A471702)

CORPORATE INFORMATION

FINANCIAL HIGHLIGHTS

BOARD OF DIRECTORS

Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas

Independent Non-Executive Chairman

Tan Sri Clement Hii Chii Kok

Group Managing Director

Dato’ Sri Nicholas Rupert Heylett Bloy

Non-Independent Non-Executive Director

Dato’ Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil

Independent Non-Executive Director

Dato’ Amos Siew Boon Yeong

Independent Non-Executive Director

Dato Goh Leng Chua

Independent Non-Executive Director

Edwin Fua Chye Jin

Non-Independent Non-Executive Director

COMPANY SECRETARIES

Chong Poh Yee

(MIA 7620)

(SSM PC No. 202008003453)

Hew Ling Sze

(MAICSA 7010381)

(SSM PC No. 202008000754)

REGISTERED OFFICE

6th Floor, SEGi University

No. 9, Jalan Teknologi

Taman Sains Selangor

Kota Damansara, PJU 5

47810 Petaling Jaya

Selangor Darul Ehsan

Tel : +603 6287 3752

Fax : +603 6145 2679

AUDITORS

Ernst & Young PLT

Level 23A Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

Wilayah Persekutuan

Tel : +603 7495 8000

Fax : +603 2095 5332

STOCK EXCHANGE LISTING

Main Market of

Bursa Malaysia Securities Berhad

REGISTRAR

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony

No. 5, Jalan Professor Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

Tel : +603 7890 4700

Fax : +603 7890 4670



GROUP FIVE YEARS FINANCIAL SUMMARY

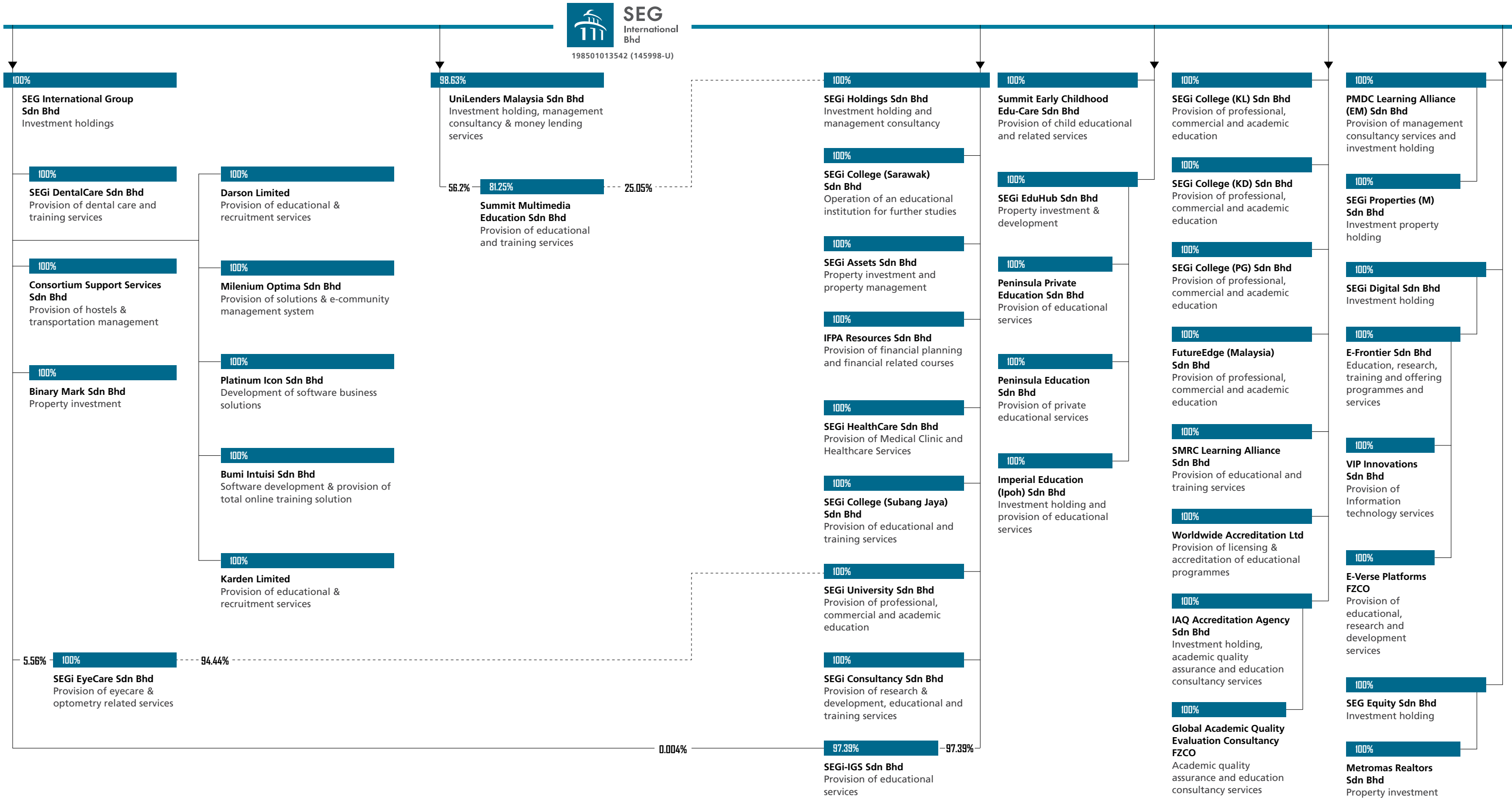
| | 2018 RM'000 | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
|---|----------------|----------------|----------------|----------------|----------------|
| Revenue | 252,410 | 243,972 | 204,124 | 223,499 | 213,939 |
| Profit before tax | 47,781 | 49,637 | 45,172 | 52,263 | 45,338 |
| Profit for the year - attribute to shareholders | 42,158 | 45,132 | 39,181 | 46,233 | 40,187 |
| Share capital | 147,707 | 147,707 | 147,707 | 147,707 | 148,458 |
| Shareholders' fund | 92,460 | 91,062 | 92,298 | 160,899 | 127,899 |
| Total assets | 226,497 | 341,007 | 338,370 | 409,338 | 375,309 |
| Basic earnings per share (sen) | 3.40 | 3.64 | 3.18 | 3.77 | 3.28 |
| Net dividend for the year (sen) | 2.75 | 2.50 | 2.50 | 1.00 | 5.00 |

2022 FINANCIAL SUMMARY



CORPORATE STRUCTURE

CORPORATE STRUCTURE



BOARD OF DIRECTORS

BOARD OF DIRECTORS

PIONEERING
INNOVATION AND
EXCELLENCE IN
EDUCATION

OUR DIRECTORS

- 1

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

Independent Non-Executive Chairman
- 2

Tan Sri Clement Hii Chii Kok

Group Managing Director
- 3

Dato' Sri Nicholas Rupert Heylett Bloy

Non-Independent Non-Executive Director
- 4

Dato' Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil

Independent Non-Executive Director
- 5

Dato' Amos Siew Boon Yeong

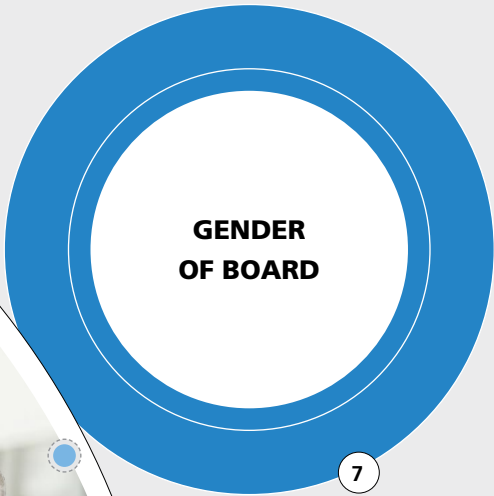
Independent Non-Executive Director
- 6

Dato Goh Leng Chua

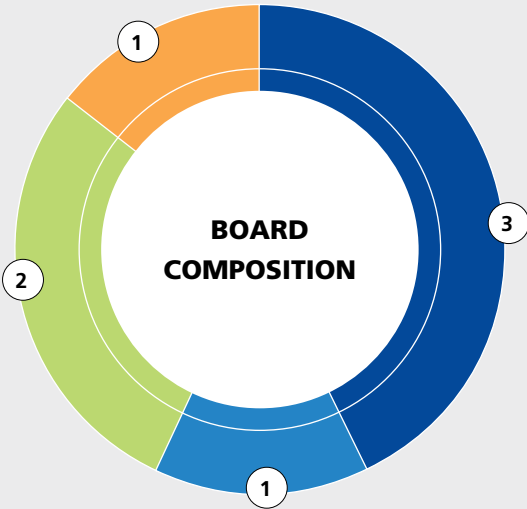
Independent Non-Executive Director
- 7

Edwin Fua Chye Jin

Non-Independent & Non-Executive Director



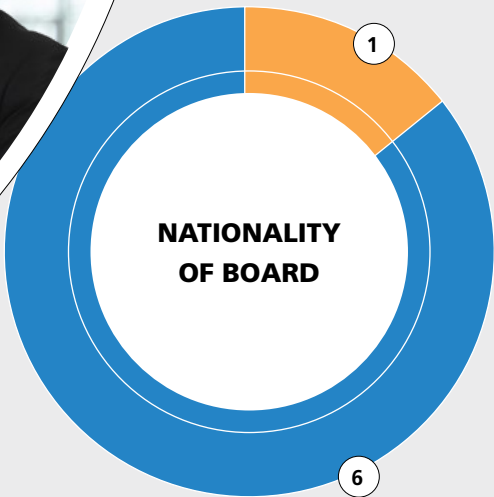
Female
Male



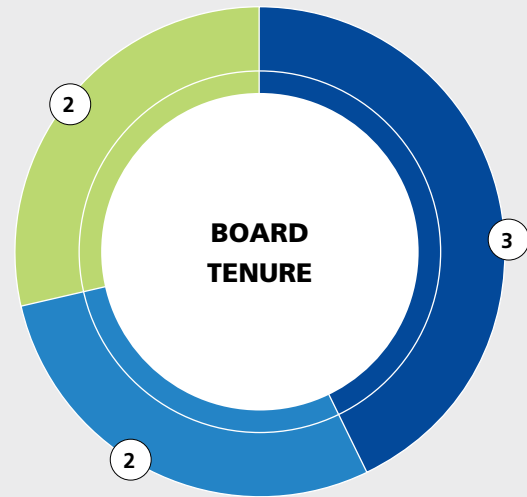
Independent Non-Executive Director
Group Managing Director
Non-Independent Non-Executive Director
Independent Non-Executive Chairman

NC Nominating Committee
RC Remuneration Committee
RMC Risk Management Committee
AC Audit Committee
EC Executive Committee
LTIP LTIP Committee
Chairman Member

Non-Malaysian
Malaysian



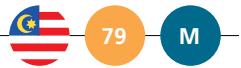
15 years and above
Between 6 years to 10 years
Between 11 years to 14 years



DIRECTORS' PROFILES

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

Independent Non-Executive Chairman



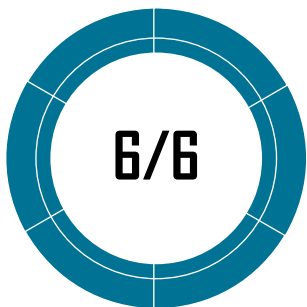
DATE OF APPOINTMENT

2 February 2001

MEMBERSHIP(S) OF BOARD COMMITTEES

| | |
|----------|----------|
| RC | NC |
| Chairman | Chairman |

BOARD MEETINGS ATTENDANCE IN THE YEAR ENDED 31 DECEMBER 2022:



Tan Sri Dato' Seri (Dr.) Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas was appointed to the Board on 2 February 2001 and assumed the position as Chairman on 27 August 2008.

Tan Sri (Dr.) Megat Najmuddin, 79, 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 two years and went into law practice with a leading firm in Kuala Lumpur for another two years, after which he started his own law firm. 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 (Dr.) 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 to 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 current President of Persatuan Darul Ridzuan in Wilayah Persekutuan and Selangor (a welfare organisation). In addition, he is the Advisor of the Tan Sri Muhyiddin Charity Golf (TSMCG) and also a trustee of MyKasih (Charity) Foundation and Vijayaratnam Foundation.

Currently, Tan Sri (Dr.) Megat Najmuddin is the Chairman of Asian Pac Holdings Berhad, Sime Darby Plantation Berhad and Farm Fresh Berhad. He is also a Director of a number of private companies including QNET (M) Sdn Bhd and some of his family-owned companies.

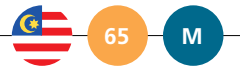
He also served as a Non-Executive Independent Director of PETRONAS from April 2010 to April 2017. He was also a long-time Chairman of MajuPerak Holdings Berhad, Omesti Berhad and Tradewinds Corporation Berhad as well as a Director of ICT Zone Ventures Bhd.

In SEG International Bhd, Tan Sri (Dr.) Megat Najmuddin also serves as the Chairman of the Nominating and Remuneration Committees and has attended all six Board meetings held during the year.

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

TAN SRI CLEMENT HII CHII KOK

Group Managing Director



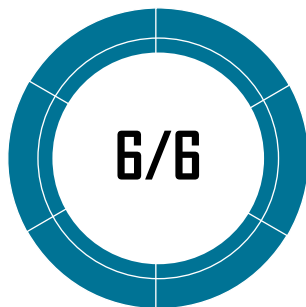
DATE OF APPOINTMENT

3 September 2001

MEMBERSHIP(S) OF BOARD COMMITTEES

| | | |
|----------|----------|--------|
| EC | LTIP | RC |
| Chairman | Chairman | Member |

BOARD MEETINGS ATTENDANCE IN THE YEAR ENDED 31 DECEMBER 2022:



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. In January 2009, Tan Sri Clement Hii was redesignated as the Group Managing Director.

Tan Sri Clement Hii, 65, is a member of the Remuneration Committee and Chairman of the 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 six Board meetings held during the year ended 31 December 2022.

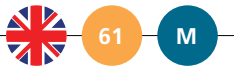
He has no family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, other than those disclosed in the accompanying financial statements, if any, and has no conviction for offences within the past five years.

DIRECTORS' PROFILES

DIRECTORS’ PROFILES

DATO’ SRI NICHOLAS RUPERT HEYLETT BLOY

Non-Independent &
Non-Executive Director



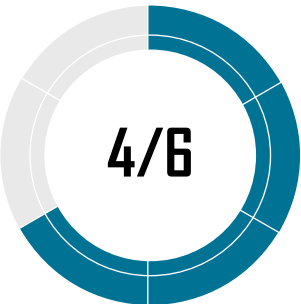
DATE OF APPOINTMENT

2 April 2012

MEMBERSHIP(S) OF BOARD COMMITTEES

RC
Member

BOARD MEETINGS ATTENDANCE
IN THE YEAR ENDED 31 DECEMBER
2022:



Dato’ Sri Nicholas Rupert Heylett Bloy was appointed to the Board on 2 April 2012. Dato’ Sri Nicholas Bloy, 61, is a member of the Remuneration Committee. He holds a BA Hons degree from University College London, and an MBA from INSEAD, France.

Dato’ Sri 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. Dato’ Sri Nicholas Bloy sits on Navis Investment Committee and the boards and/or Executive Committees of several Navis portfolio companies, and is responsible for fundraising.

Prior to co-founding Navis, Dato’ Sri 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.

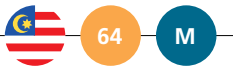
Dato’ Sri Nicholas Bloy is the substantial shareholder of the Company by virtue of his interest in Pinnacle Heritage Solutions Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

Dato’ Sri Nicholas Bloy attended four Board meetings during the year ended 31 December 2022.

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

DATO’ SERI (DR.) MOHAMED AZAHARI BIN MOHAMED KAMIL

Independent
Non-Executive Director



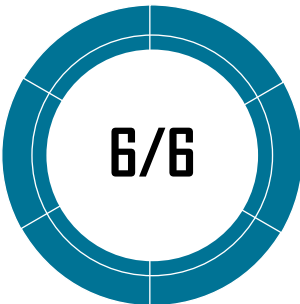
DATE OF APPOINTMENT

24 May 2016

MEMBERSHIP(S) OF BOARD COMMITTEES

RMC EC
Member Member

BOARD MEETINGS ATTENDANCE
IN THE YEAR ENDED 31 DECEMBER
2022:



Dato’ Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil 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. On 22 August 2019, Dato’ Seri (Dr.) Mohamed Azahari was further re-designated as Independent Non-Executive Director.

Dato’ Seri (Dr.) Mohamed Azahari, 64, is a member of the Risk Management Committee and Executive Committee of the Company.

Dato’ Seri (Dr.) Mohamed Azahari has a distinguished career in the financial services and educational sectors. He holds the prestigious designation of Chartered Banker from the Asian Institute of Chartered Bankers and is also a Chartered Professional in Islamic Finance. Throughout his career, he has held senior management positions in a variety of private and public organisations, including Malaysian Industrial Development Finance Berhad, Permodalan Nasional Berhad Group, Amanah Raya Group, Asian Finance Bank Berhad, QSR Brands (M) Holdings Bhd and KPJ Healthcare Berhad. In addition, Dato’ Seri (Dr.) Mohamed Azahari has served as a Board member of Johor Corporation’s subsidiary company, Larkin Sentral Property Bhd.

He is an Adjunct Professor of the International Islamic University Malaysia (IIUM). He was also appointed by the Ministry of Higher Education for AlxCHANGE: CEO @ Faculty Programme 1.0 “Learn from the Pros”, Universiti Teknologi MARA (UiTM), Industry Advisory Panel for Management and Humanities Programme for Universiti Teknologi Petronas (UTP) as well as Industry Advisory for Politeknik Sultan Ahmad Shah (POLISAS). He is also a Non-Executive Director for Aurelius Healthcare Sdn Bhd.

He holds a Bachelor of Business Administration (Finance) from Western Michigan University and a Master of Business Administration (Finance) from Central Michigan University. He was awarded Honorary Degree of Doctor of Management (Hon.D.MGT) by Universiti Sultan Zainal Abidin in 2019. His academic qualifications include executive leadership programmes at Harvard, Wharton, Berkeley, USA and Cambridge, UK.

Dato’ Seri (Dr.) Mohamed Azahari has attended all the six Board meetings held during the year ended 31 December 2022.

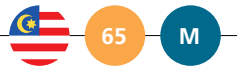
He has no family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, other than those disclosed in the accompanying financial statements and has no conviction for offences within the past five years.

DIRECTORS’ PROFILES

DIRECTORS' PROFILES

DATO' AMOS SIEW BOON YEONG

Independent
Non-Executive Director



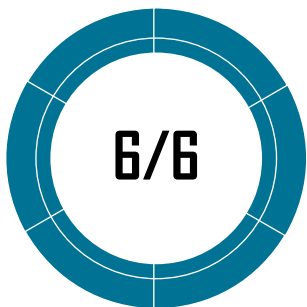
DATE OF APPOINTMENT

2 February 2001

MEMBERSHIP(S) OF BOARD COMMITTEES

AC RMC
Chairman Chairman

BOARD MEETINGS ATTENDANCE IN THE YEAR ENDED 31 DECEMBER 2022:



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

Dato' Amos Siew, 65, 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. SBY Partners PLT. 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 the Chairman of both the Audit Committee and the Risk Management Committee of the Company.

Dato' Amos Siew has attended all the Six Board meetings held during the year ended 31 December 2022.

He has no family relationship with any other Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company, other than those disclosed in the accompanying financial statements, if any, and has no convictions for offences within the past five years.

DATO GOH LENG CHUA

Independent
Non-Executive Director



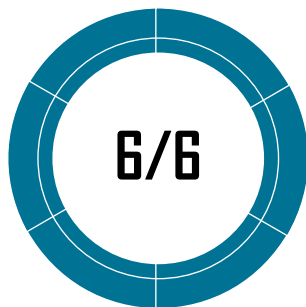
DATE OF APPOINTMENT

20 April 2010

MEMBERSHIP(S) OF BOARD COMMITTEES

AC NC
Member Member

BOARD MEETINGS ATTENDANCE IN THE YEAR ENDED 31 DECEMBER 2022:



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

Dato Goh, 74, 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 including sustainable reforestation. He is currently involved in communications and multi-media projects, in particular telco-tower systems and VSAT. 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. He has sat as Board Member in various Government agencies such as under the Ministry of Entrepreneur Development and Cooperative, Forest Research Institute Malaysia (FRIM) and Sarawak Biodiversity Council (SBC).

Dato Goh has attended all the six Board meetings held during the year ended 31 December 2022.

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

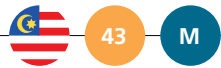
DIRECTORS' PROFILES

DIRECTORS' PROFILES

OUR LEADERS

EDWIN FUA CHYE JIN

Non-Independent &
Non-Executive Director



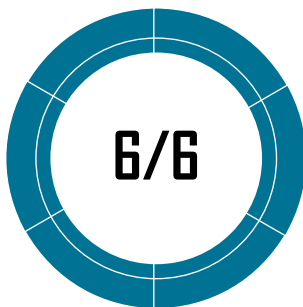
DATE OF APPOINTMENT

26 February 2015

MEMBERSHIP(S) OF BOARD COMMITTEES

| | | | |
|--------|--------|--------|--------|
| AC | NC | RMC | EC |
| Member | Member | Member | Member |

BOARD MEETINGS ATTENDANCE IN THE YEAR ENDED 31 DECEMBER 2022:



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

Edwin Fua, 43, is a Partner and an Investment Committee member of Navis Asia Funds ("Navis"). He joined Navis in 2006 and in the last 17 years, he has been involved in evaluating investments across South East Asia including Malaysia, Indonesia, Philippines 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.

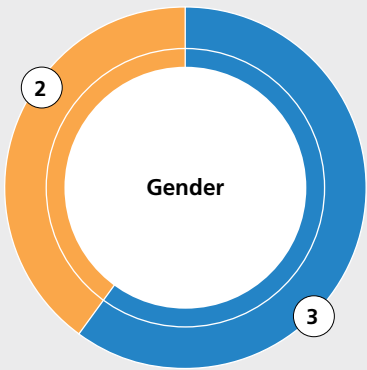
Edwin Fua is a member of the Audit Committee, Nominating Committee, Risk Management Committee and Executive Committee of the Company. He does not hold any other directorships in public companies. He has attended all the six Board meetings held during the year ended 31 December 2022.

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

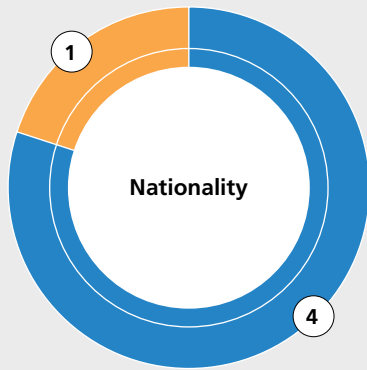
TAN SRI CLEMENT HII CHII KOK

Group Managing Director

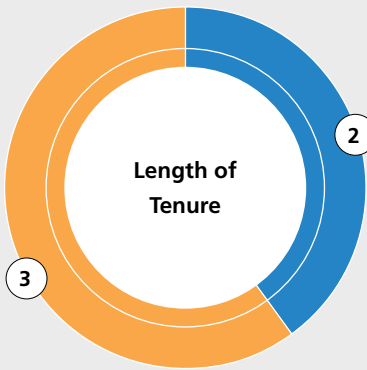
The profile of Tan Sri Clement Hii Chii Kok is set out in the Directors' Profiles on page 9 in this annual report.



Male Female



Malaysian Non-Malaysian



1-10 years 11-25 years

OUR LEADERS

STELLA LAU KAH WAI

Managing Director,
SEGi University & Colleges



Stella Lau Kah Wai, 53, was appointed as Managing Director of SEGi University & Colleges in 2022.

She attained her Bachelor of Arts (BA) Operations Research from the University of Canterbury. In a career spanning nearly three decades, her professional journey has been a perfect blend of industry, academics and management experience.

Well-reputed for walking the talk, her commitment includes expanding student access to higher education, catalysing academic innovation, and championing transformative learning to achieve outstanding student experience.

Stella Lau provides a brand of leadership that is characterised by a future-oriented focus on transformational change to advance the Group’s core missions in ensuring vitality and financial sustainability for the future. In moving SEGi forward to higher levels of national distinction and recognition, she continues to lead profound changes to reshape higher education.

Stella Lau does not hold any directorship in public companies and listed issuers. She has no family relationship with any director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements, and has no conviction of offences within the past five years.

CHERYL CHONG POH YEE

Managing Director,
Corporate Affairs & Alliances



Cheryl Chong Poh Yee, 55, joined the Group in 2000 as Financial Controller and was later re-designated as Group Chief Financial Officer in 2014. In 2022, she was promoted to Managing Director, Corporate Affairs and Alliances, overseeing various corporate departments in the Group. She has more than 30 years of experience in the fields of accountancy, financial and corporate services.

Prior to joining the Group, Cheryl Chong worked for a main board public listed company in Malaysia as 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 and a Chartered Accountant with the Malaysian Institute of Accountants. She also holds a Master of Business Administration (International Business) from University of Southern Queensland, Australia.

Cheryl Chong does not hold any directorship in public companies and listed issuers. She has no family relationship with any director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements, and has no conviction of offences within the past five years.

PROF. DR. SRIKUMAR CHAKRAVARTHI

Deputy Vice Chancellor (Academic Affairs) and Head of
Innovation and New Revenues



Prof. Dr. Srikumar Chakravarthi, is an esteemed Professor in the Faculty of Medicine, Nursing & Health Sciences, with over 25 years of experience in academic leadership and research administration. Prior to joining SEGi, he held several prominent positions, including Director for Research, Innovation, Enterprise and Postgraduate Studies at MAHSA University, Dean of Graduate School of Medicine at Perdana University, and Dean of Medical Sciences at International Medical University. With a diverse range of responsibilities, Dr. Srikumar has been an influential educator and administrative leader in areas such as business development, student recruitment, commercial income generation, and educational spinoffs across various educational ventures and faculties.

An ardent researcher, he has nearly 250 papers in indexed international peer-reviewed journals, with an H-index of 35, i10 index of 119 and >5700 citations. Prof. Dr. Srikumar is also involved in numerous national and international research grant projects.

His success stories include commercial income generation, patents, innovations and inventions. He has played a pivotal role in numerous inventions and patents, including biotechnology, artificial intelligence, agrotech, aquaponics, hydroponics, smartphone apps, medicine, healthcare, virtual education and diagnostic platforms.

Over the years, Prof. Dr. Srikumar has won numerous awards such as the Academic Brilliance Awards 2013 for Excellence in Research, the Venus International Medical Award 2018 for Excellence in Pathology, Brand Laureate Award for Brand Leadership 2018, The Outstanding Scientist Award 2019, Ron Harden Award for Innovation in Medical Education 2009, Malaysia’s Visionary Education Leader 2021, and Outstanding Leader in Healthcare Sector 2022.

Prof. Dr. Srikumar does not hold any directorship in public companies and listed issuers. He has no family relationship with any director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements, has no conviction of offences within the past five years.

MICHAEL CHAN CHEE CHEW

Executive Director,
Alliances and Enrolments



Michael Chan Chee Chew obtained his Master in Business Administration from Charles Stuart University, Australia in 2002. He also holds a Bachelor Degree in Business Administration from University of Hertfordshire, UK in 1998.

With over 24 years of Sales, Marketing and Management experiences, Michael Chan has exposure in both Multi-national and Public-listed companies with diversified industries, from Education, Healthcare Nutrition, FMCG Food & Beverages, Food Services, Vision Care to Chemical industry, contributed in several business turnaround, process improvement and business growth attainment, recognised with awards regionally & globally.

Michael Chan’s career has been marked by a multitude of performance awards that speak to his exceptional abilities. Among his many accolades, he was presented with Nestle’s prestigious Global Recognition Program Diamond Award in 2014, a true testament to his outstanding business growth, leadership, and game-changing innovation in the field of Nestle Health Science. Additionally, he was honored with Nestle’s Awards of Achievement for Superior Sales Performance (AOA Regional Zone) in 2014 and The Best Regional Sales Achievement Award by Ayamas Food Corporation Berhad in 2002, among others. These awards are a testament to Michael Chan’s exceptional skills and dedication to his craft.

Michael Chan is a certified Food Safety Programme Trainer and appointed as South East Asia Regional Sales Trainer (High Performance Selling) in his previous capacity. He has been part of SEGi University & Colleges since January 2023.

Michael Chan does not hold any directorship in public companies and listed issuers. He has no family relationship with any director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company, other than those disclosed in the accompanying financial statements, has no conviction of offences within the past five years.

OUR LEADERS

KEY UNIVERSITY COUNCIL MEMBERS

Y.A.M. TAN SRI DATO’ SERI SYED ANWAR JAMALULLAIL
Chancellor
SEGi University



Y.A.M. Tan Sri Dato’ Seri Syed Anwar Jamalullail commenced his career with Malaysian Airlines Systems Berhad in 1975 as a Financial Accountant, before moving on to hold senior positions in various companies. His last position was as Group Managing Director of Amanah Capital Partners Berhad. He is the former Chairman of the Lembaga Tabung Haji Investment Panel.

Tan Sri 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, Kenanga Investment Bank 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
SEGi University



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. He is the Chairman of a few listed and private companies namely, YBS International Berhad and Mediscreen Sdn Bhd.

PROF. DR. AZRIN ESMADY ARIFFIN
Vice Chancellor,
SEGi University



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

Prof. Dr. Azrin began his academic career at Universiti Kebangsaan Malaysia in 1985, spending 20 years as an academic there where he was also the Head of the Optometry Department. Prof. Dr. Azrin was the first Professor of Optometry in Malaysia and he is also credited as the first Dean of Optometry in the country. Prof. Dr. Azrin was formerly on the Malaysian Optical Council for several terms.

Prof. Dr. Azrin consults for various professional associations and bodies on both education and professional practice matters, and by virtue of being one of the nation’s pioneer academics in Optometry he was inducted as Fellow of the Asia Optometric Congress in 2018 in Bali.

KEY UNIVERSITY COUNCIL MEMBERS

PROF. DR. SRIKUMAR CHAKRAVARTHI
Deputy Vice Chancellor,
Academic Affairs,
SEGi University



The profile of Prof. Dr. Srikumar Chakravarthi is set out in the Our Leaders on page 17 in this annual report.

OUR PRINCIPALS

TONY LEONG KUOK HOW

Principal,
SEGi College Kuala Lumpur



SEGi GROUP OF COLLEGES

INTERNATIONAL & PRIVATE SCHOOLS

Tony Leong Kuok How holds a BA (Hons) in Marketing Management and MSc IT in Business from the University of Lincoln, UK. He is deeply passionate about enhancing the quality of education on both national and international levels, collaborating with numerous business and industry leaders to accomplish this goal.

With nearly two decades of experience in the education industry, he has held several roles in his career which includes serving as the Head of Department at HELP Academy in Kuala Lumpur, where he was responsible for managing the University of Derby 3+0 programmes and internal courses.

Additionally, Tony Leong has contributed to the academic landscape as the Head of Academics at both Vision College in Petaling Jaya and SEGi College Kuala Lumpur between 2011 and 2016.

CALVIN CHAN YEE YUEN

Principal,
SEGi College Subang Jaya



SEGi GROUP OF COLLEGES

INTERNATIONAL & PRIVATE SCHOOLS

Calvin Chan Yee Yuen holds a Master of Business Administration (MBA) and a Bachelor of Management with Honors, both from Universiti Sains Malaysia (USM). His academic achievements include being nominated for USM's best master/mixed mode student award 2013. He was also awarded a Dean's list for his MBA in 2012. Calvin Chan is also a certified trainer by the Human Resource Development Fund for the Train the Trainer programme.

He joined SEGi College Subang Jaya as the Deputy Principal in early 2019 and was redesignated as the Principal on 1 November 2020. Prior to this, Calvin Chan served as the Vice Principal for MSU College Penang, Regional Manager for Sales and Distribution for U Mobile, Regional Manager and Chief Executive for Cosmopoint College Sungai Petani, and Group Senior Manager in the Human Capital Division with USAINS Holdings.

Raised in Penang, Calvin Chan has more than 20 years of management experience in the education and telecommunication industries, with expertise in operations as well as in sales and marketing.

DR. SUSIE LAU MENG CHING

Principal,
SEGi College Sarawak



SEGi GROUP OF COLLEGES

INTERNATIONAL & PRIVATE SCHOOLS

Dr. Susie Lau Meng Ching has more than 10 years of experience in tertiary education. She is a medical doctor by training and found her passion in teaching and learning. Her desire is to provide excellent education so her education career has been geared towards high quality academic delivery.

She started her career in education industry as an Allied Health lecturer. Throughout the years in education industry, Dr. Susie Lau developed great interest in teaching and learning pedagogy. Her past working experiences also furnished her with the knowledge in academic accreditation and regulatory matters. Additionally, her previous role as the Chief Executive of a college has equipped her with the skills to manage a higher learning institution, in line with the college constitution.

Dr. Susie Lau obtained Diploma in Science (Major in Chemistry and Biology) from Tunku Abdul Rahman College in 2002. She then further her studies and graduated with Bachelor in Science (Major in Chemistry and Biology) from Campbell University, North Carolina, USA in 2004. In the same year, Dr. Susie Lau decided to pursue her Medical degree and finally graduated as a Doctor of Medicine from Crimea State Medical University, Ukraine in 2010. Given her involvement in education management, she then pursued an MBA from University of Sunderland and graduated in 2017.

CHEAH GAIK CHIAM

Principal,
SEGi College Penang



SEGi GROUP OF COLLEGES

INTERNATIONAL & PRIVATE SCHOOLS

Cheah Gaik Chiam is a Fellow Member of The Association of Chartered Certified Accountant, better known as ACCA, and also a Fellow Member of The Chartered Institute of Management Accountant, better known as CIMA. She also holds a Master of Business Administration (MBA) from University of Portsmouth, UK.

Gaik Chiam started her professional career as an external auditor for three years before becoming an accountant in one of the stock brokerage firms in Penang. When she developed an interest in teaching, Gaik Chiam joined the Institut Perkim-Goon (now known as MSU College Penang) as a part-time lecturer in 1993.

In her 26 years of experience, Gaik Chiam has held many academic and management positions in the education industry, from lecturer to Programme Manager, Vice-Principal, Principal, and Director. Gaik Chiam came on board as Principal of SEGi College Penang in January 2022.

OUR PRINCIPALS

KOH YOKE LING

Principal,
SEGi College Kota Damansara



SEGi GROUP OF COLLEGES

INTERNATIONAL & PRIVATE SCHOOLS

Koh Yoke Ling has over 16 years of experience in college operations, having worked her way up from Programme Coordinator to Head of the Faculty of Business Accountancy in SEGi College Subang Jaya and for the Faculty of Business, Accountancy & Law in SEGi University. She has also spent over 10 years in the tourism industry, giving her a wide range of experience.

She holds a Master of Education, specialising in Leading and Managing Organisations, and has a strong network with various industries, which she leverages to bring industry expertise into the classroom. Yoke Ling supports students’ activities, having served as Chair of the Staff Student Liaison Committee as Head of Faculty.

One of Yoke Ling’s notable accomplishments is her championing the “Industry into Classroom” initiative at SEGi Group of Colleges. This initiative involves engaging industry partners to co-design, co-deliver, and co-assess the colleges’ curriculum. She has worked with notable companies such as Malaysia Airlines, Shopee, SONY, and realme to bring their expertise into the classroom.

Yoke Ling has also been instrumental in promoting the Global Classroom initiative at SEGi College Subang Jaya, which involves conducting lectures virtually with professors and programme leaders from their global partners. This initiative allows students to learn from others with diverse cultural backgrounds and is a key selling point of the College.

GARETH ALLMAN

Principal,
Peninsula International School
Australia (Setia Alam)



SEGi GROUP OF COLLEGES

INTERNATIONAL & PRIVATE SCHOOLS

Gareth Allman has been in education for 30 years, with 23 of those years serving as a Principal and Head of School across a number of high calibre independent and international schools in five countries.

He has read for his degree in education and has successfully completed a bespoke course for school leaders through the Business Faculty of the University of Witwatersrand. He holds an internationally recognised Level 3 child-safeguarding certificate, and has successfully completed numerous courses through the University of Pennsylvania, and other leading international institutions.

TAN SEAW CHIN

Principal,
Peninsula Private School (Setia Alam)



SEGi GROUP OF COLLEGES

INTERNATIONAL & PRIVATE SCHOOLS

Tan Seaw Chin obtained her Bachelor of Science Education Major in Physics, Minor in Mathematics from University of Malaya. She has over two decade’s experience as an academic and administrator, in both private and public education institutions. Her passion for teaching extends to guiding younger cohorts on how best to nurture young minds. Maximising student potential is a goal which she achieves through a delicate balance of both eastern and western education values, aligning a disciplined approach with critical thinking methods. She has always stated her main objective as an educator is not limited to sterling exam results but to create well-rounded individuals who will make positive contributions to society.

Seaw Chin describes herself as a passionate leader who is guided by integrity. Her stated aim is to guide students onto a path that will allow them to fulfil their maximum potential through values and life skills inculcation. She believes the way to nurture quality students into dynamic community leaders is by providing a strong education support platform for them to flourish and excel. Her primary aim for Peninsula Private School is to foster a learning environment guided by integrity, respect, honesty and discipline.

KATHERINE CLAIRE BEADLE

Principal,
Imperial International School (Ipoh)



SEGi GROUP OF COLLEGES

INTERNATIONAL & PRIVATE SCHOOLS

Katherine Claire Beadle was educated and started her career teaching in the UK. She graduated from the University of Winchester with a Bachelor’s 2:1 honours Degree in Drama with Dance studies. She then went on to graduate from the London Metropolitan University with a PGCE qualification in Secondary teaching, specialising in English, Drama and Media studies.

As well as her 11 years teaching in London schools, Katherine has taught in Malaysia for five years as Head of Performing Arts and SLT for Teaching and Learning.

Katherine believes for a child to be a successful learner, the teacher must create a positive learning environment and have empathy with the learners, nurturing trust and ensuring emotional well-being. Her main aim is to improve the quality of education provided in private schools, by training teachers to diversify teaching and learning methods.

International mindedness is fundamental to education in the 21st century. The future depends on the children of today and educational establishments have a responsibility to model and promote, not only to accept each other’s differences in appearance, language, culture and religion but to celebrate, value and respect them as their own.

