



Overseas Education Limited

**INVESTING IN
EDUCATION**
ANNUAL REPORT **2023**





CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Teng Muan
Non-Executive Chairman
and Independent Director

Wong Lok Hiong Irene
CEO, Executive Director
and Chief Executive of OFSL

Ho Hie Wu David
Chief Financial Officer
and Executive Director

Ho Yew Mun
Lead Independent Director

Leow Wee Kia Clement
Independent Director

Walker, David Peter
Independent Director

NOMINATING COMMITTEE

Leow Wee Kia Clement (Chairman)

Ho Yew Mun

Tan Teng Muan

Walker, David Peter

REMUNERATION COMMITTEE

Leow Wee Kia Clement (Chairman)

Ho Yew Mun

Tan Teng Muan

Walker, David Peter

AUDIT COMMITTEE

Ho Yew Mun (Chairman)

Leow Wee Kia Clement

Tan Teng Muan

Walker, David Peter

COMPANY SECRETARY

Tan Swee Gek
Ong Beng Hong

REGISTERED OFFICE

81 Pasir Ris Heights,
Singapore 519292
Telephone no. : (65) 6738 0211
Facsimile no. : (65) 6735 9734

COMPANY REGISTRATION NUMBER

201131905D

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

B.A.C.S. Private Limited

77 Robinson Road,
#06-03 Robinson 77,
Singapore 068896

AUDITORS

Ernst & Young LLP
One Raffles Quay
Level 18 North Tower
Singapore 048583

Partner-in-charge:
Tan Swee Ho
(with effect from financial year
ended 31 December 2023)



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OUR MASTER POLICY

TO MAINTAIN A
**HAPPY,
SAFE AND
EFFECTIVE SCHOOL**
FOR OVERSEAS
FAMILIES LIVING IN
SINGAPORE



CHAIRMAN'S MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS

On behalf of the Board of Directors of Overseas Education Limited (OEL), I am pleased to present the annual report for the financial year ended 31 December 2023 (FY 2023).

Last year, I had very proudly shared the successes of the OFS Tigers in their haul of medals and personal best in various sports. This year has seen even more spectacular performances of our athletes and students in both team and individual sports and events.

Our 19U Girls Volleyball Team debuted at the Athletic Conference of Singapore International Schools League. They achieved seven straight wins and were crowned Champions. They displayed sheer determination, unparalleled teamwork and complete dominance in the court and are an inspiration to all.

In gymnastics, our OFS Tigers Gymnastics Level 2 Team are 2023 Singapore Gymnastics Carnival Champions. The win was all the sweeter because this was the Team's first outing at a national level. In all, our OFS Tigers gymnasts won a total of 8 Gold Medals, 6 Silver Medals and 4 Bronze Medals.

At the individual level, among others, Jewel Tang led her 14U club team to displace the Singapore Sports School team as Champions at the Minime Fencing 2023. Airi was awarded 2nd and 3rd placing in two ensemble categories at the Youth America Grand Prix Ballet Competition in Manila, Philippines. Ashwath became the world's youngest player to defeat a Grandmaster in classical chess at the Burgdorfer Stadthaus Open 2024 in Switzerland.

Our 2023 Class has also done well at the IGCSE and IB examinations. Briefly, 99.4% of our students sitting

in the IGCSE achieved a pass rate with 21 students achieving 5A* or better. At the IB level, 24.3% of the 2023 Class had 40 points or more. This continued academic success led to over 72% of our students being offered places within the top 100 universities globally. A fabulous achievement for a non-selective school!

However, sports and studies alone are not what makes an OFS student. One example would be our High School Theatre students who staged a production about life-changing scams. It was a dark comedy and a classic which was breathtaking and thought-provoking. This exceptional labour of love required not just the Theatre students to produce but an entire array of student talents from set and costume designers to sound and lighting engineers. In the process, many students demonstrated their talents and showed professionalism and leadership qualities that made a Victorian period piece electrifying, fabulous and unforgettable. In case you had missed the play, it was the delightfully directed, Joseph Kesselring's *"Arsenic and Old Lace"*.

It is our vision to have every child enjoy the education he or she receives and graduate as a thinking and thoughtful youth with the correct values. What will endure for our students are not the grades or the medals they obtain and collect but graduating with the right skill sets and values. These will help them navigate confidently through life with excellence and purpose and contribute meaningfully to society.

It also pleases me to report to our investors that OEL Group has recorded higher profit this financial year. For FY 2023, net profit after taxation ended higher at S\$6.7 million compared to S\$5.3 million in the previous financial



year ended 31 December 2022 (FY 2022).

Student enrolment continued to increase in FY 2023 to 2,402 students from 2,250 students in FY 2022.

The Board is pleased to propose a final dividend of S\$0.013 per share for approval by shareholders at the forthcoming Annual General Meeting.

Finally, I would like to place on record my deep appreciation to the Board members for their sterling service, unstinting support and strong sense of duty and commitment. I would also like to thank all our academic, administrative and support staff for the energy and commitment they have put in their roles as educators and mentors to our students and as professionals to run and manage our campus so well. To our parents, I would like to say that the best is yet to come. And to our investors, on behalf of the Board I say thank you for your trust and confidence in OEL.

TAN TENG MUAN

Chairman
Overseas Education Limited

WHO WE ARE



Overseas Education Limited is the holding company of Overseas Family School Limited which operates Overseas Family School (OFS or School), a leading foreign system school in Singapore.

OFS offers a multifaceted and fully integrated inquiry-based programme comprising International Early Years Curriculum, International Primary Curriculum and International Baccalaureate (IB) curriculum to children of expatriate families aged 2 to 18 years old.

OFS maintains cultural diversity on campus and strives to raise students as responsible world citizens. Our Model United Nations programme develops students' skills in communication, research, collaboration, negotiation and presentation, promoting international mindedness and global citizenship from a relatively young age. This programme has even attracted the attention of the Department of Public Information – Outreach Division of the United Nations headquarters in New York.

Students are encouraged to flourish at their own pace in an environment that fosters growth through self-discipline, self-respect and respect for others. A “worldwide family approach” permeates the school system, promoting diversity, critical thinking and lifelong learning so that students can function well in a globalised economy and a culturally diverse society. OFS prides itself as a family-oriented school that greatly values its bonds with parents and students. OFS provides a well-rounded education to students of expatriate families from more than 60 countries, and supported by staff members from some 35 countries.

About 5,000 students can be accommodated at OFS' spacious campus in Pasir Ris, located east of Singapore. Our five-hectare campus with state-of-the-art facilities has been described as the school design of the future.





EDUCATIONAL PHILOSOPHY

Master Policy

“To maintain a happy, safe and effective school for overseas families living in Singapore”.

Open Entry

OFS enrolls foreign students of all abilities, without entry tests. We do not accept that students can be labelled according to their previous academic performance. We prefer to base our programs on the belief that all students have learning potential. The OFS Intellectual Development programs are designed accordingly. Enthusiasm for learning helps every student perform in school beyond expectations.

Open Examination Entry

OFS strongly encourages High School students to sit the “International General Certificate of Secondary Education” (IGCSE) and “International Baccalaureate” (IB) examinations. The objective is to lift student achievement levels, beyond every expectation, as preparation for university.

Self-Discipline

Multi-national and multi-cultural students and teachers encourage the development of a natural respect between them. We can therefore operate with the minimum of school rules or punishments.

A significant OFS policy maintains that “happy students learn better than disciplined students”. Throughout OFS, all students discover the benefits of self-discipline for their studies and their lives.

No Tolerance for Violence

Happy students learn better than highly disciplined students. For a happy school, it is essential that no student or staff member feels threatened by violent or aggressive behaviour from another member of the school community. We continue to make it clear that any act of violence will lead to immediate expulsion.

Students, Teachers, Principals, Management and Staff work together to meet this rarely applied standard.

Intellectual Development

The OFS education model does everything possible to develop each student’s intellect. We avoid branding students by ability and consistently adopt the development of each student’s intellectual capacity as an OFS objective. All junior students receive professional tuition in Chess and Computer Coding, responding with bright-eyed enthusiasm. The school employs internationally very significant Chess and Coding tutors. At Interschool Chess tournaments, OFS students continue to outperform students from other participating international schools.

Younger students, for whom English is a second language, receive regular lessons to strengthen and advance their own Mother Tongue. Their teachers are also native speakers of that Mother Tongue and OFS maintains regular classes in fourteen such languages. Maintaining a student’s ability to speak their Mother Tongue while the school is changing their language of instruction does boost their intellectual development.

OFS parents appear to increasingly recognise the importance of these “Intellectual Development” policies.

Efficient Allocation of Classroom Instruction

OFS continues to hire the best of teaching ability from around the world. Teaching is organised into four age-related schools, each with a Principal and academic support team. The four Principals were all previously successful OFS teachers, and are committed to OFS education policies. Academic teams teaching students within OFS schools are allocated a bare minimum of administration, so they can focus on teaching.

Successful students are the foundation of a great school, which defines a successful education company.

BOARD OF DIRECTORS



TAN TENG MUAN

Non-Executive Chairman and Independent Director

Mr. Tan was appointed to our Board on 28 October 2011, the date of incorporation of Overseas Education Limited. He was appointed as Non-Executive Chairman on 26 January 2022.

Mr. Tan was also an independent director of United Global Limited, a company listed on the Catalist Board of the Singapore Exchange from June 2016 to February 2022.

Mr. Tan is currently a Commissioner for Oaths and a Director in UniLegal LLC.

Mr. Tan has over 30 years of experience in legal practice. He was admitted as an advocate and solicitor of Supreme Court of Singapore in 1988, and was with Mallal & Namazie from 1987 to June 2023. Mr. Tan graduated from the National University of Singapore with a Bachelor of Laws (Hons) in 1987. He is a member of the Law Society of Singapore and the Singapore Academy of Law.



WONG LOK HIONG IRENE

Chief Executive Officer and Executive Director

Ms. Wong is one of the founders of the School, and was appointed as Chief Executive Officer on 26 January 2022. She is concurrently the Chief Executive of Overseas Family School Limited (OFSL) and is responsible for the overall business and operations of the School.

Ms Wong sits on the Executive Board of our School and the board of directors of OFSL. These two boards comprise the governing structure of our School.

Ms. Wong has more than 40 years of experience in the management of foreign system schools in Singapore.

Ms. Wong is also a Non-Executive Director of Master Projects Pte Ltd.



HO HIE WU DAVID

Chief Financial Officer and Executive Director

Mr. Ho was appointed to our Board on 1 September 2018. He assists the Chairman and CEO in managing the corporate affairs of the Group and is responsible for the financial and accounting matters, financial reporting, tax, treasury and internal control functions of our Group. He also provides leadership in the development of short and long-term strategic financial objectives. He was appointed to his position as Chief Financial Officer on 1 September 2015, and he sits on the Executive Board of our School and the board of directors of OFSL. Prior to his current position, he was the Director of Finance and Planning at OFSL from July 2013 to August 2015.

Mr. Ho was previously a Director of Audit and Business Advisory at PricewaterhouseCoopers Singapore, with 20 years of audit and advisory experience in the firm.

Mr. Ho graduated from the Western Australian Institute of Technology with a Bachelor of Business (Accounting).

He has been a Chartered Accountant (Australia) with the Chartered Accountants Australia and New Zealand since 1990, and has been a Fellow of the Institute of Singapore Chartered Accountants since 2004.



HO YEW MUN
Lead Independent Director

Mr. Ho was appointed to our Board on 1 August 2012. He is Vice Chair and Board Member of Age Concern Wellington Region Inc. and also a Trustee of Age Concern Wellington Region Trust.

Between February 2001 and April 2005, he was the managing director of Equity Capital Markets, Investment Banking Group of DBS Bank. During this period, he was also head of equity capital markets (Hong Kong) from November 2001 to November 2003.

Mr. Ho was senior vice-president and head of the Securities Market Division of the SGX-ST (formerly the Stock Exchange of Singapore) and also the listings manager of the SGX-ST during the period between June 1993 and December 2000.

From August 1988 to March 1993, Mr. Ho was a financial management consultant with The Treasury (New Zealand).

Mr. Ho is an accountant by training and a member of the Singapore Institute of Directors. He has a Master in Business Administration from Victoria University of Wellington in New Zealand.



LEOW WEE KIA CLEMENT
Independent Director

Mr. Leow was appointed to our Board on 26 December 2012. He is also an independent director of Ellipsis Ltd and Lum Chang Holdings Limited, companies listed on the Mainboard of the Singapore Exchange and MSM International Limited, a company listed on the Catalist Board of the Singapore Exchange.

Mr. Leow is currently the Managing Director and Head of Corporate Finance of Gsum Titanland Capital Pte Ltd. Prior to this, Mr Leow was the Chief Executive Officer and Executive Director of Allied Technologies Limited, a company listed on the Catalist Board of the Singapore Exchange. He has over 20 years of corporate finance experience primarily in initial public offerings, mergers and acquisitions as well as advisory transactions. Mr. Leow has also held senior positions in corporate finance and banking in Singapore.

Mr. Leow graduated from Cornell University, United States, with a Bachelor of Science in Applied Economics. He was awarded a Master in Business Administration from the University of Oxford, United Kingdom, and was also conferred a Postgraduate Diploma in Financial Strategy by the University of Oxford, United Kingdom. He also completed the Governance as Leadership program at the Harvard Kennedy School, United States, and has served as a member of the Singapore Institute of Directors since April 2009. He also serves as an Executive Committee member of the Singapore Tennis Association and has been awarded the Singapore Armed Forces Good Service Medal.



WALKER, DAVID PETER
Independent Director

Mr. Walker was appointed to our Board on 1 July 2015. He is currently the founder and managing director of Kauri Capital Pte Ltd, a company that provides advisory services to participants, owners, investors and financiers in the forestry, forest products, pulp, paper and packaging and bio-energy industries. He is also Chairman of Soil Scout Oy, and a managing director of Rimu Investments Pte Ltd.

Mr. Walker has held several senior management positions in the last 20 years and has over 35 years of experience in providing advisory services on financial and investment related matters.

Mr. Walker graduated from Victoria University of Wellington, New Zealand, with a Bachelor of Commerce and Administration (Honours) in 1984. He is a Chartered Financial Analyst ("CFA") charterholder and is a member of the CFA Institute and CFA Singapore. He is also a member of the Singapore Institute of Directors.

He was a member of the Global Board of Governors of the International Baccalaureate ("IB") for three Board terms from 2011-2017 and from 2018-2021. He was a member of the Education and Governance Committees. From 2008- 2011, he was also a member of the IB Asia-Pacific Regional Council, where he also served as Chairman.

EXECUTIVE OFFICERS



From left to right
Ashton Adam, Wong Hok Hoe Patrick, Lee Kwok-Tung Michael, Chee Jingying Joyce, Mcconville Vanessa, Lee Chwee Soon Jason, Ngo Da-Khue Hoang, Liew Voon Yee Penny

CHEE, JINGYING JOYCE

Admissions Director

Ms. Chee was promoted to Admissions Director in August 2022. Ms. Chee has overall responsibility and leadership for all admission matters of our School. She is also responsible for spearheading our after-school enrichment programs, organises visits by foreign embassy dignitaries to OFS, and leads OFS' participation in international school fairs in Singapore.

In her current role, Ms. Chee brings her knowledge, experience and passion to the forefront by providing accessible education experiences to all types of learners. She works closely with the Head of School to ensure the students develop the tools they need to be successful in life. She encourages teachers and faculty to implement innovative teaching strategies to develop engaging and interactive learning opportunities for students with varying learning styles. She also involves parents and communities within the School to ensure the needs of each student are met.

Ms. Chee sits on the Executive Board of our School and the board of directors of OFSL.

Ms. Chee obtained her ACCA qualification in 2009 and joined OFS as a management trainee. She was promoted to Student Recruitment Manager in 2014, and promoted to her current position as Admissions Director in 2022.

LEE, CHWEE SOON JASON

General Manager

Mr. Lee is responsible for the overall organisation and management of the administrative matters of our Group. He works closely with the Parent Association of our School, and is also responsible for all matters relating to buildings and facilities at our School. In addition, Mr. Lee is involved in the evaluation and hiring of administrative staff and in ensuring that all operational aspects of the School are running properly. Mr. Lee meets with our Head of School and the Principals of the School on a regular basis to discuss their administrative support requirements.

Mr. Lee has been with our Group since its founding in 1991, and was promoted to his current position in 2007. He sits on the Executive Board of our School and the board of directors of OFSL.

Mr. Lee is a Singapore Civil Defence Force certified Senior Fire Safety Manager.

WONG, HOK HOE PATRICK

Head of Security

Mr. Wong is our Security Director and is responsible for the overall safety and security of our school premises. Mr. Wong has been with our Group since 1993, when he joined as our Operations Manager, responsible for various operational activities in the school, including the supervision of security personnel.

He was promoted to his current position of Head of Security on 1 August 2016, tasked with overseeing all aspects of the physical safety and security of our school premises. He was also concurrently appointed a director of OFSL as well as a member of the Executive Board of our School.

MCCONVILLE, VANESSA

Head of School

Mrs. McConville oversees all academic matters of our School, since her appointment as Head of School in 2022. She joined OFS in 2015 and has held various appointments including High School Principal. As Chairperson of our Academic Board and Examination Board of our school, Mrs. McConville ensures constant communication and collaboration between our various departments.

Prior to joining our School, Mrs. McConville taught in the United Kingdom becoming Head of the School of Law in a leading sixth-form college and has also taught in the Munich International School, Germany.

Mrs. McConville graduated from Nottingham Trent University, United Kingdom with an LLB in Law 2001 and a Masters in International Business Law in 2004. She obtained her Postgraduate Certificate in Education from the University of Central Lancashire, UK in 2007. Mrs. McConville is currently pursuing a Doctorate in Education with the University of Bath.

ASHTON, ADAM

High School Principal

Mr. Ashton provides academic leadership and oversees the overall management and administration of the High School. He joined our School in August 2014 and held various positions prior to the appointment to his current position in August 2023.

He is a member of our Academic Board and a member of the Executive Board of our school. Prior to joining our School, Mr. Ashton taught in Canada, Kuwait, and Dubai, before moving to Singapore.

Mr. Ashton graduated with a Bachelor of Commerce from McMaster University, Canada in 1994 and then received a Bachelor of Science in Education from Medaille College, US in 2004. In addition, he has been a member of the Ontario College of Teachers since March 2004.

LEE, KWOK-TUNG MICHAEL

Middle School Principal

Mr. Lee provides academic leadership and oversees the overall management and administration of the Middle School. He joined our School in August 2007 and held various appointments before he was appointed to his current position in August 2013.

He is a member of our Academic Board and a member of the Executive Board of our School. Prior to joining our School, Mr. Lee taught at several schools in United Kingdom (UK) and was Head of Science in his last post there.

Mr. Lee graduated from the University of Salford, UK, with a Bachelor of Science (Hons) in 1993 and was awarded a Postgraduate Certificate in Education from the University of Wolverhampton, UK, in 1999. Between 1993 and 1998, Mr. Lee served as an Inspector of Police in the Royal Hong Kong Police Force.

LIEW, VOON YEE PENNY

Elementary School Principal

Ms. Liew provides academic leadership and oversees the administration and all academic matters of the Elementary School. She first joined our School in August 2003 and has held various academic and leadership appointments, including the position of Elementary School Deputy Principal

from August 2014 to December 2019, before her current appointment as Elementary School Principal in January 2020.

She is a member of our Academic Board and a member of the Executive Board of our School. Prior to joining our School, Ms. Liew taught in the Melbourne Catholic Education system in Victoria, Australia.

Ms. Liew graduated from the Australian Catholic University with a Bachelor of Teaching and Bachelor of Arts in 1998.

NGO, DA-KHUE HOANG

Kindergarten Principal

Ms. Ngo provides academic leadership and oversees the administration and all academic matters of the Kindergarten, including school planning and curriculum planning. She joined our School in August 1997 and has held various leadership, curriculum and administration appointments, including the positions of Kindergarten Deputy Principal from August 2004 to July 2015 and IB PYP Coordinator from August 2005 to July 2012, before her current appointment in August 2015.

She is a member of our Academic Board and a member of the Executive Board of our School. Prior to joining our School, Ms. Ngo taught in the Brisbane Catholic Education system in Queensland, Australia.

Ms. Ngo graduated from the Australian Catholic University with a Bachelor of Teaching in 1991 and obtained a Bachelor of Educational Studies from the University of Queensland, Australia in 1996.

THE OFS EXPERIENCE



ABOUT OFS

OFS has a unique philosophy of education, which places our student's individual learning needs and experiences at the heart of all we do. We promote a truly international outlook with over 60 nationalities within our student and staff body.

Having such a diversified student population not only prepares our students to integrate and interact within a globalised economy and a culturally diversified society, but also reduces our dependency as a school on the influx of students from any particular country.

We firmly believe in placing our clients, namely the parents and guardians of our students, central in the decisions relating to, and the progress of their children's education. Working in partnership with the

parents, OFS provides professional advice, supporting the parents as they make the final decisions on all matters affecting their children.

In addition, we take pride that our academic personnel are given time to focus on quality teaching and learning by only being tasked with teaching duties, with all other administrative duties being carried out by our supportive administrative team.

We have a fully integrated inquiry-based curriculum based on the

International Early Years Curriculum (IEYC), International Primary Curriculum (IPC), International Baccalaureate Middle Years and Diploma Program (IB MYP & IB DP) and the IGCSE. These curriculums offer OFS the freedom to integrate other specialist intellectual development programs within each school's syllabus such as Chess, Math Coding and the Model United Nations Program, which further our student's skills and abilities and prepares them for the future world of work.

