

Overseas Education Limited

INVESTING IN EDUCATION

ANNUAL REPORT 2020







CORPORATE INFORMATION

BOARD OF DIRECTORS

Perry, David Alan
Executive Chairman and CEO

Wong Lok Hiong Irene
Executive Director and
Chief Executive of OFSL

Ho Hie Wu David
Executive Director and
Chief Financial Officer

Ho Yew Mun
Lead Independent Director

Leow Wee Kia Clement
Independent Director

Tan Teng Muan
Independent Director

Walker, David Peter
Independent Director

NOMINATING COMMITTEE

Leow Wee Kia Clement
(Chairman)

Ho Yew Mun

Tan Teng Muan

Walker, David Peter

Perry, David Alan

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 SECRETARIES

Chew Kok Liang (LL.B. (Hons))

Siau Kuei Lian

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

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

AUDITORS

Ernst & Young LLP

One Raffles Quay
Level 18 North Tower
Singapore 048583

Partner-in-charge:

Ho Shyan Yan

(with effect from financial year
ended 31 December 2018)





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MEETING
PROXY FORM




OUR MASTER POLICY

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



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 two 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 and self-respect. 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 30 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.

We are pleased to share more information about OFS on pages 14 to 21.



CHAIRMAN'S MESSAGE

TO SHAREHOLDERS



David A Perry
Executive Chairman and
Chief Executive Officer

Dear Shareholders

On behalf of the Board of Directors of Overseas Education Limited (OEL), I am pleased to present this annual report for the financial year ended 31 December 2020 (FY 2020).

What a year 2020 has been! We certainly could not have predicted the unprecedented global impact of the COVID-19 pandemic this time last year. The COVID-19 pandemic has caused so many deaths, challenged all public health systems, decimated jobs and placed millions of livelihoods worldwide at risk. You would also have read about the numerous companies, enterprises and global economies facing existential threats caused by the pandemic; and border closures, travel bans, trade restrictions, and strict safe management measures became the order of the day whenever the pandemic rages on.

Even our everyday lexicon will forever be changed by words and phrases like *unprecedented pandemic*, *quarantine*, *online or homebased learning*, *work-from-home*, *social distancing*, *zooming*, *stay-home-notice* (aka SHN, and the list goes on) which have permeated our daily conversations and discussions.

At Overseas Family School (OFS), our enrolment of new students for second half of FY 2020 was affected by the COVID-19 pandemic. New students

joining OFS for the School Year 2020-2021 in August 2020 slowed drastically as many countries (including Singapore) have imposed travel bans and closed their borders to foreign students and expatriate families. OFS started the new School Year 2020-2021 in August 2020 with a cohort of about 2,200 students, and the average student enrolment for the whole of FY 2020 was 2,300 students.

OEL revenue in FY 2020 decreased due to the weaker student enrolment as explained in the earlier paragraph. Some categories of major expenses were also lower, aided in part by Singapore budget support measures and government grants received. Overall, OEL posted a net profit after taxation of S\$10.3 million for FY 2020. A detailed commentary of OEL results is provided in the Operations & Financial Review section of this annual report.

We would like to thank our Singapore government for the budget support measures and grants provided to OEL and OFS, in particular the Jobs Support Scheme grant which enabled us to retain our local (Singaporeans and Permanent Residents) staff during the economic uncertainty. OFS has also retained the entire teaching faculty staff through FY 2020.

Although the rollout of country-by-country COVID-19 vaccinations has raised hopes of a resumption of cross-border and

international travels, the resurgence of COVID-19 and new variants cases still pose concerns for many countries. Our Singapore government does not foresee the full re-opening of borders and quarantine-free travels the way they were before the COVID-19 crisis anytime soon; as such, the operating environment for foreign system schools in Singapore will likely remain challenging for the current year 2021.

However, amidst the plight caused by the COVID-19 pandemic, there are still opportunities for our recruitment team to reach out and welcome new foreign students and overseas families to OFS. This year is also a great opportunity for OFS to reinvent and redesign the learning environment so that digitalisation expands and complements student-teacher-family relationships. We will continue to ensure that education in OFS remains relevant, compelling and effective despite the challenging environment.

We are also pleased to inform you that Western Association of Schools and Colleges, California, USA (WASC) has again renewed OFS' accreditation for a further six (6) years to 30 June 2027, an attestation of the high quality of OFS' programs and operations.

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.

Ms Irene Wong is the Chief Executive of OFSL and is responsible for all matters relating to the operations of OFS schools.

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

DIVIDENDS TO OEL SHAREHOLDERS

We are pleased to propose a final dividend of 2.3 cents per share this year for approval by shareholders at the forthcoming Annual General Meeting.

OEL’s dividend policy is “at least 50% of net profit after tax”, and OEL Group will continue to ensure that the dividend policy remains sustainable whilst maintaining an equitable balance between return to shareholders and prudent capital management to support its operations.

APPRECIATION

To our shareholders, teachers, management and staff. To our students, their families and the companies and embassies employing them in Singapore:

We have all had a difficult year this 2020, so we wish to express our deep appreciation and thank you for your confidence and participation in OEL/OFSL organisations. We shall see through the COVID-19 crisis and remain committed to building even stronger relationships in the years ahead.

David A Perry

*Executive Chairman and
Chief Executive Officer*

Overseas Education Limited



**SUCCESSFUL STUDENTS
ARE THE FOUNDATION OF
A GREAT SCHOOL, WHICH
DEFINES A SUCCESSFUL
EDUCATION COMPANY.**



MITIGATING THE IMPACT OF COVID-19

SAFE ENTRY



From the initial SafeEntry to the enhanced TraceTogether-only SafeEntry ("ToS") protocols using TT App and Tokens, our students took the changes in their stride. OFS made early preparations to install new 2D scanners that read both barcode and QR code formats.

The COVID-19 pandemic hit the school in the second half of the School Year 2019-2020, testing us all in various ways, including a lockdown ("Circuit Breaker") where we had a two-month period of distance learning. Fortunately, we were able to start our new School Year 2020-2021 with students and teachers returning on campus. In order to ensure a safe resumption of school, much preparation and planning were put in place to ensure Safe Management Measures were implemented and adhered to.



Prior to boarding the shuttle or school buses, students observe the 1-metre safe distancing rule, one of many precautionary measures put in place to minimise contact with each other.



Students collect their twice-daily colour-coded entry tags with date stamp to facilitate monitoring by school safety ambassadors.



The additional precautionary measures for the twice daily temperature and health screening measures were made easier with newly installed thermal scanners and imaging cameras at the designated SafeEntry checkpoints.



Students continue to observe safe distancing inside the lifts, and also in the lift lobbies while waiting.



Frequent hand sanitising is practised in school, made easy with safe hand sanitisers available at many locations, including all entry points, lift lobbies, classrooms, atrium, cafeteria, etc.

PREVENTION



WASH HANDS OFTEN



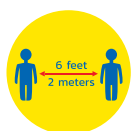
AVOID TOUCHING



AVOID CROWDS



WEAR FACE MASK



SOCIAL DISTANCING



DISINFECT FREQUENTLY



USE SANITISER



STAY HOME IF UNWELL

MITIGATING THE IMPACT OF COVID-19

SAFE MANAGEMENT MEASURES

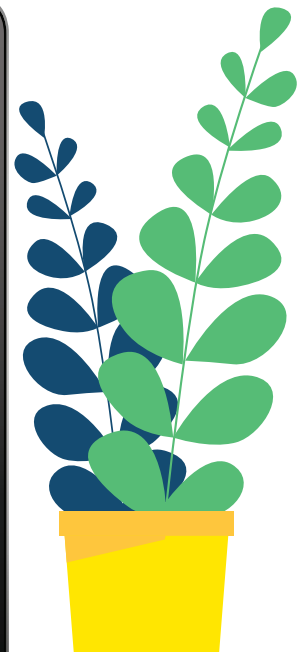
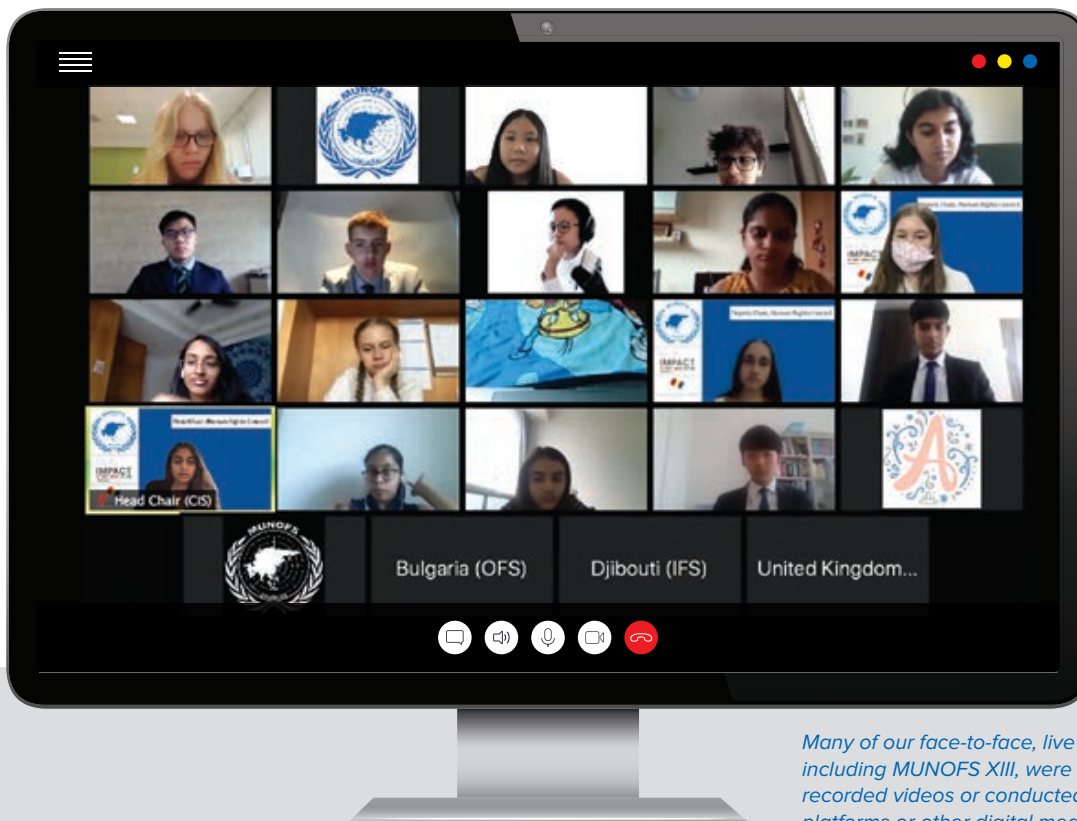
Although the School Year was fraught with continuing challenges brought on by the COVID-19 pandemic, our students carried on and took the changes, including the enhanced Safe Management Measures, in their stride. As a school, we became very creative at adapting and changing what we do to ensure that each activity or event could still continue to take place.



The implementation of Safe Management Measures became a normal part of school routines and helped the children to become more adaptable.



We are proud of the resilience and adaptability shown by our students as they continued to learn, interact and play under very different circumstances with new routines and practices; what we all refer to as our new norm.



Many of our face-to-face, live audience events, including MUNOFS XIII, were converted to pre-recorded videos or conducted through online platforms or other digital media, however these changes did not dampen the students' enthusiasm.

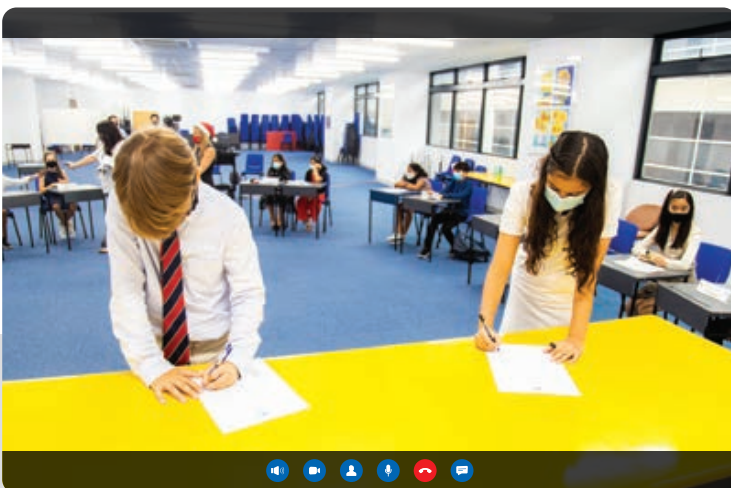


Safety protocols of wearing face masks and observing safe distancing in the classroom, the new norm.

The important face-to-face Parent-Student-Teacher conferences were able to recommence with proper safety protocols put in place.



Safety protocols in place have normalised many classroom and school activities.



BOARD OF DIRECTORS



1. PERRY, DAVID ALAN

Executive Chairman and CEO



Mr. Perry is one of the founders of the School and responsible for the overall business development and strategic planning of our Group. He is Chairman of both the Executive Board of our School and the board of directors of OFSL. These two boards comprise the governing structure of our School.

Mr. Perry is the founder and Non-Executive Chairman of the board of directors of Master Projects Pte Ltd, which provides health-related services in New Zealand through its subsidiary companies, Centre for Advanced Medicine Limited, Feedback Research Limited and Integrated Health Options Limited.

2. WONG LOK HIONG IRENE

Executive Director and Chief Executive of OFSL



Ms. Wong is one of the founders of the

School and responsible for the overall business and operations of OFS.

Ms. Wong sits on the Executive Board of our School and the board of directors of OFSL. Within the OFS management structure, Ms. Wong is the Chief Executive of OFS and is responsible for all matters relating to the operation of our School.

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

Ms. Wong is a Non-Executive Director of Master Projects Pte Ltd, which provides health-related services in New Zealand through its subsidiary companies, Centre for Advanced Medicine Limited, Feedback Research Limited and Integrated Health Options Limited.

3. HO HIE WU DAVID

Executive Director and Chief Financial Officer



Mr. Ho was appointed to our Board on 1 September 2018. He assists the

Executive 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.

4. HO YEW MUN

Lead Independent Director



Mr. Ho was appointed to our Board on 1 August 2012. 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.

5. LEOW WEE KIA CLEMENT

Independent Director



Mr. Leow was appointed to our Board on 26 December 2012. He is also an independent director of Ellipsiz 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 Executive Director and Chief Executive Officer of Allied Technologies Limited, a company listed

on the Catalist Board of the Singapore Exchange. Prior to this, Mr. Leow was Chief Executive Officer and the head of corporate finance at Crowe Horwath Capital Pte Ltd. 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 Harvard Kennedy School, United States, and has served as a member of the Singapore Institute of Directors since April 2009. He also serves as the President of the Singapore Tennis Association and has been awarded the Singapore Armed Forces Good Service Medal.

6. TAN TENG MUAN

Independent Director



Mr. Tan was appointed to our Board on 28 October 2011, the date of incorporation of Overseas Education Limited. He is also an independent director of United Global Limited, a company listed on the Catalist Board of the Singapore Exchange.

Mr. Tan is currently a Commissioner for Oaths and a Partner in the civil and commercial litigation practice of Mallal & Namazie.

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 has been with Mallal & Namazie

since 1987. 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.

7. WALKER, DAVID PETER

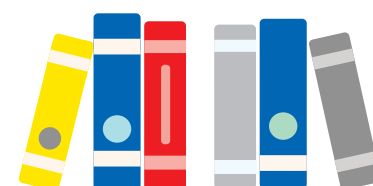
Independent Director



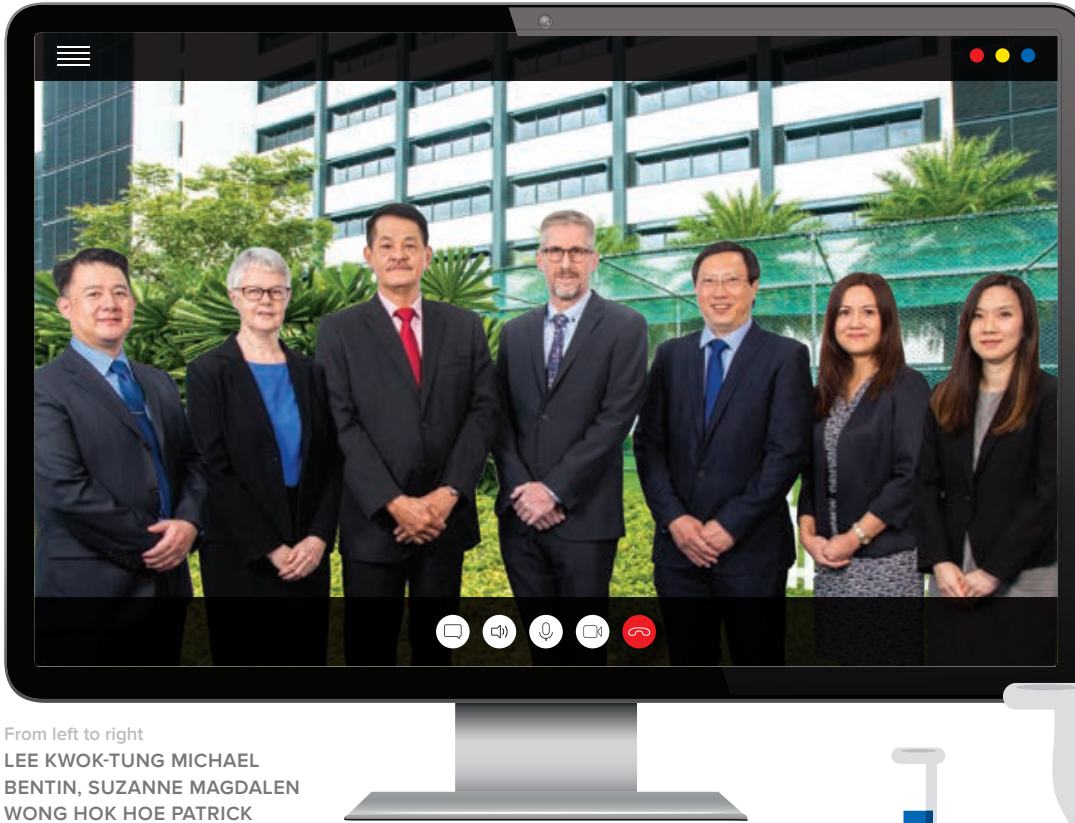
Mr. Walker was appointed to our Board on 1 July 2015. He is currently the founder and managing director of Kauri Capital Pte Ltd, a company that provides advisory services to participants, owners, investors and financiers in the forestry, forest products, pulp, paper and packaging and bio-energy industries. Mr. Walker has held several senior management positions in the last 20 years and has over 30 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 charterholder and is a member of the CFA Institute and CFA Singapore.

