

Overseas Education Limited

Company Registration No: 201131905D

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2, & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP				
		31-Dec-20 \$'000		For the year ended 31-Dec-19 \$'000		Change %
Revenue						
Tuition fees		76,984	97.4%	79,602	96.7%	(3.3)
Registration fees		1,086	1.4%	1,173	1.4%	(7.4)
School shop revenue		467	0.6%	627	0.8%	(25.5)
Enrichment programme revenue		298	0.4%	556	0.7%	(46.4)
Interest income		119	0.1%	318	0.4%	(62.6)
Other revenue		101	0.1%	22	0.0%	359.1
Total revenue		<u>79,055</u>	100.0%	<u>82,298</u>	100.0%	(3.9)
Expenses						
Personnel expenses		42,492	53.7%	44,095	53.6%	(3.6)
School shop costs		313	0.4%	386	0.5%	(18.9)
Enrichment programme costs		189	0.2%	375	0.5%	(49.6)
Utilities		692	0.9%	890	1.1%	(22.2)
Upkeep and maintenance		1,507	1.9%	1,388	1.7%	8.6
Finance costs		3,146	4.0%	4,974	6.0%	(36.8)
Other operating expenses		3,905	5.0%	5,956	7.2%	(34.4)
Expenses before depreciation and amortisation		<u>52,244</u>	66.1%	<u>58,064</u>	70.6%	(10.0)
Profit before depreciation and amortisation		26,811	33.9%	24,234	29.4%	10.6
Depreciation expenses						
- Leasehold land		1,237	1.6%	1,237	1.5%	0.0
- School buildings		3,656	4.6%	3,656	4.4%	0.0
- Other plant and equipment		4,775	6.0%	4,711	5.7%	1.4
- Right-of-use assets		3,779	4.8%	3,387	4.1%	11.6
Amortisation of intangible assets		426	0.5%	455	0.6%	(6.4)
		<u>13,873</u>	17.5%	<u>13,446</u>	16.3%	3.2
Profit before taxation		12,938	16.4%	10,788	13.1%	19.9
Income tax expense - current tax		(2,676)		(2,753)		
- deferred tax	2	35		(28)		
		<u>(2,641)</u>	3.4%	<u>(2,781)</u>	3.4%	(5.0)
Net profit for the year		<u>10,297</u>	13.0%	<u>8,007</u>	9.7%	28.6
Other comprehensive income for the year, net of tax		(+)		+		0.0
Total comprehensive income for the year		<u><u>10,297</u></u>	13.0%	<u><u>8,007</u></u>	9.7%	28.6
Attributable to:						
Owners of the Company		10,297	13.0%	8,007	9.7%	28.6
		<u><u>10,297</u></u>	13.0%	<u><u>8,007</u></u>	9.7%	28.6

n.m. - Not meaningful

(+)/+ - Amount lower than S\$1,000

1(a)(ii) Breakdown and Explanatory Notes to Consolidated Statement of Comprehensive Income

	GROUP		
	For the year ended		
	31-Dec-20	31-Dec-19	Change
	\$'000	\$'000	%
Impairment loss on financial assets	177	130	36.2
Write-off for stock obsolescence	5	7	(28.6)
(Gain) / loss on disposal of property, plant and equipment	(8)	3	n.m.
Underprovision of tax in respect of prior year	17	-	n.m.
Government grants	4,351	87	4,901.1