OUR PRINCIPALS

MESSAGE FROM THE CHAIRMAN

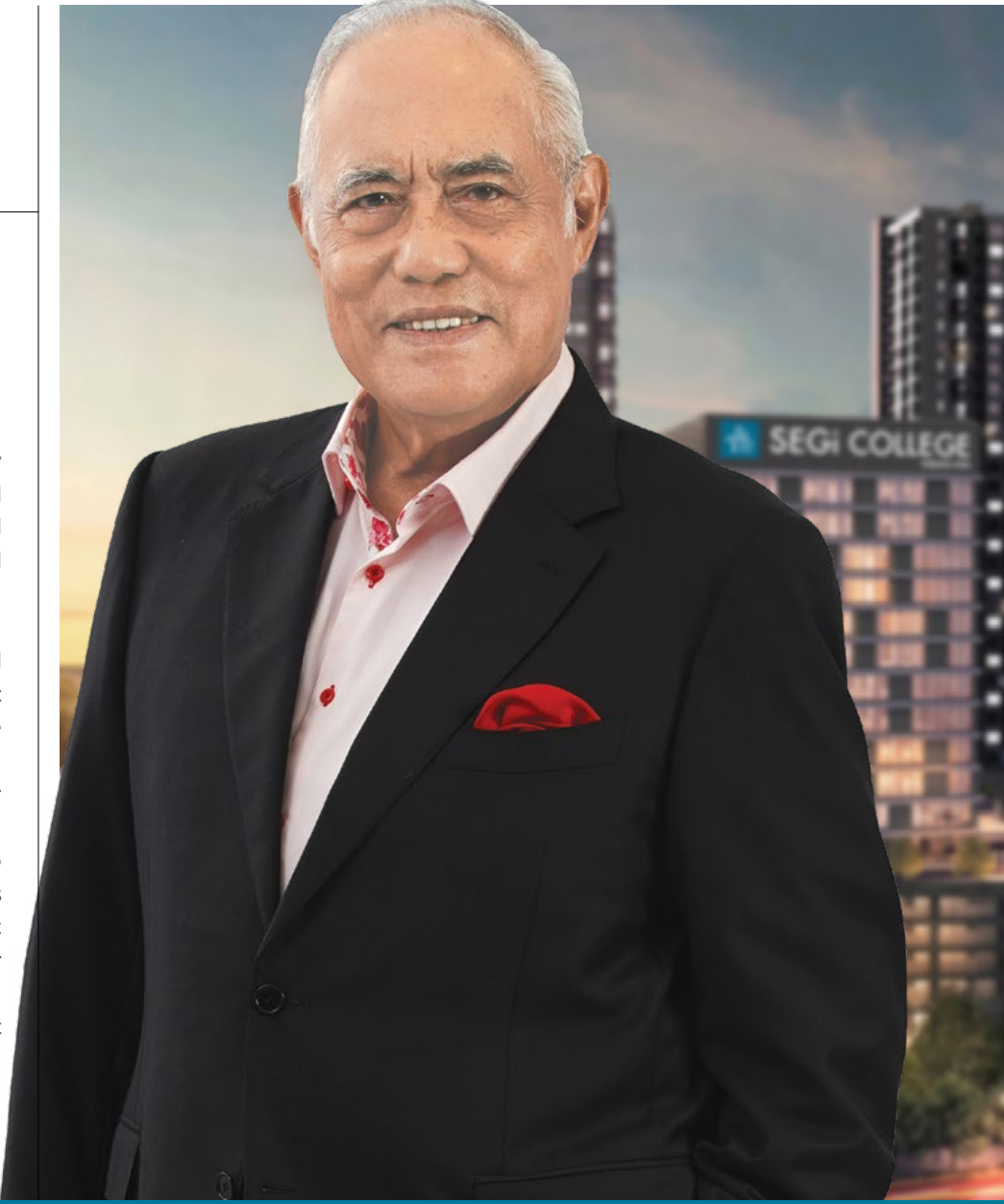
Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri
Dr. Haji Megat Khas
Independent Non-Executive
Chairman



DEAR VALUED SHAREHOLDERS

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements of SEG International Bhd (SEGi) and the Group for the year ended 31 December 2022.

The year 2022 marked the transition period towards normalcy after the COVID-19 pandemic triggered an unprecedented disruption to the economy and people’s livelihood. We are proud that we have adapted to the uncertainties over the last two years where SEGi had minimal disruptions to our classes as we transitioned to online and hybrid classes. The disruption was also a golden opportunity for us to relook at the traditional way of class delivery and our internal processes, and transformed them with digitalisation initiatives to meet today’s market demand.



MARKET AND FUTURE OUTLOOK

The closing of borders at the peak of the pandemic had somewhat affected the arrival of our international students, particularly students from China. With the full re-opening of the borders, we look forward to the arrival of international students this year. This will boost the new enrolments for the Group while we continue to extend our reach within Malaysia.

With the rise in the wave of digitalisation which was hastened by the pandemic, learning cannot be confined to brick-and-mortar classrooms, nor can it be restricted to only structured programmes. We believe that individualised learning is important and that some students prefer an unstructured programme where they can pick and choose the topics they need to learn according to their interest and passion. At SEGi, we have developed a suite of programmes offered globally where the students can choose the way they want to study, where they study and what they wish to learn. We see this as the way forward as we enter the new era.

The Group’s proactive measures, coupled with digitalisation initiatives, have sustained the Group through the pandemic years and will hopefully help propel it to be a stronger organisation in the coming years. The Group is also expanding the breadth of its offerings beyond tertiary education to now include K-12 education, skill-based and other certification programmes. With adaptability and agility learnt from recent years, we should expect better resilience and better results in the immediate future.

FINANCIAL PERFORMANCE

The Group recorded a revenue of RM213.9 million and a profit before taxation of RM45.3 million, for the financial year ended 31 December 2022 as compared to revenue of RM223.5 million and profit before taxation of RM52.3 million in the previous financial year, representing a decrease of 4% and 13% respectively.

The slight decline was mainly due to the graduating batches of postgraduate foreign students enrolled with the Group’s institutions intakes in the previous financial years, whereas new enrolments are only expected to pick up in 2023 coinciding with the borders reopening, particularly China’s.

MESSAGE FROM THE CHAIRMAN

We welcome students to return to all our campuses. While we are committed to ensuring a safe learning environment, our academic teams will stay connected with students by providing positive support and encouragement to them.

The Group’s balance sheet continues to be healthy, closing the year with shareholders’ funds standing at RM127.9 million, deposits, cash and bank balances of RM92.9 million and a low gearing ratio. A strong balance sheet, built on the efficient management of capital and assets, allows the Group the financial flexibility to capitalise on growth opportunities and maximise shareholders’ value.

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

DIVIDENDS

The Board maintains a balanced approach to dividend payments, ensuring that sufficient funds are maintained for future growth, whilst recognising the need to provide a reasonable return to shareholders. With this in mind, the Board declared two interim dividends in respect of the financial year ended 31 December 2022. The first interim dividend of 3.0 sen per ordinary share was paid on 25 January 2022 while the second interim dividend of 2.0 sen per ordinary share was paid on 20 January 2023. This brings the total dividend paid for the year under review to RM61.26 million.

OPERATIONAL REVIEW

In ensuring students are well-equipped with the relevant skills and knowledge needed to succeed in today’s challenging economic climate, SEGi has introduced various initiatives to enhance their employability and career prospects.

FINANCIAL PERFORMANCE

REVENUE

RM213.9
million

(FY2021: RM223.5 million)

PROFIT BEFORE TAXATION

RM45.3
million

(FY2021: RM52.3 million)

SHAREHOLDERS’ FUNDS

RM127.9
million

(FY2021: RM160.9 million)

MESSAGE FROM THE CHAIRMAN

One of these initiatives is the Graduate Employment Readiness (GER) Programme, designed to provide students with career coaching, communication skills, and grooming skills to prepare them for the job market. In addition, the Graduate Employment Availability & Readiness Portal has been set up to connect students with our corporate partners and alumni, providing them with more opportunities to improve their employability.

Despite the pandemic’s challenges, we have collaborated with industry partners to organise virtual career talks, workshops, and fairs to provide our students and alumni with continuous career-related services. These initiatives have been instrumental in helping students adjust to the new normal and find jobs or internship positions.

Furthermore, in line with SEGi’s strategy to expand the range of programmes offered across campuses and to cater to the evolving market demands, our academic teams have reviewed and revised the curriculum to achieve IR4.0 goals. We have also invested in research and development, establishing a research centre to conduct studies and improve our programmes’ quality.

SEGi also recognises the unique needs of working adults to upgrade their qualifications and improve their career prospects, which led to the introduction of micro-credential flexible learning programmes. Through these new programmes, adult learners can upskill their knowledge through cost-effective and module-by-module learning. These programmes offer credit transfer options to our primary diploma or degree programmes.

SEGi is committed to creating a holistic student experience beyond academic learning. We have integrated students’ improvement skills and individual growth pathways into our academic programmes to stimulate their social skills development and participate in various co-curricular activities, such as the MPU 4 – Co-Curriculum, Social, and Community initiatives.

In addition to our academic programmes, we are dedicated to preparing future leaders, innovators, and thinkers with a comprehensive understanding of global challenges. As an educational signatory to the United Nations’ 2030 Agenda for Sustainable Development, SEGi is committed to supporting and promoting SDG principles through academic research, providing students with the skills and knowledge needed

to promote sustainability, ensuring environmentally sustainable and socially inclusive campuses and programmes, and reporting on SDG-related activities.

SEGi has divided its SDG Implementation into three (3) Phases. In Phase 1, we are focusing on the following:



Lastly, we are pleased to announce that our library is now open to the public, where everyone can access our extensive academic resources and literature collection. Additionally, SEGi has introduced initiatives to give students financial peace of mind, such as offering scholarships, bursaries, and study loans, ensuring that financial constraints do not hinder their academic progress.

I am proud to share SEGi’s notable achievements, among them are:

- 1

SEGi University is now **ranked 57 in South-East Asia** and amongst the **top 261-270 universities in Asia** according to the QS Asia University Rankings 2023
- 2

SEGi University has improved its performance and **emerged in the top 44%** in the **QS World University Ranking: Asia 2022** (“QS Rating”).
- 3

SEGi University has been awarded a **5 Stars Plus** rating by QS Rating (2022 – 2024), being **one among 20 universities worldwide** to be awarded this status.
- 4

SEGi also received a **5 Stars rating for eight categories:** academic development, internationalisation, employability, teaching, online delivery, Art & Culture, MBBS and inclusiveness.
- 5

SEGi was ranked **No. 4 or Top 4** for the **International Students Index in the QS Rating**.
- 6

SEGi University has also been ranked **No. 9** in the **AppliedHE™ Private University Ranking: ASEAN 2022**.

MESSAGE FROM THE CHAIRMAN



Education is the key to success in life, and teachers make a lasting impact on the lives of their students. SEGi will continue its efforts and stay committed to being at the forefront of innovation, empowering students to gain the qualifications they need to excel in life and turn their dreams into reality.

CORPORATE DEVELOPMENTS

The Board is pleased to announce that the Group acquired three K-12 Schools during the financial year under review by taking over Peninsula Education Sdn Bhd, Imperial Education (Ipoh) Sdn Bhd and Peninsula Private Education Sdn Bhd. This is in line with SEGi’s intention to expand its business into K-12 education. The acquisition was completed on 1 February 2023.

The acquisition enables the Group to operate 2 international schools and 1 private school under the brand names of:

- Peninsula International School Australia, Setia Alam;
- Imperial International School, Ipoh; and
- Peninsula Private School, Setia Alam.

CORPORATE SUSTAINABILITY

Good governance plays a critical role in ensuring that SEGi sustains its position as a successful company. The Board recognises the importance of sustainability and its increasing impact on the business. The Board places great emphasis on ensuring and maintaining the highest standards of corporate governance throughout the Group and managing the environmental impact including climate-related risks and opportunities, providing a safe and caring workplace as well as meeting the social needs of our community.

The Board believes that the initiatives 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 environmental, social and governance considerations into its decision-making and the delivery of outcomes arising from its decisions and action. The Board strongly believes that, in the course of doing so, it will enhance value to its stakeholders.

The details of our sustainability initiatives are set out in our Sustainability Statement in this report.

ACKNOWLEDGEMENTS

SEGi is a remarkable organisation built on years of hard work, innovation and above all, the endeavours and commitment of its people. It has been my utmost privilege to serve as the Company’s Chairman and be part of its continued 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 insight, expertise and support.

My heartfelt appreciation goes to the management and staff for their commitment, dedication, and perseverance in managing 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 strive and intensify our efforts to enhance the performance and strengthen the position of the Group and propel the Group to greater heights in the coming years.

TAN SRI (DR.) MEGAT NAJMUDDIN BIN DATO’ SERI DR. HAJI MEGAT KHAS
Chairman

12 April 2023

MESSAGE FROM THE CHANCELLOR

Y.A.M. Tan Sri Dato’ Seri Syed Anwar
Jamalullail
Chancellor



AWARDED

SEGi placed 9th in the

AppliedHE Private University Ranking: ASEAN 2022

We achieved an overall QS 5 Stars Plus rating for attaining QS 5 Stars rating in eight evaluations.

RANKED

SEGi has recently risen above the ranks amongst prestigious higher learning institutions, placing

#57 in Southeast Asia

in the QS Asia University Rankings 2023.

TOWARDS IR 4.0

Ramped up “Towards IR 4.0”

initiative launched in 2019, providing skills enrichment and support to our students in response to the changing demands of the Industrial Revolution 4.0 era.



REVOLUTIONISING THE HIGHER EDUCATION LANDSCAPE

SEGi University & Colleges has come a long way since its inception in 1977, growing from a small campus in Kuala Lumpur to one of Malaysia’s largest private higher education groups. As the Chancellor of SEGi University, I am pleased to share with you the exciting progress we have made over the past year.

In 2022, we celebrated SEGi’s 45th anniversary as a distinguished higher education institution, marking a significant milestone in achieving excellence. Over the years, SEGi has evolved to become a regional hub of excellence in various fields, offering a wide range of high-quality international programmes to its diverse student population. SEGi’s vision is to provide excellent employability-based international programmes that range from foundation to postgraduate levels, and we will continue to make this our mission for years to come.

At SEGi, we have successfully transitioned students to online classes and exams with the support of our dedicated lecturers and staff despite the challenges posed by COVID-19 and lifestyle changes post-pandemic. Our Counselling Services provided online peer discussion groups to support students during these unprecedented times.

As part of our continuous efforts to remain at the forefront of education, we have invested heavily in digitalisation and innovative technologies to enhance our students’ learning experience. Our commitment to providing quality education is reflected in our outcome-based learning approach, which ensures that our programmes create added value for students and prepare them for the challenges of the real world.

We have also ramped up our “Towards IR 4.0” initiative launched in 2019, providing skills enrichment and support to our students in response to the changing demands of the Industrial Revolution 4.0 era. Our efforts include over 100 SEGi Enrichment Programmes in leadership, communication, and grooming skills, as well as an Academic Skills Unit to support students in academic writing and practical study.

Globalisation is one of our most outstanding achievements; SEGi is currently home to 16,000 students from about 85 nations across its campuses in Klang Valley, Penang and Sarawak, of which 40% are international students, alongside 9.1% foreign faculty staff.

For decades, we have maintained close partnerships with reputable universities in the country and worldwide, namely in the USA, UK, Australia, China, Switzerland and Finland. Our partner universities are the University of Central Lancashire, the University of Greenwich, the University of Sunderland, the University of London, the University of Hertfordshire, and Pearson; the University of Troy; Queensland University of Technology; Hospitality and Tourism Management Institute; and, Helsinki International Schools (HEI Schools). We strive to continue exploring new collaborations with other well-established institutions while expanding our portfolio of regional centres in various parts of the world.

We are most proud of our ability to diversify our academic offerings in a hybrid setting, demonstrating our strength in shaping fresh-out-water high school students, hungry-for-advancement adult learners, into future-proof graduates armed with in-demand skill sets and qualifications.

Not forgetting, our esteemed industry partners from various fields have contributed to developing a knowledge-rich and industry-relevant curriculum in line with our “Industry Into The Classroom” concept.



In terms of our financial performance, despite the challenging economic climate, we have managed to maintain our solid financial position thanks to our robust business strategies, prudent financial management, and the dedication of our staff and faculty.

As we move forward, we remain focused on achieving more outstanding educational excellence and building the next generation of leaders across various professions. We are immensely proud of our progress and are committed to providing high-quality education to our students, empowering them to achieve their fullest potential.

SEGi’s strong presence and active role in transforming Malaysia’s education landscape are well-recognised at home and abroad. In addition to our accolades and recognition, SEGi has recently risen above the ranks amongst prestigious higher learning institutions, placing #57 in Southeast Asia in the QS Asia University Rankings 2023.

SEGi placed 9th in the AppliedHE Private University Ranking: ASEAN 2022. Most notably, we achieved an overall QS 5 Stars Plus rating (The year 2022 – 2024) for attaining QS 5 Stars rating in eight evaluations. This has placed SEGi as one of only 20 universities worldwide and one of only two Malaysian universities awarded this outstanding accolade.

Your steadfast support of SEGi and our vision for the future of education in Malaysia is deeply valued and inspires us to keep pushing the boundaries of what’s possible.

MESSAGE FROM THE CHANCELLOR

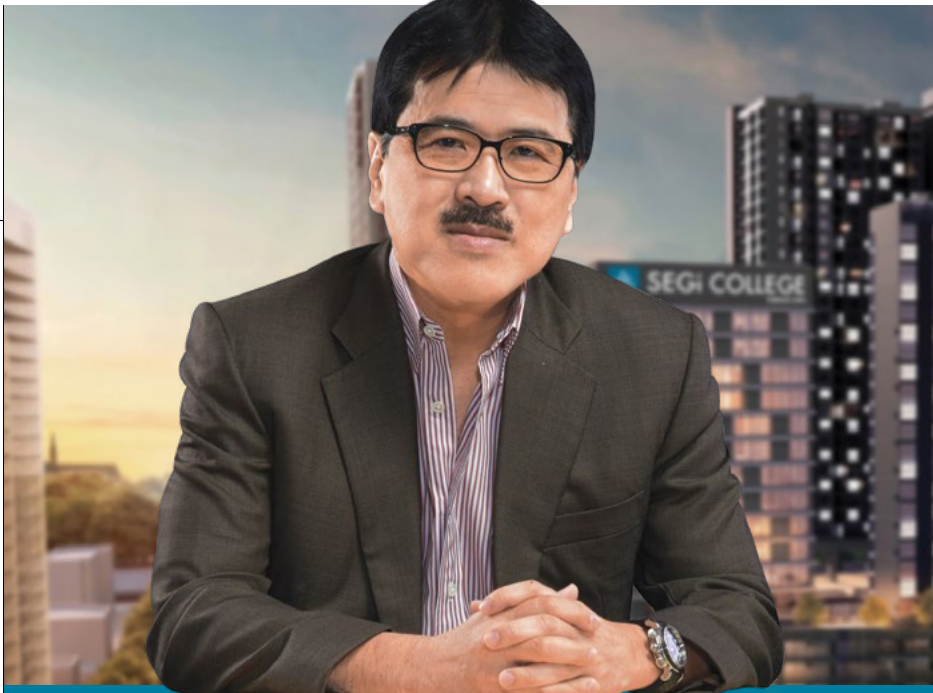
MESSAGE FROM THE GROUP MANAGING DIRECTOR

Tan Sri Clement Hii Chii Kok
Group Managing Director



FUTURE-PROOFING GRADUATES IN THE NEXT NORMAL

As we step into the year 2023, SEGi continues to be committed to its mission of becoming a prominent regional higher education provider. We aim to offer quality employability-based international programmes accessible to talented students, and our focus is on nurturing and preparing these students to become future leaders of our society.



For the past couple of years, we have adopted living the 'New Normal' due to the COVID-19 pandemic; now, SEGi is fully focused on future-proofing its graduates in the 'Next Normal'. Our greatest achievements are showcased through three key pillars: Globalisation, Diversification, and Digitalisation.

These strategies are designed to future-proof our graduates and set them on the right pathway towards realisation. We have taken this opportunity to develop new courses that meet the current and future market demands, further securing our position as a changemaker in the industry.

One of the ways we are expanding our reach is through our partner universities to bring together the best minds from different parts of the world to create a truly global learning experience for our students. For example, students on an academic pathway to becoming preschool teachers can take advantage of our Early Childhood Education programme and earn the HEI Schools Teacher Diploma. The two-and-a-half-year programme incorporates the fundamentals of Finland's early education pedagogy, including play-based learning and special needs and inclusion. This dual-award DECE programme is now available at four college campuses (Kuala Lumpur, Subang Jaya, Sarawak, and Penang).

Additionally, we have sealed our partnership with China's University of Sanya (USY) to officially launched the China Malaysia Future Institute (CMFI); SEGi's flagship university at Kota Damansara serves as CMFI's headquarters in Malaysia. The establishment of CMFI sets a new trusted platform to train international-minded talents and promote interdisciplinary disciplines and innovative development. The institute will create exemplary educational cooperation under the One Belt,

One Road initiative and enhance China and Malaysia's cross-border educational influence in the China-ASEAN countries. This will develop a high-quality education system and create new opportunities for both countries.

Another important milestone achieved is the opening of the APEL Centre at SEGi University. SEGi recognised that many working adults had abandoned their pursuit of higher education due to two significant barriers - insufficient prior qualifications and a lack of time. To provide adult learners with accessible learning opportunities, SEGi has leveraged the Accreditation of Prior Experiential Learning (APEL) to offer programmes that address these challenges. I am proud to share that we offer all three APELs (APEL.A, APEL.C, and APEL.Q) at our APEL Centre.

With the advancement of technology and the increasing demand for a highly skilled workforce, SEGi has expanded its offerings to include skill-based programmes that cater to various industries. These programmes are designed with industry experts, ensuring that graduates are equipped with the latest knowledge and skills essential for a successful career. By offering skill-based programs, SEGi aims to empower students to become industry-ready professionals who can thrive in the ever-evolving job market.



MESSAGE FROM THE GROUP MANAGING DIRECTOR

We have adopted living the 'New Normal' due to the COVID-19 pandemic; now, SEGi is fully focused on future-proofing its graduates in the 'Next Normal'. Our greatest achievements are showcased through three key pillars: Globalisation, Diversification, and Digitalisation.

We have also gone beyond the traditional brick-and-mortar campus setting by launching SEGi MetaCampus, Malaysia's first university and SEGi's sixth campus in the metaverse. SEGi MetaCampus represents our advancement into IR5.0 and our commitment to transforming the country's online and hybrid education landscape. Through an immersive 3D virtual learning experience, I am confident that SEGi MetaCampus will revolutionise how education is delivered.

For a higher education institution to thrive, it must establish a sustainable and financially sound model. Over the last two years, the pandemic has challenged institutions worldwide, causing many to struggle. However, SEGi, a group of higher education institutions, has been able to weather the pandemic's storm and maintain profitability. This is primarily due to the lower operating costs and transformation initiatives undertaken to adapt to these difficult times. The institution's successful efforts have earned SEGi the Highest Return on Equity Over Three Years Award at The Edge Malaysia Centurion Club Corporate Awards, showcasing its financial strength and performance. Despite the pandemic, SEGi has remained financially stable, demonstrating its resilience and strength.

At SEGi, we expect nothing less than the best from our students. We are excited to bring out the "Best In You, Made Possible" through our commitment to providing a world-class education that prepares our students for success in the next normal.

OUR CORE: SEGi PROGRAMMES

OUR CORE: SEGi PROGRAMMES

OUR PROGRAMMES

1

Medicine

2

Biomedical Science

3

Dentistry

4

Optometry & Vision Sciences

5

Pharmacy

6

Nursing & Allied Health Sciences

7

Engineering & The Built Environment

8

Business & Accounting

9

Education

10

Technology & Innovation

11

Communication

12

Creative Arts, Music & Design

13

Hospitality & Tourism

14

Postgraduate Studies

15

American Degree Program (ADP)

16

Foundation (Pre-University)

17

Law

18

Psychology

WHERE EXCELLENCE MEETS EDUCATION

SEGi University & Colleges, a prestigious private group of higher education institutions in Malaysia, aims to shape the future leaders of various industries. At the core of SEGi, we pledge to provide a dynamic learning environment that enables students to realise their maximum potential.

SEGi is proud of its ever-expanding courses, from Pre-University to Postgraduate, delivered through state-of-the-art facilities, a research-driven environment, seasoned faculty, and decades of experience providing unparalleled education.

With these immaculate features and offerings, and continued commitment to the brand promise 'The Best In You, Made Possible', we distinguish ourselves as one of the best institutions fully committed to generating future-proof graduates with the skills and knowledge that will transform the market.

For a more complete information on SEGi's Programmes, please visit our official website at <https://www.segi.edu.my> or by scanning the QR code attached.

1 MEDICINE

SEGi University's Bachelor of Medicine and Bachelor of Surgery (MBBS) programme is the ultimate training ground for aspiring doctors who are ready for a challenging and fulfilling career in healthcare.

The Faculty of Medicine, Nursing & Health Sciences is dedicated to producing competent medical professionals committed to lifelong learning. The faculty uses diverse and patient-centered teaching and learning methodologies to ensure that medical students receive comprehensive training in therapeutic intervention, rehabilitative medicine, promotion of health and prevention of disease.

Across five years, students undergo an immersive curriculum that includes pre-clinical and clinical phases, personal and soft skills development, and the latest medical technologies. By the end of their training, these students are well-equipped to become good communicators, thinkers, team players, and leaders.

We take pride in training students to deliver prompt, accurate, and effective care that is holistic, professional, and ethical. Our programme is fully accredited by the Malaysian Qualifications Agency (MQA) and the Malaysian Medical Council (MMC). Plus, it brings students a step closer to excelling in the United States Medical Licensing Examination (USMLE).



2 BIOMEDICAL SCIENCE

SEGi graduates in Biomedical Science are equipped to meet the nation's demand for skilled scientists and researchers. Further, they possess advanced technical expertise in medical sciences technology, making them a sought-after addition to any team.

With a curriculum designed to foster the development of diagnostic, analytical, managerial, and research competencies, SEGi's Biomedical Science programme is designed to produce talented and versatile graduates poised to thrive in various high-impact industries. From working in the fast-paced world of pharmaceuticals and cosmetics, or hospitals and community health centres, to contributing to cutting-edge research in biomedical research institutes or forensic laboratories, SEGi graduates are well-prepared to meet the demands of the industry.

At SEGi, we pride ourselves on our strategic learning methodologies, designed to support the growth and development of every student.



OUR CORE: SEGi PROGRAMMES



3 DENTISTRY

The Faculty of Dentistry at SEGi University is dedicated to providing top-quality oral health education to aspiring dental professionals.

Our innovative programme empowers students with the latest technologies and student-centric learning techniques, enabling them to become knowledgeable, technically competent, socially responsible, and agile dental practitioners who can respond to the changing oral health needs of the public.

SEGi dental graduates are trained to perform effectively and independently in a clinical setting and adhere to the highest professional conduct and ethics standards. We encourage them to continue their professional development through research and innovation, allowing them to stay at the forefront of their field.

Our state-of-the-art teaching facilities provide the best possible hands-on training to develop students' skills and aptitudes. At the SEGi Oral Health Centre, we observe accredited agencies' guidelines to meet industry standards, providing a fully functioning dental clinic with many in-house dental professionals and auxiliaries.

The programme has received full accreditation from the Malaysian Qualifications Agency (MQA). SEGi dental graduates are fully registered with the Malaysian Dental Council, making them highly sought after in the dental industry.

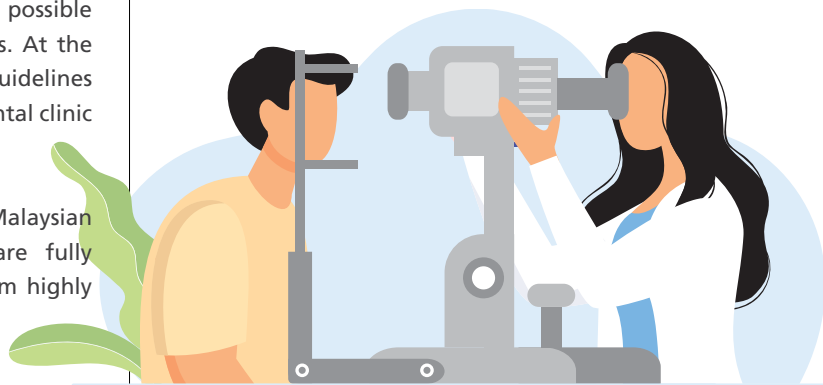
4 OPTOMETRY & VISION SCIENCES

SEGi University is a trailblazer in optometry education in Malaysia, offering an esteemed Bachelor of Optometry (Hons) programme. The Faculty of Optometry & Vision Sciences empowers students with industry-relevant skills and experience to become proficient general practitioners in eye care.

We understand that hands-on training is critical for students to thrive in their future careers. For this reason, the programme offered at SEGi strongly emphasises practical training within our campus clinic as well as various private clinical and retail settings. Students also gain exposure to cutting-edge specialised equipment, ensuring they are equipped with the latest tools and techniques in the field.

Our curriculum extends beyond technical skills, empowering students with soft skills such as problem-solving, critical thinking, communication, and leadership skills through various student and community engagement activities. The SEGi EyeCare clinical system is designed to provide extensive clinical exposure, business acumen training, and personal development skills to ensure that students graduate as competent, socially responsible, and agile optometrists.

SEGi's optometry programme is fully accredited by the Malaysian Qualifications Agency (MQA) and the Malaysian Optical Council. As a recognised member of the World Council of Optometry's list of recognised Optometry Schools in the Asia Pacific, SEGi optometry graduates are well-prepared to meet the evolving needs of the eye care industry.



5 PHARMACY

For years, the Faculty of Pharmacy at SEGi University has produced top-tier graduates with the scientific knowledge and relevant skills to innovate and elevate the healthcare industry.

The faculty includes an outstanding team of highly qualified and passionate academic staff committed to delivering an integrated Bachelor of Pharmacy (Hons) programme. With a focus on experiential learning, students are given ample opportunities to gain hands-on experience in various pharmacy settings, including community pharmacy, hospital pharmacy, and the pharmaceutical industry.

The faculty is equipped with cutting-edge facilities, namely advanced laboratories, clinical skills labs, a mock pharmacy, an aseptic unit, and a medical museum, for students to practice in a simulated environment. Hence, SEGi graduates will be fully equipped with the knowledge, skills, and experience to make a meaningful impact in the healthcare system.

Fully accredited by the Malaysian Qualifications Agency (MQA) and the Pharmacy Board Malaysia (PBM), our programme ensures that SEGi pharmacy graduates adhere to the highest professional conduct and ethics standards.



OUR CORE: SEGi PROGRAMMES



6 NURSING & ALLIED HEALTH SCIENCES

Allied health encompasses a wide range of professions that work together with physicians, nurses, and other healthcare professionals in improving patient outcomes and promoting overall health and wellness. SEGi Group of Colleges offer Allied Health Sciences programmes namely Nursing, Medical Laboratory Technology, Occupational Safety and Health, and Health Care that focus on developing students' procedural skills and preparing them for the challenges of this exciting field.

The programmes' intensive learning modules cover everything, from identifying and evaluating injuries and diseases to preventing disorders and maintaining environmental health. Students will learn to evaluate patients' responses, assess workplace safety standards, and make critical decisions about treatments and safety measures.

Our laboratories are equipped with cutting-edge technology and human-patient simulators, allowing students to gain first-hand experience in a realistic patient care environment. Additionally, students will practice various resuscitation scenarios and participate in hands-on sessions in industrial hygiene and medical laboratories, providing an immersive learning experience and preparing them for the workforce.

At SEGi, we believe in developing soft skills, encouraging lifelong learning and continuous professional development. That's why we work closely with prestigious universities in the United Kingdom (UK) to create a knowledge-rich and industry-relevant curriculum for our degree programmes.

OUR CORE:
SEGi PROGRAMMES

7 ENGINEERING & THE BUILT ENVIRONMENT

Our student-centered approach allows for better interaction between students and academics from Malaysia, and our partner universities worldwide. Students will have access to advanced laboratories and workshops equipped with essential tools to develop their engineering skills.

Our emphasis on impactful research and final-year projects fuels innovative and critical thinking skills necessary for discovering sustainable solutions for the engineering sector.

SEGi’s engineering programmes, namely Civil Engineering, Mechanical Engineering, Electrical and Electronics Engineering, Automotive Engineering, and Chemical Engineering are designed using applied methodologies and delivered through highly advanced engineering facilities, ensuring students are prepared for the workforce. Moreover, all our programmes are fully accredited by the Board of Engineers Malaysia (BEM), a signatory to the Washington Accord. This international accreditation agreement for professional engineering academic degrees indicates that SEGi graduates meet global academic standards to practice engineering internationally.

SEGi’s Built Environment programmes, namely Quantity Surveying, Architecture, and Interior Architecture, have received full accreditation from the relevant professional bodies, boosting our graduates’ employability globally. Case in point, our Bachelor of Science (Hons) Quantity Surveying programme is fully accredited by the Board of Quantity Surveyors Malaysia (BQSM), the Royal Institution of Chartered Surveyors (RICS) and the Pacific Association of Quantity Surveyors (PAQS). With local and international recognition, SEGi graduates can pursue the Chartered Quantity Surveyor (professional title) globally.

At SEGi, we believe in providing a conducive learning environment, prioritising students’ technical skills development. Each cohort of students is assigned a dedicated Design Studio throughout their studies, accessible after office hours and on weekends. It ensures students acquire the relevant skills necessary to excel in their future careers.



8 BUSINESS & ACCOUNTING

The Faculty of Business, Accountancy is the ‘revolutionised version’ of SEGi’s largest and most established academic school established since the early years, at the old campus of the Systematic Business Training Centre.

The faculty is led by academics who are dedicated to guiding students through innovative learning methods, including hands-on practical sessions, seminars, workshops, and presentations; to put simply, moulding students with in-demand skills and have a competitive advantage to succeed. Further, we work closely with industry advisors to provide real-world knowledge and expertise through industry engagement series, talks, and seminars, so students can quickly adapt and prosper in the fast-paced, highly demanding global business world.

Continuing our signature delivery of a ‘holistic learning experience’, the Aspiring Entrepreneurs Club (AEC) has been established. AEC is a student-led organisation and is open to all budding entrepreneurs across SEGi campuses to unlock their potential to become the next business leader! To ensure a world-class education, we have established the Centre of Excellence – Business and Accounting – and partnered with prestigious universities in the UK to develop a ground-breaking curriculum. Our goal is to produce highly marketable, competitive, and dynamic young talents ready to take on the challenges of the business world.

9 EDUCATION

At SEGi, we believe that quality education is more than just a goal; it’s the cornerstone of our commitment to providing innovative, industry-relevant education courses that empower students to become autonomous lifelong learners, problem solvers, and decision-makers.

As a long-time advocate of Early Childhood Care and Education (ECCE), we have produced highly qualified ECCE educators and practitioners since 1999. Our commitment to excellence has only grown stronger over the years.

The education programmes offered at SEGi, include specialisations in ECCE, Teaching English as a Second Language (TESL), Special Needs Education and Guidance Counselling. These programmes are packaged to provide a balanced, holistic academic and skills development that combines classroom learning with hands-on experience, expert guidance, and industry linkages.

At SEGi, we do not just train educators – we empower them to make a difference. Students have access to regular training and internships, providing them with the professional competencies and skills they need to succeed in a competitive job market. We work closely with more than 100 registered schools and learning institutions, providing graduates with a wealth of quality employment opportunities.

As a pioneer and trusted provider of ECCE, we have championed the cause of inclusive and equitable education, working closely with the Education National Key Economic Area (NKEA) and the Performance Management and Delivery Unit (PEMANDU) to create a brighter future for students and the communities they serve. With SEGi, students are not just getting an education; they are joining a passionate and dynamic community of educators shaping the future of education in Malaysia and beyond.



10 TECHNOLOGY & INNOVATION

Technology is rapidly shaping the world as we know it, revolutionising economies and transforming governments and societies. Equipping the workforce with the right skills and tools cannot be overstated in this ever-evolving landscape.

These are the reasons why SEGi’s Technology and Innovation programmes are designed to empower graduates with the adaptive skills and knowledge they need to excel in a field constantly in flux. Our students do not just receive highly recognised qualifications but also have the opportunity to earn professional certifications from industry leaders like Huawei and the EC Council.

SEGi is also one of the leading private higher education institutions to provide a specialisation in cybersecurity, preparing graduates to meet the growing demand for skilled professionals in the Information and Communication Technology industry, particularly with the advent of IR 4.0. With our high-tech computer labs and digital classrooms, SEGi’s technology-enabled environment provides the perfect platform for students to engage in self-initiated learning and stay ahead of the curve.

OUR CORE: SEGi PROGRAMMES

11 COMMUNICATION

In today's fast-paced digital world, communications have never been more dynamic and exciting. With the ability to inspire change and shape perceptions, communicators are crucial in driving business success and societal progress.

We at SEGi are fully committed to nurturing the next generation of trendsetting communicators highly skilled in advertising, public relations, marketing, political and public affairs, and every other platform requiring the deft touch of communication professionals.

Our expert faculty members are dedicated to instilling in students a deep understanding of the science of communication and equipping them with the tools and strategies to achieve targeted results.

From cutting-edge technologies to policymaking and governance in society, students receive comprehensive training in all aspects of communication. With access to facilities furnished with the latest technologies and hands-on training, graduates are well-equipped to tackle real-world communication challenges and deliver innovative solutions that drive business growth and social impact.



12 CREATIVE ARTS, MUSIC & DESIGN

The world of creative arts and design is an ever-expanding and dynamic field that requires a perfect blend of skill, imagination, and innovation. Students pursuing creative arts and design can unleash their creative potential and cultivate their talent with high-tech equipment and amenities.

At SEGi, we offer programmes like Creative Design, Graphic Design, Multimedia Design, Creative Multimedia, Visual Communication Design and Interior Architecture. These programmes are designed to mimic industry standards, allowing students to explore their creativity in a simulated, real-world environment. Our expert faculty members, with their vast industry experience, act as mentors and guides, empowering students with the knowledge and skills required to excel in their careers.

Additionally, our Music programme caters to the needs of aspiring musicians, music teachers and entrepreneurs who wish to pursue a career in the music industry. Students have the opportunity to showcase their talents through frequent performances and gig engagements. The programme boasts of award-winning alumni and lecturers with extensive music industry experience. Graduates have excelled in various fields, further cementing SEGi's reputation as a premier music education institution.

At SEGi, we believe that creativity is not just about creating something new; it's about inspiring and transforming the world around us. Our teaching approach emphasises lifelong learning, critical thinking, problem-solving, and decision-making skills, making our graduates stand out from the rest in the creative arts and design industry.

13 HOSPITALITY & TOURISM

Imagine a world where you can turn your passion for hospitality and tourism into a successful career. Before the pandemic, these industries grew unprecedentedly, creating numerous job opportunities worldwide.

Today, these sectors are returning and require a skilled workforce to fill their vacancies. This is where SEGi's Hospitality and Tourism programmes come in. Designed to equip students with practical and up-to-date skills that the industry demands, our courses cover a wide range of specialities from marketing to human resources, information management to planning and research.

We also partner with top-of-the-line national and multinational hotels, giving students the best industry-level training and internships, setting them up for success in their future careers. SEGi hospitality and tourism graduates have the upper hand in the job market with exposure to our affiliated partners, making them the preferred choice for many employers.

14 POSTGRADUATE STUDIES

In a rapidly evolving and highly competitive global workforce, postgraduate education has become more important than ever before. At SEGi, our postgraduate programmes are designed to attract the best and brightest minds from around the world, offering international standards of education that are flexible and adaptable to meet the changing needs of the modern workplace.

Earning a postgraduate qualification opens the door to career expansion, enhances students' career prospects, and paves the way for them to become industry specialists. As Malaysia shifts towards a service and technology-based economy, there is a growing demand for innovative and skilled professionals with specialised knowledge. SEGi is here to help students meet that demand.

Our uniquely structured courses allow students to earn a master's or doctoral degree in as little as 12 to 36 months, depending on their pace. Our blended learning approach combines industry-relevant modules with weekend or evening workshops and online learning facilities, making balancing their studies with other commitments easier than ever.

And with our dual-award programmes, students can obtain international qualifications that will open up even more career growth and development opportunities.



OUR CORE:
SEGi PROGRAMMES

15 AMERICAN DEGREE PROGRAM (ADP)

SEGi has joined forces with leading educational institutions to offer students the opportunity to earn a highly esteemed American Degree Program (ADP). Students can create their educational path with the flexibility of transfer arrangements or the option to complete the program entirely in Malaysia.

