

# INVESTING IN EDUCATION





**SAIL GP  
INSPIRE**



Overseas Family School

*Official Education Supplier of SAIL GP Inspire  
Focused on quality education  
Supporting sustainability*





# CORPORATE INFORMATION



## BOARD OF DIRECTORS

**Tan Teng Muan**  
Non-Executive Chairman  
and Independent Director

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

**Ho Hie Wu David**  
Chief Financial Officer  
and Executive Director

**Ho Yew Mun**  
Lead Independent Director

**Leow Wee Kia Clement**  
Independent Director

**Walker, David Peter**  
Independent Director

## NOMINATING COMMITTEE

**Leow Wee Kia Clement** (Chairman)

**Ho Yew Mun**

**Tan Teng Muan**

**Walker, David Peter**

## REMUNERATION COMMITTEE

**Leow Wee Kia Clement** (Chairman)

**Ho Yew Mun**

**Tan Teng Muan**

**Walker, David Peter**

## AUDIT COMMITTEE

**Ho Yew Mun** (Chairman)

**Leow Wee Kia Clement**

**Tan Teng Muan**

**Walker, David Peter**

## COMPANY SECRETARY

**Tan Swee Gek**

**Ong Beng Hong**

## REGISTERED OFFICE

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

## COMPANY REGISTRATION NUMBER

201131905D

## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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

**OUR MASTER POLICY**



# CHAIRMAN'S MESSAGE

## TO SHAREHOLDERS

### DEAR SHAREHOLDERS

On behalf of the Board of Directors of Overseas Education Limited (OEL), I am pleased to present the annual report for the Financial Year ended 31 December 2022 (FY 2022).

In one word, FY 2022 was a year of transition. We saw the opening of borders and life pivoting back to a more normal and settled rhythm. At OFS our students and academic staff were able to step up their tempo and it is with great pride and joy for me to share with you some of the many achievements our students have scored for the school in the year.

Our swim team has grown in numbers and ability. We are proud to have a student who ranks amongst the top 5 best swimmers in Singapore for the 1500m race, another one in the top 8 on the 200m backstroke, as well as a third swimmer ranked in the top 12 on the 200m butterfly. Additionally, we have an 11-year-old student who is the #1 ranked swimmer in her age group on the 800m Freestyle. We call them our OFS Tigers!

Admirably, these swimmers are also among the highest academic achievers in their respective grades, balancing gruelling training with their school workload.

Outside of the pool, the return of OFS' competitive sports program saw our 19U Boys Basketball Team, 14U and 11U Girls Badminton Teams, and Middle School Cross Country runner all crowned as Athletic Conference of Singapore International Schools League winners.

Outside of the track and courts, we have a grade 2 student making a

mark for himself in tournaments as a chess wizard! All this is testament to what OFS signifies – "A world class academic experience while pursuing athletic excellence at the highest level."

As an organisation, we also pride ourselves on constantly developing new programmes for our students. Our Integrated Therapy Centre has just opened its door with its Speech and Nurture therapists extending therapy to help students learn more effectively. Plans are also underway to engage therapists of other fields to ensure a complete continuum of support for our students on campus so that every child is given a chance to blossom because they are unique.

On a different score, in April 2022, OFS signed an agreement to install solar panels on the roof above parts of the school premises. These solar panels system will generate up to 25% of the total electricity needs of the whole campus. When the system commences, it is expected to save the school substantially in energy bills and help the school to play its part in the challenges of Climate Change.

To our investors, although OEL recorded a lower profit of S\$5.3 million for FY 2022, the Board is pleased to propose a final dividend of S\$0.011 per share for approval by shareholders at the forthcoming Annual General Meeting.

I am also pleased to share that enrolment has increased across all grades with the opening of borders. The Student Recruitment Department will continue to step up its drive and cast a broader reach to the international community to offer an enriching experience at OFS.

Our vision for the school is to have every child enjoy the education he

or she receives and graduate as a thinking and thoughtful youth with the correct values. What will endure for our students are not the grades they obtain but graduating with the correct skill sets and values. These will help them navigate through life and contribute meaningfully to society.

I would like to place on record my deep appreciation to the Board members for their unstinting support and strong sense of duty and commitment. I would also like to thank all our academic and support staff for the energy and commitment they have put in their role as educators and mentors to our students. And to our parents I would like to say that the best is yet to come. Lastly, to our investors thank you for your trust and confidence in OEL.

### TAN TENG MUAN

Chairman  
Overseas Education Limited



# WHO WE ARE



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



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

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



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

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

## EDUCATIONAL PHILOSOPHY

### Master Policy

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

### Open Entry

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

### Open Examination Entry

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

### Self-Discipline

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

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

### No Tolerance for Violence

Happy students learn better than highly disciplined students. For a happy school, it is essential that no student or staff member feels

threatened by violent or aggressive behaviour from another member of the school community. We continue to make it clear that any act of violence will lead to immediate expulsion.

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

### Intellectual Development

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

Younger students, for whom English is a second language, receive regular lessons to strengthen and advance their own Mother Tongue. Their

teachers are also native speakers of that Mother Tongue and OFS maintains regular classes in fourteen such languages. Maintaining a student’s ability to speak their Mother Tongue while the school is changing their language of instruction does boost their intellectual development.

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

### Efficient Allocation of Classroom Instruction

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

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





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



# BOARD OF DIRECTORS



## 1 TAN TENG MUAN

Non-Executive Chairman and Independent Director

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

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

Mr. Tan is currently a Commissioner for Oaths and a 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.



## 2 WONG LOK HIONG IRENE

Chief Executive Officer and Executive Director

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

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

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

Ms. Wong is 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

Chief Financial Officer and Executive Director

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

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

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

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



#### 4 HO YEW MUN

Lead Independent Director

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

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

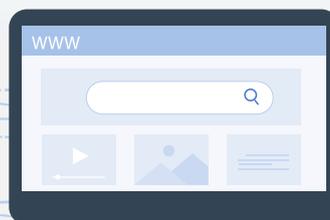
Mr. Leow was appointed to our Board on 26 December 2012. He is also an



independent director of Ellipsis Ltd and Lum Chang Holdings Limited, companies listed on the Mainboard of the Singapore Exchange and MSM International Limited, a company listed on the Catalist Board of the Singapore Exchange.

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

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



#### 6 WALKER, DAVID PETER

Independent Director

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

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

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

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



# EXECUTIVE OFFICERS



From left to right

LEE KWOK-TUNG MICHAEL • WONG HOK HOE PATRICK • CHEE JINGYING JOYCE • MCCONVILLE, VANESSA  
• LEE CHWEE SOON JASON • NGO, DA-KHUE HOANG • LIEW VOON YEE PENNY

## CHEE JINGYING JOYCE

### Admissions Director

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

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

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

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

## LEE CHWEE SOON JASON

### General Manager

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

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

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

## WONG HOK HOE PATRICK

### Head of Security

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

He was promoted to his current position of Head of Security on 1 August 2016, tasked with overseeing all aspects of the physical safety and



security of our school premises. He was also concurrently appointed a director of OFSL as well as a member of the Executive Board of our School.

### **MCCONVILLE, VANESSA**

#### **Head of School and High School Principal**

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

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

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

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

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

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

they make the final decisions on all matters affecting their children.

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

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





## KINDERGARTEN

PRE-K1 TO K2

International  
Early Years Curriculum

## ELEMENTARY SCHOOL

GRADES 1 TO 5

International  
Primary Curriculum

## MIDDLE SCHOOL

GRADES 6 TO 8

IB Middle Years  
Programme

## HIGH SCHOOL

GRADES 9 TO 10 (JUNIOR)

IB Middle Years  
Programme, IGCSE

## HIGH SCHOOL

GRADES 11 TO 12 (SENIOR)

IB Diploma  
Programme

### OTHER PROGRAMMES

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



# ABOUT OFS

## THE OFS CURRICULUM

### Fully Integrated Inquiry-based Curriculum

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



#### ✓ International Early Years Curriculum (IEYC)

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

#### ✓ International Primary Curriculum (IPC)

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

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

The IB MYP is offered throughout the Middle School (Grades 6-8) and for the first two years of High School (Grades 9 and 10). The IB DP is offered in the

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

#### ✓ International General Certificate of Secondary Education (IGCSE)

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

#### ✓ Western Association of Schools and Colleges (WASC)

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

#### OPEN ENTRY POLICY

OFS has an "open entry policy" under which it enrolls students without pre-entry tests or reference to previous

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

#### MODEL UNITED NATIONS (MUN)

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

In 2011, the Hague International Model United Nations (THIMUN) approved the



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

The concurrent MY-MUNOFS XIII and PY-MUNOFS VI conferences scheduled to be held from 24 February to 26 February 2023 will also be staged

in a similar hybrid format and once again extends our unique experiential learning opportunities right down to Elementary School, not just for OFS but schools both locally and abroad.

We have also initiated iMUN which now runs up to two smaller online debates annually. This is offered free to develop our Grade 8 and 9 student MUN leaders who need to gain more conference experiences.

Since 2021, the High School MUN club is run entirely online. We also host pre-conference debate in preparation for the MY-MUNOFS, with approximately 100 delegates from Singapore and abroad. We have further expanded the activities for our MUN Executive Team members to prepare and train delegates not just from within OFS, but also from other schools, both locally and abroad. These activities enrich the experiences of our student leaders, building their leadership skills further.

### USING IT INNOVATIVELY

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

We have a school-wide, online assessment system that permits

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

This system has been a key contributing factor to the academic achievements of our students. Over the past five academic years, the percentage of High School students who obtained 35+ points (which would generally require the students to have obtained a majority of at least six 'A-' grades and above), was consistently above the world-wide percentages of IB DP students. In Academic Year 2021/2022, six OFS students achieved the maximum possible score of 45 points, and over 35% scored over 40 points or more compared to the 14.4% world average.

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

# 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 9.00am to 3.30pm.

## 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, Mrs. Vanessa McConville, two Deputy Principals and High School Curriculum Leadership, covering both Junior and Senior High Schools.
- ▶ The Junior High School has a 25-period week with five one-hour periods per day. It operates on a full-day schedule from 9.00 am to 3.30 pm. Concurrent with the final two years of the IB MYP, the Junior High School students at OFS are also offered the IGCSE syllabus at Grades 9 and 10.
- ▶ The Senior High School has a 25-period week with five one-hour periods per day. It operates on a full-day schedule from 9.00 am to 3.30 pm.
- ▶ In Grade 12, students will usually attempt to obtain the full IB Diploma or obtain the IB Certificates for individual subjects. On graduation from Grade 12 from OFS, by having obtained a minimum of 22 credits from the various courses from Grades 9 to 12, among other requirements, our students will be conferred the OFS High School Diploma. The OFS High School Diploma is evidence that a student has satisfactorily completed four years of high school at OFS.



# ABOUT OFS

## OUR UNIQUE PROGRAMMES

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

### STUDY PREPARATION PROGRAMME (SPP) AND FOREIGN LANGUAGE PROGRAMME

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

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

During Mathematics, SPP1 students will be taught in a dedicated class

by a Mathematics specialist. SPP2 and SPP3 students are taught Mathematics in a mainstream class.

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

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

### INTELLECTUAL DEVELOPMENT PROGRAMMES

The OFS educational model does everything possible to develop student intellect, for greater breadth and depth of learning. We avoid branding students by ability, and

have consistently adopted as an institutional objective, development of each student's intellectual capacity. Over the years, OFS has introduced initiatives specifically designed to meet these goals and our new campus provides the space, environment and opportunity to be even more effective.

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

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

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

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





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

### **ENRICHMENT AND AFTER-SCHOOL PROGRAMMES**

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

Language courses are also open for participation by the parents of our students. These optional activities are fees payable.

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

### **COLLEGE ADMISSION COUNSELLING**

Our Academic Advisors provide comprehensive support to students and their families through all aspects of the university application process. We host information evenings, workshops, and alumni meetings to provide students and their families with information on admission requirements to colleges and

universities around the world. In these sessions, they share information about the different educational systems, degrees, and courses available for tertiary education. The Academic Advisors also offer special workshop opportunities to guide students through the varying demands of the different university systems, including providing students with guidance and feedback on their application essays. Finally, for those students whose applications require interviews, they provide mock interview sessions and feedback.

