Overseas Education Limited and Subsidiary Companies

Condensed Interim Financial Statements
For the six months ended 30 June 2026

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Overseas Education Limited and Subsidiary Companies

A. Condensed interim consolidated statement of comprehensive income
For the six-month financial period ended 30 June 2026

	Note	6 months ended 30 June 2026 (Unaudited) S$'000	6 months ended 30 June 2025 (Unaudited) S$'000	Increase/ (decrease) %
Revenue				
Tuition fees		40,083	41,588	(3.6)
Registration fees		727	554	31.2
School shop revenue		164	151	8.6
Enrichment programme revenue		466	560	(16.8)
Interest income		108	287	(62.4)
Other income		7	10	(30.0)
Total revenue	5	41,555	43,150	(3.9)
Operating Expenses				
Personnel expenses		(27,057)	(25,679)	5.4
School shop costs		(112)	(96)	16.7
Enrichment programme costs		(404)	(390)	3.6
Utilities		(594)	(636)	(6.6)
Upkeep and maintenance		(1,049)	(1,094)	(4.1)
Finance costs	6	(1,428)	(1,762)	(19.0)
Other operating expenses	6	(4,252)	(3,998)	6.4
Operating expenses before depreciation and amortisation		(34,896)	(33,655)	3.7
Profit before depreciation and amortisation		**6,659**	**9,495**	**(29.9)**
Depreciation expenses		(5,544)	(6,104)	(9.2)
Amortisation of intangible assets		(192)	(188)	2.7
		(5,736)	(6,292)	(8.8)
Profit after depreciation and amortisation		**923**	**3,203**	**(71.2)**
Fair value gain/(loss) on derivatives	6	62	(1,065)	n.m.
Profit before taxation	6	**985**	**2,138**	**(53.9)**
Income tax expense – current tax	7	(875)	(1,323)	(33.9)
– deferred tax	7, 16	280	365	(23.3)
		(595)	(958)	(37.9)
Net profit for the period attributable to owners of the Company		**390**	**1,180**	**(66.9)**
Other comprehensive income for the period, net of tax				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation		*	*	
Total comprehensive income for the period attributable to owners of the Company		**390**	**1,180**	**(66.9)**
Earnings per share (cents)				
- Basic and diluted	8	0.1	0.3	

n.m. – Not meaningful
* – Amount lower than S$1,000

Overseas Education Limited and Subsidiary Companies

B. Condensed interim balance sheets
As at 30 June 2026

	Note	Group 30 June 2026 (Unaudited)	Group 31 December 2025	Company 30 June 2026 (Unaudited)	Company 31 December 2025
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Property, plant and equipment					
- Leasehold land	9	21,024	21,642	–	–
- School buildings, plant and equipment	9	175,114	178,162	118	84
Right-of-use assets		4,408	6,512	48	73
Intangible assets		1,791	1,830	–	–
Investment in subsidiaries		–	–	101,219	101,219
Deposits		274	349	–	–
Staff housing deposits		409	366	–	–
Other long-term asset	13	334	334	–	–
		203,354	**209,195**	**101,385**	**101,376**
Current assets					
Inventories		522	436	–	–
Trade receivables	11	2,479	1,020	–	–
Other receivables and deposits		184	250	19	19
Prepayments		1,099	2,005	49	49
Amount due from subsidiary	12	–	–	–	3,000
Cash and cash equivalents	13	29,219	48,278	6,075	5,526
		33,503	**51,989**	**6,143**	**8,594**
TOTAL ASSETS		**236,857**	**261,184**	**107,528**	**109,970**
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables		800	649	–	–
Other payables and liabilities		735	867	77	111
Fees received in advance	14	14,109	30,443	–	–
Derivatives	10	233	30	–	–
Lease liabilities		3,795	4,516	49	52
Borrowings	15	6,541	6,507	–	–
Goods and Services Tax payable		3,337	3,249	63	73
Central Provident Fund payable		495	561	3	2
Income tax payable		1,812	1,878	229	241
		31,857	**48,700**	**421**	**479**
NET CURRENT ASSETS		**1,646**	**3,289**	**5,722**	**8,115**
Non-current liabilities					
Fees received in advance	14	634	590	–	–
Derivatives	10	–	265	–	–
Lease liabilities		678	2,123	–	22
Borrowings	15	68,264	71,285	–	–
Deferred tax liabilities	16	4,554	4,834	–	–
		74,130	**79,097**	–	**22**
NET ASSETS		**130,870**	**133,387**	**107,107**	**109,469**
Equity attributable to owners of the Company					
Share capital	17	99,253	99,253	99,253	99,253
Revenue reserve		57,787	60,304	7,854	10,216
Other reserves	18	(26,170)	(26,170)	–	–
TOTAL EQUITY		**130,870**	**133,387**	**107,107**	**109,469**