Troy University, a renowned public university in Alabama, USA, with an impressive array of accreditations and memberships, awards the ADP at SEGi. SEGi is Troy University’s exclusive partner in Malaysia, providing students with a world-class curriculum and an immersive American learning experience through visiting professors.

With diverse majors and minors, students can pursue a Bachelor of Science in Business Administration, Communication Arts, or Psychology and minors in Psychology, Promotion, Global General Business, and Communication Studies.

Students are continuously engaged in coursework. They have access to a wide range of resources that promote lifelong learning, making SEGi the ideal destination for students seeking a truly global education.

16 FOUNDATION (PRE-UNIVERSITY)

Embarking on a tertiary education journey can be daunting. Still, with SEGi’s Pre-University or Foundation courses, students will have the confidence and necessary academic skills before entering an undergraduate programme of their choice.

Our world-class programmes are recognised by top-tier institutions in the UK, Australia, New Zealand, and China, allowing students to study at some of the world’s most prestigious universities. But we don’t stop there - we offer various student engagement and enrichment programmes to ensure a smooth transition to tertiary education and unlock students’ full potential.

At SEGi, we also have an extensive network of connections locally and internationally, providing students with access to global employment opportunities and a bright future ahead



17 LAW

SEGi’s Law Faculty offers internationally recognised programmes to help students reach new heights in the legal profession. SEGi College Sarawak is the only higher education institution in East Malaysia to offer these courses; students are assured they’ll be in good company with other top lawyers worldwide.

Our Pearson Edexcel A-Levels (Arts), Diploma in Law, and Bachelor of Law (LLB) courses provide comprehensive legal education and training. At the same time, our highly sought-after LLB from the University of London International Programmes (UK) offers the security of an internationally recognised “Gold Standard” degree.

SEGi graduates will join a distinguished group of solicitors, barristers, and judges who have successfully obtained their law degrees through the University of London International Programmes.

18 PSYCHOLOGY

Mental health is a fascinating and ever-evolving field, filled with boundless opportunities to make a difference in people’s lives. Despite the stigmas and obstacles surrounding mental health, there is a growing demand for qualified professionals to fill the shortage of mental health services in Malaysia’s public, private, and social health sectors.

At SEGi, we understand the importance of cultivating exceptional mental health professionals. Our psychology programmes go beyond the basics to prepare future psychologists, therapists, counsellors, social workers, educators, trainers, and consultants. Our comprehensive curriculum includes mental health counselling and intervention, organisational effectiveness, public health, personal and professional development, and more.

With SEGi, students can choose from various homegrown diplomas and international degree programmes in collaboration with reputable USA and UK global partners. Our honours degree in psychology offers a unique approach to mental health care, encompassing various disciplines, including clinical, educational, criminal, and cross-cultural psychology.

As graduates of SEGi’s psychology programmes, students will possess the aptitude, personality, and skills necessary to excel as mental health professionals in various fields, including counselling, education, medicine, business, management, marketing, human resources, research, training, and development.



OUR CORE:
SEGi PROGRAMMES

STRONG FOUNDATION: SEGi CAMPUSES

SEGi UNIVERSITY

Being the largest group of higher education institutions in Malaysia, SEGi University & Colleges is home to 16,000 students from about 85 nations across our campuses, of which 40% are international students, alongside 9.1% foreign faculty staff.

In addition to being a melting pot of diverse cultures, SEGi University & Colleges has carved its name as a global education hub. SEGi is well-recognised for its continuous delivery of affordable quality higher education. From Pre-University to Postgraduate, SEGi offers a wide range of programmes in Accounting, Finance & Business Management, Medicine, Dentistry, Optometry, Pharmacy, Biomedical Science, Engineering and Built Environment, Information Technology, Cybersecurity, Psychology, Hospitality & Tourism Management, Communication, Creative Arts and Early Childhood Education.



SEGi's flagship university is located at the heart of Kota Damansara, adjacent to the Thomson Hospital and within walking distance of the Kota Damansara MRT station. The sprawling SEGi University campus features state-of-the-art facilities, including an academic library, research and recreational facilities, and student hostels that accommodate approximately 12,000 students.

Further, SEGi University is home to the Centre of Excellence (CoE) for Health Sciences, Technology and Innovation, Business and Accounting, Creative Arts & Design, Early Childhood Care and Education, and Hospitality & Tourism.

The institution also provides comprehensive support for student well-being through the Student Affairs department, which offers services such as the Mentor-Mentee system – SEGi CONNECT and SEGi Enrichment Programme, Global Industry Placement, and SEGi Employment Readiness Programme. Additionally, SEGi Valued Corporate Partners work closely with the Academic Skill Unit to provide employment opportunities for graduates.

SEGi University is committed to adopting a global benchmark in grooming highly skilled students and academics via world-class curricula, prominent industry linkages, futuristic facilities, and high-value engagements that create future-proof talents who will continuously evolve and raise the nation to the next level.

The institution has recently expanded its portfolio to include SEGi MetaCampus, Malaysia's first university and SEGi's sixth campus, in the metaverse. SEGi MetaCampus is SEGi's latest leap into IR5.0, introducing an immersive 3D, virtual learning experience to transform

STRONG FOUNDATION: SEGi CAMPUSES

the country's online and hybrid education landscape completely.

Additionally, SEGiUniDigital offers online higher education qualifications from Diploma to Master's degree commitments through SEGi University Online/Blended Learning, allowing working adults to balance studies with work and family. There are Massive Open Online Courses (MOOCs) and micro-credentials for adult learners to enhance their credentials. Through SEGi's online platform, Blackboard, adult learners can enjoy a seamless learning experience as they can easily connect with the academic team.

SEGi University has been recognised as a QS 5 Star Plus institution according to the QS World University Rankings 2022. SEGi University obtained 5 Stars ratings in eight evaluations: Teaching, Internationalisation, Online Learning, Arts & Culture, Employability, Academic Development, Inclusiveness, and Specialist Criteria: Bachelor of Medicine and Bachelor of Surgery (MBBS). This prestigious rating places SEGi University among the top 20 universities globally.

Most recently, SEGi University has ranked 57 in South-East Asia and amongst the top 261-270 universities in Asia in the Asian University Rankings 2023 published by QS World University Rankings.

16,000
Students

85
Nations

40%
International
Students

9.1%
Foreign Faculty
Staff

STRONG FOUNDATION:
SEGi CAMPUSES

SEGi GROUP OF COLLEGES

SEGi University & Colleges, established in 1977 as Systematic College, is one of Malaysia's most well-established private higher education institutions. The group boasts a flagship university campus in Kota Damansara and five college campuses in Kota Damansara, Subang Jaya, Kuala Lumpur, Penang, and Kuching.

For over four decades, SEGi has offered affordable global education in various fields such as Accounting, Finance and Business Management, Engineering, Information Technology, Cybersecurity, Psychology, Hospitality & Tourism Management, and Early Childhood Education.

SEGi is dedicated to providing its students with opportunities to earn foreign degrees from reputable universities and institutions in the USA, UK, China, Switzerland, and Finland, making it an excellent choice for international students seeking quality, globally recognised education.

Programmes available at SEGi – from pre-university certification to postgraduate degrees – are fully accredited by the Malaysian Qualifications Agency (MQA) and focus on industry relevance, career readiness, and marketability, ensuring a strong global appeal and employability standard.

With its emphasis on student-centered education and numerous industry collaborations, SEGi is highly regarded as a student-centric study destination. Its commitment to international compliance standards is demonstrated by its ISO 9001:2015 certification.

1 SEGi College Subang Jaya



The campus is strategically located within Klang Valley, in the township of Subang Jaya, right next to The Summit shopping complex. One of the pioneers of Early Childhood Education in Malaysia, the college is also sought-after for its business programmes.

Students from this campus enjoy the convenience of public transport as it is within a 10-minute walk to the USJ 7 Light Rapid Transit (LRT) and Bus Rapid Transit (BRT) stations.

2 SEGi College Kuala Lumpur



The campus sits in the heart of Kuala Lumpur, a little over 200m from the Masjid Jamek LRT Station. It offers programmes in Business & Accounting, Allied Health Sciences, and Hospitality & Tourism with the support of experienced and reputable academics.

3 SEGi College Kota Damansara



SEGi College Kota Damansara is located at SEGi Tower, an extension building just a 5-minute walk from the main campus. It accommodates up to 6,000 students across faculties such as the Faculty of Business, Accountancy & Law; School of Communication & Creative Design; and School of Hospitality & Tourism Management. SEGi College Kota Damansara is walking distance of the Kota Damansara MRT station.



4 SEGi College Penang

The campus is situated in Green Hall, a unique coastal location that provides an ideal learning lifestyle with an affordable cost of living. The college offers a wide range of Business & Accounting, Early Childhood Education, Information Technology, and the American Degree Program (ADP).



5 SEGi College Sarawak

Located in the vibrant city of Kuching, the campus is one of the largest private colleges in East Malaysia. It offers Management, Accountancy, Hospitality, Information Technology, and Law programmes. It is also the only campus in East Malaysia to offer a Law programme at diploma and degree levels.

AWARD-WINNING CAMPUSES



SEGi College Subang Jaya
The campus achieved the highest 6-Star (Outstanding) rating for four consecutive times in MyQuest 2012/2013, MyQuest 2014/2015, MyQuest 2016/2017 and MyQuest 2018/2019.



SEGi College Kuala Lumpur
Apart from being a Centre of Excellence for Business and Accounting and Hospitality and Tourism, the campus has received the 5-Star (Excellent) rating for MyQuest 2018/2019.



SEGi College Kota Damansara
The campus achieved the highest 6-Star (Outstanding) MyQuest 2018/2019.



SEGi College Penang
The campus achieved the highest 6-Star (Outstanding) MyQuest 2018/2019.



SEGi College Sarawak
The campus achieved the highest 6-Star (Outstanding) MyQuest 2018/2019.

STRONG FOUNDATION:
SEGi CAMPUSES

SEGi AT A GLANCE

| | | |
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| <div>1</div> <div>The first campus</div> <div>then known as Systematic College back in 1977, was established in the heart of Kuala Lumpur’s commercial district.</div> | <div>2</div> <div>A 10-acre site</div> <div>of its flagship university campus in Kota Damansara is next to the Kota Damansara MRT Station.</div> | <div>3</div> <div>16,000</div> <div>local and international students across all five campuses.</div> |
| <div>4</div> <div>The Kota Damansara campus has an academic library as well as research and recreational facilities that provide a holistic learning experience for approximately</div> <div>12,000 students</div> | <div>5</div> <div>SEGi offers Pre-University to Postgraduate programmes</div> <div>in various fields of study, including Accounting, Finance & Business Management, Medicine, Dentistry, Optometry, Pharmacy, Biomedical Science, Engineering, Information Technology, Cybersecurity, Psychology, Hospitality & Tourism Management, and Early Childhood Education.</div> | <div>6</div> <div>SEGi’s flagship university campus</div> <div>houses the Centre of Excellence (CoE) on Health Sciences, Technology and Innovation, Business and Accounting, Creative Arts & Design, Early Childhood Care and Education, Hospitality & Tourism.</div> |
| <div>7</div> <div>SEGi Tower, a new building adjacent to the Kota Damansara flagship campus, can accommodate</div> <div>6,000 students</div> | <div>8</div> <div>SEGi Group of Colleges’ campuses have achieved the highest</div> <div>6-Star rating</div> <div>multiple times by MyQuest.</div> | <div>9</div> <div>Award-winning partners</div> <div>from the USA, UK, China, Switzerland, and Finland.</div> |

CENTRE OF EXCELLENCE



HEALTH SCIENCES

CARING HANDS, CARING HEARTS



SEGi provides a comprehensive array of industry-standard facilities across multiple clinical settings, along with a team of committed and experienced academics who strive to cultivate the leadership, technical abilities, and knowledge of their students. This prepares them for a successful and rewarding future ahead.

Accredited by MQA

SEGi’s undergraduate programmes, which include Medicine, Optometry, Dentistry, and Pharmacy, have received full accreditations from the prestigious Malaysian Qualifications Agency (MQA).

Additionally, its Bachelor of Medicine and Bachelor of Surgery (MBBS) programme has earned SEGi the distinction of being the first university in Malaysia to achieve 5 Stars status under the QS Star Rating: Specialist Criteria.

Early and Extensive Clinical Practice

SEGi’s learning modules incorporate a blend of theoretical and clinical training throughout the duration of the programme.

State-of-the-Art Facilities

SEGi is committed to providing students with a supportive and well-equipped learning environment, featuring comprehensive teaching facilities, cutting-edge laboratories, and state-of-the-art clinics. Notable facilities include the SEGi Oral Health Centre and Rotary-SEGi Eye Centre.

Student-Centered Learning Approach

SEGi strives to create exceptional graduates who possess a deep understanding of technological advancements. This is achieved by engaging with our students on multiple levels, nurturing their academic abilities, problem-solving, critical thinking, and communication skills. SEGi’s holistic approach to education prepares graduates for success in their chosen fields and beyond.

SEGi designed its health sciences programmes with the goal of fostering and generating skilled, proficient, empathetic, and compassionate healthcare practitioners. The aim is to prepare them to confront the challenges of a rapidly evolving industry, by providing them with rigorous training and making them highly adaptable to new technological developments.

CENTRE OF EXCELLENCE



TECHNOLOGY & INNOVATION

LEADING THE WAY IN WORLD-CLASS DIGITALISED EDUCATION



SEGi is dedicated to developing the next generation of IT graduates who will be instrumental in the rapidly changing Digital Future. This is achieved by providing innovative programmes and partnering with prominent industry players such as Oracle, Huawei, EC Council, and Microsoft.

In-demand Programmes and Qualifications

SEGi offers students access to the latest tools and certifications so they are fully prepared to excel in the constantly evolving technology industry. Among the cutting-edge courses offered are the Oracle Workforce Development Programme (WDP), Certified Ethical Hacker (CEH) Certification, Microsoft IT Academy Programme, as well as a diverse selection of certification courses from Huawei University Teaching Lab, Microsoft Certified Professional (MCP), Amazon Web Services (AWS), SAS Data Analytics, and AutoCAD.

Technology Advanced Teaching and Learning Experience

SEGi provides user-friendly study tools such as Panopto and Blackboard Technology to assist with subject revisions. Through these online platforms, students can conveniently access past lectures and receive important updates related to their studies.

Collaborations with Industry Leaders

SEGi's IT programmes are designed to provide students with practical and industry exposure beyond the classroom, helping students develop skills for a rewarding career in the dynamic ICT industry. It also collaborates with industry players to offer valuable internships and job opportunities, giving students a competitive edge.

Computer Labs with Latest Software

SEGi offers state-of-the-art computer labs that are fully equipped with the latest software. Its cutting-edge facilities ensure that students can maximise their learning potential and gain hands-on experience with industry-standard tools and technologies to excel in the competitive field of technology.

Malaysia aims to be a developed nation by 2025 and has identified the ICT industry as crucial to achieving this goal, resulting in it being one of the highest-paying industries in the country. The business industry's rapid digitisation has led to significant transformations, driving the demand for a skilled workforce with expertise in IT management processes.

CENTRE OF EXCELLENCE



BUSINESS & ACCOUNTING

NURTURING BUSINESS LEADERS IN A GLOBALISED WORLD



SEGi takes a comprehensive approach to education, cultivating committed business leaders who can adapt to global developments and create positive change in society. The Faculty of Business, Accounting, and Law (FoBAL) enriches students' experiences through a range of learning opportunities both inside and outside the classroom. With innovative learning approaches and a supportive environment, SEGi prepare students for their future careers, equipping them with the skills, knowledge, and mindset to thrive in the competitive business world and make a meaningful impact on society.

Globally Recognised 3+0 and Dual Degrees

At SEGi, students can pursue the most relevant and up-to-date business-related 3+0 UK degrees and Dual Degrees in collaboration with our esteemed university partners. Students now have access to a world-class education while remaining in the region.

Innovative Computer Labs

Students are given access to innovative computer labs that serve as valuable resource for conducting research, data analysis, and completing projects and assignments.

Respected Industry Advisors

In providing a comprehensive learning experience that goes beyond the classroom, SEGi works closely with its industry partners for students to learn first-hand from real-world experts about real-world business challenges in a real-world setting.

The business industry drives the global economy, and business-related degrees are popular among students. Sound business principles are crucial for companies and organisations to succeed, regardless of their specialisation. A business degree offers a broad range of opportunities in the highly competitive and interconnected job market. SEGi's Faculty of Business, Accountancy and Law (FoBAL) is the oldest and most distinguished department, with a strong industry presence. Its curriculum is regularly updated to reflect the evolving business landscape.

CENTRE OF EXCELLENCE



CREATIVE ARTS & DESIGN

INSPIRING CREATIVE ARTISTIC COMMUNICATIONS



SEGi highly values the potential of young talent and strives to empower them in building successful careers through their creative and innovative abilities. SEGi values a comprehensive approach to education – providing students with an academic environment that is conducive, packed with state-of-the-art facilities, giving them the freedom to express themselves creatively, with the guidance of dedicated educators who are committed to providing a well-rounded learning experience.

SEGi is committed to providing students with the essential skills required to succeed in their chosen industry upon graduation – effective communication, critical thinking and problem-solving abilities, ethical understanding, and hands-on studio-based techniques.

Industry Standard Photography Studio

SEGi's Kota Damansara and Subang Jaya campuses are fully equipped with photography studios that meet industry standards, providing an excellent environment for students to develop their skills and express their artistic vision.

Progressive Creative Arts Facilities

SEGi's campuses feature professional music rooms, green rooms, voice-over studios, broadcast studios, and editing rooms. With access to these facilities, students gain hands-on experience and practical skills while completing their coursework.

Walk of Fame

As a form of motivation for students and to inspire others, SEGi has created the "Walk of Fame". This platform allows talented students to showcase their skills and provides recognition and appreciation for their hard work. This is a signature way of SEGi in celebrating and being proud of students who have excelled in their respective fields.

Reputable Academics

SEGi is proud the home of highly qualified academics, who have established a robust network within the industry through active participation in various professional engagements. Moreover, its esteemed lecturers have served as jurors in various competitions, which demonstrates their expertise and position as respected members of the art and design community.

CENTRE OF EXCELLENCE



EARLY CHILDHOOD CARE AND EDUCATION

A PIONEER IN TRAINING EARLY CHILDHOOD EDUCATORS



SEGi has been producing many exceptionally qualified educators and Early Childhood Care and Education (ECCE) professionals since 1998. This success has earned SEGi its reputation as one of the most reputable providers of ECCE in the nation.

In 2010, SEGi was appointed as the champion for ECCE training by PEMANDU for the National Key Economic Area (NKEA) Entry Point Project 2, as part of our commitment to providing high-quality education. Additionally, it offers other specialisations for the teaching profession, including Teaching English as a Second Language (TESL), Special Needs Education, and Guidance and Counselling.

Comprehensive Internship and Employment Opportunities

SEGi leverages its extensive network of over 100 registered schools and learning institutions to offer students valuable internships and employment opportunities.

UK Montessori Certification

At SEGi College Subang Jaya, ECCE students have the unique advantage of enrolling in the Montessori Apparatus Workshop and Integrated Montessori Practice (IMP). These programmes equip students with the exclusive knowledge and skills that come with the Montessori approach, giving them a competitive edge in their future careers.

DECE With HEI Schools Teacher Diploma

Since 2021, students can pursue Early Childhood Education with HEI Schools Teacher Diploma. The two-and-a-half-year programme incorporates the principles of Finland's early education pedagogy, from special needs and inclusion to play-based learning. This dual-award DECE programme is offered across four college campuses (Kuala Lumpur, Subang Jaya, Sarawak and Penang).

Esteemed Industry Advisors

SEGi works closely with childcare and preschool industry advisors to continually enhance and develop its ECCE programmes. This guarantees students of receiving the latest insights and knowledge in the field. As evidence of their commitment to quality, SEGi was appointed as the consultant for Citikids Care, the first corporate childcare facility among banking institutions in Malaysia, which was established by Citibank for the children of their employees.

Global Partnerships with Reputable Universities

SEGi has formed partnerships with renowned universities in the United Kingdom to create a curriculum that is knowledge-rich and relevant to the industry. This collaboration has resulted in the development of our collaborative and double degree programmes, ensuring students receive a top-quality education that prepares them for a successful career.

CENTRE OF EXCELLENCE

CENTRE OF EXCELLENCE



HOSPITALITY, TOURISM
AND CULINARY ARTS

INCULCATING 5-STAR HOSPITALITY STANDARDS



SEGi's Hospitality, Tourism, and Culinary Arts programmes are designed based on the philosophy of structured workplace learning. The teaching methodology aims to provide students with the most up-to-date knowledge and skills required to succeed in various aspects of their future workplaces, particularly in the hospitality, tourism, and culinary arts industries.

SEGi's Hospitality, Tourism and Culinary Arts programmes provide students with ample opportunities to gain practical experience, ensuring that they are well-prepared for the workforce after graduation. The programmes include extensive hands-on training, which helps students to build valuable practical skills that will be useful in their future careers.

A Wide Range of Internship and Employment Opportunities

SEGi takes pride in its close partnerships with over 100 hotels including the prestigious Hotel and Tourism Management Institute (HTMi) Switzerland. In addition to offering students with valuable internship opportunities, our extensive network of affiliated partners provides students with potential employment prospects.

Structured Workplace Learning

To ensure optimal learning efficiency, SEGi adheres to a structured workplace learning philosophy that emphasises the immediate application of theoretical concepts, such as organising an event relevant to the course material. Additionally, students participate in field trips to local and international tourism destinations, gaining a deeper understanding of the industry and the programme syllabus.

Modern Facilities on a par with Industry Standards

SEGi's campuses in Kota Damansara, Kuala Lumpur, and Penang with exquisite, industry-standard facilities such as mock restaurants, housekeeping rooms, and fully functional kitchens. This methodology offers students a realistic experience of the demands and standards they will encounter in their future careers, enhancing their understanding and skills.

Reputable Memberships and Affiliations

SEGi is proud to be a Gold Member of both the Chefs Association of Malaysia (CAM) and the World Association of Chefs Societies (WACS), which reflects our commitment to upholding the highest standards in culinary education and training.



ARTIFICIAL
INTELLIGENCE

BUILDING GLOBAL SOLUTIONS WITH AI



Established in April 2019, the SEGi-MIMOS Centre of Excellence in Artificial Intelligence is a collaborative research effort between the National Applied Research & Development (R&D) agency, MIMOS Bhd, and SEGi University.

SEGi University collaborates with MIMOS to bridge the gap between basic research and technology development in Artificial Intelligence (AI). This partnership involves both parties working together on all R&D matters related to AI.

SEGi University is committed to offering higher education that is relevant to today's industry and the future and is ready to innovate its education ecosystem to focus on the new wave of Industrial Revolution 4.0 (IR4.0).

Public-Private Partnership

By partnering with MIMOS, SEGi gains a strong industry ally and increased credibility in the field of Artificial Intelligence (AI), which in turn can attract support from the industry. This partnership allows both parties to work together on all R&D matters related to AI, bridging the gap between basic research and technology development.

Ultimately, this collaboration benefits not only SEGi students but also the wider society, as the university continues to innovate its education ecosystem to stay ahead of the curve in the new wave of Industrial Revolution 4.0 (IR4.0).

Grooming Competent Professionals

SEGi plays a key role in developing highly skilled and competent human capital in the field of AI, contributing to the advancement of the country in this rapidly growing sector.

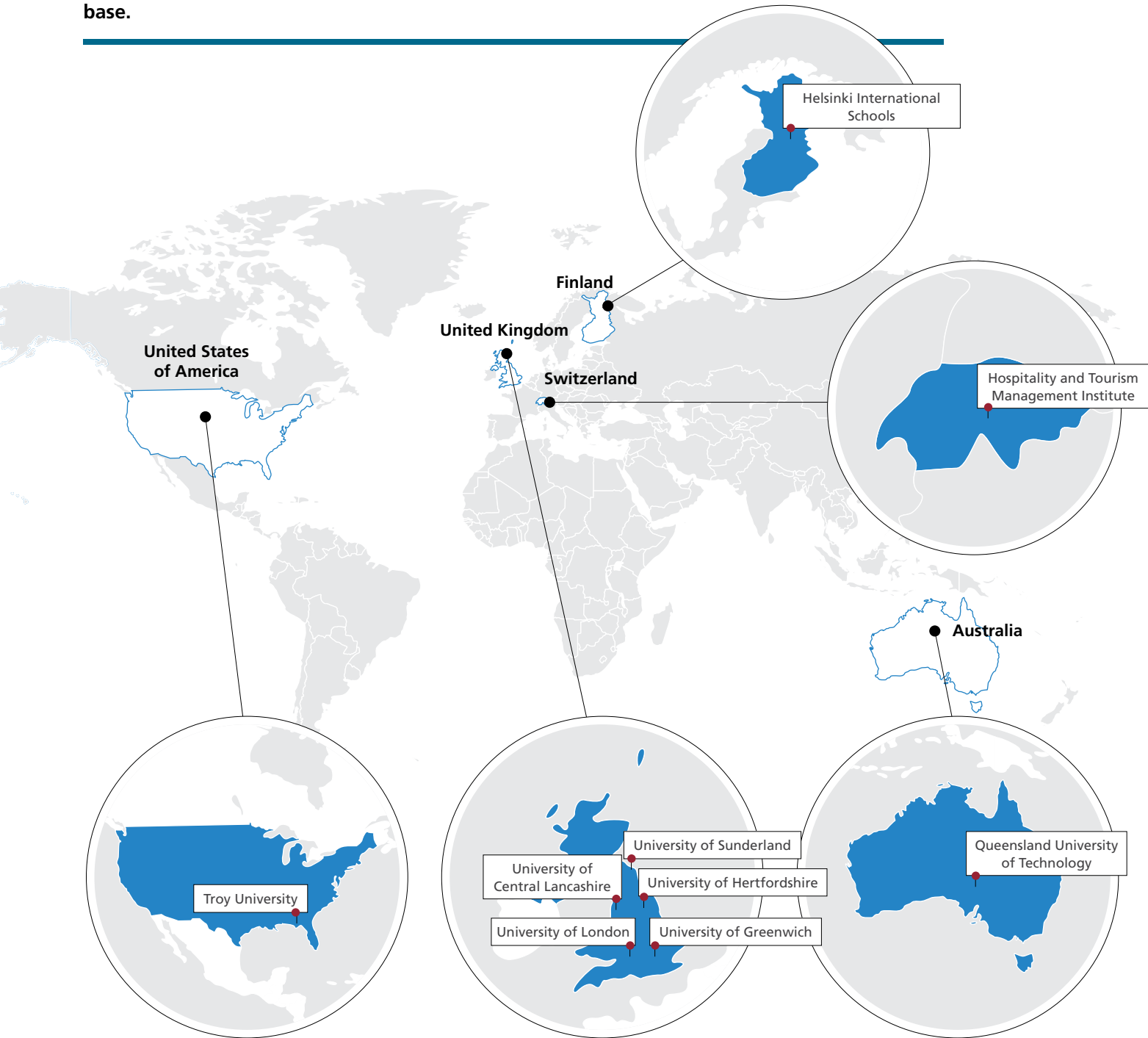
Supporting National Policy

The establishment of this Centre of Excellence is in line with the strategies outlined in Industry4WRD, the national policy on Industry 4.0. The policy emphasises the need to build a robust pool of knowledgeable and skilled talents in order to contribute to the country's growth in AI. By setting up this Centre of Excellence, SEGi is playing an active role in supporting and fulfilling the objectives of the policy.

GLOBAL COLLABORATIONS:
UNIVERSITY PARTNERS

Since its establishment, SEGi has continuously expanded its partnerships with internationally renowned institutions to provide students with a truly globalised learning experience while remaining in the region.

Programmes offered by its university partners are of the highest quality, and frequently regulated to ensure the same quality of education that students will obtain at their home base.



GLOBAL COLLABORATIONS:
UNIVERSITY PARTNERS



University of Central Lancashire (UCLan)



The University of Central Lancashire is one of the largest universities in the UK that 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 attained university status in 1992.

Imbued with a celestial-sounding motto – Ex solo ad solem, which translates as “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 (UoG)



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 education and has three campuses in southeast London and Kent within a progressive learning environment supported by modern and high-tech facilities.

Today, UOG offers 1,200 programmes, including some of the more popular choices in law, nursing, business, and engineering. The university is 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 by Greenwich’s Natural Resources Institute within the Faculty of Engineering & Science.

GLOBAL COLLABORATIONS:
UNIVERSITY PARTNERS



University of Sunderland (UoS)



Established in 1901 as Sunderland Technical College, the University of Sunderland (UoS) is greatly praised as a prescient and innovative University with exemplary standards of teaching, research, and support. Located in Sunderland in the Northeast of England, it gained its university status in 1992 and has since gained a reputation as a research-active university.

The University of Sunderland prides itself on holistic academic programmes as integral to its commitment to excellence for its students and to producing well-rounded graduates. The Guardian ranks its Hospitality, Event Management and Tourism programme as the 4th best in the country, while Nursing is ranked 5th best. Other highly ranked majors in the Guardian league tables are Business, Management and Marketing, Accounting and Finance, Mechanical Engineering, and Fashion and Textiles. Also, it was named University of the Year for Social Inclusion by The Times and Sunday Times Good University Guide 2021.



Troy University, USA



Troy University is a comprehensive public university located in Troy, Alabama, United States. It was founded on 26 February 1887 as the 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 and sixty teaching sites in 17 US States and 11 countries.

It has more than 100,000 alumni representing all 50 states and numerous countries. Troy University is also known as Alabama's international university for its extensive international programme attracting international students worldwide.



University Of London



The University of London is one of the most outstanding universities in the UK, consisting of 19 world-class colleges and ten specialised institutes. Its reputation for high academic standards has been built on its colleges' excellent teaching and research since 1836.

For 153 years, the University of London degrees have been accessible to students worldwide through its international programmes. Today, the University of London International Programmes is genuinely global in character, with over 50,000 students in more than 190 countries.



University of Hertfordshire (UH)

University of Hertfordshire **UH**

The University of Hertfordshire is a modern university based largely in Hatfield, in the county of Hertfordshire, about 35km north of London. Described as one of "UK's leading university for IT and computing education", Hertfordshire has more than 25,000 students enrolled from nearly 90 different countries.

The University of Hertfordshire won the Guardian University Award for Student Experience in 2015, while 95.2% of its students are at work or furthering their studies six months after graduating.

The University has many close links with industry, and every British Formula One team has at least one Hertfordshire graduate. Degrees in healthcare science and the pioneering paramedic science BSc make Hertfordshire a preferred provider for the NHS in the east of England and the Universities Careers and Placements Service offers graduates lifelong support on employment and career development.

GLOBAL COLLABORATIONS:
UNIVERSITY PARTNERS

GLOBAL COLLABORATIONS:
UNIVERSITY PARTNERS



Queensland University Of Technology (QUT)



Queensland University of Technology (QUT) is a public research university located in Brisbane, Queensland, Australia. Queensland University of Technology (QUT) has a history that dates to 1849; The current QUT was established as a university in 1989 from the merger of several predecessor institutions. It is known as one of Australia’s leading universities with a truly global outlook and a focus on providing students with practical, relevant skills they can apply in the real world.

QUT offers hundreds of undergraduate and postgraduate study options including extensive research programmes in numerous fields of study such as Architecture, Business, Communication, Education, Information & Technology, and more. Its leading academics, state-of-the-art teaching facilities and focused approach to learning deliver real-world outcomes for students and graduates.

- Ranked 1st in Australia for Media and Communication in the QS World University Rankings by Subject 2022
- Top 200 in the Times Higher Education World University Rankings 2022
- Top 21 in the Times Higher Education Young University Rankings 2022
- Ranked 213th in the QS World University Rankings 2022



Hotel and Tourism Management Institute (HTMi)



HTMi, Hotel and Tourism Management Institute Switzerland is one of the Top 5 Swiss Hotel Schools, ranked 14 in the 2018 World QS Top University rankings in Hospitality and Leisure Management. HTMi is a world-leading education provider offering Diploma in International Hotel and Tourism Management.

Over the next decade, the international hotel and tourism industry is forecast to maintain its position as the world’s largest employer and the world’s largest provider of management positions. HTMi’s role is to prepare students for a management career in this, the most exciting industry today. HTMi is supported by a worldwide network of international hotel companies, whose representatives regularly visit HTMi to recruit on campus. HTMi graduates can be found in the leading hotel companies worldwide.

- One of the Top 5 Swiss Hotel Schools
- Ranked 14th in the 2018 World QS Top University rankings in Hospitality and Leisure Management
- 95% of HTMi graduates are employed within three months of graduation and work in the top 20% of global hospitality companies

GLOBAL COLLABORATIONS:
UNIVERSITY PARTNERS



Helsinki International Schools (HEI Schools)



The Helsinki International Schools (HEI Schools) offers cutting-edge educational solutions for kindergartens and teachers based on Finland’s famous education system. Co-founded by the University of Helsinki and experienced educational and design experts, HEI Schools provides high-quality early education to as many children and families around the world as possible.

HEI Schools believe in recognising each child holistically and aim to educate socially, emotionally, and academically confident, capable children. HEI Schools’ concept of learning is based upon these principles:

- Child-focused approach aligned with their developmental needs
- Research-based model developed with the University of Helsinki
- Inspired by Finland’s national preschool curriculum
- Building essential skills through play and real-life experiences

EXCELLENCE AT SEGi

EXCELLENCE AT SEGi

EVENTS



MBBS SEGiian Clinch 2nd Place In The Intervarsity Medic Olympiad 2022

Bachelor of Medicine, and Bachelor of Surgery (MBBS) student Ooi Zhanwei won 2nd place in the individual category of the Intervarsity Medic Olympiad (IVMO) 2022, which took place online on 28 May 2022.

Ooi is part of SEGi's MBBS team who competed in group and individual categories, which included Mckenzie Len Yan Bo (team leader), Ong Xiu Wen, Sinchana Anand Tengginaamani, Liew Zi Wei, and coordinated by Dr. Chai Jen Wai.



SEGi's Professor Is Malaysia's Women Leaders

On 13 June 2022, Assoc. Prof. Dr. Hafiza Burhanudeen from the Faculty of Education, Languages, and Psychology at SEGi University was awarded the title of Malaysia's Women Leaders 2022 by the World Women Leadership Congress.

Assoc. Prof. Dr. Hafiza said, "It's an honour for me to receive this award and to be included with so many other women leaders that can be an unstoppable force for good, all of us! This award is to recognise all inspirational women leaders that have left and will continue to leave best practices for me to evolve to be a more effective and efficient leader in relevant domains."



SEGi Dental Futsal Team Crowns Champion Of National Dental Intersarsity Games 2022 Futsal Competition 2022

SEGi Dental Futsal team took home the trophy as the National Dental Intersarsity Games 2022 Futsal champion. The competition was held on 18 & 19 June 2022 at MAHSA University, Bandar Putra Saujana.



MetaCampus: SEGi's 6th Campus And Malaysia's First University In The Metaverse

SEGi University & Colleges successfully launched on 1 July 2022 Malaysia's first campus in the metaverse, SEGi MetaCampus, which merged virtual and real-life learning experiences into one self-sustainable ecosystem in the metaverse.

Developed by SEGi with its technology partner Magnus Games Studio, SEGi MetaCampus integrates links between multiple 3D universes like 100 lecture halls, 300 lecture rooms, 30 meeting rooms, six libraries, 50 retail shops, 30 student hangouts and six concert halls.



SEGi Is Malaysia's 1st University Offering APEL.Q For ECCE Programme

On 6 July 2022, SEGi was awarded the country's first Accreditation of Prior Experiential Learning for Award of Academic Qualifications (APEL.Q) for its Diploma In Early Childhood Education programme.

With the APEL.Q certification, SEGi became Malaysia's first university to offer all three APEL pathways offered through SEGi APEL Centre.



Assoc. Prof. Dr. Anitha Krishnan Grants Fellow By The International College Of Dentists

Assoc. Prof. Dr. Anitha Krishnan of Oral Pathology & Oral Biology at SEGi University is now a Fellow in the eminent International College of Dentists.

Fellowship in the College is extended by invitations only, given to dentists who have made significant contributions to the profession and their community and completed a thorough peer review process.



Award-Filled Year For Dr. Priscilla Das!

2022 proved to be a rewarding year for Dr. Priscilla Das, winning multiple awards for her paper presentation at various prestigious events.

On 18 July 2022, Dr. Priscilla was named Best Presenter at the Global Conference on Business & Social Science; on 10 August 2022, she took home Best Presenter and Best Paper Awards at the SEGi International Conference of Business, Environment, Sustainability and Technology (SIBEST 2022); and won 2nd place of the Outstanding Oral Presentation Award at the 12th International Conference on Public Health Among Greater Mekong Subregion (GMS) Countries 2022 held on 2 & 3 September 2022 in Pattaya, Thailand.

Dr. Priscilla presented her paper on the coping styles practiced by Malaysian university students during COVID-19 outbreak, which was co-authored by Assoc. Prof. Saravana Kumar and Prof. Dr. Rebecca Wong Shin Yee.



Triple Wins For SEGi's Engineering Senior Lecturer Ts. Anis Fariza

Senior Lecturer in Electrical & Electronics Engineering Ts. Anis Fariza scored triple wins at the Innovation & Invention Challenge, College of Engineering 2022 (IICCE2022), which took place at UiTM Shah Alam on 18 & 19 July 2022.

Her winning invention "Circularly Polarised Wearable Textile Antenna for Global Positioning System (GPS) Application" is aimed to be implemented for on-body communication for a wearable tracking application by integrating the textile antenna as part of clothing.

EXCELLENCE AT SEGi

EXCELLENCE AT SEGi

EVENTS



FoEBEIT Alumna Receives IEM Gold Medal Award 2021

Chwa Li Anne, First Class Honour graduate of Bachelor of Chemical Engineering received a Gold Medal Award from the Institution of Engineers Malaysia (IEM) for her academic excellence. The award is given annually to the top engineering student in every local institution of higher learning.

In addition to obtaining a 3.96 CGPA, Chwa excelled in her final-year research project titled 'Effect of Varying Light Spectrum on the Antioxidant Levels of Hydroponically-Cultivated Red Leaf Lettuce Plants' that focused on integrating chemical engineering analytic techniques with agriculture practices on hydroponics.



SEGi College Subang Jaya's Alumni Bag 2022 Golden Bull Award

In August 2022, SEGi College Subang Jaya's Diploma in Interior Architecture alumni, Cheng Sheng Loong and Chuah Siew Siew have won the 2022 Golden Bull Award under the Emerging SMEs category. Since 2003, the Award has been acknowledged as the ultimate recognition of successful businesses.

The husband-and-wife team graduated in 2014 and now are directors of Finizio Sdn Bhd, which focuses on kitchen and wardrobe design.



SEGi Professors Awarded FRGS Grant Worth Over RM539,000

SEGi University & Colleges proudly shared that its faculty members have been awarded the Fundamental Research Grant Scheme (FRGS) grant, amounting over RM539,000.

