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 2024 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Roles and Responsibilities

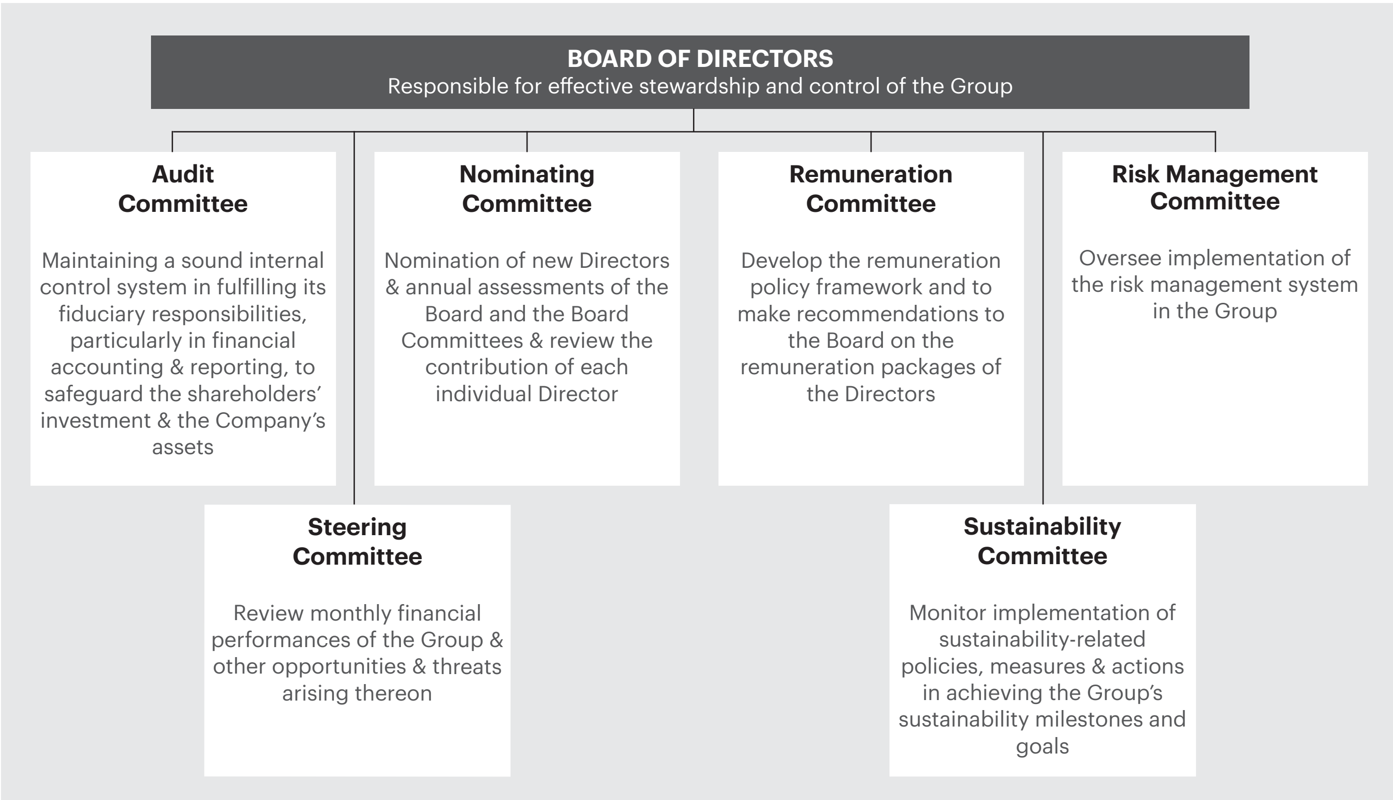
The Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management, monitoring the achievement of these goals, and overseeing the Group's investments. The newly established Steering Committee, replacing the Executive Committee, will assist the Board in executing and implementing the Group's strategies and plans. The Steering Committee reviews and deliberates the monthly financial performances of the Group and the opportunities and threats arising to the Group, as well as oversees the business conduct of the Group. Any issue arising will be tabled to the Board for decision, if necessary. The Steering Committee 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 expenditures, acquisitions and divestments;
- ensure the effectiveness of the succession planning of the Group, in particular, the grooming of talents for senior management positions;
- 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.