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEETS

	GROUP		COMPANY	
	As at	As at	As at	As at
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment				
- Leasehold land	27,825	29,062	-	-
- School buildings	162,681	166,337	-	-
- Other plant and equipment	50,448	54,315	107	132
Right-of-use assets	3,589	4,096	17	57
Intangible assets	1,731	1,766	-	-
Investment in subsidiaries	-	-	101,219	101,219
Deposits	98	390	-	-
Staff housing deposits	179	314	-	-
Other long term asset	334	334	-	-
	<u>246,885</u>	<u>256,614</u>	<u>101,343</u>	<u>101,408</u>
Current assets				
Inventories	413	422	-	-
Trade receivables	820	1,091	-	-
Other receivables and deposits	677	209	17	12
Amount owing by subsidiary	-	-	9,000	8,000
Prepayments	971	996	12	12
Cash and cash equivalents	44,179	45,498	3,220	5,593
	<u>47,060</u>	<u>48,216</u>	<u>12,249</u>	<u>13,617</u>
TOTAL ASSETS	<u>293,945</u>	<u>304,830</u>	<u>113,592</u>	<u>115,025</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	370	270	-	-
Other payables and liabilities	2,946	1,412	131	120
Fees received in advance	26,378	30,504	-	-
Lease liabilities	2,842	2,959	17	58
Borrowings - Bank Loan	1	6,042	-	-
Bank Loan - Interest payable	1	90	-	-
Goods and Services Tax payable	2,393	2,679	59	61
Central Provident Fund payable	387	404	3	3
Income tax payable	3,364	2,758	243	196
	<u>44,812</u>	<u>47,830</u>	<u>453</u>	<u>438</u>
NET CURRENT ASSETS	2,248	386	11,796	13,179
Non-current liabilities				
Borrowings - Bank Loan	1	101,496	-	-
Fees received in advance	469	711	-	-
Lease liabilities	771	1,192	-	-
Deferred tax liabilities	2	7,915	-	-
	<u>110,651</u>	<u>117,392</u>	<u>-</u>	<u>-</u>
NET ASSETS	<u>138,482</u>	<u>139,608</u>	<u>113,139</u>	<u>114,587</u>
Equity attributable to owners of the Company				
Share capital	99,253	99,253	99,253	99,253
Revenue reserve	65,398	66,524	13,886	15,334
Foreign currency translation reserve	1	1	-	-
Merger reserve	(26,170)	(26,170)	-	-
TOTAL EQUITY	<u>138,482</u>	<u>139,608</u>	<u>113,139</u>	<u>114,587</u>

	GROUP	
	As at	As at
	31-Dec-20	31-Dec-19
	\$'000	\$'000
Note 1:		
Borrowings - Bank Loan		
- Current liabilities		
Bank Loan	6,160	6,160
Less: Facility fee	<u>(118)</u>	<u>(118)</u>
	6,042	6,042
- Interest payable	90	802
- Non-current liabilities		
Bank Loan	102,350	108,510
Less: Facility fee	<u>(854)</u>	<u>(971)</u>
	101,496	107,539
Total borrowings	<u>107,628</u>	<u>114,383</u>

	GROUP	
	As at	As at
	31-Dec-20	31-Dec-19
	\$'000	\$'000
Note 2:		
Deferred tax liabilities		
Balance at beginning of the year	7,950	7,922
Movements during the year comprising:		
- Difference in provisions, unabsorbed capital allowances, and unearned registration fees	82	(60)
- Differences in depreciation and amortisation for tax purposes	<u>(117)</u>	<u>88</u>
Deferred tax (credited)/charged to P&L during the year	(35)	28
Balance at end of the year	<u>7,915</u>	<u>7,950</u>

1b(ii) Aggregate amount of Group's borrowings and debt securitiesBank Loan

An unsecured 10-year bank term loan facility of \$117.75 million was utilised to fully redeem the remaining outstanding Company's Bonds of \$117.75 million on 17 Apr 2019. The bank loan shall be repaid in quarterly instalments of \$1.54 million per quarter, and interest calculated at the prevailing bank's offer interest rate on the outstanding loan balance. Any amount of the loan outstanding at the end of 10-year term is subject to further refinancing.

For the year ended 31 December 2020, the Group has repaid \$6.16 million (FY 2019: \$3.08 million) of its bank loan.

Total bank loan interest expense for the year ended 31 December 2020 was \$3.03 million (FY 2019: \$2.98 million).

As at 31 December 2020, the Group has a balance of \$108.51 million (31 December 2019: \$114.67 million) in aggregate principal amount of bank loan.

	GROUP	
	As at 31-Dec-20 \$'000	As at 31-Dec-19 \$'000
Opening bank loan balance	114,670	117,750
Instalments repaid during the year	(6,160)	(3,080)
Closing bank loan at end of the year	<u>108,510</u>	<u>114,670</u>
Less:		
Total facility fee incurred	1,177	1,177
Accumulated amortisation	(205)	(88)
Facility fee (net)	<u>972</u>	<u>1,089</u>
Bank loan at amortised cost	<u><u>107,538</u></u>	<u><u>113,581</u></u>
Represented by:		
Borrowings - Bank Loan		
- Current liabilities	6,042	6,042
- Non-current liabilities	<u>101,496</u>	<u>107,539</u>
	<u><u>107,538</u></u>	<u><u>113,581</u></u>