The six winners were:

(Faculty of Engineering, Built Environment & Information Technology)

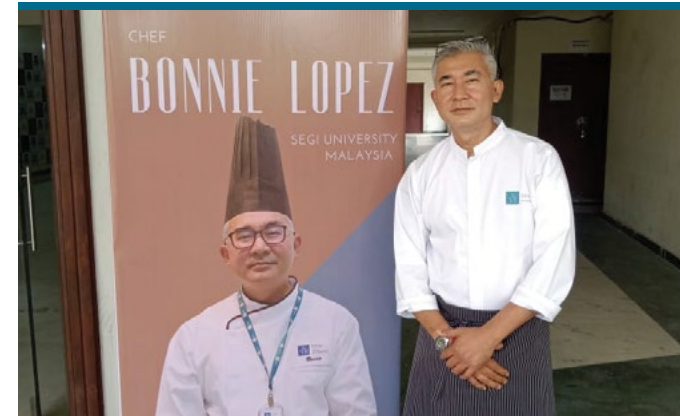
- Ir. Ts. Dr. Tengku Anita Raja Hussin
- Ts. Dr. Nor Faiza Abd Rahman

(Faculty of Education, Languages, Psychology & Music)

- Datin Dr. Ng Soo Boon
- Dr. Noryati Alias
- Assoc. Prof. Dr. Madhubala Bava Harji

(Faculty of Business, Accountancy & Law)

- Dineswary Nadarajan



SEGi Brings Malaysian Cuisines To India

SEGi's School of Hospitality & Tourism Management attended the Ethnic Twist programme at the Raak Institute of Hotel Management and Catering Technology in Pondicherry and Coimbatore, India.

Head of SoHTM, Muhammad Bonnie Lopez Abdullah, showcased various cooking techniques and shared his vast knowledge in the industry with the students during the two-day visit from 31 August 2022 and 1 September 2022.



SEGi Bags Highest Return On Equity Over Three Years Award

Education group SEGi University & Colleges (SEG International Bhd) has won the Highest Return On Equity Over Three Years Award at The Edge Malaysia Centurion Club Corporate Awards held on 19 September 2022.

Winning the Highest Return On Equity Over Three Years Award shows the Company's financial performance strength. SEGi remained financially strong and stable despite the pandemic years.



SEGi's Maestro In The Global Musical Spotlight

Yii Kah Hoe, a senior music lecturer at SEGi College Subang Jaya, has made numerous headlines in the international music arena! In October 2022, Yii became the third Malaysian to be awarded the American Fulbright Scholar in Residence.

As part of this Fulbright stint, Yii is teaching weekly composition classes at the Washington State University, delivering workshops and presentations at the Full Convocation every two weeks to all faculty members and all students from the school of music. He has also took part in three concerts in America, with more to come!



Prof. Dr. Rebecca Wong Shines Again In The Medical Arena

For three consecutive years, SEGi University's Faculty of Medicine, Nursing & Health Sciences professor and head of preclinical sciences, Prof. Dr. Rebecca Wong Shin Yee has been named among the World's Top 2% Scientists by Stanford University.

The professor of physiology has her name appear in the Single-Year achievement category for the field of clinical medicine since 2020. According to Stanford University's report released in October 2022. Prof. Dr. Wong is also among the top researchers listed in the Career-Long achievement category, competing with top scientists worldwide.

EVENTS HIGHLIGHT

EVENTS HIGHLIGHT



Spring Festival Couplets' Highlight Of SEGi's Lantern Festival

In conjunction of the Lantern Festival, the 2nd Online Spring Festival Couplets Writing by Chinese and Malaysian Youths cultural activity was held on 15 February 2022.

The event was co-organised by the Confucius Institute at SEGi University and the Hainan Calligraphy Research Institute.



An Evening Soiree With SEGi Alumni

On 26 February 2022, SEGi University Alumni Association hosted a get-together participated by about 30 alumni.

The SEGi University Alumni Association aims to provide alumni with a platform to contribute to their alma mater. The evening soiree was its first physical gathering since the COVID-19 outbreak.



One-Of-Its-Kind International Women's Day Celebration

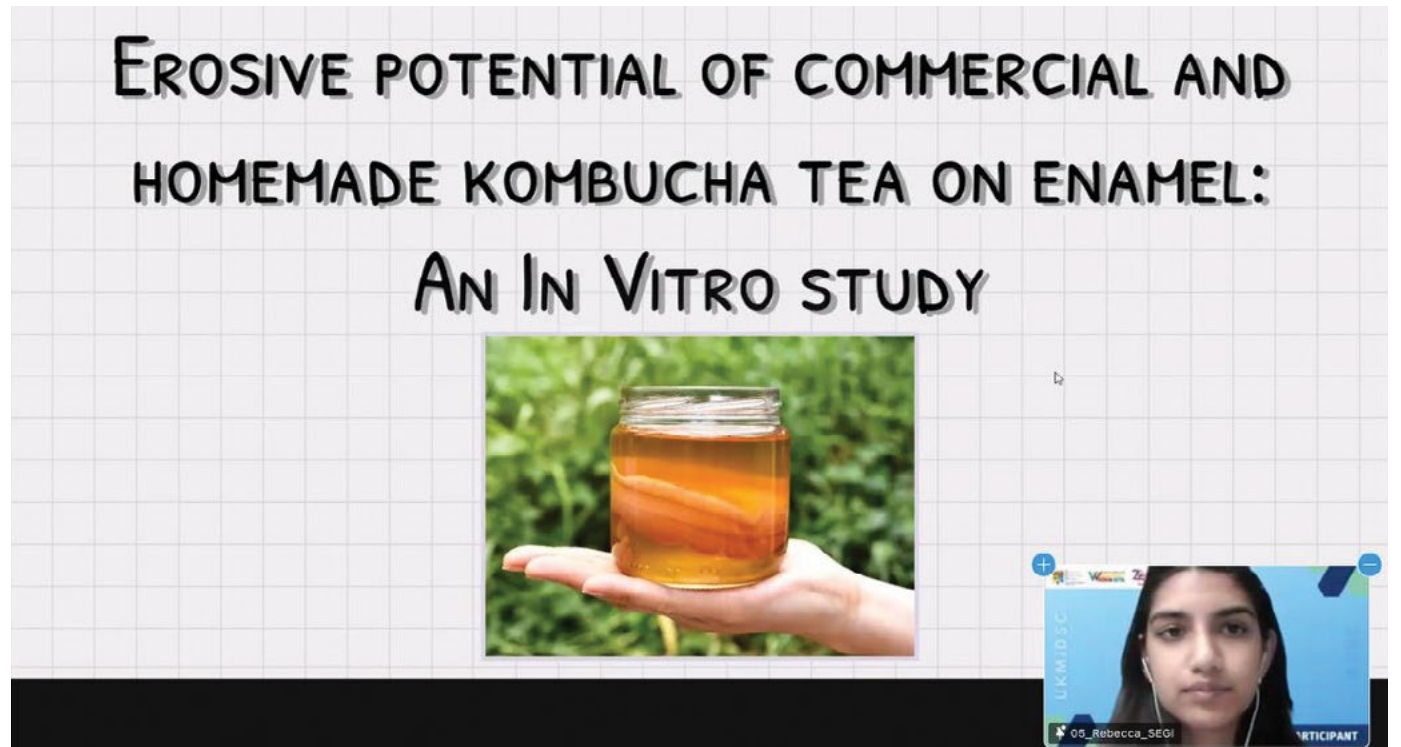
The Counselling Services of Student Affairs, together with the Peer Counsellors Group and ChalkZone Acad3mia have organised a larger-than-life event to celebrate this year's International Women's Day.

The celebration in SEGi University kicked off three weeks before the actual day, beginning with the Soap Box Dedication Drive; the gift boxes were delivered on 8 March 2022. An online talk entitled "A Journey Against All Odds" was held on 9 March, featuring Prof. Zahrah Saad (Dean of Faculty of Nursing & Midwifery), Dr. Salehatul Khuzaimah (veterinarian) and Shafiqah Othman (writer & social activist).



12th SEGi University Chinese Cultural Society Spring Festival 'Reignition'

Chinese Cultural Society's Spring Festival returned in a virtual format on 11 March 2022, attracting about 160 participants. In addition to expressing the atmosphere of 'like the spring breeze', the event's theme 'Reignition' also encouraged everyone to rekindle hope in adversity.

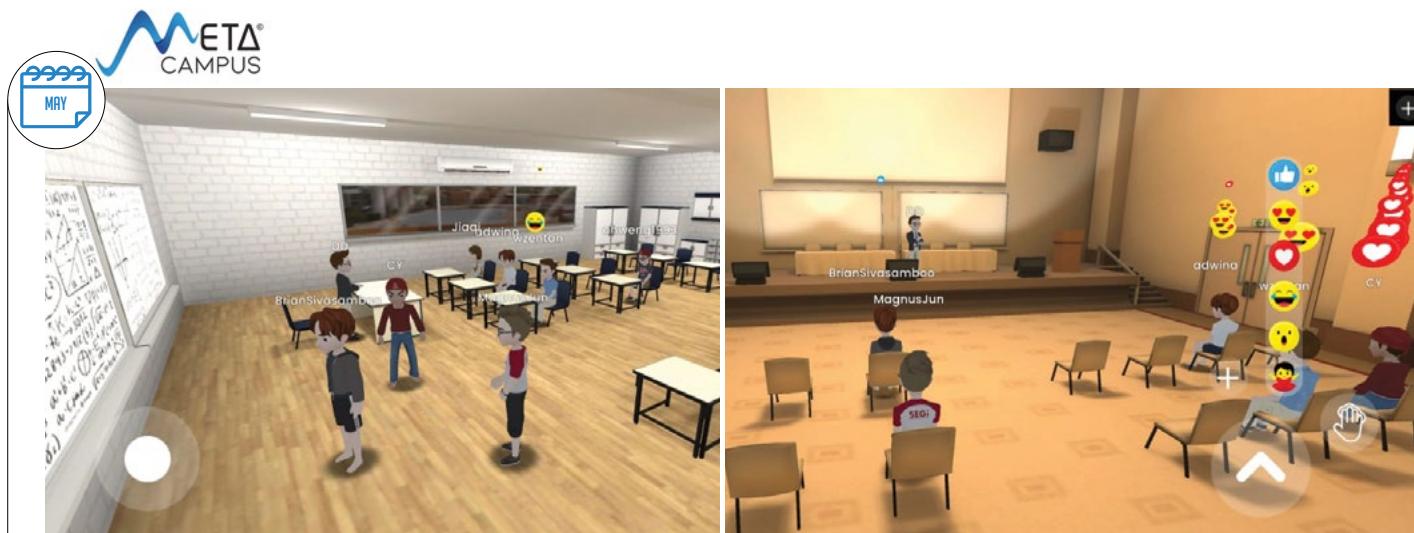


Year-5 BDS Students Win Gold Medal At UKMiDSC 2022

SEGi students from the Bachelor of Dental Surgery (Year 5, Research Group 9) has been declared the winner of the Oral Research Presentation competition during the International Dental Student Conference 2022 (UKMiDSC). The one-day virtual conference was organised by Universiti Kebangsaan Malaysia (UKM) and held on 16 April 2022.

SEGi was represented by Rebecca Vivekan, Shahshilan Ravi, S'ng Chin Yine, Reveen A/L Thiagarajah, and Dr. Neeraj Malhotra (Research Supervisor). The team's presentation titled "The Erosive Potential of Commercial and Homemade Kombucha Tea on Enamel: An In-vitro Study" was awarded the Gold Medal and a cash prize of RM200.

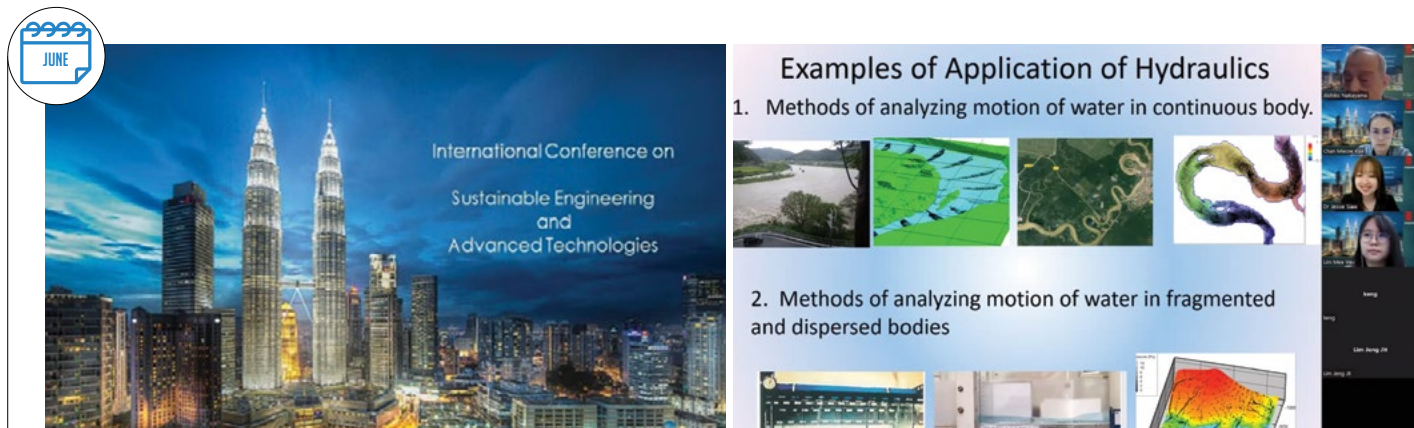
EVENTS HIGHLIGHT



SEGi MetaCampus: Malaysia's First University Campus In The Metaverse

On 18 May 2022, SEGi University & Colleges announced it will soon be opening a new campus in the metaverse that will radically and excitingly change the way students will learn, interact and connect – SEGi MetaCampus.

SEGi MetaCampus is SEGi's latest leap into IR5.0, introducing an immersive 3D, virtual learning experience to completely transform the online and hybrid education landscape in Malaysia.



Great Insights From ICSEAT 2022

SEGi's Faculty of Engineering, Built Environment & Information Technology (FoEBEIT) hosted the Sustainable Engineering and Advance Technology (ICSEAT2022) on 16-17 June 2022.

The virtual event had gathered over 100 talented researchers worldwide including the United Kingdom, United Arab Emirates, China, Poland, Indonesia, Bulgaria, Vietnam, India, and Malaysia.

This is the first time that SEGi organised such a conference, which gave participants a wider network to seek collaborative partners, and to exchange research ideas in sustainable development, green technology, advanced material, processing research, computational modelling, and data analytics.

EVENTS HIGHLIGHT



Youth Gamers Battles It Out At Game On Expo

SEGi University & Colleges has successfully kicked off its first Game On Expo, which showcased Malaysian youths' talent in e-sports. Held on 2 & 3 July 2022, Game On Expo took place concurrently in Pavilion Bukit Jalil and SEGi College Penang.

The Game On Expo comprised various activities including Wang Zhe Rong Yao online battle arena game, a cosplay competition, an exhibition by SEGi Partners, a lucky draw and more. Participants in Penang also had the opportunity to attend talks and workshops conducted by Penang Youth Development Corporation (PYDC) and a streaming party to witness the launch of SEGi MetaCampus and the games.



SEGi College Subang Jaya Awards 133 Outstanding Students

On 21 July 2022, SEGi College Subang Jaya held a Dean's List Award ceremony for 133 outstanding Certificate and Diploma students who achieved a GPA of 3.5 and above with a minimum of 12 credit hours taken for the May 2022 exam.



Out of it, 77 students are from the Faculty of Music, Education, and Psychology, 23 students from the Faculty of Business And Accountancy, 18 students from the Faculty of Creative Arts and Design, 14 students from the Faculty of Engineering and Information Technology and 1 student from the School of Hospitality and Tourism Management.



SEGian Becomes MDSA President 2022/2023

Dentistry student Georgina George Pereira is the newly elected president of the Malaysian Dental Students' Association (MDSA) for 2022/2023. MDSA's president and executive committee for 2022/2023 took place during its annual general meeting on 24 July 2022 at SEGi University. Students from 13 dental schools across Malaysia participated in the event.



EVENTS HIGHLIGHT



Outstanding Response For SEGi-Whytehouse International Conference

The SEGi-Whytehouse International Conference from 13–20 August 2022 was organised by SEGi University & Colleges in collaboration with WhyteHouse Education Group and ECCE Council Malaysia as part of an ongoing effort to inspire community with ECCE best practices and quality services in the country.

This free conference featured presentations, discussions and sharing sessions with distinguished speakers from Malaysia, Singapore, Indonesia, Finland, New Zealand, Australia, and the United Kingdom.



Dutch Lady Malaysia Brings Industry Into SEGi Classrooms

SEGi has partnered with Dutch Lady Milk Industries Bhd (Dutch Lady Malaysia) to organise a research study in marketing involving two hundred students from the Faculty of Business and Accounting.

Through the research project, students will have the opportunity to conduct research to analyse marketing strategies, develop the ability to apply information from the syllabus and explore the use of marketing tools such as Google Trends.

UCLan’s Dean Of Business Visits SEGi

Prof. Robin Carey, the University of Central Lancashire’s (UCLan) Dean of Business, during his special two-day visit to SEGi university. The purpose of the visit was to strengthen the relationship between both universities further.

Prof. Robin met and greeted with SEGi’s senior management, vice chancellor, and deputy vice-chancellor before he headed for a campus tour.

EVENTS HIGHLIGHT



SEGi Seals MoU With New Industry Partners

SEGi continues expanding its portfolio of reputable industry partners by signing a Memorandum of Understanding (MoU) with Evis, Neutrovis, Shopee and Signature Kitchen. The MoU was held at the SEGi Third Leaders’ Round Table Meeting and Award Ceremony on 17 February 2022 at SEGi University.

Additionally, the event also saw 21 companies receiving the Best Supporting Partners awards, four winning the Best Role Models awards, and five bagging the Student’s Choice awards.



SEGi One And Only College To Receive SKPA Certificate

In December 2022, SEGi College Subang Jaya was the only college, and among three higher learning institutions in Malaysia to receive the digital certification of the ‘Sistem Kelulusan Pengambilan Pelajar Antarabangsa di Institusi Pendidikan (SKPA) due to its high amount of international students’ enrolments yearly and the countless years of proven positive track record.

The Ministry of Home Affairs in cooperation with Education Malaysia Global Services (EMGS) has developed the SKPA to improve the services and to support the government’s aspiration to reach 250,000 international students by 2025.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

SEGi recognises the importance of sustainability as a key driver for long-term business growth and persistently reinforces sustainability to be embedded across the Group’s business strategies and operations. SEGi remains committed to operating in a responsible and sustainable manner as sustainability is an ongoing pledge by the Group and its leadership. SEGi will also continue to emphasise on responsible and sustainable practices in its business operations, and the Board believes that, in the course of doing so, it will provide enhanced value to the stakeholders.

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, from SEGi University & Colleges, and is currently led by Managing Director, Stella Lau Kah Wai.

The Sustainability Committee is tasked with considering and evaluating:

| | | |
|---|---|---|
| 1 | 2 | 3 |
| How the Group’s operations impact various stakeholders; | The adequacy and effectiveness of sustainability initiatives and processes; and | How these initiatives and processes could be improved to support our long-term business growth. |

The Committee also monitors and manages all sustainability strategies and initiatives of the Group as well as proposes new initiatives to assist in the Group’s sustainability integration.

The Committee met thrice in 2022 and the Chair reports and makes recommendations to the Board periodically. Senior Management is responsible for executing and implementing the sustainability initiatives and strategies once adopted.

Scope and Basis for the Scope

Sustainability matters represent the risks and opportunities in an organisation’s operations and activities. The Committee considers the economic, environmental and social implications the Group is exposed to in ensuring the integration of its financial goals and business strategies with the environmental and social sustainability considerations. As not all material sustainability matters are of equal importance, the Group’s sustainability reporting, inter alia, focuses on the material sustainability matters that concern the Group’s top six major stakeholders, which are of high importance to its business. SEGi will also establish baseline performance measures to improve the Group’s sustainability efforts, if necessary.

In terms of considering the scope for sustainability, the Group has set the following parameters during the financial year under review:

| | |
|------------------------|--|
| Reporting Cycle: | From 1 January 2022 to 31 December 2022 |
| Geographical location: | Within Malaysia, specifically within SEGi’s campuses and the local area and community surrounding our campuses located in the Klang Valley, Penang and Sarawak, as the Group’s core education business and operations lie in these locations |
| Coverage: | Internal (students, staff, capital providers) and external (community, University partners, employers, regulators and statutory bodies) |

Stakeholder Engagement

The Group always works closely with its stakeholders to comprehend and complement their expectations and requirements. This will enable the Group to prioritise and better manage their concerns and needs, and improve its business operations indirectly.

Subsequent to the pandemic, most of the Group’s stakeholder engagements had been held virtually. The Group engages 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 capture varied and even differing viewpoints that serve to further refine its sustainability-related concerns and materiality matters. The Group’s key stakeholders include but are not limited to customers, employees, government agencies, statutory authorities and regulators, suppliers and business partners.

This process involved a review of the sustainability context for the Group, an engagement with the stakeholders by its employees from various departments and divisions and a final review by the Committee. The Committee gave due consideration to those matters that would contribute towards the betterment of SEGi, the environment and society, as follows:

| Key Stakeholder | Engagement Method | Frequency | Areas of Concern | What Matters (Key Interests)/ Current Execution |
|-----------------|---|----------------|---|---|
| Community | 1. 24-hour Library for outsiders. 2. SEGi EyeCare and SEGi Oral Health Centre services to public. 3. Organise community events and programmes. 4. Partner with local organisations and initiatives. 5. Volunteer/CSR activities – Staff & students. | Twice a year | <ul style="list-style-type: none">Resource allocationSustainability | Launch to enable the community to use facilities. To set a clear priority for community engagement initiatives based on the overall strategic goals. The Sustainable Development Goals (SDG) 2030 Agenda Example: Clean Water and Sanitation- Volunteering on beach cleaning activities with the local community. Zero Hunger- CSR activities give food to those who need it. |
| Students | 1. SDG part of MPU syllabus. 2. Invite feedback and suggestions. 3. Involve students in decision making. 4. Industry into the classroom: Equipping students with real-world experience. 5. Use EdTech that adjusts to each student. | Not applicable | <ul style="list-style-type: none">Managing expectationAddressing feedbackNet Promoter Score | Involvement of staff in the implementation of SDG. SEGi Connect – A system to collect feedback based on urgency and impact, and ensure that all feedback is acknowledged and responded to in a timely manner. Student’s satisfaction and intention to further study. |

SUSTAINABILITY STATEMENT

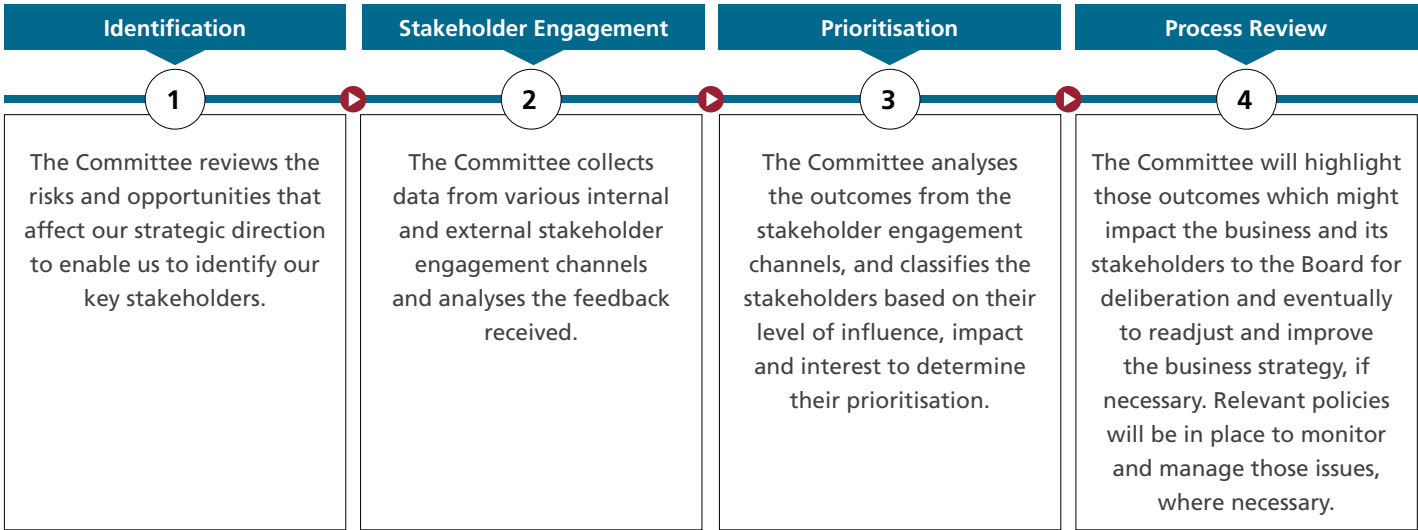
| Key Stakeholder | Engagement Method | Frequency | Areas of Concern | What Matters (Key Interests)/ Current Execution |
|--------------------|--|--|--|---|
| Employees | 1. Regular team building activities. 2. Professional development programmes. 3. Recognition and rewards programmes. 4. Health and wellness programmes – Yoga, Tai Chi & etc. 5. Flexible work arrangements 6. Social events – Dance, Cooking, Baking & etc. | Not applicable | <ul style="list-style-type: none">Employee Happiness IndexEmployee Engagement Survey (“EES”) | Social Club Policy – to allow employees to organise games, staff functions, health & wellness and etc. |
| Board of Directors | 1. Board Meeting 2. Board Committee Meetings | Quarterly At least once a year | <ul style="list-style-type: none">Oversee the effective governance structure & risk management & internal control system (“RM&IC”).Financial health, business plan & strategy, solvency & covenants compliance. | Circulate adequate meeting materials to enable the Board to make the relevant decision. Circulate the meeting materials early to enable the Board to have sufficient time to prepare themselves for the meeting(s). |
| Shareholders | 1. AGM 2. Website 3. Bursa announcement | Annually Constantly At least quarterly via quarterly reporting | <ul style="list-style-type: none">The Group’s performance & direction.Trust & confidence. | Conducted 1 st virtual AGM in 2021 via live streaming & online remote voting using the Remote Participation & Voting Facilities. Will try to roll out the future AGM virtually to enable those shareholders who are unable to join the meeting physically can also participate in the AGM. |
| Investors | 1. Website 2. Bursa announcement | Constantly At least quarterly via quarterly reporting | <ul style="list-style-type: none">Comprehend & complement their expectations & requirements.Enable us to prioritise & better manage their concerns and needs & improve our business operations & standing indirectly. | To update the website frequently to ensure the content is fresh, relevant and current. |

SUSTAINABILITY STATEMENT

Material Sustainability Matters

During the financial year, and being part of its on-going efforts, the Committee continued assessing the Group’s economic, governance, environmental and social risks and opportunities. The Group will undergo the materiality assessment to identify and assess the relative importance of specific environmental, social and governance (“ESG”) issues which may have a potential impact on its business and/or stakeholders. As a result of this analysis, the Committee believes that it will enable the Group to create its long-term ESG strategy, and targets and find the best strategies as a result of the process.

The materiality assessment process comprises four key steps:



The Committee performed an assessment of the Group’s key stakeholders, considering how it influences the Group’s business activities and operations. The material sustainability matters were identified, and are managed and categorised, as follows:

| Category/ Sub-category | Commitment/Target | Year-on-Year tracking | | |
|---|--|---|--|--|
| | | 2020 | 2021 | 2022 |
| Economic | | | | |
| Anti-Bribery and Anti-Corruption (“ABAC”) | Get ready for the 2023 ABAC audit by IA. | Implementing the ABAC adequate procedures. | Conducted E-Learning & Awareness Assessment on the Code of Conduct & ABAC Compliance | Group HR continues with the Training & Assessment among all staff. |
| Scholarship awarded | | SEGi University has awarded RM1,334,000 worth of scholarships to 184 merit scholars. SGC also granted RM258,000 worth of scholarships to 13 merit scholars. | SEGi University has awarded RM668,228 worth of scholarships to 87 merit scholars. SGC also granted RM688,000 work of scholarship to more than 70 merit scholars. | SEGi University has awarded RM251,510 worth of scholarships to 35 merit scholars. SGC also granted RM704,000 work of scholarship to more than 50 merit scholars. |

SUSTAINABILITY STATEMENT

| Category/ Sub-category | Commitment/Target | Year-on-Year tracking | | |
|--|--|--|---|---|
| | | 2020 | 2021 | 2022 |
| Environmental | | | | |
| Digitalisation – Automate all possible processes | 90% of processes are automated by end of 2023. | Utilised MS365 | E-claim | Continue updating and improvement on those implemented in 2019 - 2021. |
| | | Using Microsoft Share Point | MS TEAM SHIFT | |
| | | MS Power Automate | Online onboarding (NEO) | |
| Recycling – Waste Management | Upkeep of bins. | Done | Done | Done |
| | At least 1 awareness campaign per year. | Done | Done | Not done |
| | Educate any new vendors. | Done | No new vendors | No new vendors |
| Energy (Electricity) Conservation | Implement energy efficiency measures and renewable energy initiatives including the installation of solar power panels for renewable energy generation, the use of energy efficient lighting, and the installation of centralised smart air conditioning systems with ethernet control and the digitalisation of manual processes by 2024. | Energy Management – electricity saving | | |
| | | 44% (Solar power initiative) | 27% (The pandemic has contributed to the higher saving as students were not on campus.) | The saving was around 40%, compared to the year 2017, the benchmark year. |
| Conserving Water – Conserving and Reducing Water Consumption | Reduce water consumption wherever possible and promote water conservation through education campaigns. | Water management – water saving | | |
| | | 44% | 21% (The pandemic has contributed to the higher saving as students were not on campus.) | Not measured. |
| Education – Delivering Training and Research on Sustainability | To instill environmental awareness in each campus individual. | - | - | Embedding sustainability components into academic and research programmes, whereby sustainability should be one of the learning outcomes. |
| Zero-plastic | To achieve zero-plastic (food packaging, where controllable) on campus. | - | - | The cafeteria did not provide plastics every Wednesday. |
| QS World University Rankings (Asia) | (only applicable to SEGi University) | 2020: 54% | 2021: 45% | 2022: 44% |



SUSTAINABILITY STATEMENT

| Category/ Sub-category | Commitment/Target | Year-on-Year tracking | | |
|---------------------------|---|-----------------------|------|---|
| | | 2020 | 2021 | 2022 |
| Social | | | | |
| Student experience | Educating on sustainable elements in 2023 | | | In line with United Nations’ call to end poverty, protect the planet and ensure all people enjoy peace and prosperity, the Faculty of Engineering, Built Environment and Information Technology (FoEBEIT), SEGi University has incorporated the SDG in our engineering (i.e. Mechanical, Electrical & Electronics, Civil & Chemical) and built environment (i.e. Architecture, Interior Architecture & Quantity Surveying) programmes’ structures since early 2023. |
| | Incorporate technology into the curriculum to enhance student learning and engagement. | | | Wifi 6 Technology Blackboard Access to online course (Udemy) |
| | Aim at optimising the student experience, which involves identifying and addressing the factors that impact student satisfaction, engagement, and success, such as academic, social, and emotional factors. | | | On 12 April 2022, SEGi College Penang (“SCPG”) organised a project to plan and organise a 3D model of a miniature kindergarten to allow DECE students to unleash their creativity and innovative skills. On 15 April 2022, SCPG invited Chef Faizul Hazly Ghazali from Mamee to access students’ final year on CSD 1 using Mamee’s Korean Daebak product. In conjunction with Penang Hill Festival 2022, SCPG Host Club organised Penang Hill Adventure. SEGi College Sarawak was joining the event together. |



SUSTAINABILITY STATEMENT

| Category/ Sub-category | Commitment/Target | Year-on-Year tracking | | |
|-----------------------------|--|--------------------------------------|--------------------------------------|---|
| | | 2020 | 2021 | 2022 |
| Social (cont'd) | | | | |
| Student experience (cont'd) | | | | <p>“The Whole Brain and Creativity Development” workshop organised by The Learning Kingdom Education and PenGenius in July 2022.</p> <p>SCPG’s Lecturer and student both won metal from Battle of the Chef on 5 to 7 August at Gurney Paragon Mall.</p> <p>There were more events including WhyteHouse Education Group, Cooking in the Park Competition 2022, Break the Code Competition, Housekeeping Management with The Prestige Hotel Penang & Kidz Fashion Show, available on the Company’s website, https://www.segi.com.my/news/</p> |
| Graduate on time | Ensuring 90% of students graduate on time. | SEGi University: 86% SGC: 92% | SEGi University: 86% SGC: 93% | SEGi University: 83.5% SGC: 92% |
| Employability | 70% of our graduates are employed within 6 months of graduation. | SEGi University: 79.0% SGC: 78.3% | SEGi University: 77.2% SGC: 68.0% | SEGi University: 76.0% SGC: 77.2% |
| | Aim at maximising employability among students, which involves identifying and addressing the factors that impact employability, such as academic performance, work experience, and soft skills, and ensuring that students have the support and resources they need to succeed in the job market. | | | On 5 November 2022, SCPG, with Leaderland organised a career talk for all the DECE and BAEYE students in conjunction with the ECE month celebration. On the other hand, SOA also hosted a Career Fair for its recent graduates on 24 November 2022 and SCPG School of Business and School of Engineering organised a webinar on Career Talk in Accounting. The webinar was attended by 60 participants and guest speaker by Dr. Saygaran. |

SUSTAINABILITY STATEMENT

| Category/ Sub-category | Commitment/Target | Year-on-Year tracking | | |
|---------------------------------|---|--|--|---|
| | | 2020 | 2021 | 2022 |
| Social (cont'd) | | | | |
| Staff satisfaction | <ul style="list-style-type: none">• Promoting safety & health• Fostering employment diversity• Providing supportive work-life-balance• Employee welfare• Employee engagement activities | Average ESS: 3.83 | Average ESS: 3.94 | Average ESS: 3.83 |
| Retention & recruitment talents | <ul style="list-style-type: none">• Talent Management & Succession Planning Programme• Staff Development Programme | Talent Pool: 38% Training Attendance: 71% | Talent Pool: 43% Training Attendance: 86% | Talent Pool: 60.46% Training Attendance: 77% |
| CSR/sustainable activities | Promoting the SDG 2030 Agenda | | | SEGi University & Colleges conducted a number of CSR activities, including Online Talk during International Women's Day, Environmental Protection Volunteering, Paediatric Screening, Mental Health Awareness Campaign, projects on orphanages and early-childhood centre where SCPG's Early childhood education students, working with six early-childhood centres on the island organised a donation event to benefit Penang Women's Centre for Change and St Joseph's House and events on Beach Cleaning Activities on 20 June 2022, Blood, Organ Donation, Visiting Society for the Prevention of Cruelty to Animals (SPCS), Fund-raising with Penang Animal Welfare Society (4PAWS), Plant A Tree: Get Your Hands Dirty & Cleaning Georgetown together with The Prestige Hotel's CSR Initiatives, the details of which are available on the Company's website, https://www.segi.com.my/news/ Project Ramadhan 2022. |

SUSTAINABILITY STATEMENT

| Category/ Sub-category | Commitment/Target | Year-on-Year tracking | | |
|--|--|--|---|--------------------|
| | | 2020 | 2021 | 2022 |
| Social (cont'd) | | | | |
| RM&IC – Occupational health & safety initiatives | Zero major accidents at workplace | 0 | 0 | No major accident. |
| Compliance with Rules & Regulations | Compliance with Listing Requirements. Compliance with Malaysian Code on Corporate Governance (“The Code”). | No warning letter from Bursa. Complied with the Code save for the Step-Up Practices | For 2021 & 2022, no warning letter from Bursa. For 2021 & 2022, there are departures on certain best practices under the Code (2021 Revision). The Board noted the departures and will rectify the situation soonest possible. | |

SUSTAINABILITY STATEMENT

ECONOMIC



1 Governance Sustainability

The Group believes in the importance of corporate governance in sustainability as accountability is the key to a sustainable organisation. The Group maintained the corporate policies and ethical policies pertaining to the Code of Ethics and business conduct. These will provide guiding principles to the Board and the employees. Those policies have been reviewed by the Board or relevant Senior Management, and are available on the Group’s corporate website, for those corporate policies, as well as the staff’s shared point platform for those policies on employee conduct. Any updates or amendments to the policies will be communicated to the employees.

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

2 Risk Management

An effective governance structure and risk management system form the backbone of the Group’s business operations. The Group adopted the “Three Lines of Defence” Model on the risk management and internal control system, which the details of the same are set out in its Statement on Risk Management and Internal Control.

The Group incorporates various key governance measures, including the review and approval of Strategic and Risk Management Plans by the Risk Management Committee and Board of Directors. The Group will undertake the necessary risk assessment to identify and mitigate significant risks that are affecting its business operations to minimise the high risk of failure. The Group also review the adequacy of the insurance coverage of our business operations to safeguard against potential threats.

Certain departmental heads are involved in identifying and mitigating sustainability risks across all areas of the Group’s operations The Group’s Internal Audit function oversees the adequacy and effectiveness of the risk management framework while monitoring compliance with policies and procedures.

3 ABAC and Whistle-Blowing Policies

The Group is committed to conducting its business in an honest and ethical manner and to acting in good faith. The Board has formalised the ABAC Policy and reviewed the relevant procedures to ensure SEGi is in compliance with the requirements of Section 17A of Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Act”). The Board further highlighted that any violation or breach of the laws will be severely dealt with in accordance with the MACC Act. Awareness training, as well as the Awareness Assessment, were organised for all staff on ABAC and the Codes. The Group Human Resources will continue with the relevant training and compliance assessment for all employees.

The employees could also raise their genuine concerns about possible improprieties, suspicious fraud and other malpractices via the whistle-blowing channel.

The ABAC and Whistle-Blowing Policies are revised as and when required to ensure their effectiveness in addressing potential fraud and corruption risks. The Policies are available on the Company’s website.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL



1 Environmental Management System

SEGi obtained the Certificate of Conformance from ABS Quality Evaluations in 2018 for ISO 14001:2015 for Environment Management Systems and continues to do annual audits. This helps the Group to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.

2 Energy Conservation and Re-cycling Programme

SEGi is committed to reducing the consumption of energy taking into account environmental and economic objectives. SEGi has installed a solar-powered system which generates significant environmental benefits. These come primarily from avoided power plant emissions.

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

- ✓ To ensure continuous and on-going efforts are carried out to establish teaching, research, and practices in an environmental sustainability manner throughout the Group.
- ✓ Strive to be at the forefront of sustainability research and education, and continuously develop and engage our expertise to promote sustainability within and beyond the Group.
- ✓ Strive to ensure efficient use of resources and reduce dependence on non-renewable energy and explore renewable energy options for its operation.
- ✓ Conduct campaigns/workshops/seminars/briefings on recycling annually, to promote awareness of producing less waste and increasing the practice of recycling and environmental sustainability.
- ✓ Proposing timer control or motion sensors to be installed on lighting for its new campus, if possible, for efficiency in cost savings.

SEGi switches off the air conditioners during lunch breaks and non-office hours to avoid wastage under the Group's energy-saving initiative. SEGi's IT Department is also re-cycling parts of the computers that are not functioning under the Group's e-Waste and Re-cycling Programme. SEGi also encourages its stakeholders to go paperless whenever possible.

The management continues in promoting energy efficiency, recycling, restoring and preserving the environment, reducing waste and pollutants and educating the public about environmental conservation. The management also conducted a number of campaigns in 2022, such as Earth Day, Plant A Tree: Get your hands dirty in a meaningful way and Soup Kitchen: Feeding the Community, to raise awareness of green environment protection from the communities as well as to create environmentally friendly awareness among the students.

Going into the 21st century, the world faces unprecedented crises such as climate change, global warming, famine, war, conflict, and disasters in many parts of the world. As such, sustainability has become a keyword that may well save the world.