Overseas Education Limited and Subsidiary Companies

C. Condensed interim statements of changes in equity
For the six-month financial period ended 30 June 2026

		Attributable to owners of the Company					
	Note	**Share capital (Note 17) (Unaudited)** S$'000	**Revenue reserve (Unaudited)** S$'000	**Other reserves, total (Note 18) (Unaudited)** S$'000	**Foreign currency translation reserve (Note 18) (Unaudited)** S$'000	**Merger reserve (Note 18) (Unaudited)** S$'000	**Total equity (Unaudited)** S$'000
Group							
2026							
Balance at 1 January 2026		99,253	60,304	(26,170)	1	(26,171)	133,387
Net profit after tax		–	390	–	–	–	390
Other comprehensive income for the period		–	–	*	*	–	*
Total comprehensive income for the period		–	390	*	*	–	390
Dividends	19	–	(2,907)	–	–	–	(2,907)
Contributions by and distributions to owners		–	(2,907)	–	–	–	(2,907)
Balance at 30 June 2026		**99,253**	**57,787**	**(26,170)**	**1**	**(26,171)**	**130,870**

* – Amount lower than S$1,000

Overseas Education Limited and Subsidiary Companies

A. Condensed interim statements of changes in equity (cont'd)
For the six-month financial period ended 30 June 2026

		Attributable to owners of the Company					
	Note	**Share capital (Note 17) (Unaudited)** S$'000	**Revenue reserve (Unaudited)** S$'000	**Other reserves, total (Note 18) (Unaudited)** S$'000	**Foreign currency translation reserve (Note 18) (Unaudited)** S$'000	**Merger reserve (Note 18) (Unaudited)** S$'000	**Total equity (Unaudited)** S$'000
Group							
2025							
Balance at 1 January 2025		99,253	65,083	(26,170)	1	(26,171)	138,166
Net profit after tax		–	1,180	–	–	–	1,180
Other comprehensive income for the period		–	–	*	*	–	*
Total comprehensive income for the period		–	1,180	*	*	–	1,180
Dividends	19	–	(4,984)	–	–	–	(4,984)
Contributions by and distributions to owners		–	(4,984)	–	–	–	(4,984)
Balance at 30 June 2025		**99,253**	**61,279**	**(26,170)**	**1**	**(26,171)**	**134,362**

* – Amount lower than S$1,000

C. Condensed interim statements of changes in equity (cont'd)
For the six-month financial period ended 30 June 2026

	Note	Attributable to owners of the Company		
		Share capital (Note 17) **(Unaudited)** S$'000	**Revenue reserve** **(Unaudited)** S$'000	**Total equity** **(Unaudited)** S$'000
Company				
2026				
Balance at 1 January 2026		99,253	10,216	109,469
Net profit after tax		–	545	545
Total comprehensive income for the period		–	545	545
Dividends	19	–	(2,907)	(2,907)
Contributions by and distributions to owners		–	(2,907)	(2,907)
Balance at 30 June 2026		**99,253**	**7,854**	**107,107**
2025				
Balance at 1 January 2025		99,253	10,959	110,212
Net profit after tax		–	602	602
Total comprehensive income for the period		–	602	602
Dividends	19	–	(4,984)	(4,984)
Contributions by and distributions to owners		–	(4,984)	(4,984)
Balance at 30 June 2025		**99,253**	**6,577**	**105,830**