- 1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	For the year ended	
	31-Dec-20	31-Dec-19
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	12,938	10,788
Adjustments for:		
Depreciation and amortisation expenses	13,873	13,446
(Gain) / loss on disposal of property, plant and equipment	(8)	3
Finance costs	3,146	4,974
Interest income	(119)	(318)
Operating profit before working capital changes	<u>29,830</u>	<u>28,893</u>
Decrease/(increase) in inventories	9	(9)
Decrease/(increase) in trade receivables	271	(44)
(Increase)/decrease in other receivables, deposits and prepayments	(443)	56
Decrease/(increase) in non-current deposits	427	(845)
(Decrease)/increase in trade payables, other payables, liabilities and fees received in advance (current and non-current)	(3,037)	2,853
Cash generated from operations	<u>27,057</u>	<u>30,904</u>
Interest received	119	318
Income tax paid	(2,070)	(2,178)
Lease interest paid	(121)	(119)
Net cash generated from operating activities	<u>24,985</u>	<u>28,925</u>
Cash flows from investing activities		
Additions of intangible assets	(390)	(290)
Acquisition of property, plant and equipment	(939)	(1,249)
Proceeds from disposal of property, plant and equipment	38	44
Net cash used in investing activities	<u>(1,291)</u>	<u>(1,495)</u>
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(3,804)	(3,327)
Proceeds from borrowings - bank loan	-	117,750
Partial loan facility fee paid	-	(589)
Bank loan repayment	(6,160)	(3,080)
Bank interest paid	(3,626)	(2,093)
Bond interest paid and expensed	-	(3,053)
Dividends paid	(11,423)	(11,423)
Bonds redemption/repurchased	-	(117,750)
Net cash used in financing activities	<u>(25,013)</u>	<u>(23,565)</u>
Net (decrease)/increase in cash and cash equivalents	(1,319)	3,865
Cash and cash equivalents at beginning of the year	45,498	41,633
Cash and cash equivalents at end of the year	<u>44,179</u>	<u>45,498</u>

- 1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Total equity \$'000
	Share capital \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Merger reserve \$'000	
					(Note #)
GROUP					
2020					
Balance at 1 January 2020	99,253	66,524	1	(26,170)	139,608
Profit net of tax	-	10,297	-	-	10,297
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	10,297	-	-	10,297
Distribution to owners					
Dividends	-	(11,423)	-	-	(11,423)
Total transactions with owners in their capacity as owners	-	(11,423)	-	-	(11,423)
Balance at 31 December 2020	99,253	65,398	1	(26,170)	138,482
2019					
Balance at 1 January 2019	99,253	69,940	1	(26,170)	143,024
Profit net of tax	-	8,007	-	-	8,007
Other comprehensive income for the year	-	-	+	-	+
Total comprehensive income for the year	-	8,007	+	-	8,007
Distribution to owners					
Dividends	-	(11,423)	-	-	(11,423)
Total transactions with owners in their capacity as owners	-	(11,423)	-	-	(11,423)
Balance at 31 December 2019	99,253	66,524	1	(26,170)	139,608
+ Amount lower than S\$1,000					

Note # Merger reserve represents the difference between the consideration paid by the Company and the share capital of the subsidiaries acquired under common control during FY 2011, following the application of the pooling of interest method. This reserve will remain until the subsidiaries are disposed.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the Company		
	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
COMPANY			
2020			
Balance at 1 January 2020	99,253	15,334	114,587
Profit net of tax	-	9,975	9,975
Total comprehensive income for the year	-	9,975	9,975
Distribution to owners			
Dividends	-	(11,423)	(11,423)
Total transactions with owners in their capacity as owners	-	(11,423)	(11,423)
Balance at 31 December 2020	99,253	13,886	113,139
2019			
Balance at 1 January 2019	99,253	17,779	117,032
Profit net of tax	-	8,978	8,978
Total comprehensive income for the year	-	8,978	8,978
Distribution to owners			
Dividends	-	(11,423)	(11,423)
Total transactions with owners in their capacity as owners	-	(11,423)	(11,423)
Balance at 31 December 2019	99,253	15,334	114,587

1d(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 December 2020, the Company has no outstanding convertibles (31 December 2019: nil).

As at 31 December 2020, the Company has no treasury shares (31 December 2019: nil) and no subsidiary holdings (31 December 2019: nil).

	Company No of shares
At 31 December 2020 and 31 December 2019	415,363,548

1d(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at	
	31-Dec-20	31-Dec-19
Total number of issued shares	415,363,548	415,363,548

1d(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1d(v) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

2 **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditor.