SUSTAINABILITY STATEMENT

SOCIAL



1 Human capital

The Group has always emphasised succession planning and career development and advancement as it recognises and acknowledge the importance of developing and retaining talents within the organisation. SEGi continues to focus on staff development and enhancement by offering employees learning opportunities via its in-house as well as external training programmes.

As part of the succession planning and talent management initiatives, the Group continues with its talent management programme in addition to existing structured processes to identify and develop successors for critical positions. This provides key talents with the opportunity to grow and perform at their highest potential through guidance given by professional coaches and senior management team members. The Group believes that as it seeks sustainable growth through aggressive expansion of its business operations, the continuing efforts undertaken throughout the Group to promote employee engagement will strongly support our business growth.

2 Local community

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 involvement, where contributions towards major challenges in social welfare and developments are made in order to create benefits for the institutions and society at large. The Group focuses on boosting and maintaining core competencies and building new capabilities in technology and innovation.

SEGi seeks to foster an inclusive and affirming campus climate for 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 from 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 various projects during the financial year. The details of the various projects are set out in the Sustainability Initiatives.

3 Occupational health and safety

As SEGi is aware of the importance of health and safety in the workplace, we continue to emphasise and cater to a safe work environment for our workforce, especially during this pandemic. We identify workplace risk and develop and enforce safe working practices to minimise occupational-related injuries. The Group strives to achieve a low rate of lost-time injury and zero fatality from its business operations, and we take pride in the strong track record that we have built-in SEGi.

Moving forward

SEGi recognises that sustainability is an ongoing and evolving practice in creating long term business value. We will continue assessing our efforts to promote sustainability, to better position ourselves to achieve growth.

Subsequent to the pandemic, the Group continues to establish our strategies to mitigate the impacts from the pandemic. We strive to continue monitoring the sustainability performance of the Group and enhance the disclosures in the foreseeable future.

SUSTAINABILITY STATEMENT

SUSTAINABLE INITIATIVES



SEGi University
In conjunction with the Lantern Festival, SEGi Confucius Institute held its 2nd Online Spring Festival Couplets Writing by Chinese and Malaysian youths.

FEBRUARY



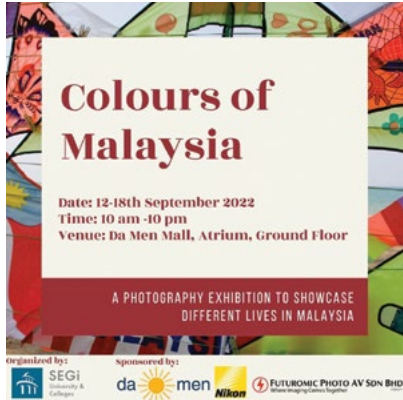
SEGi University, SEGi College Subang Jaya, & SEGi College Sarawak
Over 1,500 bubur lambuk distributed during Ramadhan.

APRIL



SEGi University
The Chinese Cultural Showcase organised by SEGi Confucius Institute.

JULY



SEGi College Subang Jaya
"Colours of Malaysia" photography exhibition in conjunction with Malaysia Day, showcasing **120 enlightening stories in pictures** from the various communities in the country.

SEPTEMBER



SEGi College Kuala Lumpur
"Student Appreciation Day" was held to honour the non-academic achievements and contributions of the students from the School of Education.

NOVEMBER



SEGi College Sarawak
SEGi College Sarawak is the first college in Sarawak to invest in an esports lab.

MARCH

SEGi University
The Chemical Exposure Monitoring conducted in our laboratories showcases the health and safety culture at SEGi.



JUNE

SEGi University
The Counselling Office & Student Experience Office organised Group Chat on mental wellbeing.



AUGUST

SEGi University
Final-year optometry students conducted eye examinations at a medical camp.
60 students and staff from the Faculty of Engineering, Built, Environment and Information Technology carried out a fundraising/ volunteering programme at Zoo Negara, Kuala Lumpur.



OCTOBER

SEGi College Kuala Lumpur
Free health screening led by Nursing students from the Allied Health and Science Faculty.
SEGi College Penang
SEGi College Penang's School of Hospitality Management and School of Business organised "Plant A Tree: Get Your Hands Dirty in a meaningful way".



DECEMBER

SEGi College Penang
SEGi College Penang's School of Information Technology, School of Hospitality and Management, and School of Business collaborated with the Penang Animal Welfare Society (4PAWS) for a project to raise funds and volunteer at an animal shelter.



SEGi College Subang Jaya
SEGi College Subang Jaya's Psychology students took part in 'A Day In Refugee' at ElShaddai Learning Refugee Centre.



SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors recognises the importance of practising high standards of corporate governance within the Group. 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 will continuously evaluate and enhance the Group’s corporate governance practices and procedures, and take guidance from the key principles as set out in the Malaysian Code on Corporate Governance (“MCCG”) as well as the relevant provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Main Market Listing Requirements”).

The Board of Directors of the Company is pleased to provide the following statement together with the Corporate Governance Report 2022 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.investor.net.my/annual-report-cg-report-2022/>.

A B C 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 stakeholders for creating and delivering sustainable value in contributing to the goal of a knowledge-oriented society and the long-term success of the Group.

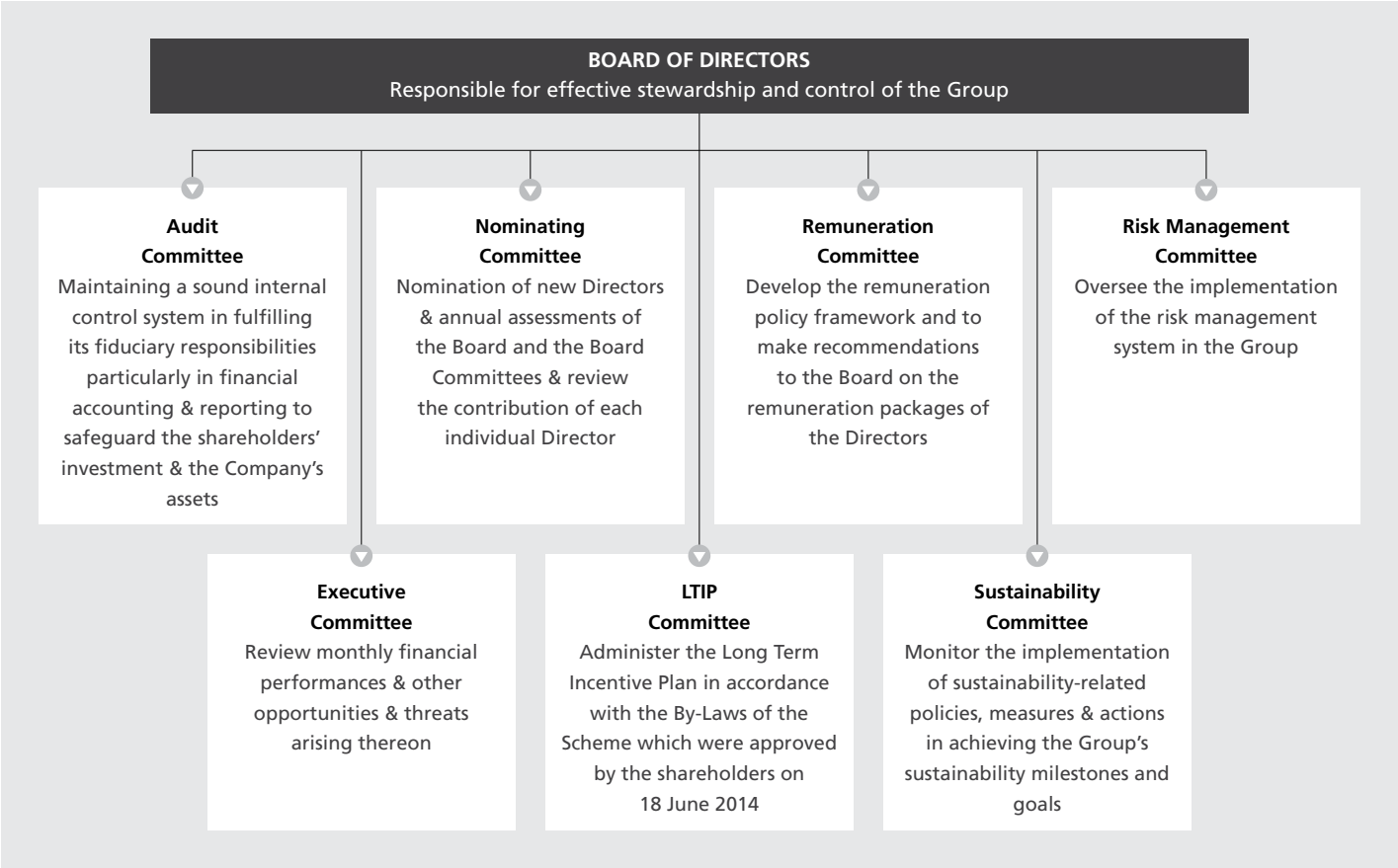
The primary role of the Board is to provide effective governance over the Group’s affairs to ensure the interests of shareholders are protected and the confidence of the investors are maintained whilst having regard for the interests of all stakeholders including customers, employees, suppliers and local 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;
- ensure 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’s and its Group’s businesses and to this end ensure that appropriate Directors are selected and appointed as required; and
- develop and implement an effective communication channel between the Board, shareholders and the general public.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. There is a clear division of functions between the Board and the management to ensure that no single individual or group dominates the decision-making process.



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 (Dr.) 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 as well as enhancing the Group’s corporate governance practices, 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. He is responsible for providing the vision and strategic direction of the Group and to formulate appropriate corporate strategies and develop the business.

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
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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 to provide an avenue for employees, suppliers and stakeholders to 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 to 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. The Group has actively integrated corporate responsibility initiatives as part of our business operations. Our policy and commitment to sustainability are in our Sustainability Policy which is available on the Company’s website.

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

Anti-Bribery and Anti-Corruption Policy

The Board has formalised the Anti-Bribery and Anti-Corruption Policy to promote the practice of ethical business dealings and to strengthen controls to minimise the risk of corruption and bribery in the Group’s activities. The policy sets out the parameters to prevent and mitigate the occurrence of bribery and corrupt practices and to provide information and guidance to all employees, Directors and associated third parties on how to recognise and deal with bribery and corruption issues. SEGi is committed to conducting its business with honesty and integrity, avoiding practices of bribery and corruption in the conduct of the Group’s daily operations and business.

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

The Anti-Bribery and Anti-Corruption Policy is available on the Company’s website.

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. The agenda of the meetings and meeting materials are provided prior to each meeting so that the Directors are accorded sufficient time to appraise the proposals or information.

Directors are allowed to either participate in person or through other communication channels, such as zoom or tele-conferencing. Certain senior management are invited to participate in the Board meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group. The chairmen of the Board Committees also brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committee meetings.

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 for 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 Company Secretaries also assist the Board in organising and facilitating the on-boarding session for newly appointed Directors and making arrangements for their professional development and training.

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, as well as the regulatory changes and development in corporate governance, if any.

Board Charter

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

The Board Charter is reviewed periodically 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.

Fit and Proper Policy

The Board had on 18 May 2022 adopted the Directors’ Fit and Proper Policy. The Directors’ Fit and Proper Policy sets out the approach, criteria and guidance to ensure a formal, rigorous and transparent process for the appointment, re-appointment and/or re-election of Directors of the Group.

The Directors’ Fit and Proper Policy will be reviewed where necessary to ensure it remains relevant and is in line with the Bursa Securities Main Market Listing Requirements. The Directors’ Fit and Proper Policy is available on the Company’s website.

CORPORATE GOVERNANCE
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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 to the strategic directions of the Group and ensure the Group continues to be a competitive leader in the education industry. A brief profile of each Director is set out in the Directors’ Profile in this annual report.

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.

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 comprises a mix of ethnicities, age and competencies. The composition of our Board together with the Senior and Key Management as at 31 December 2022 were as follows:

| | Total number | Percentage (%) |
|--------------------|--------------|----------------|
| Gender | | |
| Male | 17 | 58.62 |
| Female | 12 | 41.38 |
| Age Group | | |
| 30 – 39 years | 1 | 3.45 |
| 40 – 49 years | 7 | 24.14 |
| 50 – 59 years | 12 | 41.38 |
| 60 years and above | 9 | 31.03 |

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| | Total number | Percentage (%) |
|------------------|--------------|----------------|
| Ethnicity | | |
| Bumiputera | 6 | 20.69 |
| Chinese | 19 | 65.52 |
| Indian | 3 | 10.34 |
| Others | 1 | 3.45 |

The Board is supportive of diversity on the Board and in Senior Management team. The Group has a well-balanced representation between genders in the Senior Management as well as the entire staff force.

Succession Planning Programme

The Succession Planning Committee (“SPC”) was set up in 2013 to oversee the strategy and good governance of succession planning. The members of the SPC consist of Executive Director, Non-Executive Director and Senior Management. The SPC is led by Group Managing Director, aiming to develop the talents both vertically and horizontally, particularly focusing on critical key positions in the Group.

The Succession Planning programme is an on-going exercise. There are 43 talents shortlisted for 2021/2022 across SEGi Group. All the talents have attended the Leadership Training Simulation in December 2021 and 2022. The final training will be the Management By Objective with Design Thinking for the Senior Management and Heads of Department. Subsequently, on-the-job training will be arranged, and their career pathway will be set based on the gap analysis. By then, it will conclude the succession programme for the batch 2021/2022.

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 (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas Independent Non-Executive Director | Dato Goh Leng Chua Independent Non-Executive Director | Edwin Fua Chye Jin Non-Independent Non-Executive Director |
| ► Chairman | ► Member | ► Member |

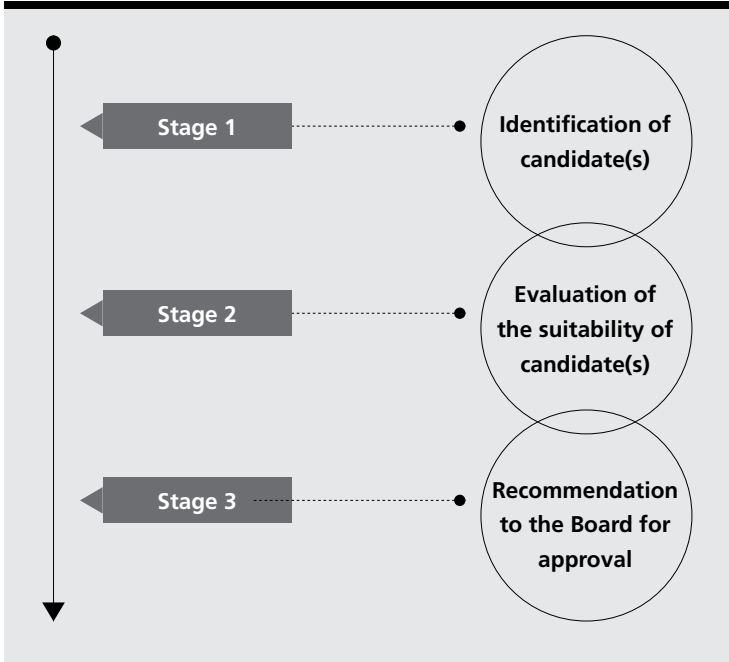
The Board is satisfied that Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas is capable to be the Chairman of the Nominating Committee and the committee is able to discharge its duties effectively through a formal and transparent process, in compliance with applicable laws and regulations and maintaining a high standard of corporate governance. The Board is aware of certain departures following the MCCG 2021 came into effect, especially on the chairmanship for the Board Committee, and will identify suitable candidate(s) for the relevant positions to rectify the situation.

The committee met once during the year under review.

CORPORATE GOVERNANCE
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Nomination and Appointment of Directors

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



The proposal for new appointment(s), including those proposed by the major shareholders, other Board members, management and independent sources, will be tabled for assessment and evaluation before the committee recommends it 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, core competencies 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.

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 and peer assessment 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 have been able to discharge their functions, duties and responsibilities in accordance with the terms of reference of the Audit Committee; 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 regardless of their length of services.

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 nine years as per the recommendation of the MCCG. However, the Board is of the opinion that the ability of a Director is very much a function of his calibre, qualification, experience and personal qualities, particularly of his integrity

and objectivity, regardless of his tenure as an Independent Non-Executive Director.

Notwithstanding that Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas, Dato’ Amos Siew Boon Yeong and Dato Goh Leng Chua serve the Company for more than nine years, the Board has evaluated them 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 approach 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 best 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 made by the Nominating Committee, was satisfied with the level of independence demonstrated by them as Independent Directors of the Company. However, due to the Bursa Securities Main Market Listing Requirements on the 12-year tenure limit for Independent Directors, the Board is exploring suitable candidates to fill the vacancies so caused.

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 Director does not participate in decisions relating to his remuneration. The Board as a whole determines the remuneration of the Directors. The individual concerned abstains from participating in deliberations and decisions in respect of his/her individual remuneration.

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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 remuneration package to the Directors remains unchanged subsequent to the pandemic. The committee recommended the same remuneration package of the Executive Directors to the Board for its approval. The committee further recommended the same quantum of Non-Executive Directors’ fees to the Board for tabling for shareholders’ approval at the Company’s forthcoming AGM.

| The Remuneration Committee consists of a majority of Non-Executive Directors, as follows: | | |
|--|---|--|
| Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas Independent Non-Executive Director | Tan Sri Clement Hii Chii Kok Group Managing Director | Dato’ Sri Nicholas Rupert Heylott Bloy Non-Independent Non-Executive DirectorDirector |
| ► Chairman | ► Member | ► Member |

The committee met once during the year under review.

Directors’ Remuneration

The aggregate remuneration of Directors, including the retired Director, for the financial year ended 31 December 2022, in respective bands of RM50,000 were as follows:

| Range of Remuneration | Number of Directors | |
|------------------------|---------------------|---------------|
| | Executive | Non-Executive |
| Below RM50,001 | - | 2 |
| RM50,001 to RM100,000 | - | 4 |
| RM400,001 to RM450,000 | 1 | - |
| RM450,001 to RM500,000 | 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.

Senior management’s Remuneration

The Board acknowledges the need for transparency in the disclosure of remuneration as recommended under the MCCG. However, the Board is of the view that the disclosure of the remuneration package of the top 5 Senior management could give rise to recruitment and talent retention issues looking at the highly competitive human capital environment in which the Group operates. The Board will ensure the remuneration of the Senior management is commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating them to lead the Group to greater heights.

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A B C 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 their 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 in the ensuing pages 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 and management personnel, to allow the Audit Committee and the external auditors to exchange their independent views on matters which require the Audit Committee’s attention.

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

During the year under review, the Audit Committee met twice with the external auditors without the presence of the Executive Director(s) and management 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 the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

CORPORATE GOVERNANCE
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The Audit Committee also carried out an annual assessment of the performance, suitability and independence of the external auditors based on the following key areas:

| | |
|---------------------------------|---|
| ✓ quality of service; | ✓ 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; |
| ✓ capability of the audit team; | |
| ✓ sufficiency of resources; | ✓ communication and interaction; and |
| ✓ scope of audit and planning; | ✓ 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 at 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 PLT for re-appointment at the forthcoming AGM.

The Audit Committee also considered the non-audit services provided by the external auditors during the year ended 31 December 2022 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 situations 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, save for the acquisition of K-12 Schools as announced, there were no other related party transactions as of 31 December 2022.

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.

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Risk Management Committee

The Risk Management Committee was 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 and the overview of the Group’s state of internal control are set out in the Statement on Risk Management and Internal Control in this annual report.

| The Risk Management Committee consists of the following members: | | |
|--|---|---|
| Dato’ Amos Siew Boon Yeong | Dato’ Seri (Dr.) Mohamed Azahari bin Mohamed Kamil | Edwin Fua Chye Jin |
| Independent Non-Executive Director | Independent Non-Executive Director | Non-Independent Non-Executive DirectorDirector |
| ► Chairman | ► Member | ► 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.

As an on-going process, significant business risks faced by the Group are identified and evaluated, and consideration is given to the potential impact the risks have on our organisation. This includes examining principal business risks in critical areas, assessing the likelihood of happening and identifying the measures taken to mitigate, avoid or eliminate these risks.

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 of the adequacy, efficiency and effectiveness of the Group’s risk management, internal control and governance systems.

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

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

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During the financial year ended 31 December 2022, the Internal Audit function carried out the following activities to assure the Audit Committee on the risk management, internal control and governance state of the Group:

- i) Based on the approved 2022 Internal audit plan which was formulated after considering key business processes and risks of the Group, the Internal Audit carried out audits on SEGi University and Colleges and key corporate offices.
- ii) The Internal Audit reports and follow-up audit results were tabled 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 special audit reports which were not covered in the approved internal audit plan. Special audit assignments were 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.

The total cost incurred for the Internal Audit function for 2022 was approximately RM345,000.

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.

A B 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 a 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 shareholders.

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. Cheryl Chong Poh Yee
Managing Director, Corporate Affairs & Alliances
- ii. Hew Ling Sze
Company Secretary

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

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

Corporate Disclosure Policies and Procedures

The Company is committed to 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.com.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 the corporate representative, or by proxy.

The Board observes the requirement under Practice 13.1 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.

In 2021, the Company conducted its first virtual AGM through live streaming and online remote voting using the Remote Participation and Voting Facilities. The Company had continued its effort to convene its virtual AGM in 2022 and will consider the coming AGM to be conducted virtually to give shareholders and/or proxies an opportunity to participate and vote in absentia in the AGM effectively and safely.

Save for Hew Moi Lan, who retired at 2022 AGM, the rest of the Board members, together with the chairman of the respective Board Committees, the management and the External Auditors, attended the AGM in 2022. The Group Managing Director attended to questions raised during the AGM.

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Poll Voting

The Board implements poll voting for all the resolutions to be passed in all general meetings. The Company will appoint an independent scrutineer to undertake the polling process and to validate the votes cast at the general meeting.

At the 36th AGM held on 15 June 2022, all resolutions were decided by way of the poll and the votes received in respect of each resolution were announced to Bursa Securities on the same date as the meeting was held.

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 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 invitved 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 2022, six meetings were held. The Directors have dedicated adequate time and effort to attend the Board and Board Committee meetings held. The attendances of the Board of Directors are as follows:

| Name of Directors | No. of meetings attended | | |
|--|--|-----|------|
| Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas | <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> | 6/6 | 100% |
| Tan Sri Clement Hii Chii Kok | <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> | 6/6 | 100% |
| Dato’ Sri Nicholas Rupert Heylett Bloy | <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> | 4/6 | 67% |
| Dato’ Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil | <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> | 6/6 | 100% |
| Dato’ Amos Siew Boon Yeong | <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> | 6/6 | 100% |
| Dato Goh Leng Chua | <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> | 6/6 | 100% |
| Edwin Fua Chye Jin | <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> | 6/6 | 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.

CORPORATE GOVERNANCE
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Training and Development of Directors

A 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.

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, and risk 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 (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas | PNB Knowledge Forum 2022 – Sustainable investing ESG at the Forefront | 21.04.2022 |
| | MPOB Transfer of Technology Seminar & Exhibition 2022 | 28.06.2022 |
| | PNB Knowledge Forum 2022 – Tell Buildings & Living in the Space Age: The Enigma & Convergence of Science & Art | 10.08.2022 |
| | Climate Governance: A Standing Item on Board Agenda | 11.08.2022 |
| | Governance in Audit Conference – Auditing in This New Governance Era | 06.09.2022 |
| | IIC-SIDC Corporate Governance Conference 2022: Investment Stewardship in Times of Heightened Sustainability Demands | 23.09.2022 |
| | Board Talk on The Working Future: More Human, Not Less | 10.10.2022 |
| | Malaysia Global Boardroom Program Launch/The DNA of Future Chairs | 17.11.2022 |
| | Building Towards a Corrupt-Free Nation | 15.12.2022 |
| Tan Sri Clement Hii Chii Kok | Corporate Disclosure and Guidance for Directors and Senior Management of Main Market Listed Issuers | 13.09.2022 |
| Dato’ Sri Nicholas Rupert Heylett Bloy | AVCJ Singapore PE Leaders Summit: Due Diligence – Staying Ahead of the Curve | 15.11.2022 |
| | AVCJ Singapore Southeast Asia: Diverse Geographies Common Threads | 16.11.2022 |
| | Cayman Registered Person AML/CTF/CPF and Sanctions Training | 21.12.2022 |
| | | |
| Dato’ Amos Siew Boon Yeong | Transform Audit Digitally: The MICPA & CCH ProSystem fx Integration | 23.05.2022 |
| | MIA Town Hall 2022 | 25.05.2022 |
| | MIA Conference 2022 | 08 & 09.06.2022 |
| | National Tax Conference 2022 | 02 & 03.08.2022 |
| | AOB’s Conversation with Audit Firms | 18.08.2022 |
| | MIA Annual General Meeting (AGM) | 24.09.2022 |
| | Conversation with Audit Committees | 06.12.2022 |
| | MIA Webinar Series: Merger and Acquisition Activities – A practitioners’ guide to day-one accounting | 20.12.2022 |
| | MIA Blended Learning Series: How Compliance with IFRS/MFRS Influences Obtaining Sufficient and Appropriate Audit Evidence | 21.12.2022 |
| | | |

CORPORATE GOVERNANCE
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AUDIT COMMITTEE REPORT

| Director | Name of Programme | Date |
|--------------------|---|------------|
| Edwin Fua Chye Jin | MVCA: Southeast Asia Venture Capital & Private Equity Conference (SEAVCPE 2022) - Speaker | 27.01.2022 |
| | CPE Training: Preparing Leaders & Executive for Artificial Intelligence | 10.03.2022 |
| | CPE Training: Understanding SWAPS: Application, Risk Management and Markets | 17.03.2022 |

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 rectify those departures disclosed above and in the CG Report, or consider alternative measures, if necessary.

The Board believes that there is always room for improvement and enhancement, and is 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 2023.

The Board of Directors is pleased to present the Audit Committee (“AC” or “the Committee”) Report for the year ended 31 December 2022.

COMPOSITION

| The AC comprises three members, all of whom are non-executive Directors, with a majority of them being independent: | | |
|---|--|--|
| Dato’ Amos Siew Boon Yeong Independent Non-Executive Director | Dato Goh Leng Chua Independent Non-Executive Director | Edwin Fua Chye Jin Non-Independent Non-Executive Director |
| ► Chairman | ► Member | ► Member |

The Chairman, Dato’ Amos Siew, is a member of Malaysian Institute of Certified Public Accountants as well as Malaysian Institute of Accountants (“MIA”). 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 AC members are also financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC. The NC reported to the Board on the results of the appraisals and were endorsed by the Board.

MEETINGS

During the year under review, six meetings were held. The attendance of each member was as follows:

| Dato’ Amos Siew Boon Yeong | Dato Goh Leng Chua | Edwin Fua Chye Jin |
|---|---|---|
| No. of meetings attended | No. of meetings attended | No. of meetings attended |
| <div><div></div><div></div><div></div><div></div><div></div><div></div></div> 6/6 | <div><div></div><div></div><div></div><div></div><div></div><div></div></div> 6/6 | <div><div></div><div></div><div></div><div></div><div></div><div></div></div> 6/6 |

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.com.my/wp-content/uploads/2022/03/Terms-of-Reference-of-Audit-Committe-150921.pdf>.

AUDIT COMMITTEE REPORT

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.
- ii. External auditors
- Reviewed the external auditors’ scope of work, areas of audit emphasis 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 processes, 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 programmes and annual internal audit plan for the current financial year to ensure adequate scope and comprehensive coverage of the activities of the Company and the Group. The Committee also ensured that the significant risks identified are covered in the internal audit plan.
 - Reviewed the reports of the internal auditors, arising from their special review, annual audit reviews and follow-up reviews to ensure relevant controls are put in place to mitigate significant risks faced by the Group and address significant audit findings highlighted in the audit reports respectively.
 - Met with the internal auditors independently without the presence of the management.

ACTIVITIES DURING THE YEAR (Cont’d)

- iv. Reviewed the whistle-blowing issues with the internal auditors, and discussed with management the issues to ensure that proper investigations were conducted while protecting the anonymity of the whistle-blowers.
- v. Reviewed the Company’s Audit Committee Report and the adequacy of its terms of reference 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.
- vi. Reviewed, deliberated and recommended for Board’s approval 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, where necessary.
- vii. Reviewed and verified that the computation and allocations of Performance Share Plan Grants under the Long Term Incentive Plan vested to the eligible employees.
- viii. 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, 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 an in-house and independent Internal Audit Department that 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 reports on the state of internal control of the various operating units within the Group and the extent of compliance with the Group’s established policies and procedures as well as the relevant statutory requirements.

During the year, the Internal Audit Department has performed audits on the Group’s Institutions and key corporate departments in accordance with the approved Internal Audit Plan as well as some ad-hoc special audits and reviews 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 raised by whistle-blowers to ensure appropriate actions, as well as corrective steps, if any, were carried out.

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

The Audit Committee Report was approved by the Board of Directors on 10 April 2023.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“Board”) is pleased to outline the state and key elements of the risk management and internal control of the Group for the financial year ended 31 December 2022. This statement has been prepared in accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers (“Guidelines”) issued on 31 December 2012, which is in line with Paragraph 15.26(b) of the Main Listing Requirements of Bursa Malaysia Securities Bhd and Principle B of the Malaysian Code on Corporate Governance.

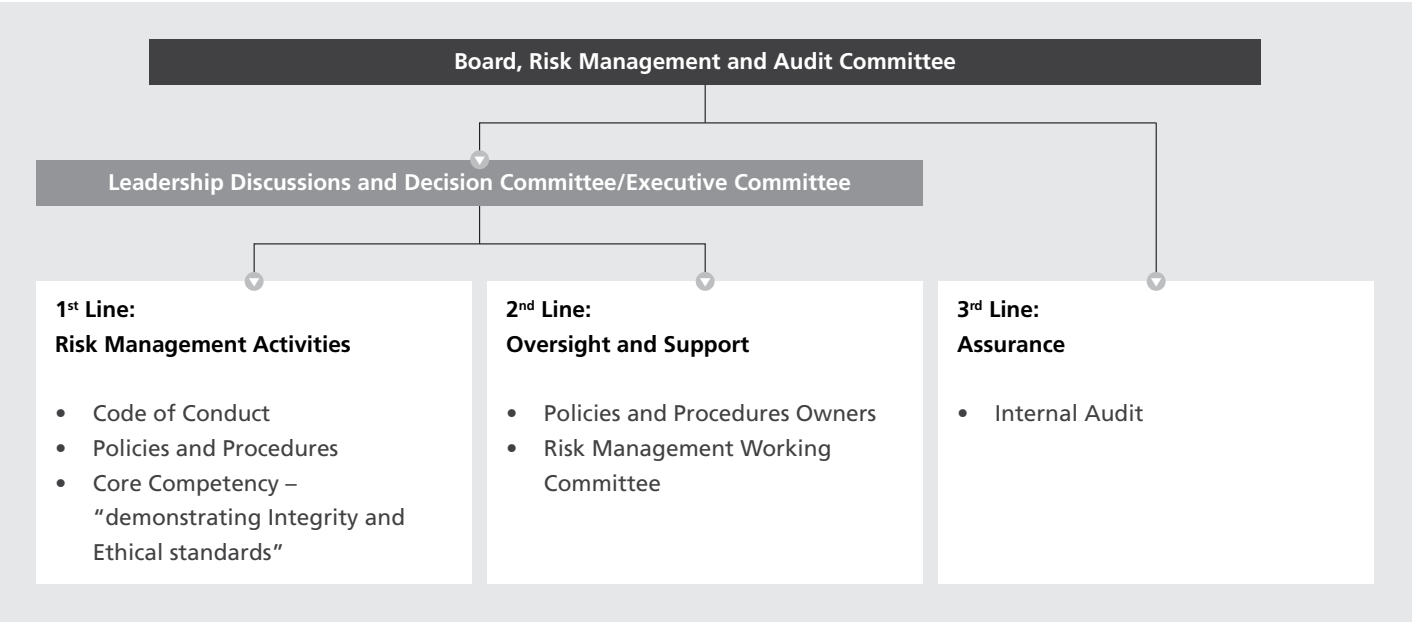
THE BOARD’S RESPONSIBILITY

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

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

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Group has applied the “Three Lines of Defence” Model for the organisation of the risk management and internal control system.



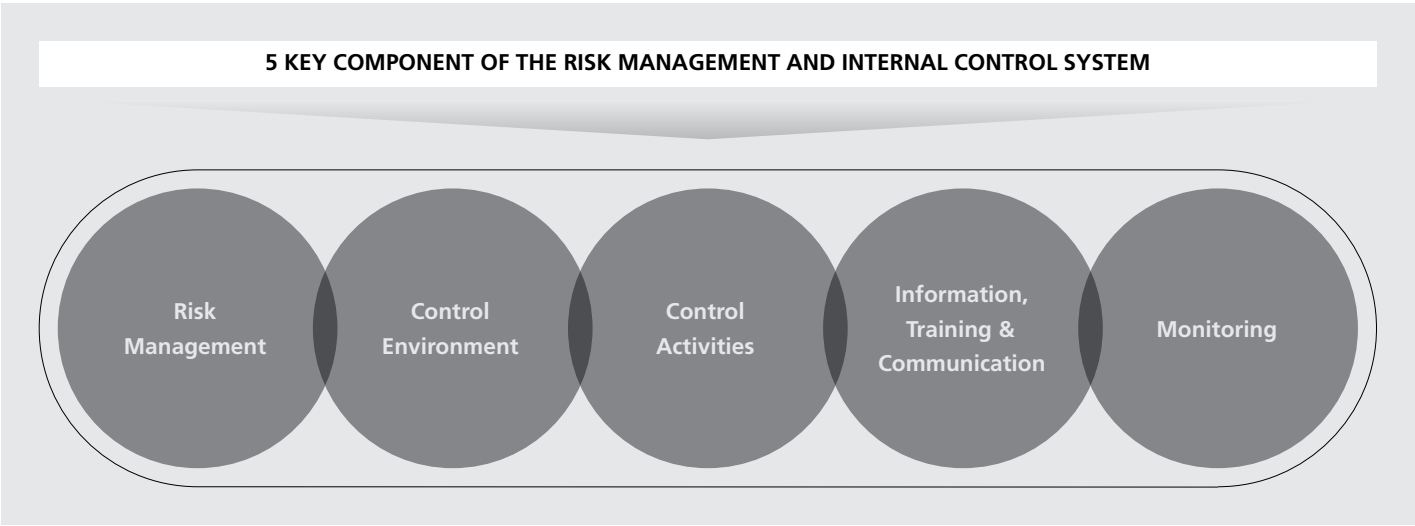
The Board is assisted by the Risk Management Committee (“RMC”) and the Audit Committee (“AC”), which have been delegated with primary oversight responsibilities on the Group’s risk management and internal control system. The Board remains responsible for the overall governance of risk and internal control, as well as for all the actions of the Board Committees with regards to the execution of the delegated oversight responsibilities.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont’d)

The Senior Management Committee was dissolved and replaced by the Leadership Discussions and Decision Committee (“LDD”) on 5 September 2022. The LDD and Executive Committee (“Exco”) assists the Board to oversee the risk management activities and to provide oversight and support over the governance and risk management processes.

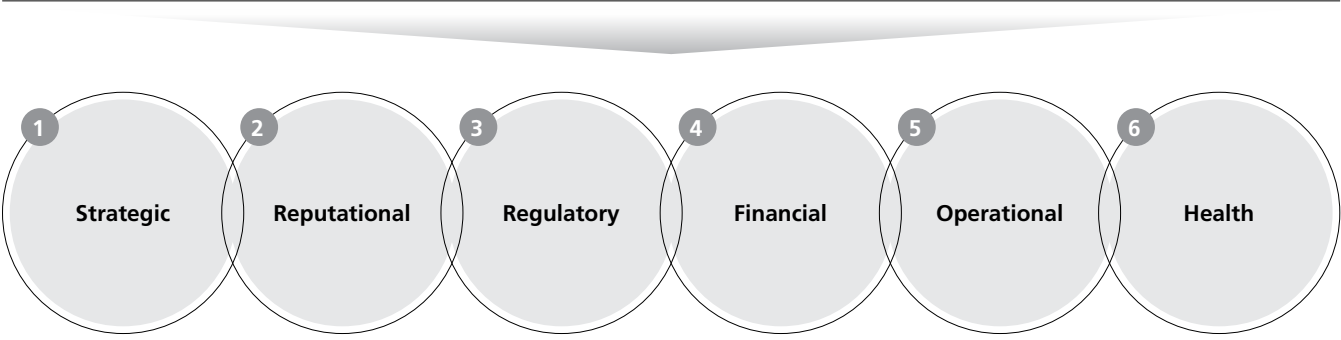

| 1 st Line of Defence | 2 nd Line of Defence | 3 rd Line of Defence |
|--|---|---|
| <p>The first line of defence comprises the risk management activities of the Group. This includes the establishment of the code of conduct, policies and procedures as well as the core competencies of the Group.</p> | <p>The second line of defence is to provide oversight and support. The policy and procedures owners are responsible to regularly review and update the policies and procedures to ensure that sufficient internal controls are embedded into the relevant functions.</p> <p>The Group has also established the Risk Management Working Committee (“RMWC”) who assists the RMC to review and manage the risk profile of the Group.</p> | <p>The third line of defence is the in-house Internal Audit function who conducts independent assessment on the adequacy and effectiveness of the Group’s risk management, internal control and governance systems.</p> |



STATEMENT ON RISK MANAGEMENT
& INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT
& INTERNAL CONTROL

5 KEY COMPONENT OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

| 1 | Risk Management |
|---|--|
| | <p>The Board has entrusted the RMC to review the risk management processes within the Group.</p> <p>The RMC is assisted by the RMWC which comprised of the management of the Group to identify and assess significant risks to be updated into the risk profile of the Group. The RMWC will also formulate relevant control mechanisms to address the identified risks accordingly.</p> <p>Significant risks of the Group identified are grouped into the following 6 categories:</p> <div></div> <p>The associated business risks from these 6 categories are first being assessed and rated based on their risk likelihood and impact. After risk assessment, 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:-</p> <div></div> <p>i) “Prevent at Source” Risk 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.</p> <p>ii) “Detect and Monitor” Risk Risks in this quadrant are significant, but they are less likely to occur. To ensure that the risks remain low likelihood and are managed by the Group appropriately, they need to be monitored on a rotational basis. Detective controls should be put into place to ensure that these high significant risks will be detected before they occur. These risks are second priority after Primary Risks.</p> |

5 KEY COMPONENT OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

| 1 | Risk Management (Cont'd) |
|---|---|
| | <p>iii) “Monitor” Risk 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.</p> <p>iv) “Low Control” Risk 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.</p> <p>For business risks which are rated and mapped at the top Quadrant of the Risk Map, the RMWC would then discuss to formulate relevant action plans with deadlines set to mitigate them accordingly. The Risk Profile is then updated with the risk assessment results and action plans and deadlines to manage the risk.</p> <p>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.</p> |
| 2 | Control environment |
| | <p>i) THE AUDIT COMMITTEE (“AC”)</p> <p>The Board has tasked the AC with established Terms of Reference to examine the effectiveness of the Group’s System of Internal Control.</p> <p>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.</p> <p>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.</p> <p>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 and internal auditors during the AC meetings.</p> <p>ii) The planning and management of the Group’s business operations are well documented in the Group Organisational Chart approved by the Group Managing Director.</p> <p>iii) Key functions such as human resources, finance, procurement, legal, technology and digital development, 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.</p> |

STATEMENT ON RISK MANAGEMENT
& INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT
& INTERNAL CONTROL

5 KEY COMPONENT OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

| 2 | Control environment (Cont'd) |
|---|--|
| | <div><div>iv)</div><div>Key business processes of the Group are governed by Standard Operating Procedures to ensure consistency in delivery of quality academic and support services to students, integrity, and timeliness of the Financial Statements, as well as good governance processes in engagement of goods and services and payments to suppliers. The Group key institutions' examination departments are ISO certified in order to further enhance the integrity of the examination processes.</div></div> <div><div>v)</div><div>The Anti-Bribery and Anti-Corruption policy was first implemented in year 2020. The policy was set up to ensure all SEGi employees are aware of their responsibility, in observing and upholding this policy. We ensure that all the employees comply to the Anti-Bribery and Anti-Corruption policy through providing them adequate information and guidance. We also ensure that all new joiners will complete the compulsory Anti-Bribery and Anti-Corruption assessment within one month after they have joined the Company.</div></div> |
| 3 | Control Activities |
| | <div><div>i)</div><div>The Leadership Discussions and Decision meeting, which comprises the Group's Senior Management, evaluates and approves major business decisions, procurements and policies.</div></div> <div><div>ii)</div><div>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 also regularly monitored and discussed at the Leadership Discussions and Decision meetings.</div></div> |
| 4 | Information, Training and Communication |
| | <div><div>i)</div><div>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.</div></div> <div><div>ii)</div><div>The Executive Directors and Group 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.</div></div> <div><div>iii)</div><div>Training and development programmes such as ISO, health and safety, technical and leadership trainings are organised for employees to ensure that they are equipped with necessary knowledge and skills as well as being kept up to date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.</div></div> <div><div>iv)</div><div>The Group Human Resources Management and Internal Audit function have collaborated to roll-out the awareness sessions on the Code of Conduct and Compliance Learning to create awareness on the importance of controls and compliance with the code of conduct as well as the policies and procedures.</div></div> <div><div>v)</div><div>An induction programme will be organised for all new joiners with the aim of raising their awareness and educating them on the Group's approach to risk management and internal control. Such sessions also provide a forum to enhance the participants' understanding on the Group's risk management and control procedures as well as their roles in managing the risks.</div></div> |

5 KEY COMPONENT OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

| 5 | Monitoring |
|---|--|
| | <div><div>i)</div><div>The independent internal audit function provides assurance to the RMC and AC regarding the state of the risk management, governance and internal control systems of the Group by carrying out regular audits.</div></div> <div><div>ii)</div><div>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 controls and governance systems of SEGi Group.</div></div> <div><div>iii)</div><div>The Safety and Health Committee reviews the occupational safety and health procedures within the Group's business units.</div></div> <div><div>iv)</div><div>The Whistle Blowing Policy provides a transparent and confidential platform for employees to raise any concerns about suspected misconduct within the Group without fear of retaliation.</div></div> |

ASSURANCE

The Group has also obtained reasonable assurance from the Group Managing Director and Managing Director, Corporate Affairs and Alliances 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 an adequate risk management and internal control system is in place for the financial year under review, and up to the date of approval of this statement, for identifying, evaluating and managing significant risks faced by the Group. This process is regularly reviewed by the Board to safeguard shareholders' investment.