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



# FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

## 5-YEAR FINANCIAL SUMMARY

FINANCIAL HIGHLIGHTS (S\$'000)	FY2018	FY2019	FY2020	FY2021	FY2022
Total revenue <sup>1</sup>	83,078	82,299	79,055	74,564	<b>76,363</b>
Profit before taxation	9,351	10,788	12,938	7,963	<b>6,865</b>
Net profit for the year	6,907	8,007	10,296	6,333	<b>5,278</b>
Earnings per ordinary share (cents)	1.7	1.9	2.5	1.5	<b>1.3</b>

BALANCE SHEET (S\$'000)	31-Dec-2018	31-Dec-2019	31-Dec-2020	31-Dec-2021	31-Dec-2022
Total assets	305,281	304,830	293,946	282,152	<b>285,105</b>
Total liabilities	162,257	165,222	155,463	146,890	<b>149,965</b>
Revenue reserve	69,940	66,525	65,399	62,178	<b>62,057</b>
Total equity	143,024	139,609	138,482	135,262	<b>135,140</b>
Net asset value per ordinary share (cents)	34.4	33.6	33.3	32.6	<b>32.5</b>

CASH FLOW (S\$'000)	31-Dec-2018	31-Dec-2019	31-Dec-2020	31-Dec-2021	31-Dec-2022
Net cash generated from operating activities	25,088	28,923	24,983	17,515	<b>30,909</b>
Net cash used in investing activities	(1,465)	(1,495)	(1,290)	(1,076)	<b>(822)</b>
Net cash used in financing activities	(35,574)	(23,563)	(25,012)	(22,195)	<b>(18,158)</b>
Cash and cash equivalents at the end of the year	41,633	45,498	44,179	38,424	<b>50,353</b>

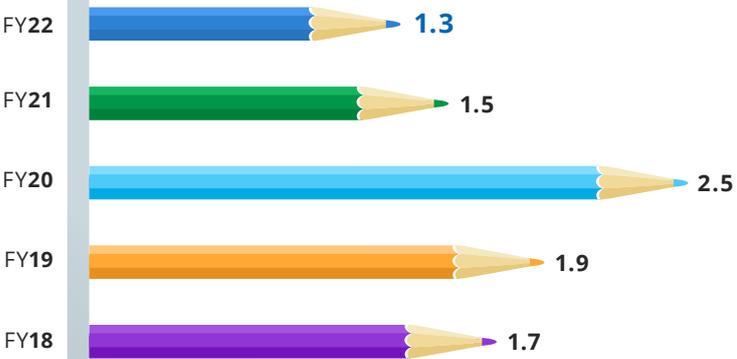
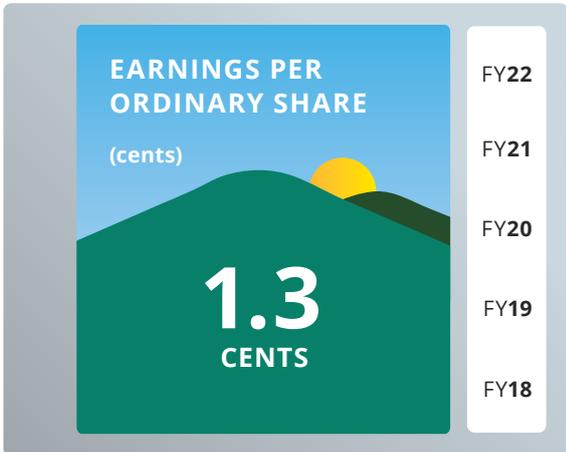
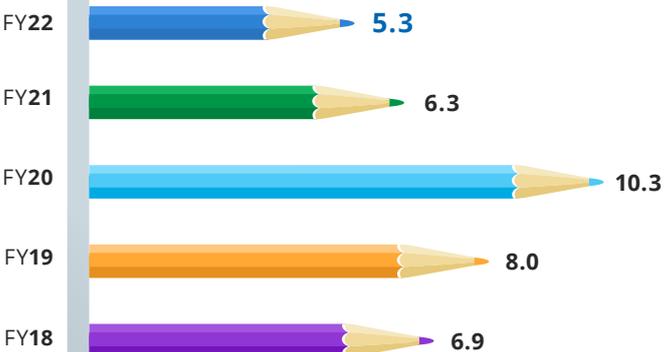
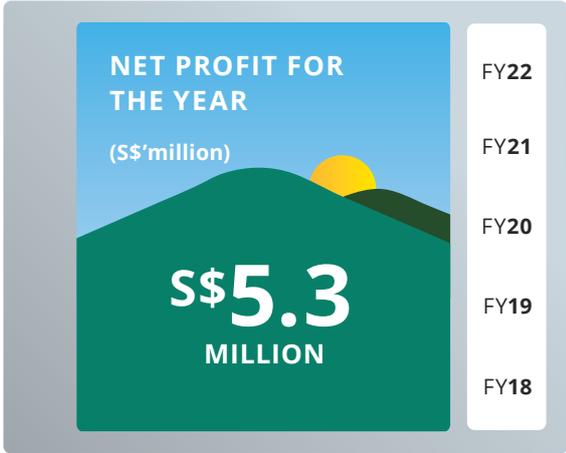
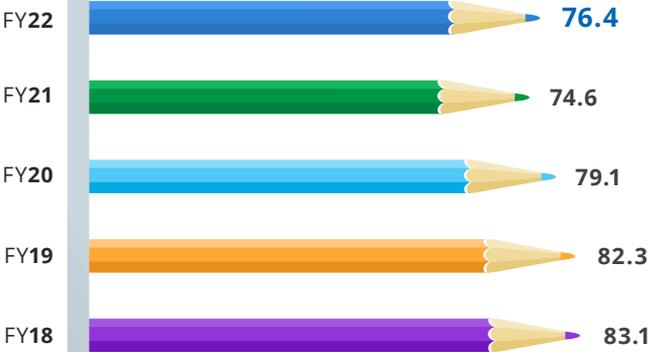
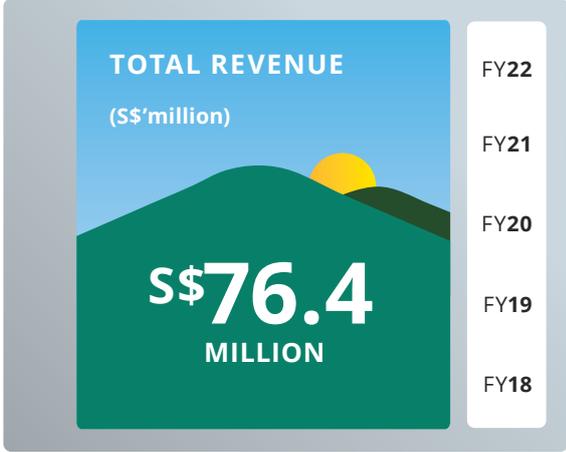
Note:

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



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# OPERATIONS & FINANCIAL REVIEW

## INCOME STATEMENT

### Total Revenue

The Group recorded a revenue of \$38.95 million for the second half year ended 31 December 2022 (H2 2022) compared to \$36.15 million for the corresponding period ended 31 December 2021 (H2 2021). For the full year ended 31 December 2022 (FY 2022), total revenue moderated higher to \$76.36 million compared to \$74.56 million for the last financial year (FY 2021). The increase in revenue was due to an uptick in student enrolment in H2 2022 with expatriate families returning to Singapore as most international borders are now fully reopened post-COVID.

Revenue from tuition fees was higher at \$37.49 million in H2 2022 compared to \$35.12 million in H2 2021. Tuition fees was also higher at \$73.91 million in FY 2022 compared to \$72.53 million in FY 2021.

Revenue from registration fees was \$0.53 million in H2 2022 compared to \$0.50 million in H2 2021. Registration fees was \$1.03 million in FY 2022 compared to \$1.01 million in FY 2021.

School shop revenue was \$0.44 million in H2 2022 compared to \$0.32 million in H2 2021. School shop revenue was \$0.57 million in FY 2022 compared to \$0.44 million in FY 2021.

Enrichment programme revenue was higher at \$0.37 million in H2 2022 compared to \$0.19 million in H2 2021. Enrichment programme revenue was also higher at \$0.70 million in FY 2022 compared to \$0.54 million in FY 2021.

Interest income was \$0.07 million in H2 2022 compared to \$0.01 million in H2 2021. Interest income was \$0.09 million in FY 2022 compared to \$0.02 million in FY 2021 due to higher prevailing interest rate environment in FY 2022.

Other income was \$0.05 million in H2 2022 compared to \$0.02 million in H2 2021. Other income was \$0.06 million in FY 2022 compared to \$0.03 million in FY 2021.

### Operating Expenses

Total expenses before depreciation and amortisation was higher at \$29.76 million in H2 2022 compared to \$26.62 million in H2 2021. For FY 2022, total expenses before depreciation and amortisation was higher at \$58.40 million compared to \$52.72 million in FY 2021.

Details of expenses are as follows:

Personnel expenses were \$22.30 million in H2 2022 and \$44.68 million in FY 2022, compared to \$22.52 million in H2 2021 and \$43.60 million in FY 2021. The lower personnel expenses in FY 2021 was due to the last tranche of Jobs Support Scheme government grant of \$1.48 million received in FY 2021.

School shop costs were \$0.29 million in H2 2022 compared to \$0.22 million in H2 2021. School shop costs were \$0.38 million in FY 2022 compared to \$0.29 million in FY 2021.

Enrichment programme costs were \$0.22 million in H2 2022 compared to \$0.19 million in H2 2021. Enrichment





programme costs were \$0.51 million in FY 2022 compared to \$0.43 million in FY 2021.

Utilities expenses were lower at \$0.66 million in H2 2022 compared to \$0.84 million in H2 2021. Utilities expenses were higher at \$1.58 million in FY 2022 compared to \$1.26 million in FY 2021 due to the abnormally high increases in electricity tariffs experienced during the last quarter of FY 2021 and first quarter of FY 2022. The group managed to secure an electricity contract at a favourable rate for one year from 1 April 2022 to 31 March 2023.

Upkeep and maintenance expenses were lower at \$0.85 million in H2 2022 compared to \$1.00 million in H2 2021. Upkeep and maintenance expenses were also lower at \$1.56 million in FY 2022 compared to \$1.75 million in FY 2021.

Finance costs were higher at \$2.04 million in H2 2022 compared to \$1.12 million in H2 2021. Finance costs were also higher at \$3.59 million in FY 2022 compared to \$2.23 million in FY 2021 due mainly to the higher prevailing interest rate in FY 2022 compared to FY 2021.

Other operating expenses were \$3.40 million in H2 2022 and \$6.10 million in FY 2022, compared to \$0.74 million in H2 2021 and \$3.17 million in FY 2021. The lower other operating expenses in H2 2021 and FY 2021 was mainly due to the Singapore government rental support scheme grant recognised in FY 2021.

The Group recorded a \$1.02 million and \$2.77 million fair value gain in H2 2022 and FY 2022 respectively. The fair value gain arose from fair value changes of the interest-rate-swap contracts that the Group has entered into during the year to hedge against rising interest rates. More information is provided in Note 10 of the Condensed Interim Consolidated Financial Statements.

Depreciation and amortisation expenses of \$6.95 million in H2 2022 and \$13.87 million in FY 2022 were comparable to the comparative periods in FY 2021.

### Profitability

Profit before taxation ended at \$3.25 million in H2 2022 compared to \$2.58 million in H2 2021. Profit before taxation for FY 2022 ended at \$6.87 million compared to \$7.96 million in FY 2021.

Income tax expense for H2 2022 and FY 2022 were \$0.82 million and \$1.59 million respectively. The H2 2022

and FY 2022 income tax expense comprised mainly the provision for current tax of \$1.14 million and \$2.33 million respectively. The reversal of net deferred tax for H2 2022 and FY 2022 were \$0.33 million and \$0.75 million respectively. The income tax expense in H2 2021 and FY 2021 were \$0.60 million and \$1.63 million respectively.

Net profit after taxation for H2 2022 ended at \$2.44 million compared to \$1.99 million for H2 2021. Net profit after taxation for FY 2022 ended at \$5.28 million compared to \$6.33 million for FY 2021.

### BALANCE SHEET

Total property, plant and equipment and right-of-use assets at 31 December 2022 amounted to \$226.65 million compared to \$236.76 million at 31 December 2021. The decrease of \$10.11 million was due mainly to the depreciation charge for the financial year, offset by the additional right-of-use assets and other plant and equipment of \$3.26 million and \$0.46 million respectively during the financial year.

Derivatives (current and non-current) at 31 December 2022 of \$2.77 million (2021: Nil) relates to the fair value changes of interest-rate-swap contracts entered into by the Group to hedge against rising interest rates on bank borrowings. More information is provided in Note 10 of the Condensed Interim Consolidated Financial Statements.