He is a member of the Global Board of Governors of the International Baccalaureate (IB) having served three Board terms from 2011-2017 and the current term from 2018-2021. He is 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

LEE KWOK-TUNG MICHAEL
BENTIN, SUZANNE MAGDALEN
WONG HOK HOE PATRICK
DENCH, SIMON JEFFERY
LEE CHWEE SOON JASON
NGO, DA-KHUE HOANG
LIEW VOON YEE PENNY



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 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.

BENTIN, SUZANNE MAGDALEN

Head of School



Ms. Bentin oversees all academic matters of our School, since her appointment as Head of School in 2019. She joined OFS in August 1996 and has held various appointments including



High School Principal from 2006-2019. As Chairperson of our Academic Board and Examination Board and a member of the Executive Board of our school, Ms Bentin ensures constant communication and collaboration between our various departments.

Prior to joining our School, Ms. Bentin taught at several schools in Korea, New Zealand and France. Ms. Bentin graduated from University of Canterbury, New Zealand, with a Bachelor of Arts in 1977 and obtained a Diploma in Secondary Teacher Education from Dunedin Teachers' College, New Zealand, in 1979 and a Post-Graduate Diploma in Arts Subjects (with credit in French) from the University of Otago, New Zealand, in 1980.

DENCH, SIMON JEFFERY

High School Principal



Dr. Dench provides academic leadership and oversees the administration and all academic matters of our High School, including school planning and co-ordination among subject areas. He joined our School in 2013 and has held various appointments before he was appointed to his current position in 2019.

He is a member of the Academic Board and a member of the Executive Board and Examination Board of our School. Before joining our School, he taught mainly in New Zealand, but also briefly in the United Kingdom and France.

Dr. Dench graduated from the University of Canterbury, New Zealand, with a Bachelor of Arts in 1983 and a Master of Arts (Hons.) in 1984. He obtained a Diploma in Secondary Teacher Education from Christchurch Teacher's College New Zealand, in 1985. In 2017, Dr. Dench was awarded a PhD in History from the University of Waikato, New Zealand.

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.



ABOUT OFS

THE OFS EXPERIENCE



OFS IS UNIQUE IN OUR PHILOSOPHY OF EDUCATION AND IN OUR BELIEFS FOR OUR SCHOOL. WE PROMOTE A TRULY INTERNATIONAL OUTLOOK AND THERE IS NO ONE DOMINANT NATIONALITY WITHIN OUR STUDENT POPULATION OR AMONGST OUR STAFF.

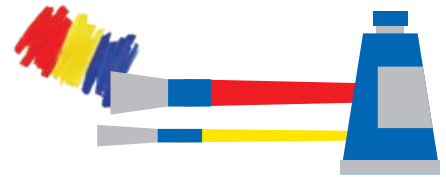


Having a diversified student population not only prepares students to integrate and interact within a globalised economy and a culturally diversified society, but also reduces our dependency on the influx of students from any particular country.

We also firmly believe in engaging our Clients, namely the parents and guardians of our students, in the decisions relating to, and the progress of their children's education. Working in partnership with parents, the School provides professional advice while the parents make the final decisions on all matters affecting their children.

In addition, we take pride that our academic personnel are tasked with teaching duties only and are not required to carry out administrative duties, which are carried out separately by our administrative staff.

We have a fully integrated inquiry-based curriculum based on the International Early Years Curriculum (IEYC), International Primary Curriculum (IPC), IB and the IGCSE, with the MUN Initiative integrated into our core curriculum.





OFS

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 and 10
(Junior)

IB Middle Years
Programme

IGCSE

HIGH SCHOOL

Grades 11 and 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 International Early Years Curriculum (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 International Primary Curriculum (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 Middle Years Programme (IB MYP) is offered in Middle School and the first 2 years of High School, and the IB Diploma Programme (IB DP) is offered in the final 2 years of High School. The IB DP allows Senior High School students to fulfill the requirements of many international universities and a good IB Diploma

qualifies holders for admission to top universities throughout the world.

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.

The School's curriculum is also accredited K-12 by the Western Association of Schools and Colleges, California, USA (WASC). 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 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

Designed to raise student awareness of prevailing global issues, the Model United Nations (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 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. The MUNOFS conference incorporates student-led Youth Leadership Workshops (YLWs). With the COVID-19 situation still developing, the modified MUNOFS XIII conference held online for the first time from 30 October to 1 November 2020 had over 350 participants from 19 schools.

The concurrent MY-MUNOFS XI and PY-MUNOFS VII conferences, cancelled in 2020 due to COVID-19 situation,

was scheduled to be held from 19 to 21 February 2021, modified to take place online for the first time, in line with Safe Management Measures to contain the COVID-19 pandemic, much to the delight of our students and participants from other schools. The new experience gained by the student leaders and team in the run-up preparation of these online conferences has given total new meanings to connectivity and global reach in our world.

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 eleven academic years, the percentage of our 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 2019/2020, 48.5% of OFS IB DP candidates achieved 35+ points, compared with 26.4% of candidates world-wide. Two OFS students achieved the maximum possible score of 45 points, and three other OFS students scored 44 points. In total, 34 OFS students scored 40 or more points.



ABOUT OFS

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



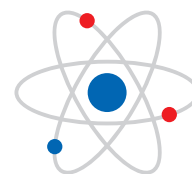
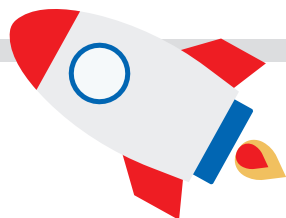
- Established in 1991, the Elementary School is led by our Elementary School Principal and Executive Officer, Ms. Penny Liew, two Deputy Principals and Elementary School Curriculum Leadership.
- The Elementary School has a 25-period week, with five one-hour periods per day. Designed for students from 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.

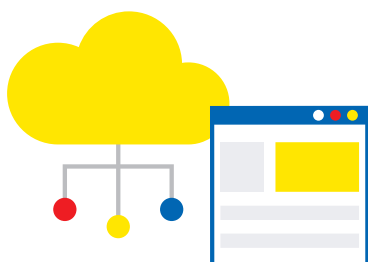




HIGH SCHOOL

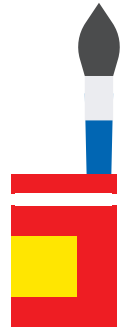


- Established in 1991, the High School is led by our High School Principal and Executive Officer, Dr. Simon Dench, two Deputy Principals and High School Curriculum Leadership, covering both Junior and Senior High Schools.
- The Junior High School has a 25-period week with five one-hour periods per day. 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, 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 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, students will be taught by a Mathematics specialist.

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 six foreign languages

currently offered at OFS are French, German, Hindi, Japanese, 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.

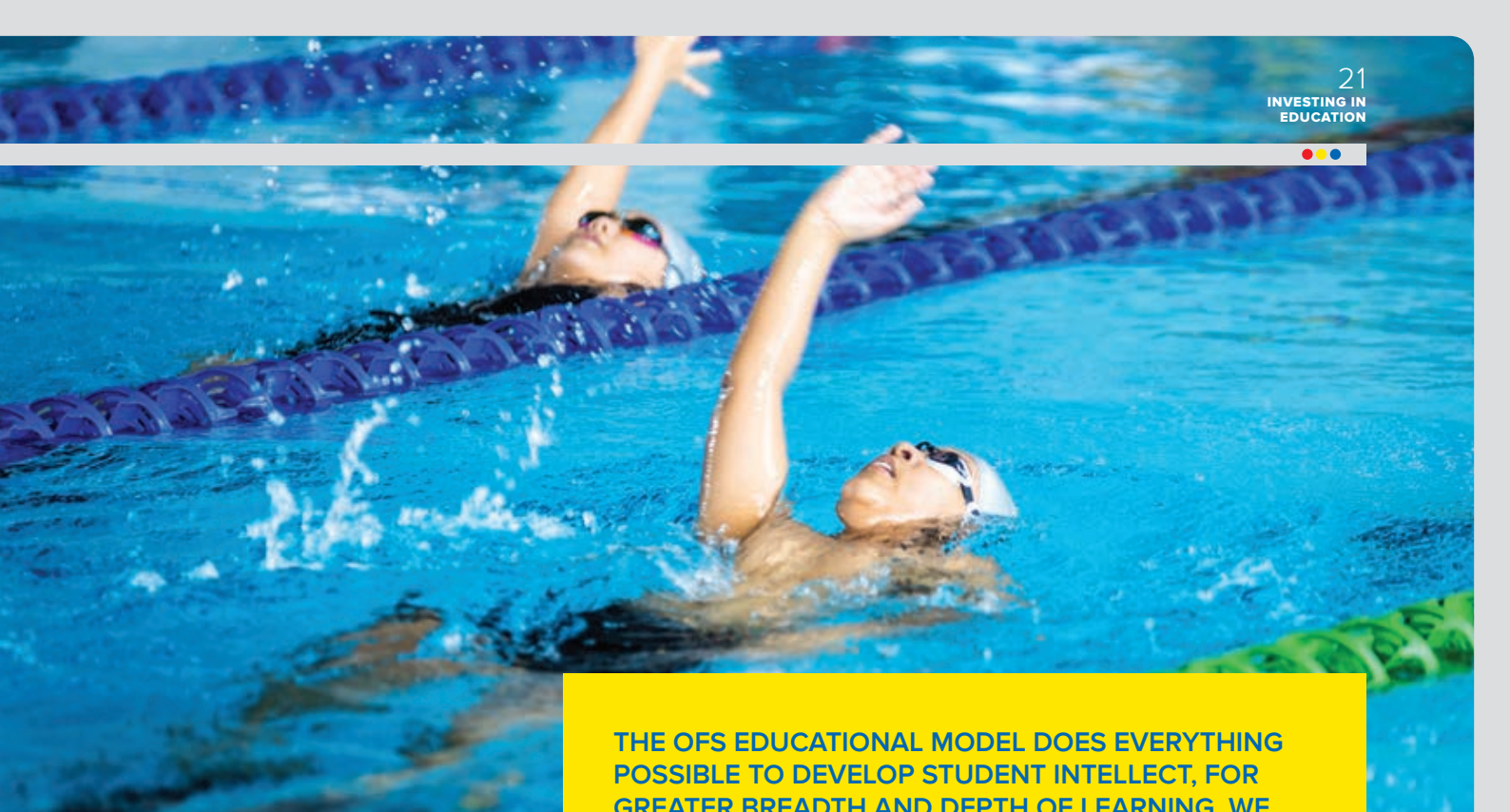
Our Intellectual Development Programmes include Mother Tongue, Chess and Math Coding.

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.





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.



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

ENRICHMENT AND AFTER-SCHOOL PROGRAMMES

In addition to the school curriculum, OFS currently offers more than 30 optional enrichment programmes that students from K1 to Grade 12 may enrol in. These enrichment programmes range from physical sports activities such as artistic and rhythmic gymnastics, badminton, ballet, basketball, cricket, golf, hip hop, inline skating, karate, 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 programmes are provided by external service providers who have been carefully screened and selected by the OFS Enrichment Programme team. Language programmes are also open for participation by the parents of our students. Extra fees are payable for these enrichment programme activities.

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 badminton, basketball, cricket, cross country, football, gymnastics, netball, rugby, softball, swimming, table tennis, tennis, touch football and track team. Subject to safety protocols during COVID-19 situation, students are also able to take part in competitions, competing with teams from other schools. No extra fees are payable for such extra-curricular activities and after-school sports programmes.

COLLEGE ADMISSION COUNSELLING

Our Academic Advisers counsel students planning to enroll in colleges and universities. We assist students, through

information evenings, workshops, alumni meetings, etc., by providing them with information on admission requirements to different colleges and universities and the degrees and courses available for tertiary education.

We organise annual visits, this year all online, by representatives from colleges and universities world-wide 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 online to learn about different academic programmes and their entry requirements, application procedures and other prerequisites for admission. We also facilitate several college and university lectures and workshops over the course of the year. In addition, we offer special workshop sessions to help students understand application essay expectations, and for those students whose applications require interviews.

FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

5-YEAR FINANCIAL SUMMARY

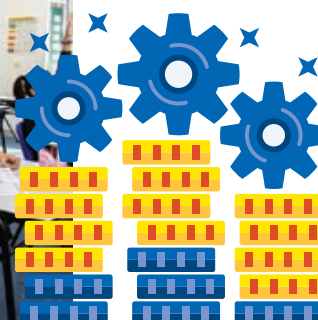
FINANCIAL HIGHLIGHTS (S\$'000)	FY2016	FY2017	FY2018	FY2019	FY2020
Total revenue ¹	91,846	86,837 ²	83,078	82,299	79,055
Profit before taxation	7,500	8,439 ²	9,351	10,788	12,938
Net profit for the year	5,263	6,238 ²	6,907	8,007	10,296
Earnings per ordinary share (cents)	1.3	1.5	1.7	1.9	2.5

BALANCE SHEET (S\$'000)	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019	31-Dec-2020
Total assets	336,792	326,526	305,281	304,830	293,946
Total liabilities	185,077	178,986 ²	162,257	165,222	155,463
Revenue reserve	78,631	74,456 ²	69,940	66,525	65,399
Total equity	151,715	147,540 ²	143,024	139,609	138,482
Net asset value per ordinary share (cents)	36.5	35.5 ²	34.4	33.6	33.3

CASH FLOW (S\$'000)	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019	31-Dec-2020
Net cash generated from operating activities	18,098	24,691	25,088	28,923	24,983
Net cash used in investing activities	(1,075)	(1,085)	(1,465)	(1,495)	(1,290)
Net cash used in financing activities	(23,474)	(23,929)	(35,574)	(23,563)	(25,012)
Cash and cash equivalents at the end of the year	53,908	53,584	41,633	45,498	44,179

Note:

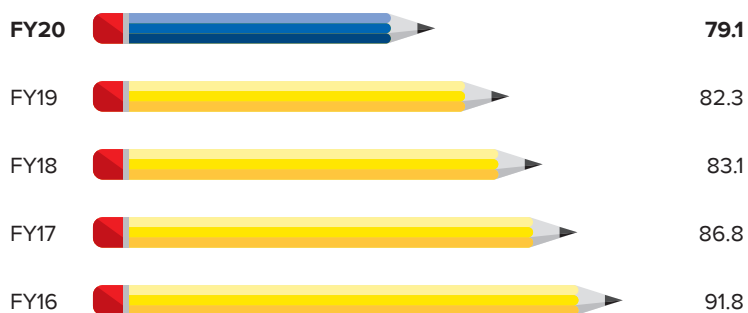
- ¹ Total revenue consists of tuition fees, registration fees, school shop revenue, enrichment programme revenue, interest income and other revenue.
² For comparative purposes, the number was adjusted upon adoption of SFRS(I) 15 - Revenue from Contracts with Customers.





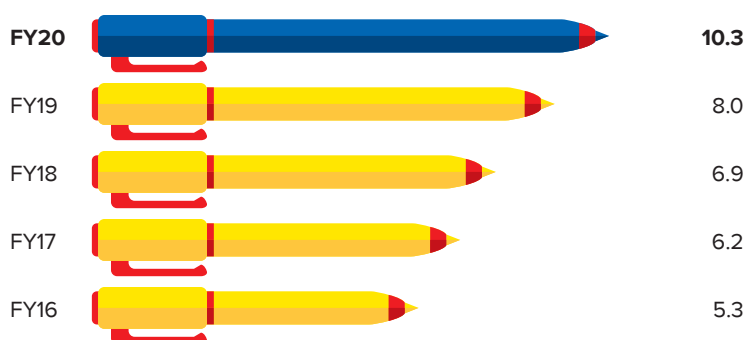
TOTAL REVENUE

(\$'million)



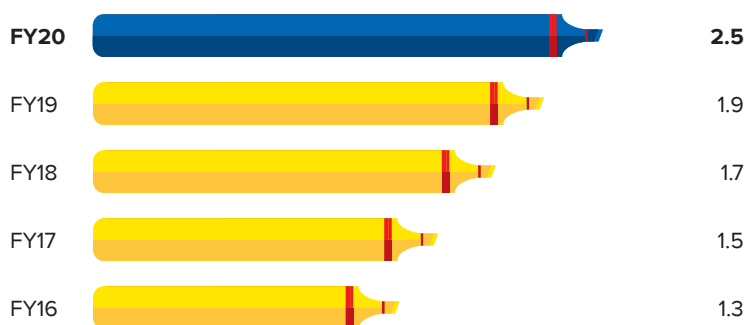
NET PROFIT FOR THE YEAR

(\$'million)



EARNINGS PER ORDINARY SHARE

(cents)



OPERATIONS & FINANCIAL REVIEW

INCOME STATEMENT

Total Revenue

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

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

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

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

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

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

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

Operating Expenses

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

costs and other operating expenses as explained below.

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

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

Enrichment programme costs were \$0.19 million in FY 2020 compared to \$0.37 million in FY 2019, in line with the lower enrichment programme revenue as explained in the enrichment programme revenue section above.

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

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

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

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

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

Profitability

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

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

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

BALANCE SHEET

Total property, plant and equipment and right-of-use assets at 31 December 2020 amounted to \$244.54 million compared to \$253.81 million at 31 December 2019. The decrease of \$9.27 million was due mainly to the depreciation charge for the reporting year, offset by the additional right-of-use assets of \$3.44 million during the reporting year.

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



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

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

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

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

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

Total fees received in advance (current and non-current) was \$26.85 million at 31 December 2020 and \$31.21 million at 31 December 2019. The total fees received in advance comprised tuition fees collected for the next semester which commenced in January 2021, and registration fees for enrolment.

Lease liabilities (current and non-current) were \$3.61 million at 31 December 2020 compared to \$4.15 million at 31 December

2019 due to progressive payments of the lease contracts for teachers' apartments.

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

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

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

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

CASH FLOW STATEMENT

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

The above-mentioned net working capital outflow of \$2.77 million arose mainly from cash outflow relating to the decrease in trade and other payables,

liabilities and fees received in advance of \$3.04 million and increase in other receivables, deposits and prepayments of \$0.44 million, offset by the cash inflow from the decrease in trade receivables and non-current deposits of \$0.27 million and \$0.43 million respectively.