Overseas Education Limited and Subsidiary Companies

D. Condensed interim consolidated statement of cash flows
For the six-month financial period ended 30 June 2026

	Note	**6 months ended 30 June 2026 (Unaudited)** S$'000	**6 months ended 30 June 2025 (Unaudited)** S$'000
Cash flows from operating activities			
Profit before taxation		985	2,138
Adjustments for:			
Depreciation expenses		6,582	7,096
Amortisation expenses		193	188
Gain on disposal of property, plant and equipment		(1)	(1)
Interest income		(108)	(287)
Finance costs		1,428	1,762
Fair value (gain)/loss on derivatives		(62)	1,065
Operating profit before working capital changes		9,017	11,961
(Increase)/decrease in inventories		(86)	7
Increase in trade receivables		(1,459)	(1,637)
Decrease in other receivables, deposits and prepayments		972	579
Decrease/(increase) in non-current deposits		32	(89)
Decrease in trade payables, other payables and liabilities, and fees received in advance		(16,249)	(17,749)
Cash used in operations		(7,773)	(6,928)
Interest received		108	287
Income tax paid		(941)	(1,383)
Net cash used in operating activities		**(8,606)**	**(8,024)**
Cash flows from investing activities			
Additions of intangible assets		(153)	(267)
Acquisition of property, plant and equipment		(298)	(185)
Proceeds from disposal of property, plant and equipment		36	36
Net cash used in investing activities		**(415)**	**(416)**
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(2,715)	(2,716)
Lease interest paid		(106)	(106)
Bank loan interest paid		(1,230)	(1,702)
Bank loan repayment		(3,080)	(3,080)
Dividends paid	19	(2,907)	(4,984)
Net cash used in financing activities		**(10,038)**	**(12,588)**
Net decrease in cash and cash equivalents		(19,059)	(21,028)
Cash and cash equivalents at beginning of the period		48,278	53,649
Cash and cash equivalents at end of the period		**29,219**	**32,621**

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. These unaudited condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the Group). 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 activity of the main subsidiary company is operating a foreign system school.

2. Basis of preparation

The unaudited condensed interim consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed interim consolidated financial statements are presented in Singapore dollar which is the Company's functional currency and all values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

2.1 *New and amended standards adopted by the Group*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial period beginning on 1 January 2026.

The adoption of these standards did not have any effect on the financial statements of the Group and the Company.

2.2 *Use of judgements and estimates*

In preparing the unaudited condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

2. Basis of preparation (cont'd)

2.2 *Use of judgements and estimates (cont'd)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included below:

(a) 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 30 years upon its expiration 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 only. The school buildings have an estimated use for 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 30 June 2026 was S$142,575,000 (31 December 2025: S$144,403,000).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included below:

(b) Impairment of non-current assets

Non-current assets includes property, plant and equipment, right-of-use assets and intangible assets. The Company reviews the non-current assets for impairment whenever there is an indication of impairment. The Company measures the recoverability of an asset by comparing its carrying amount against its recoverable amount. Recoverable amount is the higher of the fair value less cost to sell and value in use, which is the future cash flows that are expected to generate and expected running cost thereof over its remaining useful life with a cash inflow in the final year equal to the expected residual value of the non-current assets. The future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money. If the non-current assets are assessed to be impaired, impairment loss is recognised to an amount equal to the excess of the carrying value of the asset over its recoverable amount.

The carrying amount of the non-current assets as at 30 June 2026 was S$202,337,000 (31 December 2025: S$208,146,000). During the period, no impairment loss was recognised in the statement of comprehensive income.

Management is of the opinion that there are no other significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Seasonal operations

The Group's business is not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group operates in Singapore in one business segment to provide education under a foreign education system. Substantially all revenue, expenses, assets and liabilities are derived from operations in Singapore.