The Board delegates certain responsibilities to the Board Committees as described below with clearly defined terms of reference, and the Board receives reports of their proceedings and deliberations. Where committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted for the Board's approval. The chairmen of the various committees report the outcome of the committee meetings to the Board, and the minutes of the various committees are enclosed in the board papers at the following Board meetings. 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, a Non-Executive Director, 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, formulating appropriate corporate strategies and developing the business.

The Board is of the view that its current structure provides a balanced distribution of power and authority, enabling it to discharge its duties objectively and effectively. The Board delegates the responsibility of implementing the Group's strategic plans, policies, and decisions to the Group Managing Director and Executive Directors, with the aim of achieving the Group's objective of creating long-term value for its shareholders.

Corporate Governance Overview Statement

Code of Conduct ("the Code")

The Board adopted the Code to emphasise 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 teleconferencing. 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 Directors were also briefed on SEGi's new initiatives and business development to enable them to be aware of SEGi's strategic plans moving forward. 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 Secretary. 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 Secretary

The Company Secretary advises and supports the Board on matters in relation to corporate governance, compliance with laws, rules, procedures and regulatory requirements. The Company Secretary is 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 Secretary also assists the Board in organising and facilitating the onboarding session for newly appointed Directors and making arrangements for their professional development and training.

The Board recognises that the Company Secretary is suitably qualified and capable of carrying out the duties required. The Board is satisfied with the services and support rendered by the Company Secretary in discharging their functions and duties.

The Company Secretary attends the Board and Board Committee meetings and ensures 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 Secretary 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 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 Overview Statement

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. With their diverse backgrounds and specialisations, they collectively bring a broad spectrum of experience and expertise, particularly in the 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 2024 were as follows:

Gender	Total number	Percentage (%)
Male	17	48.57
Female	18	51.43
Age Group		
30 – 39 years	2	5.72
40 – 49 years	9	25.71
50 – 59 years	15	42.86
60 years and above	9	25.71
Ethnicity		
Bumiputera	4	11.43
Chinese	30	85.71
Indian	1	2.86

The Board is supportive of diversity on the Board and in the Senior Management team. The Board believes that there are benefits in having a diverse Board and workforce as it will improve board functioning and decision-making processes. The 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(s), a Non-Executive Director, and certain members of the Senior Management. The SPC is led by the Group Managing Director, aiming to develop the talents both vertically and horizontally, particularly focusing on critical key positions in the Group.

The succession planning programme for the 2021 cohort of 43 talented individuals faced delays due to the pandemic. Despite this, a significant portion of the cohort, 24 individuals, completed key leadership training simulations in late 2021 and 2022, followed by further training in October 2023. The on-the-job training phase was now complete, and their graduation was in the second quarter of 2024.

Looking ahead to 2025, our primary focus will be on strategically important positions within the organisation. Specifically, we will be concentrating on roles currently held by individuals who are nearing retirement age, defined as 60 years or older, or those who are currently employed on a contractual basis. This proactive approach will allow us to prepare for potential transitions in these key areas.

Our Dual Strategy for Key Roles for addressing these critical roles in 2025 involves a two-pronged approach. Firstly, we aim to develop our existing talent pool by providing targeted training and development opportunities to employees who are currently in supporting roles. This will equip them with the necessary skills and knowledge to potentially step into more senior positions. Secondly, we will be actively seeking out and recruiting new talent from external sources. This will bring fresh perspectives and diverse skill sets into the organisation, complementing the growth of our internal candidates.

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 is comprised exclusively of Non-Executive Directors, as follows:

Chairman **Dato' Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil** Independent Non-Executive Director	*Member* **Chong Ying Choy** Independent Non-Executive Director (Appointed on 20 August 2024)
Member **Chang Tuck Chee @ Philip Chang** Independent Non-Executive Director	*Member* **Edwin Fua Chye Jin** Non-Independent Non-Executive Director (Retired on 20 June 2024)

The committee met twice during the year under review.