Inventories for school uniforms, books and stationery supplies for sale at the school shop were \$0.47 million at 31 December 2022 compared to \$0.44 million at 31 December 2021.

Trade receivables comprised amounts attributable to tuition fees, registration fees, school shop revenue and other revenue. Trade receivables of \$0.64 million at 31 December 2022 were lower compared to \$0.74 million at 31 December 2021 due mainly to the timing of collection of the receivables for the reporting year.

Other receivables and deposits at 31 December 2022 were lower at \$0.50 million compared to \$2.25 million at 31 December 2021 due mainly to the Singapore government rental support scheme grant receivable accrued last year FY 2021.

Prepayments at 31 December 2022 were at \$1.10 million compared to \$1.02 million at 31 December 2021.



# OPERATIONS & FINANCIAL REVIEW



The Group's cash and cash equivalents amounted to \$50.35 million at 31 December 2022 and \$38.42 million at 31 December 2021. The increase was due to cash movements (cash generated or cash used) in operating, investing and financing activities as explained in the Review of Group cash flow below.

Trade and other payables and liabilities were lower at \$1.20 million at 31 December 2022 compared to \$1.53 million at 31 December 2021 due mainly to timing of payments of operating expenses.

Total fees received in advance (current and non-current) was \$36.58 million at 31 December 2022 and \$26.71 million at 31 December 2021. The total fees received in advance at 31 December 2022 and 31 December 2021 comprised tuition fees collected before the commencement of the next semester in January, and registration fees collected upon enrolment.

Lease liabilities (current and non-current) were \$3.79 million at 31 December 2022 compared to \$4.79 million at 31 December 2021. The variation in the lease liabilities was due to the expiration and renewal of the lease contracts for teachers' apartments.

Borrowings - Bank Loan (current and non-current) was \$96.44 million at 31 December 2022 compared to \$101.59 million at 31 December 2021. The Group paid the quarterly instalment of \$1.54 million each in January, April, July and October 2022. More information on the bank loan facility is disclosed in Note 15 of the Condensed Interim Consolidated Financial Statements.

Goods and Services Tax payable of \$2.73 million and \$2.31 million at 31 December 2022 and 31 December 2021 respectively arose mainly from the billing of next semester's tuition fees.

Deferred tax liabilities amounted to \$6.46 million at 31 December 2022 compared to \$7.21 million at 31 December 2021. 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 2022 was \$30.91 million, which consisted of cash inflow from operating activities before working capital changes of \$21.47 million, net working capital inflow of \$11.76 million and interest received of \$0.09 million, income tax paid of \$2.32 million and lease interest paid of \$0.09 million.

The above-mentioned net working capital inflow of \$11.76 million arose mainly from the cash inflow relating to the increase in trade payables, other payables and liabilities and fees received in advance (current and non-current) of \$9.96 million and the cash inflow from the decrease in other receivables, deposits and prepayments of \$1.81 million. There was also the cash inflow from the decrease in trade receivables of \$0.11 million.

The net cash used in investing activities of \$0.82 million was for the capital expenditure in the normal course of business.

The net cash used in financing activities of \$18.16 million comprised lease payments of \$3.95 million, payment of bank loan interest of \$2.65 million, bank loan repayment of \$6.16 million and dividends payment of \$5.40 million during the reporting period.

## SIGNIFICANT TRENDS AHEAD

With most international borders fully reopened, Singapore is seeing a step-up in expatriate families relocating to Singapore. Barring any set back by a further wave of pandemic, the Group is cautiously optimistic that the student enrolment will also increase in tandem with the inflow of expatriate families entering and living in Singapore.

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

# SUSTAINABILITY REPORT

## 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 (SGX Practice Note 7.6) for listed companies. We have adopted the GRI reporting framework for its international recognition and universal applicability.

In line with the requirement for listed companies to provide climate-related disclosures based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have considered the recommendations and required disclosures to be included in our Sustainability Report and will progressively adopt the recommendations in due course.

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 sixth 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 sustainable long-term value for our stakeholders. This annual sustainability report focused on our performance from 1 January 2022 to 31 December 2022, which is congruous with the financial year of the Group.

We have conducted an internal review of our sustainability reporting but 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](mailto:ir@ofs.edu.sg) should you have any inquiries about its content.

In addition, should you wish to refer to prior year's Sustainability Report 2021, it can be found in our OEL Annual Report 2021.



# SUSTAINABILITY REPORT

## OVERSEAS EDUCATION LIMITED – GOVERNANCE

Board Level Governance	<b>Board of Directors</b> Leaderships, governance and advisory role for the Group's sustainability strategy				
	<b>Audit Committee</b> Considers current and potential future climate risk exposures and climate risk reporting		<b>Remuneration Committee</b> Oversees link between climate strategy and remuneration		<b>Nominating Committee</b> Oversees appointment of Sustainability Team Lead
Executive Level Governance	<b>Chief Executive Officer and Sustainability Team Lead – Chief Financial Officer</b> Overall accountability for delivery of key material sustainability performance matters including identifying, assessing and managing financial risks from climate change and the preparation of sustainability disclosures as required by the SGX Sustainability Reporting requirements.				
Functional Level Governance	<b>Sustainability Work Teams</b> Various teams from Schools and Administration				
	<b>Kindergarten</b>	<b>Elementary School</b>	<b>Middle School</b>	<b>High School</b>	<b>Administration</b>
	Stakeholder Engagement Corporate Social Responsibility			Environmental Management Security, Health, Food Hygiene and Safety	

### 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, governance and advisory role for the Group's sustainability strategy. At the Executive level, overall accountability for delivery of key material sustainability performance matters rests with the Chief Executive Officer and the Sustainability Team Lead. Our Chief Financial Officer is the designated Sustainability Team Lead, and he reports to the Board on any key material sustainability performance matters, and ensures the preparation of sustainability disclosures as required by the SGX Sustainability Reporting requirements.

Our Sustainability Work Teams comprised representatives from the various Schools. 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, capable team of academic and administrative staff, and well-supervised security measures.

Our Board and management are committed to manage our School in an ethical, socially and environmentally sustainable manner. We have identified the material ESG factors which we continuously manage and monitor. We also recognise the importance of a safe school environment for our students, parents, teachers and OFS community. Where a specific circumstance arises, like the COVID-19 pandemic, we will implement strict Safe Management Measures in and around the School, and abide 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. The efforts of the Sustainability Work Teams are illustrated further in our sustainability report.

We will support Singapore government directives and initiatives to achieve the targets for Singapore Green Plan 2030 and net-zero emission by 2050.





## 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	STAKEHOLDERS CONCERNS/ SUSTAINABILITY ISSUES
Parents and OFS Parent Association	<ul style="list-style-type: none"> <li>All New Parents' Coffee Morning</li> <li>Parents' Coffee Mornings</li> <li>School newsletters</li> <li>School Yearbook</li> <li>Global Picnic</li> <li>Parent Orientation and Curriculum Mornings or Evenings</li> <li>Parents-Teacher conferences</li> <li>OFS website, OFS Learning Portals, notice boards, announcements and social media platforms like Facebook and Instagram</li> <li>Parents' survey, meetings and feedback</li> </ul>	<ul style="list-style-type: none"> <li>Start of new school year</li> <li>Monthly</li> <li>Monthly</li> <li>Annually</li> <li>Annually</li> <li>Scheduled</li> <li>Scheduled</li> <li>Throughout the year</li> <li>Scheduled</li> </ul>	<ul style="list-style-type: none"> <li>Security and safety</li> <li>Health (physical and mental wellness)</li> <li>Food hygiene</li> <li>Quality of teaching staff</li> <li>Multifaceted and fully integrated, inquiry-based curriculum</li> </ul>
Shareholders, investors and analysts	<ul style="list-style-type: none"> <li>Results announcements</li> <li>Release of Annual Report</li> <li>Annual General Meeting</li> <li>Extraordinary General Meeting</li> <li>Analysts meetings</li> <li>Investors roadshow</li> </ul>	<ul style="list-style-type: none"> <li>Half-yearly</li> <li>Annually</li> <li>Annually</li> <li>As needed</li> <li>Scheduled</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Higher financial return</li> <li>Regular dividend</li> <li>Market presence</li> </ul>
Teachers and staff	<ul style="list-style-type: none"> <li>Chairman's lunch</li> <li>Academic Board meetings</li> <li>Global Picnic</li> <li>Teachers' orientation sessions</li> <li>Teachers' Professional Development</li> <li>Staff survey, meetings and feedback</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Scheduled</li> <li>Annually</li> <li>Annually</li> <li>Annually</li> <li>Scheduled</li> </ul>	<ul style="list-style-type: none"> <li>Fair remuneration</li> <li>Professional development</li> <li>Security and safety</li> <li>Career advancement</li> <li>Gender equality</li> </ul>
Government agencies and regulators	<ul style="list-style-type: none"> <li>Meetings</li> <li>Electronic communications</li> </ul>	<ul style="list-style-type: none"> <li>Scheduled</li> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Quality education</li> <li>Financial stability</li> </ul>
Business partners, contractors and suppliers	<ul style="list-style-type: none"> <li>Meetings and feedback</li> </ul>	<ul style="list-style-type: none"> <li>Scheduled</li> </ul>	<ul style="list-style-type: none"> <li>Financial stability</li> <li>Fair trade practices</li> <li>Responsible business practices</li> </ul>
Local community and corporate social responsibility	<ul style="list-style-type: none"> <li>Various school programmes and community outreach</li> </ul>	<ul style="list-style-type: none"> <li>pp. 30 - 33</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement</li> <li>Renewable energy</li> <li>Waste management</li> <li>Green initiatives</li> </ul>

\* Due to the relaxation of COVID-19 Safe Management Measures, we have resumed many of these events. We will continue to abide by the latest advisories from the government agencies and practice our OFS safety protocols.



# SUSTAINABILITY REPORT

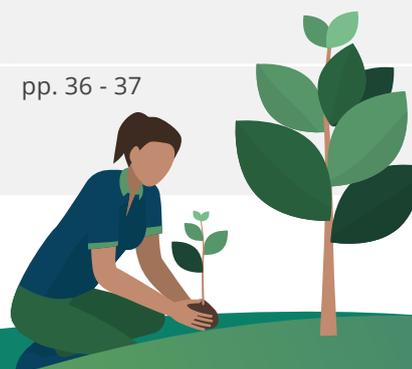


## ASSESSMENT OF MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE AREAS

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 identified based on the degree of influence they have on our business and 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:
<b>Economic Sustainability</b> Our financial performance, economic value generated and distributed.	Economic Performance	Chairman's Message [p. 3] Financial Highlights [pp. 20 - 21] Operations & Financial Review [pp. 22 - 24] Financial Statements [pp. 67 - 122]
<b>Corporate Governance</b> Our corporate governance structure, ethics, accountability and audit, shareholders rights and responsibilities.	Anti-corruption	Corporate Governance Report [pp. 40 - 66]
<b>The OFS Experience and OFS Community</b> Our local community engagement and social programmes on sustainability.	Non-discrimination	p. 29
<b>Community Engagement and Corporate Social Responsibility</b> Our values, principles and norms of behaviour.	Local Communities	pp. 30 - 33
<b>Our Teachers and Staff</b> Investing in our teachers and staff.	Employment Training and Education Diversity and Equal Opportunity Non-discrimination	pp. 33 - 34
<b>Green Spaces and Energy Management</b> Our OFS campus at Pasir Ris.	Energy Water and Effluents	p. 35 p. 35
<b>Waste Minimisation and Recycling</b> The 3Rs (Reduce, Reuse, Recycle) suffused through every level of learning.	Waste	p. 36
<b>Security, Health, Food Hygiene and Safety</b> Happy and safe learning environment.	Security Practices	pp. 36 - 37





## 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, self-respect and respect for others. A “worldwide family approach” permeates the school system, promoting diversity, critical thinking and lifelong learning so that students can function well in a globalised economy and a culturally diverse society.

OFS prides itself as a family-oriented school that greatly values its bonds with parents and students. 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-

**Students are encouraged to flourish at their own pace in an environment that fosters growth through self-discipline, self-respect and respect for others.**

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.

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.



# SUSTAINABILITY REPORT



## 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 suspended all community service activities from early 2020 to mid 2022. From second half of 2022, our School resumed our involvement and contribution to our local neighbourhood by forging 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 are pleased to resume the following community services with the lifting of several COVID-19 restrictions:

### Beach Clean-up at Pasir Ris Beach and Recycling of Plastic Trash

As part of our effort to support our local neighbourhood community, our students have resumed several beach



clean ups at the nearby Pasir Ris Park to help keep the beach clean, reducing river and marine trash, thereby providing clean waters for marine life and plants that are important to our ecosystem. Our students have been focusing on learning about micro plastics and the problems they pose for our oceans, sea life and beaches.