KINDERGARTEN

PRE-K1 TO K2

International Early Years Curriculum

ELEMENTARY SCHOOL

GRADES 1 TO 5

International Primary Curriculum

MIDDLE SCHOOL

GRADES 6 TO 8

IB Middle Years Programme

HIGH SCHOOL

GRADES 9 TO 10 (JUNIOR)

IB Middle Years Programme, IGCSE

HIGH SCHOOL

GRADES 11 TO 12 (SENIOR)

IB Diploma Programme



OTHER PROGRAMMES

- Model United Nations (MUN) Initiative
- Study Preparation Programme
- Foreign Language Programme
- Intellectual Development Programmes (Mother Tongue, Chess and Math Coding)
- Enrichment, Sports and After-School Programmes
- College Admission Counselling and Community Service

ABOUT OFS

THE OFS CURRICULUM

FULLY INTEGRATED INQUIRY-BASED CURRICULUM

Inquiry-based programmes form the foundation for the development of the curriculum in our School.



International Early Years Curriculum (IEYC)

The IEYC is offered in Kindergarten. It is a comprehensive curriculum for students aged 2 to 5, comprising IEYC Units of Learning based on exciting themes that capture children's natural curiosity. Each IEYC unit is designed around eight key learning principles that we consider essential to children's learning and development in the early years phase of formal education.

International Primary Curriculum (IPC)

The IPC is offered in Elementary School. A comprehensive curriculum for students aged 6 to 10, it comprises IPC Units of Work, each based on a theme, designed for a clear learning experience. The IPC Learning Goals form the foundation of the IPC and enable children to acquire sophisticated national, international, global and intercultural perspectives. Each IPC unit comprises learning-focused activities that help children gain a sense of themselves, their community and the world around them, while developing the capacity to take action and make a difference.

International Baccalaureate Middle Years Programme (IB MYP) and Diploma Programme (IB DP)

The IB MYP is offered throughout the Middle School (Grades 6-8) and for the first two years of High School (Grades

9 and 10). The IB DP is offered in the final 2 years of High School. The IB DP is a globally respected academically rigorous program that provides access to many universities internationally, including all major prestigious institutions across the globe.

International General Certificate of Secondary Education (IGCSE)

In addition to the IB MYP, we also offer the IGCSE examinations, administered by Cambridge Assessment International Education, UK, to our students in Grade 10. The IGCSE certificate is equivalent to the GCE O-Level certificate and is examination-based and externally assessed.

Western Association of Schools and Colleges (WASC)

The School's curriculum is also accredited K-12 by the WASC, California, USA. WASC accreditation serves as a recognition of quality of our School's programmes and operations, and validates the OFS High School Diploma (OFSD). The OFSD, with WASC accreditation, is important to OFS High School graduates seeking admission to universities or other tertiary institutions in North America, in particular the western region of the USA.

OPEN ENTRY POLICY

OFS has an "open entry policy" under which it enrolls students without pre-

entry tests or reference to previous school reports. This inclusive education policy supports the school's belief that with proper motivation, and freedom from excess criticism and discipline, all students have the potential to exceed previous academic performances. Administrators, teachers and parents cooperatively provide a supportive environment in which each student is encouraged to reach their highest academic potential. OFS also has an "open examination entry policy" under which all students are encouraged and given assistance to prepare for and take internal and international examinations. Having a Pre-K1 to Grade 12 curriculum enables us to accept enrolment of students at any pre-tertiary education level.

MODEL UNITED NATIONS (MUN)

Designed to raise student awareness of prevailing global issues, the MUN initiative introduces MUN-advocated skills, mindsets and practices to students of all ages. In 2009, OFS integrated the MUN initiative into our curriculum, and was the first and only Foreign System School (FSS) in Singapore to do so. The MUN initiative seeks to develop students' skills in communication, research, collaboration, negotiation and presentation and to promote international-mindedness from a relatively young age.

In 2011, the Hague International Model United Nations (THIMUN) approved the affiliation status for our



School's MUN programme, known as MUNOFS. We have been organising annual MUNOFS conferences for more than ten years. Every year, we organise three MUN conferences – MUNOFS for High School students, MY-MUNOFS for Middle School students and PY-MUNOFS for Elementary School students. As a result of the pandemic in 2021, OFS built a special hybrid platform which enabled the MUNOFS XIV conference to reach a wider global audience and set of participants (over 350 participants from 20 schools). This initiative has not only led to further participation but has also created an OFS student-led programme where students from schools, who do not have such a MUN provision or necessary resources from across the world, can be trained and prepared to participate in future MUN conferences. With the rapid growth and popularity of our conference, 2022 MUNOFS XV saw the expansion of our committees to include the US Senate and Interpol and the addition of the Historical Joint Crisis Committee in 2023. The new experiences gained by the student leaders and team in the run-up preparation for these conferences has given total new meanings to connectivity and global reach in our world. It has also provided a multitude of leadership opportunities for our students to grow their skills and abilities.

We have also initiated iMUN which now runs up to two smaller online debates annually. This is offered free to develop our Grade 8 and 9

student MUN leaders who need to gain more conference experiences. We also host pre-conference debate in preparation for the MY-MUNOFS, with approximately 100 delegates from Singapore and abroad. We have further expanded the activities for our MUN Executive Team members to prepare and train delegates not just from within OFS, but also from other schools, both locally and abroad. These activities enrich the experiences of our student leaders, building their leadership skills further.

USING IT INNOVATIVELY

Our extensive IT resources, infrastructure and unique OFS integrated software application have enhanced the learning experience and interaction among our students, their parents and our teachers, as well as increased our effectiveness and efficiency in running the School.

We have a school-wide, online assessment system that permits students, parents and teachers to assess the effectiveness of classes that have been taught during a school day. This system supports and promotes student learning, and accurately reports student achievement on an on-going basis.

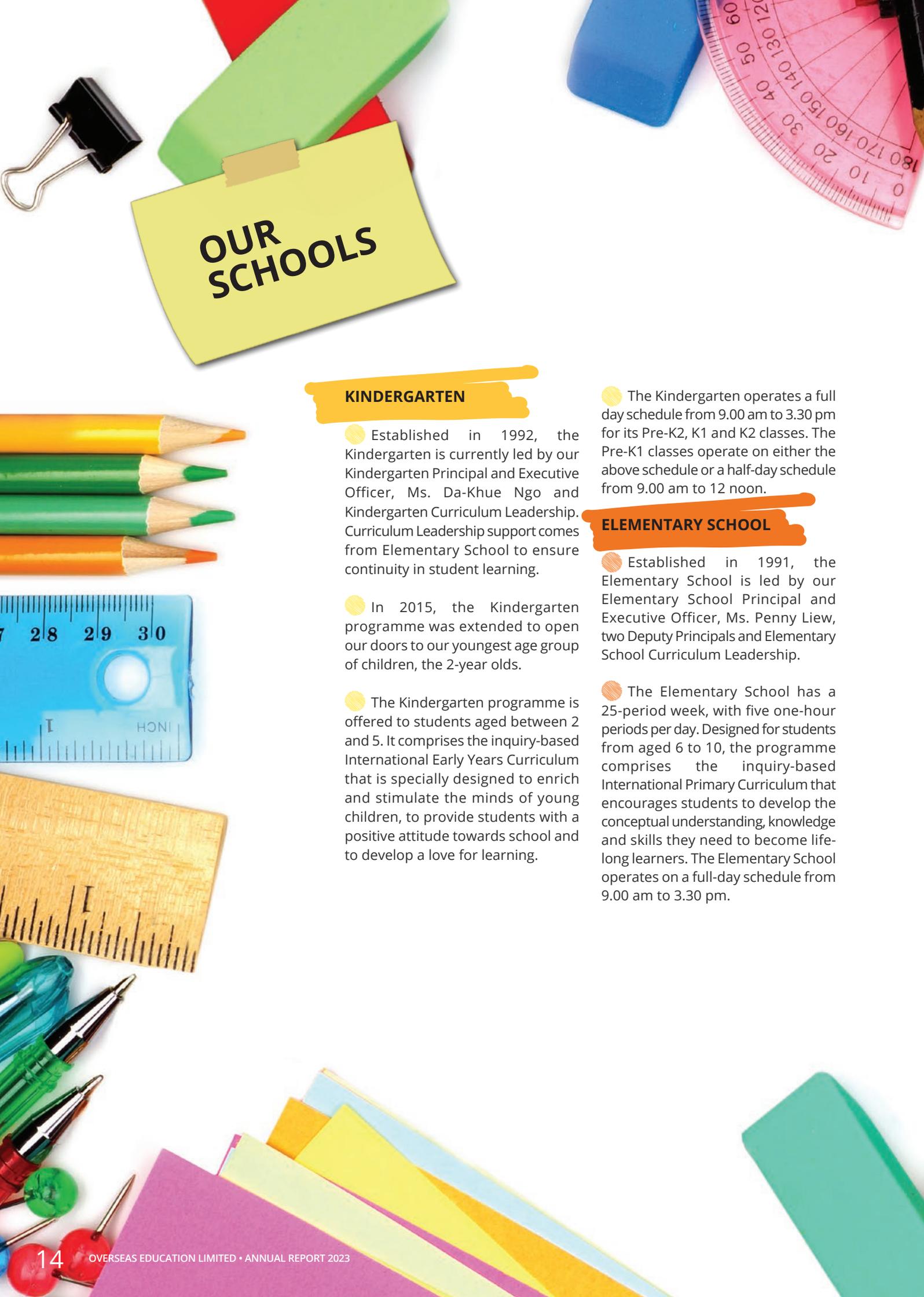
This system has been a key contributing factor to the academic achievements of our students. Over the past five academic years, the percentage of High School students who obtained 35+ points (which would generally

require the students to have obtained a majority of at least six 'A-' grades and above), was consistently above the world-wide percentages of IB DP students. In Academic Year 2022/2023, over 24% of students scored over 40 points or more compared to the 8.6% world average.

Two of our class of 2023 graduates gained places at Brown and Dartmouth College, two highly rated Ivy League Universities.

Our strength in IT was previously demonstrated with our smooth transition to the mandated home-based learning during the pandemic underpinned by our online OFS Learning Portal. This system has continued to prove vital in providing Distance Learning post pandemic where many students have been required to stay home due to contracting Covid-19 or other travel restrictions. Despite these disruptions, the online learning system and resources have ensured that our students have continued to reach their full educational potential.





OUR SCHOOLS

KINDERGARTEN

Established in 1992, the Kindergarten is currently led by our Kindergarten Principal and Executive Officer, Ms. Da-Khue Ngo and Kindergarten Curriculum Leadership. Curriculum Leadership support comes from Elementary School to ensure continuity in student learning.

In 2015, the Kindergarten programme was extended to open our doors to our youngest age group of children, the 2-year olds.

The Kindergarten programme is offered to students aged between 2 and 5. It comprises the inquiry-based International Early Years Curriculum that is specially designed to enrich and stimulate the minds of young children, to provide students with a positive attitude towards school and to develop a love for learning.

The Kindergarten operates a full day schedule from 9.00 am to 3.30 pm for its Pre-K2, K1 and K2 classes. The Pre-K1 classes operate on either the above schedule or a half-day schedule from 9.00 am to 12 noon.

ELEMENTARY SCHOOL

Established in 1991, the Elementary School is led by our Elementary School Principal and Executive Officer, Ms. Penny Liew, two Deputy Principals and Elementary School Curriculum Leadership.

The Elementary School has a 25-period week, with five one-hour periods per day. Designed for students from aged 6 to 10, the programme comprises the inquiry-based International Primary Curriculum that encourages students to develop the conceptual understanding, knowledge and skills they need to become life-long learners. The Elementary School operates on a full-day schedule from 9.00 am to 3.30 pm.



MIDDLE SCHOOL

Established in 1991, the Middle School is currently led by our Middle School Principal and Executive Officer, Mr. Michael Lee, one Deputy Principal and Middle School Curriculum Leadership.

The Middle School has a 25-period week, with five one-hour periods per day, delivering the first three years of the IB MYP. The Middle School operates on a full-day schedule from 9.00 am to 3.30 pm.

HIGH SCHOOL

Established in 1991, the High School is led by our High School Principal and Executive Officer, Mr. Adam Ashton, two Deputy Principals and High School Curriculum Leadership, covering both Junior and Senior High Schools.

The Junior High School has a 25-period week with five one-hour periods per day. It operates on a full-day schedule from 9.00 am to 3.30 pm.

Concurrent with the final two years of the IB MYP, the Junior High School students at OFS are also offered the IGCSE syllabus at Grades 9 and 10.

The Senior High School has a 25-period week with five one-hour periods per day. It operates on a full-day schedule from 9.00 am to 3.30 pm.

In Grade 12, students will usually attempt to obtain the full IB Diploma or obtain the IB Certificates for individual subjects. On graduation from Grade 12 from OFS, by having obtained a minimum of 22 credits from the various courses from Grades 9 to 12, among other requirements, our students will be conferred the OFS High School Diploma. The OFS High School Diploma is evidence that a student has satisfactorily completed four years of high school at OFS.



ABOUT OFS

OUR UNIQUE PROGRAMMES

In addition, our School offers other programmes to supplement the curriculum, which include:

STUDY PREPARATION PROGRAMME (SPP) AND FOREIGN LANGUAGE PROGRAMME

English is the language in which our School conducts the teaching of our main curriculum. For students for whom English is not their first language, where necessary we offer them the specialised SPP. SPP classes teach students the academic English required for their subjects and are conducted by qualified language teachers. It is a high intensity programme which is also intended to develop strong study habits and learning skills in students. The programme has three levels:

- At Levels 1 and 2 (SPP1 & SPP2), the students undergo an intensive language acquisition programme, conducted by specialist teachers trained to teach English for speakers of other languages; and
- When basic proficiency is reached, our students are moved to Level 3 (SPP3) where they join a regular homebase and participate in all regular classes. Students can elect to get extra support in English or continue with their mother tongue during the Language period.

During Mathematics, SPP1 students will be taught in a dedicated class by a Mathematics specialist. SPP2 and SPP3 students are taught Mathematics in a mainstream class.

A main objective of SPP is to enable SPP students to join the mainstream classes as quickly as possible, preferably at the same grade level as their non-SPP peers, so that they do not lose an academic year.

At OFS, all non-SPP students are expected to study another major international language apart from English, or their mother tongue. The five foreign languages currently offered at OFS are French, German, Hindi, Mandarin and Spanish.

INTELLECTUAL DEVELOPMENT PROGRAMMES

The OFS educational model does everything possible to develop student intellect, for greater breadth and depth of learning. We avoid branding students by ability, and have consistently adopted as an institutional objective, development of each student's intellectual capacity. Over the years, OFS has introduced initiatives specifically designed to meet these goals and our new campus provides the space, environment and opportunity to be even more effective.

Our Intellectual Development Programmes include Mother Tongue, Chess and Math Coding.

All junior students receive professional tuition in Chess and Math Coding.

Young students for whom English is not their first language, receive regular lessons to strengthen and advance their own Mother Tongue. Their teachers are native speaking teachers of that Mother Tongue. To date OFS has regular classes in 14 Mother Tongues. Research shows that maintaining a student's Mother Tongue while changing the language of instruction at school is extremely positive for their intellectual development.

We currently offer Mother Tongue classes in Danish, Dutch, Finnish, French, German, Hebrew, Italian, Japanese, Korean, Mandarin, Norwegian, Russian, Spanish and Swedish.

OFS attracts enthusiastic parental recognition of the importance of these "Intellectual Development" policies for their children.





ENRICHMENT AND AFTER-SCHOOL PROGRAMMES

For the Enrichment Programme, OFS currently offers over 30 optional activities that students from K1 to Grade 12 may enrol in. These optional activities range from physical sports activities such as artistic and rhythmic gymnastics, badminton, ballet, basketball, cricket, golf, hip hop, inline skating, karate, sailing, soccer, taekwondo, tennis, and volleyball, to classroom activities such as art, automotive and race car engineering, baking, clay modelling, coding, cooking wizards, Fun Aerospace, Lego Engineers and speech & drama. In addition, students can also choose to do a third language taught by native teaching professionals. These optional activities are provided by both external service providers who are carefully screened and selected by the OFS Enrichment Programme team, as well as our suitably qualified teachers. Language courses are also open for participation by the parents of our students. These optional activities are fees payable.

Apart from the enrichment programmes, OFS teachers also conduct extra-curricular activities

and after-school sports programmes. Students can choose to join various after-school clubs to learn the arts, music, dance or drama. With the reintroduction of competitive sports (OFS Tigers) in August 2020, students can participate in most sports either at a competitive or recreational level, such as basketball, badminton, cricket, cross country, football, gymnastics, netball, rugby, swimming, softball, tennis, track team and touch football. No extra fees are payable for such extra-curricular activities.

COLLEGE ADMISSION COUNSELLING

Our Academic Advisors provide comprehensive support to students and their families through all aspects of the university application process. We host information evenings, workshops, and alumni meetings to provide students and their families with information on admission requirements to colleges and universities around the world. In these sessions, they share information about the different educational systems, degrees, and courses available for tertiary education. The Academic Advisors also offer special workshop opportunities to guide students

through the varying demands of the different university systems, including providing students with guidance and feedback on their application essays. Finally, for those students whose applications require interviews, they provide mock interview sessions and feedback.

As part of their role, our Academic Advisors are also in regular contact with universities and organise annual visits, primarily online, from representatives of colleges and universities worldwide including Canada, Australia, Hong Kong, Europe, Singapore, Japan, the United Kingdom, and the United States. We encourage Grade 11 and 12 students and their parents, to meet these representatives, whether online or in person, to learn about different academic programmes, their entry requirements, application procedures and other prerequisites for admission. During the academic year, we welcome numerous visits from universities from around the world and host two big university fairs annually.

FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

5-YEAR FINANCIAL SUMMARY

FINANCIAL HIGHLIGHTS (S\$'000)	FY2019	FY2020	FY2021	FY2022	FY2023
Total revenue ¹	82,299	79,055	74,564	76,363	87,825
Profit before taxation	10,788	12,938	7,963	6,865	9,340
Net profit for the year	8,007	10,296	6,333	5,278	6,726
Earnings per ordinary share (cents)	1.9	2.5	1.5	1.3	1.6

BALANCE SHEET (S\$'000)	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Dec 2022	31 Dec 2023
Total assets	304,830	293,946	282,152	285,105	284,818
Total liabilities	165,222	155,463	146,890	149,965	147,521
Revenue reserve	66,525	65,399	62,178	62,057	64,214
Total equity	139,609	138,482	135,262	135,140	137,297
Net asset value per ordinary share (cents)	33.6	33.3	32.6	32.5	33.1

CASH FLOW (S\$'000)	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Dec 2022	31 Dec 2023
Net cash generated from operating activities	28,923	24,983	17,515	31,000	26,797
Net cash used in investing activities	(1,495)	(1,290)	(1,076)	(822)	(2,012)
Net cash used in financing activities	(23,564)	(25,012)	(22,195)	(18,249)	(19,459)
Cash and cash equivalents at the end of the year	45,498	44,179	38,424	50,353	55,679

Note:

¹ Total revenue consists of tuition fees, registration fees, school shop revenue, enrichment programme revenue, interest income and other revenue.

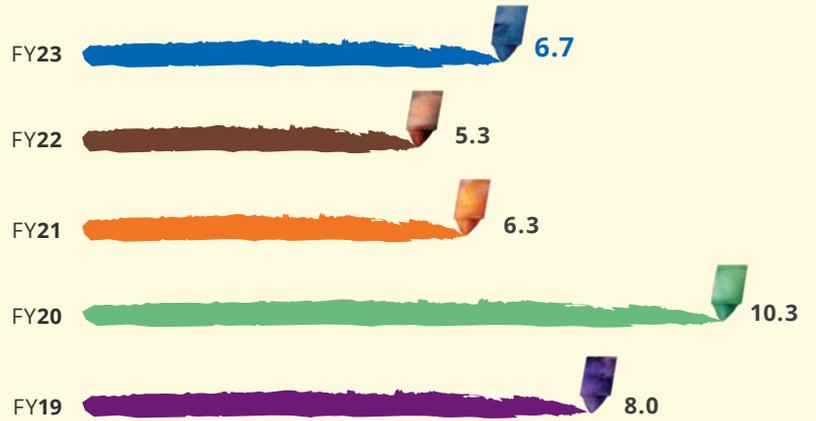
TOTAL REVENUE
(S\$'million)

S\$87.8
MILLION



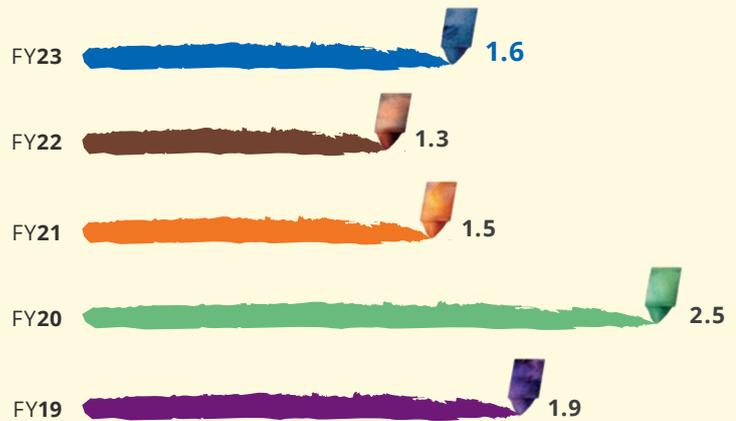
NET PROFIT FOR THE YEAR
(S\$'million)

S\$6.7
MILLION



EARNINGS PER ORDINARY SHARE
(cents)

S\$1.6
CENTS



OPERATIONS & FINANCIAL REVIEW

INCOME STATEMENT

Total Revenue

The Group recorded a revenue of \$44.24 million for the second half year ended 31 December 2023 (H2 2023) compared to \$38.95 million for the corresponding period ended 31 December 2022 (H2 2022). For the full year ended 31 December 2023 (FY 2023), total revenue increased to \$87.83 million compared to \$76.36 million for the last financial year (FY 2022). The increase in total revenue was due to an improvement in student enrolment during FY 2023.