Nomination and Appointment of Directors

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

Stage 1 : Identification of candidate(s)
Stage 2 : Evaluation of the suitability of candidate(s)
Stage 3 : Recommendation to the Board for approval

Corporate Governance Overview Statement

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 Nominating Committee takes into account objective criteria such as qualifications, skills, experiences, professionalism, integrity, core competencies, and time commitment of the candidate, and the diversity required on the Board in the context of the Group's strategic direction. In the case of evaluating a potential Independent Director, the Nominating Committee assesses the candidate's ability to be impartial and capability of providing objective judgement in boardroom deliberations. The Nominating 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 Secretary ensures that all appointments are properly made and all necessary information is obtained from the Directors, both for the Company's records and to meet statutory and regulatory requirement obligations, including obligations arising from the Bursa Securities Main Market Listing Requirements.

The Nominating Committee also periodically examines the effectiveness of its present size in discharging its duties.

The Nominating Committee conducts annual assessments of the Board with respect to their skills, experience, contributions, and other qualities, including core competencies. The Nominating 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

<u>Evaluation of the performance of the Board and Board Committees</u>

In respect of the financial year under review, the Nominating 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 Nominating Committee, based on the assessments and evaluation as set out in the Directors' Report Card, reviewed, evaluated, and deliberated on the performance of the Board and Board Committees. The overall ratings of the appraisals were above average, and the Nominating Committee was satisfied that:

(a) all Directors have performed satisfactorily in their respective roles;
(b) the composition of the Board remains effective, comprising individuals with the right mix of skills, experience, and knowledge to fulfill their fiduciary duties;
(c) the Board Committees were also found to be functioning efficiently within their respective terms of reference;
(d) the composition of the Audit Committee is satisfactory, with members possessing sufficient, recent, 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
(e) the Board consists of a good balance of independent directors, and the directors are capable of resolving potential areas of conflict that may impair their independence regardless of their length of service.

The Nominating 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 forthcoming 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 Nominating Committee, having assessed the performance and contribution of the Directors retiring by rotation, is satisfied that they continue to demonstrate commitment and effectiveness in discharging their duties and responsibilities. The retiring Directors, who are eligible for re-election, have consented to be re-elected at the forthcoming AGM, save for Tan Sri (Dr.) Megat Najmuddin has expressed his intention not to seek re-election. Accordingly, he will retire at the conclusion of the AGM. Additionally, the Nominating Committee has evaluated the suitability and performance of newly appointed Directors and was satisfied with their expertise and contribution. Accordingly, the Nominating Committee recommended their election by the shareholders. The Board has endorsed the Nominating Committee's recommendation for the re-election and election of the respective Directors.

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 Nominating Committee 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 the 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 effectively and constructively.

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.

IV. Remuneration Committee

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

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

The Remuneration Committee carried out an annual review of the Directors' remuneration, whereupon recommendations were submitted to the Board for approval. The Remuneration Committee will ensure the Directors' remuneration packages are aligned with the Group's business strategy and long-term objectives.

During the financial year under review, the remuneration packages for the Directors remained unchanged. The Remuneration Committee recommended maintaining the same remuneration package for the Executive Directors to the Board for approval. Additionally, the Committee recommended the same quantum of Non-Executive Directors' fees to the Board for tabling at the Company's forthcoming AGM for shareholders' approval. The Board concurred with the Committee's recommendations and had no objections.

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

Chairman
Datuk Hew Lee lam Sang
Independent Non-Executive Director

Member
Tong Lai Ling
Independent Non-Executive Director
(Appointed on 20 August 2024)

Member
Chong Ying Choy
Independent Non-Executive Director

Member
Dato' Sri Nicholas Rupert Heylott Bloy
Non-Independent Non-Executive Director
(Retired on 20 June 2024)

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 2024, in respective bands of RM50,000 were as follows:

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
Below RM50,001	-	2
RM50,001 to RM100,000	-	6
RM500,001 to RM550,000	1	-
RM600,001 to RM650,000	1	-
RM650,001 to RM700,000	1	-

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

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

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.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

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

The terms of reference of the Audit Committee are available on the Company's website, and further details on the Audit Committee are provided in the Audit Committee Report.