3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

3A **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue; (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting year compared with the audited financial statements as at 31 December 2019, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) (SFRS(I)) which became effective for the financial year beginning on or after 1 January 2020.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new and revised accounting standards referred to in paragraph 4 did not give rise to any significant changes to the financial performance or position of the Group.

6 **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP	
	For the year ended	
	31-Dec-20	31-Dec-19
	cents	cents
Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:		
Based on weighted average number of ordinary shares on issue	2.5	1.9
On a fully diluted basis	2.5	1.9
Weighted average number of ordinary shares for basic and diluted earnings per share computation	415,363,548	415,363,548

7 **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	As at	As at	As at	As at
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the year reported on	33.3	33.6	27.2	27.6

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of performance

Review of Income statement

The Group posted total revenue of \$79.06 million for the financial year ended 31 December 2020 (FY 2020) compared to \$82.30 million for the last financial year (FY 2019). The decrease in total revenue was due to weaker student enrolment during the second half of FY 2020 compared to the same period in FY 2019 largely attributable to the significant impact of Covid-19 pandemic that caused global lockdowns and travel bans. New students enrolment slowed to a near standstill in second half of FY 2020 as many countries closed their borders and imposed travel bans.

Details of revenue lines are as follows:

Revenue from tuition fees was lower at \$76.98 million in FY 2020 compared to \$79.60 million in FY 2019.

Revenue from registration fees was lower at \$1.09 million in FY 2020 compared to \$1.17 million in FY 2019.

School shop revenue was lower at \$0.47 million in FY 2020 compared to \$0.63 million in FY 2019.

Enrichment programme revenue decreased to \$0.30 million in FY 2020 compared to \$0.56 million in FY 2019 as the Group was unable to run enrichment programmes in the first half of FY 2020 due to COVID-19 restriction orders placed on schools by the Singapore government.

Interest income was lower at \$0.12 million in FY 2020 compared to \$0.32 million in FY 2019 due to lower prevailing interest rate environment in FY 2020.

Other revenue was \$0.10 million in FY 2020 compared to \$0.02 million in FY 2019.

Total expenses before depreciation and amortisation was lower at \$52.24 million in FY 2020 compared to \$58.06 million in FY 2019. The Group benefitted mainly from lower personnel expenses, finance costs and other operating expenses as explained below.

Personnel expenses decreased to \$42.49 million in FY 2020 from \$44.10 million in FY 2019. The decrease was due mainly to the recognition of the Jobs Support Scheme (JSS) government grant to enable the Group to retain the local (Singaporeans and Permanent Residents) staff during the economic uncertainty. The Group has also retained the entire teaching faculty staff through FY 2020.

School shop costs were \$0.31 million in FY 2020 compared to \$0.39 million in FY 2019.

Enrichment programme costs were \$0.19 million in FY 2020 compared to \$0.38 million in FY 2019, in line with the lower enrichment programme revenue as explained in the enrichment programme revenue section above.

Utilities expenses were lower at \$0.69 million in FY 2020 compared to \$0.89 million in FY 2019 largely due to the school closure (in April and May 2020) during the circuit breaker period.

Upkeep and maintenance expenses were higher at \$1.51 million in FY 2020 compared to \$1.39 million in FY 2019 due to additional expenses incurred to support home-based learning during the circuit breaker period, and to implement safe management measures as legislated by the Singapore government.

Finance costs were lower at \$3.15 million in FY 2020 compared to \$4.97 million in FY 2019 due to the lower prevailing interest rate in FY 2020 compared to FY 2019.

Other operating expenses were lower at \$3.91 million in FY 2020 compared to \$5.96 million in FY 2019 due mainly to property tax rebate and COVID-19 (Temporary Measures) support received from the Singapore government for FY 2020.

Depreciation and amortisation expenses were \$13.87 million in FY 2020 compared to \$13.45 million in FY 2019. The increase was due mainly to higher depreciation of \$3.78 million on right-of-use assets in FY 2020 compared to \$3.39 million in FY 2019.

Profit before taxation ended higher at \$12.94 million in FY 2020 compared to \$10.79 million in FY 2019.