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

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

SIGNIFICANT TRENDS AHEAD

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

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



SUSTAINABILITY REPORT





WE VIEW THIS INCREASED EMPHASIS ON SUSTAINABILITY AS AN OPPORTUNITY TO FURTHER IMPROVE ON OUR BUSINESS PRACTICES.



OUR BOARD AND MANAGEMENT ARE COMMITTED TO MANAGE OUR SCHOOL IN AN ETHICAL, SOCIALLY AND ENVIRONMENTALLY SUSTAINABLE MANNER.



WE HAVE SET OUT OUR STRATEGY ROADMAP TO USE OUR RESOURCES IN A MORE EQUITABLE AND SUSTAINABLE MANNER.

ABOUT THIS REPORT

Our Sustainability Report has been prepared in accordance with Global Reporting Initiatives (GRI) Standards: Core Option, as well as Singapore Exchange Limited (SGX) Sustainability Reporting Guide for listed companies. We have adopted the GRI reporting framework for its international recognition and universal applicability (*SGX Guide 3.6 – Global standards and comparability*).

We, OEL together with our subsidiaries (the Group), recognise that sustainable business practices have become increasingly important to our stakeholders. Our stakeholders are also looking to us for increased transparency and accountability around our business practices. Hence, we are pleased to share our sustainability journey and our continuing efforts and progress we have made thus far.

This is our fourth year of sustainability reporting, and we have again reviewed the material environmental, social and governance areas that are important to our stakeholders and us. We have also set out our strategy roadmap to use our resources in a more equitable and sustainable manner, and at the same time create long-term value for our stakeholders. This annual

sustainability report focused on our performance from 1 January 2020 to 31 December 2020, which is congruous with the financial year of the Group.

We have not sought external independent assurance for this sustainability report. We welcome any feedback you may have, and please feel free to write to us at ir@ofs.edu.sg should you have any inquiries about its content.

In addition, should you wish to access the previous Sustainability Report 2019, it can be found in our OEL Annual Report 2019.

SUSTAINABILITY REPORT

BOARD STATEMENT

OEL Board of Directors (Board) and management recognise that environmental, social and governance (ESG) issues are very important in managing a school. Continued emphasis is placed on ensuring sustainable business practices are transparent and accountable. We view this increased emphasis on sustainability as an opportunity to further improve on our business practices, and to help address any material ESG areas that are relevant to our stakeholders.

Our Board assumes the leadership and advisory role for the Group's sustainability strategy. Our Chief Financial Officer is the designated Sustainability Team Lead, and he reports to the Board on any key material sustainability performance matters. He also ensures the preparation of sustainability disclosures as required by the SGX Sustainability Reporting Requirements.

We believe our School is an inextricable part of Singapore's social and economic infrastructure supporting foreign direct investments into Singapore, and forming an important consideration for expatriates contemplating the relocation of their families, especially of their school-going children here.



Our Master Policy: ***To maintain a happy, safe and effective school for overseas families living in Singapore*** is the key pillar of our sustainable strategy. We strive to achieve our Master Policy through our internationally recognised curricula, our student code of conduct and well-supervised security measures.

Our Board and management are committed to manage our School in an ethical, socially and environmentally sustainable manner. We also recognise the importance of a safe school environment for our students, parents, teachers and OFS community. Due to the COVID-19 pandemic, we have implemented strict COVID-19 Safe Management Measures in and around the School, and abided by all guidelines issued by the respective Singapore government authorities.

We embrace cultural and social diversity, and promote equal opportunities among our people. Our teachers and staff are well trained and competitively remunerated, and are expected to maintain the highest standard of professionalism, integrity and trust.

We embrace sustainability not only as a guiding principle, but also imbue our day-to-day running of our School's operations, processes, curricula and activities with sustainable ESG practices. We will share more of these further in our sustainability report.



ENGAGING WITH OUR STAKEHOLDERS

We actively engage our stakeholders through various engagement platforms so as to allow us to better understand their expectations or any concerns they may have. We also welcome routine inquiries and regular feedback from stakeholders.

While such engagements are helpful to drive change and improve sustainable practices, we are also conscious that building engagement on the ground or through our day-to-day contact, e.g. directly with parents or through our OFS Parent Association, is critical to ensure that our sustainable programmes are realistic and effective.

The engagement platforms with our stakeholder groups are summarised in the table below.

Stakeholder groups	Engagement platforms*	Frequency
Parents and OFS Parent Association	<ul style="list-style-type: none"> All New Parents' Coffee Morning Parents' Coffee Mornings School newsletters School Yearbook Global Picnic Parents Orientation and Curriculum Mornings or Evenings Parents-Teacher conferences OFS website, notice boards, announcements and social media platforms like Facebook and Instagram Parents' meetings and feedback 	<ul style="list-style-type: none"> Start of new school year Monthly Monthly Annually Annually Scheduled Scheduled Throughout the year Scheduled
Shareholders, investors and analysts	<ul style="list-style-type: none"> Results announcements Release of Annual Reports Annual General Meetings Extraordinary General Meetings Analysts meetings Investors roadshow 	<ul style="list-style-type: none"> Quarterly (Half-yearly from 2020) Annually Annually As needed Scheduled As needed
Teachers and staff	<ul style="list-style-type: none"> Chairman's lunch Academic Board meetings Global Picnic Teachers orientation sessions Staff meetings and feedback 	<ul style="list-style-type: none"> Annually Scheduled Annually Annually Scheduled
Government agencies and regulators	<ul style="list-style-type: none"> Meetings Electronic communications 	<ul style="list-style-type: none"> Scheduled Quarterly
Business partners, contractors and suppliers	<ul style="list-style-type: none"> Meetings and feedback 	<ul style="list-style-type: none"> Scheduled
Local community and corporate social responsibility	<ul style="list-style-type: none"> Various school programmes and community outreach 	<ul style="list-style-type: none"> pp. 31-33

* Due to the COVID-19 pandemic, many of these events have been temporarily suspended, scaled down or moved online to abide by government regulated COVID-19 Safe Management Measures.

SUSTAINABILITY REPORT



ASSESSMENT OF MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE AREAS

Our assessment of material environmental, social and governance (ESG) areas was guided by GRI reporting framework and SGX Sustainability Reporting Guide.

The following material ESG areas are assessed and selected based on the degree of influence they have on our stakeholders as well as the effect our School has on the economy, the environment and society.

Material ESG areas	GRI topics	Read more in our:
Economic Sustainability Our financial performance, economic value generated and distributed.	<ul style="list-style-type: none"> Economic Performance 	Chairman's Message (pp. 4-5) Financial Highlights (pp. 22-23) Operations & Financial Review (pp. 24-25) Financial Statements (pp. 70-131)
Corporate Governance Our corporate governance structure, ethics, accountability and audit, shareholders rights and responsibilities.	<ul style="list-style-type: none"> Anti-corruption 	Corporate Governance Report (pp. 40-69)
The OFS Experience and OFS Community Our values, principles and norms of behaviour.	<ul style="list-style-type: none"> Non-discrimination 	p. 31
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Our Teachers and Staff Investing in our teachers and staff.	<ul style="list-style-type: none"> Employment Training and Education Diversity and Equal Opportunity Non-discrimination 	pp. 34-35
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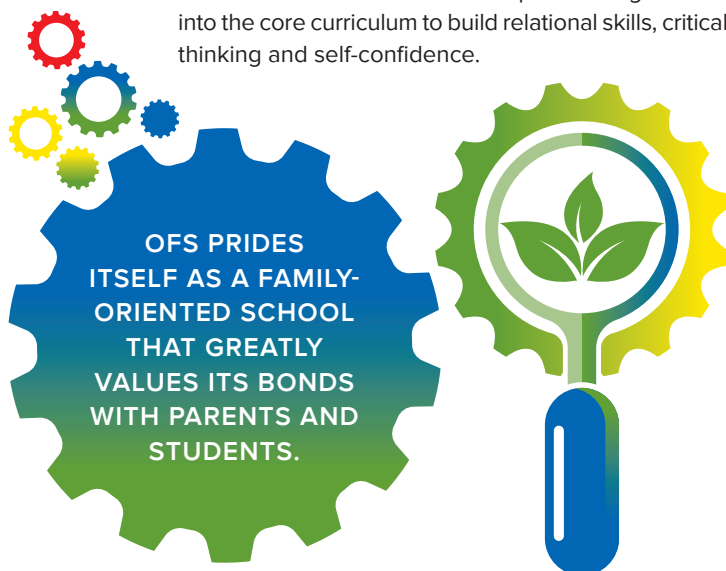
THE OFS EXPERIENCE AND OFS COMMUNITY

OFS is unique in our philosophy of education and in our beliefs for our School. We promote a truly international outlook and there is no one dominant nationality within our student population or amongst our staff. At OFS, even K-12 students learn to be responsible global citizens.

Children of expatriates often travel from one country to another with their parents before settling down in a country of their choice. Selecting a suitable school is as much a part of their lives as learning a different language with every move. OFS eases the transition for children aged two to 18 years old through an open entry policy that allows admission at any K-12 level without pre-entry tests. Students are encouraged to flourish at their own pace in an environment that fosters growth through self-discipline and self-respect. 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. Our vibrant School provides a well-rounded education to students of expatriate families from more than 60 countries, and supported by staff members from some 30 countries.

OFS is a community of learning where the learning is student-focused, and not teacher-centred, to enhance the student learning experience. Group and project-based learning, and outdoor activities support student engagement. We also integrate Model United Nations initiative and Intellectual Development Programmes into the core curriculum to build relational skills, critical thinking and self-confidence.



OFS PRIDES ITSELF AS A FAMILY-ORIENTED SCHOOL THAT GREATLY VALUES ITS BONDS WITH PARENTS AND STUDENTS.

We have a ‘Self-Discipline, and Zero Tolerance for Violence’ policy at OFS.

Multinationalism and multiculturalism are cornerstones of our OFS ethos, and have deep roots in our collective consciousness. Respect for one another naturally developed amongst students and teachers, and we operate with minimum rules or punishments. It is essential that no student or staff member feels threatened by violent or aggressive behaviour from another member of the School community. Any act of violence will lead to immediate expulsion; and all students, teachers, principals, management and staff work together to meet this policy.



COMMUNITY ENGAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY

OFS believes in the importance of community service, engagement with other educators, and awareness of the environment. We believe our policies and practices have a positive impact on our stakeholders and the community we operate in, and also help to instil a sense of social responsibility among our students and teachers alike.

Our students at OFS actively participate in the school’s Community Service Programme, which is an integral part of school life. This can be service to the local school community, the Singapore community, or the larger global community. Our teachers have the opportunity to engage with other educators in Singapore, allowing them to contribute by sharing their knowledge, experience and expertise with the wider education community in Singapore.

Community Service

Due to the COVID-19 pandemic and regulated Safe Management Measures, our School has suspended all community service activities since early 2020. When the COVID-19 situation improves with the lifting of safe distancing restrictions, our School will again continue to contribute positively to our local neighbourhood and to forge community service partnerships with various local and overseas organisations. These community service opportunities have helped members of our school community understand the importance of volunteerism and that their participation provided valuable community services. We look forward to recommence our community service activities as soon as we are allowed to do so.

SUSTAINABILITY REPORT

Past community services rendered included the following:

- Beach clean-up at Pasir Ris Beach and recycling of plastic trash
- Volunteering at MINDS - Movement for the Intellectually Disabled of Singapore
- Volunteering at RDA – Riding for the Disabled Association
- Volunteering at Down's Syndrome Association

Social Responsibility

Our students also engage in many impactful social activities, either through school clubs or personal initiatives. They work in collaboration with one another, or individually, to develop a greater sense of social responsibility. At the same time, they also help to raise awareness of social, environmental and global issues within our school community.

Unfortunately due to the COVID-19 pandemic, our School has also temporarily suspended many of the social activities since early 2020. We are pleased to share some of the limited social activities below organised under strict Safe Management Measures; and we hope to reactivate most of the activities as soon as we are allowed to do so.

Food from the Heart Food Collection

The impact of COVID-19 pandemic has decimated many jobs and placed thousands of livelihoods in Singapore at risk, with an increasing number of families reported to be experiencing food insecurity. Partnering with Food from the Heart, our School held a school-wide food collection charity drive collecting canned and

dry goods. OFS families, students, teachers and staff donated generously to this worthwhile initiative with student volunteers spending hours counting and packing the food donations. A total of 6,121 items were collected by the entire school. This included over 2,000 canned items, 800 packets of noodles, 1,000 packets of Milo, coffee and tea, 500 litres of cooking oil and 700 kilograms of rice. Through their food bank, Food from the Heart distributed the food donations to needy families in Singapore.

This charity event has provided us the opportunity to instil a giving spirit and care for the needy, and contribute to making lives better in the community and society.

Knitting for Charity

OFS students in this club learn to knit in order to knit squares that will eventually be made into blankets. Students first learn the skill of knitting. Then they proceed to knit squares that are donated to a charity, "Knit a Square". This charity combines the squares into blankets that are distributed to orphaned or vulnerable children in countries with colder climates. Students learn a valuable skill, while also contributing to a worthy cause.

Recycling Club

This group of OFS students meets regularly to ensure all of the paper waste in the High School is recycled or reused. Some of the students make weekly rounds to

OFS FAMILIES, STUDENTS, TEACHERS AND STAFF DONATED GENEROUSLY TO THIS WORTHWHILE INITIATIVE WITH STUDENT VOLUNTEERS SPENDING HOURS COUNTING AND PACKING THE FOOD DONATIONS.





collect paper from the specially made recycling boxes placed around the High School. Another group sorts through all of the collected paper. Some of it is able to be sent back through printers to be used again, some is used to make notebooks, while the rest is sent off for recycling. Without their efforts, all this discarded paper would sadly end up in the landfill.

cover. The system is made out of virgin polypropylene which is food safe material and our fill (soil, compost and fertiliser) is also organic. Therefore, the veggies we grow are also organic.

The Vegetable Garden is under the care of the MYP Action Club. This club consists of volunteer students and staff members. The Vegepod serves the surrounding community through monthly donations to a community fridge and students participate in outdoor learning in a variety of ways. Students spend time propagating, planting, caring for and harvesting the garden edibles. Through their gardening journey, volunteers have gained a comprehensive knowledge of the importance of organic soil composition, fertilisers and natural pest remedies. They have also attained valuable experience in the farm to plate journey of growing edibles in an urban environment. Students also have a clear sense of their role in the circular economy. Volunteering in the garden allows for opportunities of team work, leadership, problem solving, mindfulness and being part of the rewarding journey of growing edibles for the purpose of donation and horticultural education.

STUDENTS
SPEND TIME
PROPAGATING,
PLANTING,
CARING FOR AND
HARVESTING THE
GARDEN EDIBLES.

Plant Project

OFS students in this club learn the skills of gardening and caring for plants. Potted plants from the school's nursery are loaned to offices and staff for a week in order to help make the campus a greener and more cheerful place. These plants are replaced weekly so they can be nourished in the outside air and sun of the nursery and be ready to be loaned out again. Students learn the basics of plant care and how oxygen producing plants can improve the learning environment and clean the air.

Vegetable Garden

Our School invested in a Vegepod in July 2019. It was assembled by the students in the MYP Action Club in September 2019 and then placed in the garden plot, filled, planted and has been cared for since.

The Vegepod is a self-watering raised garden bed with a wicking system design, reservoirs for water collection below and a protective

Partnerships With Local Institutions

Similarly, our School has temporarily suspended the various partnerships and collaborations with the Ministry of Education (MOE) and local educational institutions in Singapore since early 2020 until we are allowed to resume the collaborations again.

Past collaborations included the following:

- MOE Teacher Work Attachment Programme
- OFS Students exchange programs with Local Schools



SUSTAINABILITY REPORT

Memberships, Accreditation and Authorisations

Our Group has received the following memberships, accreditation and authorisations from the following institutions for the operation of the School:

Issuing entity / Administrative body	Memberships, accreditation or authorisations
Committee for Private Education (CPE), Singapore	Registration No.: 199104269R (Validity: 1/9/2019 – 31/8/2023)
EduTrust Certified	Certificate Number: EDU-2-2072 (Validity: 21/12/2019 – 20/12/2023)
International Baccalaureate (IB) Geneva, Switzerland	Authorisation of MYP and DP of the IB
Cambridge Assessment International Education, UK	IGCSE
Western Association of Schools and Colleges (WASC), USA	Accreditation K-12
International Early Years Curriculum (IEYC), UK	Member School
International Primary Curriculum (IPC), UK	Member School



OUR TEACHERS AND STAFF

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 and those with leadership roles were all previously successful OFS teachers, and are committed to OFS educational policies. The academic teams focus on their students, and administrative duties mostly performed by the management and administrative staff.

Throughout our years of operating OFS, we have been fortunate to experience a low normalised rate of staff turnover. We believe in a happy and safe school environment. We do not practise collective bargaining nor do we have a collective agreement in place. Importantly, we advocate and implement fair employment practices where our hiring practices are

fair, merit-based and non-discriminatory, and recognise teachers and staff for their exemplary contributions to the School. We always advocate a friendly and worldwide family culture at OFS. Above all, OFS remunerates all our teachers and staff competitively, and strives to make OFS a workplace of choice.

Regular performance reviews are conducted for staff, and performance feedback is given to the staff during these reviews. At OFS, our academic staff growth is seen as a professional journey rather than short measurable end-points. Goal settings are undertaken, but short-term goal setting is not an approach used at OFS. Our teachers have the professional choice how they wish to plan their own professional development within the guidelines set out by each of the school Principals and senior management.

Demographics

We have about 400 full-time staff members. Gender diversity remained stable during the year at 65% (2019: 66%) female staff and 35% (2019: 34%) male staff.

AT OFS, OUR
ACADEMIC STAFF
GROWTH IS SEEN AS
A PROFESSIONAL
JOURNEY RATHER
THAN SHORT
MEASURABLE
END-POINTS.