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 for ensuring 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 presented in the ensuing pages of this Annual Report

Assessment of Suitability and Independence of External Auditors

The role of the Audit Committee concerning external auditors is detailed in the Audit Committee Report presented in the ensuing pages of this Annual Report. The Company maintains a close and transparent relationship with its auditors to obtain professional advice and ensure 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 that 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 Executive Directors and management, providing an open forum for the auditors to raise any concerns. No significant issues that could materially affect the Group's performance were identified during these discussions. The external auditors also affirmed their independence to the Audit Committee and confirmed their adherence to the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

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:

i) quality of service;
ii) capability of the audit team;
iii) sufficiency of resources;
iv) scope of audit and planning;
v) audit fees and non-audit fees, if any, including the nature and extent of the non-audit services rendered and the appropriateness of the level of fees;
vi) communication and interaction; and
vii) independence, objectivity, and professional scepticism.

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

The Audit Committee acknowledged the technical expertise, credibility, and capability of the external auditors in conducting the Group's audit and recommended to the Board for their re-appointment at the forthcoming AGM. The Board, after deliberating and reviewing the audit team's effectiveness and performance, supported the Audit Committee's recommendation to recommend Messrs. Ernst and Young PLT for re-appointment at the forthcoming AGM.

Corporate Governance Overview Statement

The Audit Committee also considered the non-audit services provided by the external auditors during the year ended 31 December 2024 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 existing tenancy with Peninsula Education (Setia Alam) Sdn Bhd, which was approved by shareholders on 20 June 2024 pertaining to our Peninsula International School and Peninsula Private Schools, there were no other material related party transactions as of 31 December 2024.

II. Risk Management and Internal Control Framework

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control in the Company and the Group. The risk management and internal control system are designed to manage, but not eliminate, the risks faced by the Group within acceptable and appropriate levels. These controls provide reasonable but not absolute assurance against material misstatements, loss, or fraud.

The Directors' responsibilities for the Group's system of internal controls cover not only the financial aspects but also compliance and operational controls. The Board also considers risk management matters and reviews the adequacy and integrity of the risk management system. The Group has formal Standard Operating Procedures, which are reviewed from time to time. The risk management and internal control system is also regularly reviewed by senior management, and recommendations are made to the Audit Committee and Board for approval.

Risk Management Committee

The Risk Management Committee 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:

Chairman
Datuk Hew Lee Lam Sang
Independent Non-Executive Director

Member
Dato' Seri (Dr.) Mohamed Azahari bin Mohamed Kamil
Independent Non-Executive Director

Member
Tong Lai Ling
Independent Non-Executive Director

Member
Edwin Fua Chye Jin
Non-Independent Non-Executive Director
(Retired on 20 June 2024)

The Group recognises that risk is an integral and unavoidable component of its business and is committed to managing all risks proactively and effectively. 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 ongoing 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 4, and it is led by Ms. Jade Lim Yuen Har (Senior Director, Internal Audit). Ms. Jade Lim obtained her Bachelor of Science in Accounting and Finance from the University of London (External Programme) in 2002. She is also a 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).

During the financial year ended 31 December 2024, the Internal Audit function carried out the following activities to assure the Audit Committee of the risk management, internal control and governance state of the Group:

i) Based on the approved 2024 Internal Audit Plan, which was formulated after considering the key business processes and risks of the Group, the Internal Audit conducted audits on selected Colleges and key corporate office(s), as well as special reviews on certain operating units, Divisions, Faculties, and/or Schools to ensure that relevant policies and procedures were in place.

ii) The Internal Audit reports and follow-up audit results were presented to the Audit Committee and management to ensure that agreed action plans were implemented to address significant findings.

iii) Reported to the Audit Committee on special audit reports that were not part of the approved Internal Audit Plan. These special reviews, which covered areas related to academics and operations, were value-added assignments requested by management to assess matters of compliance, governance, risk management, and internal controls.