Tuition fees revenue was higher at \$42.29 million in H2 2023 compared to \$37.49 million in H2 2022. Tuition fees revenue was also higher at \$84.54 million for FY 2023 compared to \$73.91 million for FY 2022. The overall increase in tuition fees revenue was due in part to an improvement in student enrolment, and also the revision of tuition fees from 1 January 2023.

Registration fees revenue was \$0.62 million in H2 2023 compared to \$0.53 million in H2 2022. Registration fees revenue was \$1.19 million in FY 2023 compared to \$1.03 million in FY 2022.

School shop revenue at \$0.44 million in H2 2023 was comparable to H2 2022. School shop revenue was \$0.61 million in FY 2023 compared to \$0.57 million in FY 2022.

Enrichment programme revenue was higher at \$0.54 million in H2 2023 compared to \$0.37 million in H2 2022. Enrichment programme revenue was also higher at \$1.00 million in FY 2023 compared to \$0.70 million in FY 2022.

Interest income was \$0.33 million in H2 2023 compared to \$0.07 million in H2 2022. Interest income was \$0.47 million in FY 2023 compared to \$0.09 million in FY 2022. The increase in interest income was due to the placement of fixed deposits at better interest rates.

Other income was \$0.02 million in H2 2023 compared to \$0.05 million in H2 2022. Other income was \$0.02 million in FY 2023 compared to \$0.06 million in FY 2022.

Operating Expenses

Total expenses before depreciation and amortisation was higher at \$32.16 million in H2 2023 compared to \$29.76 million in H2 2022. For FY 2023, total expenses before depreciation and amortisation was higher at \$63.04 million compared to \$58.40 million in FY 2022.





Details of expenses are as follows:

Personnel expenses were \$24.01 million in H2 2023 and \$47.75 million in FY 2023, compared to \$22.30 million in H2 2022 and \$44.68 million in FY 2022. The higher personnel expenses in FY 2023 were mainly due to the recruitment of academic staff to support the increase in student enrolment.

School shop costs were \$0.31 million in H2 2023 compared to \$0.29 million in H2 2022. School shop costs were \$0.42 million in FY 2023 compared to \$0.38 million in FY 2022.

Enrichment programme costs were \$0.34 million in H2 2023 compared to \$0.22 million in H2 2022. Enrichment programme costs were \$0.65 million in FY 2023 compared to \$0.51 million in FY 2022.

Utilities expenses were \$0.69 million in H2 2023 compared to \$0.66 million in H2 2022. Utilities expenses were lower at \$1.34 million in FY 2023 compared to \$1.58 million in FY 2022 due to the savings received from the solar renewable energy source that partially supports the electricity usage of the school campus.

Upkeep and maintenance expenses were \$0.93 million in H2 2023 compared to \$0.85 million in H2 2022. Upkeep and maintenance expenses were \$1.72 million in FY 2023 compared to \$1.56 million in FY 2022.

Finance costs were higher at \$2.27 million in H2 2023 compared to \$2.04 million in H2 2022. Finance costs were also higher at \$4.44 million in FY 2023 compared to \$3.59 million in FY 2022 due mainly to the higher prevailing interest rate in FY 2023 compared to FY 2022.

Other operating expenses were \$3.63 million in H2 2023 and \$6.73 million in FY 2023, compared to \$3.40 million in H2 2022 and \$6.10 million in FY 2022. The higher other operating expenses in H2 2023 and FY 2023 was mainly due to costs inflation.

Depreciation and amortisation expenses were \$7.12 million in H2 2023 compared to \$6.95 million in H2 2022. Depreciation and amortisation expenses were also higher at \$14.09 million in FY 2023 compared to \$13.87 million in FY 2022 due to acquisition of additional school equipment and right-of-use assets.

The Group recorded a \$1.52 million and \$1.36 million fair value loss in H2 2023 and FY 2023, compared to fair value gain of \$1.02 million and \$2.77 million in H2 2022 and FY 2022 respectively. The fair value loss/gain arose from fair value changes of the interest-rate-swap contracts that the Group entered to hedge against rising interest rates on bank borrowings. More information is provided in Note 12 of the Group Annual Financial Statements.

Profitability

Profit before taxation was \$3.44 million in H2 2023 compared to \$3.25 million in H2 2022. Profit before taxation for FY 2023 ended higher at \$9.34 million compared to \$6.87 million in FY 2022.

Income tax expense for H2 2023 and FY 2023 were \$1.15 million and \$2.61 million respectively. The H2 2023 and FY 2023 income tax expense comprised mainly the provision for current tax of \$1.29 million and \$3.12 million respectively. The reversal of net deferred tax for H2 2023 and FY 2023 were \$0.14 million and \$0.50 million respectively. The income tax expense in H2 2022 and FY 2022 were \$0.82 million and \$1.59 million respectively.

Net profit after taxation for H2 2023 was \$2.29 million compared to H2 2022 of \$2.44 million. Net profit after taxation for FY 2023 ended higher at \$6.73 million compared to \$5.28 million for FY 2022.

OPERATIONS & FINANCIAL REVIEW

BALANCE SHEET

Total property, plant and equipment and right-of-use assets at 31 December 2023 amounted to \$221.57 million compared to \$226.65 million at 31 December 2022. The decrease of \$5.08 million was due mainly to the depreciation charge for the financial year, offset by the additional right-of-use assets and other plant and equipment of \$7.15 million and \$1.64 million respectively during the financial year.

Derivatives (current and non-current) at 31 December 2023 of \$1.41 million (2022: \$2.77 million) represent the fair values of interest-rate-swap contracts entered into by the Group to hedge against rising interest rates on bank borrowings. More information is provided in Note 12 to the Group Annual Financial Statements.

Inventories of school uniforms, books and stationery for sale at the school shop were \$0.45 million at 31 December 2023 compared to \$0.47 million at 31 December 2022.

Trade receivables comprised amounts attributable to tuition fees, registration fees, school shop revenue and other revenue. Trade receivables of \$0.92 million at 31 December 2023 were higher compared to \$0.64 million at 31 December 2022 due mainly to the timing of collection of the receivables for the reporting year.

Other receivables and deposits at 31 December 2023 of \$0.51 million was comparable to 31 December 2022.

Prepayments at 31 December 2023 were at \$1.62 million compared to \$1.10 million at 31 December 2022.

The Group's cash and cash equivalents amounted to \$55.68 million at 31 December 2023 and \$50.35 million at 31 December 2022. The increase 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 \$1.82 million at 31 December 2023 compared to \$1.20 million at 31 December 2022 mainly due to timing of payments of operating expenses.

Total fees received in advance (current and non-current) was \$36.11 million at 31 December 2023 and \$36.58 million at 31 December 2022. The total fees received in advance at 31 December 2023 and 31 December 2022 comprised tuition fees collected before the commencement of the next semester in January, and registration fees collected upon enrolment.

Lease liabilities (current and non-current) were \$6.41 million at 31 December 2023 compared to \$3.79 million at 31 December 2022. The variation in the lease liabilities was due to the expiration and renewal of the lease contracts for teachers' apartments.

Borrowings - Bank Loan (current and non-current) was \$90.48 million at 31 December 2023 compared to \$96.44 million at 31 December 2022. The Group paid the quarterly instalment of \$1.54 million each in January, April, July and October 2023. More information on the bank loan facility is disclosed in Note 20 to the Group Annual Financial Statements.

Goods and Services Tax payable of \$3.19 million and \$2.73 million at 31 December 2023 and 31 December 2022 respectively arose mainly from the billing of next semester's tuition fees. GST rate applicable in the billing was 8% in FY 2023 and 7% in FY 2022.

Deferred tax liabilities amounted to \$5.96 million at 31 December 2023 compared to \$6.46 million at 31 December 2022. 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.

CASH FLOW STATEMENT

The net cash generated from operating activities in FY 2023 was \$26.80 million, which consisted of cash inflow from operating activities before working capital changes of \$28.76 million, net working capital outflow of \$0.06 million and interest received of \$0.47 million and income tax paid of \$2.38 million.

The net cash used in investing activities of \$2.01 million was for the capital expenditure in the normal course of business.

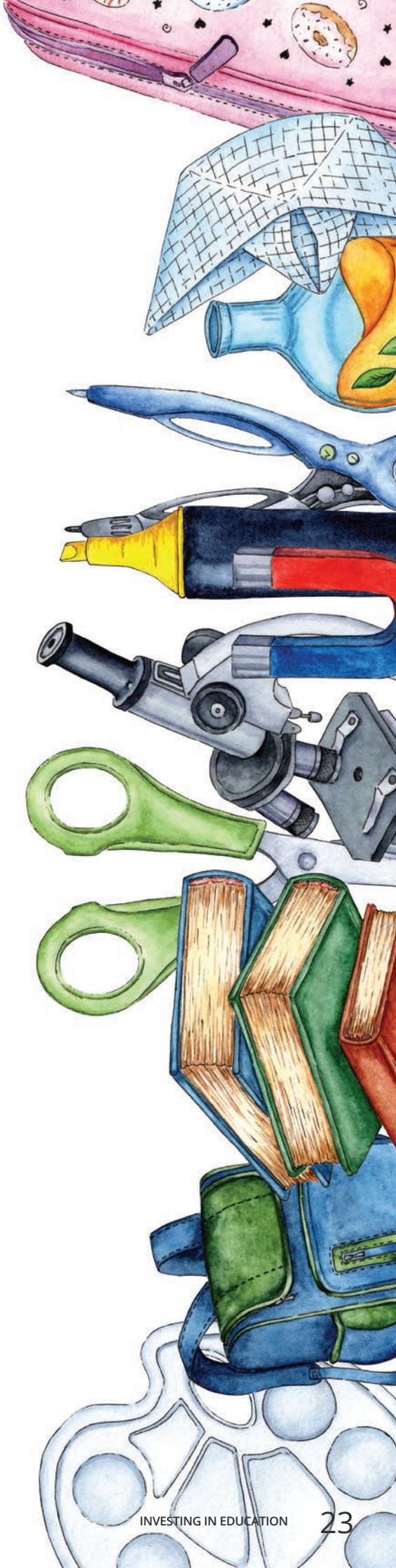
The net cash used in financing activities of \$19.46 million comprised lease payments of \$4.41 million, lease interest paid of \$0.19 million, payment of bank loan interest of \$4.13 million, bank loan repayment of \$6.16 million and dividends payment of \$4.57 million during the reporting period.

SIGNIFICANT TRENDS AHEAD

We expect the inflow of expatriate families to continue to recover as Singapore strives to attract talent and create new jobs via its foreign direct (and fixed asset) investments ("FDI") policies.

The Group is cautiously optimistic that the student enrolment will improve in tandem with Singapore's FDI policies despite the ongoing geopolitical tensions and challenging global economic environment.

However, the Group expects the foreign system schools' landscape and the operating environment to remain competitive and challenging amid new entrants, rising costs and a high inflationary environment.





SUSTAINABILITY HIGHLIGHTS



SUSTAINABILITY HIGHLIGHTS

GOVERNANCE FOR SUSTAINABILITY

OEL's Board champions sustainability through its governance. Setting 'tone from the top', the Board is supported by the Audit Committee in assessing climate risks, the Remuneration Committee in linking remuneration to sustainability strategy, and the Nominating Committee in appointing the Sustainability Team Lead. Our CEO has the overall accountability for sustainability performance, while our CFO leads the Sustainability Team in the delivery of key sustainability performance matters. The Sustainability Work Teams are responsible for the execution of our sustainability initiatives.



TACKLING CLIMATE CHANGE

"Increased cost of manpower", "Shift in consumer perception", "Changes in precipitation patterns and extreme variability in weather patterns" and "Rising mean temperatures" were identified to be the top climate-related risks facing OEL's operation. OEL disclosed our governance, strategy, risk management, and metrics and targets in our sustainability report for FY2023.

MATERIAL ESG TOPICS IN FY2023

Valuing inclusive growth in sustainability, we engaged our internal and external stakeholders through diverse communication channels including an online survey to understand their ESG priorities. We have also compared commonly disclosed ESG priorities of our educational sector peers. Our top 11 ESG topics for FY2023 are as follows:

1. ANTI-CORRUPTION
2. OCCUPATIONAL HEALTH AND SAFETY
3. DIVERSITY, EQUITY AND INCLUSION
4. TRAINING AND EDUCATION
5. EMPLOYMENT
6. SECURITY PRACTICES

7. LOCAL COMMUNITIES
8. ENERGY & EMISSIONS
9. WATER AND EFFLUENTS
10. WASTE
11. ECONOMIC PERFORMANCE



SUSTAINABILITY HIGHLIGHTS

HEALTH, SAFETY AND SECURITY

OFS cafeteria maintains Grade A rating from NEA. Our in-house clinic houses a retainer doctor and full-time nurses for OFS community's prompt access to medical care. Under the purview of OFS Security Department and IT Department, we uphold campus and data security with robust fire and emergency management system. Our Safeguarding Policy protects our students from all forms of abuse and neglect. We enforce zero tolerance for violence.

ENVIRONMENTAL PERFORMANCE

	FY2023 Performance
Total Electricity Consumption	4,634,665 kWh
Total Energy Consumption	17,334 GJ
Total Scope 1 & 2 GHG Emissions	1,977 tCO ₂ e
Total Water Withdrawal	29,091 m ³
Total Waste Generated	68,600 kg





Due to population expansion in the OFS community, our overall resource consumption and waste generation see comparable increases in FY2023 compared to FY2022. OFS continues to explore green energy and resource efficiency options.

ENGAGEMENT WITH COMMUNITY

In 2023, OFS continued our ongoing community services including Beach Clean-ups, Riding for the Disabled (RDA) and Movement for the Intellectually Disabled (MINDS). Driven by social responsibility, our students advocated for endangered animals through Conservation Club, repurposed plastic bottles into furniture through Eco-Bricks Club, explored areas for improvements to align with UN SDGs, promoted gender equality through Girl Up Club, and volunteered to pack food for Food from the Heart. More community services are reported in our Sustainability Report for FY2023.

Details of our management, performance and targets for the top 11 material topics are available in our Sustainability Report for FY2023 by scanning the QR code below.



CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) and management of Overseas Education Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) place great importance in a high standard of corporate conduct to uphold good corporate governance. This commitment and continuous support of the Code of Corporate Governance 2018 (the “**Code**”) and accompanying Practice Guidance can be seen from the Board's and management's efforts to promote and maintain values which emphasise transparency, accountability, integrity and proper conduct at all times in the business operations and dealings of the Company so as to create value for its stakeholders and safeguard the Group's assets.

This report describes the practices the Company has undertaken with respect to each of the principles and guidelines and the extent of its compliance with the Code and should be read as a whole, instead of being read separately under the different principles of the Code. The Company has complied in all material aspects with the principles and guidelines set out in the Code and where there are deviations from the Code, the reasons for the deviations are explained accordingly in this report.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with management for the long-term success of the Company.

Role of the Board

As of the date of this report, the Company is headed by an effective Board comprising six (6) directors of whom two (2) are executive directors and four (4) are non-executive and independent directors. Their combined wealth and diversity of skills, experience, gender and knowledge of the Group enables them to contribute effectively to the strategic growth and governance of the Group. The Board assumes responsibility for stewardship of the Group and is primarily responsible for the protection and enhancement of long-term value and returns for shareholders. The Board supervises the management of the business and affairs of the Group, provides corporate direction, monitors managerial performance and reviews financial results of the Group.

The principal functions of the Board, apart from its statutory responsibilities, include:

- Providing entrepreneurial leadership and setting the overall strategy and direction of the Group, taking into account environmental and social factors as part of its strategic formulation;
- Overseeing the management of the Group's business affairs, financial controls, performances and resource allocation;
- Monitoring and reviewing the performance of the management team;
- Approving the Group's strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions and major corporate policies;
- Establishing a framework of prudent and effective controls and overseeing the processes of risk management, financial reporting and compliance, evaluating the adequacy of internal controls and safeguarding the shareholders' interests and the Group's assets;
- Approving the release of the Group's half and full-year financial results, related party transactions of material nature and submission of the relevant checklists to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”);
- Appointing directors and key management personnel, including the review of their performance and remuneration packages and succession planning as an on-going process;
- Reviewing and endorsing corporate policies in keeping with good corporate governance and business practices;

- Identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation; and
- Setting the Group's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met.

All directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and hold management accountable for performance. The Board also sets the tone for the Group in respect of ethics, values and desired organisation culture, and ensures proper accountability within the Group. Directors must avoid situations in which their own personal or business interest directly or indirectly conflict or potentially conflict with the interest of the Group. Where a director has a conflict or potential conflict of interest in relation to any matter, he/she will immediately declare his/her interest to all directors and send a written notice to the Chairman and/or Company Secretary, setting out the details of his/her interest and the conflict; and will recuse himself/herself from any discussion on the matter and abstain from participating in any Board decision.

BOARD PROCESSES

To ensure that specific issues are subject to consideration and review before the Board makes its decisions, the Board has established three (3) Board committees, namely, the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") (collectively "Board Committees"), responsible for making recommendations to the Board. These Board Committees operate within clearly defined terms of reference and play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees are reviewed by the Board Committees on a regular basis to ensure their continued relevance and to enhance the effectiveness of these Board Committees. The roles and responsibilities of these Board Committees are provided for in the latter sections of this report on Corporate Governance.

The Company has since its official listing on the SGX-ST on 7 February 2013, held its Board meetings on a quarterly basis. The Company announces the unaudited financial statements of the Company and of the Group on a half-yearly basis as required under the Listing Rules. For the reporting financial year ended 31 December 2023 ("FY2023"), the Board held a total of four (4) meetings. The minutes of all Board and Board Committees meetings, which provide a fair and accurate record of the discussion and key deliberations and decisions taken during the meetings, are circulated to the Board and Board Committees. The Board is free to seek clarification and information from the management on all matters within their purview. Ad-hoc meetings are convened at such other times as may be necessary to address any specific significant matters that may arise. The Board also approves important matters pertaining to the Group through written resolutions, which are circulated to the Board together with all relevant information relating to the proposed matters. The Company's Constitution (the "Constitution") provides for the meetings of the directors to be held by means of telephonic conference or other methods of simultaneous communication be it electronic or telegraphic means when necessary.

The agenda for meetings is prepared in consultation with the Chairman, the Executive Directors and/or the chairman of the Board committees. The agenda and documents are circulated in advance of the scheduled meetings.

The frequency of meetings and the attendance of each director at every Board and Board Committee meeting for FY2023 are disclosed in the table reflected below:

Attendance Report of Directors

Names of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Tan Teng Muan	4	4	4	4	2	2	2	2
Wong Lok Hiong	4	4	4	4*	2	1*	2	1*
Ho Hie Wu	4	4	4	4*	2	2*	2	2*
Ho Yew Mun	4	4	4	4	2	2	2	2
Leow Wee Kia Clement	4	4	4	4	2	2	2	2
David Peter Walker	4	4	4	4	2	2	2	2

* By invitation

The directors were appointed based on their experience, stature and potential to contribute to the proper guidance of the Group and its businesses.

CORPORATE GOVERNANCE REPORT

DIRECTOR ORIENTATION AND TRAINING

The Company conducts briefing and orientation programs for new directors to familiarise themselves with the Group's structure and organisation, businesses and governance policies. Briefings or discussions will be conducted by the Chairman, Chief Executive Officer ("CEO") and/or senior management on the key aspects of the business activities of the Group and its strategic direction, as well as their duties and responsibilities as directors. The aim of the orientation program is to give directors a better understanding of the Group's business which allow them to assimilate into their new roles. New directors are also informed about matters such as the Code of Dealing in the Company's securities. There was no new director appointed during the financial year under review.

Directors and key management personnel are encouraged to attend relevant training programmes, courses, conferences and seminars on new laws, regulations and updates on commercial areas conducted by relevant professional organisations from time to time. Changes to regulations and accounting standards are monitored closely by the management. In order to keep pace with such regulatory changes, the Company provides opportunities for ongoing training on Board processes and best practices as well as any updates on changes in legislation and financial reporting standards, regulations and guidelines from the SGX-ST that affect the Company and/or the directors in discharging their duties effectively.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading and key changes to the relevant regulatory requirements and financial standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA"), which are relevant to the directors are circulated to the Board. The Company Secretary also informs the directors of upcoming conferences and seminars relevant to their roles as directors of the Company as well as key amendments and their impact on the Code and Listing Manual of the SGX-ST. The external auditors would update the AC and the Board on new and revised financial reporting standards that are applicable to the Company or the Group annually.

MATTERS REQUIRING BOARD APPROVAL

The authority for approval of, inter alia, the following transactions rest with the Board:

- Approval of half and full year results announcements for release to the SGX-ST;
- Approval of annual reports, audited financial statements and sustainability reports;
- Convening of shareholders' meetings;
- Approval of corporate strategies;
- Approval of material acquisitions and disposal of assets;
- Approval of major investment and funding decisions;
- Issuance of shares or declaration of dividends; and
- Approval of announcements or press releases concerning the Group for release to the SGX-ST.

While matters relating in particular to the Company's objectives, strategies and policies require the Board's direction and approval, the management is responsible for the day-to-day operation and administration of the Company and of the Group in accordance with the objectives, strategies and policies set by the Board.