Income tax expense of \$2.64 million in FY 2020 was comparable to FY 2019 despite the increase in profit before tax, due to the recognition of non-taxable government grants. The FY 2020 income tax expense comprised of provision for current tax of \$2.68 million and reversal of net deferred tax of \$0.04 million, whilst FY 2019 income tax expense comprised current tax of \$2.75 million and accrual of net deferred tax of \$0.03 million. The net deferred tax liabilities arose due to the recognition of the tax effect on temporary differences between the net book value and the tax-written-down value of qualifying assets.

Net profit after taxation ended higher at \$10.30 million in FY 2020 compared to \$8.01 million in FY 2019.

Review of Group Balance Sheet as at 31 December 2020

Total property, plant and equipment and right-of-use assets at 31 December 2020 amounted to \$244.54 million compared to \$253.81 million at 31 December 2019. The decrease of \$9.27 million was due mainly to the depreciation charge for the reporting year, offset by the additional right-of-use assets of \$3.40 million during the reporting year.

Inventories of school uniforms, books and stationery supplies for sale at the school shop were \$0.41 million at 31 December 2020 compared to \$0.42 million at 31 December 2019.

Trade receivables comprised amounts attributable to tuition fees, registration fees, school shop revenue and other revenue. Trade receivables balance at 31 December 2020 was lower at \$0.82 million compared to \$1.09 million at 31 December 2019 due mainly to the timing of collection of the receivables for the reporting year.

Other receivable and deposits were higher at \$0.68 million at 31 December 2020 compared to \$0.21 million at 31 December 2019 due mainly to balance of the JSS receivable recorded for FY 2020.

Prepayments of \$0.97 million at 31 December 2020 were comparable to 31 December 2019.

The Group's cash and cash equivalents amounted to \$44.18 million at 31 December 2020 and \$45.50 million at 31 December 2019. The decrease was due to cash movements (cash generated or cash used) in operating, investing and financing activities as explained in the Review of Group cash flow below.

Trade and other payables and liabilities were higher at \$3.32 million at 31 December 2020 compared to \$1.68 million at 31 December 2019 due mainly to timing of payments of operating expenses, and recognition of deferred grant income relating to the JSS recorded for FY 2020.

Total fees received in advance (current and non-current) was \$26.85 million at 31 December 2020 and \$31.22 million at 31 December 2019. The total fees received in advance comprised tuition fees collected for the next semester which commenced in January 2021, and registration fees for enrolment.

Lease liabilities (current and non-current) were \$3.61 million at 31 December 2020 compared to \$4.15 million at 31 December 2019 due to progressive payments of the lease contracts for teachers' apartments.

Borrowings - Bank Loan (current and non-current) was \$107.54 at 31 December 2020 compared to \$113.58 million at 31 December 2019. The Group paid the four quarterly instalment of \$1.54 million each in January, April, July and October 2020. More information on the bank loan facility is disclosed in paragraph 1b(ii).

Bank Loan - Interest payable on the aforesaid long term bank loan was accrued at the current prevailing bank's offer interest rate of approximately 1.9% per annum. The interest payable was \$0.09 million at 31 December 2020 compared to \$0.80 million at 31 December 2019 due to reduction in interest rates and timing of payments.

Goods and Services Tax payable of \$2.39 million and \$2.68 million at 31 December 2020 and 31 December 2019 respectively arose mainly from the billing of next semester's tuition fees.

Deferred tax liabilities amounted to \$7.92 million at 31 December 2020 compared to \$7.95 million at 31 December 2019. The net deferred tax liabilities arose from the tax effect on temporary differences between the net book value and the tax-written-down-value of qualifying assets.

Review of Group cash flow for the year ended 31 December 2020

The net cash generated from operating activities in FY 2020 was \$24.99 million, which consisted of cash inflow from operating profit before working capital changes of \$29.83 million, net working capital outflow of \$2.77 million, interest received of \$0.12 million, income tax paid of \$2.07 million and lease interest paid of \$0.12 million.

The above-mentioned net working capital outflow of \$2.77 million arose mainly from cash outflow relating to the decrease in trade and other payables, liabilities and fees received in advance of \$3.04 million and increase in other receivables, deposits and prepayments of \$0.44 million, offset by the cash inflow from the decrease in trade receivables and non-current deposits of \$0.27 million and \$0.43 million respectively.

The net cash used in investing activities of \$1.29 million in FY 2020 was mainly due to additions of property, plant and equipment of \$0.94 million and intangible assets of \$0.39 million.

The net cash outflow in financing activities of \$25.01 million was for the lease payments of \$3.80 million, bank loan repayment of \$6.16 million, payment of bank interest of \$3.63 million and payment of the final dividend in respect of FY 2019 in July 2020 of \$11.42 million.

