

A professional portrait of an elderly man with grey hair, wearing a dark navy blue suit, a white shirt, and a red tie with a white paisley pattern. He is seated and looking directly at the camera with a slight smile. The background is a soft, out-of-focus indoor setting.

**Message from
the Chairman**

SEGi is progressing
towards digitalisation,
globalisation, and
diversification

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

MESSAGE FROM THE CHAIRMAN

“ While we are committed to ensuring a safe learning environment, our academic teams will stay connected with students by providing positive support and encouragement to them. ”

Dear Valued Shareholders,

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements of SEG International Bhd (SEGi) and the Group for the year ended 31 December 2023.

Looking ahead, the global economy continues to show resilience but modest growth. Despite challenges, the Group remains focused on creating sustainable value and delivering long-term returns to our shareholders.

We are dedicated to upholding good governance, accountability, transparency, and integrity. These principles are ingrained in our shared values, goals, and practices, driving responsible growth and ensuring healthy business performance.

MARKET AND FUTURE OUTLOOK

Malaysia's higher education landscape continued to evolve, driven by several key trends and developments. While the world progressed under the "new normal", we are now on the cusp of embracing a new dawn. Throughout 2023, SEGi accelerated its digital transformation initiatives, leveraging technology to enhance the learning experience for students. We have invested in digital infrastructure and platforms to offer online and blended learning options, providing students with flexible and accessible education opportunities.

Recognising the importance of industry-relevant programmes, SEGi has collaborated closely with industry partners to develop courses and certifications that address the evolving needs of the workforce. Thanks to the newly established partnerships, we have launched various programmes in emerging fields such as data science, cybersecurity, and artificial intelligence, ensuring that students are equipped with the skills and knowledge needed for success in the job market.

As part of our commitment to global engagement, we have expanded our international collaborations and partnerships, offering joint programmes and research initiatives with universities abroad. I am confident that we will continue attracting students from around the world, providing them with opportunities for global mobility and cross-cultural exchange.

Additionally, we will continue our efforts in research and innovation initiatives, undertaking cutting-edge research in various fields, supported by partnerships with industry and government agencies, contributing to driving innovation and economic growth in Malaysia.

FINANCIAL PERFORMANCE

The Group recorded a revenue of RM186.5 million and a profit before taxation of RM10.3 million, for the financial year ended 31 December 2023, a decrease of 13% and 77% respectively as compared to the financial year ended 31 December 2022.

MESSAGE FROM THE CHAIRMAN



CORPORATE AND OPERATIONAL DEVELOPMENT

SEGi is currently implementing several strategies to enhance the sustainability and financial performance of the Group. These strategies include expanding and growing our K-12 education business, introducing flexible learning programmes, and additional postgraduate courses to meet the academic needs of working adults. We are also developing and enhancing our online platform learning programmes to cover a wider range of academic interests.

As Malaysia enters a new era of innovation and progress, SEGi is at the forefront, leading the way in shaping the future of higher education in the country. We are approaching this new dawn from both sides of the academic spectrum, catering to future generations through K-12 education initiatives while also equipping working professionals with the skills they need to stay competitive in today's job market. Additionally, SEGi remains committed to providing current higher institution students with the best learning experience, ensuring that they are prepared for the challenges and opportunities of the future.

SEGi University & Colleges consistently raises the bar in providing quality and affordable education from K-12 to higher education, both conventional and remote learning. Its strong local and global presence is demonstrated through its Higher Education campuses, Skill-Based Programmes (TVET), and SEGiUniDigital.

The decline in revenue was mainly due to the large graduating batches of postgraduate foreign students enrolled with the Group's institutions in the previous financial years.

The effects of the pandemic and the extended lockdown for our international students have affected the results of the Group under review. The new initiatives taken in 2023 such as the acquisition of K-12 schools, the introduction of skill-based programmes and the launching of new programmes have helped the Group to steadily increase its student numbers and revenue stream. Extensive groundwork has also been done to expand our market reach globally. With these initiatives in place, we expect to normalise our returns to pre-pandemic levels and grow further in the coming years.