ACCESS TO INFORMATION

To assist the Board to fulfil its responsibilities, the management provides the directors with management reports which contain complete, adequate and timely information on Board affairs and issues that require the Board's decision as well as ongoing reports relating to the operational and financial performance of the Group. For matters that require the Board's decision, relevant members of the management staff are invited to attend and present at a specific allocated time during the Board and Board Committee meetings. Periodic financial reports, budgets, forecasts, material variance reports and disclosure documents are also provided to the directors, where appropriate, prior to

the Board and Board Committee meetings. In respect of budgets, any material variance between the projections and actual results are disclosed and explained during the meetings. Directors are also informed of any significant developments or events relating to the Group. In addition, the directors are entitled to request from the management such additional information as needed to make informed decisions. The management ensures that any additional information requested is provided to the directors in a timely manner.

The directors have separate and independent access to the key management personnel at all times and there is no restriction of access to the key management personnel in carrying out their duties. Where necessary, the Company will, upon the request of directors (whether as a group or individually), provide them with independent professional advice, to enable them to discharge their duties and responsibilities effectively. The costs of such professional advice will be borne by the Company.

The directors have separate and independent access to the Company Secretaries, who provide the directors with regular updates on the requirements of the Companies Act and all the rules and regulations of the SGX-ST. The Company Secretaries or their representatives attend all Board and Board Committee meetings, and assist the Chairman of the Board and Board Committees in ensuring that the relevant procedures are followed and reviewed such that the Board and Board Committees function effectively. The role of the Company Secretary has been formally established in a letter of engagement with the Company. The responsibilities include advising the Board on governance matters and assisting the Chairman to ensure information flow within the Board, Board Committees and between the management and directors. The decision to appoint or remove the Company Secretary is made by the Board as a whole.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

BOARD COMPOSITION

As of the date of this report, the Board consists of six (6) members comprising the Non-Executive Chairman and Independent Director, two (2) Executive Directors with one (1) of them also being the Chief Executive Officer and three (3) Independent Non-Executive Directors:

Executive Directors

Wong Lok Hiong (Chief Executive Officer and Executive Director)

Ho Hie Wu (Chief Financial Officer and Executive Director)

Independent Non-Executive Directors

Tan Teng Muan (Non-Executive Chairman and Independent Director)

Ho Yew Mun (Non-Executive and Lead Independent Director)

Leow Wee Kia Clement (Non-Executive and Independent Director)

David Peter Walker (Non-Executive and Independent Director)

BOARD INDEPENDENCE

The Board has adopted the Code's criteria of an independent director in its review that all independent directors have satisfied the criteria of independence. The current Board composition also complies with Provisions 2.2 and 2.3 of the Code where the independent and non-executive directors make up a majority of the Board.

The independence of each director is reviewed annually by the NC in accordance with the Code's definition of independence. Each independent director is required to complete a 'Confirmation of Independence' form to confirm his independence. The form, which was drawn up based on the definitions and guidelines set forth in Provision 2.1 of the Code and the Nominating Committee Guide issued by the Singapore Institute of Directors, requires each director to assess whether he/she considers himself/herself independent despite not having any of the relationships defined in the Code.

CORPORATE GOVERNANCE REPORT

The NC had conducted a review on the independence of all the independent directors. On 11 January 2023, the SGX-ST amended the Listing Rules to prescribe a nine-year tenure limit for independent directors. Rule 210(5)(d)(iv) of the Listing Rules states that a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine (9) years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. Rule 210(5)(d)(iv) takes effect for an issuer's annual general meeting for the financial year ending on or after 31 December 2023. Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement (who have sought approval from the shareholders in the Annual General Meeting of the Company held on 21 April 2021 of their continued appointment as independent directors pursuant to Rule 210(5)(d)(iii)) have, as at the date of this report, served on the Board beyond nine (9) years. Pursuant to 210(5)(d)(iv) of the Listing Rules, Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement may continue to be considered independent until the conclusion of the forthcoming annual general meeting of the Company for FY2023. Notwithstanding that Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement have served the Board beyond nine (9) years, the NC, with the concurrence of the Board, is satisfied that Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement have been able to objectively guide and oversee the management of the Group, provide checks and balances and exercise an independent business judgement to the best interests of the Group.

As Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement will not be eligible at the forth-coming AGM for re-election as independent directors pursuant to Rule 210(5)(d)(iv) of the Listing Rules, immediately after the conclusion of the forthcoming AGM: (i) Tan Teng Muan shall be redesignated as Non-Executive Chairman and Non-Executive Non-Independent Director and (ii) Ho Yew Mun and Leow Wee Kia Clement shall retire from the Board.

In view of the abovementioned retirements, the Board, having considered the recommendation of the NC, has recommended the appointment of Jong Voon Hoo and Leong Ching Ching as independent directors at the forthcoming AGM. Subject to shareholders' approval, Jong Voon Hoo and Leong Ching Ching would be appointed as independent directors of the Company. Further details of Jong Voon Hoo and Leong Ching Ching may be found on pages 51 to 56 of this Annual Report.

Each member of the NC had abstained from the discussions on the review of their independence and abstained from voting on any resolution in relation to their independence.

BOARD SIZE

The size and composition of the Board are reviewed from time to time by the NC with a view to determine the impact of its number upon effectiveness. The NC decides on what it considers an appropriate size, taking into account the scope and nature of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The composition of the Board is reviewed at least annually by the NC to ensure that there is an appropriate mix of expertise and experience, qualifications, gender and age to enable the management to benefit from a diverse perspective of issues that are brought before the Board. The Board in concurrence with the NC, was of the view that the current number of six (6) directors and the composition are appropriate and effective. No individual or small group of individuals dominate the Board's decision-making.

REGULAR MEETINGS FOR INDEPENDENT DIRECTORS

Although all the directors have an equal responsibility for the Group's operations, the independent directors play an important role (i) in ensuring that the strategies proposed by the management are constructively challenged and developed by taking into account the long-term interests of the shareholders and (ii) in reviewing the performance of management in meeting agreed goals and objectives, and monitoring the performance reporting. The independent directors meet at least once a year, or periodically as appropriate without the presence of management and Executive Directors in order to facilitate a more effective check on management and provide feedback to the Chairman of the Board.

BOARD DIVERSITY

With the introduction of Rule 710A of the Listing Rules effective from 1 January 2022, the Board has formulated and implemented a board diversity policy (the “**Board Diversity Policy**”) that addresses gender, skills and experience and other relevant aspects of diversity.

Under the Board Diversity Policy, the Board considers whether there is an appropriate mix of members taking into account factors including but not limited to appropriate balance and mix of gender, relevant skills, experience, and core competencies including accounting / finance, legal / corporate governance / sustainability, investment , risk management, business and management experience, and relevant industry knowledge to foster constructive debate. In reviewing the appointments of new directors, the Board together with the NC ensures that it sets relevant objectives to promote and achieve diversity on the Board, and that appointments are based on merit and after due consideration of the collective skills needed to strengthen the overall board governance role.

The Board composition reflects the Company’s commitment to Board diversity in terms of gender, skills and experience. The table below sets out the Company’s diversity targets, timelines for achieving the targets as well as its progress towards achieving the targets:

Target	Progress and plans towards achieving target										
<p>Gender Representation</p> <p>To enhance gender diversity by appointing at least one additional female director</p>	<p>At the forthcoming general meeting, Associate Professor Leong Ching Ching is being nominated as an independent director.</p>										
<p>Skills and Experience</p> <p>To ensure skillset of directors on the Board with relevant skills and experience, the Board has identified the following core competencies as important:</p> <p>(i) Accounting/finance (ii) Legal/corporate governance/sustainability (iii) Investment, risk management, business and management experience (iv) Relevant industry knowledge</p>	<p>Currently the proportion of the Board with the identified core competencies is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Core Competencies</th> <th>Number of Directors</th> </tr> </thead> <tbody> <tr> <td>Accounting/finance</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Legal/corporate governance/ sustainability</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Investment, risk management, business and management experience</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Relevant industry knowledge</td> <td style="text-align: center;">3 (3 Directors have strong understanding of Singapore and international education as well as university acceptance requirements)</td> </tr> </tbody> </table> <p>In view of two (2) of the current independent directors retiring at the forthcoming AGM, the NC and the Board have identified and will be nominating the following persons as independent directors of the Company.</p> <ul style="list-style-type: none"> • Jong Voon Hoo has considerable experience in accounting, auditing, investment advisory and financial management. He is being nominated as a Board member as part of the Group’s succession planning in relation to the roles of Chairman of the Audit Committee (as a member of the Board with financial and accounting related expertise) and Chairman of the Nominating Committee. • Leong Ching Ching, is an economist and Vice Provost (Student Life) of the National University of Singapore. She is also an Associate Professor at the Lee Kuan Yew School of Public Policy and an expert on public governance, sustainability and environmental economics. She is being nominated as a Board member as part of the Group’s succession planning in relation to the role of Chairman of the Remuneration Committee to provide education related expertise. <p>When identifying new director(s) for appointment to the Board, the Company strives to ensure that candidates who have the relevant skills, expertise and/or experience in the above mentioned core competencies are included for consideration by the NC.</p>	Core Competencies	Number of Directors	Accounting/finance	4	Legal/corporate governance/ sustainability	2	Investment, risk management, business and management experience	4	Relevant industry knowledge	3 (3 Directors have strong understanding of Singapore and international education as well as university acceptance requirements)
Core Competencies	Number of Directors										
Accounting/finance	4										
Legal/corporate governance/ sustainability	2										
Investment, risk management, business and management experience	4										
Relevant industry knowledge	3 (3 Directors have strong understanding of Singapore and international education as well as university acceptance requirements)										
<p>Board Independence</p> <p>To have a board with majority independent director representation within the next 2 years</p>	<p>Currently the independent directors make up the majority of the Board, however immediately after the conclusion of the forthcoming AGM, the independent directors will not form the majority of the Board.</p> <p>The Board will be looking to appoint new director(s) to the Board who are considered independent under the Code.</p>										

CORPORATE GOVERNANCE REPORT

Each director and proposed director has been appointed and nominated respectively based on his/her relevant experience and competencies, and collectively the Board provides diversity of expertise and knowledge in areas such as accounting, finance, investment, risk management, legal and business management. This diversity facilitates constructive debate on the business activities of the Company and enables the management to benefit from a diverse and objective set of perspectives on issues that are brought before the Board. The Board, in concurrence of the NC, was of the view that the directors possess the necessary competencies to provide the management with a diverse and objective perspective on issues so as to lead, govern and contribute to the Company effectively.

The profiles of the Board are set out on pages 6 and 7 of the Annual Report.

To-date, none of the independent directors of the Company has been appointed as director of the Company's principal subsidiary, which is based in Singapore.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and management, and no one individual has unfettered powers of decision-making.

For FY2023, the role of CEO was assumed by Wong Lok Hiong, Executive Director of the Company, who is the co-founder and the Chief Executive of Overseas Family School Limited, a wholly owned subsidiary of the Company, and the role of the Chairman was assumed by Tan Teng Muan, as the Non-Executive Chairman and Independent Director of the Company. In line with Provision 3.1 of the Code, the CEO and the Chairman are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. There is a clear division of responsibilities between the Chairman and the CEO, who are also not related to each other.

As the CEO, Wong Lok Hiong is responsible for the day-to-day business operations of the Group. She plays an instrumental role in charting the direction and strategic development of the Group and formulates business strategies, policies, budget and business development of the Group and promoting high standards of corporate governance.

As Chairman, Tan Teng Muan leads the Board and is responsible for the effective working of the Board including:

- Scheduling of meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties while not interfering with the flow of the Group's operations;
- Setting the meeting agenda of the Board;
- Ensuring that Board meetings are held when necessary;
- Facilitating contributions from the independent directors and encouraging constructive relationships between the directors;
- Exercising control over the quality, quantity and timeliness of information flow between the management and the Board;
- Ensuring and fostering constructive and effective communication with shareholders;
- Promoting a culture of openness and debate at the Board; and
- Promoting high standards of corporate governance with full support from the directors and management.

The Board is of the opinion that the process of decision making by the Board has a strong independent element and provides for collective decisions without any individual or small group of individuals dominating the Board's decision making.

LEAD INDEPENDENT DIRECTOR

In maintaining good corporate governance, Ho Yew Mun, the Lead Independent Director of the Company, leads and coordinates the activities of the independent directors and facilitates a two-way flow of information between shareholders, the Chairman and the Board. Hence, he contributes to a balance of viewpoints on the Board. He is the principal liaison on Board issues between the independent directors and the Chairman of the Board. The Lead Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of the CEO, Executive Directors or Chief Financial Officer (“CFO”) has failed to resolve or for which such contact is inappropriate.

Where appropriate, the Lead Independent Director meets with the other independent directors without the presence of the Executive Directors and provides feedback to the Chairman.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NOMINATING COMMITTEE COMPOSITION

As of the date of this report, the Board established the NC which consists of four (4) directors, all of whom are independent. The NC is chaired by an independent director, Leow Wee Kia Clement. The other NC members are Ho Yew Mun, the Lead Independent Director, Tan Teng Muan and David Peter Walker. The NC Chairman is also a director who has no relationship with the Company, its related corporations, its 5% shareholders or partners or its officers, and is not directly associated with 5% shareholders.

NOMINATING COMMITTEE ROLE

The NC is regulated by its terms of reference and its key functions include:

- Nomination and re-nomination of the directors of the Company having regard to their contribution, performance and ability to commit sufficient time and attention to the affairs of the Group, taking into account their respective commitments outside the Group;
- Determining annually whether a director is independent;
- Deciding whether a director is able to and has been adequately carrying out his/her duties as a director; notwithstanding that the director has multiple board representations;
- Reviewing of board succession plans for directors, in particular, the Chairman, the CEO and key management personnel;
- Development of a process and criteria for evaluation of the performance of the Board, Board Committees and directors;
- Reviewing of training and professional development programmes for the Board;
- Reviewing and approval of new employment of persons related to the directors, CEO and controlling shareholders and the proposed terms of their employment; and
- Appointment and re-appointment of directors (including alternate directors, if applicable).

The NC held two (2) meetings for the reporting financial year. Pursuant to the Constitution of the Company, one-third of the directors of the Company shall retire from office by rotation, with each director retiring at least once every three (3) years. Directors who retire are eligible to stand for re-election.

CORPORATE GOVERNANCE REPORT

DIRECTOR APPOINTMENT AND RE-APPOINTMENT

The Board has delegated to the NC the functions of developing and maintaining a transparent and formal process for the appointment and re-appointment of directors, making recommendations for directors who are due for retirement by rotation and seeking re-election at a general meeting and determining the independent status of each director.

The Company has in place, policies and procedures for the appointment of new directors, including the description on the search and nomination procedures. Each member of the NC shall abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the NC in respect of his/her re-nomination as a director.

Despite some of the directors having multiple board representations, the NC has reviewed the directorships of the directors and is satisfied that these directors are able to, and have adequately carried out their duties as directors of the Company after taking into consideration the number of listed company board representations and other principal commitments of these directors. Currently, the Board does not determine the maximum number of listed board representations any director may hold. The NC and the Board will review the requirement to determine the maximum number of listed board representations as and when it deems fit. Currently, the Company does not have any alternate director.

As Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement, having served on the Board beyond nine (9) years, will not be eligible for re-election at the forthcoming AGM as independent directors pursuant to Rule 210(5)(d)(iv) of the Listing Rules, immediately after the conclusion of the forthcoming AGM: (i) Tan Teng Muan shall be redesignated as Non-Executive Chairman and Non-Executive Non-Independent Director and (ii) Ho Yew Mun and Leow Wee Kia Clement shall retire from the Board.

Subject to shareholders' approval at the AGM, the Board, having considered the recommendation of the NC, has approved the nominations of Jong Voon Hoo and Leong Ching Ching as independent directors. Details of the proposed new directors seeking appointment are found in Table A set out on page 51 to page 56 of this Annual Report.

Where a vacancy arises, the NC will consider each candidate based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification, experience, ability to contribute effectively to the Board and to add value to the Group's business, in line with its strategic objectives before recommending the suitable candidate to the Board for approval.

Candidates may be suggested by directors or the management or sourced from external sources. The NC will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his/her responsibilities, good decision making track record, relevant experience and financial literacy. The NC will make a recommendation to the Board on the appointment and the Board appoints the most suitable candidate who must stand for re-election at the next AGM of shareholders.

Particulars of interests of directors who held office at the end of the financial year in shares and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Statement.

Regulation 96 of the Company's Constitution requires one-third of the Board to retire and submit themselves for re-election by shareholders at each AGM. All directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. A retiring director shall retain office until the close of the AGM at which he retires. In addition, Regulation 102 of the Constitution provides that every new director must retire and submit themselves for re-election at the next AGM of the Company following his/her appointment during the year.

The dates of initial appointment, last re-election, directorships and principal commitments of each director are set out below as at the date of this report:

Name of Director	Date of first appointment/ Date of last re-appointment	Designation	Directorships in other listed companies and other principal commitments	Past directorships in other listed companies and other major appointments over the preceding three (3) years
Tan Teng Muan	28 October 2011/ 27 April 2023	Non-Executive Chairman and Independent Director Member of Audit, Nominating and Remuneration Committees	Commissioner for Oaths and Director in UniLegal LLC	Independent Director of United Global Limited Commissioner for Oaths and Partner in Mallal & Namazie
Wong Lok Hiong	28 October 2011/ 28 April 2022	CEO and Executive Director	Chief Executive of Overseas Family School Limited Director of Overseas Family School Limited (Hong Kong) Director of Master Projects Pte Ltd Director of WLH Private Limited	Director of Centre for Advanced Medicine Limited and Feedback Research Limited
Ho Hie Wu	1 September 2018/ 28 April 2022	Chief Financial Officer and Executive Director	Director of Overseas Family School Limited	NIL
Ho Yew Mun	1 August 2012/ 21 April 2021	Lead Independent Director Chairman of Audit Committee, Member of Nominating and Remuneration Committees	Trustee, Age Concern Wellington Region Trust Vice Chair and Board Member of Age Concern Wellington Region Inc.	NIL
Leow Wee Kia Clement	26 December 2012/ 21 April 2021	Independent Director Chairman of Nominating and Remuneration Committees and Member of Audit Committee	Managing Director and Head of Corporate Finance of Gsum Titanland Capital Pte Ltd Independent Director of Ellipsiz Ltd, MSM International Limited and Lum Chang Holdings Limited Non-Executive Director of Grand Team Technologies Pte. Ltd.	Executive Director and Chief Executive Officer of Allied Technologies Limited
David Peter Walker	1 July 2015 / 27 April 2023	Independent Director Member of Audit, Nominating and Remuneration Committees	Managing Director of Kauri Capital Pte Ltd Chairman of Soil Scout Oy Managing Director of Rimu Investments Pte Ltd	Member of Global Board of Governors of International Baccalaureate

Please refer to the “Board of Directors” section of the Annual Report for detailed information relating to the directors.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

In line with the principles of good corporate governance, the Board has implemented a structured process to be carried out by the NC to evaluate the effectiveness of the Board as a whole, its Board Committees and individual directors annually. The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities, communication with the management and standards of conduct of the directors. This encourages constructive feedback from the Board and enhances its performance over time.

The NC had also implemented a process to be carried out by the NC to assess the effectiveness of the Board Committees annually. During the financial year under review, each director was required to complete the evaluation form adopted by the NC to assess the overall effectiveness of the Board and Board Committees. In addition, the NC has implemented an annual self-assessment exercise to be performed individually by each director to assess his/her contribution to the Board's effectiveness. The evaluation results of the Board, Board Committees and individual assessments are reviewed and discussed by the NC. Any recommendation and suggestion arising from the evaluation exercise are circulated to the Board for consideration of the appropriate measures to be taken. The criteria taken into consideration by the NC and the Chairman include contribution and performance based on factors such as attendance, preparedness, quality of interventions and participation. Such assessments by the directors are useful and constructive, and this collective process has provided opportunities to obtain insightful feedback from each director on suggestions to enhance the effectiveness of the Board. These assessments have helped directors to be more focused on their duties, responsibilities and contributions to the effectiveness of the Board. Following the review, the Board is of the view that the Board and its Board Committees operate effectively and each director is contributing to the overall effectiveness of the Board. No external facilitator was used during the evaluation process.

Selected performance criteria will not change from year to year unless they are deemed necessary and the Board is able to justify the changes.

The NC, in considering the re-nomination of any director, had considered factors including their performance in the Board as a whole, its Board Committees and individual performance including his/her attendance, preparedness, participation and contributions in the proceedings of the meetings.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Remuneration Committee Composition

The RC comprises four (4) directors, all of whom are independent. The RC is chaired by an independent director, Leow Wee Kia Clement. The other RC members are Ho Yew Mun, Tan Teng Muan and David Peter Walker. In discharging their duties, the RC members have access to advice from the internal human resources personnel, and if required, advice from external experts.

Remuneration Committee Role

The Group's remuneration policy is to provide remuneration packages at market rates which reward successful performance and attract, retain and motivate directors and key management personnel. The RC recommends to the Board a framework for the remuneration for the Board and key management personnel and to determine specific remuneration packages for each director based on transparency and accountability.

The RC is regulated by its terms of reference and its key functions include:

- Reviewing and recommending to the Board a framework of remuneration and specific remuneration packages, including termination terms, for all directors and executive officers of the Company;
- Reviewing the service agreements of the Executive Directors and key management personnel of the Group;
- Performing an annual review of the remuneration of employees related to directors to ensure that their remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scope and level of responsibility; and
- Reviewing and approving the bonuses, pay increases and/or promotions of employees related to directors.

The RC recommends, in consultation with the CEO, a framework of remuneration policies for key management personnel and directors serving on the Board and Board Committees, and determines specifically the remuneration package for each director of the Company. The RC's review of remuneration packages takes into consideration the long-term interest of the Group and ensures that the interest of the directors align with that of the shareholders. The review covers all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses and benefits-in-kind. In addition, the RC also reviews the remuneration of senior key management personnel. The RC's recommendations are submitted to the entire Board for endorsement. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package.