The tables below provide the breakdown by gender, age group and residency status:

AGE	FEMALE	MALE	TOTAL
21-30	3%	2%	5%
31-40	13%	7%	20%
41-50	23%	11%	34%
51-60	14%	11%	25%
61-70	11%	3%	14%
71-80	1%	1%	2%
Total	65%	35%	100%

STATUS	FEMALE	MALE	TOTAL
Singaporeans	27%	13%	40%
Singapore PRs	11%	3%	14%
Pass Holders	27%	19%	46%
Total	65%	35%	100%

The tables below provide the breakdown by gender and age group for new hires and leavers:

NEW HIRE			
AGE	FEMALE	MALE	TOTAL
21-30	1%	1%	2%
31-40	1%	1%	2%
41-50	1%	1%	2%
51-60	–	1%	1%
Total	3%	4%	7%

STAFF TURNOVER			
AGE	FEMALE	MALE	TOTAL
21-30	1%	–	1%
31-40	1%	1%	2%
41-50	1%	–	1%
51-60	–	1%	1%
61-70	1%	1%	2%
Total	4%	3%	7%



The tables below provide the breakdown by gender based on employment contract and employment type:

CONTRACT	FEMALE	MALE	TOTAL
Permanent	64%	35%	99%
Temporary	1%	–	1%
Total	65%	35%	100%

TYPE	FEMALE	MALE	TOTAL
Full time	65%	34%	99%
Part time	–	1%	1%
Total	65%	35%	100%

The above-mentioned data and information have been compiled based on employee and payroll records during the reporting period.

In addition, there is no significant portion of the School's activities that are performed by persons who are not employees; and there is no report of incidents of corruption and discrimination noted during the financial year ended 31 December 2020.

SUSTAINABILITY REPORT



GREEN SPACES AND ENERGY MANAGEMENT

Our OFS campus at Pasir Ris is designed and built as a 'Green Mark' campus with ample green and open spaces. Comfort, safety and security measures are at the forefront to maintain a happy and safe school environment. Natural daylight also contributes to a bright cheerful environment and reduces the need for excessive electric lighting. Open green spaces with wide passageways and corridors promote natural ventilation and breezy conditions all around the campus.

All our classrooms and study areas are installed with full-spectrum mercury-free LED lights. OFS invested in these full-spectrum LED lights to achieve an optimal learning environment for our students. Many research studies have shown that children placed in rooms with these special LED lights can concentrate better and display less behaviour related issues.

These LED lights are also very energy efficient. We have also many other energy saving features in place like energy-efficient induction air distribution and

air-conditioning system, 'smart' lifts and escalators, timer-switches and sensors, to reduce energy waste and help to improve environmental quality.

The table below shows our annual water and electricity consumption during 2018 to 2020. All the electricity consumption shown in the table below were generated from non-renewable sources.

	2020	2019	2018
Water (Cu M)	25,194	32,184	31,611
Electricity (kWh)	4,046,699	4,684,216	4,612,632

We are mindful of our impact on the environment of our School's operations, and we are committed to further improve on our energy saving effort year on year.



WASTE MINIMISATION AND RECYCLING

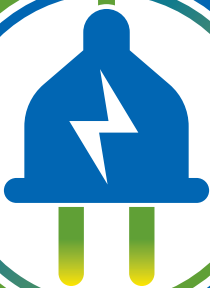
The 3Rs (Reduce, Reuse and Recycle) are suffused through every level of learning at OFS. We feel that the 3Rs play a crucial role of waste generation at its source by reducing consumption, as well as reusing and recycling all materials to give them a second lease of life. We also aim to instil a green culture combined with collaborative learning (e.g. beach clean-up at Pasir Ris beach, plastic and paper recycling projects, and many other community and social service projects mentioned above) to bring benefits to the local community and wider environment both now and into the future.

We also practise waste segregation in order to recycle as much as possible. We provide ample special recycling bins for collecting different recyclable materials. In addition to the recycling projects mentioned above, all students, staff and visitors are encouraged to reduce waste by placing discarded items into the relevant bins.

We expect everyone at OFS to play their part in the waste minimisation and recycling, and contribute to maintaining happy and safe surroundings for all.

The data on general waste (excluding toxic waste and used cooking oil) disposed provided by our waste disposal contractor for 2020 and 2019 are 102,080 kg and 151,170 kg respectively. We will continue to monitor our waste minimisation effort through improving our data collection to further segregate the different types of waste generated by our communities.

OFS INVESTED IN THESE FULL-SPECTRUM LED LIGHTS TO ACHIEVE AN OPTIMAL LEARNING ENVIRONMENT FOR OUR STUDENTS.





SECURITY, HEALTH, FOOD HYGIENE AND SAFETY

We take our responsibilities in security, health, food hygiene and safety matters very seriously.

Our security team is on duty 24/7, and CCTV cameras monitor activities on school campus at all times. All our security personnel are trained in our organisation's security controls and procedures. Re-training is performed, as needed, to ensure our security personnel are well-acquainted with their roles and responsibilities, and that the overall security environment is functioning effectively.

We have a comprehensive and well-supervised traffic control plan where our traffic control team ensures the safety of pedestrians and motorists when they enter the school, and within the school.

All staff, parents and students (except for students in uniforms) are required to wear an OFS security identity pass on school campus. All visitors are screened at the security guard post and issued with a visitor pass before entering the school campus. Visitors must display their visitor pass prominently, and be accompanied by school staff at all times.

We adopt National Environment Agency guidelines (please refer to NEA website) to monitor Haze conditions. Evacuation drills are also conducted every semester to familiarise the school body with evacuation routes and assembly points, should emergency evacuation be activated.

OFS cafeteria has continually attained NEA's Grade A rating, the highest standard for overall food hygiene, cleanliness and housekeeping of the cafeteria. Our cafeteria practices healthy food preparation methods and offers our students a wide menu of healthy food and beverage choices.

We put the care and welfare of our students foremost. We have a medical centre with qualified full-time school nurses to render first-aid help, as well as regular health checks for our students.

We are deeply concerned about the current COVID-19 pandemic and resurgence of COVID-19 and new variants cases in many countries. Our School has put in place COVID-19 Safe Management Measures, based on all the measures and guidelines issued by the respective Singapore government authorities. We have also responded with stricter measures if they are necessary to protect our student body and our community. Parents and guardians also expect OFS to be vigilant and strict as to these measures that must be taken to protect their children and wards during the COVID-19 pandemic. If students are placed on leave of absence, online learning and academic support are readily available so that they will not miss their studies and academic pursuits.

We adopt a whole school approach in partnership with our students, parents and teachers to maintain a happy and safe learning environment.

SUSTAINABILITY REPORT

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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 which was revised on 6 August 2018 (the “**2018 Code**”) and accompanying Practice Guidance, which supersedes the existing Code of Corporate Governance issued in 2012, can be seen from the Board and management 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 2018 Code and should be read as a whole, instead of being read separately under the different principles of the 2018 Code.

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

The Company is headed by an effective Board comprising seven (7) directors of whom three (3) are executive directors and four (4) are 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 performances 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 considerations 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. Following the amendments to the Listing Rules which have taken effect as of 7 February 2020, the Company will not be required to release its financial statements on a quarterly basis. In view of the foregoing, the Board has decided not to continue with quarterly reporting of the unaudited financial statements of the Company and of the Group; and instead, the Company will announce the unaudited financial statements of the Company and of the Group on a half-yearly basis as required under the Amended Listing Rules. During the financial year ended 31 December 2020, the Board held a total of three (3) 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 Executive 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 the financial year ended 31 December 2020 are disclosed in the table reflected below:



CORPORATE GOVERNANCE REPORT

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
David Alan Perry	3	3	NA	NA	1	1	NA	NA
Wong Lok Hiong	3	3	NA	NA	NA	NA	NA	NA
Ho Hie Wu	3	3	NA	NA	NA	NA	NA	NA
Ho Yew Mun	3	3	3	3	1	1	1	1
Leow Wee Kia Clement	3	3	3	3	1	1	1	1
Tan Teng Muan	3	3	3	3	1	1	1	1
David Peter Walker	3	3	3	3	1	1	1	1

The directors were appointed based on their experience, stature and potential to contribute to the proper guidance of the Group and its businesses. As such, we believe that each individual director's contributions can be reflected in ways other than the reporting of attendances at Board meetings and/or Board Committees meetings.

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 Executive Chairman and Chief Executive Officer 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 allows 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 is no new director appointed during the financial year.

Directors and key management personnel are encouraged to attend relevant training programmes, courses, conference and seminar on new laws, regulations and updates on commercial areas conducted by relevant professional organisation 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 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 (if any) 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 the key amendments and impact of the 2018 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 and audited financial statements;
- 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 that are 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, 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 would be disclosed and explained during the meeting. Directors are also informed of any significant developments or events relating to the Group. In addition, the directors are entitled to request from management such additional information as needed to make informed decisions. Management ensures that any additional information requested for 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 Secretary, who provides the directors with regular updates on the requirements of the Companies Act and all the rules and regulations of the SGX-ST. The Company Secretary or his/her representatives attend all Board and Board committee meetings, and assists 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 the letter of engagement with the Company. The responsibilities set out include advising the Board on governance matters and assisting the Chairman to ensure the information flow within the Board, Board Committees and between management and directors. The decision to appoint or remove the Company Secretary is made by the Board as a whole.



CORPORATE GOVERNANCE REPORT

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 seven (7) members comprising the Executive Chairman who is also the Chief Executive Officer, two (2) Executive Directors and four (4) Independent Non-Executive Directors:

Executive Directors

David Alan Perry
Wong Lok Hiong
Ho Hie Wu

Independent Directors

Ho Yew Mun
Leow Wee Kia Clement
Tan Teng Muan
David Peter Walker

Board Independence

The Board has adopted the 2018 Code's criteria of an independent director in its review that all independent directors have satisfied the criteria of independence. In line with Guideline 2.2, the independent directors of the Company make up a majority of the Board where the Chairman is not independent. The current Board composition also complies with Provision 2.3 of the 2018 Code where 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 2018 Code's definition of independence. Each independent director is required to complete a 'Confirmation of Independence' form to confirm his independence. The said form, which was drawn up based on the definitions and guidelines set forth in Provision 2.1 of the 2018 Code and the Nominating Committee Guide issued by Singapore Institute of Directors, require each director to assess whether he/she considers himself/herself independent despite of not having any of the relationships defined in the 2018 Code.

The NC had conducted a rigorous review on the independence of the independent directors and has reviewed the assessments completed by each independent director, including those independent directors who have/will have served on the Board for an aggregate period of more than 9 years from the date of their first appointment. The NC is satisfied that the independent directors are independent of the Company's management as contemplated by the 2018 Code and there are no other relationships which would deem them to be non-independent. The independent directors, namely Mr Tan Teng Muan, Mr Ho Yew Mun and Mr Leow Wee Kia Clement who have served on the Board for an aggregate period of nine (9) years or more at the end of this financial year, will be seeking for their continued appointment as independent directors at the forthcoming Annual General Meeting ("AGM") to be held on 21 April 2021.

Each member of the NC has abstained from participating in the discussion and voting on any resolution related to his 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 seven (7) 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

Although there is no diversity policy adopted, the Board is committed to ensuring diversity on the Board including but not limited to appropriate balance and mix of skills, knowledge, experience, gender, age and the core competencies of accounting and finance, legal and regulatory, business or management experience, industry knowledge, and strategic planning to avoid groupthink and foster constructive debate. The current Board comprises of a female director and six males with an age group ranging from 46 to 80 years old. Each director has been appointed 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 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 10 and 11 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.

The roles of Chairman and Chief Executive Officer ("CEO") are assumed by David Alan Perry. As the CEO, he is responsible for the day-to-day operations of the Group. He plays an instrumental role in charting the direction and strategic development of the Group and formulates business strategies, the development of the Group and promoting high standards of corporate governance.



CORPORATE GOVERNANCE REPORT

As Chairman, he 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 CEO has full executive responsibilities over the business directions and operational decisions in the daily business operations of the Group in accordance with strategies, policies, budget and business plans as approved by the Board.

Although the roles and responsibilities of both the Chairman and CEO are vested in David Alan Perry, major decisions are made in consultation with the Board, where majority of the Board comprises of independent directors. 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, who has been appointed as the Lead Independent Director of the Company, will lead and coordinate the activities of the independent directors and facilitate a two-way flow of information between shareholders, Chairman and the Board. Hence, he will contribute 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 Chairman and 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

The Board established the NC which consists of five (5) directors, a majority 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, David Peter Walker and David Alan Perry. 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 1 meeting during the financial year. Pursuant to the Constitution of the Company, each director of the Company shall retire from office. Directors who retire are eligible to stand for re-election.

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 to seek 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.



CORPORATE GOVERNANCE REPORT

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.

The NC has recommended to the Board that Tan Teng Muan, Ho Yew Mun, Leow Wee Kia Clement and David Peter Walker be nominated for re-election pursuant to Regulation 96 of the Constitution of the Company at the forthcoming AGM and the Board had accepted the NC's recommendation. In view that Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement would have served on the Board for an aggregate period of more than nine (9) years as at 1 January 2022, their continued appointment as independent directors would also be sought in separate resolutions under 2-tier voting at the forthcoming AGM. Details of the retiring Directors seeking for re-election are found in Table A set out on page 65 to page 69 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 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. The Board then appoints the most suitable candidate who must stand for 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.

All directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. 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. In addition, Regulation 102 of the Company's 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:

Name of Director	Date of First appointment/ Date of last re-appointment	Functions	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
David Alan Perry	28 October 2011/ 24 April 2019	Executive Chairman and CEO Member of Nominating Committee	Chairman of Overseas Family School Limited Director of Overseas Family School Limited (Hong Kong) Director of Master Projects Pte Ltd, Centre for Advanced Medicine Limited and Feedback Research Limited Director of PDAC Private Limited	NIL
Wong Lok Hiong	28 October 2011/ 18 June 2020	Executive Director	Chief Executive of Overseas Family School Limited Director of Overseas Family School Limited (Hong Kong) Director of Master Projects Pte Ltd, Centre for Advanced Medicine Limited and Feedback Research Limited Director of WLH Private Limited	NIL
Ho Hie Wu	1 September 2018/ 24 April 2019	Executive Director and Chief Financial Officer	Director of Overseas Family School Limited	NIL



CORPORATE GOVERNANCE REPORT

Name of Director	Date of First appointment/ Date of last re-appointment	Functions	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
Ho Yew Mun	1 August 2012/ 18 June 2020	Lead Independent Director Chairman of Audit Committee, Member of Nominating and Remuneration Committees	NIL	NIL
Leow Wee Kia Clement	26 December 2012/ 18 June 2020	Independent Director Chairman of Nominating and Remuneration Committees and Member of Audit Committee	Executive Director and Chief Executive Officer of Allied Technologies Limited Independent Director of Ellipsiz Ltd, MSM International Limited and Lum Chang Holdings Limited Non-Executive Director of Grand Team Technologies Pte. Ltd.	Executive Director, Chief Executive Officer and Head of Corporate Finance at Crowe Horwath Capital Pte Ltd
Tan Teng Muan	28 October 2011/ 24 April 2019	Independent Director Member of Audit, Nominating and Remuneration Committees	Commissioner for Oaths and Partner in the civil and commercial litigation practice of Mallal & Namazie Independent Director of United Global Limited	NIL
David Peter Walker	1 July 2015/ 25 April 2018	Independent Director Member of Audit, Nominating and Remuneration Committees	Managing Director of Kauri Capital Pte Ltd Member of Global Board of Governors of International Baccalaureate	NIL

Please also refer to the “Board of Directors” section of the Annual Report on pages 10 and 11 for information relating to the directors.





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 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.



CORPORATE GOVERNANCE REPORT

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.

Non-Executive Director Remuneration

The independent 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.

The service agreements entered into with the Executive Directors, David Alan Perry and Wong Lok Hiong were for an initial period of three (3) years with effect from the date of listing of the Company. These service agreements are subject to review by the RC and provide 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 service agreements of David Alan Perry and Wong Lok Hiong have been further renewed for a third term of three (3) years. 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.



CORPORATE GOVERNANCE REPORT

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 5 key management personnel (who are not directors and those who were in service) for the year ended 31 December 2020 are as follows:

Directors

Names	Salary	Bonus	Other	Directors'	Total
	(S\$)	(S\$)	Benefits	Fees	
David Alan Perry	384,000	–	5,400	–	389,400
Wong Lok Hiong	384,000	–	18,345	–	402,345
Ho Hie Wu	480,000	–	20,741	–	500,741
Ho Yew Mun	–	–	–	120,000	120,000
Leow Wee Kia Clement	–	–	–	120,000	120,000
Tan Teng Muan	–	–	–	100,000	100,000
David Peter Walker	–	–	–	100,000	100,000

Top 5 Key Management Personnel

Names	Salary	Bonus	Other	Total
	(%)	(%)	Benefits	
S\$250,000 to S\$400,000				
Jason Lee Chwee Soon	93.3	–	6.7	100.0
Wong Hok Hoe	94.8	–	5.2	100.0
Suzanne Magdalen Bentin	86.6	–	13.4	100.0
Simon Jeffrey Dench	83.3	–	16.7	100.0
Michael Lee Kwok-Tung	92.5	–	7.5	100.0

The aggregate total remuneration paid to these key management personnel (who are not directors or the CEO) for the year ended 31 December 2020 amounted to S\$1,443,860.

Remuneration of Employee Related to Director, CEO or Substantial Shareholder

Remuneration of an employee who is the immediate family member of a director or the CEO or substantial shareholder, and whose remuneration exceeds S\$100,000 for the year ended 31 December 2020:

Name	Salary	Bonus	Other	Total
	(%)	(%)	Benefits	
S\$200,000 to S\$300,000				
Joyce Chee Jingying (Daughter of Executive Director, Ms Wong Lok Hiong)	94.6	0.7	4.7	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 21 April 2021 for the payment of directors' fees proposed in advance for the financial year ending 31 December 2021 amounting to an aggregate of S\$440,000.

No termination, retirement and post-employment or other long-term incentives have been granted to the directors or key management personnel during the financial year ended 31 December 2020.

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 had 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 FY2020, 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 SGX Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements.



CORPORATE GOVERNANCE REPORT

- (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 2020.

Audit Committee

Principle 10: The Board has an Audit Committee which discharge 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 experiences 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.

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 the financial year ended 31 December 2020 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.



CORPORATE GOVERNANCE REPORT

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, 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 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 based on eight (8) quality markers that correlate closely with audit quality. Accordingly, the AC had evaluated the external auditors based on the eight (8) 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 2020:

Services	Amount S\$'000
Audit service	172
Non-audit service	13
Total	185

Save for the above, the Company did not pay any other non-audit fee to the external auditors during financial year ended 31 December 2020.

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 programme 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 evaluates 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 FY2020, the AC evaluated and recommended the re-appointment of Deloitte and Touche for the internal audit function for the balance of 2-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 term of two (2) years.

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 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.