5. Revenue

(a) *Disaggregation of revenue*

	Tuition fees		Registration fees		School shop, Enrichment programme, Interest income and Other income		Total revenue	
	30 Jun 2026 S$'000	**30 Jun 2025** S$'000	**30 Jun 2026** S$'000	**30 Jun 2025** S$'000	**30 Jun 2026** S$'000	**30 Jun 2025** S$'000	**30 Jun 2026** S$'000	**30 Jun 2025** S$'000
Timing of transfer of goods or services								
At a point in time	–	–	279	–	171	161	450	161
Over time	40,083	41,588	448	554	574	847	41,105	42,989
	40,083	41,588	727	554	745	1,008	41,555	43,150

(b) *Judgement and methods used in recognising revenue*

Tuition fees and enrichment programme

Tuition fees and enrichment programme 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, comprising application fee and enrolment fee. Application fees are recognised immediately upon invoicing. Enrolment fees are recognised over 3 years based on past historical data of student stay in the school. Management estimates the average student stay in the school by taking historical data of student enrolment over the past 5 years and compute the average number of years each student spends with the school. A reassessment of the average student stay is conducted on an annual basis.

6. Profit before taxation

6.1 Significant items

	30 Jun 2026 S$'000	30 Jun 2025 S$'000
Salaries and bonuses	22,498	21,550
Central Provident Fund contributions	1,432	1,273
Staff medical insurance	623	477
Other short term benefits	2,504	2,379
Recovery of staff rental	(1,038)	(992)
Property tax	1,016	958
Gain on disposal of property, plant and equipment	(1)	(1)
Impairment loss on trade receivables	21	39
Directors' fees	295	266
Foreign exchange loss	1	3
Teaching related materials	426	298
Transport services	516	500
Fair value (gain)/loss on derivatives	(62)	1,065
Bank charges	238	218
Finance costs include:		
Loan interest expense	1,264	1,598
Interest expense on lease liabilities	106	106
Other finance costs	58	58
	1,428	1,762

6.2 Related party transactions

Apart from recurring directors' fees, directors' remuneration and key management personnel and related party remuneration, there are no other material related party transactions.

7. Income tax expense

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total earnings for the period. The major components of income tax expense in the unaudited condensed interim consolidated statement of comprehensive income for the financial period ended 30 June are:

	2026 S$'000	2025 S$'000
Statement of comprehensive income:		
Current income tax:		
- Current period income taxation	875	1,323
	875	1,323
Deferred income tax (Note 16):		
- Origination and reversal of temporary differences	(280)	(365)
Income tax expense recognised in the statement of comprehensive income	595	958

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 period.

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

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the period ended 30 June:

	2026 '000	**2025** '000
Net profit for the period attributable to owners of the Company	S$390	S$1,180
Weighted average number of ordinary shares for basic and diluted earnings per share computation	415,364	415,364
Earnings per share (cents) - Basic and diluted	0.1	0.3

9. Property, plant and equipment

		School buildings, plant and equipment							
Group	Leasehold land S$'000	School buildings S$'000	School plant and equipment S$'000	Computers S$'000	Motor vehicles S$'000	Library books and media S$'000	Total for school buildings, plant and equipment S$'000	Total S$'000
Cost								
At 1 January 2025	37,100	182,788	71,400	5,028	983	3,262	263,461	300,561
Additions	–	–	196	189	158	105	648	648
Disposals/write-off	–	–	(1,093)	(636)	(68)	(2,129)	(3,926)	(3,926)
At 31 December 2025 and 1 January 2026	37,100	182,788	70,503	4,581	1,073	1,238	260,183	297,283
Additions	–	–	106	45	122	25	298	298
Disposals/write-off	–	–	(162)	–	(191)	(7)	(360)	(360)
At 30 June 2026	37,100	182,788	70,447	4,626	1,004	1,256	260,121	297,221
Accumulated depreciation								
At 1 January 2025	14,221	34,730	36,867	3,794	453	2,940	78,784	93,005
Charge for the year	1,237	3,655	2,817	344	198	111	7,125	8,362
Disposals/write-off	–	–	(1,071)	(634)	(55)	(2,128)	(3,888)	(3,888)
At 31 December 2025 and 1 January 2026	15,458	38,385	38,613	3,504	596	923	82,021	97,479
Charge for the period	618	1,828	1,190	138	96	53	3,305	3,923
Disposals/write-off	–	–	(162)	–	(151)	(6)	(319)	(319)
At 30 June 2026	16,076	40,213	39,641	3,642	541	970	85,007	101,083
Net carrying values								
At 30 June 2026	21,024	142,575	30,806	984	463	286	175,114	196,138
At 31 December 2025	21,642	144,403	31,890	1,077	477	315	178,162	199,804