### MINDS - Movement for the Intellectually Disabled of Singapore

OFS has been volunteering at MINDS for over 10 years (except for the suspension during COVID-19 pandemic) and has built a strong partnership with MINDS. Our students work individually with MINDS students to practise specific skills during physical education and art lessons. Since the MINDS students have varying abilities, the individualised help is particularly useful and valuable for these students. OFS students look forward to going each week and similarly, the MINDS students are always so happy to see the OFS students. Many OFS students acknowledged that their MINDS experience was very challenging but one of the most meaningful service activities.

### RDA - Riding for the Disabled Association

Riding for the Disabled Association is an organisation that provides therapeutic horse riding sessions for disabled children, providing invaluable practice for these children to improve their balance and motor skills. Our students have been volunteering with RDA for over 10 years except for the suspension during COVID-19 pandemic. They work as leaders or side-walkers to help the RDA students to ride the horses and gain balance skills and confidence. Our students have first-hand experience working with the children who have physical and/or mental disabilities. Through this our students build great real relationships with the RDA children and have an insight into their world making the volunteering journey a rewarding experience.

### 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.

### Sustainable Development Goals @ OFS

OFS is an official member of the Global Schools Program, part of the Global Schools Network which is an active global network of schools and educators dedicated to



achieving the United Nations Sustainable Development Goals (UN SDGs). Participants agree to support and promote the principles of the UN SDGs. These 17 UN SDGs are prominently displayed at our main entrance way on campus, so all students can learn about them and how they can get involved.

Workshops on “Introduction to the Global Schools Program, Education for Sustainable Development and SDGs” were conducted in FY2022 to our teachers and administrative staff across all Schools. A total of 253 participants attended these workshops.

A group of students, under the guidance of teacher advisors, continues to assess our progress and suggests new ways in what we are already doing to work towards achieving our pledge in relation to the UN SDGs through our curriculum and clubs. This group of students is also creating social media posts for the School on how our clubs are meeting the UN SDGs goals.

### Conservation Club

The Conservation Club is a student-initiated club with a goal to advocate for endangered animals. The club members hope to educate their peers about the plight of various endangered animals, especially those in Asia. Along with this education, students will be challenged to get involved and look at how they can help prevent the problems these animals are facing.

In April 2022, the Conservation Club helped to prepare a display on the endangered species of South East Asia.

This display was put up in the School’s main atrium for the month of April. The club also prepared a bird guide for finding 10 common birds on campus, and helped elementary students during their lunch time to use the guide and become more familiar with the birds we have on our own campus. The club will continue to work on projects for Earth Month in April 2023.

### Eco-Bricks Club

The Eco-Bricks Club continues to collect used plastic bottles and bags and turning them into useful pieces of furniture. Students carefully stuff each plastic liter bottle with soft plastic bags and wraps. As the bottles are filled, students compact them. The bottles become very strong after compacting, strong enough, in fact, to build stools for students to sit on. The students are hoping to build benches and tables soon. The cushions and fabric are also made from repurposed cushion covers and sheets. This is a great way to repurpose used plastic and fabrics that would otherwise be thrown away.

### Food from the Heart Food Collection

The OFS Food Collection for Food from the Heart was held from 14 to 25 November 2022. Food insecurity is a concern for the needy in Singapore especially during pandemic times. OFS staff, teachers and families gave generously, and many student volunteers spent hours packing donations. This event is a good reminder of the change we can make in service when we work together. The generous donations received once again showcased the giving spirit of the OFS community. Overall a total of 3,866 items were collected from the OFS community. This included over 275 kilograms of rice, 260 packets of noodles and over 780 canned items.



# SUSTAINABILITY REPORT

## Recycling Clubs

OFS continues to run a very efficient recycling program with clearly marked recycling bins in every classroom in every school. Students know that these bins are for paper they no longer want to use. Each week, student groups empty the bins and sort the paper. Some of it can be reused and repurposed into notebooks, while the rest is collated for recycling. Our goal is that no paper is being thrown in the rubbish to end up in the landfill.

## Recycled Shoe Collection

OFS also participated in a whole school recycled shoe collection initiative in partnership with Active SG and other organisations. Old shoes were donated to be repurposed into playgrounds all around Singapore. In total we collected over 600 pairs of shoes for this project. We plan to hold our next shoe collection in April 2023 as part of our Earth Month initiatives.

## Red Cross Youth Chapter and Blood Donation Drive

OFS established a Red Cross Youth (RCY) Chapter of Singapore Red Cross on campus in November 2021 to nurture resilient and concerned youths who are ready and willing to step up as Humanitarian Leaders of Tomorrow. We will now be able to support areas such as disaster relief, First Aid training, Blood Donation Drives (for staff and parents), and Youth-Led projects. In February 2022, we held our first Blood Donation drive on campus open to staff, teachers and parents. In total, 24 litres of blood were donated. We look forward to an even wider participation in our next Blood Donation Drive.

We are also planning our first-aid and CPR training for the members who will then use this knowledge to create safety posters for the School.

## Plant Project

Students continue to 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 return to the nursery to be nourished in the outside air and sun, 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

We have two Vegepods after a second Vegepod was donated to the school in 2021. The students in the MYP Action Gardening Club actively planted leafy greens using seedlings in the Vegepods, passion fruit plants into pots that had been propagated earlier, cucumber seeds, and sunflower seeds. An addition was also made to the existing garden trellis at the garden entrance to accommodate more creeping edible vines to improve the overall garden yield. All edibles comprising four bags of full greens vegetables were harvested in November 2022 before the end of semester 2022. They were washed, packed and donated to a Tampines HDB community fridge.

## Composting

We are continuing with our composting program in 2022. Cooking scraps are collected daily from the canteen and composted in our three composting bins. All garden scraps and leaves collected are also composted here. Eventually the final product is used to fertilise the gardens on campus.



### Girl Up Club

We started a Girl Up club. Girl Up is an international UN organisation. The club aims to educate and promote gender equality in the School. Our main event is the International Women’s Day in March 2023.

### Partnerships With Local Institutions

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

### 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 – 20/4/2024)
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 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 408 (2021: 390; 2020: 400) full-time staff members. Gender diversity remained stable during the year.

Female representation in our academic leadership has also seen a notable increase.

LEADERSHIP	FEMALE	MALE	TOTAL
2022	57%	43%	100%
2021	57%	43%	100%
2020	43%	57%	100%



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

AGE	FEMALE	MALE	TOTAL
20-29	4%	1%	5%
30-39	12%	7%	19%
40-49	22%	9%	31%
50-59	15%	11%	26%
60-69	11%	5%	16%
70-79	2%	1%	3%
<b>2022 - Total</b>	<b>66%</b>	<b>34%</b>	<b>100%</b>
<b>2021 - Total</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>
<b>2020 - Total</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>

STATUS	FEMALE	MALE	TOTAL
Singaporeans	31%	12%	43%
Singapore PRs	10%	4%	14%
Pass Holders	26%	17%	43%
<b>2022 - Total</b>	<b>67%</b>	<b>33%</b>	<b>100%</b>
<b>2021 - Total</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>
<b>2020 - Total</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>

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

NEW HIRE			
AGE	FEMALE	MALE	TOTAL
20-29	3%	-	3%
30-39	3%	1%	4%
40-49	2%	-	2%
50-59	3%	-	3%
60-69	2%	1%	3%
70-79	1%	-	1%
<b>2022 - Total</b>	<b>14%</b>	<b>2%</b>	<b>16%</b>
<b>2021 - Total</b>	<b>6%</b>	<b>4%</b>	<b>10%</b>
<b>2020 - Total</b>	<b>3%</b>	<b>4%</b>	<b>7%</b>

STAFF TURNOVER			
AGE	FEMALE	MALE	TOTAL
20-29	1%	-	1%
30-39	1%	1%	2%
40-49	2%	1%	3%
50-59	2%	-	2%
60-69	3%	1%	4%
70-79	1%	-	1%
<b>2022 - Total</b>	<b>10%</b>	<b>3%</b>	<b>13%</b>
<b>2021 - Total</b>	<b>6%</b>	<b>4%</b>	<b>10%</b>
<b>2020 - Total</b>	<b>4%</b>	<b>3%</b>	<b>7%</b>

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

CONTRACT	FEMALE	MALE	TOTAL
Permanent	64%	33%	97%
Temporary	2%	1%	3%
<b>2022 - Total</b>	<b>66%</b>	<b>34%</b>	<b>100%</b>
<b>2021 - Total</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>
<b>2020 - Total</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>

TYPE	FEMALE	MALE	TOTAL
Full time	64%	33%	97%
Part time	2%	1%	3%
<b>2022 - Total</b>	<b>66%</b>	<b>34%</b>	<b>100%</b>
<b>2021 - Total</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>
<b>2020 - Total</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>

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 2022.





## 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 from 2020 to 2022. All the electricity consumption shown in the table below were generated from non-renewable sources.

	2022	2021	2020
Water (Cu M)	26,037	23,513	25,194
Electricity (kWh)	4,410,228	4,286,790	4,046,699

**Solar energy remains the most viable renewable energy source in Singapore, and the initial investment on solar power installations are now cost effective.**

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.

Climate change is real and its effects can be felt everywhere even in our city-state Singapore. As part of our School's effort to reduce our carbon footprint, we have started our journey to embrace the renewable energy transition. Solar energy remains the most viable renewable energy source in Singapore, and the initial investment on solar power installations are now cost effective.

As a first step, we have completed the installation of the Solar Photovoltaic (PV) panels and commissioned the Solar PV system on 3 March 2023. We expect to generate up to 25% of the renewable energy source of our total electricity usage, and play our part to promote the use of clean energy and reduce carbon emissions.

We will continue to explore more feasible spaces to put up additional Solar PV panels and/or review other renewable energy options to further reduce our School's carbon footprint.



# SUSTAINABILITY REPORT



## 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 have also started composting our food and garden waste. Composting is an inexpensive, natural process that transforms our food and garden waste into valuable and nutrient rich food to be used for our Orientation Garden, Welcome Garden and the vast Planting Strip surrounding our entire campus.

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.

**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.**



The table below shows our data on general waste (excluding toxic waste and used cooking oil) disposed provided by our waste disposal contractor from 2020 to 2022.

	2022	2021	2020
Waste disposed (kg)	52,750	59,590	102,080

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.



## 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.

To further enhance our fire emergency response, we have also trained a team of security and staff personnel to form a certified Company Emergency Response Team (CERT).

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.

During the COVID-19 pandemic, our School has put in place the requisite 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 OFS community.

With the recent relaxation of COVID-19 Safe Management Measures, we have resumed many of our normal activities, including face-to-face meetings and events. However, we will still continue to abide with the latest advisories from the government agencies and practice our OFS safety protocols.

Parents and guardians will continue to expect OFS to be vigilant and strict on safety measures that must be taken to protect their children and wards.

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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Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance The OFS Experience and OFS Community Our Teachers and Staff	45 29 33 - 34
Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	The OFS Experience and OFS Community Our Teachers and Staff	29 34
Security Practices	410-1 Security personnel trained in human rights policies and procedures	Security, Health, Food Hygiene and Safety	36 - 37
Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Engagement and Corporate Social Responsibility	30 - 33



# CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) and management of Overseas Education Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) place great importance in a high standard of corporate conduct to uphold good corporate governance. This commitment and continuous support of the Code of Corporate Governance 2018 (the “**Code**”) and accompanying Practice Guidance, can be seen from the Board 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 Code and should be read as a whole, instead of being read separately under the different principles of the Code. The Company has complied in all material aspects with the principles and guidelines set out in the Code and where there are deviations from the Code, the reasons for the deviations are explained accordingly in this report.