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:



CORPORATE GOVERNANCE REPORT

KAM – Ability to renew the land lease

The AC considered the KAM presented by the external auditors together with management. The AC reviewed and 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 will be published through the SGXNet, news releases and the Company's website at <https://oel.listedcompany.com>. All information of the Company's new initiatives is first disseminated via SGXNet followed by a news release, which is 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 14 clear calendar days before the meeting for ordinary resolutions and/or 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 Company's Constitution does not allow corporations and members of the Company to appoint more than two (2) 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 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held 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.

¹ A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) 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 (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), 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.





In view of the current COVID-19 situation in Singapore, the forthcoming AGM to be held in respect of FY2020, will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, will be put in place to replace the current practice for the AGM to be held on 21 April 2021.

In view of the above, all shareholders are given an opportunity to participate effectively and vote at the general meetings.

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 AGM Notice 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 Year 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, were announced immediately at the AGMs and via SGXNET on the same day after AGM.

The Company prepares minutes of general meetings incorporating the substantial and relevant comments or queries from shareholders that is 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.

Due to the COVID-19 situation, the Company's AGM FY2019 was convened and held by electronic means on 18 June 2020 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions at or prior to the AGM and voting by appointing the Chairman of the AGM as proxy, were put in place for the AGM FY2019 of the Company.



CORPORATE GOVERNANCE REPORT

As the current COVID-19 situation continues unabated, the Company anticipates that the forthcoming AGM FY2020 would similarly be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions at or prior to the AGM and voting by appointing the Chairman of the AGM as proxy, will be put in place for the forthcoming AGM of the Company.

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 months after the end of financial year. All shareholders of the Company will receive the Annual Report with 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 notice of AGM from the Company's website at <https://oel.listedcompany.com/download.html>. Together with the Annual Report, the Company also attaches a copy of the proxy form to shareholders in order that shareholders can appoint the Chairman of the AGM as proxy to cast votes on their behalf by completing the proxy form attached to the Notice of AGM.

Following the amendments to the Listing Rules which have taken effect as of 7 February 2020, the Company will not be required to release its financial statements on a quarterly basis. Instead, the Company will announce the unaudited financial statements of the Company and of the Group on a half-yearly basis as required under the Amended 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.

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 vitality on 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 on "Sustainability Report" on page 26 of this Annual 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 at ir@ofs.edu.sg that can be found at the Company’s website at <https://oel.listedcompany.com> 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 section in this Annual Report which is also uploaded at the Company’s 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, 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 the financial year ended 31 December 2020 or have been entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

There were no interested party transactions except as disclosed on page 54 of this Annual Report 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 the year ended 31 December 2020.

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 are 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.



CORPORATE GOVERNANCE REPORT

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 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 19 March 2021, 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 the new school campus	(65,635,545)
Balance proceeds	<u>2,398,440</u>

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.

COVID-19 PANDEMIC

The COVID-19 pandemic presented unique challenges for the Board during the FY2020. The Board gave careful consideration of the range of issues that arose under the unprecedented circumstances, and took steps in identifying, prioritising and navigating the risks posed by COVID-19 pandemic. Some of the key issues and measures taken by the Board with management in managing the COVID-19 impact included:

- Enhancing communications strategy with management to ensure that more effective and coordinated communication policies and platforms (including virtual and online) are in place;
- Understanding the risks to the Group and stakeholders, and identifying strategies with management to minimise and mitigate these risks;
- Evaluating potential disruptions to Group's operations, and assessing the feasibility of the recovery plans;
- Reassessing short-middle-long term corporate strategy and evaluating opportunities;
- Evaluating capital management and operating cashflow, as well as current and future dividend;
- Communicating frequently with, and seeking guidance from, applicable government agencies; and
- Appropriately messaging the Group's actions with respect to the crisis, and actively engaging stakeholders on Group's operations and important concerns including ESG issues and sustainability.



**Table A**

The Directors named below are retiring and being eligible, offer themselves for re-election at the upcoming AGM:

Name of Director	Tan Teng Muan	Ho Yew Mun	Leow Wee Kia Clement	David Peter Walker
Date of appointment	28 October 2011	1 August 2012	26 December 2012	1 July 2015
Date of last election	24 April 2019	18 June 2020	18 June 2020	25 April 2018
Age	59	69	47	59
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on the NC's recommendation for re-election	<p>The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr Tan's performance as an Independent Director of the Company.</p> <p>The Board considers Mr Tan to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.</p>	<p>The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr Ho's performance as a Lead Independent Director of the Company.</p> <p>The Board considers Mr Ho to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.</p>	<p>The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr Leow's performance as an Independent Director of the Company.</p> <p>The Board considers Mr Leow to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.</p>	<p>The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr Walker's performance as an Independent Director of the Company.</p> <p>The Board considers Mr Walker 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	Non-Executive	Non-Executive
Job Title	Independent Director and a member of Nominating Committee, Remuneration Committee and Audit Committee	Lead Independent Director, Chairman of Audit Committee and a member of Nominating Committee and Remuneration Committee	Independent Director, Chairman of Nominating Committee and Remuneration Committee and a member of Audit Committee	Independent Director and a member of Nominating Committee, Remuneration Committee and Audit Committee



CORPORATE GOVERNANCE REPORT

Name of Director	Tan Teng Muan	Ho Yew Mun	Leow Wee Kia Clement	David Peter Walker
Professional qualifications	<p>Bachelor of Laws (Hons) from the National University of Singapore</p> <p>Member of the Law Society of Singapore and the Singapore Academy of Law</p>	<p>Master in Business Administration from Victoria University of Wellington, New Zealand</p> <p>Member of Singapore Institute of Directors</p> <p>Accountant by training</p>	<p>Master in Business Administration from University of Oxford, United Kingdom</p> <p>Postgraduate Diploma in Financial Strategy from University of Oxford, United Kingdom</p> <p>Bachelor of Science in Applied Economics from Cornell University, United States of America</p> <p>Governance Leadership Program at Harvard Kennedy School, United States of America</p> <p>Member of Singapore Institute of Directors</p>	<p>Bachelor of Commerce and Administration (Honours) from Victoria University of Wellington, New Zealand</p> <p>Chartered Financial Analyst (“CFA”) charterholder</p> <p>Member of the CFA Institute and CFA Singapore</p>
Working experience and occupation(s) during the past 10 years	<p>Since 1987 to Present – Commissioner for Oaths and Partner in the civil and commercial litigation practice of Mallal & Namazie</p> <p>Independent Director of United Global Limited</p>	<p>February 2001 to April 2005 – Managing Director of Equity Capital Markets, Investment Banking Group of DBS Bank. Including a period from November 2001 to November 2003 also as Head of Equity Capital Markets (Hong Kong) of DBS Bank Group</p> <p>June 1993 to December 2000 – Senior Vice-President and Head of the Securities Market Division of the SGX-ST</p> <p>August 1988 to March 1993 – Financial Management Consultant with The Treasury (New Zealand)</p>	<p><u>Present</u></p> <p>Executive Director and Chief Executive Officer of Allied Technologies Limited</p> <p>Independent Director of Ellipsiz Ltd, MSM International Limited and Lum Chang Holdings Limited</p> <p>Non-Executive Director of Grand Team Technologies Pte. Ltd.</p> <p><u>Past (for the last 5 years)</u></p> <p>Executive Director, Chief Executive Officer and Head of Corporate Finance at Crowe Horwath Capital Pte Ltd</p> <p>Independent Director of JB Foods Limited</p>	<p>Founder and Managing Director of Kauri Capital Pte Ltd</p> <p>2011 to 2021 – Member of the Global Board of Governors of the International Baccalaureate (“IB”)</p> <p>Member of the IB Education and Governance Committees</p> <p>2008 to 2011 – Chairman and Member of the IB Asia-Pacific Regional Council</p>
Shareholding interest in the listed issuer and its subsidiaries	None	None	None	None





Name of Director	Tan Teng Muan	Ho Yew Mun	Leow Wee Kia Clement	David Peter Walker
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	None	None
Conflict of interest (including any competing business)	None	None	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	Yes	Yes
Other principal commitments including directorships	<p><u>Past (for the last 5 years)</u></p> <p>Independent Director of Overseas Education Limited</p> <p><u>Present</u></p> <p>Commissioner for Oaths and Partner in the civil and commercial litigation practice of Mallal & Namazie</p> <p>Independent Director of United Global Limited</p> <p>Independent Director of Overseas Education Limited</p>	<p><u>Past (for the last 5 years)</u></p> <p>Independent Director of Overseas Education Limited</p> <p><u>Present</u></p> <p>Independent Director of Overseas Education Limited</p>	<p><u>Past (for the last 5 years)</u></p> <p>Independent Director of Overseas Education Limited</p> <p>Executive Director, Chief Executive Officer and Head of Corporate Finance at Crowe Horwath Capital Pte Ltd</p> <p>Independent Director of JB Foods Limited</p> <p><u>Present</u></p> <p>Executive Director and Chief Executive Officer of Allied Technologies Limited</p> <p>Independent Director of Ellipsiz Ltd, MSM International Limited and Lum Chang Holdings Limited</p> <p>Non-Executive Director of Grand Team Technologies Pte. Ltd.</p> <p>Independent Director of Overseas Education Limited</p>	<p><u>Past (for the last 5 years)</u></p> <p>Independent Director of Overseas Education Limited</p> <p><u>Present</u></p> <p>Founder and Managing Director of Kauri Capital Pte Ltd</p> <p>Member of the Global Board of Governors of the International Baccalaureate</p> <p>Member of the IB Education and Governance Committees</p> <p>Independent Director of Overseas Education Limited</p>



CORPORATE GOVERNANCE REPORT

Name of Director	Tan Teng Muan	Ho Yew Mun	Leow Wee Kia Clement	David Peter Walker
Disclosure applicable to the appointment of Director only.				
Any prior experience as a director of an issuer listed on the Exchange?	No	Yes	Yes	No
If yes, please provide details of prior experience.	N.A.	PEC Ltd, CDW Holdings Limited	Independent Director of Ellipsiz Ltd, MSM International Limited and Lum Chang Holdings Limited	N.A.
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.	Has attended SID training	N.A.	N.A.	Has attended SID training
Please provide details of relevant experience and the nominating committee reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Has been a director of several public listed companies for many years	Has been a director of several public listed companies for many years	Has been a director of several public listed companies for many years	Has been a director of public listed company for many years





The Retiring Directors have responded negative to items (a) to (k) listed in Rule 720(6) of the Listing Manual of SGX-ST except for the following:

- (a) save for item (j)(i) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere that Mr Leow Wee Kia Clement declared no save for any ongoing investigations involving Allied Technologies Limited as announced.
- (b) save for item (k) that Mr Tan Teng Muan has had six (6) complaints lodged against him with the Law Society of Singapore ("**Law Society**") in the course of his legal practice spanning over 30 years. These complaints arose from acrimonious litigation matters and for three (3) of them in the context of contested discovery of documents. In 1992, a complaint was lodged against Mr Tan Teng Muan alleging that he was rude towards a director of the opposing party during the inspection of documents pursuant to a discovery order. The complaint did not proceed after investigations by the Inquiry Committee of the Law Society ("**Inquiry Committee**"). In 1994, a complaint was lodged against Mr Tan Teng Muan alleging that he had disclosed privileged information. The complaint was dismissed after investigations by the Inquiry Committee. In 2004, two (2) complaints were lodged against Mr Tan Teng Muan in the same suit relating to the alleged irregular attestation of an affidavit for discovery and purported breach of an alleged undertaking for a discovered tape recording. The complaints were dismissed after investigations by the Inquiry Committee. In August 2011, a complaint was lodged against Mr Tan Teng Muan for not applying for Grant of Probate relating to an estate matter (a matter upon which Mr Tan Teng Muan had no instruction from client to act) and not giving any reply to the complainant or his son (both of whom were not clients of Mr Tan Teng Muan). The complaint was dismissed after investigations by the Inquiry Committee. In April 2015, a fellow solicitor complained that Mr Tan Teng Muan had filed an affidavit on behalf of his client in an injunction application to restrain that solicitor and his firm from further acting in the matter without first allowing that solicitor or his firm to respond. The complaint was dismissed after investigations by the Inquiry Committee.



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 2020.

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 2020 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:

David Alan Perry
Wong Lok Hiong
Ho Hie Wu
Ho Yew Mun
Leow Wee Kia Clement
Tan Teng Muan
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, Chapter 50 (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 2021	At the beginning of financial year or date of appointment	At the end of financial year	As at 21 January 2021
David Alan Perry	–	–	–	136,915,110 [#]	136,915,110 [#]	136,915,110 [#]
Wong Lok Hiong	–	–	–	131,878,138 [*]	131,878,138 [*]	131,878,138 [*]

Ordinary shares of the Company

David Alan Perry	–	–	–	136,915,110 [#]	136,915,110 [#]	136,915,110 [#]
Wong Lok Hiong	–	–	–	131,878,138 [*]	131,878,138 [*]	131,878,138 [*]

[#] At the end of the financial year, 131,878,138 ordinary shares were held through PDAC Private Limited, an investment holding company wholly owned by David Alan Perry and the balance of 5,036,972 ordinary shares held through Citibank Nominees Singapore Pte Ltd, held on behalf of David Alan Perry.

^{*} At the end of the financial year, 131,878,138 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 2021.

Share Options

No options were issued by the Company or any of its subsidiaries during the financial year. As at 31 December 2020, there were no options on the unissued shares of the Company or any of its subsidiaries which were outstanding.

Audit Committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Ho Yew Mun (Chairman)
Leow Wee Kia Clement
Tan Teng Muan
David Peter Walker

All members of the AC were independent, non-executive directors.

The AC carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50 (the "Act"). In performing these functions, the AC:





Audit Committee (cont'd)

- 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 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 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.



DIRECTORS' STATEMENT

Auditor

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

On behalf of the board of directors:

David Alan Perry
Director

Wong Lok Hiong
Director

19 March 2021





INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020



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 2020, 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 a summary of significant accounting policies.

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, Chapter 50 (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 2020 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.



INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Key audit matters (cont'd)

Ability to renew the land lease

The school buildings represent a significant proportion of the Group's assets. As at 31 December 2020, the net carrying value of the school buildings amounting to S\$162,681,585 comprise 68% of the Group's total property, plant and equipment, and 55% of the Group's total assets. The Group depreciates the school buildings over an estimated useful life of 50 years.

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 correspondences with the government authority and Management's assessment on its ability to meet 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 economic situation and external information including the potential impact of the COVID-19 pandemic. In estimating the useful life of the school buildings, Management 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 economic situation 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 and took into consideration the potential impact of the COVID-19 pandemic. Additionally, we 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 judgements and estimates 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.





Other information (cont'd)

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.

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.



INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

- 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.
- 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 Ho Shyan Yan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
19 March 2021





CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020



	Note	2020	2019
		S\$	S\$
Revenue			
Tuition fees		76,983,996	79,602,384
Registration fees		1,085,591	1,173,023
School shop revenue		467,179	627,197
Enrichment programme revenue		298,032	555,776
Interest income		118,969	317,913
Other income		100,884	22,442
Total revenue	4	79,054,651	82,298,735
Operating Expenses			
Personnel expenses	5	42,491,750	44,094,967
School shop costs		313,195	386,557
Enrichment programme costs		189,138	374,773
Utilities		691,952	889,870
Upkeep and maintenance		1,507,144	1,388,179
Finance costs	6	3,146,260	4,973,872
Other operating expenses	6	3,905,473	5,955,755
Operating expenses before depreciation and amortisation		52,244,912	58,063,973
Profit before depreciation and amortisation		26,809,739	24,234,762
Depreciation expenses	9	13,446,273	12,991,291
Amortisation of intangible assets	10	425,581	455,136
		13,871,854	13,446,427
Profit before taxation		12,937,885	10,788,335
Income tax expense – current tax	7	(2,676,093)	(2,753,099)
– deferred tax	7	34,630	(27,813)
		(2,641,463)	(2,780,912)
Net profit for the year attributable to owners of the Company		10,296,422	8,007,423
Other comprehensive income for the year, net of tax			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		(12)	(6)
Total comprehensive income for the year attributable to owners of the Company		10,296,410	8,007,417
Earnings per share (cents)			
– Basic and diluted	8	2.5	1.9

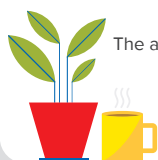
The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		S\$	S\$	S\$	S\$
ASSETS					
Non-current assets					
Property, plant and equipment					
- Leasehold land	9	27,825,000	29,061,666	-	-
- School buildings, plant and equipment	9	213,129,755	220,653,047	106,913	132,390
Right-of-use assets	20	3,589,279	4,096,347	16,898	57,451
Intangible assets	10	1,730,741	1,766,012	-	-
Investment in subsidiaries	11	-	-	101,219,141	101,219,141
Deposits		98,350	389,734	-	-
Staff housing deposits		179,200	313,750	-	-
Other long term asset	16	333,500	333,500	-	-
		246,885,825	256,614,056	101,342,952	101,408,982
Current assets					
Inventories	12	413,120	422,439	-	-
Trade receivables	13	820,317	1,091,140	-	-
Other receivables and deposits	14	676,662	208,758	17,520	12,000
Prepayments		970,776	995,844	11,771	11,939
Amount due from subsidiary	15	-	-	9,000,000	8,000,000
Cash and cash equivalents	16	44,178,820	45,498,119	3,220,057	5,592,870
		47,059,695	48,216,300	12,249,348	13,616,809
TOTAL ASSETS		293,945,520	304,830,356	113,592,300	115,025,791





	Note	Group		Company	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		S\$	S\$	S\$	S\$
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables		369,928	270,245	–	–
Other payables and liabilities	17	2,945,992	1,411,642	131,059	120,163
Fees received in advance	18	26,377,459	30,503,618	–	–
Lease liabilities	20	2,842,192	2,959,142	17,393	58,065
Borrowings – Bank loan	19	6,131,905	6,843,902	–	–
Goods and Services Tax payable		2,393,207	2,679,121	58,874	61,130
Central Provident Fund payable		387,353	403,716	3,111	3,111
Income tax payable		3,364,101	2,758,448	242,383	196,458
		44,812,137	47,829,834	452,820	438,927
NET CURRENT ASSETS		2,247,558	386,466	11,796,528	13,177,882
Non-current liabilities					
Fees received in advance	18	468,832	711,326	–	–
Borrowings – Bank loan	19	101,496,313	107,538,563	–	–
Lease liabilities	20	770,642	1,192,319	–	–
Deferred tax liabilities	21	7,915,122	7,949,752	–	–
		110,650,909	117,391,960	–	–
NET ASSETS		138,482,474	139,608,562	113,139,480	114,586,864
Equity attributable to owners of the Company					
Share capital	22	99,253,226	99,253,226	99,253,226	99,253,226
Revenue reserve		65,398,735	66,524,811	13,886,254	15,333,638
Other reserves	23	(26,169,487)	(26,169,475)	–	–
TOTAL EQUITY		138,482,474	139,608,562	113,139,480	114,586,864