Depreciation expense in the condensed interim consolidated statement of comprehensive income comprises S$3,923,000 (30 Jun 2025: S$4,423,000) of depreciation of property, plant and equipment and S$2,659,000 (30 Jun 2025: S$2,673,000) of depreciation of right-of-use assets. During the period, an amount of S$1,038,000 (30 Jun 2025: S$992,000) related to the recovery of staff rental has been offset against the depreciation of right-of-use assets. For the condensed interim consolidated statement of cash flows, the depreciation expense comprises S$3,923,000 (30 Jun 2025: S$4,423,000) of depreciation of property, plant and equipment and S$2,659,000 (30 Jun 2025: S$2,673,000) of depreciation of right-of-use assets.

9. Property, plant and equipment (cont'd)

	Motor vehicles S$'000
Company	
Cost	
At 1 January 2025, 31 December 2025 and 1 January 2026	166
Additions	69
Disposals/write-off	(79)
At 30 June 2026	156
Accumulated depreciation	
At 1 January 2025	40
Charge for the year	42
At 31 December 2025 and 1 January 2026	82
Charge for the period	21
Disposals/write-off	(65)
At 30 June 2026	38
Net carrying values	
At 30 June 2026	118
At 31 December 2025	84

10. Derivatives

	Group			
	30 Jun 2026		**31 Dec 2025**	
	Notional amount S$'000	**Liability** S$'000	**Notional amount** S$'000	**Liability** S$'000
Interest rate swaps	44,418	(233)	46,251	(295)
- Current		(233)		(30)
- Non-current		–		(265)
		(233)		(295)

10. Derivatives (cont'd)

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% (2025: 1.74% to 1.86%) per annum. The interest rate swaps mature on 16 February 2027.

The carrying value of the derivatives approximates their fair values at 30 June 2026 based on the methods and assumptions used to estimate their fair values as set out in Note 20. The Group does not apply hedge accounting and records interest rate swaps at fair value with changes in value recorded in profit or loss.

11. Trade receivables

	Group	
	30 Jun 2026	**31 Dec 2025**
	S$'000	S$'000
Trade receivables	2,601	1,121
Less: Allowance for expected credit losses	(122)	(101)
Total financial assets carried at amortised cost	2,479	1,020

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.

	Group	
	30 Jun 2026	**31 Dec 2025**
	S$'000	S$'000
Expected credit losses		
Movements in allowance for impairment:		
At beginning of the period/year	101	142
Charge for the period/year	21	57
Write-off during the period/year	–	(81)
Write-back during the period/year	–	(17)
At end of the period/year	122	101

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.

12. Amount due from subsidiary

As at 31 December 2025, the amount due from subsidiary of S$3,000,000 pertained to financial year 2025 interim dividend declared by the subsidiary and received in January 2026.

13. Cash and cash equivalents

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

	Group		Company	
	30 Jun 2026	**31 Dec 2025**	**30 Jun 2026**	**31 Dec 2025**
	S$'000	S$'000	S$'000	S$'000
Cash at bank	8,581	8,122	528	495
Fixed deposits	20,972	40,490	5,547	5,031
Less: Other long term asset	(334)	(334)	–	–
Cash and cash equivalents	29,219	48,278	6,075	5,526

Cash at bank earns interest at floating rates based on daily bank deposit rates. Fixed deposits earn interest rates ranging from 0.75% to 1.12% (31 December 2025: 0.72% - 1.00%) per annum and matures within 3 months (31 December 2025: 3 months).

Included in cash at bank is an amount of S$334,000 (31 Dec 2025: S$334,000) placed with a bank 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.

14. Fees received in advance

Fees received in advance (current) refer to both registration fees and tuition fees billed and received for the new semester. Fees received in advance (non-current) refer to the registration fees received to be recognised over the estimated average student stay in the school.