In setting out the remuneration packages, the RC would take into consideration pay and employment conditions within the industry and in comparable companies. The remuneration packages should take into account the Group's relative performance and the performance of the individual directors and key management personnel.

Remuneration Experts

The RC, in considering the remuneration of all directors, has not sought external advice nor appointed remuneration consultants during the reporting financial year.

Termination Clauses

In reviewing the service agreements of the Executive Directors and key management personnel of the Group, the RC will review the Group's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoids rewarding poor performance. The RC has reviewed and recommended to the Board and the Board concurred that the termination clauses are fair and reasonable and not overly generous. There was no termination of any key management personnel during the reporting financial year.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Remuneration Framework

The remuneration packages of the Executive Directors are determined based on the framework recommended by the RC where the RC reviews the length of the fixed appointment period, the notice period for termination and the terms of the compensation package in the event of the termination of any Executive Directors' service agreements to ensure that the terms of such clauses are not onerous to the Company. In setting remuneration packages, the Company takes into consideration the remuneration packages and employment conditions within the industry, the long-term interest and risk policies of the Company, as well as the Group's relative performance and the performance of each director.

CORPORATE GOVERNANCE REPORT

Non-Executive Director Remuneration

The non-executive directors are paid directors' fees taking into account factors including but not limited to the effort, time spent and the scope of responsibilities of these directors. Independent directors should not be over-compensated to the extent that their independence may be compromised and no director is involved in deciding his/her own remuneration. The directors' fees are recommended by the RC and submitted to the Board for endorsement. Directors' fees are recommended by the Board for approval at the Company's AGM. To facilitate timely payment of directors' fees, directors' fees are paid in advance on a quarterly basis for the current financial year in which the fees are incurred.

CONTRACTUAL PROVISIONS TO RECLAIM INCENTIVES

The Executive Directors do not receive directors' fees. The remuneration packages of the Executive Directors and the key management personnel comprise primarily a basic salary component and a variable component comprising other benefits and bonuses. The remuneration packages of the Executive Directors and key management personnel do not contain any financial incentive component. Therefore, the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company would not be applicable in these circumstances.

On 26 January 2022, a new service agreement was drawn up for Wong Lok Hiong with her re-designation as the CEO and Executive Director of the Company. The new service agreement is for an initial period of three (3) years, and is subject to review by the RC and provides for automatic renewal for a further term of three (3) years unless either party gives to the other not less than six (6) months' prior notice of that party's intention not to renew.

The employment agreement with the Executive Director, Ho Hie Wu has no fixed term and is terminable by either party with three (3) months' prior notice.

LONG-TERM INCENTIVES

The Company currently has no employee share option schemes or other long-term incentive scheme in place, as the Company does not consider it appropriate for staff members of a school to be motivated by financial incentives, including share-based incentives.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The level and mix of remuneration of each director and top five (5) key management personnel (who are not directors and those who were in service for FY2023) were as follows:

Directors					
Names	Salary (\$)	Bonus (\$)	Other Benefits (\$)	Directors' Fees (\$)	Total (\$)
Tan Teng Muan	-	-	-	150,000	150,000
Wong Lok Hiong	384,000	-	19,169	-	403,169
Ho Hie Wu	480,000	-	22,112	-	502,112
Ho Yew Mun	-	-	-	120,000	120,000
Leow Wee Kia Clement	-	-	-	120,000	120,000
David Peter Walker	-	-	-	100,000	100,000

Top 5 Key Management Personnel				
Names	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S\$200,000 to S\$400,000				
Jason Lee Chwee Soon	93.6	–	6.4	100.0
Wong Hok Hoe	94.8	–	5.2	100.0
Joyce Chee Jingying	95.5	–	4.5	100.0
Vanessa McConville	73.6	–	26.4	100.0
Adam Ashton	98.1	–	1.9	100.0

The aggregate total remuneration paid to top five (5) key management personnel (who are not directors or the CEO) for FY2023 was S\$1,485,640.

Remuneration of Employee Related to Director, CEO or Substantial Shareholder				
Remuneration of an employee who is an immediate family member of a director or the CEO or substantial shareholder, and whose remuneration exceeds S\$100,000 for FY2023, is as follows:				
Name	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S\$200,000 to S\$300,000				
Joyce Chee Jingying (Daughter of CEO and Executive Director, Wong Lok Hiong)	95.5	–	4.5	100.0

Save as disclosed above, no other employee whose remuneration exceeded S\$100,000 during the year is an immediate family member of any of the members of the Board, the CEO or a substantial shareholder of the Company.

The basis of determining the remuneration of this related employee is the same as the basis of determining the remuneration of other unrelated employees.

Shareholders' approval will be sought at the forthcoming AGM of the Company on 25 April 2024 for the payment of directors' fees proposed to be paid quarterly in advance for the financial year ending 31 December 2024 amounting to an aggregate of S\$490,000.

No termination, retirement and post-employment or other long-term incentives have been granted to the directors or key management personnel during FY2023.

The RC and the Board have considered and are of the view that the Group's remuneration packages are appropriate and fair.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

RISK GOVERNANCE

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and effectiveness of those systems on an annual basis. The internal control and risk management functions are performed by the Group's key management personnel and reported to the AC for review.

It should be noted, in the opinion of the Board, that such system is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and that it can provide only reasonable, and not absolute, assurance against material misstatement of loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

ANNUAL REVIEW

The Group appointed Messrs Deloitte and Touche Enterprise Risk Services Pte Ltd ("**Deloitte and Touche**") as the independent internal auditors of the Group to review the effectiveness of the Group's internal controls taking into consideration the size and complexity of the Group's operations. Relying on the reports from the independent internal auditors, management letter issued by the external auditors (to the extent as required by them to form an audit opinion on the statutory financial statements) and the representation letters from the management, the AC will carry out assessments of the effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the independent internal auditors and external auditors to further improve the internal controls will be reported to the AC. The AC will follow up on the actions taken by the management and on the recommendations made by both the independent internal auditors and external auditors.

- (a) For FY2023, the Board has received assurances on a half yearly basis from the CEO and the CFO of the Company that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. The Board has taken steps to ensure compliance with legislative and regulatory requirements. In line with the Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements.
- (b) The CEO and the key management personnel have given assurance to the Board that the Group's risk management and internal control systems in addressing financial, operational, compliance and information technology controls and risk management systems are adequate and operating effectively.

All the directors and executive officers of the Company have signed undertaking letters pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

BOARD'S CONCLUSION

Based on the various management controls put in place, work performed by the internal and external auditors, representation letter from the management and periodic reviews by the management, the Board with the concurrence of the AC is of the opinion that the Group's system of internal controls and risk management procedures in addressing financial, operational, compliance and information technology controls, and risk management systems maintained by the Group during the year are adequate and effective as at 31 December 2023.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

AUDIT COMMITTEE COMPOSITION

The AC currently comprises of four (4) directors, all of whom are independent. Ho Yew Mun is the AC Chairman and Lead Independent Director. The other AC members are Leow Wee Kia Clement, Tan Teng Muan and David Peter Walker. The Board is of the view that the members of the AC are appropriately qualified in that they have sufficient accounting or related financial management expertise and experience to discharge the AC's function. None of the AC members were previous partners or directors of the existing auditing firm within the previous two (2) years and/or hold any financial interest in the auditing firm.

AUDIT COMMITTEE ROLE

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal control. To achieve this, the AC ensures that its members have the appropriate qualifications to provide independent, objective and effective oversight.

The AC shall meet periodically on the following matters:

- Review with the external auditors the audit plan, their management letter with the management's response, and their independence, adequacy, effectiveness and objectivity of producing the results within the scope;
- Review with the external auditors the Company's year-end financial statements, raise any significant issues which have a material impact on the interim financial statements or financial updates previously announced by the Company and bring to the Board immediately, if applicable and advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates;
- Review with the internal auditors the internal audit plan and their evaluation of the adequacy of the Group's internal controls and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report, if applicable;
- Monitor and review the implementation of the external auditors' management letters and internal auditors' recommendations with the concurrence of management in relation to the adequacy of internal controls, risk management and accounting systems addressing financial, operational, compliance and information technology controls;
- Review the assurance from the CEO and CFO on the financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- Review the adequacy and effectiveness of internal controls/procedures and risk management systems, and ensure co-ordination between the external auditors and management, review the assistance given by management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters with the auditors;
- Review together with external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and management's response;
- Consider the appointment or re-appointment of the external and internal auditors, matters relating to resignation, dismissal, remuneration and terms of engagement of the auditors;
- Review transactions falling within the scope of Chapters 9 and 10 of the SGX-ST Listing Manual;
- Undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- Undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual, and by such amendments made thereto from time to time; and
- Review the Company's procedures for whistle-blowing policy endorsed by the AC by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters.

CORPORATE GOVERNANCE REPORT

The AC has the explicit authority to investigate any matter within its terms of reference and full access to and cooperation by the management. It has the discretion to invite any director or member of the Group's management to its meetings. The AC has, within its terms of reference, the authority to obtain independent professional advice and reasonable resources at the Company's expense to enable it to discharge its functions properly.

Where, by virtue of any vacancy in the membership of the AC for any reason, the number of members is reduced to less than three (3), the Board shall, within two (2) months thereafter, appoint such number of new members to the AC.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

The AC has reviewed all Interested Person Transactions for FY2023 and is of the opinion that Chapter 9 of the Listing Manual of the SGX-ST has been complied with.

Each member of the AC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the AC in respect of matters in which he is interested.

Annually, the AC meets with the internal and external auditors separately without the presence of the management.

EXTERNAL AUDITORS

For the financial year under review, the AC reviewed the non-audit services provided by the external auditors and was satisfied that the extent of such service will not prejudice the independence and objectivity of the external auditors.

In July 2010, the SGX-ST and ACRA launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the Guidance such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group.

In addition, in October 2015, with the support from SGX and the Singapore Institute of Directors, ACRA had introduced the Audit Quality Indicators ("AQIs") Disclosure Framework to assist the ACs in evaluating the re-appointment of external auditors. In January 2020, ACRA introduced some revisions to the Framework following a post-implementation review. The revised framework comprises seven (7) AQIs to be disclosed at the engagement and firm level. Accordingly, the AC had evaluated the external auditors based on the seven (7) AQIs at engagement and/or firm-level.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC, and highlighted by the external auditors in their meetings with the AC.

The Company has approved the following aggregate amount of fees paid/payable to the external auditors for the financial year ended 31 December 2023:

Services	Amount
	S\$'000
Audit service	195
Non-audit service	19
Total	214

Non-audit services relate to tax compliance services.

Save for the above, the Company did not pay any other non-audit fee to the external auditors during FY2023.

The AC has undertaken a review of the services, scope, independence and objectivity of the external auditors. Messrs Ernst & Young LLP, the external auditors of the Company, has confirmed that they are a Public Accounting Firm registered with ACRA and provided a confirmation of their independence to the AC. The AC received a report from management on their evaluation of the performance and effectiveness of the work of the external auditors.

Having assessed the external auditors based on its own interactions with the external auditors, management's evaluation and on factors such as performance and quality of their audit partners and auditing team, their overall qualification and their independence status, the AC is satisfied that Rule 712(2)(a) of the Listing Manual of the SGX-ST has been complied with. In this regard, the AC recommends to the Board the nomination of Messrs Ernst & Young LLP for re-appointment as the external auditor at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST as all subsidiaries of the Company are audited by Messrs Ernst & Young LLP for the purposes of the consolidated financial statements of the Company and its subsidiaries.

INTERNAL AUDIT FUNCTION

The Company has engaged Deloitte and Touche for the internal audit function who has a direct and primary reporting line to the AC and assist the AC in overseeing and monitoring the implementation of improvements required on internal control and risk management system weaknesses. The Board recognises the importance of maintaining an internal audit function to provide an independent assurance over the soundness of the system of internal controls and risk management procedures within the Group to safeguard shareholders' investments and the Group's assets. The AC has the responsibility to review the adequacy and effectiveness of the internal audit function annually, review the internal audit programmes and ensure co-ordination between internal auditors, external auditors and management, and ensure that the internal auditors meet or exceed the standards set by nationally or internationally recognised professional bodies. The AC also reviews and approves the hiring, removal and evaluation of its outsourced internal auditors.

The internal auditors are provided with unfettered access to the Group's properties, information, records and personnel, including the AC for performing their internal audit review, and have appropriate standing within the Company.

In FY2023, the AC evaluated and recommended the re-appointment of Deloitte and Touche for the internal audit function for the balance of two (2) years of their three (3) year term based on Deloitte and Touche's objectivity, independence, experience and competency. The Board concurred with AC for the re-appointment of Deloitte and Touche as the independent internal auditors of the Group for the balance of two (2) years of their three (3) year term.

The internal auditors are guided by the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC reviews and evaluates the scope of work deliverables by the independent internal auditors annually and ensures that the internal audit function is adequately resourced and has appropriate standing within the Group. The AC is satisfied that (i) the internal audit function has adequate resources to perform its function effectively; (ii) the internal audit function is staffed by suitable, qualified and experienced professionals with the relevant experience; and (iii) independent internal auditors have unfettered access to all of the Group's documents, records, properties and personnel, including the AC.

WHISTLE-BLOWING POLICY

The AC in consultation with the Board initiated the implementation of a whistle-blowing policy for all employees of the Group. This policy aims to provide an avenue for employees to raise concerns and provide reassurance that they will be protected from reprisals or victimisation for raising any concerns about fraud and for whistle-blowing in good faith. The Group has designated an independent function to investigate whistle-blowing reports made in good faith and ensures that the identity of the whistleblower is kept confidential and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment.

The Board noted that no incidents in relation to whistle-blowing matters have been raised during the year by any staff to indicate possible improprieties in matters of financial reporting, financial control, or any other matters.

AUDIT COMMITTEE'S COMMENTARY ON SIGNIFICANT FINANCIAL REPORTING MATTERS

With the introduction of the new and revised Auditor Reporting Standards applicable to the audit of financial statements for periods ending on or after 15 December 2016, the external auditors are required to include the Key Audit Matters ("KAM") in the Company's Annual Report. KAM typically include significant risk areas of the financial statements most susceptible to misstatements, involving key judgements and estimates, as well as major transactions that require extensive auditing efforts.

CORPORATE GOVERNANCE REPORT

In line with the recommendations by ACRA, Monetary Authority of Singapore and SGX, the AC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on key financial reporting matters as follows:

KAM – Ability to renew the land lease

The AC reviewed the KAM presented by the external auditors together with management, challenged the factors and conditions relating to the successful renewal of the land lease, and considered the disclosures in this respect. The AC concurred and agreed with the external auditors and management on their assessment and judgement on the significant matter reported by the external auditors.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company firmly believes in high standards of transparent corporate disclosure, in line with the continuous obligations of the Company under the Listing Manual of SGX-ST and the Companies Act. The Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group. Half yearly and full year results are published through the SGXNet, news releases and the Company's website. All information of the Company's new initiatives are first disseminated via SGXNet followed by a news release, which are also available on the Company's website.

Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

Shareholders are encouraged to attend the general meetings of shareholders to ensure a high level of accountability and to be updated on the Company's strategies and goals. Notices of general meetings are dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least fourteen (14) clear calendar days before the meeting for ordinary resolutions and/or twenty-one (21) clear calendar days before the meeting for special resolutions. The Board welcomes the views of shareholders who wish to raise issues concerning the Company, either informally or formally before or during these general meetings. The Board and the Chairmen of the AC, NC and RC are normally present and available to address questions relating to the work of their respective committees at general meetings. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries by the shareholders.

In usual circumstances, if any shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. The Constitution does not allow corporations and members of the Company to appoint more than two proxies to attend and vote at general meetings and for other absentia voting methods such as by mail, electronic mails, fax and/or other methods due to the concern of verification and authenticating of the shareholders' identity. A Relevant Intermediary¹ may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held

¹A Relevant Intermediary is:

- a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

by him/her (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme (“CPF Investor”) and/or the Supplementary Retirement Scheme (“SRS Investor”) (as may be applicable) may attend and cast his/her vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the meeting.

The Board also notes that there should be separate resolutions on each substantially separate issue that may be tabled at the general meeting. Detailed information on each resolution in the AGM agenda is in the explanatory notes to the Notice of AGM in the Annual Report.

To promote greater transparency and effective participation, the Company has conducted the voting of all its resolutions by electronic polling at all its AGMs since 2015. An independent external consultant is also appointed as scrutineer for the electronic poll voting process. The outcome of the AGM, including the total numbers and percentage of votes cast for, or against, or to abstain from voting each resolution tabled, are announced immediately at the AGMs and via SGXNet on the same day after the AGMs.

The Company prepares minutes of general meetings incorporating the substantial and relevant comments or queries from shareholders that are relevant to the agenda of the meeting and responses from the Board and the management. Such minutes will be published on SGXNet and the Company’s website as soon as practicable.

The Company’s policy is to pay dividends of at least 50.0% of its net profit after tax to shareholders for each financial year. The dividend policy may be subject to modification in the sole and absolute discretion of the Board. In compliance with Rule 704(24) of the Listing Rules of SGX-ST, in the event that the Board decides not to declare or recommend a dividend, the Company is mindful to disclose the reason(s) for the decision together with the announcement of the financial statements.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Company recognises the importance of actively engaging with stakeholders to promote effective and fair communication.

Although the Company has not adopted a formal investor relations policy to regularly convey pertinent information to the shareholders, the Board acknowledges its obligation to furnish timely information to shareholders and ensures that full disclosure of material information is made in its Annual Report to comply with statutory requirements and the Listing Manual of the SGX-ST. The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. The AGM is held within four (4) months after the end of the financial year. All shareholders of the Company will receive the Annual Report with the Notice of AGM by post. The Notice of AGM will also be published in a newspaper. Shareholders of the Company may also download the Annual Report with the Notice of AGM from the Company’s website at <https://oel.listedcompany.com>. Together with the Annual Report, the Company also attaches a copy of the proxy form to shareholders in order that shareholders can appoint proxy(ies) to cast votes on their behalf by completing the proxy form attached to the Notice of AGM.

The Company announces the unaudited financial statements of the Company and of the Group on a half-yearly basis as required under the Listing Rules, and will continue to keep shareholders updated as and when appropriate, should there be any material developments (financial or otherwise) relating to the Company and the Group, to provide a better understanding of the Company’s performance in the context of the current business environment.

To keep all shareholders of the Company updated on the latest announcements, press releases, and share details of the Company, shareholders have 24-hour access to the Company’s website (<https://oel.listedcompany.com>). In addition, automated email alert services on the latest announcements and press releases broadcasted to SGXNet by the Company can be subscribed to by shareholders through the Company’s website. Shareholders can also post their enquiries to the Company via email at ir@ofs.edu.sg.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company recognises the vitalness of stakeholders' engagement for the Company's long-term sustainability. The Company engages with key stakeholders such as students, students' parents, teachers and staff, business partners, educational institutions as well as government agencies and regulators, to align the Company's sustainable approach with their expectations. Please refer to the section "Sustainability Highlights" on page 24 and the full Sustainability Report released on SGXNet together with the Report for more information on how the Company manages its stakeholder relationships.

This Corporate Governance ("CG") Report together with the Annual Report aim to provide comprehensive and transparent reporting of the Group's overall objectives and performance to the Company's stakeholders. The Company welcomes feedback on the CG Report and its sustainability performance. Please address all feedback to investor relations that can be found at the Company's corporate website at ir@ofs.edu.sg that is maintained to communicate and engage with stakeholders.

More information on the Company's material stakeholders, sustainability efforts (including its strategy and key areas of focus), and performance can be found in the Sustainability Report which is also uploaded at the Company's corporate website.

RISK MANAGEMENT

The Company is continually reviewing and improving the business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources, and updating workflows, processes and procedures to meet the current and future market conditions. Currently the AC is overseeing the function of risk management and the Company will consider the need to establish a risk management committee to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies should circumstances change.

MATERIAL CONTRACTS

Save for the service and employment agreements between the Executive Directors and the Company, there were no material contracts of the Company or its subsidiaries involving the interest of any other directors or controlling shareholders subsisting as at FY2023 or have been entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

There were no interested party transactions equal to or exceeding S\$100,000 in aggregate between the Company and any of its interested persons (namely, directors, executive officers or controlling shareholders of the Group or the associates of such directors, executive officers or controlling shareholders) subsisting for FY2023.

In accordance with the recommendations by the Audit Committee Guidance Committee, the Company has adopted an interested person transaction policy, which specifies that all interested transactions with an interested person, as defined in the policy, will be at arm's length and on terms generally available to an unaffiliated third party under the same or similar circumstances. Details of the review procedures for future interested person transactions were disclosed in the Company's Prospectus dated 31 January 2013.

Except for the limited exceptions set in the policy, transactions with interested persons that will exceed S\$100,000 in any calendar year must receive the approval of the Board prior to the Company entering into the interested transaction.

DEALINGS IN SECURITIES

The Company has adopted its own internal Code of Conduct to provide guidance to all officers and employees of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST. The Group's officers and employees are prohibited from dealing in the Company's securities while in possession of unpublished price-sensitive information of the Group, as well as during the periods commencing one (1) month before the announcement of the Company's half year and full year results, and ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period. They are also encouraged not to deal in the Company's securities on short-term considerations.

