

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.

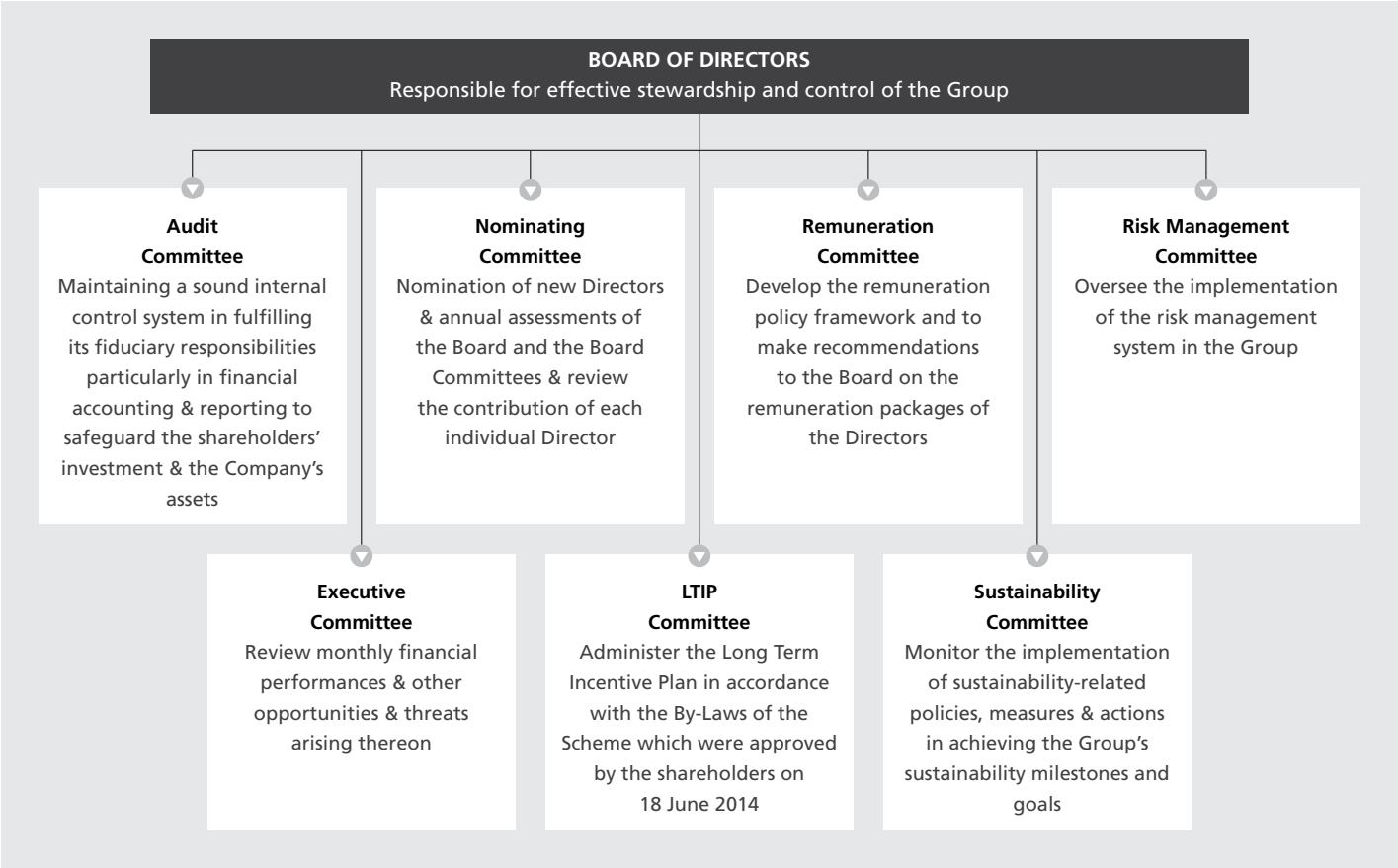
The primary role of the Board is to provide effective governance over the Group's affairs to ensure the interests of shareholders are protected and the confidence of the investors are maintained whilst having regard for the interests of all stakeholders including customers, employees, suppliers and local 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.

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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.

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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.

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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.
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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

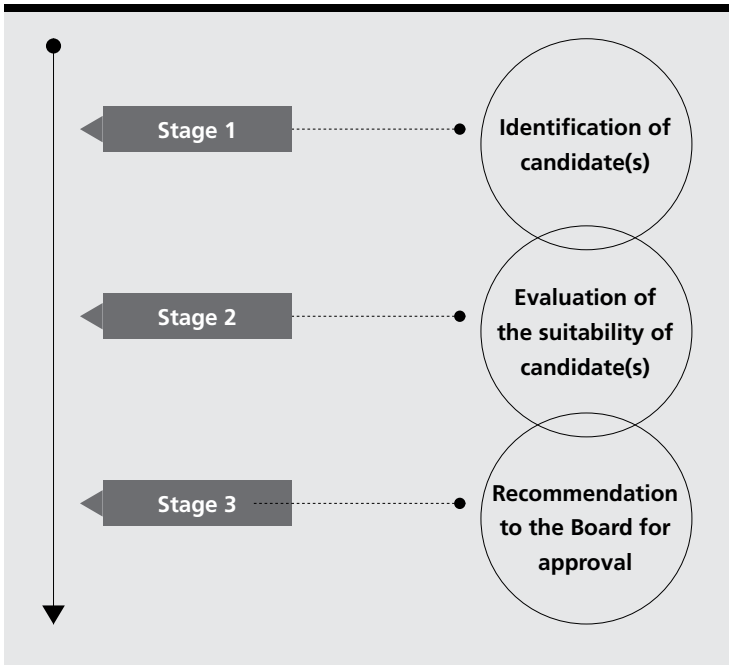
The Board is satisfied that Tan Sri (Dr.) Megat Najmuddin Bin Dato’ Seri Dr. Haji Megat Khas is capable to be the Chairman of the Nominating Committee and the committee is able to discharge its duties effectively through a formal and transparent process, in compliance with applicable laws and regulations 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.

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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.

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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.

CORPORATE GOVERNANCE
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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.

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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

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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>.