During the financial year under review, there were no major weaknesses in internal controls 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 2022. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide 3 (AAPG3) issued by the Malaysian Institute of Accountants.

Based on the review, the external auditors have 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 the 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 2023.

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 2023.

OTHER INFORMATION REQUIRED BY THE BURSA
SECURITIES LISTING REQUIREMENTS

1. Utilisation of Proceeds Raised from Corporate Proposals

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

2. Audit and Non-Audit Fees

For the financial year ended 31 December 2022, the amounts of audit fees paid or payable by the Company and the Group to the external auditors are as follows:-

| | Group (RM) | Company (RM) |
|--|---------------|-----------------|
| Audit fees | 593,000 | 154,000 |
| Non-audit fees in relation to the review of Statement on Risk Management and Internal Control & other services | 10,000 | 10,000 |

3. Material Contracts

Save as disclosed below, there were no material contracts entered into by the Company and its subsidiaries, involving the interest of directors and/or 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.

Pursuant to the Agreement to Lease dated 8 July 2020 executed between SEGi College (Subang Jaya) Sdn Bhd (“SCSJ”) and HCK Capital Group Berhad (“HCK”) (“hereinafter referred to as the Agreement to Lease), SCSJ (a wholly-owned subsidiary company of the Company) and Equal Straits Sdn Bhd, (“ESSB”) (a wholly-owned subsidiary company of HCK) entered into a Lease Agreement dated 20 July 2022 to enable SCSJ to lease from ESSB certain floor space (as pre-agreed under the Agreement to Lease) located in part of a development known as Edumetro @ Subang Jaya (“Leased Property”) for a leasing tenure of 12 years (“Leased Tenure”) commencing from 1 June 2022 (“Lease Commencement Date”). The purpose of which is to enable SCSJ to locate its new campus on the Leased Property, (hereinafter referred to as the “Lease Agreement”).

Except for the refundable utilities and renovation/restoration deposits paid upon execution of the Lease Agreement, there is no other consideration passed as of today, as under the relevant transaction documents, HCK/ESSB had granted SCSJ free rental of the Leased Property until 31 August 2023. For clarification, security monies previously paid by SCSJ to HCK under the Agreement to Lease had, in accordance with the Agreement to Lease, been converted to partly pay for the refundable utilities and renovation/ restoration deposits payable under the Lease Agreement.

Tan Sri Clement Hii Chii Kok (“TSC”), the Group Managing Director and major shareholder of the Company, is also the Executive Chairman and major shareholder of HCK. Pinnacle Heritage Solutions Sdn Bhd (“PHS”), the major shareholder of the Company, is a party acting in concert with TSC pursuant to the shareholders’ agreement dated 25 April 2012 entered between TSC and PHS. Dato’ Sri Nicholas Rupert Heylett Bloy, the Non-Independent Non-Executive Director and major shareholder of the Company by virtue of his interest in PHS pursuant to Section 8(4) of the Companies Act 2016 is considered a person connected with PHS.

Save as disclosed above, none of the Directors and/or major shareholders of the Company, and/or persons connected with them have any interest, whether direct or indirect, in the Lease Agreement.

OTHER INFORMATION REQUIRED BY THE BURSA
SECURITIES LISTING REQUIREMENTS

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 2022.

5. Long Term Incentive Plan (“LTIP”)

On 1 July 2014, the Company implemented an 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, save for the vesting of PSP Grants, no ESOS options were granted and vested by the Company No ESOS options have been exercised as at the date of this report.

During the financial year under review (“FY2022”), there is only one (1) existing plan. The details of the LTIP are as follows:

| LTIP | Total number of ESOS options or PSP Grants granted | Total number of ESOS options exercised or PSP Grants vested | Total ESOS options or PSP Grants outstanding |
|-------------|--|--|---|
| ESOS option | 3,956,270 | - | 2,307,750 |
| PSP Grant | 1,728,833 | 1,728,833 | - |

As at 31 December 2022, the aggregate ESOS and PSP granted to Directors, including the retired Director, and Chief Executive are as follows:

| | Aggregate ESOS options or PSP Grants granted | Aggregate ESOS options exercised or PSP Grants vested | Aggregate ESOS options or PSP Grants outstanding |
|-------------|--|---|--|
| ESOS option | 306,939 | - | - |
| PSP Grant | 205,054 | 205,054 | - |

In accordance with the By-Laws, the aggregate maximum allocation applicable to Directors and Senior Management is 60%. The total amounts of ESOS options and PSP Grants granted and vested to the Directors and senior management during the financial year under review and since the commencement of the LTIP were 0.06% and 0.64% respectively.

No ESOS options were offered to and exercised by, or PSP Grants were granted to and vested in the Non-Executive Directors, under the LTIP, in respect of the financial year under review and since the commencement of the LTIP.



FINANCIAL STATEMENTS

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DIRECTORS’ REPORT

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 2022.

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 18 to the financial statements.

RESULTS

| | Group RM’000 | Company RM’000 |
|---|-----------------|-------------------|
| Profit for the year | 40,182 | 34,195 |
| Profit for the year, attributable to: Equity holders of the Company | 40,187 | 34,195 |
| Non-controlling interests | (5) | - |
| | 40,182 | 34,195 |

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, except as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

The amount of dividends declared and paid by the Company since 31 December 2021 were as follows:

| | RM’000 |
|--|--------|
| In respect of the financial year ended 31 December 2021: | |
| First and final dividend of 1.00 sen per ordinary share, declared on 29 April 2022 and paid on 8 July 2022 | 12,262 |
| In respect of the financial year ended 31 December 2022: | |
| First interim single-tier dividend of 3.00 sen per ordinary share, declared on 3 January 2022 and paid on 25 January 2022 | 36,775 |
| Second interim single-tier dividend of 2.00 sen per ordinary share, declared on 28 December 2022 and paid on 20 January 2023 | 24,480 |
| | 73,517 |

The directors do not propose any final dividend for the financial year ended 31 December 2022.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 1,178,900 new ordinary shares pursuant to the Company's Performance Share Plan Grant 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 was no issuance of debentures by the Company during the financial year.

LONG TERM INCENTIVE PLAN

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

During the financial year, a total of 1,178,900 PSP Grants were granted by the Company under the SGP. No ESOS options were granted in accordance with section 253 of the Companies Act 2016 by the Company pursuant to the LTIP.

Details of the LTIP are set out in Note 32(d) to the financial statements.

TREASURY SHARES

During the financial year, the Company repurchased 3,006,500 ordinary shares of its issued share capital from the open market at an average price of approximately RM0.63 per share. The total consideration paid for the repurchase including transaction costs was RM1,903,977. The share buy back transactions were financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016. There were no resale, cancellation or distribution of treasury shares during the financial year.

As at 31 December 2022, the Company held as treasury shares a total of 41,740,900 of its 1,265,742,042 issued ordinary shares. Such treasury shares are held at a carrying amount of RM47,095,345 and further relevant details are disclosed in Note 31 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 39 to the financial statements.

DIRECTORS’ REPORT

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 (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas | |
| Tan Sri Hii Chii Kok @ Hii Chee Kok | |
| Professor Hew Moi Lan | (retired on 15 June 2022) |
| Dato’ Sri Nicholas Rupert Heylett Bloy | |
| Dato’ Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil | |
| Dato’ Siew Boon Yeong | |
| Dato Goh Leng Chua | |
| Fua Chye Jin | |

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:

| | |
|---|--|
| Chong Poh Yee | |
| Dato’ Pahamin A. Rajab | |
| Dr. Susie Lau Meng Ching | |
| Elaine Chegne Peck Oon | |
| Kamalam Pillay Rungapadiachy | |
| Ng Kim Leng | |
| Ong Lee Aei | |
| Professor Dr. Azrin Esmady Bin Ariffin | |
| Professor Dr. Mohamad Raili Bin Suhaili | |
| Professor Dato’ Dr. Ahmad Termizi Bin Zamzuri | |
| Savinilorna Payandi-Pillay-Ramen | |
| Stella Lau Kah Wai | |
| Calvin Chan Yee Yuen | (appointed on 1 June 2022) |
| Dr. Foo Say Kiang | (appointed on 4 November 2022) |
| Shajim Thiruvothu Meethal | (appointed on 5 September 2022) |
| Dr. Tan Saw Poh | (retired on 1 June 2022) |
| Elsie Hui Ei Cheeng | (resigned on 1 June 2022) |
| Associate Professor Norman Chu Su Jiun | (appointed on 1 June 2022 and resigned on 16 January 2023) |

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.

DIRECTORS’ REPORT

DIRECTORS’ BENEFITS (CONT’D.)

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/Company RM’000 |
|---|-------------------------|
| Fees | 266 |
| Salaries and other emoluments | 805 |
| Bonus | 9 |
| Defined contribution plan | 62 |
| Estimated money value of benefits-in-kind | 14 |
| | 1,156 |

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 RM15,840.

DIRECTORS’ INTERESTS

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

| | Number of ordinary shares | | | |
|--|---------------------------|----------|------|-------------|
| | 1.1.2022 | Acquired | Sold | 31.12.2022 |
| The Company | | | | |
| Direct interest | | | | |
| Tan Sri Hii Chii Kok @ Hii Chee Kok | 396,694,479 | - | - | 396,694,479 |
| Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas | 67,991 | - | - | 67,991 |
| Dato’ Siew Boon Yeong | 3,771,428 | - | - | 3,771,428 |

DIRECTORS’ REPORT

DIRECTORS’ REPORT

DIRECTORS’ INTERESTS (CONT’D.)

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: (cont’d.)

| | Number of ordinary shares | | | |
|--|---------------------------|----------|---------------|-------------|
| | 1.1.2022 | Acquired | Sold | 31.12.2022 |
| The Company | | | | |
| Indirect interest | | | | |
| Dato’ Sri Nicholas Rupert Heylett Bloy ^ | 856,259,514 | - | (107,900,000) | 748,359,514 |
| Tan Sri Hii Chii Kok @ Hii Chee Kok * | 459,565,035 | - | (107,900,000) | 351,665,035 |

- ^ 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 Hii Chii Kok @ Hii Chee 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 Hii Chii Kok @ Hii Chee Kok and Dato’ Sri 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 above, 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 action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of allowance 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 render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONT’D.)

- (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 liabilities in respect 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 of the Group or of the Company 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 as and 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 and of the Company for the financial year in which this report is made.

AUDITORS

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

| | Group RM’000 | Company RM’000 |
|-------------------------|-----------------|-------------------|
| Auditors’ remuneration: | | |
| Ernst & Young PLT | 474 | 129 |
| Other auditors | 119 | - |
| | 593 | 129 |

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 April 2023.

Tan Sri (Dr.) Megat Najmuddin
Bin Dato’ Seri Dr. Haji Megat Khas

Tan Sri Hii Chii Kok @ Hii Chee Kok

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas and Tan Sri Hii Chii Kok @ Hii Chee 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 126 to 213 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 2022 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 18 April 2023.

Tan Sri (Dr.) Megat Najmuddin
Bin Dato’ Seri Dr. Haji Megat Khas

Tan Sri Hii Chii Kok @ Hii Chee Kok

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 126 to 213 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the above named Chong Poh Yee at
Kuala Lumpur in the Federal Territory
on 18 April 2023.

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 2022 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 126 to 213.

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 2022, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 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 Code of Ethics for Professional Accountants (including International Independence Standards) (“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.

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

- (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 17(b) to the financial statements)

As at 31 December 2022, the carrying amount of goodwill recognised by the Group stood at RM26,989,000, which represents 11% of the Group’s total non-current assets and 7% 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.
- (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)(ii) and disclosure of investment in subsidiaries in Note 18 to the financial statements)

As at 31 December 2022, the carrying amount of investment in subsidiaries stood at RM77,419,000, which represents 42% of the Company’s total non-current assets and 31% 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 the areas of focus on impairment of goodwill as well as investments in subsidiaries, 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;

c)together with EY valuation specialists, 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; and

d)analysed the sensitivity of key assumptions by assessing the impact of changes to the recoverable amounts.

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.)

- 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 projection.

Key assumptions are those to which the recoverable amount is most sensitive, as disclosed in Notes 17(b) and 18(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 auditor’s 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.

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.

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

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.

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.

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 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, actions taken to eliminate threats or safeguards applied.

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 18 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 PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants
Johor Bahru, Malaysia
18 April 2023

Tan Jin Xiang
No. 03348/01/2024 J
Chartered Accountant

STATEMENTS OF
COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

STATEMENTS OF
COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Revenue | 4 | 213,939 | 223,499 | 58,890 | 61,494 |
| Cost of services | 5 | (77,375) | (78,911) | (18,368) | (18,733) |
| Gross profit | | 136,564 | 144,588 | 40,522 | 42,761 |
| Interest income | 6 | 798 | 751 | 2,332 | 2,280 |
| Other income | 7 | 7,600 | 9,339 | 2,247 | 2,722 |
| Reversal of impairment on receivables | 20 | 59 | 172 | - | 3,197 |
| Impairment loss on receivables | 20 | (650) | (775) | (499) | - |
| Distribution expenses | | (6,711) | (6,506) | (476) | (179) |
| Administrative expenses | | (41,667) | (44,366) | (3,126) | (2,807) |
| Other expenses | | (44,384) | (43,497) | (1,668) | (5,895) |
| Operating profit | | 51,609 | 59,706 | 39,332 | 42,079 |
| Finance costs | 8 | (6,271) | (7,443) | (4,995) | (5,219) |
| Profit before tax | 9 | 45,338 | 52,263 | 34,337 | 36,860 |
| Taxation | 12 | (5,156) | (6,022) | (142) | (172) |
| Profit for the year | | 40,182 | 46,241 | 34,195 | 36,688 |
| Other comprehensive income, net of tax: | | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | | |
| Fair value (loss)/gain through other comprehensive income ("FVOCI") equity instruments | | (75) | 5 | - | - |
| Revaluation of freehold land and buildings: | | | | | |
| - Gross revaluation | 15 | 3,983 | 27,530 | 444 | 10,417 |
| - Deferred tax impact | 22 | (928) | (5,522) | (78) | (1,415) |
| | | 3,055 | 22,008 | 366 | 9,002 |
| Item that may be reclassified subsequently to profit or loss: | | | | | |
| Foreign currency translation differences | | 236 | (181) | - | - |
| Other comprehensive income, net of tax | | 3,216 | 21,832 | 366 | 9,002 |
| Total comprehensive income for the year | | 43,398 | 68,073 | 34,561 | 45,690 |

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Profit for the year, attributable to: | | | | | |
| Equity holders of the Company | | 40,187 | 46,233 | 34,195 | 36,688 |
| Non-controlling interests | | (5) | 8 | - | - |
| | | 40,182 | 46,241 | 34,195 | 36,688 |
| Total comprehensive income for the year, attributable to: | | | | | |
| Equity holders of the Company | | 43,403 | 68,065 | 34,561 | 45,690 |
| Non-controlling interests | | (5) | 8 | - | - |
| | | 43,398 | 68,073 | 34,561 | 45,690 |
| Earnings per share attributable to equity holders of the Company | | | | | |
| - Basic | 13 | 3.28 sen | 3.77 sen | | |
| - Diluted | 13 | 3.28 sen | 3.76 sen | | |

STATEMENTS OF
FINANCIAL POSITION

AS AT 31 DECEMBER 2022

STATEMENTS OF
FINANCIAL POSITION

AS AT 31 DECEMBER 2022

| | | Group | | Company | |
|---|------|-----------------|----------------|-----------------|----------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 15 | 91,981 | 94,424 | 17,074 | 16,649 |
| Investment properties | 16 | 7,000 | 6,747 | - | - |
| Intangible assets | 17 | 26,989 | 27,210 | - | - |
| Investment in subsidiaries | 18 | - | - | 77,419 | 76,793 |
| Other investment | 19 | 585 | 660 | - | - |
| Receivables | 20 | 5,996 | 4,873 | 33,649 | 28,062 |
| Right-of-use assets | 21 | 109,062 | 118,909 | 57,013 | 72,332 |
| Deferred tax assets | 22 | 10,302 | 8,939 | 145 | 365 |
| | | 251,915 | 261,762 | 185,300 | 194,201 |
| Current assets | | | | | |
| Inventories | 23 | 104 | 86 | - | - |
| Receivables | 20 | 28,219 | 25,576 | 11,648 | 13,797 |
| Tax recoverable | | 1,874 | 3,181 | 39 | 24 |
| Other financial asset | 24 | 284 | 280 | 284 | 280 |
| Deposits, cash and bank balances | 25 | 92,913 | 118,453 | 54,538 | 60,029 |
| | | 123,394 | 147,576 | 66,509 | 74,130 |
| Total assets | | 375,309 | 409,338 | 251,809 | 268,331 |
| Equity and liabilities | | | | | |
| Current liabilities | | | | | |
| Borrowings | 26 | 15,598 | 23,058 | 15,598 | 23,058 |
| Lease liabilities | 21 | 20,155 | 22,639 | 12,732 | 14,919 |
| Payables | 27 | 49,745 | 57,437 | 33,935 | 10,717 |
| Contract liabilities | 28 | 27,179 | 30,043 | - | - |
| Provisions | 29 | 81 | 120 | - | - |
| Current tax liabilities | | 1,121 | 744 | - | - |
| Dividend payable | | 24,480 | - | 24,480 | - |
| | | 138,359 | 134,041 | 86,745 | 48,694 |
| Net current (liabilities)/assets | | (14,965) | 13,535 | (20,236) | 25,436 |

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Non-current liabilities | | | | | |
| Lease liabilities | 21 | 98,730 | 105,351 | 51,770 | 64,502 |
| Payables | 27 | 2,479 | 2,007 | 213 | 1,117 |
| Contract liabilities | 28 | 1,153 | 1,134 | - | - |
| Provisions | 29 | 437 | 406 | - | - |
| Deferred tax liabilities | 22 | 7,274 | 6,517 | - | - |
| | | 110,073 | 115,415 | 51,983 | 65,619 |
| Total liabilities | | 248,432 | 249,456 | 138,728 | 114,313 |
| Net assets | | 126,877 | 159,882 | 113,081 | 154,018 |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | 30 | 148,458 | 147,707 | 148,458 | 147,707 |
| Treasury shares | 31 | (47,095) | (45,191) | (47,095) | (45,191) |
| Reserves | 32 | 26,536 | 58,383 | 11,718 | 51,502 |
| | | 127,899 | 160,899 | 113,081 | 154,018 |
| Non-controlling interests | | (1,022) | (1,017) | - | - |
| Total equity | | 126,877 | 159,882 | 113,081 | 154,018 |
| Total equity and liabilities | | 375,309 | 409,338 | 251,809 | 268,331 |

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 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | ← | | Non - distributable | | | | → | | | | Distributable | | |
|--|-------------------------|---------------------------|------------------------------|---|--|--|-------------------------------|---|---------------------------|--------------|---------------|----------|--|
| | Fair value reserve of | | | | | | | | | | | | |
| | Share capital (Note 30) | Treasury shares (Note 31) | FVOCI assets at (Note 32(b)) | Exchange translation reserve (Note 32(c)) | Share-based payment reserve (Note 32(d)) | Asset revaluation surplus (Note 32(e)) | Retained profits (Note 32(a)) | Attributable to equity holders of the Company | Non-controlling interests | Total equity | | | |
| Group | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| At 1 January 2022 | 147,707 | (45,191) | 5 | 12 | 2,527 | 21,902 | 33,937 | 160,899 | (1,017) | 159,882 | | | |
| Profit for the year | - | - | - | - | - | - | 40,187 | 40,187 | (5) | 40,182 | | | |
| Other comprehensive income for the year, net of tax: | | | | | | | | | | | | | |
| Revaluation of freehold land and buildings | - | - | - | - | - | 3,055 | - | 3,055 | - | 3,055 | | 3,055 | |
| Fair value loss on financial assets | - | - | (75) | - | - | - | - | (75) | - | (75) | | (75) | |
| Foreign currency translation differences | - | - | - | 236 | - | - | - | 236 | - | 236 | | 236 | |
| Total comprehensive income for the year | - | - | (75) | 236 | - | 3,055 | 40,187 | 43,403 | (5) | 43,398 | | | |
| Depreciation transfer for buildings to retained profits | - | - | - | - | - | (561) | 561 | - | - | - | | - | |
| Deferred tax impact transfer on revaluation of freehold land and buildings | - | - | - | - | - | 135 | (135) | - | - | - | | - | |
| Transactions with owners: | | | | | | | | | | | | | |
| - Purchase of treasury shares | - | (1,904) | - | - | - | - | - | (1,904) | - | (1,904) | | (1,904) | |
| - Share-based payment | 751 | - | - | - | (981) | - | (752) | (982) | - | (982) | | (982) | |
| - Dividend declared/paid | - | - | - | - | - | - | (73,517) | (73,517) | - | (73,517) | | (73,517) | |
| At 31 December 2022 | 148,458 | (47,095) | (70) | 248 | 1,546 | 24,531 | 281 | 127,899 | (1,022) | 126,877 | | | |

| | Non - distributable | | | | Distributable | | | | |
|--|-------------------------|---------------------------|---------------------------|---|---|--|---|---------------------------|--------------|
| | Fair value reserve of | | | | Attributable to equity holders of the company | | | | |
| | Share capital (Note 30) | Treasury shares (Note 31) | FVOCI assets (Note 32(b)) | Exchange translation reserve (Note 32(c)) | Share-based payment reserve (Note 32(d)) | Asset revaluation surplus (Note 32(e)) | (Accumulated losses)/ retained profits (Note 32(a)) | Non-controlling interests | Total equity |
| Group | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2021 | 147,707 | (45,191) | - | 193 | 1,991 | - | (12,402) | 92,298 | 91,273 |
| Profit for the year | - | - | - | - | - | - | 46,233 | 46,233 | 8 |
| Other comprehensive income for the year, net of tax: | - | - | - | - | - | 22,008 | - | 22,008 | - |
| Revaluation of freehold land and buildings | - | - | - | - | - | - | - | - | - |
| Fair value gain on financial assets | - | - | 5 | - | - | - | - | 5 | 5 |
| Foreign currency translation differences | - | - | - | (181) | - | - | - | (181) | - |
| Total comprehensive income for the year | - | - | 5 | (181) | - | 22,008 | 46,233 | 68,065 | 8 |
| Depreciation transfer for buildings to retained profits | - | - | - | - | - | (139) | 139 | - | - |
| Deferred tax impact transfer on revaluation of freehold land and buildings | - | - | - | - | - | 33 | (33) | - | - |
| Transactions with owners: | - | - | - | - | - | - | - | - | - |
| - Share-based payment | - | - | - | - | 536 | - | - | 536 | - |
| At 31 December 2021 | 147,707 | (45,191) | 5 | 12 | 2,527 | 21,902 | 33,937 | 160,899 | 159,882 |

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 2022

| Company | Non - distributable | | | Distributable | | |
|--|---------------------|---------------------|-----------------------------|---------------------------|------------------------|--------------|
| | Share capital | Treasury shares | Share-based payment reserve | Asset revaluation surplus | Retained profits | Total equity |
| | (Note 30) RM'000 | (Note 31) RM'000 | (Note 32(d)) RM'000 | (Note 32(e)) RM'000 | (Note 32(a)) RM'000 | RM'000 |
| At 1 January 2022 | 147,707 | (45,191) | 2,527 | 8,980 | 39,995 | 154,018 |
| Profit for the year | - | - | - | - | 34,195 | 34,195 |
| Other comprehensive income for the year, net of tax: | | | | | | |
| Revaluation of freehold land and buildings | - | - | - | 366 | - | 366 |
| Total comprehensive income for the year | - | - | - | 366 | 34,195 | 34,561 |
| Depreciation transfer for buildings to retained profits | - | - | - | (116) | 116 | - |
| Deferred tax impact transfer on revaluation of freehold land and buildings | - | - | - | 28 | (28) | - |
| Transactions with owners: | | | | | | |
| - Purchase of treasury shares | - | (1,904) | - | - | - | (1,904) |
| - Share-based payment | 751 | - | (981) | - | 153 | (77) |
| Dividend declared/paid | - | - | - | - | (73,517) | (73,517) |
| At 31 December 2022 | 148,458 | (47,095) | 1,546 | 9,258 | 914 | 113,081 |

STATEMENT OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| Company | Non - distributable | | | Distributable | | |
|--|---------------------|---------------------|-----------------------------|---------------------------|------------------------|--------------|
| | Share capital | Treasury shares | Share-based payment reserve | Asset revaluation surplus | Retained profits | Total equity |
| | (Note 30) RM'000 | (Note 31) RM'000 | (Note 32(d)) RM'000 | (Note 32(e)) RM'000 | (Note 32(a)) RM'000 | RM'000 |
| At 1 January 2021 | 147,707 | (45,191) | 1,991 | - | 3,285 | 107,792 |
| Profit for the year | - | - | - | - | 36,688 | 36,688 |
| Other comprehensive income for the year, net of tax: | | | | | | |
| Revaluation of freehold land and buildings | - | - | - | 9,002 | - | 9,002 |
| Total comprehensive income for the year | - | - | - | 9,002 | 36,688 | 45,690 |
| Depreciation transfer for buildings to retained profits | - | - | - | (29) | 29 | - |
| Deferred tax impact transfer on revaluation of freehold land and buildings | - | - | - | 7 | (7) | - |
| Transactions with owners: | | | | | | |
| - Share-based payment | - | - | 536 | - | - | 536 |
| At 31 December 2021 | 147,707 | (45,191) | 2,527 | 8,980 | 39,995 | 154,018 |

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 2022

| | Note | Group | | Company | |
|--|----------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Profit before tax | | 45,338 | 52,263 | 34,337 | 36,860 |
| Adjustments for: | | | | | |
| Depreciation and amortisation of: | | | | | |
| - right-of-use assets | 9, 21(a) | 23,496 | 23,371 | 15,319 | 14,731 |
| - property, plant and equipment | 9, 15 | 8,376 | 9,014 | 278 | 207 |
| - investment properties | 9, 16 | 94 | 94 | - | - |
| - development costs | 9, 17 | - | 1 | - | - |
| Write-off of: | | | | | |
| - plant and equipment | 9, 15 | 15 | 247 | - | - |
| - bad debts | 9 | - | 3 | - | - |
| - amount due from a subsidiary | 9 | - | - | 499 | 1,869 |
| Gain on: | | | | | |
| - disposal of plant and equipment | 7, 9 | (29) | (101) | - | - |
| - derecognition of right-of-use assets | 7 | (7) | (1,262) | - | - |
| Allowance for impairment loss on: | | | | | |
| - investment in subsidiaries | 9, 18 | - | - | - | 2,204 |
| - goodwill | 17 | 221 | 311 | - | - |
| - ECL on trade receivables | 9, 20(b) | 650 | 775 | - | - |
| - property, plant and equipment | 9, 15 | 1,000 | - | - | - |
| Reversal of: | | | | | |
| - allowance for ECL on trade receivables | 9, 20(b) | (59) | (172) | - | - |
| - impairment from amounts due from subsidiaries | 7, 9 | - | - | - | (3,197) |
| - impairment on investment properties | 16 | (347) | - | - | - |
| Unrealised foreign currency exchange loss/(gain) | 9 | 207 | (81) | - | - |
| Dividend income | 4 | (39) | (57) | (37,210) | (38,603) |
| Interest income | 6 | (798) | (751) | (2,332) | (2,280) |
| Interest expense | 8 | 6,271 | 7,443 | 4,995 | 5,219 |
| COVID-19 related rent concessions received | 7 | (312) | (1,652) | (312) | (1,012) |
| Fair value movement on financial assets | 24 | (4) | (2) | (4) | (2) |
| Share-based payment expense | 10 | (982) | 536 | (203) | 39 |
| Operating cash flows before changes in working capital | | 83,091 | 89,980 | 15,367 | 16,035 |

| | Note | Group | | Company | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| <u>Changes in working capital</u> | | | | | |
| Decrease in inventories | | (18) | (1) | - | - |
| (Increase)/decrease in trade and other receivables | | (5,802) | 3,969 | (2,387) | 39 |
| (Decrease)/increase in provisions | | (8) | 84 | - | - |
| (Decrease)/increase in contract liabilities | | (2,845) | 6,043 | - | - |
| (Decrease)/increase in trade, and other payables | | (5,591) | 11,601 | (323) | 309 |
| Decrease in amount due from subsidiaries | | - | - | 21,858 | 11,840 |
| Interest paid | | (6,271) | (7,443) | (4,143) | (5,043) |
| Net tax paid | | (5,006) | (8,741) | (18) | (96) |
| Net cash generated from operating activities | | 57,550 | 95,492 | 30,354 | 23,084 |
| Cash flows from investing activities | | | | | |
| Interest received | | 798 | 751 | 712 | 745 |
| Dividend received | | 39 | 57 | 37,210 | 38,603 |
| Proceeds from disposal of plant and equipment | | 60 | 273 | - | - |
| Purchase of plant and equipment | | (2,996) | (1,392) | (259) | (20) |
| Deposits with licensed banks with maturity of more than three months | | (125) | (171) | (122) | (168) |
| Acquisition of a subsidiary | | - | - | (500) | - |
| Net cash (used in)/generated from investing activities | | (2,224) | (482) | 37,041 | 39,160 |
| Cash flows from financing activities | | | | | |
| Repayment of hire purchase and finance lease payables | | (337) | (909) | - | - |
| Payment of lease liabilities | | (22,253) | (20,400) | (14,607) | (13,216) |
| Purchase of treasury shares | | (1,904) | - | (1,904) | - |
| Repayment of term loan | | (7,250) | (9,000) | (7,250) | (9,000) |
| Dividend paid | | (49,037) | - | (49,037) | - |
| Net cash used in financing activities | | (80,781) | (30,309) | (72,798) | (22,216) |
| Net (decrease)/increase in cash and cash equivalents | | (25,455) | 64,701 | (5,403) | 40,028 |
| Cash and cash equivalents at beginning of the year | | 106,650 | 41,949 | 48,389 | 8,361 |
| Cash and cash equivalents at endof the year | 25 | 81,195 | 106,650 | 42,986 | 48,389 |

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 2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 18.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 April 2023.

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.

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 2022, the Group and the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2022.

| Description | Effective for annual periods beginning on or after |
|---|--|
| Annual improvements to MFRS standards 2018 - 2020 | 1 January 2022 |
| Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 3 – Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 137 – Onerous Contracts – Cost of Fulfilling a Contract | 1 January 2022 |

The adoption of these Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and had no significant effect on the financial position or performance of the Group and of the Company.

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 17 - Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 - Initial Application of MFRS 17 and MFRS 9 - Comparative Information | 1 January 2023 |
| Amendments to MFRS 101 - Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108 - Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to MFRS 101 - Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback | 1 January 2024 |
| 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 do not have significant impact on the financial statements of the Group and the Company.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(b) Basis of consolidation

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

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

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

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Transactions with non-controlling interests

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

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

2.6 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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 treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit loss, respectively).

(c) Foreign operations

For consolidation purposes, all assets and liabilities of foreign operations are translated at prevailing exchange rate on reporting date. Income and expense items are translated at average exchange rate for the period. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Intangible assets

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

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

Research and development costs

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

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

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

2.9 Property, plant and equipment

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 and buildings are measured at fair value less any accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset’s original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

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:

| | |
|---|-----------|
| Buildings | 2% |
| Computer hardware and software | 15% - 33% |
| Fixtures, fittings and office equipment | 10% - 20% |
| Library books and manuals | 10% - 20% |
| Motor vehicles | 20% |

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

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

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

2.10 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measure at cost less accumulated depreciation and accumulated impairment losses. These investment properties are depreciated over the shorter of the residual lease period and estimated useful life. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from the use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the year of retirement or disposal.

The residual values, useful lives and depreciation methods are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the investment properties.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.11 Impairment of non-financial assets

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

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

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 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.

2.12 Inventories

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.12 Inventories (cont'd.)

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

2.13 Cash and cash equivalents

Cash and 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.

2.14 Provisions

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

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

2.15 Financial 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's 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 FVTPL, 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

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

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’s 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.

(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 FVOCI (debt instruments);
- Financial assets at FVOCI (equity instruments); and
- Financial assets at FVTPL.

Financial assets at amortised cost (debt instruments)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

Financial assets at FVOCI (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 FVOCI, 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 FVOCI includes investments in quoted equity shares included under other non-current financial assets.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI 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 FVOCI are not subject to impairment assessment.

Unquoted shares in Malaysia is classified and measured as FVOCI. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL 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 FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL 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 statement 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Financial instruments (cont'd.)

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, 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 statement of profit or loss.

(c) Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 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 FVOCI. 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.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.18 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight- line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| | |
|---------------------|----------------------------------|
| Leasehold land | over the lease term of 763 years |
| Property | 2 to 10 years |
| Plant and equipment | 2 to 5 years |

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11 impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Leases (cont'd.)

(a) As lessee (cont'd.)

(ii) Lease liabilities (cont'd.)

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in financial liabilities in Note 36.

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases such as those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. The assessment of whether an underlying asset is of low value is performed on an absolute basis and is not affected by the size, nature or circumstances of the lessee. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of comprehensive income due to its operating nature. 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.

2.20 Ordinary share capital and share issuance expenses

An equity instruments is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Treasury shares

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

2.22 Revenue from contracts with customers and other income

Revenue from contracts with customers is recognised when control of services or goods are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those services or goods.

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 from contracts with customers 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

The student's facility fees are recognised over a period of time when the services are rendered.

(iii) Administration fees

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Revenue from contracts with customers and other income (cont'd.)

(b) Non-educational services

Non-educational services are recognised when the services are rendered at a point in time.

(c) Sale of eyecare and healthcare-related products

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

(d) Management fees

Management fees are recognised when services are rendered.

(e) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature.

(f) 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.

(g) Interest income

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

Contract liabilities arising from revenue recognition

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group and the Company transfer the related goods or services. Contract liabilities are recognised as revenue when the Group and the Company perform under the contract such as transfers control of the related goods or services to the customer.

Cost to obtain a contract

The Group pays agent commission to its agent for certain contracts that they obtain for number of students recruited. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Income taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2.24 Contingencies

A contingent liability is:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.25 Segment reporting

Segment reporting in the financial statements are presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to operating segments. Operating segments are distinguishable components of the Group that engage in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. An operating segment is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance, and for which discrete financial information is available.

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

2.26 Fair value measurement

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.26 Fair value measurement (cont'd.)

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.

2.27 Financial guarantee contracts

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

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

2.28 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When 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 the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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 have a significant effect 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, investment in subsidiaries and property, plant and equipment

(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 and property, plant and equipment

The Company reviews its investment in subsidiaries and property, plant and equipment 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 calculations 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 property plant and equipment, goodwill and investment in subsidiaries are disclosed in Note 15, 17(b) and Note 18 respectively.

4. REVENUE

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2022 RM’000 | 2021 RM’000 | 2022 RM’000 | 2021 RM’000 |
| Educational services rendered | 212,546 | 221,882 | - | - |
| Non-educational services rendered | 523 | 369 | 732 | 731 |
| Management fees | - | - | 6,039 | 6,151 |
| Rental income | 182 | 98 | 14,909 | 16,009 |
| Dividend income | 39 | 57 | 37,210 | 38,603 |
| Sale of eyecare and healthcare - related products | 649 | 1,093 | - | - |
| | 213,939 | 223,499 | 58,890 | 61,494 |
| | | | | |
| Timing of revenue recognition | | | | |
| Goods or services transferred | | | | |
| - at a point in time | 27,321 | 29,992 | 43,981 | 45,485 |
| - over time | 186,618 | 193,507 | 14,909 | 16,009 |
| | 213,939 | 223,499 | 58,890 | 61,494 |

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2022 is as follows:

Educational services rendered - Contract liabilities (Note 28)

| | Group | |
|--------------------|----------------|----------------|
| | 2022 RM’000 | 2021 RM’000 |
| Within one year | 27,179 | 30,043 |
| More than one year | 1,153 | 1,134 |
| | 28,332 | 31,177 |

5. COST OF SERVICES

| | Group | | Company | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM’000 | 2021 RM’000 | 2022 RM’000 | 2021 RM’000 |
| Salaries and related expenses | 52,404 | 50,558 | - | - |
| Other direct costs | 24,971 | 28,353 | 18,368 | 18,733 |
| | 77,375 | 78,911 | 18,368 | 18,733 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. COST OF SERVICES (CONT'D.)