UPDATE ON USE OF IPO PROCEEDS

As at the date of the financial statements 25 March 2024, the Company announced updates on the use of proceeds raised from the initial public offering ("**IPO Proceeds**") amounting to S\$68,033,985 (after deducting IPO expenses of S\$3,966,015) as follows:

	S\$
Net IPO Proceeds	68,033,985
Amount of proceeds utilised for the building of a new school campus	(65,635,545)
Balance proceeds	2,398,440

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

TABLE A

The persons named below have been recommended by the Board for appointment as directors at the upcoming AGM:

Name of Director	Leong Ching Ching	Jong Voon Hoo
Date of appointment	25 April 2024 (subject to shareholders' approval, with effect immediately after the AGM)	25 April 2024 (subject to shareholders' approval, with effect immediately after the AGM)
Date of last election	N.A.	N.A.
Age	55	51
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors, having considered the recommendation of the Nominating Committee as well as the qualifications and experience of Associate Professor Leong Ching Ching ("AP Leong"), is satisfied that the appointment of AP Leong as an independent director of the Company will be beneficial to the Board and to the Group.</p> <p>The Board considers AP Leong to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.</p>	<p>The Board of Directors, having considered the recommendation of the Nominating Committee as well as the qualifications and experience of Mr Jong Voon Hoo ("Mr Jong"), is satisfied that the appointment of Mr Jong as an independent director of the Company will be beneficial to the Board and to the Group.</p> <p>The Board considers Mr Jong to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.	Non-Executive.
Job Title	Subject to appointment, Independent Director and Chairman of the Remuneration Committee and member of the Audit Committee and the Nominating Committee	Subject to appointment, Independent Director and Chairman of the Audit Committee and Nominating Committee and member of the Remuneration Committee

CORPORATE GOVERNANCE REPORT

Name of Director	Leong Ching Ching	Jong Voon Hoo
Professional qualifications	<p>PhD, Public Policy (Wang Gungwu Medal and Prize) from the National University of Singapore, Singapore</p> <p>MA, Journalism from University of London, United Kingdom</p> <p>MA, Philosophy from the National University of Singapore, Singapore</p>	<p>Bachelor of Accountancy degree from Nanyang Technological University, Singapore</p> <p>Chartered Accountant of Singapore</p>
Working experience and occupation(s) during the past 10 years	<p>2021 to present – Vice Provost (Student Life), Office of the Senior Deputy President and Provost</p> <p>2020 to 2021 – Dean, Office of Student Affairs, National University of Singapore</p> <p>2019 to present – Associate Professor, National University of Singapore, Lee Kuan Yew School of Public Policy</p> <p>2017 to 2019 – Co-Director, Institute of Water Policy, National University of Singapore</p> <p>2015 to 2019 – Assistant Professor, National University of Singapore, Lee Kuan Yew School of Public Policy</p> <p>2014 – Senior Research Fellow, National University of Singapore, Lee Kuan Yew School of Public Policy</p> <p>2012 to 2013 – Lecturer, College of Alice and Peter Tan, National University of Singapore</p>	<p>2015 to present – Chief Executive Officer and Executive Director, Global Invest & Advisory Pte Ltd</p> <p>2004 to 2015 – Chief Financial Officer, Green Build Technology Limited</p>
Shareholding interest in the listed issuer and its subsidiaries	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None

Name of Director	Leong Ching Ching	Jong Voon Hoo
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships	<u>Past (for the last 5 years)</u> None <u>Present</u> Associate Editor, Policy Sciences Journal Associate Editor, Water Journal Associate Editor, International Journal of Water Resources Development Director of Talkmed Group Limited	<u>Past (for the last 5 years)</u> Director of Sheng Siong Group Ltd Director of SingAsia Holdings Limited <u>Present</u> Director of Global Invest & Advisory Pte Ltd Director of Snack Empire Holdings Limited Director of Nam Lee Pressed Metal Industries Limited Director of Reclaims Global Limited
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Leong Ching Ching	Jong Voon Hoo
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

Name of Director	Leong Ching Ching	Jong Voon Hoo
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>

CORPORATE GOVERNANCE REPORT

Name of Director	Leong Ching Ching	Jong Voon Hoo
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only. Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	AP Leong is a non-independent, non-executive director of Talkmed Group Limited	Mr Jong is an independent director of Reclaims Global Limited and Nam Lee Pressed Metal Industries Limited and has acted as an independent director of Sheng Siong Group Ltd
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Overseas Education Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Tan Teng Muan
Wong Lok Hiong
Ho Hie Wu
Ho Yew Mun
Leow Wee Kia Clement
David Peter Walker

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of director	Direct interest			Deemed interest		
	At the beginning of financial year or date of appointment	At the end of financial year	As at 21 January 2024	At the beginning of financial year or date of appointment	At the end of financial year	As at 21 January 2024
Ordinary shares of the Company						
Wong Lok Hiong	-	-	-	131,878,138*	135,865,628*	135,865,628*

* At the end of the financial year, 135,865,628 ordinary shares were held through WLH Private Limited, an investment holding company wholly owned by Wong Lok Hiong.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year and 21 January 2024.

SHARE OPTIONS

No options were issued by the Company or any of its subsidiaries during the financial year. As at 31 December 2023, there were no options on the unissued shares of the Company or any of its subsidiaries which were outstanding.

AUDIT COMMITTEE

The AC carried out its functions in accordance with section 201B (5) of the Singapore Companies Act 1967 (the "Act"). In performing these functions, the AC:

- Review with the external auditors the audit plan, their management letter with the management's response, the nature and extent of the external auditor's non-audit services to the Group and their independence, adequacy, effectiveness and objectivity of producing the results within the scope;
- Review with the external auditors the Group's year-end financial statements, raise any significant issues which have a material impact on the interim financial statements or financial updates previously announced by the Company and bring to the Board immediately, if applicable and advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates;
- Review with the internal auditors the internal audit plan and their evaluation of the adequacy of the Group's internal controls and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report, if applicable;

DIRECTORS' STATEMENT

AUDIT COMMITTEE (CONT'D)

- Monitor and review the implementation of the external auditors' management letter and internal auditors' recommendations with the concurrence of management in relation to the adequacy of internal controls, risk management and accounting systems addressing financial, operational, compliance and information technology controls;
- Review the assurance from the CEO and CFO on the financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- Review the adequacy and effectiveness of internal controls / procedures and risk management systems and ensure co-ordination between the external auditors and management, review the assistance given by management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters with the auditors;
- Review together with external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and management's response;
- Consider the appointment or re-appointment of the external and internal auditors and matters relating to resignation, dismissal, remuneration and terms of engagement of auditors;
- Review transactions falling within the scope of Chapters 9 and 10 of the SGX-ST Listing Manual;
- Undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- Undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual, and by such amendments made thereto from time to time; and
- Review the Company's procedures for whistle-blowing policy endorsed by the AC by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

Further details regarding the AC are disclosed in the Report of Corporate Governance.

DIRECTORS' STATEMENT

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Wong Lok Hiong
Director

Ho Hie Wu
Director

25 March 2024

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

To the members of Overseas Education Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Overseas Education Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2023, statements of changes in equity of the Group and the Company, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to the matter below. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Ability to renew the land lease

The school buildings represent a significant proportion of the Group's assets. As at 31 December 2023, the net carrying value of the school buildings amounting to S\$151,714,287 which comprise 70% of the Group's total property, plant and equipment, and 53% of the Group's total assets. The Group depreciates the school buildings over an estimated useful life of 50 years.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

To the members of Overseas Education Limited

Key audit matters (cont'd)

The current land lease of the school site is for 30 years and expires in 2043. The successful renewal of the land lease is dependent on the government's land use plan in relation to the school site and subject to the Group meeting the conditions imposed by the relevant authorities. In assessing the Group's ability to renew the land lease, Management received confirmation from a government authority in prior years to support the Group's application for the renewal of the lease when it is due for renewal, subject to certain conditions. Based on past correspondences with the government authority and Management's assessment on its ability to meet or negotiate the conditions by the next renewal, Management assessed that it is highly probable that the application for renewal of lease would be successful taking into consideration the overall private education landscape and external information. In estimating the useful life of the school buildings, Management had previously engaged an independent valuer who estimated the useful life of the school buildings' superstructure and substructure to be 50 years from 2015.

In view of the shorter current land lease term of 30 years when compared to the school buildings' useful life of 50 years, any change to the useful life of the school buildings in the event of non-renewal of the current lease will have a significant financial impact on the computation of the annual depreciation charge of the Group. Due to the significant judgement exercised by the Management and the potential financial impact to the Group, we determined this to be a key audit matter.

We carried out procedures to review the reasonableness of Management's assessment in determining the appropriateness of the useful life of 50 years for the purpose of computing the annual depreciation charge. We reviewed the correspondences in prior years with the relevant authority to assess Management's evaluation of the likelihood of the Group obtaining a renewal of the current lease. We checked that the land has been exclusively zoned for use by an education institution as part of the government's regulatory plans. We reviewed Management reports and supporting documents assessing the conditions of renewal, taking into consideration the overall private education landscape and external information. As part of assessing the conditions imposed by the relevant authorities, we compared the Group's fee structure against other competitors in the international school market and Management's assessment of the Group's ability to increase its student headcount. Additionally, we had evaluated the objectivity, competency and capabilities of the independent valuer and their basis of estimation of the expected useful life of the school buildings. We further assessed the adequacy of the disclosures on the Group's accounting policy for property, plant and equipment in Note 2.6, the relevant significant accounting judgement in Note 3.1, and the details and movement of Property, plant and equipment in Note 9 to the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

To the members of Overseas Education Limited

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

To the members of Overseas Education Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Swee Ho.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
25 March 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 S\$	2022 S\$
Revenue			
Tuition fees		84,536,785	73,908,553
Registration fees		1,184,659	1,032,763
School shop revenue		610,779	573,872
Enrichment programme revenue		1,002,762	703,588
Interest income		466,531	89,879
Other income		23,567	54,737
Total revenue	4	87,825,083	76,363,392
Operating expenses			
Personnel expenses	5	47,753,071	44,678,956
School shop costs		414,788	377,790
Enrichment programme costs		648,231	512,466
Utilities		1,336,660	1,584,228
Upkeep and maintenance		1,716,383	1,563,445
Finance costs	6	4,439,646	3,587,438
Other operating expenses	6	6,725,777	6,094,577
Operating expenses before depreciation and amortisation		63,034,556	58,398,900
Profit before depreciation and amortisation		24,790,527	17,964,492
Depreciation expenses	9	13,728,328	13,510,713
Amortisation of intangible assets	10	363,002	357,408
		14,091,330	13,868,121
Profit after depreciation and amortisation		10,699,197	4,096,371
Fair value (loss)/gain on derivatives	12	(1,359,261)	2,768,703
Profit before taxation		9,339,936	6,865,074
Income tax expense – current tax	7	(3,116,241)	(2,334,169)
– deferred tax	7, 22	502,250	747,164
		(2,613,991)	(1,587,005)
Net profit for the year attributable to owners of the Company		6,725,945	5,278,069
Other comprehensive income for the year, net of tax			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		(17)	(4)
Total comprehensive income for the year attributable to owners of the Company		6,725,928	5,278,065
Earnings per share (cents)			
– Basic and diluted	8	1.6	1.3

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$
ASSETS					
Non-current assets					
Property, plant and equipment					
– Leasehold land	9	24,115,000	25,351,666	-	-
– School buildings, plant and equipment	9	191,155,311	197,532,009	87,757	56,168
Right-of-use assets	21	6,303,534	3,770,234	69,372	18,104
Intangible assets	10	1,796,546	1,758,254	-	-
Investment in subsidiaries	11	-	-	101,219,141	101,219,141
Derivatives	12	1,264,739	2,589,151	-	-
Deposits		167,310	352,830	-	-
Staff housing deposits		366,575	175,800	-	-
Other long term asset	17	333,500	333,500	-	-
		225,502,515	231,863,444	101,376,270	101,293,413
Current assets					
Inventories	13	447,199	468,258	-	-
Derivatives	12	144,703	179,552	-	-
Trade receivables	14	915,631	637,568	-	-
Other receivables and deposits	15	510,715	500,478	54,259	12,500
Prepayments		1,618,007	1,102,790	31,744	15,035
Amount due from subsidiary	16	-	-	5,000,000	4,000,000
Cash and cash equivalents	17	55,679,345	50,353,079	4,324,280	3,608,480
		59,315,600	53,241,725	9,410,283	7,636,015
TOTAL ASSETS		284,818,115	285,105,169	110,786,553	108,929,428

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables		980,148	376,748	-	-
Other payables and liabilities	18	836,405	819,088	125,718	96,426
Fees received in advance	19	35,381,847	35,763,051	-	-
Lease liabilities	21	4,255,394	3,069,304	49,175	18,636
Borrowings – Bank loan	20	7,108,306	7,024,352	-	-
Goods and Services Tax payable		3,194,495	2,727,510	67,564	56,728
Central Provident Fund payable		447,834	404,363	2,308	1,989
Income tax payable		3,116,241	2,376,348	262,382	247,559
		55,320,670	52,560,764	507,147	421,338
NET CURRENT ASSETS		3,994,930	680,961	8,903,136	7,214,677
Non-current liabilities					
Fees received in advance	19	723,480	812,762	-	-
Borrowings – Bank loan	20	83,369,563	89,411,813	-	-
Lease liabilities	21	2,150,199	720,306	21,304	-
Deferred tax liabilities	22	5,956,822	6,459,072	-	-
		92,200,064	97,403,953	21,304	-
NET ASSETS		137,297,381	135,140,452	110,258,102	108,508,090
Equity attributable to owners of the Company					
Share capital	23	99,253,226	99,253,226	99,253,226	99,253,226
Revenue reserve		64,213,650	62,056,704	11,004,876	9,254,864
Other reserves	24	(26,169,495)	(26,169,478)	-	-
TOTAL EQUITY		137,297,381	135,140,452	110,258,102	108,508,090

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Attributable to owners of the Company						
Note	Share capital (Note 23) S\$	Revenue reserve S\$	Other reserves, total (Note 24) S\$	Foreign currency translation reserve (Note 24) S\$	Merger reserve (Note 24) S\$	Total equity S\$
Group						
2023						
Balance at 1 January 2023	99,253,226	62,056,704	(26,169,478)	1,088	(26,170,566)	135,140,452
Net profit after tax	-	6,725,945	-	-	-	6,725,945
Other comprehensive income for the year	-	-	(17)	(17)	-	(17)
Total comprehensive income for the year	-	6,725,945	(17)	(17)	-	6,725,928
Dividends	25	(4,568,999)	-	-	-	(4,568,999)
Contributions by and distributions to owners	-	(4,568,999)	-	-	-	(4,568,999)
Balance at 31 December 2023	99,253,226	64,213,650	(26,169,495)	1,071	(26,170,566)	137,297,381
2022						
Balance at 1 January 2022	99,253,226	62,178,361	(26,169,474)	1,092	(26,170,566)	135,262,113
Net profit after tax	-	5,278,069	-	-	-	5,278,069
Other comprehensive income for the year	-	-	(4)	(4)	-	(4)
Total comprehensive income for the year	-	5,278,069	(4)	(4)	-	5,278,065
Dividends	25	(5,399,726)	-	-	-	(5,399,726)
Contributions by and distributions to owners	-	(5,399,726)	-	-	-	(5,399,726)
Balance at 31 December 2022	99,253,226	62,056,704	(26,169,478)	1,088	(26,170,566)	135,140,452

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Attributable to owners of the Company		
		Share capital (Note 23) S\$	Revenue reserve S\$	Total equity S\$
Company				
2023				
Balance at 1 January 2023		99,253,226	9,254,864	108,508,090
Net profit after tax		-	6,319,011	6,319,011
Total comprehensive income for the year		-	6,319,011	6,319,011
Dividends	25	-	(4,568,999)	(4,568,999)
Contributions by and distributions to owners		-	(4,568,999)	(4,568,999)
Balance at 31 December 2023		99,253,226	11,004,876	110,258,102
2022				
Balance at 1 January 2022		99,253,226	9,407,404	108,660,630
Net profit after tax		-	5,247,186	5,247,186
Total comprehensive income for the year		-	5,247,186	5,247,186
Dividends	25	-	(5,399,726)	(5,399,726)
Contributions by and distributions to owners		-	(5,399,726)	(5,399,726)
Balance at 31 December 2022		99,253,226	9,254,864	108,508,090

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 S\$	2022 S\$
Cash flows from operating activities			
Profit before taxation		9,339,936	6,865,074
Adjustments for:			
Depreciation expenses	9	13,728,328	13,510,713
Amortisation expenses	10	363,002	357,408
(Gain)/loss on disposal of property, plant and equipment	6	(8,247)	8,963
Write-off of intangible assets	10	6,333	-
Interest income		(466,531)	(89,879)
Finance costs	6	4,439,646	3,587,438
Fair value loss/(gain) on derivatives	12	1,359,261	(2,768,703)
Operating profit before working capital changes		28,761,728	21,471,014
Decrease/(increase) in inventories		21,059	(30,043)
(Increase)/decrease in trade receivables		(278,063)	104,138
(Increase)/decrease in other receivables, deposits and prepayments		(452,504)	1,813,472
Increase in non-current deposits		(5,255)	(88,880)
Increase in trade payables, other payables and liabilities, and fees received in advance		660,687	9,957,133
Cash generated from operations		28,707,652	33,226,834
Interest received		466,531	89,879
Income tax paid		(2,376,348)	(2,316,523)
Net cash generated from operating activities		26,797,835	31,000,190
Cash flows from investing activities			
Additions of intangible assets	10	(407,627)	(372,223)
Acquisition of property, plant and equipment	9	(1,638,046)	(459,257)
Proceeds from disposal of property, plant and equipment		33,759	9,624
Net cash used in investing activities		(2,011,914)	(821,856)
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(4,411,368)	(3,948,136)
Lease interest paid	21	(193,183)	(91,348)
Bank loan interest paid	20	(4,126,105)	(2,649,827)
Bank loan repayment	20	(6,160,000)	(6,160,000)
Dividends paid	25	(4,568,999)	(5,399,726)
Net cash used in financing activities		(19,459,655)	(18,249,037)
Net increase in cash and cash equivalents		5,326,266	11,929,297
Cash and cash equivalents at beginning of the year		50,353,079	38,423,782
Cash and cash equivalents at end of the year	17	55,679,345	50,353,079

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. CORPORATE INFORMATION

Overseas Education Limited (the “Company”) is a public limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 7 February 2013. The registered office and principal place of business of the Company is at 81 Pasir Ris Heights, Singapore 519292.

The principal activity of the Company is an investment holding company. The principal activities of the subsidiary companies are disclosed in Note 11 to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Singapore Dollars (S\$), the functional currency of the Company.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2023. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 16 <i>Leases: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendment to SFRS(I) 1-7 and SFRS(I) 7 <i>Financial Instruments: Disclosure and Statement of Cash Flows: Supplier Finance Arrangements</i>	1 January 2024
Amendments to SFRS(I) 1-21 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2024
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards and amendments above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 *Basis of consolidation and business combinations*

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

2.5 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, all items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of assets begins when they are available for use and is computed on a straight-line basis over the estimated useful life of the assets as follows:

Leasehold land	-	30 years
School buildings	-	50 years [#]
School plant and equipment	-	6 to 25 years
Computers	-	6 years
Motor vehicles	-	3 to 10 years (to a residual value)*
Library books and media	-	6 years

[#] School buildings are depreciated over 50 years despite the current land lease of 30 years on the expectation that the land lease will be renewed for a further term of at least 20 years before its expiry on 13 June 2043, and an independent external valuer's opinion that the substructure and the superstructure of the school buildings have over 50-year useful lifespan. Depreciation commenced on 1 July 2015, when operations commenced at the new school.

* Motor vehicles are depreciated to a residual value of the vehicles' minimum Preferential Additional Registration Fee ("PARF") benefit, a rebate granted when vehicles are deregistered within 10 years from date of registration.

2.7 *Intangible assets*

(a) *Computer software*

Acquired software licences are stated at cost less accumulated amortisation and accumulated impairment in value, if any. These costs are amortised using the straight-line method over their estimated useful lives of 6 years.

(b) *Software development costs*

Software development costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

Following initial recognition of software development costs as an intangible asset, it is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation of the intangible asset begins when development is complete and the asset is available for use. The carrying value of software development costs are reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year. Upon completion, the software development costs are amortised over their estimated useful lives of 9 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

2.9 *Subsidiaries*

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 *Financial instrument*

(a) *Financial assets*

Non-derivative financial assets are initially measured at fair value plus directly attributable transaction costs. These non-derivative financial assets, which are held for collection of contractual cash flows that represent solely payment of principal and interest, are subsequently measured at amortised cost using the effective interest method, less impairment.

Derivatives

Derivative financial instruments are initially recognised at fair value on the date the contracts are entered into and subsequently measured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

(b) *Financial liabilities*

Financial liabilities include trade payables, which are normally settled on 30 to 90 day terms and other amounts payable. These financial liabilities are initially measured at fair value less directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method.

2.11 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group monitors changes in credit risk, and recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 90 days past due.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 *Inventories*

Inventories consist of stationery supplies available to students, school uniforms and fabric for making of school uniforms. Inventories are stated at the lower of cost, determined on a weighted average cost basis, and net realisable value.

Allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.14 *Employee benefits*

(a) *Defined contribution plans*

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrued to the employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

2.15 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.16 Leases

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

(a) As lessee

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

Right-of-use assets

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

The Group's right-of-use assets are disclosed in Note 21.

Lease liabilities

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

The Group's lease liabilities are disclosed in Note 21.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies that the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Revenue recognition

(a) Rendering of services

Revenue from tuition fees is recognised over the duration of the course. Amounts of fees relating to future periods are included in fees received in advance.

Enrichment programme revenue is recognised when services are rendered.

The Group charges non-refundable registration fees to new students who register with the school. Registration fees revenue is recognised over the estimated average student life in the school.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.17 Revenue recognition (cont'd)

(b) Sale of goods

Revenue from sales of supplies at the school shop is recognised when control of the goods has been transferred to the customer at a point in time. Control is transferred upon the delivery of the goods.