## BOARD MATTERS

### THE BOARD’S CONDUCT OF ITS AFFAIRS

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

#### Role of the Board

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

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

- Providing entrepreneurial leadership and setting the overall strategy and direction of the Group, taking into account environmental and social factors as part of its strategic formulation;
- Overseeing the management of the Group’s business affairs, financial controls, performances and resource allocation;
- Monitoring and reviewing the performance of the management team;
- Approving the Group’s strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions and major corporate policies;
- Establishing a framework of prudent and effective controls and overseeing the processes of risk management, financial reporting and compliance, evaluating the adequacy of internal controls and safeguarding the shareholders’ interests and the Group’s assets;
- Approving the release of the Group’s half and full-year financial results, related party transactions of material nature and submission of the relevant checklists to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”);



- Appointing directors and key management personnel, including the review of their 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. The Company announces the unaudited financial statements of the Company and of the Group on a half-yearly basis as required under the Listing Rules. For the reporting financial year ended 31 December 2022 ("**FY2022**"), the Board held a total of five (5) meetings. The minutes of all Board and Board Committees meetings, which provide a fair and accurate record of the discussion and key deliberations and decisions taken during the meetings, are circulated to the Board and Board Committees. The Board is free to seek clarification and information from the management on all matters within their purview. Ad-hoc meetings are convened at such other times as may be necessary to address any specific significant matters that may arise. The Board also approves important matters pertaining to the Group through written resolutions, which are circulated to the Board together with all relevant information relating to the proposed matters. The Company's Constitution (the "**Constitution**") provides for the meetings of the directors to be held by means of telephonic conference or other methods of simultaneous communication be it electronic or telegraphic means when necessary.

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

The frequency of meetings and the attendance of each director at every Board and Board Committee meeting for FY2022 are disclosed in the table reflected below:



# CORPORATE GOVERNANCE REPORT

## Attendance Report of Directors

Names of Directors	Types of Meetings	Board		Audit Committee		Nominating Committee		Remuneration Committee	
		No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Tan Teng Muan <sup>(1)</sup>		5	5	3	3	3	3	1	1
Wong Lok Hiong <sup>(2)</sup>		5	5	3	3*	3	2*	1	NA
Ho Hie Wu		5	5	3	3*	3	3*	1	1*
Ho Yew Mun		5	5	3	3	3	3	1	1
Leow Wee Kia Clement		5	5	3	3	3	3	1	1
David Peter Walker		5	5	3	3	3	3	1	1
David Alan Perry <sup>(3)</sup>		1	0	NA	NA	1	0	NA	NA

### Notes:

- 1 Re-designated from Independent Director to Non-Executive Chairman and Independent Director on 26 January 2022
- 2 Re-designated from Executive Director to Chief Executive Officer and Executive Director on 26 January 2022
- 3 Stepped down as Executive Chairman and Chief Executive Officer on 26 January 2022

\* By invitation

The directors were appointed based on their experience, stature and potential to contribute to the proper guidance of the Group and its businesses. 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 Chairman, Chief Executive Officer ("CEO") and/or senior management on the key aspects of the business activities of the Group and its strategic direction, as well as their duties and responsibilities as directors. The aim of the orientation program is to give directors a better understanding of the Group's business which allow them to assimilate into their new roles. New directors are also informed about matters such as the Code of Dealing in the Company's securities. There was no new director appointed during the financial year under review.

Directors and key management personnel are encouraged to attend relevant training programmes, courses, conferences and seminars on new laws, regulations and updates on commercial areas conducted by relevant professional 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. In FY2022, pursuant to the Rule 720(7) of the Listing Rules, the directors of the Company have undergone training on sustainability matters as prescribed by the SGX-ST.

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 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 which contain complete, adequate and timely information on Board affairs and issues that require the Board's decision as well as ongoing reports relating to the operational and financial performance of the Group. For matters that require the Board's decision, relevant members of the management staff are invited to attend and present at a specific allocated time during the Board and Board Committee meetings. Periodic financial reports, budgets, forecasts, material variance reports, disclosure documents are also provided to the directors, where appropriate, prior to the Board and Board Committee meetings. In respect of budgets, any material variance between the projections and actual results are disclosed and explained during the meetings. Directors are also informed of any significant developments or events relating to the Group. In addition, the directors are entitled to request from the management such additional information as needed to make informed decisions. The management ensures that any additional information requested is provided to the directors in a timely manner.

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

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



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

#### Executive Directors

Wong Lok Hiong (Chief Executive Officer and Executive Director)  
Ho Hie Wu (Chief Financial Officer and Executive Director)

#### Independent Non-Executive Directors

Tan Teng Muan (Non-Executive Chairman and Independent Director)  
Ho Yew Mun (Non-Executive and Lead Independent Director)  
Leow Wee Kia Clement (Non-Executive and Independent Director)  
David Peter Walker (Non-Executive and Independent Director)

### Board Independence

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

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

The NC had conducted a review on the independence of all the independent directors. On 11 January 2023, the SGX-ST amended the Listing Rules to prescribe a nine-year tenure limit for independent directors. Rule 210(5)(d)(iv) of the Listing Rules states that a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. Rule 210(5)(d)(iv) takes effect for an issuer's annual general meeting for the financial year ending on or after 31 December 2023. Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement (who have sought approval from the shareholders in the Annual General Meeting of the Company held on 21 April 2021 of their continued appointment as Independent Directors pursuant to Rule 210(5)(d)(iii)) have, as at the date of this report, served on the Board beyond nine (9) years. Pursuant to 210(5)(d)(iv) of the Listing Rules, Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement may continue to be considered independent until the conclusion of the annual general meeting of the Company for the financial year ending on 31 December 2023 which will be held in 2024. Notwithstanding that Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement have served the Board beyond nine (9) years, the NC, with the concurrence of the Board, is satisfied that Tan Teng Muan, Ho Yew Mun and Leow Wee Kia Clement have been able to objectively guide and oversee the management of the Group, provide the check and balance and exercise an independent business judgement to the best interests of the Group.

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

## Board Size

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

## Regular Meetings for Independent Directors

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

## Board Diversity

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

Under the Board Diversity Policy, the Board considers whether there is an appropriate mix of members taking into account factors including but not limited to appropriate balance and mix of 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. In reviewing the appointments of new Directors, the Board together with the NC ensures that it sets relevant objectives to promote and achieve diversity on the Board, and appointments are based on merit and after due consideration of the collective skills needed to strengthen the overall board governance role. The NC has not set a quota as a target as it may detract from the more fundamental principle that the candidate must be of right fit and meet the relevant needs and vision of the Company. Notwithstanding, the NC is cognisant of the new Rule 710A of the Listing Manual. The NC will look into the requirement of setting diversity targets on the Board among other factors.

The current Board comprises of a female director and five male directors with an age group ranging from 48 to 71 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 the management to benefit from a diverse and objective set of perspectives on issues that are brought before the Board. The Board, in concurrence of the NC, was of the view that the directors possess the necessary competencies to provide the management with a diverse and objective perspective on issues so as to lead, govern and contribute to the Company effectively.

The profiles of the Board are set out on pages 8 and 9 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.



# CORPORATE GOVERNANCE REPORT

## 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.**

On 26 January 2022, the former Executive Chairman and CEO, Mr David Alan Perry, vacated his office and stepped down as Director of the Company and its subsidiaries due to health reasons.

As part of the leadership succession of the Group and in line with the aim to uphold good corporate governance practices and the recommendation of the Code, the role of CEO was succeeded by Wong Lok Hiong, Executive Director of the Company, who is the co-founder and the Chief Executive of Overseas Family School Limited, a wholly owned subsidiary of the Company. In addition, the role of the Chairman was succeeded by Tan Teng Muan, as the Non-Executive Chairman and Independent Director of the Company. In line with Provision 3.1 of the Code, the CEO and the Chairman are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. There is a clear division of responsibilities between the Chairman and the CEO, who are also not related to each other.

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

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

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

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

## Lead Independent Director

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

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

## BOARD MEMBERSHIP

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

### Nominating Committee Composition

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

### Nominating Committee Role

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

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



# CORPORATE GOVERNANCE REPORT

The NC held 3 meetings for the reporting financial year. Pursuant to the Constitution of the Company, one-third of the directors of the Company shall retire from office by rotation, with each director retiring at least once every three years. 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.

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 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. Details of the retiring Directors seeking for re-election are found in Table A set out on page 64 to page 66 of this Annual Report.

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

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

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

Regulation 96 of the Company's Constitution requires one-third of the Board to retire and submit themselves for re-election by shareholders at each AGM. All directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. A retiring Director shall retain office until the close of the AGM at which he retires. 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 as at the date of this report:

Name of Director	Date of first appointment/ Date of last re-appointment	Designation	Directorships in other listed companies and other principal commitments	Past directorships in other listed companies and other major appointments over the preceding three (3) years
Tan Teng Muan <sup>(1)</sup>	28 October 2011/ 21 April 2021	Non-Executive Chairman and 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
Wong Lok Hiong <sup>(2)</sup>	28 October 2011/ 28 April 2022	CEO and Executive Director	Chief Executive of Overseas Family School Limited  Director of Overseas Family School Limited (Hong Kong)  Director of Master Projects Pte Ltd, Centre for Advanced Medicine Limited and Feedback Research Limited  Director of WLH Private Limited	NIL
Ho Hie Wu	1 September 2018/ 28 April 2022	Chief Financial Officer and Executive Director	Director of Overseas Family School Limited	NIL
Ho Yew Mun	1 August 2012/ 21 April 2021	Lead Independent Director  Chairman of Audit Committee, Member of Nominating and Remuneration Committees	Vice Chair and Board Member of Age Concern Wellington Region Inc.	NIL
Leow Wee Kia Clement	26 December 2012/ 21 April 2021	Independent Director  Chairman of Nominating and Remuneration Committees and Member of Audit Committee	Managing Director and Head of Corporate Finance of Gsum Titanland Capital Pte Ltd  Independent Director of Ellipsiz Ltd, MSM International Limited and Lum Chang Holdings Limited  Non-Executive Director of Grand Team Technologies Pte. Ltd.	Executive Director and Chief Executive Officer of Allied Technologies Limited
David Peter Walker	1 July 2015 / 21 April 2021	Independent Director  Member of Audit, Nominating and Remuneration Committees	Managing Director of Kauri Capital Pte Ltd  Chairman of Soil Scout Oy  Director of Rimu Investment Pte Ltd	Member of Global Board of Governors of International Baccalaureate

Notes:

- 1 Re-designated from Independent Director to Non-Executive Chairman and Independent Director on 26 January 2022
- 2 Re-designated from Executive Director to Chief Executive Officer and Executive Director on 26 January 2022



# CORPORATE GOVERNANCE REPORT

Please refer to the “Board of Directors” section of the Annual Report for detailed 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/her attendance, preparedness, participation and contributions in the proceedings of the meetings.



## REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

#### Remuneration Committee Composition

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

#### Remuneration Committee Role

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

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

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

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

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



# CORPORATE GOVERNANCE REPORT

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

## Contractual Provisions to Reclaim Incentives

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

With the vacation of office of David Alan Perry as the Executive Chairman and CEO on 26 January 2022, his service agreement ceased accordingly on 26 January 2022.

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

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

### Long-term Incentives

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

## DISCLOSURE ON REMUNERATION

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

The level and mix of remuneration of each director and top 5 key management personnel (who are not directors and those who were in service for FY2022) were as follows:

### Directors

Names	Salary (S\$)	Bonus (S\$)	Other Benefits (S\$)	Directors' Fees (S\$)	Total (S\$)
Tan Teng Muan <sup>(1)</sup>	-	-	-	146,640	146,640
Wong Lok Hiong <sup>(2)</sup>	384,000	-	18,705	-	402,705
Ho Hie Wu	480,000	-	19,636	-	499,636
Ho Yew Mun	-	-	-	120,000	120,000
Leow Wee Kia Clement	-	-	-	120,000	120,000
David Peter Walker	-	-	-	100,000	100,000
David Alan Perry <sup>(3)</sup>	32,000	-	-	-	32,000

Notes:

- 1 Re-designated from Independent Director to Non-Executive Chairman and Independent Director on 26 January 2022
- 2 Re-designated from Executive Director to Chief Executive Officer and Executive Director on 26 January 2022
- 3 Stepped down as Executive Chairman and Chief Executive Officer on 26 January 2022

### Top 5 Key Management Personnel

Names	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
<b>S\$200,000 to S\$400,000</b>				
Jason Lee Chwee Soon	93.6	-	6.4	100.0
Wong Hok Hoe	94.7	-	5.3	100.0
Joyce Chee Jingying	95.6	-	4.4	100.0
Vanessa McConville	68.9	-	31.1	100.0
Michael Lee Kwok-Tung	92.6	-	7.4	100.0



# CORPORATE GOVERNANCE REPORT

The aggregate total remuneration paid to top 5 key management personnel (who are not directors or the CEO) for FY2022 was S\$1,446,503.