9 Where a forecast , or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

During FY 2020, the Group's new students enrolment in the School Year 2020/2021 has been affected by the Covid-19 pandemic which caused many countries to close their borders and to impose travel bans.

With the current resurgence of Covid-19 and the new Covid-19 variants worldwide, the Group foresees that the new students enrolment for the next School Year 2021/2022 (starting August 2021) will likely to be affected if travel bans and travel restrictions continue to be tightened. Therefore, the successful rollout of country-by-country Covid-19 vaccinations grows more critical by the day to enable the gradual lifting of Singapore border restrictions to expatriate families arriving into Singapore.

11 Dividend

(a) Current financial period reported on

There is no FY 2020 interim dividend paid in the current financial year.

The Group continues to ensure that the Company's dividend policy remains sustainable whilst maintaining an equitable balance between return to shareholders and prudent capital management to support its operations.

The final dividend declared for the current financial year FY 2020 is as follows:

Name of dividend	FY 2020 Final Dividend (proposed)
Dividend type	Cash
Dividend rate	S\$0.023 per share
Tax rate	Tax-exempt (one-tier)
Date payable	20 May 2021

Date Payable

The proposed FY 2020 Final Dividend shall be payable on 20 May 2021.

Record date

Registrable transfers received by the Company's Registrar, M&C Services Private Limited, of 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 5 May 2021 will be registered before entitlements to the FY 2020 Final Dividend are determined.

Notice is hereby given that the share registers will be closed on 6 May 2021 for the preparation of dividend warrants.

(b) Corresponding period of the immediately preceding financial year

Name of dividend	FY 2019 Final Dividend
Dividend type	Cash
Dividend rate	S\$0.0275 per share
Tax rate	Tax-exempt (one-tier)
Date paid	8 July 2020

The total annual dividends paid in the financial year ended 31 December 2020 and 31 December 2019 were as follows:

	31-Dec-20	31-Dec-19
	\$'000	\$'000
Final exempt (one-tier) dividend for previous financial year: \$0.0275 per share (2019: \$0.0275 per share)	11,423	11,423

12 If no dividend has been declared/ recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

13 If the Group has obtained a general mandate from the shareholders for Interested Person Transactions (IPT), the aggregate value of such transactions as required under Rule 920(1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

14 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Company and its subsidiaries operate in Singapore in one business segment as determined in accordance with FRS 108, to provide education under a foreign education system. All revenue and expenses, and more than 99% of its assets and liabilities are derived from operations in Singapore.

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

This has been addressed in paragraph 14.

16 A breakdown of sales

	GROUP		Change %
	31-Dec-20 \$'000	31-Dec-19 \$'000	
Revenue reported for the first half year	41,371	41,164	0.5
Operating profit after tax before deducting non-controlling interests reported for the first half year	5,570	3,685	51.2
Revenue reported for the second half year	37,684	41,134	(8.4)
Operating profit after tax before deducting non-controlling interests reported for the second half year	4,727	4,322	9.4

17 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ms. Chee Jingying, Joyce	36	Daughter of Executive Director, Ms. Wong Lok Hiong	Student Recruitment Manager since 2014 in Overseas Family School Limited. Responsible for active recruitment of new students and overseeing the Student Recruitment Department.	Not Applicable

18 Disclosure of the status on the use of proceeds raised from IPO.

The Company raised net proceeds of S\$68,033,985 (after deducting IPO expenses of S\$3,966,015) from its IPO on 7 February 2013. The amount utilised as at the date of this report is as follows:

Total amount utilised for the building of a new school campus	\$ <u>65,635,545</u>
Balance proceeds	\$ <u>2,398,440</u>

It is intended that the balance \$2,398,440 of the IPO Proceeds also be used wholly towards capital expenditure for the school campus at 81 Pasir Ris Heights.

19 Disclosure of confirmation of undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual.

The Company has procured undertakings on 16 February 2016 in the format set out in Appendix 7.7 from all its directors and executive officers under Rule 720(1) of the Listing Manual.

20 Disclosure on acquisition and realisation of shares pursuant to Rule 706A of the Listing Manual.

There were no acquisition or realisation of shares in any of the Group's subsidiary nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during FY 2020.

BY ORDER OF THE BOARD

David Alan Perry
Executive Chairman and Chief Executive Officer
18 February 2021