The amount of revenue recognised is based on the contractual price and does not include variable consideration such as right of returns, refunds, trade discounts or volume rebates.

(c) Interest income

Interest income is recognised using the effective interest method.

2.18 Segment reporting

The Company and its subsidiaries operate in Singapore in the business segment of provision of education under a foreign education system. Substantially all revenue, expenses, assets and liabilities are derived from operations in Singapore.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which has the most significant effect on the amount recognised in the consolidated financial statements:

Ability to renew the land lease

The current land lease is 30 years, and the Group expects to seek the relevant authorities' approval for the extension of the lease for a further term of at least 20 years before its expiry on 13 June 2043. The school site is zoned exclusively for use by an educational institution and the buildings have also been purpose-built for use as a school. The school buildings have an estimated useful lives of 50 years based on the assets' expected utility to the Group and the future economic benefits embodied in the assets. The judgement applied on the ability to renew the land lease at the end of 30 years is significant to the determination of the depreciation period of 50 years for the school buildings.

The carrying amount of the school buildings as at 31 December 2023 was S\$151,714,287 (2022: S\$155,370,053).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Fair value of derivatives

The Group enters into derivative financial instruments, namely interest rates swaps, with a financial institution to hedge its risks associated with changes in market interest rates arising from bank borrowings from the financial institution at floating interest rates. The fair value of interest rate swap contracts are determined using a valuation technique with market observable inputs, primarily forward rate curve and discount rate curve. The most frequently applied valuation technique include swap models, using present value calculations. Details on derivative instruments and valuation basis are disclosed in Notes 12 and 30.

4. REVENUE

(a) Disaggregation of revenue

	Tuition fees		Registration fees		School shop, Enrichment programme, Interest income and Other income		Total revenue	
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Timing of transfer of goods or services								
At a point in time	-	-	-	-	1,637,108	1,332,197	1,637,108	1,332,197
Over time	84,536,785	73,908,553	1,184,659	1,032,763	466,531	89,879	86,187,975	75,031,195
	84,536,785	73,908,553	1,184,659	1,032,763	2,103,639	1,422,076	87,825,083	76,363,392

(b) Judgement and methods used in recognising revenue

Tuition fees

Tuition fees are recognised over the duration of the course on a straight-line basis.

Estimating average student life for registration fees recognition over time

The Group charges non-refundable registration fees to new students who register with the school. The performance obligation is determined to be satisfied over the estimated student life in the school. Management estimates the average student life in the school with reference to historical data of student enrolment over the past 5 years and computes the average number of years a student spends with the school. A reassessment of the average student life is conducted on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. PERSONNEL EXPENSES

	2023 S\$	2022 S\$
Salaries and bonuses	41,074,731	38,645,841
Central Provident Fund contributions	2,101,617	1,966,813
Staff medical insurance	758,494	677,485
Other short term benefits	3,818,229	3,388,817
	47,753,071	44,678,956

6. OTHER OPERATING EXPENSES

Other operating expenses include:

	2023 S\$	2022 S\$
Audit fees paid to:		
- Auditors of the Company	192,000	176,000
- Member firm of EY Global	3,081	4,684
Non-audit fees paid to:		
- Auditors of the Company	18,800	15,500
Internal audit fees	35,000	35,000
(Gain)/loss on disposal of property, plant and equipment	(8,247)	8,963
Write-off of intangible assets (Note 10)	6,333	-
Property tax	1,437,500	1,437,500
Impairment loss/(write-back) on trade receivables (Note 14)	90,743	(124,438)
Directors' fees	490,000	486,640
International Baccalaureate Organisation ("IBO") fees	36,205	28,769
Teaching materials	534,346	514,571
Insurance	159,871	154,797
Training expenses	96,664	94,368
Transport services	883,064	750,968
Charitable donation	50,000	50,000
Write-off of inventories (Note 13)	5,820	186
Bank charges	755,503	816,926

Finance costs relate to:

	2023 S\$	2022 S\$
Loan interest expense (Note 20)	4,137,092	3,398,360
Interest expense on lease liabilities (Note 21)	193,183	91,348
Other finance costs	109,371	97,730
	4,439,646	3,587,438

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INCOME TAX EXPENSE

(a) Major components of income tax expense for the financial year ended 31 December are:

	2023 S\$	2022 S\$
Statement of comprehensive income		
Current income tax:		
- Current year income taxation	3,099,936	2,375,363
- Under/(over)provision in respect of previous years	16,305	(41,194)
	<u>3,116,241</u>	<u>2,334,169</u>
Deferred income tax (Note 22):		
- Origination and reversal of temporary differences	(502,250)	(747,164)
	<u>2,613,991</u>	<u>1,587,005</u>

(b) Relationship between tax expense and profit before tax

A reconciliation between the tax expense and the product of profit before tax multiplied by applicable corporate tax rate for the years ended 31 December is as follows:

	2023 S\$	2022 S\$
Profit before tax	9,339,936	6,865,074
Taxation at statutory tax rate of 17% (2022: 17%)	1,587,789	1,167,063
Adjustments		
Effect of partial tax exemption	(34,850)	(34,850)
Expenses not deductible for tax purposes	1,019,591	947,330
Tax benefits from tax reliefs	(21,250)	(21,250)
Non-taxable income	-	(471,852)
Under/(over) provision in respect of previous years	16,305	(41,194)
Others	46,406	41,758
	<u>2,613,991</u>	<u>1,587,005</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing net profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The Company did not issue any dilutive potential ordinary shares during the current and previous financial years.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	2023	2022
Net profit for the year attributable to owners of the Company	\$6,725,945	S\$5,278,069
Weighted average number of ordinary shares for basic and diluted earnings per share computation	415,363,548	415,363,548
Earnings per share (cents)		
- Basic and diluted	1.6	1.3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land S\$	School buildings, plant and equipment					Total S\$
		School buildings S\$	School plant and equipment S\$	Computers S\$	Motor vehicles S\$	Library books and media S\$	
Cost							
At 1 January 2022	37,100,000	182,788,298	70,875,396	4,893,178	716,509	3,039,772	299,413,153
Additions	-	-	277,975	79,974	-	101,308	459,257
Disposals/write-off	-	-	(54,846)	(1,778)	-	(32,656)	(89,280)
At 31 December 2022 and 1 January 2023	37,100,000	182,788,298	71,098,525	4,971,374	716,509	3,108,424	299,783,130
Additions	-	-	267,401	809,575	440,600	120,470	1,638,046
Disposals/write-off	-	-	(14,600)	(119,644)	(284,206)	(39,868)	(458,318)
At 31 December 2023	37,100,000	182,788,298	71,351,326	5,661,305	872,903	3,189,026	300,962,858
Accumulated depreciation							
At 1 January 2022	10,511,667	23,762,479	26,379,463	3,764,467	290,592	2,700,999	67,409,667
Charge for the year	1,236,667	3,655,766	4,037,906	385,059	132,595	112,488	9,560,481
Disposals/write-off	-	-	(36,996)	(1,087)	-	(32,610)	(70,693)
At 31 December 2022 and 1 January 2023	11,748,334	27,418,245	30,380,373	4,148,439	423,187	2,780,877	76,899,455
Charge for the year	1,236,666	3,655,766	3,667,923	388,617	163,832	113,094	9,225,898
Disposals/write-off	-	-	(9,277)	(118,879)	(264,860)	(39,790)	(432,806)
At 31 December 2023	12,985,000	31,074,011	34,039,019	4,418,177	322,159	2,854,181	85,692,547
Net carrying values							
At 31 December 2023	24,115,000	151,714,287	37,312,307	1,243,128	550,744	334,845	215,270,311
At 31 December 2022	25,351,666	155,370,053	40,718,152	822,935	293,322	327,547	222,883,675

Depreciation expense in the consolidated statement of comprehensive income comprises S\$9,225,898 (2022: S\$9,560,481) of depreciation of property, plant and equipment and S\$4,502,430 (2022: S\$3,950,232) of depreciation of right-of-use assets (Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor vehicles S\$	Computers S\$	Total S\$
Company			
Cost			
At 31 December 2022 and 1 January 2023	143,400	1,679	145,079
Addition	78,800	-	78,800
Disposals/write-off	(66,900)	(1,679)	(68,579)
At 31 December 2023	155,300	-	155,300
Accumulated depreciation			
At 1 January 2022	62,034	1,609	63,643
Charge for the year	25,198	70	25,268
At 31 December 2022 and 1 January 2023	87,232	1,679	88,911
Charge for the year	32,168	-	32,168
Disposals/write-off	(51,857)	(1,679)	(53,536)
At 31 December 2023	67,543	-	67,543
Net carrying values			
At 31 December 2023	87,757	-	87,757
At 31 December 2022	56,168	-	56,168

10. INTANGIBLE ASSETS

	Internally developed computer software S\$	Internally developed computer software work- in-progress ("WIP") S\$	Acquired computer software S\$	Total S\$
Group				
Cost				
At 1 January 2022	12,504,737	78,856	108,510	12,692,103
Additions	144,500	227,723	-	372,223
Transfer of completed assets	153,484	(153,484)	-	-
Write-off	(9,577,149)	-	-	(9,577,149)
At 31 December 2022 and 1 January 2023	3,225,572	153,095	108,510	3,487,177
Additions	177,996	229,631	-	407,627
Transfer of completed assets	349,985	(349,985)	-	-
Write-off	-	(6,333)	-	(6,333)
At 31 December 2023	3,753,553	26,408	108,510	3,888,471

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. INTANGIBLE ASSETS (CONT'D)

	Internally developed computer software S\$	Internally developed computer software work-in-progress ("WIP") S\$	Acquired computer software S\$	Total S\$
Group				
Accumulated amortisation				
At 1 January 2022	10,840,154	-	108,510	10,948,664
Amortisation for the year	357,408	-	-	357,408
Write-off	(9,577,149)	-	-	(9,577,149)
At 31 December 2022 and 1 January 2023	1,620,413	-	108,510	1,728,923
Amortisation for the year	363,002	-	-	363,002
At 31 December 2023	1,983,415	-	108,510	2,091,925
Net carrying values				
At 31 December 2023	1,770,138	26,408	-	1,796,546
At 31 December 2022	1,605,159	153,095	-	1,758,254

11. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 S\$	2022 S\$
Unquoted shares, at cost	101,219,141	101,219,141

The subsidiaries of the Company are as follows:

Name	Country of incorporation	Principal activities	Cost		Proportion of ownership interest	
			2023 S\$	2022 S\$	2023 %	2022 %
Overseas Family School Limited ("OFSL")*	Singapore	Operating a foreign system school	101,217,127	101,217,127	100	100
Overseas Family School Limited (Hong Kong) ("OFS HK")#	Hong Kong	Dormant	2,014	2,014	100	100
			101,219,141	101,219,141		

* Audited by Ernst & Young LLP, Singapore

Audited by Ernst & Young, Hong Kong

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12. DERIVATIVES

	Group			
	2023		2022	
	Notional amount S\$	Carrying amount Asset S\$	Notional amount S\$	Carrying amount Asset S\$
Interest rate swaps	53,583,975	1,409,442	57,250,275	2,768,703
- Current		144,703		179,552
- Non-current		1,264,739		2,589,151
		1,409,442		2,768,703
Statement of comprehensive income				
Fair value (loss)/gain on derivatives		(1,359,261)		2,768,703

In 2022, the Group entered into interest rate swaps with a financial institution with notional amount of S\$60,000,000 to partially hedge its exposure to interest rate risk on its variable rate borrowings from the same financial institution. The interest rate swaps entitle the Group to receive, on a quarterly basis, floating interest equal to prevailing SORA and pay a fixed rate of interest at rates ranging from 1.74% to 1.86% (2022: 1.74% to 1.86%) per annum. The interest rate swaps mature on 16 February 2027.

The fair values of the derivatives at 31 December 2023 are measured based on the methods and assumptions used to estimate their fair values as set out in Note 30. The Group does not apply hedge accounting and records interest rate swaps at fair value with changes in value recorded in profit or loss.

13. INVENTORIES

	Group	
	2023 S\$	2022 S\$
School supplies and stationery	447,199	468,258

During the financial year, the Group wrote-off inventories of S\$5,820 (2022: S\$186) (Note 6). The write-off was for school supplies which were no longer saleable and was recognised as an expense in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. TRADE RECEIVABLES

	Group	
	2023 S\$	2022 S\$
Trade receivables	1,076,574	714,975
Less: Allowance for expected credit losses	(160,943)	(77,407)
Total financial assets carried at amortised cost	915,631	637,568

Trade receivables are non-interest bearing. Trade receivables relating to tuition fees are due one month before semester commences while other trade receivables are generally due immediately. They are recognised at their original invoice amounts which represent their fair values on initial recognition. All trade receivables are denominated in Singapore Dollars.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	Group	
	2023 S\$	2022 S\$
At beginning of the year	77,407	201,845
Charge for the year (Note 6)	90,743	9,109
Write-back during the year (Note 6)	-	(133,547)
Write-off during the year	(7,207)	-
At end of the year	160,943	77,407

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

15. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Staff housing deposits	187,400	349,300	8,600	7,500
Receivable - interest rate swaps	212,855	139,888	-	-
Other debtors	110,460	11,290	45,659	5,000
	510,715	500,478	54,259	12,500

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. AMOUNT DUE FROM SUBSIDIARY

As at 31 December 2023, the amount due from subsidiary of S\$5,000,000 (2022: S\$4,000,000) relates to financial year 2023 interim dividend (2022: financial year 2022 interim dividend) received in January 2024 (2022: January 2023).

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Cash at bank	23,012,845	47,686,579	1,324,280	608,480
Fixed deposits	33,000,000	3,000,000	3,000,000	3,000,000
Less: Other long term asset	(333,500)	(333,500)	-	-
Cash and cash equivalents	55,679,345	50,353,079	4,324,280	3,608,480

Cash at bank earns interest at floating rates based on daily bank deposit rates and fixed deposits earn interest rates ranging from 3.04% to 3.32% (2022: 3.3%) per annum and matures within 3 months (2022: 3 months).

Included in cash at bank is an amount of S\$333,500 (2022: S\$333,500) that was placed with a bank in prior years to secure a banker's guarantee issued to a government authority for a proposed road widening project beside the school campus. The project is currently on-hold. This amount is expected to be placed with the bank for a duration of more than one year.

Included in cash and cash equivalents are the following balances denominated in foreign currency:

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
United States dollars	7,627	7,697	-	-

18. OTHER PAYABLES AND LIABILITIES

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Accrued staff and related costs	241,617	255,085	-	-
Other creditors	594,788	564,003	125,718	96,426
	836,405	819,088	125,718	96,426

Other payables are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. FEES RECEIVED IN ADVANCE

Fees received in advance (current) refer to both registration fees and tuition fees billed and received for the semester starting in January of the next financial year. Fees received in advance (non-current) refer to the registration fees received and to be recognised over the average student life in the school.

Information about fees received in advance is disclosed as follows:

	Group	
	2023	2022
	S\$	S\$
Current – Tuition fee and registration fee	35,381,847	35,763,051
Non-current (1 to 3 years) – Registration fee	723,480	812,762
	<u>36,105,327</u>	<u>36,575,813</u>

Fees received in advance are recognised as revenue as the Group fulfils its performance obligation under the contract. Significant changes in fees received in advance (tuition fees and registration fees) are explained as follows:

	Group	
	2023	2022
	S\$	S\$
Revenue recognised that was included in the fees received in advance balance at the beginning of the year (1 January)	<u>35,763,051</u>	26,192,138

20. BORROWINGS

Bank loan

	Group	
	2023	2022
	S\$	S\$
Current liabilities		
Borrowings		
– Bank loan	6,160,000	6,160,000
– Interest payable	1,066,056	982,102
Less: Facility fee	<u>(117,750)</u>	<u>(117,750)</u>
	<u>7,108,306</u>	7,024,352

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. BORROWINGS (CONT'D)

Bank loan (cont'd)

	Group	
	2023 S\$	2022 S\$
Non-current liabilities		
Borrowings – Bank loan	83,870,000	90,030,000
Less: Facility fee	(500,437)	(618,187)
	83,369,563	89,411,813
Total borrowings	90,477,869	96,436,165
Finance costs		
Loan interest expense	4,137,092	3,398,360

In 2019, the Group entered into an agreement for a 10-year bank term loan of S\$117,750,000 (with maturity on 15 April 2029) to fully redeem the outstanding Company's bonds. The loan is unsecured, payable in quarterly instalments of S\$1,540,000, with a final payment of outstanding loan balance upon maturity. The loan bears interest at average rates ranging from 4.9% to 5.6% (2022: 2.0% to 4.9%) per annum during the year. Any amount of the loan outstanding at the end of the 10-year term is subject to further refinancing. Loan interest expense is computed based on the effective interest method.

A reconciliation of liabilities arising from bank loan financing activities is as follows:

	2022 S\$	Cash flows S\$	Non-cash changes		2023 S\$
			Accretion of interests S\$	Amortisation of facility fee S\$	
Borrowings – Bank loan at amortised cost	95,454,063	(6,160,000)	–	117,750	89,411,813
Loan interest payable	982,102	(4,126,105)	4,210,059*	–	1,066,056
	96,436,165	(10,286,105)	4,210,059	117,750	90,477,869

	2021 S\$	Cash flows S\$	Non-cash changes		2022 S\$
			Accretion of interests S\$	Amortisation of facility fee S\$	
Borrowings - Bank loan at amortised cost	101,496,313	(6,160,000)	–	117,750	95,454,063
Loan interest payable	93,681	(2,649,827)	3,538,248*	–	982,102
	101,589,994	(8,809,827)	3,538,248*	117,750	96,436,165

* includes receivable – interest rate swaps of S\$212,855 (2022: S\$139,888) (Note 15)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. LEASES

Group as a lessee

The Group has lease contracts for housing apartments for employees. The Group is restricted from assigning and subleasing the leased assets.

(a) *Carrying amounts of right-of-use assets*

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
At 1 January	3,770,234	4,751,718	18,104	61,555
Additions	7,243,924	3,255,950	97,937	-
De-recognition	(208,194)	(287,202)	-	-
Depreciation during the year (Note 9)	(4,502,430)	(3,950,232)	(46,669)	(43,451)
At 31 December	6,303,534	3,770,234	69,372	18,104

(b) *Carrying amounts of lease liabilities*

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
At 1 January	3,789,610	4,789,018	18,636	62,213
Additions	7,243,924	3,255,950	97,937	-
Accretion of interest	193,183	91,348	2,756	1,423
De-recognition	(216,573)	(307,222)	-	-
Payments	(4,604,551)	(4,039,484)	(48,850)	(45,000)
At 31 December	6,405,593	3,789,610	70,479	18,636
Current	4,255,394	3,069,304	49,175	18,636
Non-current	2,150,199	720,306	21,304	-
	6,405,593	3,789,610	70,479	18,636

The maturity analysis of lease liabilities is disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. LEASES (CONT'D)

Group as a lessee (cont'd)

(c) Amounts recognised in profit or loss

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Depreciation of right-of-use assets	4,502,430	3,950,232	46,669	43,451
Interest expense on lease liabilities	193,183	91,348	2,756	1,423
	4,695,613	4,041,580	49,425	44,874

(d) Total cash outflow

The Group had total cash outflow for leases of S\$4,604,551 (2022: S\$4,039,484).

22. DEFERRED TAX LIABILITIES

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated Balance sheet		Consolidated statement of comprehensive income	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Deferred tax assets				
Provisions, unabsorbed capital allowances, and unearned registration fees	(352,791)	(347,484)	(5,307)	(69,770)
Deferred tax liabilities				
Differences in depreciation and amortisation for tax purposes	6,309,613	6,806,556	(496,943)	(677,394)
Deferred tax liabilities (net)	5,956,822	6,459,072	(502,250)	(747,164)

Tax consequences of proposed dividends

There are no income tax consequences (2022: S\$nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 25).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. SHARE CAPITAL

	Group and Company			
	Number of shares	2023 S\$	Number of shares	2022 S\$
At 1 January and 31 December	415,363,548	99,253,226	415,363,548	99,253,226

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

24. OTHER RESERVES

	Group	
	2023 S\$	2022 S\$
Merger reserve	(26,170,566)	(26,170,566)
Foreign currency translation reserve	1,071	1,088
At 31 December	(26,169,495)	(26,169,478)

Merger reserve represents the difference between the consideration paid by the Company and the share capital of the subsidiaries acquired under common control during the year ended 31 December 2011, following the application of the pooling of interest method. This reserve will remain until the subsidiaries are disposed.

25. DIVIDENDS

	2023 S\$	2022 S\$
Declared and paid during the financial year:		
- Final exempt (one-tier) dividend for 2022: S\$0.011 (2021: S\$0.013) per share	4,568,999	5,399,726
Proposed but not recognised as a liability as at 31 December: Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
- Final exempt (one-tier) dividend for 2023: S\$0.013 (2022: S\$0.011) per share	5,399,726	4,568,999

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following are the significant related party transactions entered into between the Group and its related parties that took place at terms and conditions agreed between the parties during the financial year:

	Group	
	2023	2022
	S\$	S\$
<i>Director-related company – MPPL</i>		
Provision of accounting services	(5,000)	(5,000)

Director-related company

- A director of the Company has 50% interest in Master Projects Pte Ltd (“MPPL”). During the year, OFSL provided accounting services to MPPL. At the end of the reporting period, there was no outstanding balance from MPPL (2022: S\$nil).