I am confident that we are certainly on track to deliver a sustainable performance as we steer a steady course towards new heights of success.

DIVIDENDS

The Board of Directors carefully balanced maintaining a reasonable dividend payout, commensurate with the Group's financial performance, while conserving sufficient internal resources for investment purposes. We remain committed to rewarding our valued shareholders and potential investors with consistent returns.

For the financial year ended 31 December 2023, the Board of Directors declared an interim single-tier dividend of RM0.013 per ordinary share. This interim single-tier dividend, amounting to RM15,906,451, was paid on 18 August 2023.

interim single-tier dividend

RM0.013

per ordinary share

MESSAGE FROM THE CHAIRMAN

Furthermore, SEGi has introduced initiatives to give students financial peace of mind, such as offering scholarships, bursaries, and study loans, ensuring that financial constraints do not hinder their academic progress.

I am proud to share SEGi's notable achievements as follows:



Ranked 201 – 300th THE Impact Rankings: Industry, Innovation & Infrastructure (United Nations' Sustainable Development Goal 9)



Awarded a 5 Stars Plus rating by QS Rating (2022 – 2026), being one among 24 universities worldwide to be awarded this status.



All six SEGi campuses received top ratings in the 'Berdaya Saing (Competitive)' MyQuest and SETARA evaluations, marking 13 consecutive years of excellence.



Ranked the 57th position in the QS Asia University Rankings 2023 for South-East Asia.



Received a 5 Stars rating for eight categories: academic development, internationalisation, employability, teaching, online delivery, Art & Culture, MBBS and inclusiveness.

Looking ahead, SEGi and the Group are poised to continue playing a leading role in shaping the future of higher education in Malaysia. As a forward-thinking institution, SEGi will continue to embrace digital transformation, prioritise industry relevance, expand its global engagement, and drive research and innovation to ensure that its students are well-prepared for the challenges of the future.

CORPORATE SUSTAINABILITY

Our ongoing efforts to strengthen our business are aligned with our unwavering commitment to being a responsible corporate citizen. We remain dedicated to our sustainability agenda, implementing initiatives and measures that ensure and maintain the highest standards of corporate governance throughout the Group. This includes managing our environmental impact, addressing climate-related risks and opportunities, providing a safe and caring workplace, and meeting the social needs of our community to deliver a sustainable business.

The Group's sustainability strategy, initiatives, and targets are outlined in the Sustainability Overview section of this report and detailed in the 2023 Sustainability Report, available on the Group's corporate website.

ACKNOWLEDGEMENTS

SEGi has grown from strength to strength with the support from our stakeholders. On behalf of the Board, I would like to take this opportunity to convey my sincere appreciation to all our

valued shareholders, global partners, students, regulatory authorities, bankers, and business associates for their unwavering trust and continuous support throughout the years. As we look to the future, I am confident that we will continue building on our positive momentum and drive success together.

I wish to accord my heartfelt appreciation to the management and staff for their steadfast commitment and dedication to the Group. I certainly look forward to working with them as we rise above the challenges that this year may bring and embrace our next phase of growth.

Last but not least, I would like to express my gratitude to my fellow Board members for their invaluable contribution to the Group. I am pleased to welcome Stella Lau Kah Wai, Cheryl Chong Poh Yee, Chong Ying Choy, Datuk Hew Lee Lam Sang, Chang Tuck Chee @ Philip Chang, and Tong Lai Ling to the Board, bringing with their experience in financial management, corporate management, and legal knowledge, notably in capital markets and cybersecurity knowledge and experience. A special note of thanks to our former Board members, Dato' Amos Siew Boon Yeong, and Dato Goh Leng Chua, for their support and enormous contribution to the Group. We wish them success in their future undertakings.

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

18 April 2024