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Included in other direct costs are the following: | | | | |
| Agent fee | 19,891 | 22,316 | - | - |
| Incentive to staff | 921 | 1,021 | - | - |
| Students' direct expenses | 1,090 | 409 | - | - |
| Sharing and royalty fees | 1,155 | 1,325 | - | - |
| Library, lab and workshop expenses | 1,130 | 2,473 | - | - |
| Management fees | - | - | 3,049 | 4,002 |
| Cost of goods sold | 234 | 155 | - | - |
| Depreciation of right-of-use-assets | - | - | 15,319 | 14,731 |
| Others | 550 | 654 | - | - |
| | 24,971 | 28,353 | 18,368 | 18,733 |

6. INTEREST INCOME

| | Group | | Company | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Interest income from: | | | | |
| Subsidiaries | - | - | 1,620 | 1,577 |
| Fixed deposits | 798 | 751 | 712 | 703 |
| | 798 | 751 | 2,332 | 2,280 |

7. OTHER INCOME

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Hostel related income | | 2,126 | 1,473 | - | - |
| Student deposits forfeited | | 594 | 935 | - | - |
| Gain on disposal of plant and equipment | 9 | 29 | 101 | - | - |
| Fair value gain on other financial assets | 24 | 4 | 2 | 4 | 2 |
| Accounting service fees from subsidiaries | | - | - | 1,680 | 1,680 |
| Gain on derecognition of right-of-use assets | 21 | 7 | 1,262 | - | - |
| COVID-19 related rent concessions received | 21 | 312 | 1,652 | 312 | 1,012 |
| Reversal of impairment from:- | | | | | |
| - amount due from subsidiaries | 9 | - | - | - | 3,197 |
| - investment properties | 16 | 347 | - | - | - |
| Government grants | 7(a) | 718 | 2,213 | - | - |
| Others | | 3,522 | 1,873 | 251 | 28 |
| | | 7,659 | 9,511 | 2,247 | 5,919 |

(a) Government grants

Government grants have been received for the subsidy on employees' salaries. There are no unfulfilled conditions or contingencies attached to these grants.

8. FINANCE COSTS

| | | Group | | Company | |
|---------------------------|-------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Interest expense on: | | | | | |
| Lease liabilities | 21(b) | 5,897 | 6,744 | 3,778 | 4,391 |
| Hire purchase liabilities | 21(b) | 9 | 47 | - | - |
| Overdraft | 26 | 5 | 23 | 5 | 23 |
| Loans | 26 | 360 | 629 | 360 | 629 |
| Loans from subsidiaries | 34 | - | - | 852 | 176 |
| | | 6,271 | 7,443 | 4,995 | 5,219 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. PROFIT BEFORE TAX

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

| | Note | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Auditors' remunerations: | | | | | |
| - current year | | | | | |
| - Ernst & Young PLT | | 430 | 350 | 154 | 130 |
| - overseas member firms of Ernst & Young PLT | | 44 | 41 | - | - |
| - other auditors | | 119 | 123 | - | - |
| - (over)/under provision in prior years | | | | | |
| - Ernst & Young PLT | | (1) | - | - | - |
| - other auditors | | - | 1 | - | - |
| Non-audit fees for services rendered by: | | | | | |
| - current year | | | | | |
| - Ernst & Young PLT | | 109 | 119 | 51 | 27 |
| - other auditors | | 102 | 62 | - | - |
| - under provision in prior years | | | | | |
| - Ernst & Young PLT | | 7 | 1 | 1 | - |
| - other auditors | | 182 | - | - | - |
| Employee benefits expense | 10 | 80,537 | 82,812 | 811 | 764 |
| Expense related to short-term leases in respect of: | | | | | |
| - premises | | 61 | 67 | - | - |
| - hostels | | 7 | 33 | - | - |
| - equipment | | 88 | 113 | - | - |
| Foreign currency exchange (gain)/loss: | | | | | |
| - realised | | (1,498) | (405) | 122 | 131 |
| - unrealised | | 207 | (81) | - | - |
| Depreciation and amortisation of: | | | | | |
| - right-of-use assets | 21(a) | 23,496 | 23,371 | 15,319 | 14,731 |
| - property, plant and equipment | 15 | 8,376 | 9,014 | 278 | 207 |
| - investment properties | 16 | 94 | 94 | - | - |
| - development costs | 17 | - | 1 | - | - |
| Gain on disposal of plant and equipment | 7 | (29) | (101) | - | - |

9. PROFIT BEFORE TAX (CONT'D.)

the following amounts have been included in arriving at profit before tax: (cont'd.)

| | Note | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Gain on derecognition of right-of-use assets | 21 | (7) | (1,262) | - | - |
| Impairment loss on investment in subsidiaries | 18 | - | - | - | 2,204 |
| Allowance for impairment loss on: | | | | | |
| - goodwill | 17 | 221 | 311 | - | - |
| - ECL on trade receivables | 20(b) | 650 | 775 | - | - |
| - property, plant and equipment | 15 | 1,000 | - | - | - |
| - amount due from subsidiaries | 20(a) | - | - | 499 | - |
| Reversal of: | | | | | |
| - impairment from amounts due from subsidiaries | 7 | - | - | - | (3,197) |
| - impairment of investment properties | 16 | (347) | - | - | - |
| - allowance for ECL on trade receivables | 20(b) | (59) | (172) | - | - |
| Write-off of: | | | | | |
| - property, plant and equipment | 15 | 15 | 247 | - | - |
| - bad debts | | - | 3 | - | - |

10. EMPLOYEE BENEFITS EXPENSE

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Employee benefits expense: | 9 | | | | |
| Salaries, wages, bonuses and allowances | | 70,382 | 70,832 | 872 | 581 |
| Defined contribution plan | | 7,564 | 7,602 | 105 | 70 |
| Social security contributions | | 846 | 862 | 3 | 2 |
| Share-based payment expense | | (982) | 536 | (203) | 39 |
| Other benefits | | 2,727 | 2,980 | 34 | 72 |
| | | 80,537 | 82,812 | 811 | 764 |

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM876,000 (2021: RM736,000) as further disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. DIRECTORS' REMUNERATION

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

| | Group/Company | |
|--|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Executive/non-executive: | | |
| Salaries and other emoluments | 805 | 666 |
| Bonus | 9 | - |
| Defined contribution plan | 62 | 70 |
| Total executive/non-executive directors' remuneration excluding benefits-in-kind | 876 | 736 |
| Estimated money value of benefits-in-kind | 14 | 43 |
| Total executive/non-executive directors' remuneration including benefits-in-kind | 890 | 779 |
| Non-executive: | | |
| Fees | 266 | 266 |
| Total directors' remuneration including benefits-in-kind | 1,156 | 1,045 |

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

| | Number of directors Group/Company | |
|-----------------------------|--------------------------------------|------|
| | 2022 | 2021 |
| Executive directors: | | |
| Below RM50,001 | - | - |
| RM100,001 – RM150,000 | - | 1 |
| RM400,001 – RM450,000 | 1 | - |
| RM450,001 – RM500,000 | 1 | - |
| RM600,001 – RM650,000 | - | 1 |

11. DIRECTORS' REMUNERATION (CONT'D.)

The number of directors of the Company whose total remuneration during the years fell within the following bands is analysed below: (cont'd.)

| | Number of directors Group/Company | |
|--------------------------|--------------------------------------|------|
| | 2022 | 2021 |
| Non-executive directors: | | |
| Below RM50,001 | 2 | 2 |
| RM50,001 – RM100,000 | 4 | 4 |

12. TAXATION

The major components of income tax for the years ended 31 December 2022 and 2021 are as follows:

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Current income tax: | | | | | |
| Malaysia income tax | | 5,526 | 7,730 | - | - |
| Foreign income tax | | 1,156 | 522 | - | - |
| Under/(over) provision of Malaysian income tax in respect of prior years | | 8 | (122) | - | - |
| | | 6,690 | 8,130 | - | - |
| Deferred tax: | 22 | | | | |
| Origination and reversal of temporary differences | | (1,707) | (2,340) | (151) | (168) |
| Under provision in respect of prior years | | 173 | 232 | 293 | 340 |
| | | (1,534) | (2,108) | 142 | 172 |
| Income tax expense recognised in profit or loss | | 5,156 | 6,022 | 142 | 172 |

Domestic current income tax is calculated at the Malaysia statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. TAXATION (CONT'D.)

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 2022 and 2021 are as follows:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Profit before tax | 45,338 | 52,263 | 34,337 | 36,860 |
| Taxation at Malaysian statutory tax rate of 24% (2021: 24%) | 10,881 | 12,543 | 8,241 | 8,846 |
| Adjustments: | | | | |
| Non-deductible expenses | 1,734 | 1,655 | 257 | 366 |
| Income not subject to tax | (3,222) | (2,018) | (9,670) | (9,625) |
| Deferred tax assets not recognised | 568 | 349 | 1,021 | 245 |
| Deferred tax assets recognised in respect of previously unrecognised tax losses | (1,494) | - | - | - |
| Utilisation of previously unrecognised deferred tax assets | (2,299) | (1,055) | - | - |
| Utilisation of current year's allowance for increased export of service | (1,271) | (4,139) | - | - |
| Different tax rate of certain subsidiaries | 78 | (1,423) | - | - |
| Under/(over) provision in respect of prior years: | | | | |
| - current income tax | 8 | (122) | - | - |
| - deferred tax | 173 | 232 | 293 | 340 |
| Income tax expense recognised in profit or loss | 5,156 | 6,022 | 142 | 172 |

Tax savings during the financial years arising from:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Utilisation of current year tax losses | (272) | (295) | (268) | (294) |
| Utilisation of tax losses brought forward from previous years | (2,033) | (239) | (356) | - |
| | (2,305) | (534) | (624) | (294) |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. EARNINGS PER SHARE

(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 RM40,187,000 (2021: RM46,233,000) by the weighted average number of ordinary shares in issue during the financial year, net of treasury shares, of approximately 1,225,525,000 (2021: 1,225,829,000).

(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 | |
|--|-----------|-----------|
| | 2022 | 2021 |
| Profit attributable to equity holders of the Company (RM'000) | 40,187 | 46,233 |
| Weighted average number of ordinary shares ('000) | 1,225,525 | 1,225,829 |
| Effect of dilution ('000) | | |
| - Shares Grant Plan ("SGP") | 1,395 | 4,451 |
| Weighted average number of ordinary shares for diluted earnings per share ('000) | 1,226,920 | 1,230,280 |
| Basic earnings per share (sen): | | |
| Basic earnings per share for profit for the year, net of tax | 3.28 | 3.77 |
| Diluted earnings per share (sen): | | |
| Diluted earnings per share for profit for the year, net of tax | 3.28 | 3.76 |

Share options vested to employees under the existing employee share option scheme have not been included in the calculation of diluted earnings per share because they are anti- dilutive.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. DIVIDENDS

| | Company | |
|---|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Recognised during the financial year: | | |
| <u>In respect of the financial year ended 31 December 2022:</u> | | |
| First interim single-tier dividend of 3.00 sen per ordinary share, declared on 3 January 2022 and paid on 25 January 2022 | 36,775 | - |
| Second interim single-tier dividend of 2.00 sen per ordinary share, declared on 28 December 2022 and paid on 20 January | 24,480 | - |
| <u>In respect of the financial year ended 31 December 2021:</u> | | |
| First and final dividend of 1.00 sen per ordinary share, declared on 29 April 2022 and paid on 8 July 2022 | 12,262 | - |
| | 73,517 | - |

The directors do not propose any final dividend for the financial year end. As at 31 December 2022, RM24,480,000 of the above dividends remain unpaid and is presented as a liability on the statements of financial position.

15. PROPERTY, PLANT AND EQUIPMENT

| | Freehold land RM'000 | Buildings RM'000 | Computer hardware and software RM'000 | Fixtures, fittings and office equipment RM'000 | Library books and manuals RM'000 | Motor vehicles RM'000 | Capital work-in- progress RM'000 | Total RM'000 |
|--|----------------------------|---------------------|---|--|---|-----------------------------|---|-----------------|
| Group | | | | | | | | |
| At 31 December 2022 | | | | | | | | |
| Cost or valuation | | | | | | | | |
| At 1 January 2022 | 12,000 | 60,702 | 18,049 | 110,227 | 9,447 | 3,915 | 27 | 214,367 |
| Additions | - | - | 638 | 1,932 | 138 | - | 288 | 2,996 |
| Revaluation adjustment (Note 32) | 200 | 3,783 | - | - | - | - | - | 3,983 |
| Transfer* | - | (2,033) | (2) | (65) | (2) | - | - | (2,102) |
| Reclassification | - | - | 23 | 150 | - | - | (173) | - |
| Disposals | - | - | (96) | (235) | (208) | (96) | - | (635) |
| Write-off (Note 9) | - | - | (2) | (1,118) | (1) | - | - | (1,121) |
| At 31 December 2022 | 12,200 | 62,452 | 18,610 | 110,891 | 9,374 | 3,819 | 142 | 217,488 |
| Accumulated depreciation and impairment | | | | | | | | |
| At 1 January 2022 | - | 404 | 17,299 | 89,847 | 8,825 | 3,568 | - | 119,943 |
| Depreciation charge (Note 9) | - | 1,629 | 591 | 5,695 | 276 | 185 | - | 8,376 |
| Transfer* | - | (2,033) | (2) | (65) | (2) | - | - | (2,102) |
| Disposals | - | - | (96) | (204) | (208) | (96) | - | (604) |
| Impairment (Note 9) | - | - | - | 1,000 | - | - | - | 1,000 |
| Write-off (Note 9) | - | - | (2) | (1,103) | (1) | - | - | (1,106) |
| At 31 December 2022 | - | - | 17,790 | 95,170 | 8,890 | 3,657 | - | 125,507 |
| Net book value | 12,200 | 62,452 | 820 | 15,721 | 484 | 162 | 142 | 91,981 |

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

| | Freehold land RM'000 | Buildings RM'000 | Computer hardware and software RM'000 | Fixtures, fittings and office equipment RM'000 | Library books and manuals RM'000 | Motor vehicles RM'000 | Capital work-in- progress RM'000 | Total RM'000 |
|--|----------------------------|---------------------|---|--|---|-----------------------------|---|-----------------|
| Group | | | | | | | | |
| At 31 December 2021 | | | | | | | | |
| Cost or valuation | | | | | | | | |
| At 1 January 2021 | 4,250 | 52,947 | 17,717 | 109,579 | 9,249 | 4,670 | 67 | 198,479 |
| Additions | - | - | 309 | 773 | 198 | - | 112 | 1,392 |
| Revaluation adjustment (Note 32) | 7,750 | 19,780 | - | - | - | - | - | 27,530 |
| Transfer* | - | (12,025) | - | - | - | - | - | (12,025) |
| Reclassification | - | - | 30 | 122 | - | - | (152) | - |
| Disposals | - | - | (7) | - | - | (755) | - | (762) |
| Write-off (Note 9) | - | - | - | (247) | - | - | - | (247) |
| At 31 December 2021 | 12,000 | 60,702 | 18,049 | 110,227 | 9,447 | 3,915 | 27 | 214,367 |
| Accumulated depreciation | | | | | | | | |
| At 1 January 2021 | - | 11,231 | 16,668 | 83,250 | 8,495 | 3,900 | - | 123,544 |
| Depreciation charge (Note 9) | - | 1,198 | 637 | 6,597 | 330 | 252 | - | 9,014 |
| Transfer* | - | (12,025) | - | - | - | - | - | (12,025) |
| Disposals | - | - | (6) | - | - | (584) | - | (590) |
| At 31 December 2021 | - | 404 | 17,299 | 89,847 | 8,825 | 3,568 | - | 119,943 |
| Net book value | 12,000 | 60,298 | 750 | 20,380 | 622 | 347 | 27 | 94,424 |

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

| | Freehold land RM'000 | Buildings RM'000 | Computer hardware and software RM'000 | Fixtures, fittings and office equipment RM'000 | Motor vehicles RM'000 | Total RM'000 |
|----------------------------------|----------------------------|---------------------|---|--|-----------------------------|-----------------|
| Company | | | | | | |
| At 31 December 2022 | | | | | | |
| Cost or valuation | | | | | | |
| At 1 January 2022 | 12,000 | 4,501 | 853 | 361 | 441 | 18,156 |
| Additions | - | - | - | 259 | - | 259 |
| Write off | - | - | (2) | - | - | (2) |
| Revaluation adjustment (Note 32) | 200 | 244 | - | - | - | 444 |
| Transfer* | - | (244) | - | - | - | (244) |
| At 31 December 2022 | 12,200 | 4,501 | 851 | 620 | 441 | 18,613 |
| Accumulated depreciation | | | | | | |
| At 1 January 2022 | - | 47 | 762 | 257 | 441 | 1,507 |
| Depreciation charge (Note 9) | - | 197 | 61 | 20 | - | 278 |
| Write off | - | - | (2) | - | - | (2) |
| Transfer* | - | (244) | - | - | - | (244) |
| At 31 December 2022 | - | - | 821 | 277 | 441 | 1,539 |
| Net book value | 12,200 | 4,501 | 30 | 343 | - | 17,074 |

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

| | Freehold land RM'000 | Buildings RM'000 | Computer hardware and software RM'000 | Fixtures, fittings and office equipment RM'000 | Motor vehicles RM'000 | Total RM'000 |
|----------------------------------|----------------------------|---------------------|---|--|-----------------------------|-----------------|
| Company | | | | | | |
| At 31 December 2021 | | | | | | |
| Cost or valuation | | | | | | |
| At 1 January 2021 | 4,250 | 3,877 | 843 | 351 | 441 | 9,762 |
| Additions | - | - | 10 | 10 | - | 20 |
| Revaluation adjustment (Note 32) | 7,750 | 2,667 | - | - | - | 10,417 |
| Transfer* | - | (2,043) | - | - | - | (2,043) |
| At 31 December 2021 | 12,000 | 4,501 | 853 | 361 | 441 | 18,156 |
| Accumulated depreciation | | | | | | |
| At 1 January 2021 | - | 1,984 | 683 | 235 | 441 | 3,343 |
| Depreciation charge (Note 9) | - | 106 | 79 | 22 | - | 207 |
| Transfer* | - | (2,043) | - | - | - | (2,043) |
| As at 31 December 2021 | - | 47 | 762 | 257 | 441 | 1,507 |
| Net book value | 12,000 | 4,454 | 91 | 104 | - | 16,649 |

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) During the financial year, the acquisition of property, plant and equipment by the Group and Company were by means of cash payment.

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

| | Group | |
|---|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Fixtures, fittings and office equipment | 171 | 1,669 |
| Motor vehicles | 124 | 267 |
| | 295 | 1,936 |

Details of the obligations under hire-purchase are disclosed in Note 21(b)(i).

- (b) At the end of the financial year, freehold land and buildings of the Group and of the Company pledged as security for banking facilities amounted to approximately RM16,700,000 (2021: RM63,665,000) and RM16,700,000 (2021: RM16,454,000) respectively.

- (c) Key assumptions used in value in use calculations

In 2022, the impairment loss of RM1 million represented the write-down of property, plant and equipment as a result of unfavourable business performance during the year. This was recognised in the statement of profit or loss as other operating expenses. The recoverable amount of the plant and equipment is determined based on value in use calculations using probability-based cash flow projections from financial forecasts with the key assumptions approved by management covering a 5-year period (2021: 5- year period). The cash flow projections include management's different scenarios of possible recovery of students enrolments and cost-cutting measures.

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

- (i) Pre-tax discount rate of 13% (2021: 11%).
- (ii) Revenue annual growth rate of 2% to 18% (2021: 2% to 23%) in base case scenario.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(d) Revaluation of freehold land and buildings

Valuation techniques and inputs used in Level 3 fair value measurements

The fair values of the freehold land and buildings are determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of property being valued.

Description of valuation techniques used and key inputs to valuation on freehold land and buildings:

| Valuation technique | Significant observable inputs |
|---|--|
| Comparison Method of Valuation ("CMV") | Selling price per square foot ("psf") of comparable properties sold adjusted for location, accessibility, visibility or exposure, view, size and shape of property, planning provisions and title restrictions (if any). |
| Comparison and Cost Method of Valuation | The land is valued by reference to transactions of similar lands in the surrounding areas with appropriate adjustments made for differences in the relevant characteristics of the land. Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration similar buildings in terms of size, construction and finishes. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building. |

(e) Reconciliation of carrying amount

If the freehold land and building were measured using cost model, the carrying amounts would be as follows:

| | Group RM'000 | Company RM'000 |
|--|-----------------|-------------------|
| Cost | 57,197 | 8,127 |
| Accumulated depreciation | (13,351) | (2,140) |
| Net carrying amount as at 31 December 2022 | 43,846 | 5,987 |

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. INVESTMENT PROPERTIES

| Group | 2022 RM'000 | 2021 RM'000 |
|---|----------------|----------------|
| Cost | | |
| At 1 January | 15,201 | 15,201 |
| Accumulated depreciation and impairment | | |
| At 1 January | 8,454 | 8,360 |
| Depreciation charge (Note 9) | 94 | 94 |
| Reversal of impairment loss (Note 7) | (347) | - |
| | 8,201 | 8,454 |
| Net book value | | |
| At 31 December | 7,000 | 6,747 |

The reversal of impairment loss was based on a valuation performed by an independent professional valuer using the comparison method of valuation.

Valuation techniques and inputs used in Level 3 fair value measurements

The fair values of the investment properties is determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of property being valued.

Description of valuation techniques used and key inputs to valuation on investment

| Valuation technique | Significant observable inputs |
|--|--|
| Comparison Method of Valuation ("CMV") | Selling price per square foot ("psf") of comparable properties sold adjusted for location, accessibility, visibility or exposure, view, size and shape of property, planning provisions and title restrictions (if any). |

The investment properties are valued using CMV. The CMV entails analysing recent transaction and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, tenure, title restriction (if any) and other relevant characteristics to arrive at the fair value.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. INTANGIBLE ASSETS

| | Goodwill RM'000 | Development costs RM'000 | Total RM'000 |
|---|--------------------|--------------------------------|-----------------|
| Group | | | |
| Cost | | | |
| At 31 December 2021/1 January 2022/31 December 2022 | 34,759 | 7,045 | 41,804 |
| Accumulated amortisation and impairment | | | |
| At 1 January 2021 | (7,238) | (7,044) | (14,282) |
| Amortisation (Note 9) | - | (1) | (1) |
| Impairment (Note 9) | (311) | - | (311) |
| At 31 December 2021 | (7,549) | (7,045) | (14,594) |
| Impairment (Note 9) | (221) | - | (221) |
| At 31 December 2022 | (7,770) | (7,045) | (14,815) |
| Net carrying amount | | | |
| At 31 December 2021 | 27,210 | - | 27,210 |
| At 31 December 2022 | 26,989 | - | 26,989 |

(a) Allocation of goodwill

The carrying amount of goodwill arising from the acquisition of the respective subsidiaries and allocated to the CGU is as follows:

| | Group | |
|--------------------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| SEGi University Sdn. Bhd. | 10,316 | 10,316 |
| SEGi College (Subang Jaya) Sdn. Bhd. | 13,140 | 13,140 |
| SEGi College (Sarawak) Sdn. Bhd. | 3,312 | 3,312 |
| Others | 221 | 442 |
| | 26,989 | 27,210 |

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17. INTANGIBLE ASSETS (CONT'D.)

(b) Key assumptions used in value in use calculations

The recoverable amounts of the CGUs are determined based on value in use calculations using probability-based cash flow projections from financial forecasts with key assumptions approved by the management covering a 5-year period (2021: 5-year period). The cash flow projections include management's different scenarios of possible recovery of student enrolments and cost-cutting measures.

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 12% (2021: 11%) is applied in determining the recoverable amount 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 2% to 26% (2021: 2% to 23%) in base case scenario are applied to the five years cash flow projections.
- (v) Terminal growth rate of 2% (2021: 2%) represents the growth rate applied to extrapolate post-tax cash flow beyond the five year financial budget period.

The impairment assessments are sensitive to changes to these assumptions and any significant adverse movements in these assumptions could impact the results of the impairment test.

- Discount rate: An increase in the pre-tax discount rate of 2% would result in an impairment of RM3,111,000 (2021: RM2,872,000) for SEGi College (Sarawak) Sdn. Bhd.
- Growth rate: The forecasted long-term growth rates are based on published industry research and does not exceed the long-term average growth rate for the industry. A reduction to 1% in the long-term growth rate would result in an impairment of RM1,203,000 (2021: RM751,000) for SEGi College (Sarawak) Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

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17. INTANGIBLE ASSETS (CONT'D.)

(c) Development costs

Development costs refer to costs incurred in development of study materials. 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.

18. INVESTMENT IN SUBSIDIARIES

| | Company | |
|--|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Unquoted shares at cost: | | |
| At 1 January | 89,788 | 88,241 |
| Addition during the year | 500 | 1,050 |
| Net of LTIP granted to employees of subsidiaries | 126 | 497 |
| At 31 December | 90,414 | 89,788 |
| Accumulated impairment losses: | | |
| At 1 January | (12,995) | (10,791) |
| Impairment loss for the year (Note 9) | - | (2,204) |
| At 31 December | (12,995) | (12,995) |
| | 77,419 | 76,793 |

The details of the subsidiaries are as follows:

| Name of Company | Effective equity interest | | Principal activities |
|--|---------------------------|-----------|--|
| | 2022 % | 2021 % | |
| Incorporated in Malaysia: | | | |
| SEGi College (KL) Sdn. Bhd.* | 100 | 100 | Provision of professional, commercial and academic education |
| FutureEdge (Malaysia) Sdn. Bhd. (formerly known as PDCE Resources 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 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. INVESTMENT IN SUBSIDIARIES (CONT'D.)

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

| Name of Company | Effective equity interest | | Principal activities |
|--|---------------------------|-----------|--|
| | 2022 % | 2021 % | |
| Incorporated in Malaysia: (cont'd.) | | | |
| 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 Digital Sdn. Bhd.** | 100 | 100 | Investment holding |
| SEGi Holdings Sdn. Bhd.* | 100 | 100 | Investment holding and management consultancy |
| UniLenders Malaysia Sdn Bhd (formerly known as Summit Education Sdn. Bhd.)** | 99 | 99 | Investment holding and provision of management consultancy and money lending services |
| Summit Early Childhood Edu-Care Sdn. Bhd.** | 100 | 100 | Provision of child education and related services |
| IAQ Accreditation Agency Sdn. Bhd.** | 100 | 100 | Investment holding, academic quality assurance and education consultancy related businesses |
| PMDC Learning Alliance (EM) Sdn. Bhd.** | 100 | 100 | Provision of educational services and investment holding |
| SEGi EduHub Sdn. Bhd.** | 100 | N/A | Property investment and development |
| 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 |
| SEGi Consultancy Sdn Bhd** | 100 | 100 | Provision of educational and training services |
| SEGi College (Sarawak) Sdn. Bhd.** | 100 | 100 | Operation of an educational institution for further studies |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. INVESTMENT IN SUBSIDIARIES (CONT'D.)

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

| Name of Company | Effective equity interest | | Principal activities |
|---|---------------------------|-----------|---|
| | 2022 % | 2021 % | |
| Incorporated in Malaysia: (cont'd.) | | | |
| Held through subsidiaries: (cont'd.) | | | |
| SEGi HealthCare Sdn. Bhd.** | 100 | 100 | Provision of medical clinic and healthcare services |
| IFPA Resources Sdn. Bhd.** | 100 | 100 | Provision of financial planning and financial related courses |
| SEGi Assets Sdn. Bhd.** | 100 | 100 | Property investment and property management |
| SEGi-IGS Sdn. Bhd.** | 97 | 94 | Provision of educational services |
| SEGi College (Subang Jaya) Sdn. Bhd.* | 100 | 100 | Operation of institute providing educational programmes |
| Summit Multimedia Education Sdn. Bhd.** | 81 | 81 | Provision of educational services |
| Binary Mark Sdn. Bhd.** | 100 | 100 | Property investment |
| SEGi Properties (M) Sdn. Bhd.** | 100 | 100 | Property investment |
| SEGi DentalCare Sdn. Bhd.** | 100 | 100 | Provision of dental care and training services |
| SEGi EduHub Sdn. Bhd.** | N/A | 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 web-based learning management system |
| E-Frontier Sdn. Bhd. | 100 | N/A | Investment holding and provision of education, research, training and offering of programmes and related services |
| VIP Innovations Sdn. Bhd.** | 100 | N/A | Provision of information technology services |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. INVESTMENT IN SUBSIDIARIES (CONT'D.)

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

| Name of Company | Effective equity interest | | Principal activities | |
|---|---------------------------|-----------|--|--|
| | 2022 % | 2021 % | | |
| Incorporated in Malaysia: (cont'd.) | | | | |
| Incorporated in Republic of Mauritius: | | | | |
| Worldwide Accreditation Ltd.*** | | 100 | Provision of licensing and accreditation of educational programmes | |
| Incorporated in Republic of China (Hong Kong): | | | | |
| Darson Limited** | 100 | 100 | Provision of education and recruitment services and other related services | |
| Karden Limited** | 100 | 100 | Provision of education and recruitment services | |
| Incorporated in Dubai, United Arab Emirates: | | | | |
| E Verse Platforms FZCO** | 100 | N/A | Provision of educational, research and development services | |
| Global Academic Quality Evaluation Consultancy FZCO** | 100 | N/A | Academic quality assuranceand education consultancy services | |

* Audited by Ernst & Young PLT, Malaysia.
** Audited by firms of chartered accountants other than Ernst & Young PLT.
*** Audited by a member firm of Ernst & Young Global in the respective country.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Impairment loss on investment in subsidiaries

(a) Impairment assessment using fair value less costs of disposal

During the financial year, the Company has provided impairment loss amounting to NIL (2021: RM2,204,000) for its investments in certain dormant subsidiaries. The recoverable amount was based on fair value less costs of disposal.

(b) Impairment assessment using value in use

During the financial year, the Company carried out review of recoverable amounts of certain investments in subsidiaries based on value in use (i.e. other than as mentioned in Note (a) above) and the key assumptions used in calculating the recoverable amounts are described below.

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 (2021: 5-year period).

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

- (i) Pre-tax discount rate of 12% (2021: 11%).
- (ii) Revenue annual growth rate of 2% to 18% (2021: -46% to 16%) in base case scenario.
- (iii) Terminal growth rate of 2% (2021: 2%) 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.

19. OTHER INVESTMENT

| | Group | |
|--|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Non current: | | |
| Fair value through other comprehensive income | | |
| Quoted equity investments in Malaysia | 585 | 660 |

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

20. RECEIVABLES

| | Note | Group | | Company | |
|--|-------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Non-current: | | | | | |
| Non-trade | | | | | |
| Deposits | | 5,996 | 4,873 | - | - |
| Amounts due from subsidiaries | 20(a) | - | - | 33,649 | 28,062 |
| | | 5,996 | 4,873 | 33,649 | 28,062 |
| Current: | | | | | |
| Trade | | | | | |
| Trade receivables | 20(b) | 26,628 | 24,519 | - | - |
| Less: Allowance for ECL | | (4,494) | (3,903) | - | - |
| | | 22,134 | 20,616 | - | - |
| Non-trade | | | | | |
| Other receivables, deposits and prepayments | | 6,085 | 4,963 | 2,856 | 469 |
| Less: Write-off | 9 | - | (3) | - | - |
| | | 6,085 | 4,960 | 2,856 | 469 |
| Amounts due from subsidiaries | 20(a) | - | - | 8,792 | 13,328 |
| Total current trade and other receivables | | 28,219 | 25,576 | 11,648 | 13,797 |
| Total trade and other receivables (non-current and current) | | 34,215 | 30,449 | 45,297 | 41,859 |
| Add: Deposits, cash and bank balances | 25 | 92,913 | 118,453 | 54,538 | 60,029 |
| Less: Prepayments | | (3,495) | (3,011) | (234) | (380) |
| Total financial assets carried at amortised cost | | 123,633 | 145,891 | 99,601 | 101,508 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

20. RECEIVABLES (CONT'D.)

(a) Amounts due from subsidiaries

| | Company | |
|----------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Interest bearing | 42,036 | 41,071 |
| Non-interest bearing | 405 | 319 |
| | 42,441 | 41,390 |

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 3.4% to 4.8% (2021: 3.4% to 3.5%) per annum.

Amounts 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 | |
|-------------------------------------|----------------------------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Other receivables - nominal amounts | 5,599 | 5,100 |
| Less: Allowance for ECL | (5,599) | (5,100) |
| | - | - |

Movement in allowance for ECL:

| | Company | |
|--|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| At 1 January | 5,100 | 8,297 |
| Add: Provision for impairment (Note 9) | 499 | - |
| Less: Reversal of impairment (Note 7) | - | (3,197) |
| 31 December | 5,599 | 5,100 |

Amounts 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 amounts due from subsidiaries are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

20. RECEIVABLES (CONT'D.)

(b) Trade receivables

The normal trade credit terms granted by the Group ranged from 30 to 180 days (2021: 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:

| | Group | |
|-------------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Neither past due nor impaired | 22,134 | 20,616 |
| Impaired | 4,494 | 3,903 |
| | 26,628 | 24,519 |

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:

Movement in allowance for ECL:

| | Note | Group | |
|------------------------|------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 |
| At 1 January | | 3,903 | 3,300 |
| Allowance for the year | 9 | 650 | 775 |
| Reversal for the year | 9 | (59) | (172) |
| At 31 December | | 4,494 | 3,903 |

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**Group and Company as a lessee**

The Group and the Company have lease contracts for various items of property, plant and equipment used in its operations. Leases of property generally have lease terms between 2 to 10 years, while plant and equipment generally have lease terms of 2 to 5 years. The Group's and the Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group and the Company also have certain leases of property and equipment with lease terms of 12 months or less and with low value. The Group applies the 'short-term lease' recognition and 'lease of low-value assets' recognition exemptions for these leases.

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

| | Note | Group | | | Company |
|----------------------------|------|--------------------|---|-----------------|--------------------|
| | | Property RM'000 | Leasehold land and others RM'000 | Total RM'000 | Property RM'000 |
| At 1 January 2021 | | 125,479 | 5,153 | 130,632 | 78,672 |
| Additions | | 19,098 | - | 19,098 | 8,391 |
| Derecognition | 7 | (7,450) | - | (7,450) | - |
| Depreciation charge | 9 | (23,234) | (137) | (23,371) | (14,731) |
| At 31 December 2021 | | 113,893 | 5,016 | 118,909 | 72,332 |
| Additions | | 13,938 | 21 | 13,959 | - |
| Derecognition | 7 | (310) | - | (310) | - |
| Depreciation charge | 9 | (23,372) | (124) | (23,496) | (15,319) |
| At 31 December 2022 | | 104,149 | 4,913 | 109,062 | 57,013 |

The leases of properties are mainly used for the Group's education operations and as offices.

21. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D.)**Group and Company as a lessee (cont'd.)****(b) Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | Note | Group | | | Company |
|--|------|----------------------------------|----------------------------|-----------------|------------------------------|
| | | Property and others RM'000 | Hire purchase RM'000 | Total RM'000 | Property leases RM'000 |
| At 1 January 2021 | | 139,253 | 1,312 | 140,565 | 85,257 |
| Additions | | 19,098 | - | 19,098 | 8,392 |
| Derecognition | 7 | (8,712) | - | (8,712) | - |
| Interest expense | 8 | 6,744 | 47 | 6,791 | 4,391 |
| COVID-19 related rent concessions received | 7 | (1,652) | - | (1,652) | (1,012) |
| Payments of leases | | (27,144) | (956) | (28,100) | (17,607) |
| At 31 December 2021 | | 127,587 | 403 | 127,990 | 79,421 |

| | Note | Group | | | Company |
|--|------|----------------------------------|----------------------------|-----------------|------------------------------|
| | | Property and others RM'000 | Hire purchase RM'000 | Total RM'000 | Property leases RM'000 |
| At 1 January 2022 | | 127,587 | 403 | 127,990 | 79,421 |
| Additions | | 13,959 | 155 | 14,114 | - |
| Derecognition | 7 | (317) | - | (317) | - |
| Interest expense | 8 | 5,897 | 9 | 5,906 | 3,778 |
| COVID-19 related rent concessions received | 7 | (312) | - | (312) | (312) |
| Payments of leases | | (28,150) | (346) | (28,496) | (18,385) |
| At 31 December 2022 | | 118,664 | 221 | 118,885 | 64,502 |

| | Group | | Company | |
|-------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Current | 20,155 | 22,639 | 12,732 | 14,919 |
| Non-current | 98,730 | 105,351 | 51,770 | 64,502 |
| | 118,885 | 127,990 | 64,502 | 79,421 |

The lease liabilities at the end of the reporting period bore effective interest rate ranging from 3.6% to 5.4% (2021: 3.6% to 5.4%) per annum.

The maturity analysis of lease liabilities are disclosed in Note 36.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D.)

Group and Company as a lessee (cont'd.)

(b) Lease liabilities (cont'd.)

The following are the amounts related to right-of-use assets and lease liabilities recognised in profit or loss:

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Depreciation expense of right-of-use assets | 9 | 23,496 | 23,371 | 15,319 | 14,731 |
| Interest expense on lease liabilities | 8 | 5,897 | 6,744 | 3,778 | 4,391 |
| COVID-19 related rent concessions received | 7 | (312) | (1,652) | (312) | (1,012) |
| Gain on derecognition right-of-use assets | 7 | (7) | (1,262) | - | - |
| Total amount recognised in profit or loss | | 29,074 | 27,201 | 18,785 | 18,110 |

(i) Hire purchase liabilities

| | Group | |
|---------------------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Minimum lease payments: | | |
| - repayable within 1 year | 102 | 341 |
| - repayable between 1 year to 5 years | 135 | 72 |
| | 237 | 413 |
| Less: Future finance charges | (16) | (10) |
| Present value | 221 | 403 |

The net hire purchase liabilities are repayable as follows:

| | Group | |
|---------------------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Non-current: | | |
| - repayable between 1 year to 5 years | 128 | 70 |
| Current: | | |
| - not later than 1 year | 93 | 333 |
| | 221 | 403 |

The hire purchase liabilities at the end of the reporting period bore effective interest rates ranging from 4.37% to 6.49% (2021: 4.56% to 8.79%) per annum.

22. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax as at 31 December relates to the following:

| Group | As at 1 January 2021 RM'000 | Recognised in profit or loss RM'000 | Recognised in OCI RM'000 | As at 31 December 2021 RM'000 | Recognised in profit or loss RM'000 | Recognised in OCI RM'000 | As at 31 December 2022 RM'000 |
|--|--------------------------------------|--|--------------------------------|--|--|--------------------------------|--|
| Deferred tax assets | | | | | | | |
| Unabsorbed capital allowances | 871 | (296) | - | 575 | (205) | - | 370 |
| Unused tax losses | 11 | 35 | - | 46 | 1,448 | - | 1,494 |
| Other temporary differences | 6,292 | 2,026 | - | 8,318 | 120 | - | 8,438 |
| | 7,174 | 1,765 | - | 8,939 | 1,363 | - | 10,302 |
| Deferred tax liabilities | | | | | | | |
| Revaluation of freehold land and buildings | - | 33 | (5,522) | (5,489) | 135 | (928) | (6,282) |
| Property, plant and equipment | (1,338) | 310 | - | (1,028) | 36 | - | (992) |
| | (1,338) | 343 | (5,522) | (6,517) | 171 | (928) | (7,274) |
| Total | 5,836 | 2,108 | (5,522) | 2,422 | 1,534 | (928) | 3,028 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax as at 31 December relates to the following:

| Company | As at 1 January 2021 RM'000 | Recognised in profit or loss RM'000 | Recognised in OCI RM'000 | As at 31 December 2021 RM'000 | Recognised in profit or loss RM'000 | Recognised in OCI RM'000 | As at 31 December 2022 RM'000 |
|--|--------------------------------------|--|--------------------------------|--|--|--------------------------------|--|
| Deferred tax assets | | | | | | | |
| Unabsorbed capital allowances | 696 | (326) | - | 370 | (370) | - | - |
| Unused tax losses | - | - | - | - | - | - | - |
| Other temporary differences | 1,579 | 128 | - | 1,707 | 180 | - | 1,887 |
| | 2,275 | (198) | - | 2,077 | (190) | - | 1,887 |
| Deferred tax liabilities | | | | | | | |
| Revaluation of freehold land and buildings | - | 7 | (1,415) | (1,408) | 28 | (78) | (1,458) |
| Property, plant and equipment | (323) | 19 | - | (304) | 20 | - | (284) |
| | (323) | 26 | (1,415) | (1,712) | 48 | (78) | (1,742) |
| Total | 1,952 | (172) | (1,415) | 365 | (142) | (78) | 145 |

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Presented after appropriate offsetting as follows: | | | | |
| Deferred tax assets | 10,302 | 8,939 | 145 | 365 |
| Deferred tax liability | (7,274) | (6,517) | - | - |
| | 3,028 | 2,422 | 145 | 365 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

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

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Unused tax losses | 31,779 | 39,267 | 8,913 | 4,741 |
| Unabsorbed capital allowances | 4,483 | 6,006 | 1,548 | 1,465 |
| Unutilised tax credit | 748 | 1,085 | - | - |
| Other deductible temporary differences | 157 | 4,248 | - | - |
| | 37,167 | 50,606 | 10,461 | 6,206 |

The above deferred tax assets have not been recognised due to uncertainty over their recoverability.

The unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial changes in shareholdings of those entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

On the other hand, the Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unused tax losses for Malaysian entities. Based on the latest Malaysian Finance Act gazetted on 31 December 2021, the time limit for the carry forward of the unused tax losses has been extended from 7 years to 10 years.

As a result of this change, the unused tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from years of assessment 2019 to 2028) and any balance of the unused tax losses thereafter shall be disregarded.

For any unused tax losses that originated from the year of assessment 2019 onwards, these are allowed to be carried forward for a maximum period of 10 consecutive years of assessment immediately following that originating year of assessment and any balance of the unused tax losses thereafter shall be disregarded.

The following table shows the accumulated unutilised tax losses of the Group and of the Company in Malaysia:

| | Group | | Company | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Unutilised tax losses | | | | |
| Expire by 31 December 2028 | 16,759 | 39,838 | 1,014 | 3,689 |
| Expire by 31 December 2029 | 2,897 | 3,674 | 274 | 274 |
| Expire by 31 December 2030 | 2,165 | 2,773 | - | - |
| Expire by 31 December 2031 | 2,556 | 1,699 | 2,001 | 1,022 |
| Expire by 31 December 2032 | 14,056 | - | 5,624 | - |
| | 38,433 | 47,984 | 8,913 | 4,985 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. INVENTORIES

| | Group | |
|--|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| At lower of cost and net realisable value | | |
| Eyecare and health related products | 104 | 86 |

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 RM234,000 (2021: RM155,000).

24. OTHER FINANCIAL ASSET

| | Group/Company | |
|--|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Current: | | |
| Fair value through profit or loss | | |
| Investment securities | 284 | 280 |

Investment securities represent investment in mutual fund.

25. DEPOSITS, CASH AND BANK BALANCES

| | Note | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Short-term deposits with financial institutions | | 11,664 | 43,324 | 11,664 | 43,324 |
| Cash and bank balances | 25(a) | 75,629 | 69,634 | 37,420 | 11,373 |
| Fixed deposits with licensed banks | 25(b) | 5,620 | 5,495 | 5,454 | 5,332 |
| | | 92,913 | 118,453 | 54,538 | 60,029 |

(a) At reporting date, bank balances of the Group and of the Company amounting to RM44,099,332 (2021: RM33,238,607) and RM37,389,666 (2021: RM8,804,487), respectively are placed under an Automated Sweep Agreement ("Automated Sweep") with licensed banks. The overnight placement of the funds following the Automated Sweep, bears an average interest at 1.4% (2021: 1.4%) per annum.

(b) Fixed deposits with licensed banks of the Group and of the Company amounting to RM5,620,000 (2021: RM5,495,000) and RM5,454,000 (2021: RM5,332,000) respectively are pledged for bank guarantee facilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

25. DEPOSITS, CASH AND BANK BALANCES (CONT'D.)

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 | |
|-----------------------------|-------|-------|---------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| WAEIR (%) | 2.43 | 1.83 | 2.46 | 1.84 |
| Average maturities (Months) | 1 - 8 | 1 - 8 | 1 - 8 | 1 - 8 |

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

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Deposits, cash and bank balances | 92,913 | 118,453 | 54,538 | 60,029 |
| Less: | | | | |
| Deposits with licensed banks with maturity of more than three months | (5,620) | (5,495) | (5,454) | (5,332) |
| Overdraft (Note 26) | (6,098) | (6,308) | (6,098) | (6,308) |
| Total cash and cash equivalents | 81,195 | 106,650 | 42,986 | 48,389 |

26. BORROWINGS

| | Note | Group/Company | |
|------------------|------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 |
| Current: | | | |
| Secured | | | |
| Overdraft | 25 | 6,098 | 6,308 |
| Term loan | | - | 7,250 |
| | | 6,098 | 13,558 |
| Unsecured | | | |
| Revolving credit | | 9,500 | 9,500 |
| | | 15,598 | 23,058 |

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26. BORROWINGS (CONT'D.)

(a) Loans

| | Group/Company | |
|---------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Current: | | |
| Secured | | |
| Term loan | | |
| - repayable within 1 year | - | 7,250 |
| Unsecured | | |
| Revolving credit | | |
| - repayable within 1 year | 9,500 | 9,500 |
| | 9,500 | 16,750 |

During the current financial year, the borrowing bore interest at the following rates:

| | 2022 % | 2021 % |
|------------------|-----------|-----------|
| Overdraft | 7.76 | 6.76 |
| Team loan | N/A | 5.33 |
| Revolving credit | 2.92 | 2.53 |

The term loans and overdraft are secured by the legal mortgage over certain properties of the Group and Company as disclosed in Note 15.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. BORROWINGS (CONT'D.)

(a) Loans (cont'd.)

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

| | As at 1 January RM'000 | Additions RM'000 | Repayments RM'000 | Interest expense RM'000 | Other RM'000 | As at 31 December RM'000 |
|---|------------------------------|---------------------|----------------------|-------------------------------|-----------------|--------------------------------|
| Group and Company 2022 | | | | | | |
| Loans: | | | | | | |
| Current | 16,750 | - | (7,610) | 360 | - | 9,500 |
| Overdraft: | | | | | | |
| Current | 6,308 | - | (215) | 5 | - | 6,098 |
| Total borrowings from financing activities | 23,058 | - | (7,825) | 365 | - | 15,598 |
| 2021 | | | | | | |
| Loans: | | | | | | |
| Non-current | 7,250 | - | - | - | (7,250) | - |
| Current | 18,500 | - | (9,629) | 629 | 7,250 | 16,750 |
| Overdraft: | | | | | | |
| Current | 5,772 | 536 | (23) | 23 | - | 6,308 |
| Total borrowings from financing activities | 31,522 | 536 | (9,652) | 652 | - | 23,058 |

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. PAYABLES

| | Note | Group | | Company | |
|--|-------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Non-current: | | | | | |
| Non-trade | | | | | |
| Deposits | | 2,479 | 2,007 | 213 | 1,117 |
| Current: | | | | | |
| Trade | | | | | |
| Trade payables | 27(a) | 1,264 | 346 | - | - |
| Non-trade | | | | | |
| Other payables and accruals | | 48,481 | 57,091 | 3,152 | 2,573 |
| Amounts due to subsidiaries | 27(b) | - | - | 30,783 | 8,144 |
| | | 48,481 | 57,091 | 33,935 | 10,717 |
| | | 49,745 | 57,437 | 33,935 | 10,717 |
| Total trade and other payables (current and non-current) | | 52,224 | 59,444 | 34,148 | 11,834 |
| Add: Borrowings | 26 | 15,598 | 23,058 | 15,598 | 23,058 |
| Add: Lease liabilities | 21(b) | 118,885 | 127,990 | 64,502 | 79,421 |
| Total financial liabilities carried at amortised cost | | 186,707 | 210,492 | 114,248 | 114,313 |

(a) Trade payables

The normal trade credit terms granted to the Group ranged from 30 to 90 days (2021: 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 follows:

| | Company | |
|------------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| United States Dollar ("USD") | 2,488 | 143 |

28. CONTRACT LIABILITIES

| | Group | |
|---------------------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| At 1 January | 31,177 | 25,134 |
| Additions during the year | 173,967 | 188,579 |
| Recognised as revenue during the year | (176,812) | (182,536) |
| At 31 December | 28,332 | 31,177 |
| Fees received in advance | | |
| Current | 27,179 | 30,043 |
| Non-current | 1,153 | 1,134 |
| | 28,332 | 31,177 |

29. PROVISIONS

| | Group | |
|----------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| At January | 526 | 442 |
| Provisions during the year | - | 88 |
| Utilised during the year | (8) | (4) |
| At 31 December | 518 | 526 |
| Provisions | | |
| Current | 81 | 120 |
| Non-current | 437 | 406 |
| | 518 | 526 |

Included in the above are provisions for the estimated costs of dismantlement, removal or restoration of property, plant and equipment arising from the use of such assets, which are capitalised and included in right-of-use assets.

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30. SHARE CAPITAL

| | Number of ordinary shares | | Amount | |
|--|---------------------------|--------------|----------------|----------------|
| | 2022 '000 | 2021 '000 | 2022 RM'000 | 2021 RM'000 |
| Issued and fully paid-up | | | | |
| At 1 January | 1,264,563 | 1,264,563 | 147,707 | 147,707 |
| New shares issued under the employee share option scheme | 1,179 | - | 751 | - |
| At 31 December | 1,265,742 | 1,264,563 | 148,458 | 147,707 |

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.

During the year, the ordinary share capital was increased by RM751,000 by the issue of 1,179,000 ordinary shares of RM0.63 each.

31. TREASURY SHARES

The Company purchased its issued ordinary shares in the open market under the share buy-back programme. Details are as follows:

| | No of shares | Cost of shares RM'000 |
|------------------------------------|-------------------|-----------------------------|
| At 31 December 2021/1 January 2022 | 38,734,400 | 45,191 |
| Additions during the year | 3,006,500 | 1,904 |
| At 31 December 2022 | 41,740,900 | 47,095 |

The share buy-back programme was financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and are presented as a deduction from shareholders' equity.

32. RESERVES

| | Note | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Retained profits | 32(a) | 281 | 33,937 | 914 | 39,995 |
| Fair value reserve of financial assets at FVOCI | 32(b) | (70) | 5 | - | - |
| Exchange translation reserve | 32(c) | 248 | 12 | - | - |
| Share-based payment reserve | 32(d) | 1,546 | 2,527 | 1,546 | 2,527 |
| Asset revaluation surplus | 32(e) | 24,531 | 21,902 | 9,258 | 8,980 |
| | | 26,536 | 58,383 | 11,718 | 51,502 |

(a) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2022 and 31 December 2021 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 investments measured at FVOCI 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, 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 the share option contract being entered into, regardless whether at the material time the option has vested on the employee.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. 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 2021 | 1,991 |
| Share-based payment expense during the year | 628 |
| Over provision of share-based payment expense in prior years | (92) |
| At 31 December 2021 | 2,527 |
| Share-based payment expense during the year | 22 |
| Over provision of share-based payment expense in prior years | (1,003) |
| At 31 December 2022 | 1,546 |

(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.

32. 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.)

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.

The ESOS shall be in force for a period of 10 years from the effective date (1 July 2014) for the implementation of the ESOS.

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

As at 31 December 2022, the Company has an allocation of 8.6 million (2021: 14.4 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 grant | |
|---------------------------|-----------------------------------|--------------|
| | 2022 '000 | 2021 '000 |
| At 1 January | 14,437 | 15,563 |
| Forfeited during the year | (5,763) | (1,126) |
| At 31 December | 8,674 | 14,437 |

(ii) Shares Grant Plan ("SGP")

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

Upon acceptance of the PSP Grant by the selected Eligible Persons, the Eligible Person will be entitled to participate in the SGP where shares may be vested with the PSP Grantees at no cost over a period of up to 10 years upon fulfilment of vesting conditions, whereby the selected Eligible Persons will be assessed based on, amongst others, individual performance and the fulfilment of yearly performance targets and/or criteria set and the overall financial performance of the Group, in accordance with the terms and conditions stipulated and determined by the LTIP Committee at its discretion. The vesting of the PSP Grant is at the LTIP Committee's sole discretion.

The LTIP Committee may in its absolute discretion decide that the ordinary shares 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.

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32. RESERVES (CONT'D.)

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

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

The following table illustrates the movements in PSP Grant allocation during the financial year:

| | PSP Grant allocations and grant | |
|---------------------------------|---------------------------------|--------------|
| | 2022 '000 | 2021 '000 |
| At 1 January | 4,451 | 4,451 |
| Granted in accordance to MFRS 2 | (1,179) | - |
| Forfeited during the year | (1,877) | - |
| At 31 December | 1,395 | 4,451 |

(e) Asset revaluation surplus

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| At 1 January | 21,902 | - | 8,980 | - |
| Revaluation of freehold land and buildings | 3,983 | 27,530 | 444 | 10,417 |
| Deferred tax impact on revaluation of freehold land and buildings | (928) | (5,522) | (78) | (1,415) |
| Revaluation of freehold land and buildings, net of tax | 24,957 | 22,008 | 9,346 | 9,002 |
| Depreciation transfer for buildings to retained profits | (561) | (139) | (116) | (29) |
| Deferred tax impact transfer on revaluation of freehold land and buildings | 135 | 33 | 28 | 7 |
| At 31 December | 24,531 | 21,902 | 9,258 | 8,980 |

33. Commitments and contingencies

Guarantees

| | Group | | Company | |
|-----------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Secured: | | | | |
| Bank guarantees | - | 25 | - | - |
| Unsecured: | | | | |
| Bank guarantees | 16,599 | 16,575 | 14,355 | 14,355 |
| | 16,599 | 16,600 | 14,355 | 14,355 |

Certain bank guarantees are secured by fixed deposits with licensed banks as disclosed in Note 25.

34. 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 year:

| | Note | Group/Company | |
|--|------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 |
| (Income)/expenses | | | |
| Sale of services to subsidiaries: | | | |
| - management fee | 4 | (6,039) | (6,151) |
| - maintenance fee | | (552) | (552) |
| - rental of premises | 4 | (14,909) | (16,009) |
| - service charge | | (180) | (180) |
| - accounting fee | 7 | (1,680) | (1,680) |
| Interest income from subsidiaries | 6 | (1,620) | (1,577) |
| Interest expense to subsidiaries | 8 | 852 | 176 |
| Dividend income from subsidiaries | 4 | (37,210) | (38,603) |
| Acquisition of services from subsidiaries: | | | |
| - accreditation fee | | 7,803 | 8,017 |
| - maintenance fee | | 1,096 | 1,096 |
| - management fee | 5 | 3,049 | 4,002 |

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34. RELATED PARTY DISCLOSURES (CONT'D.)

Significant related party transactions (cont'd.)

Information regarding outstanding balances arising from related party transactions as at 31 December 2022 and 31 December 2021 are disclosed in Note 20(a) and Note 27(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 include all the Directors of the Group, and certain members of senior management of the Group.

Compensation of key management personnel:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Directors of the Company: | | | | |
| - fee | 266 | 266 | 266 | 266 |
| - remuneration | 828 | 709 | 828 | 709 |
| - defined contribution plan | 62 | 70 | 62 | 70 |
| | 1,156 | 1,045 | 1,156 | 1,045 |
| Other key management personnel: | | | | |
| - salary and other short-term employee benefits | 1,246 | 1,454 | 822 | 410 |
| - defined contribution plan | 138 | 175 | 12 | 49 |
| | 1,384 | 1,629 | 834 | 459 |
| Total | 2,540 | 2,674 | 1,990 | 1,504 |

35. 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 | 25 |
| Borrowings (non-current and current) | 26 |
| Payables (non-current and current) | 27 |

35. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

(b) Fair value measurements

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Deposits, cash and bank balances, receivables, payables and borrowings

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Quoted investments

The fair value of quoted investments is determined by reference to stock exchange quoted market bid prices at the close of the business at the reporting date.

(iii) Amounts 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 receivable or repayable on demand.

Fair value hierarchy analysis

The Group's quoted investment is carried at FVOCI and its investment securities are measured at FVTPL. The fair value of the above instrument are classified in 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.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s and the Company’s principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group’s and the Company’s operations. The Group’s and the Company’s principal financial assets include trade and other receivables and cash and short term deposits that derive directly from its operations. The Group and the Company also hold financial assets at fair value through profit and loss.

The Group and the Company are exposed to 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) 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 2022, approximately 39% (2021: 41%) of the Group’s trade receivables were due from local students.

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.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) 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.

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:

| | | 2022 | | | |
|--|----------|--|--------------------------------|-----------------------------------|-----------------|
| | Note | On demand or within one year RM’000 | One to five years RM’000 | More than five years RM’000 | Total RM’000 |
| Group | | | | | |
| Financial liabilities: | | | | | |
| Lease liabilities | | 25,001 | 85,498 | 25,550 | 136,049 |
| Trade and other payables | 27 | 49,745 | 2,479 | - | 52,224 |
| Hire purchase liabilities | 21(b)(i) | 102 | 135 | - | 237 |
| Loans | 26 (a) | 9,500 | - | - | 9,500 |
| Overdraft | 26 | 6,098 | - | - | 6,098 |
| Total undiscounted financial liabilities | | 90,446 | 88,112 | 25,550 | 204,108 |

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations: (cont'd.)

| | | 2022 | | | |
|--|--------|--|--------------------------------|-----------------------------------|-----------------|
| | | On demand or within one year RM'000 | One to five years RM'000 | More than five years RM'000 | Total RM'000 |
| | Note | | | | |
| Company | | | | | |
| Financial liabilities: | | | | | |
| Lease liabilities | | 15,802 | 57,420 | - | 73,222 |
| Other payables | 27 | 33,935 | 213 | - | 34,148 |
| Loans | 26 (a) | 9,500 | - | - | 9,500 |
| Overdraft | 26 | 6,098 | - | - | 6,098 |
| Total undiscounted financial liabilities | | 65,335 | 57,633 | - | 122,968 |

| | | 2021 | | | |
|--|----------|--|--------------------------------|-----------------------------------|-----------------|
| | | On demand or within one year RM'000 | One to five years RM'000 | More than five years RM'000 | Total RM'000 |
| | Note | | | | |
| Group | | | | | |
| Financial liabilities: | | | | | |
| Lease liabilities | | 28,096 | 86,311 | 33,621 | 148,028 |
| Trade and other payables | 27 | 57,437 | 2,007 | - | 59,444 |
| Hire purchase liabilities | 21(b)(i) | 341 | 72 | - | 413 |
| Loans | 26 (a) | 16,750 | - | - | 16,750 |
| Overdraft | 26 | 6,308 | - | - | 6,308 |
| Total undiscounted financial liabilities | | 108,932 | 88,390 | 33,621 | 230,943 |

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

| <div>← 2021 →</div> | | | | | |
|--|--------|--|--------------------------------|-----------------------------------|-----------------|
| | | On demand or within one year RM'000 | One to five years RM'000 | More than five years RM'000 | Total RM'000 |
| | Note | | | | |
| Company | | | | | |
| Financial liabilities: | | | | | |
| Lease liabilities | | 18,697 | 58,575 | 14,355 | 91,627 |
| Other payables | 27 | 10,717 | 1,117 | - | 11,834 |
| Loans | 26 (a) | 16,750 | - | - | 16,750 |
| Overdraft | 26 | 6,308 | - | - | 6,308 |
| Total undiscounted financial liabilities | | 52,472 | 59,692 | 14,355 | 126,519 |

37. 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 less fees received in advance and deposits, cash and bank balances.

The Group and the Company are not subject to any externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. CAPITAL MANAGEMENT (CONT'D.)

| | Note | Group | | Company | |
|--|-------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Borrowings | 26 | 15,598 | 23,058 | 15,598 | 23,058 |
| Lease liabilities | 21(b) | 118,885 | 127,990 | 64,502 | 79,421 |
| Payables | 27 | 52,224 | 59,444 | 34,148 | 11,834 |
| Dividend payables | 14 | 24,480 | - | 24,480 | - |
| Less: | | | | | |
| Deposits, cash and bank balances | 25 | (92,913) | (118,453) | (54,538) | (60,029) |
| Net debts | | 118,274 | 92,039 | 84,190 | 54,284 |
| Equity attributable to equity holders of the Company | | 127,899 | 160,899 | 113,081 | 154,018 |
| Capital and net debt | | 246,173 | 252,938 | 197,271 | 208,302 |
| Gearing ratio with lease liabilities | | 48% | 36% | 43% | 26% |
| Gearing ratio excluding lease liabilities | | 0% | -29% | 15% | -20% |

38. 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.

39. SUBSEQUENT EVENTS

Acquisition of wholly owned subsidiaries

On 29 November 2022, the Group entered into a share sale agreement with HCK Education Sdn Bhd (“HCKESB”) for the acquisition of 100,000 HCK Education (Setia Alam) Sdn Bhd (“HCKESA”) shares, representing 100% of the equity interest in HCKESA for a purchase consideration of RM100,000 to be satisfied entirely via cash. The principal activities of HCKESA are the provision of K-12 education services.

On 28 December 2022, the Group entered into a conditional share sale agreement with Global Activate Sdn Bhd for the acquisition of 1,000,000 Peninsula Education Sdn Bhd (“PESB”) shares, representing 100% of the equity interest in PESB for a purchase consideration of RM500,000 to be satisfied entirely via cash. The principal activities of PESB are the provision of K-12 education services.

On 28 December 2022, the Group entered into a conditional share sale agreement with HCKESB for the acquisition of 5,087,853 Imperial Education (Ipoh) Sdn Bhd (“IEISB”) shares, representing 100% of the equity interest in IEISB for a purchase consideration of RM200,000 to be satisfied entirely via cash. The principal activities of IEISB are the provision of K-12 education services.

The above mentioned acquisitions were completed on 1 February 2023 and HCKESA, PESB and IEISB became subsidiaries of SEGi on the same date.

On 15 March 2023, HCKESA has changed its name to Peninsula Private Education Sdn Bhd.

GROUP PROPERTIES

GROUP PROPERTIES

| No. | Address | Approximate Areas/ Description | Existing Use | Tenure | Approximate Age of Building (years) | NBV as at 31/12/2022 (RM'000) | Date of Revaluation/ Acquisition |
|------------------------------|--|--|---------------------|---|--|-------------------------------------|--|
| Owned by Company | | | | | | | |
| 1 | 33-35 Jalan Hang Lekiu 50100 Kuala Lumpur | 4,515 sq ft land area with a 9-storey commercial building | Education Centre | Freehold | 46 | 16,700 | 31/12/2022 |
| Owned by Subsidiaries | | | | | | | |
| 2 | 211, Jalan Bukit Mata Kuching, 93100 Kuching, Sarawak | 5,970 sq ft land area with 6-storey building | Education Centre | Leasehold Expiry date @ 13/08/2785 | 47 | 11,462 | 31/12/2022 |
| 3 | South City Plaza Lot 3.09a, 3rd Floor Persiaran Serdang Perdana 43300 Seri Kembangan, Selangor | 21,986 sq ft built-up area of shoplot space | Training Centre | Leasehold Expiry date @ 09/11/2093 | 20 | 4,100 | 31/12/2022 |
| 4 | South City Plaza Lot 3.09b, 3rd Floor Persiaran Serdang Perdana 43300 Seri Kembangan, Selangor | 15,482 sq ft built-up area of shoplot space | Training Centre | Leasehold Expiry date @ 09/11/2093 | 20 | 2,900 | 31/12/2022 |
| 5 | Casa Residenza, Service Apartment - Block B Persiaran Surian, Kota Damansara, PJU 5 47810 Petaling Jaya, Selangor | 110,500 sq ft built-up area of 125 units service apartment | Residential | Leasehold Expiry date @ 25/01/2104 | 11 | 49,000 | 31/12/2022 |
| | 125 units from:- <ul style="list-style-type: none"> • B1-11-10 to B1-11-13A • B1-12-10 to B1-12-13A • B1-13-10 to B1-13-13A • B1-13A-10 to B1-13A-13A • B1-15-10 to B1-15-13A • B1-16-10 to B1-16-13A • B1-17-10 to B1-17-13A • B1-18-10 to B1-18-13A • B1-19-10 to B1-19-13A • B1-20-10 to B1-20-13A • B1-21-10 to B1-21-13A • B1-22-10 to B1-22-13A | | | | | | |

| No. | Address | Approximate Areas/ Description | Existing Use | Tenure | Approximate Age of Building (years) | NBV as at 31/12/2022 (RM'000) | Date of Revaluation/ Acquisition |
|---------------------------------------|--|---|-----------------|----------|--|-------------------------------------|--|
| Owned by Subsidiaries (Cont'd) | | | | | | | |
| | <ul style="list-style-type: none"> • 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 | | | | | | |
| 6 | Unit No. A-PH-08, Pangsapuri Casa Subang Jalan Subang 1, USJ1 47600 Subang Jaya, Selangor | 1,555 sq ft built-up area of a service apartment | Residential | Freehold | 16 | 695 | 31/12/2022 |
| 7 | Unit No. A-PH-11, Pangsapuri Casa Subang Jalan Subang 1, USJ1 47600 Subang Jaya, Selangor | 1,555 sq ft built-up area of a service apartment | Residential | Freehold | 16 | 695 | 31/12/2022 |
| 8 | Unit No. B-23A-02, Pangsapuri Casa Subang Jalan Subang 1, USJ1 47600 Subang Jaya, Selangor | 1,062 sq ft built-up area of a service apartment | Residential | Freehold | 16 | 480 | 31/12/2022 |
| 9 | Unit No. B-23A-11, Pangsapuri Casa Subang Jalan Subang 1, USJ1 47600 Subang Jaya, Selangor | 1,062 sq ft built-up area of a service apartment | Residential | Freehold | 16 | 480 | 31/12/2022 |
| | | | | | | 86,512 | |

ANALYSIS OF SHAREHOLDINGS

Total number of issued shares : 1,265,742,042* (as at 31 March 2023)
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 42,168,900 treasury shares

Distribution Schedule of Shareholdings as at 31 March 2023

| Size of shareholdings | No. of shareholders | % of shareholders | No. of shares held | % of issued capital |
|---|---------------------|-------------------|--------------------|---------------------|
| 1 – 99 | 217 | 15.05 | 9,160 | 0.00 |
| 100 – 1,000 | 126 | 8.74 | 52,564 | 0.00 |
| 1,001 – 10,000 | 465 | 32.24 | 2,411,246 | 0.20 |
| 10,001 – 100,000 | 506 | 35.09 | 14,008,292 | 1.14 |
| 100,001 – less than 5% of issued shares | 124 | 8.60 | 686,575,464 | 56.11 |
| 5% and above of issued shares | 4 | 0.28 | 520,516,416 | 42.54 |
| TOTAL | 1,442 | 100.00 | 1,223,573,142 | 100.00 |

Substantial Shareholders as at 31 March 2023

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 | No. of shares held | | | |
|--|--------------------|-------|---------------|-------|
| | Direct | % | Indirect | % |
| 1. Tan Sri Clement Hii Chii Kok (“TSC”) | 396,694,479 | 32.42 | **311,665,035 | 25.47 |
| 2. Pinnacle Heritage Solutions Sdn Bhd (“PHS”) | 311,665,035 | 25.47 | ++396,694,479 | 32.42 |
| 3. Dato’ Sri Nicholas Rupert Heylett Bloy | - | - | ##708,359,514 | 57.89 |
| 4. Richard Elletson Foyston | - | - | ##708,359,514 | 57.89 |
| 5. Navis Capital Partners Limited | - | - | ##708,359,514 | 57.89 |
| 6. SmartUni 1 Ltd | - | - | ##708,359,514 | 57.89 |
| 7. Navis Asia Fund VI G.P., Ltd | - | - | ##708,359,514 | 57.89 |
| 8. HAL Investments (Asia) Ltd | - | - | ##708,359,514 | 57.89 |
| 9. HAL Holding N.V. | - | - | ##708,359,514 | 57.89 |
| 10. HAL Trust | - | - | ##708,359,514 | 57.89 |
| 11. Rodney Chadwick Muse | - | - | ##708,359,514 | 57.89 |
| 12. Navis GP Investment HoldCo Ltd | - | - | ##708,359,514 | 57.89 |
| 13. Dato’ Diong Tak Chong @ Tiong Tak Chong | 88,127,102 | 7.20 | - | - |

Directors’ Shareholdings as at 31 March 2023

| Name of Directors | No. of shares held | | | |
|---|--------------------|-------|---------------|-------|
| | Direct | % | Indirect | % |
| 1. Tan Sri Clement Hii Chii Kok | 396,694,479 | 32.42 | **311,665,035 | 25.47 |
| 2. Dato’ Sri Nicholas Rupert Heylett Bloy | - | - | ##708,359,514 | 57.89 |
| 3. Dato’ Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil | - | - | - | - |
| 4. Dato’ Amos Siew Boon Yeong | 3,771,428 | 0.31 | - | - |
| 5. Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas | 67,991 | 0.01 | - | - |
| 6. Dato Goh Leng Chua | - | - | - | - |
| 7. 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 indirectly, in which the Director(s)/Company(ies) is/are deemed to have an interest.

Thirty Largest Shareholders as at 31 March 2023

| Name of Shareholders | No. of shares | % |
|---|---------------|-------|
| 1. Pinnacle Heritage Solutions Sdn Bhd | 311,665,035 | 25.47 |
| 2. MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok | 74,968,525 | 6.13 |
| 3. AllianceGroup Nominees (Tempatan) Sdn Bhd for Hii Chii Kok @ Hii Chee Kok | 71,982,856 | 5.88 |
| 4. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Diong Tak Chong @ Tiong Tak Chong | 61,900,000 | 5.06 |
| 5. AmSec Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad | 60,737,142 | 4.96 |
| 6. RHB Nominees (Tempatan) Sdn Bhd for Hii Chii Kok @ Hii Chee Kok | 50,428,571 | 4.12 |
| 7. Maybank Nominees (Tempatan) Sdn Bhd for Hii Chii Kok @ Hii Chee Kok | 47,524,285 | 3.88 |
| 8. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rexter Capital Sdn Bhd | 40,107,400 | 3.28 |
| 9. CGS-CIMB Nominees (Tempatan) Sdn Bhd for Hii Chii Kok @ Hii Chee Kok | 39,207,142 | 3.20 |
| 10. Maybank Investment Bank Berhad IVT | 37,817,857 | 3.09 |
| 11. AmSec Nominees (Tempatan) Sdn Bhd for Hii Chii Kok @ Hii Chee Kok | 33,962,816 | 2.78 |
| 12. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Hii Chii Kok @ Hii Chee Kok | 27,285,714 | 2.23 |
| 13. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad for Diong Tak Chong @ Tiong Tak Chong | 26,227,000 | 2.14 |
| 14. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok | 20,314,285 | 1.66 |

ANALYSIS OF SHAREHOLDINGS

NOTICE OF ANNUAL GENERAL MEETING

Thirty Largest Shareholders (Cont’d)

| Name of Shareholders | No. of shares | % |
|---|---------------|------|
| 15. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Ah Chai | 20,000,000 | 1.63 |
| 16. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad for Ng Ah Chai | 18,000,000 | 1.47 |
| 17. MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Ah Chai | 16,500,000 | 1.35 |
| 18. CGS-CIMB Nominees (Asing) Sdn Bhd CGS-CIMB Securities (Singapore) Pte Ltd | 15,825,000 | 1.29 |
| 19. AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Siew Hee | 15,369,600 | 1.26 |
| 20. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bonus Tradisi Sdn Bhd | 14,225,028 | 1.16 |
| 21. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Generasi Panduan Sdn Bhd | 12,637,385 | 1.03 |
| 22. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Symphony Diversified Sdn Bhd | 11,004,700 | 0.90 |
| 23. MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rexter Capital Sdn Bhd | 10,295,900 | 0.84 |
| 24. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Basic Index Sdn Bhd | 9,991,171 | 0.82 |
| 25. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad | 9,320,285 | 0.76 |
| 26. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Harmoni Genting Sdn Bhd | 9,068,442 | 0.74 |
| 27. CIMB Group Nominees (Tempatan) Sdn Bhd Principal Asset Management Berhad for Yayasan Mohd Noah (A/C2) | 7,776,000 | 0.64 |
| 28. Kenanga Capital Sdn Bhd Pledged Securities Account for Hii Chii Kok @ Hii Chee Kok | 7,700,000 | 0.63 |
| 29. Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund | 7,693,714 | 0.63 |
| 30. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Hii Chii Kok @ Hii Chee Kok | 6,000,000 | 0.49 |

NOTICE IS HEREBY GIVEN that the Thirty-Seventh Annual General Meeting of SEG International Bhd (“SEGi” or “the Company”) will be held virtually through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities provided by Vote2U via online meeting platform at <https://web.vote2u.my> (Domain registration number with MYNIC D6A471702) from the broadcast venue at Boardroom, 6th Floor, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 21 June 2023 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 2022 together with the Reports of Directors and Auditors thereon.

(Please refer to Note 4a)
2. To approve the payment of Directors’ fees for the year ended 31 December 2022.

(Ordinary Resolution 1)
3. To re-elect the following Directors who retire pursuant to Clause 87 of the Constitution of the Company:-
(a) Tan Sri Clement Hii Chii Kok
(b) Dato’ Amos Siew Boon Yeong

(Ordinary Resolution 2)
(Please refer to Note 4b)
4. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company and authorise the Directors to fix their remuneration.

(Ordinary Resolution 3)

AS SPECIAL BUSINESS

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

5. Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

“THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, regulations and guidelines, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 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 determine in their absolute discretion, is in the best interest of the Company and its shareholders, and subject further to such terms and conditions as the Directors in their absolute discretion may deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities and that such authority shall continue in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company.”

(Ordinary Resolution 4)
6. Proposed Renewal of Authority for the Purchase by SEG International Bhd (“SEGi”) of its Own Shares (“Proposed Share Buy-Back”)

“THAT, subject to the Act (as may be amended, modified or re-enacted from time to time), the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities, the Company be and is hereby authorised to purchase

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

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, necessary and expedient in the interest of the Company provided that:

- i. the total aggregate number of shares purchased or to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued share capital of the Company for the time being;
- ii. the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the total retained profits of the Company at the time of the purchase(s). As at 31 December 2022, the Company’s retained profit based on the latest audited financial statements was recorded at RM914,000; and
- iii. upon the purchase by the Company of its own shares, the Directors shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/ or retained as treasury shares and subsequently distributed as dividends or resold on the market of the Bursa Securities or be cancelled or any combination thereof;

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

- i. the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by an ordinary resolution passed by the shareholders of the Company in a general meeting;
- ii. the expiry of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

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

(Ordinary Resolution 5)

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

By Order of the Board

CHONG POH YEE (MIA 7620) (SSM PC No. 202008003453)
HEW LING SZE (MAICSA 7010381) (SSM PC No. 202008000754)
Secretaries

Petaling Jaya, Selangor
30 April 2023

NOTES:

- 1. 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.
- 2. 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, or emailed to corporate@segi.edu.my, 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.
- 3. The details of the Directors’ remuneration, including the Directors’ fees, are set out in the CG Report 2022. In determining the fees payable to the Non-Executive Directors, the Board considered the areas of responsibility and risk involved for each Non-Executive Director. Shareholders’ approval will be sought prior to the payment.
- 4. Explanatory notes

- a. **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.
- b. **Agenda item no. 3 pertaining to Directors retire by rotation**
For the Directors retire by rotation under Clause 87 of the Company’s Constitution, the Board had through its Nominating Committee (“NC”) assessed each of them in determining their eligibility for re-election, namely, the required mix of skills and experience, knowledge, expertise and time availability.

In February 2023, the NC based on the assessments and evaluation as set out in the Directors’ Report Card, evaluated and recommended to the Board, the proposed re-election of Tan Sri Clement Hii Chii Kok as Director of the Company at the forthcoming 37th AGM. The Board is satisfied and supports the re-election of Tan Sri Clement Hii as Director as he has the calibre, relevant skills and experience and brings valuable insights and contributions to the Board.

Dato’ Amos Siew Boon Yeong who retires by rotation under Clause 87 of the Company’s Constitution, has expressed his intention not to seek re-election. Dato’ Amos Siew is the Independent Non-Executive Director who has served the Board for more than twelve (12) years. Hence, he will retire from office at the conclusion of the 37th AGM.

The profiles of the Directors standing for re-election are set out in the Directors’ Profile of the Annual Report 2022.

- c. **Ordinary Resolution 4 - Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 4, 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 10% of the total number 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 best interest of the Company and its shareholders. 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 any possible fundraising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

NOTICE OF ANNUAL GENERAL MEETING

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 36th AGM held on 15 June 2022 and hence no proceeds were raised therefrom.

d. Ordinary Resolution 5 - Proposed Renewal of Authority for the Proposed Share Buy-Back

The proposed Ordinary Resolution 5, if passed, will empower the Directors to purchase SEGi shares through Bursa Securities up to an amount not exceeding ten percent (10%) of the issued share capital of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Detailed information on the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 30 April 2023.

STATEMENT ACCOMPANYING NOTICE OF AGM

1. Details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is standing for election as Director at the 37th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Securities (“General Mandate”)

The Company will seek shareholders’ approval at the 37th AGM for the General Mandate. Please refer to Ordinary Resolution 4 as set out in the Notice of 37th AGM for details.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Company’s 37th AGM and/ or any adjournment thereof, a 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 the personal data of such proxies and representatives appointed for the 37th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 37th AGM (including any adjournment thereof), and in order for the Company (or its agents) 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.



SEG
International
Bhd

FORM OF PROXY

I/We _____

of _____

being a member/members of SEG International Bhd hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company to be held virtually through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities provided by Vote2U via online meeting platform at <https://web.vote2u.my> (Domain registration number with MYNIC D6A471702) on Wednesday, 21 June 2023 at 10.30 a.m.

Please indicate with an “X” in the appropriate space(s) provided below on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

| | ORDINARY RESOLUTIONS | FOR | AGAINST |
|----|---|-----|---------|
| 1. | Approval of the payment of Directors’ fees. | | |
| 2. | Re-election of Tan Sri Clement Hii Chii Kok in accordance with the Constitution of the Company. | | |
| 3. | Re-appointment of Messrs. Ernst & Young PLT as Auditors and to authorise the Directors to fix their remuneration. | | |
| 4. | Authority pursuant to Sections 75 and 76 of the Companies Act 2016 for Directors to issue shares. | | |
| 5. | Proposed Renewal of Authority for the Proposed Share Buy-Back. | | |

Dated this _____ day of _____ 2023

Number of shares held

Signature of member(s)

CDS Account No. _____

Email Address _____

- Notes:
- 1. If you wish to appoint other person(s) to be your proxy, delete the words “the Chairman of the meeting” and insert the name(s) and address(es) of the person(s) desired in the space so provided.
 - 2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
 - 3. A proxy may but need not be a member of the Company and 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 its Attorney.
 - 7. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at 6th Floor, SEGi University, No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, or emailed to corporate@segi.edu.my, 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.



No. 9, Jalan Teknologi, Taman Sains Selangor, Kota Damansara, PJU 5
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