The total cost incurred for the Internal Audit function for 2024 was approximately RM388,000.

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.

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

I. Communication with Stakeholders

The Group remains committed to maintaining high standards in the dissemination of relevant and material information concerning its developments. Emphasis is placed on ensuring that such information is shared with stakeholders in a timely and equitable manner.

SEGi also leverages information technology to disseminate publications to shareholders electronically, to enhance efficiency and promote effective engagement.

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 Alliances & New Initiatives

ii. **Hew Ling Sze**
Company Secretary

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

Corporate Disclosure Policies and Procedures

The Company is committed to providing timely, accurate, and credible disclosure of material information in compliance with the disclosure requirements of Bursa Securities Main Market Listing Requirements and other applicable legal and regulatory frameworks. This ensures that stakeholders, shareholders, and market participants are fully informed, thereby supporting orderly conduct in the market.

The Company has established policies and procedures ("the Disclosure Policy") to ensure disclosures are comprehensive, accurate, and timely. The objectives of the Disclosure Policy are to manage investor expectations realistically by ensuring that all required disclosures are made on a broadly disseminated basis. It is essential to ensure that all stakeholders and shareholders have equal access to such information. Communication with stakeholders, shareholders, market participants, or regulatory authorities is carried out through the authorised spokesperson or designated officers duly authorised by the spokesperson.

Leverage Information Technology for Effective Dissemination of Information

The Group's corporate website, www.segi.edu.my, offers easy access to key information about the Group. This includes the corporate profile, profiles of key management, corporate policies, and the Company's annual reports. The website also features an Investor Relations section, providing relevant information about the Company that is accessible to the public. This section 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 at least 28 days prior to the meeting and will strive 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 Remote Participation and Voting Facilities. The Company had continued its effort to convene its subsequent AGMs and future AGMs virtually to give shareholders and/or proxies an opportunity to participate and vote in absentia in the AGM effectively and safely. The Company will conduct its forthcoming AGM physically to give shareholders and/or proxies an opportunity to participate in the AGM effectively.

The Company held its first virtual AGM in 2021 via live streaming and Remote Participation and Voting (RPV) Facilities. This approach was continued for subsequent AGMs to ensure effective and safe shareholder participation during and after the pandemic. In light of the recent directive issued by the Securities Commission Malaysia and Bursa Malaysia Berhad requiring all public listed companies to conduct physical or hybrid general meetings from 1 March 2025, the Company will convene its forthcoming AGM physically. This is to promote greater shareholder engagement, transparency, and inclusivity in line with best governance practices.

All members of the Board, including the Chairmen of the respective Board Committees, the management, and the External Auditors attended the 2024 AGM, save for Dato' Sri Nicholas Bloy, who was absent and retired at the meeting. The Group Managing Director addressed questions raised during the AGM.

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 38th AGM held on 20 June 2024, all resolutions were decided by way of the poll, and the outcomes were announced to Bursa Securities on the same date as the meeting was held. The minutes were made available on the Company's website subsequently.

FOSTER COMMITMENT

Time Commitment

The Directors observe the recommendations of the MCCG that they are required to notify the Chairman prior to accepting any new directorships and indicating the time commitment expected for the new appointment.

The Board, with assistance from the Company Secretary, 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, and 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.

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Senior management staff and/or external advisors may be invited to attend the Board meetings to advise the Board on issues under their respective purview.