## Remuneration of Employee Related to Director, CEO or Substantial Shareholder

Remuneration of an employee who is an immediate family member of a director or the CEO or substantial shareholder, and whose remuneration exceeds S\$100,000 for FY2022, is as follows:

Name	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
<b>S\$200,000 to S\$300,000</b>				
Joyce Chee Jingying (Daughter of CEO and Executive Director, Wong Lok Hiong)	95.6	-	4.4	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 27 April 2023 for the payment of directors' fees proposed to be paid quarterly in advance for the financial year ending 31 December 2023 amounting to an aggregate of S\$490,000 (includes additional S\$50,000 for Non-Executive Chairman).

No termination, retirement and post-employment or other long-term incentives have been granted to the directors or key management personnel during FY2022.

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

## 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 FY2022, 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.
- (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 2022.



# CORPORATE GOVERNANCE REPORT

## 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 2022 and is of the opinion that Chapter 9 of the Listing Manual of the SGX-ST has been complied with.

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

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

### External Auditors

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

In July 2010, 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. In January 2020, ACRA introduced some revisions to the Framework following a post-implementation review. The revised framework comprises seven AQIs to be disclosed at the engagement and firm level. Accordingly, the AC had evaluated the external auditors based on the seven AQIs at engagement and/or firm-level.



# CORPORATE GOVERNANCE REPORT

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 2022:

	Amount
Services	S\$'000
Audit service	181
Non-audit service	16
Total	<u>197</u>

Non-audit services relates to tax compliance services.

Save for the above, the Company did not pay any other non-audit fee to the external auditors during financial year ended 31 December 2022.

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

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

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

## Internal Audit function

The Company has engaged Deloitte and Touche for the internal audit function who has a direct and primary reporting line to the AC and assist the AC in overseeing and monitoring the implementation of improvements required on internal control and risk management system weaknesses. The Board recognises the importance of maintaining an internal audit function to provide an independent assurance over the soundness of the system of internal controls and risk management procedures within the Group to safeguard shareholders' investments and the Group's assets. The AC has the responsibility to review the adequacy and effectiveness of the internal audit function annually, review the internal audit programmes and ensure co-ordination between internal auditors, external auditors and management, and ensure that the internal auditors meet or exceed the standards set by nationally or internationally recognised professional bodies. The AC also reviews and approves the hiring, removal and 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 FY2022, the AC evaluated and recommended the re-appointment of Deloitte and Touche for the internal audit function for another 3-year term based on Deloitte and Touche's objectivity, independence, experience and competency. The Board concurred with AC for the re-appointment of Deloitte and Touche as the independent internal auditors of the Group for another term of three (3) 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 Group has designated an independent function to investigate whistleblowing reports made in good faith and ensures that the identity of the whistleblower is kept confidential and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment.

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

### **Audit Committee's Commentary on Significant Financial Reporting Matters**

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

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

#### KAM – Accounting estimate for the useful life of the school building.

The AC considered the KAM presented by the external auditors together with management. In relation to the accounting estimate of the useful life of the school building, 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.



# CORPORATE GOVERNANCE REPORT

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

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

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

Shareholders are encouraged to attend the general meetings of shareholders to ensure a high level of accountability and to be updated on the Company's strategies and goals. Notices of general meetings are dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 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 Intermediary<sup>1</sup> 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.

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.

<sup>1</sup> A Relevant Intermediary is:

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

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 the AGMs.

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.

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>. 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.

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

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



# CORPORATE GOVERNANCE REPORT

## MANAGING STAKEHOLDER RELATIONSHIPS

### ENGAGEMENT WITH STAKEHOLDERS

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

The Company recognises the 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 27 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 that can be found at the Company's corporate website at [ir@ofs.edu.sg](mailto:ir@ofs.edu.sg) that is maintained to communicate and engage with stakeholders.

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

## RISK MANAGEMENT

The Company is continually reviewing and improving the business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources, 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 FY2022 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 in pages 53 and 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 FY2022.

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

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

## DEALINGS IN SECURITIES

The Company has adopted its own internal Code of Conduct to provide guidance to all officers and employees of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST. The Group's officers and employees are prohibited from dealing in the Company's securities while in possession of unpublished price-sensitive information of the Group, as well as during the periods commencing one 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 24 March 2023, the Company announced updates on the use of proceeds raised from the initial public offering ("**IPO Proceeds**") amounting to S\$68,033,985 (after deducting IPO expenses of S\$3,966,015) as follows:

	S\$
Net IPO Proceeds	68,033,985
Amount of proceeds utilised for the building of a new school campus	(65,635,545)
Balance proceeds	<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 year. 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;



# CORPORATE GOVERNANCE REPORT

- 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 cashflows, 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	David Peter Walker
Date of appointment	28 October 2011	1 July 2015
Date of last election	21 April 2021	21 April 2021
Age	61	61
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr Tan's performance as Non-Executive Chairman and 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 Walker's performance as 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.
Job Title	Non-Executive Chairman and Independent Director, and member of Nominating Committee, Remuneration Committee and Audit Committee	Independent Director and member of Nominating Committee, Remuneration Committee and Audit Committee
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>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>

Name of Director	Tan Teng Muan	David Peter Walker
Working experience and occupation(s) during the past 10 years	<p>1987 to Present – Commissioner for Oaths and Partner in the civil and commercial litigation practice of Mallal &amp; Namazie</p> <p>2016 to 2022 – Independent Director of United Global Limited</p>	<p>Founder and Managing Director of Kauri Capital Pte Ltd</p> <p>Chairman of Soil Scout Oy</p> <p>Director of Rimu Investment Pte Ltd</p> <p>2011 to 2021 – Member of the Global Board of Governors of the International Baccalaureate (“IB”) and 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
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
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships	<p><u>Past (for the last 5 years)</u></p> <p>Independent Director of United Global Limited</p> <p><u>Present</u></p> <p>Commissioner for Oaths and Partner in the civil and commercial litigation practice of Mallal &amp; Namazie</p> <p>Non-Executive Chairman and Independent Director of Overseas Education Limited</p>	<p><u>Past (for the last 5 years)</u></p> <p>Member of the Global Board of Governors of the IB and Member of the IB Education and Governance Committees</p> <p><u>Present</u></p> <p>Founder and Managing Director of Kauri Capital Pte Ltd</p> <p>Chairman of Soil Scout Oy</p> <p>Director of Rimu Investment Pte Ltd</p> <p>Independent Director of Overseas Education Limited</p>



# CORPORATE GOVERNANCE REPORT

Name of Director	Tan Teng Muan	David Peter Walker
<b>Disclosure applicable to the appointment of Director only.</b>		
Any prior experience as a director of an issuer listed on the Exchange?	N.A. This is a re-election of a director.	N.A. This is a re-election of a director.
If yes, please provide details of prior experience.	N.A. This is a re-election of a director.	N.A. This is a re-election of a director.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A. This is a re-election of a director.	N.A. This is a re-election of a director.
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).	N.A. This is a re-election of a director.	N.A. This is a re-election of a director.

The Retiring Directors have responded negative to items (a) to (k) listed in Appendix 7.4.1 of the Listing Manual of SGX-ST except 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 2022.

## 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 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## DIRECTORS

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

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

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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



## DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

Name of director	Direct interest			Deemed interest		
	At the beginning of financial year or date of appointment	At the end of financial year	As at 21 January 2023	At the beginning of financial year or date of appointment	At the end of financial year	As at 21 January 2023

### Ordinary shares of the Company

Wong Lok Hiong	-	-	-	131,878,138*	131,878,138*	131,878,138*
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\* 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 2023.

## SHARE OPTIONS

No options were issued by the Company or any of its subsidiaries during the financial year. As at 31 December 2022, there were no options on the unissued shares of the Company or any of its subsidiaries which were outstanding.

## AUDIT COMMITTEE

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

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



# DIRECTORS' STATEMENT

## AUDIT COMMITTEE (CONT'D)

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

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

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

## AUDITOR

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

On behalf of the board of directors:

Wong Lok Hiong  
Director

Ho Hie Wu  
Director

24 March 2023

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022, 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 1967 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### *Basis for opinion*

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

### *Key audit matters*

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

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

#### Ability to renew the land lease

The school buildings represent a significant proportion of the Group's assets. As at 31 December 2022, the net carrying value of the school buildings amounting to S\$155,370,053 which comprise 70% of the Group's total property, plant and equipment, and 54% of the Group's total assets. The Group depreciates the school buildings over an estimated useful life of 50 years.



### **Key audit matters (cont'd)**

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

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

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

### **Other information**

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

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

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



# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## *Responsibilities of management and directors for the financial statements*

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

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

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

## *Auditor's responsibilities for the audit of the financial statements*

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

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

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

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

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

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

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

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

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

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

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore  
24 March 2023



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 S\$	2021 S\$
<b>Revenue</b>			
Tuition fees		73,908,553	72,526,273
Registration fees		1,032,763	1,013,100
School shop revenue		573,872	437,009
Enrichment programme revenue		703,588	537,750
Interest income		89,879	23,855
Other income		54,737	25,980
<b>Total revenue</b>	4	<b>76,363,392</b>	74,563,967
<b>Operating expenses</b>			
Personnel expenses	5	44,678,956	43,599,477
School shop costs		377,790	286,679
Enrichment programme costs		512,466	425,409
Utilities		1,584,228	1,258,247
Upkeep and maintenance		1,563,445	1,750,029
Finance costs	6	3,587,438	2,226,198
Other operating expenses	6	6,094,577	3,169,550
<b>Operating expenses before depreciation and amortisation</b>		<b>58,398,900</b>	52,715,589
<b>Fair value gain on derivatives</b>	12	<b>2,768,703</b>	-
<b>Profit before depreciation and amortisation</b>		<b>20,733,195</b>	21,848,378
Depreciation expenses	9	13,510,713	13,503,684
Amortisation of intangible assets	10	357,408	381,951
		<b>13,868,121</b>	13,885,635
<b>Profit before taxation</b>		<b>6,865,074</b>	7,962,743
Income tax expense – current tax	7	(2,334,169)	(2,338,641)
– deferred tax	7, 22	747,164	708,886
		<b>(1,587,005)</b>	(1,629,755)
<b>Net profit for the year attributable to owners of the Company</b>		<b>5,278,069</b>	6,332,988
<b>Other comprehensive income for the year, net of tax</b>			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		(4)	13
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>5,278,065</b>	6,333,001
<b>Earnings per share (cents)</b>			
– Basic and diluted	8	1.3	1.5

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



# BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 S\$	2021 S\$	2022 S\$	2021 S\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment					
– Leasehold land	9	<b>25,351,666</b>	26,588,333	-	-
– School buildings, plant and equipment	9	<b>197,532,009</b>	205,415,153	<b>56,168</b>	81,436
Right-of-use assets	21	<b>3,770,234</b>	4,751,718	<b>18,104</b>	61,555
Intangible assets	10	<b>1,758,254</b>	1,743,439	-	-
Investment in subsidiaries	11	-	-	<b>101,219,141</b>	101,219,141
Derivatives	12	<b>2,589,151</b>	-	-	-
Deposits		<b>352,830</b>	98,350	-	-
Staff housing deposits		<b>175,800</b>	341,400	-	-
Other long term asset	17	<b>333,500</b>	333,500	-	-
		<b>231,863,444</b>	239,271,893	<b>101,293,413</b>	101,362,132
<b>Current assets</b>					
Inventories	13	<b>468,258</b>	438,215	-	-
Derivatives	12	<b>179,552</b>	-	-	-
Trade receivables	14	<b>637,568</b>	741,706	-	-
Other receivables and deposits	15	<b>500,478</b>	2,254,582	<b>12,500</b>	13,250
Prepayments		<b>1,102,790</b>	1,022,274	<b>15,035</b>	14,549
Amount due from subsidiary	16	-	-	<b>4,000,000</b>	4,000,000
Cash and cash equivalents	17	<b>50,353,079</b>	38,423,782	<b>3,608,480</b>	3,693,078
		<b>53,241,725</b>	42,880,559	<b>7,636,015</b>	7,720,877
<b>TOTAL ASSETS</b>		<b>285,105,169</b>	282,152,452	<b>108,929,428</b>	109,083,009