	Group	
	30 Jun 2026	**31 Dec 2025**
	S$'000	S$'000
Current – Tuition fee and registration fee	14,109	30,443
Non-current (1 to 3 years) – Registration fee	634	590
	14,743	31,033

Fees received in advance are recognised as revenue as the Group fulfils its performance obligation under the contracts.

15. Borrowings

	Group	
	30 Jun 2026	**31 Dec 2025**
	S$'000	S$'000
Current liabilities:		
Borrowings		
- Bank loan	6,160	6,160
- Interest payable	499	465
Less: Facility fee	(118)	(118)
	6,541	6,507
Non-current liabilities:		
Borrowings		
- Bank loan	68,470	71,550
Less: Facility fee	(206)	(265)
	68,264	71,285
Total borrowings	74,805	77,792

	30 Jun 2026	**30 Jun 2025**
	S$'000	S$'000
Finance costs		
Loan interest expense	1,264	1,598

On 16 April 2019, the Group entered into a 10-year bank term loan agreement 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 2.7% to 3.0% (31 Dec 2025: 3.1% to 4.9%) per annum during the period. 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.

16. Deferred tax liabilities

	Group			
	Condensed consolidated Balance sheet		Condensed consolidated statement of comprehensive income	
	30 Jun 2026 S$'000	**31 Dec 2025** S$'000	**30 Jun 2026** S$'000	**30 Jun 2025** S$'000
Deferred tax assets				
Provisions, unabsorbed capital allowances, and unearned registration fees	(284)	(272)	(12)	1
Deferred tax liabilities				
Differences in depreciation and amortisation for tax purposes	4,838	5,106	(268)	(366)
Deferred tax liabilities (net)	4,554	4,834	(280)	(365)

17. Share capital

	Group and Company			
	Number of shares '000	**30 Jun 2026** S$'000	**Number of shares** '000	**31 Dec 2025** S$'000
At 1 January and closing balance	415,364	99,253	415,364	99,253

The Company did not hold any treasury shares or outstanding convertibles as at 30 June 2026 and 31 December 2025. The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026 and 31 December 2025.

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.

18. Other reserves

	Group	
	30 Jun 2026 S$'000	**31 Dec 2025** S$'000
Merger reserve	(26,171)	(26,171)
Foreign currency translation reserve	1	1
At closing balance	(26,170)	(26,170)

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.

19. Dividends

	30 Jun 2026 S$'000	**30 Jun 2025** S$'000
Paid during the financial period		
- Final exempt (one-tier) dividend for 2025: S$0.007 (2024: S$0.012) per share	2,907	4,984

20. Fair value of financial instruments

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.

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.

20. Fair value of financial instruments (cont'd)

Fair values (cont'd)

B. Assets measured at fair value

Group	**Note**	**Significant observable inputs other than quoted prices (Level 2)**	**Total**
		S$'000	S$'000
30 June 2026			
Financial liability:			
Derivatives			
- Interest rate swaps	10	(233)	(233)
31 Dec 2025			
Financial liability:			
Derivatives			
- Interest rate swaps	10	(295)	(295)

<u>Methods and assumptions used to determine fair values</u>

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 includes swap models, using present value calculations.

21. Subsequent events

There are no known subsequent events which have led to adjustments to this set of unaudited condensed interim consolidated financial statements.

F. Other information required by Listing Rule Appendix 7.2

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

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

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

   Not applicable.

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

   Not applicable.

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

   The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2025, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) (SFRS(I)) which became effective for the financial period beginning on 1 January 2026.

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

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

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

	Group		**Company**	
	As at 30 Jun 2026 cents	**As at 31 Dec 2025 cents**	**As at 30 Jun 2026 cents**	**As at 31 Dec 2025 cents**
Net asset value per ordinary share based on issued share capital at the end of the period/year reported on	31.5	32.1	25.8	26.4

F. Other information required by Listing Rule Appendix 7.2

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

Review of performance

Review of Income statement

The Group recorded total revenue of $41.56 million for the first half year ended 30 June 2026 (H1 2026) compared to $43.15 million for the corresponding period ended 30 June 2025 (H1 2025).