(b) Compensation of key management personnel

	Group	
	2023	2022
	S\$	S\$
Directors’ fees	490,000	486,640
Directors’ salaries and bonuses	864,000	896,000
Directors’ Central Provident Fund contributions	14,280	14,160
Directors’ short term benefits	27,001	24,181
Other key management personnel’s and related party’s salaries and bonuses	1,098,000	1,223,000
Other key management personnel’s and related party’s Central Provident Fund contributions	30,126	30,240
Other key management personnel’s and related party’s short term benefits	112,748	120,917
	2,636,155	2,795,138
Comprise amounts paid to:		
- Directors of the Company	1,395,281	1,420,981
- Other key management personnel and related party*	1,240,874	1,374,157
	2,636,155	2,795,138

* related party refers to a family member of director of the Company, who is a director of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

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27. COMMITMENTS

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements is as follows:

	Group		Company	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Commitments relating to capital expenditure not contracted for	143,500	134,500	-	-

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments.

The Group's principal financial instruments comprise cash and cash equivalents, short term deposits and derivatives. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and payables, which arise directly from its operations, and borrowings. The Group enters into derivative financial instruments, namely interest rate swaps, to manage the interest rate risk arising from its sources of financing.

The main risks arising from the Group's and the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate due to changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the Group's and Company's cash and bank deposits and borrowings from a financial institution. Interest rate risk is managed by partially hedging the risk through interest rate swaps from floating to fixed rates of interest with the primary objective of reducing interest rate fluctuations risk arising from adverse movements in interest rates on variable interest rate borrowings. The details of the interest rates relating to the interest-earning financial assets and interest-bearing financial liabilities are disclosed in Notes 12 and 20, respectively.

Since the Group's and the Company's deposits are usually placed on a short term basis, there is no significant exposure arising from interest rate fluctuation. It is the Group's and the Company's policy to place surplus funds with reputable banks whose head office is regulated by Singapore authorities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change if the market interest rates increased/(decreased) by 100 basis point (2022: 100 basis point), with all other variables held constant.

	Group Profit before tax Increase/(decrease)	
	2023 S\$	2022 S\$
Financial liability		
Borrowings – Bank loan interest rate		
– increased	(358,278)	(382,038)
– decreased	358,278	382,038

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's exposure to liquidity risk arises in the general funding of the Group's operating activities. The Group and the Company manage its liquidity risk by maintaining cash and cash equivalent balances sufficient to meet operating expenses, capital expenditure and bank loan repayment.

The table below summarises the maturity profiles of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	1 year or less S\$	1 to 5 years S\$	More than 5 years S\$	Total S\$
Group				
2023				
Financial assets				
Deposits	-	167,310	-	167,310
Staff housing deposits	-	366,575	-	366,575
Other long term asset	-	333,500	-	333,500
Derivatives	144,703	1,264,739	-	1,409,442
Trade receivables	915,631	-	-	915,631
Other receivables and deposits	510,715	-	-	510,715
Cash and cash equivalents	55,679,345	-	-	55,679,345
Total undiscounted financial assets	57,250,394	2,132,124	-	59,382,518

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

	1 year or less S\$	1 to 5 years S\$	More than 5 years S\$	Total S\$
Group				
2023				
Financial liabilities				
Trade payables	980,148	-	-	980,148
Other payables and liabilities	836,405	-	-	836,405
Lease liabilities (a)	4,473,631	2,185,522	-	6,659,153
Bank loan – Interest payable (b)	4,937,213	16,947,981	935,072	22,820,266
Borrowings – Bank loan	6,042,250	24,169,000	59,200,563	89,411,813
Central Provident Fund payable	447,834	-	-	447,834
Total undiscounted financial liabilities	17,717,481	43,302,503	60,135,635	121,155,619
Total net undiscounted financial assets/(liabilities)	39,532,913	(41,170,379)	(60,135,635)	(61,773,101)
2022				
Financial assets				
Deposits	-	352,830	-	352,830
Staff housing deposits	-	175,800	-	175,800
Other long term asset	-	333,500	-	333,500
Derivatives	179,552	2,589,151	-	2,768,703
Trade receivables	637,568	-	-	637,568
Other receivables and deposits	500,478	-	-	500,478
Cash and cash equivalents	50,353,079	-	-	50,353,079
Total undiscounted financial assets	51,670,677	3,451,281	-	55,121,958
Financial liabilities				
Trade payables	376,748	-	-	376,748
Other payables and liabilities	819,088	-	-	819,088
Lease liabilities (a)	3,116,377	726,352	-	3,842,729
Bank loan – Interest payable (b)	4,590,380	18,506,144	1,429,573	24,526,097
Borrowings – Bank loan	6,042,250	24,169,000	65,242,813	95,454,063
Central Provident Fund payable	404,363	-	-	404,363
Total undiscounted financial liabilities	15,349,206	43,401,496	66,672,386	125,423,088
Total net undiscounted financial assets/(liabilities)	36,321,471	(39,950,215)	(66,672,386)	(70,301,130)

(a) relates to contractual obligation of lease commitments

(b) relates to contractual obligation of bank interest payable up to April 2029

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

	1 year or less S\$	1 to 5 years S\$	Total S\$
Company			
2023			
Financial assets			
Amount due from subsidiary	5,000,000	-	5,000,000
Other receivables and deposits	54,259	-	54,259
Cash and cash equivalents	4,324,280	-	4,324,280
Total undiscounted financial assets	9,378,539	-	9,378,539
Financial liabilities			
Other payables and liabilities	125,718	-	125,718
Lease liabilities (a)	51,600	21,500	73,100
Central Provident Fund payable	2,308	-	2,308
Total undiscounted financial liabilities	179,626	21,500	201,126
Total net undiscounted financial assets/(liabilities)	9,198,913	(21,500)	9,177,413
2022			
Financial assets			
Amount due from subsidiary	4,000,000	-	4,000,000
Other receivables and deposits	12,500	-	12,500
Cash and cash equivalents	3,608,480	-	3,608,480
Total undiscounted financial assets	7,620,980	-	7,620,980
Financial liabilities			
Other payables and liabilities	96,426	-	96,426
Lease liabilities (a)	18,750	-	18,750
Central Provident Fund payable	1,989	-	1,989
Total undiscounted financial liabilities	117,165	-	117,165
Total net undiscounted financial assets	7,503,815	-	7,503,815

(a) relates to contractual obligation of lease commitments

(b) relates to contractual obligation of bank interest payable up to April 2029

NOTES TO THE FINANCIAL STATEMENTS

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's main exposure to credit risk arises primarily from trade and other receivables and cash and cash equivalents. The credit risk on such trade and other receivables is minimal as the Group collects the fees in advance of rendering services. For other financial assets including cash and cash equivalents and derivatives, the Group minimises credit risk by placing the surplus funds and dealing in derivatives with reputable banks.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, and when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

The Group considers available reasonable and supportive forwarding-looking information and significant changes in the payment status and behaviour of debtors.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtors
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on observable ageing buckets. The expected credit losses below also incorporate forward looking information such as unemployment rate of Singapore residents.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

Trade receivables (cont'd)

Summarised below are the information about the loss allowance provision and the credit risk exposure on the Group's trade receivables using provision matrix:

	Current S\$	More than 30 days past due S\$	More than 60 days past due S\$	More than 90 days past due S\$	Total S\$
2023					
Expected credit loss rate	1.14%	0.62%	16.66%	95.00%	
Gross carrying amount	790,754	118,643	9,719	157,458	1,076,574
Loss allowance provision	(9,000)	(736)	(1,619)	(149,588)	(160,943)

	Current S\$	More than 30 days past due S\$	More than 60 days past due S\$	More than 90 days past due S\$	Total S\$
2022					
Expected credit loss rate	3.85%	0.79%	25.52%	100.00%	
Gross carrying amount	545,164	105,232	12,084	52,495	714,975
Loss allowance provision	(21,000)	(828)	(3,084)	(52,495)	(77,407)

Information regarding loss allowance movement of trade receivables is disclosed in Note 14.

During the financial year, the Group wrote-off S\$7,207 (2022: S\$nil) of trade receivables against allowance (Note 14) which are more than 90 days past due as the Group does not expect to receive future cash flows from these debtors and there are no significant recoveries from collection of amounts previously written off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments in each of the following categories are as follows:

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Financial assets measured at amortised cost				
Deposits (non-current)	167,310	352,830	-	-
Staff housing deposits (non-current)	366,575	175,800	-	-
Other long term asset	333,500	333,500	-	-
Trade receivables	915,631	637,568	-	-
Other receivables and deposits	510,715	500,478	54,259	12,500
Amount due from subsidiary	-	-	5,000,000	4,000,000
Cash and cash equivalents	55,679,345	50,353,079	4,324,280	3,608,480
	57,973,076	52,353,255	9,378,539	7,620,980
Financial assets measured at fair value through profit or loss				
Derivatives	1,409,442	2,768,703	-	-
Financial liabilities measured at amortised cost				
Trade payables	980,148	376,748	-	-
Other payables and liabilities	836,405	819,088	125,718	96,426
Lease liabilities	6,405,593	3,789,610	70,479	18,636
Borrowings – Bank loan	90,477,869	96,436,165	-	-
	98,700,015	101,421,611	196,197	115,062

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, and bank borrowings reasonably approximate their fair values because these are mostly short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair values (cont'd)

The fair values of the non-current deposits, staff housing deposits and other long term asset approximate their carrying value and are estimated using the discounted estimated cash flow analysis. Where repayment terms are not fixed, future cash flows are projected based on management's best estimates. The discount rates used are the current market incremental lending rates for similar types of lending and borrowing arrangements.

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Assets measured at fair value*

	Note	Significant observable inputs other than quoted prices (Level 2) S\$	Total S\$
Group			
2023			
Financial asset			
Derivatives			
– Interest rate swaps	12	<u>1,409,442</u>	<u>1,409,442</u>
2022			
Financial asset			
Derivatives			
– Interest rate swaps	12	<u>2,768,703</u>	<u>2,768,703</u>

Methods and assumptions used to determine fair values

Interest rate swaps are valued using a valuation technique with market observable inputs, primarily forward rate curve and discount rate curve. The most frequently applied valuation technique include swap models, using present value calculations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its operations and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022.

The Group will continue to be guided by prudent financial policies which are to finance the operations and repayment of borrowings mainly through cash generated from operating activities.

	Group	
	2023	2022
	S\$	S\$
Total gross debt [^]	90,030,000	96,190,000
Equity attributable to owners of the company		
Share capital	99,253,226	99,253,226
Revenue reserve	64,213,650	62,056,704
Other reserves	(26,169,495)	(26,169,478)
	137,297,381	135,140,452
Gross debt equity ratio	65.57%	71.18%
Cash and cash equivalents	55,679,345	50,353,079
Less: Total gross debt [^]	(90,030,000)	(96,190,000)
Net borrowing position	(34,350,655)	(45,836,921)

[^] Gross debt relates to principal amount of borrowings

32. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of directors on 25 March 2024.

SHAREHOLDINGS STATISTICS

AS AT 15 MARCH 2024

Class of Equity Securities	Number of Equity Securities	Voting Rights
Ordinary Shares	415,363,548	One vote per share
Treasury Shares	Nil	Nil
Subsidiary holdings	Nil	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	1	0.09	10	0.00
100 – 1,000	69	6.50	54,600	0.01
1,001 – 10,000	394	37.10	2,250,906	0.54
10,001 – 1,000,000	573	53.96	48,630,200	11.71
1,000,001 and above	25	2.35	364,427,832	87.74
TOTAL	1,062	100.00	415,363,548	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
WLH Private Limited	135,865,628	32.71	-	-
PDAC Private Limited	131,878,138	31.75	-	-
Wong Lok Hiong ⁽¹⁾	-	-	135,865,628	32.71
David Alan Perry ⁽²⁾	-	-	136,915,110	32.96

Notes:

⁽¹⁾ Ms Wong Lok Hiong is deemed to be interested in the Shares held by WLH Private Limited by virtue of Section 4 of the Securities and Futures Act as she is the sole shareholder of WLH Private Limited.

⁽²⁾ Mr David Alan Perry is deemed to be interested in the Shares held by PDAC Private Limited by virtue of Section 4 of the Securities and Futures Act as he is the sole shareholder of PDAC Private Limited and 5,036,972 ordinary shares held through Citibank Nominees Singapore Pte Ltd, holding on behalf of David Alan Perry.

SHAREHOLDINGS STATISTICS

AS AT 15 MARCH 2024

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 15 March 2024, to the best of the Company's knowledge, approximately 35.05% of the Company's total number of issued shares is held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST which requires at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed at all times held in the hands of the public.

TWENTY LARGEST SHAREHOLDERS

	Name	No. of Shares	%
1	WLH PRIVATE LIMITED	135,865,628	32.71
2	PDAC PRIVATE LIMITED	131,878,138	31.75
3	CITIBANK NOMINEES SINGAPORE PTE LTD	24,161,082	5.82
4	DBS NOMINEES PTE LTD	17,988,000	4.33
5	PHILLIP SECURITIES PTE LTD	10,237,890	2.47
6	RAFFLES NOMINEES (PTE) LIMITED	5,669,594	1.37
7	ABN AMRO CLEARING BANK N.V.	5,283,900	1.27
8	DB NOMINEES (SINGAPORE) PTE LTD	4,743,800	1.14
9	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,634,600	0.88
10	LAI CHOY KUEN	2,542,500	0.61
11	LIM AND TAN SECURITIES PTE LTD	2,297,400	0.55
12	ANG HAO YAO (HONG HAOYAO)	2,288,800	0.55
13	UOB KAY HIAN PTE LTD	1,995,600	0.48
14	FU MUI KIM MRS WOO TOONG LI	1,600,000	0.39
15	LIM GECK CHIN MAVIS	1,500,000	0.36
16	EST OF MRS LIM NANCY NEE TAN NANCY, DEC'D	1,500,000	0.36
17	PATRICK BROOKS HALLER	1,425,100	0.34
18	OCBC NOMINEES SINGAPORE PTE LTD	1,410,400	0.34
19	SOPHIA ANG BEE LENG	1,388,800	0.33
20	AMIN LEO @ LIAUW TJEN MIN	1,300,000	0.31
	TOTAL	358,711,232	86.36

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM” or “Meeting”) of **OVERSEAS EDUCATION LIMITED** (the “Company”) will be held at 81 Pasir Ris Heights, Singapore 519292 on Thursday, 25 April 2024 at 3:00 p.m. (Singapore time) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2023 together with the Auditor’s Report thereon. **(Resolution 1)**
2. To declare final dividend (tax exempt one-tier) of S\$0.013 per ordinary share for the financial year ended 31 December 2023. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$490,000 in advance for the financial year ending 31 December 2024. **(Resolution 3)**
4. To elect the following persons as Directors of the Company:
 - (a) Mr Jong Voon Hoo **(Resolution 4)**
 - (b) Associate Professor Leong Ching Ching **(Resolution 5)**

[See Explanatory Note (i)]

In addition, to note:

“That Mr Ho Yew Mun, who retires in accordance with Regulation 96 of the Constitution and who will not be eligible for re-election as Independent Director pursuant to Rule 210(5)(d)(iv) of the Listing Rules of the SGX-ST, will retire with effect from the conclusion of the Meeting.

That Mr Leow Wee Kia Clement, who retires in accordance with Regulation 96 of the Constitution and who will not be eligible for re-election as Independent Director pursuant to Rule 210(5)(d)(iv) of the Listing Rules of the SGX-ST, will retire with effect from the conclusion of the Meeting.”
5. To re-appoint Messrs Ernst & Young LLP, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**")

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the total number of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;

NOTICE OF ANNUAL GENERAL MEETING

Adjustments in accordance with 7(2)(a) or 7(2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of the Share Issue Mandate.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments. **(Resolution 7)**

[See Explanatory Note (ii)]

By Order of the Board

Tan Swee Gek
Company Secretary

Singapore, 9 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) (a) Mr Jong Voon Hoo will, upon election as a Director of the Company, be designated as Independent Director of the Company and as Chairman of the Audit Committee and Nominating Committee and member of the Remuneration Committee. Mr Jong Voon Hoo will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Mr Jong Voon Hoo and the other Directors of the Company, the Company, its related corporations, its substantial shareholders or its officers, which may affect his independence. Please refer to Table A of the Corporate Governance Report on page 51 to page 56 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.
 - (b) Associate Professor Leong Ching Ching will, upon election as a Director of the Company, be designated as Independent Director of the Company and as Chairman of the Remuneration Committee and member of the Audit Committee and the Nominating Committee. Associate Professor Leong Ching Ching will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Associate Professor Leong Ching Ching and the other Directors of the Company, the Company, its related corporations, its substantial shareholders or its officers, which may affect her independence. Please refer to Table A of the Corporate Governance Report on page 51 to page 56 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.
- (ii) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

Physical meeting

1. The AGM is being convened and will be held physically at 81 Pasir Ris Heights, Singapore 519292. **There will be no option for members to participate virtually.**

Submission of questions in advance of AGM

2. Shareholders will be able to submit questions in advance of or at the AGM. Shareholders may submit questions relating to the items on the agenda of the AGM in advance, no later than **17 April 2024 at 12.00 p.m.** by email to the Company's Investor Relations team at ir@ofs.edu.sg and provide the particulars, full name as per CDP/CPF/SRS/Script-based account records, NRIC/Passport No./Company Registration No., contact number and email address for verification purposes.
3. The Company will address the substantial and relevant queries from shareholders by **19 April 2024** and the Company's responses will be uploaded on the SGXNet and the Company's website. The Company will address those substantial and relevant questions which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, during the AGM. The minutes of the AGM will be published within one (1) month after the conclusion of the AGM.

Voting

4. Live voting will be conducted during the AGM for members and proxies attending the AGM. It is important for members and proxies to bring their own web-browser enabled devices for voting at the AGM. Examples of web-browser enabled devices include mobile smartphones, laptops or tablets with internet capabilities.
5. A Member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company. Members may appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.
6. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
7. The instrument appointing a proxy must:
 - (a) be deposited at the Share Registration Office of the Company at B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) be emailed to main@zicoholdings.com,
no later than **3.00 p.m. on 22 April 2024**, being seventy-two (72) hours before the time appointed for holding the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

8. Investors who hold shares under the Central Provident Fund Investment Scheme (“**CPF Investors**”) and/or the Supplementary Retirement Scheme (“**SRS Investors**”) (as may be applicable) and wish to appoint the Chairman of the AGM as their proxy should approach their respective CPF/SRS Approved Nominees (CPF Agent Banks or SRS Operators) to submit their votes at least seven (7) working days before the AGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Documents for AGM

9. Annual Report FY2023, Notice of AGM and the proxy form are sent to members by mail. The same are also available on the Company's website at the URL <https://oel.listedcompany.com/download.html> and SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF RECORD DATE AND PAYMENT DATE FOR DIVIDEND

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of **OVERSEAS EDUCATION LIMITED** will be closed on **3 May 2024** for the purpose of determining shareholders' entitlements to the final dividend (tax-exempt one-tier) of S\$0.013 per ordinary share for the financial year ended 31 December 2023 (the "**Dividend**").

Duly completed and stamped registrable transfers in respect of shares not registered in the name of The Central Depository (Pte) Limited, together with all relevant documents of title thereto, received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on **2 May 2024** will be registered to determine shareholders' entitlement to the Dividend.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on **2 May 2024** will be entitled to the Dividend.

Payment of the Dividend (subject to shareholders' approval at the AGM) will be made on **10 May 2024**.

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OVERSEAS EDUCATION LIMITED**Company Registration No. 201131905D**

(Incorporated in the Republic of Singapore)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF Investors and SRS Investors (collectively “**CPF and SRS Investors**”) who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees (as may be applicable) to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the relevant CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name) _____ (NRIC/Passport/Registration No.)

of _____ (Address)

being a *member/members of **OVERSEAS EDUCATION LIMITED** (the “**Company**”), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her/them*, the Chairman of the Annual General Meeting (the “**Meeting**”), as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Meeting of the Company to be held at 81 Pasir Ris Heights, Singapore 519292, on Thursday, 25 April 2024 at 3:00 p.m. and at any adjournment thereof. *I/We direct my/our* proxy/proxies* to vote for, against or to abstain from voting the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies* will vote for, against or to abstain from voting at *his/her/their discretion.

No.	Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*	No. of votes 'Abstain'*
1	Audited Financial Statements for the financial year ended 31 December 2023			
2	Payment of proposed final dividend of S\$0.013 per ordinary share for the financial year ended 31 December 2023			
3	Approval of Directors’ fees amounting to S\$490,000 in advance for the financial year ending 31 December 2024			
4	Election of Mr Jong Voon Hoo as a Director			
5	Election of Associate Professor Leong Ching Ching as a Director			
6	Re-appointment of Messrs Ernst & Young LLP as Auditors			
7	Authority to issue shares pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited			

* If you wish to exercise all your votes “For” or “Against” or to “Abstain” from voting, please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy/proxies not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2024

Total Number of Ordinary Shares Held

--

Signature of Shareholder(s) or Common Seal of Corporate Shareholder

* Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 10, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, or emailed to main@zicoholdings.com, no later than 3.00 p.m. on Monday, 22 April 2024, being seventy-two (72) hours before the time appointed for holding the Meeting, failing which, the Proxy Form will not be treated as valid.
7. Investors who hold shares under the Central Provident Fund Investment Scheme (“**CPF Investors**”) and/or the Supplementary Retirement Scheme (“**SRS Investors**”) (as may be applicable) and wish to appoint the Chairman of the Meeting as their proxy should approach their respective CPF/SRS Approved Nominees (CPF Agent Banks or SRS Operators) to submit their votes at least seven (7) working days before the Meeting (by 15 April 2024).
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
10. CPF Investors and SRS Investors (collectively “**CPF and SRS Investors**”) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees (as may be applicable) to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the relevant CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as the proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 April 2024.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



Overseas Education Limited

81 PASIR RIS HEIGHTS
SINGAPORE 519292