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

# BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 S\$	2021 S\$	2022 S\$	2021 S\$
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		376,748	222,856	-	-
Other payables and liabilities	18	819,088	1,306,058	96,426	94,570
Fees received in advance	19	3,763,051	26,192,138	-	-
Lease liabilities	21	3,069,304	3,305,390	18,636	43,577
Borrowings – Bank loan	20	7,024,352	6,135,931	-	-
Goods and Services Tax payable		2,727,510	2,310,366	56,728	60,818
Central Provident Fund payable		404,363	395,523	1,989	2,361
Income tax payable		2,376,348	2,358,702	247,559	202,417
		<b>52,560,764</b>	<b>42,226,964</b>	<b>421,338</b>	<b>403,743</b>
<b>NET CURRENT ASSETS</b>		<b>680,961</b>	<b>653,595</b>	<b>7,214,677</b>	<b>7,317,134</b>
<b>Non-current liabilities</b>					
Fees received in advance	19	812,762	519,448	-	-
Borrowings – Bank loan	20	89,411,813	95,454,063	-	-
Lease liabilities	21	720,306	1,483,628	-	18,636
Deferred tax liabilities	22	6,459,072	7,206,236	-	-
		<b>97,403,953</b>	<b>104,663,375</b>	<b>-</b>	<b>18,636</b>
<b>NET ASSETS</b>		<b>135,140,452</b>	<b>135,262,113</b>	<b>108,508,090</b>	<b>108,660,630</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	23	99,253,226	99,253,226	99,253,226	99,253,226
Revenue reserve		62,056,704	62,178,361	9,254,864	9,407,404
Other reserves	24	(26,169,478)	(26,169,474)	-	-
<b>TOTAL EQUITY</b>		<b>135,140,452</b>	<b>135,262,113</b>	<b>108,508,090</b>	<b>108,660,630</b>

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 2022

	Attributable to owners of the Company						Total equity S\$
	Note	Share capital (Note 23) S\$	Revenue reserve S\$	Other reserves, total (Note 24) S\$	Foreign currency translation reserve (Note 24) S\$	Merger reserve (Note 24) S\$	
<b>Group</b>							
<b>2022</b>							
Balance at 1 January 2022		99,253,226	62,178,361	(26,169,474)	1,092	(26,170,566)	135,262,113
Net profit after tax		-	5,278,069	-	-	-	5,278,069
Other comprehensive income for the year		-	-	(4)	(4)	-	(4)
Total comprehensive income for the year		-	5,278,069	(4)	(4)	-	5,278,065
Dividends	25	-	(5,399,726)	-	-	-	(5,399,726)
Contributions by and distributions to owners		-	(5,399,726)	-	-	-	(5,399,726)
Balance at 31 December 2022		<b>99,253,226</b>	<b>62,056,704</b>	<b>(26,169,478)</b>	<b>1,088</b>	<b>(26,170,566)</b>	<b>135,140,452</b>
<b>2021</b>							
Balance at 1 January 2021		99,253,226	65,398,735	(26,169,487)	1,079	(26,170,566)	138,482,474
Net profit after tax		-	6,332,988	-	-	-	6,332,988
Other comprehensive income for the year		-	-	13	13	-	13
Total comprehensive income for the year		-	6,332,988	13	13	-	6,333,001
Dividends	25	-	(9,553,362)	-	-	-	(9,553,362)
Contributions by and distributions to owners		-	(9,553,362)	-	-	-	(9,553,362)
Balance at 31 December 2021		<b>99,253,226</b>	<b>62,178,361</b>	<b>(26,169,474)</b>	<b>1,092</b>	<b>(26,170,566)</b>	<b>135,262,113</b>

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 2022

	Note	Attributable to owners of the Company		
		Share capital (Note 23) S\$	Revenue reserve S\$	Total equity S\$
<b>Company</b>				
<b>2022</b>				
Balance at 1 January 2022		99,253,226	9,407,404	108,660,630
Net profit after tax		-	5,247,186	5,247,186
Total comprehensive income for the year		-	5,247,186	5,247,186
Dividends	25	-	(5,399,726)	(5,399,726)
Contributions by and distributions to owners		-	(5,399,726)	(5,399,726)
Balance at 31 December 2022		<b>99,253,226</b>	<b>9,254,864</b>	<b>108,508,090</b>
<b>2021</b>				
Balance at 1 January 2021		99,253,226	13,886,254	113,139,480
Net profit after tax		-	5,074,512	5,074,512
Total comprehensive income for the year		-	5,074,512	5,074,512
Dividends	25	-	(9,553,362)	(9,553,362)
Contributions by and distributions to owners		-	(9,553,362)	(9,553,362)
Balance at 31 December 2021		<b>99,253,226</b>	<b>9,407,404</b>	<b>108,660,630</b>

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 2022

	Note	2022 S\$	2021 S\$
<b>Cash flows from operating activities</b>			
Profit before taxation		6,865,074	7,962,743
Adjustments for:			
Depreciation expenses	9	13,510,713	13,503,684
Amortisation expenses	10	357,408	381,951
Loss on disposal of property, plant and equipment	6	8,963	9,630
Interest income		(89,879)	(23,855)
Finance costs	6	3,587,438	2,226,198
Fair value gain on derivatives	12	(2,768,703)	-
<b>Operating profit before working capital changes</b>		<b>21,471,014</b>	<b>24,060,351</b>
Increase in inventories		(30,043)	(25,095)
Decrease in trade receivables		104,138	78,611
Decrease/(increase) in other receivables, deposits and prepayments		1,813,472	(1,629,405)
Increase in non-current deposits		(88,880)	(162,200)
Increase/(decrease) in trade payables, other payables and liabilities, and fees received in advance		9,957,133	(1,407,632)
<b>Cash generated from operations</b>		<b>33,226,834</b>	<b>20,914,630</b>
Interest received		89,879	23,855
Income tax paid		(2,316,523)	(3,344,040)
Lease interest paid	21	(91,348)	(79,017)
<b>Net cash generated from operating activities</b>		<b>30,908,842</b>	<b>17,515,428</b>
<b>Cash flows from investing activities</b>			
Additions of intangible assets	10	(372,223)	(394,649)
Acquisition of property, plant and equipment	9	(459,257)	(720,936)
Proceeds from disposal of property, plant and equipment		9,624	39,935
<b>Net cash used in investing activities</b>		<b>(821,856)</b>	<b>(1,075,650)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(3,948,136)	(3,862,176)
Bank loan facility fee paid		-	(588,750)
Bank loan interest paid	20	(2,649,827)	(2,030,528)
Bank loan repayment	20	(6,160,000)	(6,160,000)
Dividends paid	25	(5,399,726)	(9,553,362)
<b>Net cash used in financing activities</b>		<b>(18,157,689)</b>	<b>(22,194,816)</b>
Net increase/(decrease) in cash and cash equivalents		11,929,297	(5,755,038)
Cash and cash equivalents at beginning of the year		38,423,782	44,178,820
<b>Cash and cash equivalents at end of the year</b>	17	<b>50,353,079</b>	<b>38,423,782</b>

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 2022

## 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 2022. 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) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) <i>Practice Statement 2: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Income taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
SFRS(I) 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 16 <i>Leases: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined



## 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 2022. 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 2022

## 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Foreign currency (cont'd)

#### (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.

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 2022

## 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 <sup>#</sup>
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

<sup>#</sup> School buildings are depreciated over 50 years based on the current lease of 30 years and that the expectation that the site lease will be renewed for a further term of at least 20 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 their estimated useful lives 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 2022

## 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*

##### Debt instruments

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.

##### Derivatives

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

##### *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 2022

## 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 2022

## 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 21.

#### *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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.18 Leases (cont'd)

#### (a) As lessee (cont'd)

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

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

#### *Short-term leases and leases of low-value assets*

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

### 2.19 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.19 Revenue recognition (cont'd)

#### (c) Interest income

Interest income is recognised using the effective interest method.

### 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.

## 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

The carrying amount of the school buildings as at 31 December 2022 was S\$155,370,053 (2021: S\$159,025,819).

### 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 management 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 14.

The carrying amount of trade receivables as at 31 December 2022 is S\$637,568 (2021: S\$741,706).

(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 may be required to make certain entity-specific estimates.

(c) *Fair value of derivatives*

The Group enters into derivative financial instruments, namely interest rates swaps, with a financial institution to hedge its risks associated with changes in market interest rates arising from bank borrowings from the financial institution at floating interest rates. The fair value of interest rate swap contracts are determined using valuation techniques, which employ the use of market observable inputs. The Group relies on the fair valuation obtained from the financial institution for financial reporting purpose. Details on derivative instruments and valuation basis are disclosed in Notes 12 and 30.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 4. REVENUE

(a) *Disaggregation of revenue*

	Tuition fees		Registration fees		School shop, Enrichment programme, Interest income and Other income		Total revenue	
	2022	2021	2022	2021	2022	2021	2022	2021
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Timing of transfer of goods or services								
At a point in time	-	-	-	-	1,332,197	1,000,739	1,332,197	1,000,739
Over time	73,908,553	72,526,273	1,032,763	1,013,100	89,879	23,855	75,031,195	73,563,228
	<b>73,908,553</b>	<b>72,526,273</b>	<b>1,032,763</b>	<b>1,013,100</b>	<b>1,422,076</b>	<b>1,024,594</b>	<b>76,363,392</b>	<b>74,563,967</b>

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

### Tuition fees

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

### Estimating average student life for registration fees recognition over time

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

## 5. PERSONNEL EXPENSES

	2022	2021
	S\$	S\$
Salaries and bonuses*	38,645,841	37,352,112
Central Provident Fund contributions	1,966,813	1,916,139
Staff medical insurance	677,485	621,474
Other short term benefits	3,388,817	3,709,752
	<b>44,678,956</b>	<b>43,599,477</b>

\* Included in 2021 salaries and bonuses was the Jobs Support Scheme ("JSS") grant income in relation to the COVID-19 pandemic amounted to S\$1,480,486. No JSS grant was available in 2022. The JSS was a temporary scheme introduced in the Singapore Budgets in 2020 and 2021 to help enterprises retain local employees. Under the JSS, employers received cash grants in relation to the gross monthly wages of eligible employees.

## 6. OTHER OPERATING EXPENSES

Other operating expenses include:

	2022	2021
	S\$	S\$
Audit fees paid to:		
– Auditors of the Company	176,000	167,000
– Member firm of EY Global	4,684	4,539
Non-audit fees paid to:		
– Auditors of the Company	15,500	15,300
Internal audit fees	35,000	30,000
Loss on disposal of property, plant and equipment	8,963	9,630
Property tax	1,437,500	1,232,200
Rental Support Scheme ("RSS") grant*	–	(2,053,667)
Impairment (write-back)/loss on trade receivables (Note 14)	(124,438)	6,051
Directors' fees	486,640	440,000
International Baccalaureate Organisation ("IBO") fees	28,769	27,050
Teaching materials	413,649	373,234
Holiday programme expenses	100,922	134,503
Insurance	154,797	152,876
Training expenses	94,368	41,774
Transport services	750,968	461,287
Charitable donation	50,000	50,000
Write-off of inventories (Note 13)	186	26,530

\* RSS grant was given by the Government in 2021 was to provide support in response to the COVID-19 pandemic.