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

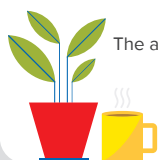


STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Attributable to owners of the Company						Total equity
	Note	Share capital	Revenue	Other reserves, total	Foreign currency translation reserve	Merger reserve	
		(Note 22)	reserve	(Note 23)	(Note 23)	(Note 23)	
		S\$	S\$	S\$	S\$	S\$	S\$
Group							
2020							
Balance at 1 January 2020		99,253,226	66,524,811	(26,169,475)	1,091	(26,170,566)	139,608,562
Net profit after tax		–	10,296,422	–	–	–	10,296,422
Other comprehensive income for the year		–	–	(12)	(12)	–	(12)
Total comprehensive income for the year		–	10,296,422	(12)	(12)	–	10,296,410
Dividends	24	–	(11,422,498)	–	–	–	(11,422,498)
Contributions by and distributions to owners		–	(11,422,498)	–	–	–	(11,422,498)
Balance at 31 December 2020		99,253,226	65,398,735	(26,169,487)	1,079	(26,170,566)	138,482,474

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





	Attributable to owners of the Company						Total equity S\$
	Note	Share capital	Revenue reserve	Other reserves, total	Foreign currency translation reserve	Merger reserve	
		(Note 22)	(Note 23)	(Note 23)	(Note 23)	(Note 23)	
	S\$	S\$	S\$	S\$	S\$	S\$	
Group							
2019							
Balance at 1 January 2019		99,253,226	69,939,886	(26,169,469)	1,097	(26,170,566)	143,023,643
Net profit after tax		–	8,007,423	–	–	–	8,007,423
Other comprehensive income for the year		–	–	(6)	(6)	–	(6)
Total comprehensive income for the year		–	8,007,423	(6)	(6)	–	8,007,417
Dividends	24	–	(11,422,498)	–	–	–	(11,422,498)
Contributions by and distributions to owners		–	(11,422,498)	–	–	–	(11,422,498)
Balance at 31 December 2019		99,253,226	66,524,811	(26,169,475)	1,091	(26,170,566)	139,608,562

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

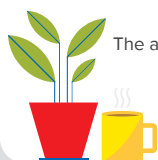


STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Attributable to owners of the Company		
		Share capital	Revenue reserve	Total equity
		(Note 22)		
		S\$	S\$	S\$
Company				
2020				
Balance at 1 January 2020		99,253,226	15,333,638	114,586,864
Net profit after tax		–	9,975,114	9,975,114
Total comprehensive income for the year		–	9,975,114	9,975,114
Dividends	24	–	(11,422,498)	(11,422,498)
Contributions by and distributions to owners		–	(11,422,498)	(11,422,498)
Balance at 31 December 2020		99,253,226	13,886,254	113,139,480
2019				
Balance at 1 January 2019		99,253,226	17,778,592	117,031,818
Net profit after tax		–	8,977,544	8,977,544
Total comprehensive income for the year		–	8,977,544	8,977,544
Dividends	24	–	(11,422,498)	(11,422,498)
Contributions by and distributions to owners		–	(11,422,498)	(11,422,498)
Balance at 31 December 2019		99,253,226	15,333,638	114,586,864

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 2020

	Note	2020	2019
		S\$	S\$
Cash flows from operating activities			
Profit before taxation		12,937,885	10,788,335
Adjustments for:			
Depreciation expenses	9	13,446,273	12,991,291
Amortisation expenses	10	425,581	455,136
(Gain)/loss on disposal of property, plant and equipment	6	(7,534)	3,273
Interest income		(118,969)	(317,913)
Finance costs	6	3,146,260	4,973,872
Operating profit before working capital changes		29,829,496	28,893,994
Decrease/(increase) in inventories		9,319	(9,098)
Decrease/(increase) in trade receivables		270,823	(43,900)
(Increase)/decrease in other receivables, deposits and prepayments		(442,848)	54,400
Decrease/(increase) in non-current deposits		425,934	(845,574)
(Decrease)/increase in trade payables, other payables and liabilities, and fees received in advance		(3,036,897)	2,852,773
Cash generated from operations		27,055,827	30,902,595
Interest received		118,969	317,913
Income tax paid		(2,070,440)	(2,177,950)
Lease interest paid	20	(121,008)	(119,194)
Net cash generated from operating activities		24,983,348	28,923,364
Cash flows from investing activities			
Additions of intangible assets	10	(390,310)	(290,029)
Acquisition of property, plant and equipment	9	(938,517)	(1,249,035)
Proceeds from disposal of property, plant and equipment		38,365	44,023
Net cash used in investing activities		(1,290,462)	(1,495,041)
Cash flows from financing activities			
Payment of principal portion of lease liabilities	20	(3,803,751)	(3,326,522)
Bond interest paid	19	–	(3,053,113)
Bonds redemption / repurchased	19	–	(117,750,000)
Bank loan interest paid	19	(3,625,936)	(2,092,701)
Proceeds from borrowings – bank loan	19	–	117,161,250
Bank loan repayment	19	(6,160,000)	(3,080,000)
Dividends paid	24	(11,422,498)	(11,422,498)
Net cash used in financing activities		(25,012,185)	(23,563,584)
Net (decrease)/increase in cash and cash equivalents		(1,319,299)	3,864,739
Cash and cash equivalents at beginning of the year		45,498,119	41,633,380
Cash and cash equivalents at end of the year	16	44,178,820	45,498,119

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 2020

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. Summary of significant accounting policies

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 2020. The adoption of these standards and interpretations did not have any 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) 16: <i>Leases: Covid-19-Related Rent Concessions</i>	1 June 2020
SFRS(I) 4 <i>Insurance Contracts</i>	1 January 2021
Amendments to SFRS(I) 3: <i>Business Combinations: Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts - Cost of fulfilling a Contract</i>	1 January 2022
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <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





2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

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.

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 2020. 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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resulting gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method.

Apart from the above, business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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 and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.





2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency (cont'd)

(a) Transactions and balances (cont'd)

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. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(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. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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.

The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (cont'd)

2.6 Property, plant and equipment (cont'd)

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 based on the current lease of 30 years and that the site lease will be renewed for a further term of 30 years upon 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 manufacture.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense is recognised in the profit or loss through the 'amortisation of intangible assets' line item.





2. Summary of significant accounting policies (cont'd)

2.7 Intangible assets (cont'd)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(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 the estimated useful life of 9 years.

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.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (cont'd)

2.8 Impairment of non-financial assets (cont'd)

Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it 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.

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

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

The subsequent measurement of financial assets depends on the Group's business model for managing the asset and the contractual cashflow characteristics of the asset.





2. Summary of significant accounting policies (cont'd)

2.10 Financial instrument (cont'd)

(a) Financial assets (cont'd)

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group classifies all its financial assets at amortised cost.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than those at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

The Group has not classified any financial liabilities upon initial recognition at fair value through profit or loss.

Financial liabilities include trade payables, which are normally settled on 30 to 90 day terms and other amounts payable.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (cont'd)

2.10 Financial instrument (cont'd)

(b) Financial liabilities (cont'd)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in the profit or loss.

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.

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. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

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. Summary of significant accounting policies (cont'd)

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. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Where necessary, 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 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 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.

2.16 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are deducted in reporting the related expenses.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (cont'd)

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 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 Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. 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 20.





2. Summary of significant accounting policies (cont'd)

2.18 Leases (cont'd)

(a) As lessee (cont'd)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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 20.

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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (cont'd)

2.19 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(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.

(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. Summary of significant accounting policies (cont'd)

2.20 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (cont'd)

2.20 Taxes (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would be recognised in profit or loss.

(c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.21 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.

2.22 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.





2. Summary of significant accounting policies (cont'd)

2.23 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii. The amount of obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, 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 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 31 December 2020 was S\$162,681,585 (2019: S\$166,337,351).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the groupings of customers by days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 13.

The carrying amount of trade receivables as at 31 December 2020 is S\$820,317 (2019: S\$1,091,140).

(b) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic movement. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.





4. Revenue

(a) Disaggregation of revenue

	Tuition fees		Registration fees		School shop, Enrichment programme, Interest income and Other income		Total revenue	
	2020	2019	2020	2019	2020	2019	2020	2019
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Timing of transfer of goods or services								
At a point in time	–	–	–	–	866,095	1,205,415	866,095	1,205,415
Over time	76,983,996	79,602,384	1,085,591	1,173,023	118,969	317,913	78,188,556	81,093,320
	76,983,996	79,602,384	1,085,591	1,173,023	985,064	1,523,328	79,054,651	82,298,735

(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 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 life is conducted on an annual basis.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5. Personnel expenses

	2020	2019
	S\$	S\$
Salaries and bonuses*	36,485,682	37,945,796
Central Provident Fund contributions	1,927,883	1,960,843
Staff medical insurance	565,331	523,355
Other short term benefits	3,512,854	3,664,973
	42,491,750	44,094,967

* Included in salaries and bonuses is the Jobs Support Scheme ("JSS") grant income recognised during the financial year in relation to the COVID-19 pandemic amounting to S\$2,171,098 (2019: S\$nil). The JSS is a temporary scheme introduced in the Singapore Budgets in 2020 which provides wage support to employers to help them retain their local employees during the period of economic uncertainty. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

6. Other operating expenses

Other operating expenses include:

	2020	2019
	S\$	S\$
Audit fees paid to:		
– Auditors of the Company	167,000	167,000
– Member firm of EY Global	4,573	4,010
Non-audit fees paid to:		
– Auditors of the Company	13,500	–
Internal audit fees	38,000	30,000
(Gain)/loss on disposal of property, plant and equipment	(7,543)	3,273
Property tax*	–	1,232,200
Rental Relief Framework cash grant*	(821,467)	–
Impairment loss on trade receivables (Note 13)	177,181	130,145
Directors' fees	440,000	440,000
International Baccalaureate Organisation ("IBO") fees	28,453	29,821
Teaching materials	292,537	376,580
Holiday programme expenses	275,434	19,963
Insurance	160,529	168,516
Training expenses	26,463	75,172
Transport services	682,650	779,885
Charitable donation	50,000	50,000
Write-off of inventories (Note 12)	4,532	7,049

* Property tax rebate and the Rental Relief Framework ("RRF") cash grant from the Government recognised during the year in relation to the COVID-19 pandemic amounted to S\$1,232,200 and S\$821,467 respectively (2019: S\$nil). The property tax rebate was given to qualifying non-residential properties in response to the COVID-19 pandemic. The Rental Relief Framework ("RRF") cash grant was given to qualifying property owners to provide support to eligible Small and Medium Enterprises (SMEs) and Non-Profit organisations (NPOs).





6. Other operating expenses (cont'd)

Finance costs include:

	2020	2019
	S\$	S\$
Loan interest expense (Note 19)	2,913,939	2,894,353
Interest expense on lease liabilities (Note 20)	121,008	119,194
Bond interest expense (Note 19)	–	1,877,640
Other finance costs	111,313	82,685
	3,146,260	4,973,872

7. Income tax expense

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

	2020	2019
	S\$	S\$
Statement of comprehensive income:		
Current income tax:		
– Current year income taxation	2,659,565	2,758,448
– Under/(over)provision in respect of previous years	16,528	(5,349)
	2,676,093	2,753,099
Deferred income tax (Note 21):		
– Origination and reversal of temporary differences	(34,630)	27,813
	2,641,463	2,780,912



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7. Income tax expense (cont'd)

(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:

	2020	2019
	S\$	S\$
Profit before tax	12,937,885	10,788,335
Taxation at statutory tax rate of 17% (2019: 17%)	2,199,440	1,834,017
Adjustments:		
Effect of partial tax exemption	(34,850)	(34,850)
Expenses not deductible for tax purposes	990,330	1,008,344
Tax benefits from tax reliefs	(21,250)	(21,250)
Non-taxable income	(508,735)	–
Under/(over)provision in respect of previous years	16,528	(5,349)
	2,641,463	2,780,912

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:

	2020	2019
Net profit for the year attributable to owners of the Company	S\$10,296,422	S\$8,007,423
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	2.5	1.9





NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. Property, plant and equipment

Group	Leasehold land S\$	School buildings, plant and equipment							Total for school buildings, plant and equipment S\$	Total S\$
		School buildings S\$	School plant and equipment S\$	Computers S\$	Motor vehicles S\$	Library books and media S\$	Total for school buildings, plant and equipment S\$			
Cost										
At 1 January 2019	37,100,000	182,788,298	70,055,939	5,533,233	683,849	2,874,062	261,935,381	299,035,381		
Additions	-	179,307	771,150	156,778	141,800	1,249,035	1,249,035	1,249,035		
Disposals/write-off	-	-	(62,100)	(307,779)	(264,800)	(86,411)	(721,090)	(721,090)		
At 31 December 2019 and 1 January 2020	37,100,000	182,788,298	70,173,146	5,996,604	575,827	2,929,451	262,463,326	299,563,326		
Additions	-	-	458,133	238,180	115,625	126,579	938,517	938,517		
Disposals/write-off	-	-	(19,931)	(1,313,893)	(74,633)	(60,686)	(1,469,143)	(1,469,143)		
At 31 December 2020	37,100,000	182,788,298	70,611,348	4,920,891	616,819	2,995,344	261,932,700	299,032,700		
Accumulated depreciation										
At 1 January 2019	6,801,667	12,795,181	14,591,782	3,937,993	296,597	2,495,159	34,116,712	40,918,379		
Charge for the year	1,236,667	3,655,766	3,950,876	493,549	118,634	148,536	8,367,361	9,604,028		
Disposals/write-off	-	-	(49,817)	(304,592)	(233,410)	(85,975)	(673,794)	(673,794)		
At 31 December 2019 and 1 January 2020	8,038,334	16,450,947	18,492,841	4,126,950	181,821	2,557,720	41,810,279	49,848,613		
Charge for the year	1,236,666	3,655,766	3,965,753	555,123	115,397	138,939	8,430,978	9,667,644		
Disposals/write-off	-	-	(14,125)	(1,313,893)	(49,747)	(60,547)	(1,438,312)	(1,438,312)		
At 31 December 2020	9,275,000	20,106,713	22,444,469	3,368,180	247,471	2,636,112	48,802,945	58,077,945		
Net carrying values										
At 31 December 2020	27,825,000	162,681,585	48,166,879	1,552,711	369,348	359,232	213,129,755	240,954,755		
At 31 December 2019	29,061,666	166,337,351	51,680,305	1,869,654	394,006	371,731	220,653,047	249,714,713		

Depreciation expense in the consolidated statement of comprehensive income comprises S\$9,667,644 (2019: S\$9,604,028) of depreciation of property, plant and equipment and S\$3,387,263 (2019: S\$3,387,263) of depreciation of right-of-use assets (Note 20).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

	Motor vehicles	Computers	Total
	S\$	S\$	S\$
Company			
Cost			
At 1 January 2019	93,011	1,679	94,690
Additions	143,400	–	143,400
Disposal	(93,011)	–	(93,011)
At 31 December 2019, 1 January 2020 and 31 December 2020	143,400	1,679	145,079
Accumulated depreciation			
At 1 January 2019	66,722	769	67,491
Charge for the year	21,994	280	22,274
Disposal/write-off	(77,076)	–	(77,076)
At 31 December 2019 and 1 January 2020	11,640	1,049	12,689
Charge for the year	25,197	280	25,477
At 31 December 2020	36,837	1,329	38,166
Net carrying values			
At 31 December 2020	106,563	350	106,913
At 31 December 2019	131,760	630	132,390





10. Intangible assets

	Internally developed computer software	Internally developed computer software work-in-progress ("WIP")	Acquired computer software	Total
	S\$	S\$	S\$	S\$
Group				
Cost				
At 1 January 2019	11,286,868	221,737	213,201	11,721,806
Additions	130,870	159,159	–	290,029
Transfer of completed assets	374,986	(374,986)	–	–
At 31 December 2019 and 1 January 2020	11,792,724	5,910	213,201	12,011,835
Additions	141,193	249,117	–	390,310
Transfer of completed assets	199,871	(199,871)	–	–
At 31 December 2020	12,133,788	55,156	213,201	12,402,145
Accumulated amortisation				
At 1 January 2019	9,584,709	–	205,978	9,790,687
Amortisation for the year	450,801	–	4,335	455,136
At 31 December 2019 and 1 January 2020	10,035,510	–	210,313	10,245,823
Amortisation for the year	422,915	–	2,666	425,581
At 31 December 2020	10,458,425	–	212,979	10,671,404
Net carrying values				
At 31 December 2020	1,675,363	55,156	222	1,730,741
At 31 December 2019	1,757,214	5,910	2,888	1,766,012



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. Investment in subsidiaries

	Company	
	2020	2019
	S\$	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	
			2020	2019	2020	2019
			S\$	S\$	%	%
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.

12. Inventories

	Group	
	2020	2019
	S\$	S\$
School supplies and stationery	413,120	422,439

During the financial year, the Group wrote-off inventories of S\$4,532 (2019: S\$7,049) (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.





13. Trade receivables

	Group	
	2020	2019
	S\$	S\$
Trade receivables	1,081,872	1,349,687
Less: Allowance for expected credit losses	(261,555)	(258,547)
Total financial assets carried at amortised cost	820,317	1,091,140

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	
	2020	2019
	S\$	S\$
<u>Expected credit losses</u>		
Movements in allowance for impairment:		
At beginning of the year	258,547	547,144
Charge for the year (Note 6)	177,181	130,145
Write-off during the year	(174,173)	(418,742)
At end of the year	261,555	258,547

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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. Other receivables and deposits

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Staff housing deposits	352,500	203,700	7,000	7,000
Grant receivable	316,309	–	5,520	–
Other debtors	7,853	5,058	5,000	5,000
	676,662	208,758	17,520	12,000

Grant receivable relates to the JSS grant (Note 5) from the Government in relation to the COVID-19 pandemic.