Details of revenue lines are as follows:

Revenue from tuition fees was lower at $40.08 million in H1 2026 compared to $41.59 million in H1 2025 due to lower than expected new student enrolment for the current financial period reported on. The current operating environment for student enrolment remained challenging due to heightened competition from other foreign system schools targeting the same pool of prospective students.

Revenue from registration fees increased to $0.73 million in H1 2026 compared to $0.55 million in H1 2025. The increase was due mainly to the implementation of application fee payable before enrolment is processed for registration.

School shop revenue at $0.16 million in H1 2026 was comparable to H1 2025.

Enrichment programme revenue was $0.47 million in H1 2026 compared to $0.56 million in H1 2025.

Interest income decreased to $0.11 million in H1 2026 compared to $0.29 million in H1 2025 due to lower prevailing interest rates in H1 2026.

Total operating expenses before depreciation and amortisation was higher at $34.90 million in H1 2026 compared to $33.66 million in H1 2025.

Details of expenses are as follows:

Personnel expenses were $27.06 million in H1 2025 compared to $25.68 million in H1 2025. The increase was mainly due to the requirement for additional academic staff to support new school initiatives.

School shop costs were $0.11 million in H1 2026 compared to $0.10 million in H1 2025.

Enrichment programme costs at $0.40 million in H1 2026 were comparable to H1 2025.

Utilities expenses were lower at $0.59 million in H1 2026 compared to $0.64 million in H1 2025.

Upkeep and maintenance expenses were $1.05 million in H1 2026 compared to $1.09 million in H1 2025.

Finance costs were lower at $1.43 million in H1 2026 compared to $1.76 million in H1 2025 due to lower prevailing interest rates on lower outstanding loan in H1 2026.

Other operating expenses were $4.25 million in H1 2026 compared to $4.00 million in H1 2025 due mainly to miscellaneous costs inflation.

Depreciation and amortisation expenses were lower at $5.74 million in H1 2026 compared to $6.29 million in H1 2025 due to certain fully depreciated fixed assets.

The Group recorded a fair value gain of $0.01 million in H1 2026 compared to a loss of $1.07 million in H1 2025. The fair value reversal and movement 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 10 of the Unaudited Condensed Interim Consolidated Financial Statements.

Profit before taxation was $1.00 million in H1 2026 compared to $2.14 million in H1 2025.

Income tax expense was $0.60 million in H1 2026 compared to $0.96 million in H1 2025. The H1 2026 income tax expense comprised the provision for current tax of $0.88 million and reversal of net deferred tax of $0.28 million. The income tax expense in H1 2025 comprised the current tax of $1.32 million and reversal of net deferred tax of $0.36 million.

Net profit after taxation was $0.39 million in H1 2026 compared to $1.18 million in H1 2025.

Review of Balance Sheet as at 30 June 2026

Total property, plant and equipment and right-of-use assets at 30 June 2026 amounted to $200.55 million compared to $206.32 million at 31 December 2025. The decrease of $5.77 million was due mainly to the depreciation charge for the reporting period.

Inventories for school uniforms, books and stationery supplies for sale at the school shop of $0.52 million at 30 June 2026 compared to $0.44 million at 31 December 2025.

Trade receivables comprised amounts attributable to tuition fees, registration fees, school shop revenue and other revenue. Trade receivables at 30 June 2026 were higher at $2.48 million compared to $1.02 million at 31 December 2025 due mainly to the timing of collection of the receivables.

Other receivables and deposits were $0.18 million at 30 June 2026 compared to $0.25 million at 31 December 2025.

Prepayments were $1.10 million at 30 June 2026 compared to $2.01 million at 31 December 2025.

The Group's cash and cash equivalents amounted to $29.22 million at 30 June 2026 and $48.28 million at 31 December 2025. The decrease was due to cash used in operating, investing and financing activities as explained in the Review of Group cash flow section below.

Trade and other payables and liabilities were higher at $1.54 million at 30 June 2026 compared to $1.52 million at 31 December 2025 due mainly to timing of payments of operating expenses.