The Board is satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities. During the year ended 31 December 2023, five meetings were held. The Directors have dedicated adequate time and attention to fulfilling their responsibilities, including attending Board and Board Committee meetings. 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	5 out of 6 (83%)
Tan Sri Clement Hii Chii Kok	6 out of 6 (100%)
Cheryl Chong Poh Yee	6 out of 6 (100%)
Stella Lau Kah Wai	6 out of 6 (100%)
Dato' Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil	6 out of 6 (100%)
Chong Ying Choy	6 out of 6 (100%)
Datuk Hew Lee Lam Sang	6 out of 6 (100%)
Chang Tuck Chee @ Philip Chang	6 out of 6 (100%)
Tong Lai Ling	6 out of 6 (100%)
Dato' Sri Nicholas Rupert Heylett Bloy (Retired on 20 June 2024)	2 out of 4 (50%)
Edwin Fua Chye Jin (Retired on 20 June 2024)	4 out of 4 (100%)

The Directors will also ensure that they do not hold directorships at more than five public listed companies to ensure that their commitment, resources and time are more focused to enable them to discharge their duties effectively.

Training and Development of Directors

A Mandatory Accreditation Programme ("MAP") will be organised for newly appointed Directors, if necessary. The Directors who have completed the MAP 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 Board also noted the Mandatory Sustainability Onboarding Programme, namely, the MAP Part II: Leading for Impact ("LIP"), which is an extension to the existing MAP. The Company Secretary has been updating the Directors with available dates for the LIP to facilitate them for the Mandatory Sustainability Onboarding Programme pursuant to Bursa Securities Main Market Listing Requirements.

The Company also 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, cybersecurity developments, and sustainability on environmental, social and governance to stay abreast with developments in the marketplace. The relevant programmes/training attended were as follows:

Director	Name of Programme	Date
Tan Sri (Dr.) Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas	ESG Briefing	21.11.2024
Tan Sri Clement Hii Chii Kok	ESG Briefing	21.11.2024

Director	Name of Programme	Date
Chong Poh Yee	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	12 & 13.08.2024
	ESG Briefing	21.11.2024
Stella Lau Kah Wai	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	12 & 13.08.2024
	Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024	11.09.2024
	ESG Briefing	21.11.2024
Dato' Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	04 & 05.03.2024
	Conflict of Interest ("COI") and Governance of COI	23.07.2024
	Audit Oversight Board Conversion with Audit Committees	19.11.2024
	ESG Briefing	21.11.2024
Chong Ying Choy	Materiality in Financial Reporting	06.08.2024
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	21 & 22.10.2024
	Seminar Percukaian Kebangsaan 2024	23.10.2024
	Preparing Audit-Ready TP Documentation	28.10.2024
	2025 Budget Seminar	30.10.2024
	ACCA Virtual Seminar – Post-Budget 2025	06.11.2024
	Audit Oversight Board Conversion with Audit Committees	19.11.2024
	ESG Briefing	21.11.2024
	MICPA – Forvis Mazars Collaboration: Audit Update for SMP: Group Audit and Common Findings	04.12.2024
Datuk Hew Lee Lam Sang	Shining the Lights on Human Rights in Malaysia	12.03.2024
	Bursa's Amended Listing Requirements on Conflict of Interest	20.03.2024
	Navigating Climate Transition Risks in a Circular Economy	11.07.2024
	Navigating Capital Gains Tax	17.07.2024
	Cybersecurity Act 2024	11.09.2024
	Geopolitical Risks and Strategic Imperatives	17.10.2024
	KPMG Tax Seminar	06.11.2024
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	18 & 19.11.2024
	ESG Briefing	21.11.2024

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Director	Name of Programme	Date
Chang Tuck Chee @ Philip Chang	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	21 & 22.08.2024
	Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest	16.10.2024
	ESG Briefing	21.11.2024
Tong Lai Ling	PIKOM Cybersecurity	26.02.2024
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	12 & 13.08.2024
	The Anatomy of a Cyber Attach	15.11.2024
	Audit Oversight Board Conversion with Audit Committees	19.11.2024
	ESG Briefing	21.11.2024
Datin Adeline Hii Siew Ching	Navigating Recent Tax Changes in Malaysia: A Guide for Employers and Directors	31.01.2024
	Preparing for Service Tax Rate Increase	05.02.2024
	Mutual Agreement Procedure and Advance Pricing Arrangement: Effectiveness in Addressing Transfer Pricing Disputes	06.03.2024
	What is e-invoicing?	11.10.2024
	The 50th Series	21.11.2024

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 complies 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 18 April 2025.