15. Amount due from subsidiary

As at 31 December 2020, the amount due from subsidiary of S\$9,000,000 (2019: S\$8,000,000) was for the financial year 2020 interim dividend (2019: financial year 2019 interim dividend) paid in financial year 2021 (2019: 2020).

16. Cash and cash equivalents

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

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Cash at bank	44,512,320	45,831,619	3,220,057	5,592,870
Less: Other long term asset	(333,500)	(333,500)	–	–
Cash and cash equivalents	44,178,820	45,498,119	3,220,057	5,592,870

Included in cash at bank is an amount of S\$333,500 (2019: 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.





16. Cash and cash equivalents (cont'd)

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

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
United States dollars	7,568	7,712	–	–

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates.

17. Other payables and liabilities

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Accrued staff and related costs	441,430	172,962	–	–
Other creditors	1,313,206	1,238,680	111,739	120,163
Deferred grant income	1,191,356	–	19,320	–
	2,945,992	1,411,642	131,059	120,163

Deferred grant income relates to the JSS grant (Note 5) from the Government in relation to the COVID-19 pandemic. Other payables are non-interest bearing.

18. 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	
	2020	2019
	S\$	S\$
Current – Tuition fee and registration fee	26,377,459	30,503,618
Non-current (1 to 3 years) – Registration fee	468,832	711,326
	26,846,291	31,214,944



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. Fees received in advance (cont'd)

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 are explained as follows:

	Group	
	2020	2019
	S\$	S\$
Revenue recognised that was included in the fees received in advance balance at the beginning of the year (1 January)	30,503,618	28,454,190

19. Borrowings

Bank loan

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Current liabilities:				
Borrowings				
– Bank loan	6,160,000	6,160,000	–	–
– Interest payable	89,655	801,652	–	–
Less: Facility fee	(117,750)	(117,750)	–	–
	6,131,905	6,843,902	–	–
Non-current liabilities:				
Borrowings				
– Bank loan	102,350,000	108,510,000	–	–
Less: Facility fee	(853,687)	(971,437)	–	–
	101,496,313	107,538,563	–	–
Total borrowings	107,628,218	114,382,465	–	–
Finance costs				
Loan interest expense	2,913,939	2,894,353		

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 1.8% to 3.3% (2019: 3.3% to 3.7%) 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.





19. Borrowings (cont'd)

Bank loan (cont'd)

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

	2019		Non-cash changes			2020
	Cash flows		Accretion of interests	Amortisation of facility fee	Accrued facility fee	
	S\$	S\$	S\$	S\$	S\$	S\$
Borrowings – Bank loan at amortised cost	113,580,813	(6,160,000)	–	117,750	–	107,538,563
Loan interest payable	801,652	(3,625,936)	2,913,939	–	–	89,655
	114,382,465	(9,785,936)	2,913,939	117,750	–	107,628,218

	2018		Non-cash changes			2019
	Cash flows		Accretion of interests	Amortisation of facility fee	Accrued facility fee	
	S\$	S\$	S\$	S\$	S\$	S\$
Borrowings – Bank loan at amortised cost	–	114,081,250	–	88,313	(588,750)	113,580,813
Loan interest payable	–	(2,092,701)	2,894,353	–	–	801,652
	–	111,988,549	2,894,353	88,313	(588,750)	114,382,465

Bonds

	Group		Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Borrowings – Bonds	–	–	–	–
Bonds – Issuance expenses				
Opening balance	–	99,453	–	99,453
Amortisation during the year	–	(99,453)	–	(99,453)
	–	–	–	–
Bonds at amortised cost	–	–	–	–
Finance costs				
Bond interest expense	–	1,877,640		



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. Borrowings (cont'd)

The Company issued S\$150 million bonds on 17 April 2014 with maturity on 17 April 2019 to finance the building of the new school by a subsidiary. The bonds were unsecured and bore interest from 17 April 2014 at a rate of 5.2% per annum, payable semi-annually in arrears on 17 October and 17 April each year. Bond interest expense was computed based on the effective interest method.

In 2019, the Company fully redeemed S\$117,750,000 of issued bonds, outstanding as at 17 April 2019. The total redemption cost was S\$120,803,113, which included interest expense accumulated up to date of redemption and related costs. The redeemed bonds were cancelled in the previous year.

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

	2018		Non-cash changes			2019
		Cash flows	Accretion of interests	Amortisation of bonds issuance expenses	Fair value loss on bonds repurchased	
	S\$	S\$	S\$	S\$	S\$	S\$
Borrowings						
– Bonds at amortised cost	117,650,547	(117,750,000)	–	99,453	–	–
Bonds – Interest payable	1,274,926	(3,053,113)	1,778,187	–	–	–
	118,925,473	(120,803,113)	1,778,187	99,453	–	–

20. 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.





20. Leases (cont'd)

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

	Group	
	2020	2019
	S\$	S\$
At 1 January	4,096,347	2,948,637
Additions	3,443,500	4,607,693
De-recognition	(171,939)	(72,720)
Depreciation during the year	(3,778,629)	(3,387,263)
At 31 December	3,589,279	4,096,347

	Company	
	2020	2019
	S\$	S\$
At 1 January	57,451	17,393
Additions	–	81,108
Depreciation during the year	(40,553)	(41,050)
At 31 December	16,898	57,451

(b) Carrying amounts of lease liabilities

	Group	
	2020	2019
	S\$	S\$
At 1 January	4,151,461	2,948,637
Additions	3,443,500	4,607,693
Accretion of interest	121,008	119,194
De-recognition	(178,376)	(78,347)
Payments	(3,924,759)	(3,445,716)
At 31 December	3,612,834	4,151,461
Current	2,842,192	2,959,142
Non-current	770,642	1,192,319
	3,612,834	4,151,461



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20. Leases (cont'd)

(b) Carrying amounts of lease liabilities (cont'd)

	Company	
	2020	2019
	S\$	S\$
At 1 January	58,065	17,393
Additions	–	81,108
Accretion of interest	1,328	1,564
Payments	(42,000)	(42,000)
At 31 December	17,393	58,065
Current	17,393	58,065

The maturity analysis of lease liabilities is disclosed in Note 27.

(c) Amounts recognised in profit or loss

	Group	
	2020	2019
	S\$	S\$
Depreciation of right-of-use assets	3,778,629	3,387,263
Interest expense on lease liabilities	121,008	119,194
	3,899,637	3,506,457

	Company	
	2020	2019
	S\$	S\$
Depreciation of right-of-use assets	40,553	41,050
Interest expense on lease liabilities	1,328	1,564
	41,881	42,614

(d) Total cash outflow

The Group had total cash outflow for leases of S\$3,924,759 (2019: S\$3,445,716).





21. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated Balance sheet		Consolidated statement of comprehensive income	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Deferred tax assets				
Provisions, unabsorbed capital allowances, and unearned registration fees	(279,656)	(362,146)	82,490	(60,457)
Deferred tax liabilities				
Differences in depreciation and amortisation for tax purposes	8,194,778	8,311,898	(117,120)	88,270
Deferred tax liabilities (net)	7,915,122	7,949,752	(34,630)	27,813

Tax consequences of proposed dividends

There are no income tax consequences (2019: S\$nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 24).

22. Share capital

	Group and Company			
	Number of shares	2020	Number of shares	2019
		S\$		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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23. Other reserves

	Group	
	2020	2019
	S\$	S\$
Merger reserve	(26,170,566)	(26,170,566)
Foreign currency translation reserve	1,079	1,091
At 31 December	(26,169,487)	(26,169,475)

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.

24. Dividends

	2020	2019
	S\$	S\$
Declared and paid during the financial year:		
– Final exempt (one-tier) dividend for 2019: S\$0.0275 (2018: S\$0.0275) per share	11,422,498	11,422,498
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 2020: S\$ 0.023 (2019: S\$0.0275) per share	9,553,362	11,422,498





25. 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	
	2020	2019
	S\$	S\$
<i>Director-related company – MPPL</i>		
Provision of accounting services	(5,000)	(5,000)
<i>Director-related company – CAML</i>		
Purchase of goods	12,351	2,159

Director-related company

- Two directors of the Company have an aggregate 100% 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 (2019: S\$nil).
- During the financial year, the Group purchased goods amounting to S\$12,351 (2019: S\$2,159) from Centre for Advanced Medicine Limited (“CAML”), a wholly owned subsidiary of MPPL. At the end of the reporting period, an outstanding balance of S\$2,088 (2019: S\$nil) was due to CAML.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

25. Related party transactions (cont'd)

(b) Compensation of key management personnel

	Group	
	2020	2019
	S\$	S\$
Directors' fees	440,000	440,000
Directors' salaries and bonuses	1,248,000	1,235,200
Directors' Central Provident Fund contributions	20,160	20,970
Directors' short term benefits	24,326	24,741
Other key management personnel's and related party's salaries and bonuses	1,115,500	993,500
Other key management personnel's and related party's Central Provident Fund contributions	30,220	30,220
Other key management personnel's and related party's short term benefits	66,299	65,370
	2,944,505	2,810,001
Comprise amounts paid to:		
– Directors of the Company	1,732,486	1,720,911
– Other key management personnel and related party*	1,212,019	1,089,090
	2,944,505	2,810,001

* includes key management personnel and family member of director.

26. 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	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Capital commitments in respect of construction of property, plant and equipment	134,500	180,900	–	–





27. 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 and short term deposits. 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 bonds.

It is, and has been throughout the financial year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken. The Group did not enter into any derivative financial instruments during the financial year and as at the end of the reporting period.

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.

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.

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 (2019: 100 basis point), with all other variables held constant.

	Group	
	Profit before tax	
	Increase/(decrease)	
	2020	2019
	S\$	S\$
Financial liability:		
Borrowings – Bank loan interest rate		
– increased	(1,075,386)	(1,135,808)
– decreased	1,075,386	1,135,808



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. Financial risk management objectives and policies (cont'd)

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	1 to 5 years	More than 5 years	Total
	S\$	S\$	S\$	S\$
Group				
2020				
Financial assets				
Deposits	–	98,350	–	98,350
Staff housing deposits	–	179,200	–	179,200
Other long term asset	–	333,500	–	333,500
Trade receivables	820,317	–	–	820,317
Other receivables and deposits	676,662	–	–	676,662
Cash and cash equivalents	44,178,820	–	–	44,178,820
Total undiscounted financial assets	45,675,799	611,050	–	46,286,849
Financial liabilities				
Trade payables	369,928	–	–	369,928
Other payables and liabilities	2,945,992	–	–	2,945,992
Lease liabilities (a)	2,879,462	778,520	–	3,657,982
Bank loan – Interest payable (b)	1,982,277	8,174,346	2,821,394	12,978,017
Borrowings – Bank loan	6,042,250	30,211,250	71,285,063	107,538,563
Total undiscounted financial liabilities	14,219,909	39,164,116	74,106,457	127,490,482
Total net undiscounted financial assets/(liabilities)	31,455,890	(38,553,066)	(74,106,457)	(81,203,633)





27. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	1 year or less	1 to 5 years	More than 5 years	Total
	S\$	S\$	S\$	S\$
2019				
Financial assets				
Deposits	–	389,734	–	389,734
Staff housing deposits	–	313,750	–	313,750
Other long term asset	–	333,500	–	333,500
Trade receivables	1,091,140	–	–	1,091,140
Other receivables and deposits	208,758	–	–	208,758
Cash and cash equivalents	45,498,119	–	–	45,498,119
Total undiscounted financial assets	46,798,017	1,036,984	–	47,835,001
Financial liabilities				
Trade payables	270,245	–	–	270,245
Other payables and liabilities	1,411,642	–	–	1,411,642
Lease liabilities (a)	3,041,579	1,203,436	–	4,245,015
Bank loan – Interest payable (b)	3,725,677	15,553,165	7,849,726	27,128,568
Borrowings – Bank loan	6,042,250	30,211,250	77,327,313	113,580,813
Total undiscounted financial liabilities	14,491,393	46,967,851	85,177,039	146,636,283
Total net undiscounted financial assets/(liabilities)	32,306,624	(45,930,867)	(85,177,039)	(98,801,282)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	1 year or less	1 to 5 years	Total
	S\$	S\$	S\$
Company			
2020			
Financial assets			
Amount due from subsidiary	9,000,000	–	9,000,000
Other receivables and deposits	17,520	–	17,520
Cash and cash equivalents	3,220,057	–	3,220,057
Total undiscounted financial assets	12,237,577	–	12,237,577
Financial liabilities			
Other payables and liabilities	131,059	–	131,059
Lease liabilities (a)	17,500	–	17,500
Total undiscounted financial liabilities	148,559	–	148,559
Total net undiscounted financial assets	12,089,018	–	12,089,018
2019			
Financial assets			
Amount due from subsidiary	8,000,000	–	8,000,000
Other receivables and deposits	12,000	–	12,000
Cash and cash equivalents	5,592,870	–	5,592,870
Total undiscounted financial assets	13,604,870	–	13,604,870
Financial liabilities			
Other payables and liabilities	120,163	–	120,163
Lease liabilities (a)	59,500	–	59,500
Total undiscounted financial liabilities	179,663	–	179,663
Total net undiscounted financial assets	13,425,207	–	13,425,207

(a) relates to contractual obligation of lease commitments

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





27. 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, the Group minimises credit risk by placing the surplus funds 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 2020

27. 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:

2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	S\$	S\$	S\$	S\$	S\$
Expected credit loss rate	0.71%	1.28%	27.03%	100.00%	
Gross carrying amount	774,648	47,470	5,945	253,809	1,081,872
Loss allowance provision	(5,531)	(608)	(1,607)	(253,809)	(261,555)

2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	S\$	S\$	S\$	S\$	S\$
Expected credit loss rate	0.48%	1.40%	11.91%	72.32%	
Gross carrying amount	868,323	111,529	24,252	345,583	1,349,687
Loss allowance provision	(4,159)	(1,565)	(2,888)	(249,935)	(258,547)

Information regarding loss allowance movement of trade receivables is disclosed in Note 13.

During the financial year, the Group wrote-off S\$174,173 (2019: S\$418,742) of trade receivables against allowance (Note 13) 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.





28. Financial instruments

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

	Group	
	2020	2019
	S\$	S\$
Financial assets measured at amortised cost		
Deposits (non-current)	98,350	389,734
Staff housing deposits (non-current)	179,200	313,750
Other long term asset	333,500	333,500
Trade receivables	820,317	1,091,140
Other receivables and deposits	676,662	208,758
Cash and cash equivalents	44,178,820	45,498,119
	46,286,849	47,835,001

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

	Group	
	2020	2019
	S\$	S\$
Financial liabilities measured at amortised cost		
Trade payables	369,928	270,245
Other payables and liabilities	2,945,992	1,411,642
Lease liabilities	3,612,834	4,151,461
Borrowings – Bank loan	107,628,218	114,382,465
	114,556,972	120,215,813

	Company	
	2020	2019
	S\$	S\$
Financial assets measured at amortised cost		
Amount due from subsidiary	9,000,000	8,000,000
Other receivables and deposits	17,520	12,000
Cash and cash equivalents	3,220,057	5,592,870
	12,237,577	13,604,870
Financial liabilities measured at amortised cost		
Other payables and liabilities	131,059	120,163
Lease liabilities	17,393	58,065
	148,452	178,228



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. 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.

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.

30. 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 2020 and 31 December 2019.

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	
	2020	2019
	S\$	S\$
Total gross debt [^]	108,510,000	114,670,000
Equity attributable to owners of the company		
Share capital	99,253,226	99,253,226
Revenue reserve	65,398,735	66,524,811
Other reserves	(26,169,487)	(26,169,475)
	138,482,474	139,608,562
Gross debt equity ratio	78.36%	82.14%
Cash and cash equivalents	44,178,820	45,498,119
Less: Total gross debt [^]	(108,510,000)	(114,670,000)
Net borrowing position	(64,331,180)	(69,171,881)

[^] Gross debt relates to principal amount of borrowings.





31. Impact of Coronavirus Disease (“COVID-19”)

The COVID-19 outbreak occurred at a time close to January 2020, and the condition has continued to evolve. On 12 March 2020, the International Health Regulations Emergency Committee of the World Health Organisation declared the COVID-19 outbreak as a pandemic. Many countries have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. Likewise, Singapore implemented the Circuit Breaker from 7 April 2020 to 1 June 2020 as well as Phase 1, Phase 2 and Phase 3 which commenced from 2 June 2020, 19 June 2020 and 28 December 2020 respectively. Accordingly, the Group has been affected by the COVID-19 pandemic in 2020.

Set out below is the impact on the COVID-19 on the Group’s financial performance reflected in this set of financial statements for the year ended 31 December 2020.

- i. The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- ii. In 2020, travel restrictions, movement controls and workplace closures have affected the number of foreign families residing in Singapore. These have impacted business activity and the Group’s financial performance for 2020.
- iii. In 2020, the Group received JSS grants, Property tax rebate and cash grant under the Rental Relief Framework from the Government in response to the COVID-19 pandemic. The effects of such grants received are disclosed in Notes 5, 14, 17 and 6 respectively.
- iv. The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates on the recoverability of assets and the incremental borrowing rate as at 31 December 2020. The significant estimates applied on impairment of trade receivables and lease liabilities are disclosed in Note 13 and Note 20 respectively.

As at the date of the financial statements, there are no material events that have occurred after the reporting period that have come to management’s attention which could affect the current financial statements. As the COVID-19 situation remains fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021.

32. Authorisation for issue of financial statements

The consolidated financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of directors on 19 March 2021.



SHAREHOLDINGS STATISTICS

AS AT 10 MARCH 2021

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	76	7.22	62,600	0.01
1,001 – 10,000	432	41.03	2,447,670	0.59
10,001 – 1,000,000	526	49.95	44,727,820	10.77
1,000,001 and above	18	1.71	368,125,448	88.63
TOTAL	1,053	100.00	415,363,548	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
PDAC Private Limited	131,878,138	31.75	–	–
WLH Private Limited	131,878,138	31.75	–	–
North Salomon Limited	31,591,594	7.61	–	–
David Alan Perry ⁽¹⁾	–	–	136,915,110	32.96
Wong Lok Hiong ⁽²⁾	–	–	131,878,138	31.75
Credit Suisse Trust Limited ⁽³⁾	–	–	31,591,594	7.61

Notes:

- (1) 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.
- (2) 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.
- (3) Credit Suisse Trust Limited, the Trustee and the sole beneficial owner of North Salomon Limited, is deemed to be interested in the shares held by North Salomon Limited by virtue of Section 4 of the Securities and Futures Act.





PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 10 March 2021, approximately 27.44% 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 PDAC PRIVATE LIMITED	131,878,138	31.75
2 WLH PRIVATE LIMITED	131,878,138	31.75
3 RAFFLES NOMINEES (PTE) LIMITED	46,920,194	11.30
4 CITIBANK NOMINEES SINGAPORE PTE LTD	14,914,378	3.59
5 DBS NOMINEES PTE LTD	10,334,100	2.49
6 DB NOMINEES (SINGAPORE) PTE LTD	7,767,200	1.87
7 BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,621,500	1.35
8 PHILLIP SECURITIES PTE LTD	4,251,300	1.02
9 LIM AND TAN SECURITIES PTE LTD	2,114,700	0.51
10 D'OASIS PTE LTD	1,904,900	0.46
11 DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,900,000	0.46
12 ESTATE OF MRS LIM NANCY NEE TAN NANCY, DECEASED	1,500,000	0.36
13 LIM GECK CHIN MAVIS	1,500,000	0.36
14 OCBC SECURITIES PRIVATE LTD	1,442,500	0.35
15 ANG HAO YAO (HONG HAOYAO)	1,108,000	0.27
16 LEONG KAI CHUNG	1,045,600	0.25
17 CHUA WEE SENG	1,030,600	0.25
18 OCBC NOMINEES SINGAPORE PTE LTD	1,014,200	0.24
19 CHEE JINGYING JOYCE (XU JINGYING)	1,000,000	0.24
20 FU MUI KIM MRS. WOO TOONG LI	1,000,000	0.24
TOTAL	370,125,448	89.11



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 by way of electronic means on Wednesday, 21 April 2021 at 2:00 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 2020 together with the Auditor’s Report thereon. **(Resolution 1)**
2. To declare final dividend (tax exempt one-tier) of S\$0.023 per ordinary share for the financial year ended 31 December 2020. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$440,000 in advance for the financial year ending 31 December 2021. **(Resolution 3)**
4. To re-elect the following Directors who will be retiring pursuant to Regulation 96 of the Constitution of the Company and who being eligible, offer themselves for re-election as Directors of the Company:
 - (a) Mr David Peter Walker **(Resolution 4)**
 - (b) Mr Tan Teng Muan **(Resolution 5)**
 - (c) Mr Ho Yew Mun **(Resolution 6)**
 - (d) Mr Leow Wee Kia Clement **(Resolution 7)**

[See Explanatory Note (i)]

5. Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) which will take effect from 1 January 2022, Shareholders to approve the continued appointment of Mr Tan Teng Muan as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 8)**

[See Explanatory Note (ii)]

6. Contingent upon the passing of Ordinary Resolution 8 and pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Shareholders, excluding the directors, the chief executive officer and their associates, to approve the continued appointment of Mr Tan Teng Muan as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 9)**

[See Explanatory Note (ii)]

7. Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Shareholders to approve the continued appointment of Mr Ho Yew Mun as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 10)**

[See Explanatory Note (iii)]





8. Contingent upon the passing of Ordinary Resolution 10 and pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Shareholders, excluding the directors, the chief executive officer and their associates, to approve the continued appointment of Mr Ho Yew Mun as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 11)**

[See Explanatory Note (iii)]

9. Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Shareholders to approve the continued appointment of Mr Leow Wee Kia Clement as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 12)**

[See Explanatory Note (iv)]

10. Contingent upon the passing of Ordinary Resolution 12 and pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Shareholders, excluding the directors, the chief executive officer and their associates, to approve the continued appointment of Mr Leow Wee Kia Clement as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 13)**

[See Explanatory Note (iv)]

11. To re-appoint Ernst & Young LLP, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 14)**

12. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

13. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act, Cap. 50 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,



NOTICE OF ANNUAL GENERAL MEETING

(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;

Adjustments in accordance with 13(2)(a) or 13(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 15)**

[See Explanatory Note (v)]

By Order of the Board

Chew Kok Liang / Siau Kuei Lian
Company Secretaries

Singapore, 6 April 2021





Explanatory Notes:

- (i) (a) Mr David Peter Walker will, upon re-election as a Director of the Company, remain as a member of Nominating Committee, Remuneration Committee and Audit Committee. Mr David Peter Walker will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to Table A of the Corporate Governance Report on page 65 to page 69 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.
- (b) Mr Tan Teng Muan will, upon re-election as a Director of the Company, remain as a member of Nominating Committee, Remuneration Committee and Audit Committee. Mr Tan Teng Muan 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 Tan Teng Muan 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 65 to page 69 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.
- (c) Mr Ho Yew Mun will, upon re-election as a Director of the Company, remain as Chairman of Audit Committee and a member of Nominating Committee and Remuneration Committee. Mr Ho Yew Mun 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 Ho Yew Mun 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 65 to page 69 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.
- (d) Mr Leow Wee Kia Clement will, upon re-election as a Director of the Company, remain as a Chairman of Nominating Committee and Remuneration Committee and member of Audit Committee. Mr Leow Wee Kia Clement 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 Leow Wee Kia Clement 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 65 to page 69 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.
- (ii) Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Mr Tan Teng Muan, having served on the Board beyond nine (9) years from the date of his first appointment, will not be considered as an Independent Director on 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) by all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates prior to 1 January 2022 as required for his continued appointment as an Independent Director. Resolutions 8 and 9, if passed, will enable Mr Tan Teng Muan to continue his appointment as an Independent Director (unless the appointment has been changed subsequent to the AGM) pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST and to Provisions 2.1 of the Code of Corporate Governance 2018 and the approval shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company. Resolution 9 is conditional upon Resolution 8 being duly approved, else the aforesaid director will be designated as Non-Independent Director with effect from the date of the AGM and the Company will consider other alternative including refreshment of the Board.



NOTICE OF ANNUAL GENERAL MEETING

- (iii) Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Mr Ho Yew Mun, will serve the Board beyond nine (9) years from the date of his first appointment, will not be considered as an Independent Director on 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) by all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates prior to 1 January 2022 as required for his continued appointment as an Independent Director. Resolutions 10 and 11, if passed, will enable Mr Ho Yew Mun to continue his appointment as an Independent Director (unless the appointment has been changed subsequent to the AGM) pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST and to Provisions 2.1 of the Code of Corporate Governance 2018 and the approval shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company. Resolution 11 is conditional upon Resolution 10 being duly approved, else the aforesaid director will be designated as Non-Independent Director with effect from the date of the AGM and the Company will consider other alternative including refreshment of the Board.
- (iv) Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022, Mr Leow Wee Kia Clement, will serve the Board beyond nine (9) years from the date of his first appointment, will not be considered as an Independent Director on 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) by all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates prior to 1 January 2022 as required for his continued appointment as an Independent Director. Resolutions 12 and 13, if passed, will enable Mr Leow Wee Kia Clement to continue his appointment as an Independent Director (unless the appointment has been changed subsequent to the AGM) pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST and to Provisions 2.1 of the Code of Corporate Governance 2018 and the approval shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company. Resolution 13 is conditional upon Resolution 12 being duly approved, else the aforesaid director will be designated as Non-Independent Director with effect from the date of the AGM and the Company will consider other alternative including refreshment of the Board.
- (v) The Ordinary Resolution 15 in item 13 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.





Notes:

1. This AGM is being convened and will be held by way of electronic means pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice is attached to the Company's Annual Report 2020 which will be sent to members and will also be made available on the Company's website at the URL <https://oel.listedcompany.com/newsroom.html> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman of the Meeting as the proxy at the AGM, are set out in the accompanying Company's announcement dated 5 April 2021. This announcement will be available on the Company's website at the URL <https://oel.listedcompany.com/newsroom.html> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Due to the current COVID-19 restriction orders in Singapore, members are strongly encouraged to attend the AGM via webcast. A member (whether individual or corporate) may appoint the Chairman of the Meeting as his/her/its proxy, to attend and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM is attached to the Company's Annual Report 2020 which will be sent to members and will also be made available on the Company's website at the URL <https://oel.listedcompany.com/newsroom.html> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
4. A Member of the Company (including a Relevant Intermediary*) entitled to vote at the AGM may appoint Chairman of the Meeting to act as proxy and direct the vote at the AGM.
5. The instrument appointing the Chairman of the Meeting as the proxy must be deposited at the Share Registration Office of the Company at M & C Services Private Limited, 112 Robinson Road, #05-01 Singapore 068902 by mail or email to GPD@mncsingapore.com not less than seventy-two (72) hours before the time appointed for holding the AGM.
6. The instrument appointing the Chairman of the Meeting as the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the proxy form 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.
7. 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) and wishes 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 AGM.
8. The Annual Report for FY2020 may be accessed on the Company's website at the URL <https://oel.listedcompany.com/download.html> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.



NOTICE OF ANNUAL GENERAL MEETING

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) 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 (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), 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 to attend 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 the appointment of the Chairman of the Meeting as the proxy (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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.

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 **6 May 2021** for the purpose of determining shareholders' entitlements to the final dividend (tax-exempt one-tier) of S\$0.023 per ordinary share for the financial year ended 31 December 2020 (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, M & C Services Private Limited, at 112 Robinson Road, #05-01 Singapore 068902, up to 5.00 p.m. on **5 May 2021** 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 **5 May 2021** will be entitled to the Dividend.

Payment of the Dividend (subject to shareholders' approval at the AGM) will be made on **20 May 2021**.





IMPORTANT NOTICE TO SHAREHOLDERS REGARDING THE COMPANY'S ANNUAL GENERAL MEETING

TO BE HELD ON 21 APRIL 2021



- (1) **NO PHYSICAL ATTENDANCE AT ANNUAL GENERAL MEETING**
- (2) **ALTERNATIVE ARRANGEMENTS TO PARTICIPATE AT ANNUAL GENERAL MEETING**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Overseas Education Limited (the “**Company**”) refers to:

- (a) the COVID-19 (Temporary Measures) Act 2020 (the “**Act**”) passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means;
- (b) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”) which was gazetted on 13 April 2020, and which sets out the alternative arrangements in respect of, *inter alia*, general meetings of companies; and
- (c) The Joint Statement by the Singapore Exchange Securities Trading Limited, the Accounting and Corporate Regulatory Authority and the Monetary Authority of Singapore which was issued on 1 October 2020, providing a checklist (which provides further guidance on the Act and the Order) to guide listed and non-listed entities on the conduct of general meetings during the period when elevated safe distancing measures are in place.

2. DATE OF ANNUAL GENERAL MEETING

The Board wishes to inform shareholders that the Company has issued the Notice of Annual General Meeting (“**AGM**”) dated 6 April 2021. The AGM will be held by way of electronic means on 21 April 2021 at 2.00 p.m. (Singapore time).

3. NO PHYSICAL ATTENDANCE AT AGM

Due to current COVID-19 restriction orders in Singapore, the Company has made arrangements to facilitate a live webcast of the AGM (“**Live Webcast**”). Shareholders will be able to participate at the AGM by:

- (i) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream;
- (ii) submitting questions in advance of the AGM; and/or
- (iii) voting by proxy at the AGM.

Shareholders are strongly encouraged to attend the AGM via webcast. Details of the steps for pre-registration, pre-submission of questions and voting at the AGM are set out below in this Announcement.



IMPORTANT NOTICE TO SHAREHOLDERS REGARDING THE COMPANY'S ANNUAL GENERAL MEETING

TO BE HELD ON 21 APRIL 2021

4. REGISTRATION PROCESS FOR LIVE WEBCAST

Shareholders who wish to participate in the AGM proceedings through the Live Webcast must pre-register at the pre-registration website at www.online.meetings.vision/oei-agm-registration and following the online instructions, from 9.00 a.m. on 6 April 2021 till no later than **10.00 a.m. on 18 April 2021** (the "Registration Deadline") to enable the Company to verify their status as shareholders.

Following the verification, authenticated Shareholders will receive an email by 11.00 a.m. on **20 April 2021**, and will be able to access the Live Webcast using the account created during the registration.

Shareholders who register by the Registration Deadline but do not receive an email response to access the Live Webcast may contact the Company's Share Registrar, M & C Services Private Limited, at GPD@mncsingapore.com, or alternatively at +65 6228 0508 or +65 6228 0518 between 11.00 a.m. and 6.00 p.m. on 20 April 2021 or between 9.00 a.m. and 1.00 p.m. on 21 April 2021 for assistance, with the full name of the shareholder and his/her/its identification number.

5. SUBMISSION OF QUESTIONS IN ADVANCE OF AGM

Shareholders will not be able to ask questions during the Live Webcast. Shareholders may submit questions relating to the items on the agenda of the AGM in advance, no later than **12 April 2021 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 purpose.

The Company will address the substantial and relevant queries from shareholders prior to, or at the AGM and upload the Company's responses on the SGXNet and the Company's website, if applicable before the deadline of depositing the proxy form. The Company is unable to take on questions through the Live Webcast proceedings. The minutes of the AGM, including the responses from the Board and management during the AGM will be published within one (1) month after the conclusion of the AGM.

6. SUBMISSION OF PROXY FORMS

Shareholders who wish to vote on any or all of the resolutions at the AGM may submit the proxy form to appoint the Chairman of the AGM as proxy to cast votes on their behalf by completing the proxy form attached to the Notice of AGM.

The completed and signed proxy form must:

- (a) be deposited at the Share Registration office of the Company at M & C Services Private Limited, 112 Robinson Road, #05-01 Singapore 068902; or
- (b) email to GPD@mncsingapore.com

no later than **2.00 p.m. on 18 April 2021, being seventy-two (72) hours** before the time appointed for holding the AGM. Any incomplete proxy forms will be treated as invalid and rejected by the Company.

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.





7. PERSONS WHO HOLD SHARES THROUGH RELEVANT INTERMEDIARIES

Persons who hold shares of the Company through relevant intermediaries (as defined in section 181 of the Companies Act, Chapter 50), including CPF Investors and/or SRS Investors, and who wish to participate in the AGM by:

- (i) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream;
- (ii) submitting questions in advance of the AGM; and/or
- (iii) voting by proxy at the AGM.

should approach the relevant intermediary (which would include, in the case of CPF Investors and SRS investors, their respective CPF/SRS Approved Nominees (CPF Agent Banks or SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

8. DOCUMENTS FOR AGM

Annual Report for FY2020, 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>.

9. RECORD DATE AND PAYMENT DATE FOR THE PROPOSED FINAL DIVIDEND

The Share Transfer Books and Register of Members of the Company will be closed on **6 May 2021** for the purpose of determining shareholders' entitlements to the proposed final one-tier tax exempt dividend of S\$0.023 per ordinary share for the financial year ended 31 December 2020 ("**Final Dividend FY2020**").

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, M & C Services Private Limited, at 112 Robinson Road, #05-01 Singapore 068902, up to 5.00 p.m. on **5 May 2021** will be registered to determine shareholders' entitlement to the Dividend.

The proposed Final Dividend FY2020, if approved by shareholders at the AGM, will be paid on **20 May 2021**.

IMPORTANT REMINDER: Due to the COVID-19 pandemic and regulated Safe Management Measures ("**SMM**") in Singapore, the Company may be required to change its AGM arrangements at short notice to comply with the updated SMM. Shareholders should check the Company's website at the URL <https://oel.listedcompany.com/newsroom.html> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the AGM, if any.

The Company would like to thank all shareholders for their patience and co-operation in enabling us to hold the AGM with the optimum safe distancing measures amidst the COVID-19 pandemic.

By Order of the Board of
OVERSEAS EDUCATION LIMITED

Chew Kok Liang / Siau Kuei Lian
Company Secretaries

6 April 2021



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PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The Annual General Meeting will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of AGM and the proxy form, attached to the Annual Report FY2020, are sent by post to members. These are also available on the Company's website at the URL <https://oel.listedcompany.com/download.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/ her/ its proxy to vote on his/ her/ its behalf at the Meeting if such member wishes to exercise his/ her/ its voting rights at the Meeting.
3. 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 inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy.
4. 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.

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

of _____ (Address)

being a *member/members of **OVERSEAS EDUCATION LIMITED** (the "**Company**"), hereby appoint the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held by way of electronic means on Wednesday, 21 April 2021 at 2:00 p.m. and at any adjournment thereof. *I/We direct the Chairman of the Meeting 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 Chairman of the Meeting will vote or abstain from voting at *his/her 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 2020			
2	Payment of proposed final dividend of S\$0.023 per ordinary share for the financial year ended 31 December 2020			
3	Approval of Directors' fees amounting to S\$440,000 in advance for the financial year ending 31 December 2021			
4	Re-election of Mr David Peter Walker as a Director			
5	Re-election of Mr Tan Teng Muan as a Director			
6	Re-election of Mr Ho Yew Mun as a Director			
7	Re-election of Mr Leow Wee Kia Clement as a Director			
8	Approval of Mr Tan Teng Muan's continued appointment as an Independent Director by shareholders			
9	Approval of Mr Tan Teng Muan's continued appointment as an Independent Director by shareholders (excluding the directors, the chief executive officer and their associates)			
10	Approval of Mr Ho Yew Mun's continued appointment as an Independent Director by shareholders			
11	Approval of Mr Ho Yew Mun's continued appointment as an Independent Director by shareholders (excluding the directors, the chief executive officer and their associates)			
12	Approval of Mr Leow Wee Kia Clement's continued appointment as an Independent Director by shareholders			
13	Approval of Mr Leow Wee Kia Clement's continued appointment as an Independent Director by shareholders (excluding the directors, the chief executive officer and their associates)			
14	Re-appointment of Messrs Ernst & Young LLP as Auditors			
15	Authority to issue shares pursuant to Section 161 of the Companies Act, Cap 50 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 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 _____ 2021

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, Chapter 289 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. Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Meeting in person. A member of the Company (including a Relevant Intermediary*), entitled to vote at the Meeting must appoint Chairman of the Meeting to act as proxy and direct the vote at the Meeting.
3. The instrument appointing the Chairman of the Meeting as the proxy must be deposited at the Share Registration Office of the Company at M & C Services Private Limited, 112 Robinson Road, #05-01 Singapore 068902 by mail or email to GPD@mncsingapore.com not less than seventy-two (72) hours before the time appointed for holding the Meeting.
4. The instrument appointing the Chairman of the Meeting as the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as the proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as the proxy 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.
5. 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) and wishes 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.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) 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 (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), 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 6 April 2021.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as the proxy 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 the Chairman of the Meeting as the proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as the proxy lodged if the member, being the appointor, is not shown to have Shares entered against his 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.

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