Total fees received in advance (current and non-current) was $14.74 million at 30 June 2026 and $31.03 million at 31 December 2025. Total fees received in advance at 30 June 2026 and 31 December 2025 comprised tuition fees collected before the commencement of the next semester in August and January 2026 respectively, and registration fees collected upon enrolment. As at 30 June 2026, the tuition fees for the new semester commencing in August 2026 were not due yet.

Derivatives liabilities (current and non-current) at 30 June 2026 amounted to $0.23 million compared to $0.30 million at 31 December 2025. The fair value reversal and movement arose from fair value changes of the interest-rate-swap contracts that the Group entered to hedge against rising interest rates on bank borrowings. Please refer to Note 10 of the Unaudited Condensed Interim Consolidated Financial Statements for further details.

Lease liabilities (current and non-current) were $4.47 million at 30 June 2026 compared to $6.64 million at 31 December 2025. The variation in the lease liabilities was due to the expiration and renewal for teachers' apartments.

Borrowings - Bank Loan (current and non-current) was reduced to $74.81 million at 30 June 2026 compared to $77.79 million at 31 December 2025 due to the payments of quarterly instalments in January and April 2026. More information on the bank loan facility is disclosed in Note 15 of the Unaudited Condensed Interim Consolidated Financial Statements.

Goods and Services Tax payable of $3.34 million and $3.25 million at 30 June 2026 and 31 December 2025 respectively arose mainly from the billing of next semester's tuition fees.

Deferred tax liabilities amounted to $4.55 million at 30 June 2026 compared to $4.83 million at 31 December 2025. The net deferred tax liabilities arose from the tax effect on temporary differences between the net book value and the tax-written-down-value of qualifying assets.

Review of Group cash flow for the first half year ended 30 June 2026

Net cash used in operating activities in H1 2026 was $8.61 million, which consisted of cash inflow from operating activities before working capital changes of $9.02 million, net working capital outflow of $16.79 million and interest received of $0.11 million and income tax paid of $0.94 million.

The above-mentioned net working capital outflow of $16.79 million arose mainly from the cash outflow relating to the decrease in trade payables, other payables and liabilities and fees received in advance (current and non-current) of $16.25 million.

The net cash used in investing activities of $0.42 million was for the capital expenditure in the normal course of business.

The net cash used in financing activities of $10.04 million comprised lease payments of $2.72 million, payment of bank loan interest of $1.23 million, bank loan repayment of $3.08 million, dividends payment of $2.91 million and lease interest paid of $0.11 million during the reporting period.

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

   Not applicable.

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

   The Group operates in an increasingly challenging global environment marked by economic uncertainty, geopolitical tensions, and rapid technological change. In particular, the accelerated adoption of artificial intelligence continues to reshape industries and labour markets, contributing to greater uncertainty around cross-border mobility and more cautious household spending. These factors have moderated student enrolment.

   The competitive landscape has also intensified, with competition from other foreign system schools targeting the same pool of prospective students.

Notwithstanding these challenges, the Group remains steadfast in its commitment to delivering high-quality education. We will continue to invest in our academic programmes, teaching professionals, and support staff to uphold educational excellence and strengthen our long-term competitive position.

At the same time, the Group maintains a disciplined approach to cost management and operational efficiency to preserve financial resilience.

10. Dividend

(a) Current financial period reported on

The directors do not recommend any declaration of interim dividend for the current financial period reported on.

The Company pays a final dividend as recommended by the Board and approved by the shareholders at the Annual General Meeting.

(b) Corresponding period of the immediately preceding financial year

No dividend was declared for the corresponding period of the preceding financial year.

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

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

12. Negative confirmation on interim financial results pursuant to Rule 705(5) of the Listing Manual.

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2026 to be false or misleading in any material aspect.

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

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

Total amount utilised for the building of a new school campus	65,635,545
Balance proceeds	2,398,440

It is intended that the balance $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.

F. Other information required by Listing Rule Appendix 7.2

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

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

15. Disclosures on acquisition and realisation of shares pursuant to Rule 706A of the Listing Manual.

    There were no acquisitions or realisation of shares in any of the Group's subsidiary nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during H1 2026.

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary

14 August 2026