Finance costs relate to:

	2022	2021
	S\$	S\$
Loan interest expense (Note 20)	3,398,360	2,034,554
Interest expense on lease liabilities (Note 21)	91,348	79,017
Other finance costs	97,730	112,627
	<b>3,587,438</b>	<b>2,226,198</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 7. INCOME TAX EXPENSE

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

	2022 S\$	2021 S\$
<b>Statement of comprehensive income</b>		
Current income tax:		
- Current year income taxation	2,375,363	2,357,025
- Overprovision in respect of previous years	(41,194)	(18,384)
	<u>2,334,169</u>	2,338,641
Deferred income tax (Note 22):		
- Origination and reversal of temporary differences	(747,164)	(708,886)
	<u>(747,164)</u>	(708,886)
Income tax expense recognised in the statement of comprehensive income	<u>1,587,005</u>	1,629,755

(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:

	2022 S\$	2021 S\$
Profit before tax	<u>6,865,074</u>	7,962,743
Taxation at statutory tax rate of 17% (2021: 17%)	1,167,063	1,353,666
<b>Adjustments</b>		
Effect of partial tax exemption	(34,850)	(34,850)
Expenses not deductible for tax purposes	947,330	951,379
Tax benefits from tax reliefs	(21,250)	(21,250)
Non-taxable income	(471,852)	(600,806)
Overprovision in respect of previous years	(41,194)	(18,384)
Underprovision in respect of current year	41,758	-
	<u>1,587,005</u>	1,629,755



## 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:

	2022	2021
Net profit for the year attributable to owners of the Company	<b>S\$5,278,069</b>	S\$6,332,988
Weighted average number of ordinary shares for basic and diluted earnings per share computation	<b>415,363,548</b>	415,363,548
Earnings per share (cents) – Basic and diluted	<b>1.3</b>	1.5



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 9. PROPERTY, PLANT AND EQUIPMENT

Group	School buildings, plant and equipment							Total for school buildings, plant and equipment S\$	Total S\$
	Leasehold land S\$	School buildings S\$	School plant and equipment S\$	Computers S\$	Motor vehicles S\$	Library books and media S\$	S\$		
<b>Cost</b>									
At 1 January 2021	37,100,000	182,788,298	70,611,348	4,920,891	616,819	2,995,344	261,932,700	299,032,700	
Additions	-	-	348,983	43,454	226,800	101,699	720,936	720,936	
Disposals/write-off	-	-	(84,935)	(71,167)	(127,110)	(57,271)	(340,483)	(340,483)	
At 31 December 2021 and 1 January 2022	37,100,000	182,788,298	70,875,396	4,893,178	716,509	3,039,772	262,313,153	299,413,153	
Additions	-	-	277,975	79,974	-	101,308	459,257	459,257	
Disposals/write-off	-	-	(54,846)	(1,778)	-	(32,656)	(89,280)	(89,280)	
At 31 December 2022	37,100,000	182,788,298	71,098,525	4,971,374	716,509	3,108,424	262,683,130	299,783,130	
<b>Accumulated depreciation</b>									
At 1 January 2021	9,275,000	20,106,713	22,444,469	3,368,180	247,471	2,636,112	48,802,945	58,077,945	
Charge for the year	1,236,667	3,655,766	4,011,275	466,493	130,508	121,931	8,385,973	9,622,640	
Disposals/write-off	-	-	(76,281)	(70,206)	(87,387)	(57,044)	(290,918)	(290,918)	
At 31 December 2021 and 1 January 2022	10,511,667	23,762,479	26,379,463	3,764,467	290,592	2,700,999	56,898,000	67,409,667	
Charge for the year	1,236,667	3,655,766	4,037,906	385,059	132,595	112,488	8,323,814	9,560,481	
Disposals/write-off	-	-	(36,996)	(1,087)	-	(32,610)	(70,693)	(70,693)	
At 31 December 2022	11,748,334	27,418,245	30,380,373	4,148,439	423,187	2,780,877	65,151,121	76,899,455	
<b>Net carrying values</b>									
At 31 December 2022	25,351,666	155,370,053	40,718,152	822,935	293,322	327,547	197,532,009	222,883,675	
At 31 December 2021	26,588,333	159,025,819	44,495,933	1,128,711	425,917	338,773	205,415,153	232,003,486	

Depreciation expense in the consolidated statement of comprehensive income comprises S\$9,560,481 (2021: S\$9,622,640) of depreciation of property, plant and equipment and S\$3,950,232 (2021: S\$3,881,044) of depreciation of right-of-use assets (Note 21).

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

	Motor vehicles S\$	Computers S\$	Total S\$
<b>Company</b>			
<b>Cost</b>			
At 31 December 2021, 1 January 2022 and 31 December 2022	143,400	1,679	145,079
<b>Accumulated depreciation</b>			
At 1 January 2021	36,837	1,329	38,166
Charge for the year	25,197	280	25,477
At 31 December 2021 and 1 January 2022	62,034	1,609	63,643
Charge for the year	25,198	70	25,268
At 31 December 2022	87,232	1,679	88,911
<b>Net carrying values</b>			
At 31 December 2022	56,168	-	56,168
At 31 December 2021	81,366	70	81,436

## 10. INTANGIBLE ASSETS

	Internally developed computer software S\$	Internally developed computer software work-in-progress ("WIP") S\$	Acquired computer software S\$	Total S\$
<b>Group</b>				
<b>Cost</b>				
At 1 January 2021	12,133,788	55,156	213,201	12,402,145
Additions	140,275	254,374	-	394,649
Disposals/write-off	-	-	(104,691)	(104,691)
Transfer of completed assets	230,674	(230,674)	-	-
At 31 December 2021 and 1 January 2022	12,504,737	78,856	108,510	12,692,103
Additions	144,500	227,723	-	372,223
Transfer of completed assets	153,484	(153,484)	-	-
Write-off	(9,577,149)	-	-	(9,577,149)
At 31 December 2022	3,225,572	153,095	108,510	3,487,177



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 10. INTANGIBLE ASSETS (CONT'D)

	Internally developed computer software S\$	Internally developed computer software work-in-progress ("WIP") S\$	Acquired computer software S\$	Total S\$
<b>Group</b>				
<b>Accumulated amortisation</b>				
At 1 January 2021	10,458,425	-	212,979	10,671,404
Amortisation for the year	381,729	-	222	381,951
Disposals/write-off	-	-	(104,691)	(104,691)
At 31 December 2021 and 1 January 2022	10,840,154	-	108,510	10,948,664
Amortisation for the year	357,408	-	-	357,408
Write-off	(9,577,149)	-	-	(9,577,149)
At 31 December 2022	1,620,413	-	108,510	1,728,923
<b>Net carrying values</b>				
At 31 December 2022	1,605,159	153,095	-	1,758,254
At 31 December 2021	1,664,583	78,856	-	1,743,439

## 11. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 S\$	2021 S\$
Unquoted shares, at cost	<b>101,219,141</b>	101,219,141

The subsidiaries of the Company are as follows:

Name	Country of incorporation	Principal activities	Cost		Proportion of ownership interest	
			2022 S\$	2021 S\$	2022 %	2021 %
Overseas Family School Limited ("OFSL")*	Singapore	Operating a foreign system school	<b>101,217,127</b>	101,217,127	<b>100</b>	100
Overseas Family School Limited (Hong Kong) ("OFS HK")#	Hong Kong	Dormant	<b>2,014</b>	2,014	<b>100</b>	100
			<b>101,219,141</b>	101,219,141		

\* Audited by Ernst & Young LLP, Singapore

# Audited by Ernst & Young, Hong Kong



## 12. DERIVATIVES

	Group			
	2022		2021	
	Notional amount S\$	Carrying amount Asset S\$	Notional amount S\$	Carrying amount Asset S\$
<b>Interest rate swaps</b>	<b>57,250,275</b>	<b>2,768,703</b>	-	-
- Current		179,552		-
- Non-current		2,589,151		-
		<b>2,768,703</b>		-
<b>Statement of comprehensive income</b>				
Fair value gain on derivatives		<b>2,768,703</b>		-

During the financial year, the Group entered into interest rate swaps with a financial institution with notional amount of S\$60,000,000 (2021: S\$nil) to partially hedge its exposure to interest rate risk on its variable rate borrowings from the same financial institution. The interest rate swaps entitle the Group to receive, on a quarterly basis, floating interest equal to prevailing SORA and pay a fixed rate of interest at rates ranging from 1.74% to 1.86% (2021: nil) per annum. The interest rate swaps mature on 16 February 2027.

The carrying value of the derivatives their fair values at 31 December 2022 based on the methods and assumptions used to estimate their fair values as set out in Note 30. The notional amount of the derivatives outstanding as at 31 December 2022 is S\$57,250,275 (2021: S\$nil). The Group does not apply hedge accounting and records interest rate swaps at fair value with changes in value recorded in profit or loss.

## 13. INVENTORIES

	Group	
	2022 S\$	2021 S\$
School supplies and stationery	<b>468,258</b>	438,215

During the financial year, the Group wrote-off inventories of S\$186 (2021: S\$26,530) (Note 6). The write-off was for school supplies which were no longer saleable and was recognised as an expense in the statement of comprehensive income.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14. TRADE RECEIVABLES

	Group	
	2022 S\$	2021 S\$
Trade receivables	<b>714,975</b>	943,551
Less: Allowance for expected credit losses	<b>(77,407)</b>	(201,845)
Total financial assets carried at amortised cost	<b>637,568</b>	741,706

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

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

	Group	
	2022 S\$	2021 S\$
At beginning of the year	<b>201,845</b>	261,555
Charge for the year (Note 6)	<b>9,109</b>	6,051
Write-back during the year (Note 6)	<b>(133,547)</b>	-
Write-off during the year	-	(65,761)
At end of the year	<b>77,407</b>	201,845

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

## 15. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Staff housing deposits	<b>349,300</b>	193,600	<b>7,500</b>	7,500
Grant receivable	-	2,052,367	-	-
Receivable - interest rate swaps	<b>139,888</b>	-	-	-
Other debtors	<b>11,290</b>	8,615	<b>5,000</b>	5,750
	<b>500,478</b>	2,254,582	<b>12,500</b>	13,250

2021 grant receivable relates to the RSS grant (Note 6) which was fully received in 2022.

## 16. AMOUNT DUE FROM SUBSIDIARY

As at 31 December 2022, the amount due from subsidiary of S\$4,000,000 (2021: S\$4,000,000) relates to financial year 2022 interim dividend (2021: financial year 2021 interim dividend) received in January 2023 (2021: January 2022).

## 17. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Cash at bank	47,686,579	38,757,282	608,480	3,693,078
Fixed deposit	3,000,000	-	3,000,000	-
Less: Other long term asset	(333,500)	(333,500)	-	-
Cash and cash equivalents	<b>50,353,079</b>	38,423,782	<b>3,608,480</b>	3,693,078

Cash at bank earns interest at floating rates based on daily bank deposit rates and fixed deposit earns interest at 3.3% (2021: nil) per annum and matures within 3 months (2021: nil).

Included in cash at bank is an amount of S\$333,500 (2021: S\$333,500) that was placed with a bank in prior years to secure a banker's guarantee issued to a government authority for a proposed road widening project beside the school campus. The project is currently on-hold. This amount is expected to be placed with the bank for a duration of more than one year.

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

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
United States dollars	7,697	7,738	-	-

## 18. OTHER PAYABLES AND LIABILITIES

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Accrued staff and related costs	255,085	306,487	-	-
Other creditors	564,003	999,571	96,426	94,570
	<b>819,088</b>	1,306,058	<b>96,426</b>	94,570

Other payables are non-interest bearing.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 19. FEES RECEIVED IN ADVANCE

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

Information about fees received in advance is disclosed as follows:

	Group	
	2022 S\$	2021 S\$
Current – Tuition fee and registration fee	35,763,051	26,192,138
Non-current (1 to 3 years) – Registration fee	812,762	519,448
	<b>36,575,813</b>	<b>26,711,586</b>

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

	Group	
	2022 S\$	2021 S\$
Revenue recognised that was included in the fees received in advance balance at the beginning of the year (1 January)	26,192,138	26,377,459

## 20. BORROWINGS

### Bank loan

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
<b>Current liabilities</b>				
Borrowings				
– Bank loan	6,160,000	6,160,000	-	-
– Interest payable	982,102	93,681	-	-
Less: Facility fee	(117,750)	(117,750)	-	-
	<b>7,024,352</b>	<b>6,135,931</b>	-	-

## 20. BORROWINGS (CONT'D)

### Bank loan (cont'd)

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
<b>Non-current liabilities</b>				
Borrowings				
– Bank loan	90,030,000	96,190,000	-	-
Less: Facility fee	(618,187)	(735,937)	-	-
	<b>89,411,813</b>	95,454,063	-	-
Total borrowings	<b>96,436,165</b>	101,589,994	-	-
<b>Finance costs</b>				
Loan interest expense	<b>3,398,360</b>	2,034,554		

In 2019, the Group entered into an agreement for a 10-year bank term loan of S\$117,750,000 (with maturity on 15 April 2029) to fully redeem the outstanding Company's bonds. The loan is unsecured, payable in quarterly instalments of S\$1,540,000, with a final payment of outstanding loan balance upon maturity. The loan bears interest at average rates ranging from 2.0% to 4.9% (2021: 1.9% to 2.1%) per annum during the year. Any amount of the loan outstanding at the end of the 10-year term is subject to further refinancing. Loan interest expense is computed based on the effective interest method.

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

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

	2020 S\$	Cash flows S\$	Non-cash changes		2021 S\$
			Accretion of interests S\$	Amortisation of facility fee S\$	
Borrowings – Bank loan at amortised cost	107,538,563	(6,160,000)	-	117,750	101,496,313
Loan interest payable	89,655	(2,030,528)	2,034,554	-	93,681
	<b>107,628,218</b>	<b>(8,190,528)</b>	<b>2,034,554</b>	<b>117,750</b>	<b>101,589,994</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 21. LEASES

### Group as a lessee

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

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

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
At 1 January	4,751,718	3,589,279	61,555	16,898
Additions	3,255,950	5,196,320	-	86,901
De-recognition	(287,202)	(152,837)	-	-
Depreciation during the year (Note 9)	(3,950,232)	(3,881,044)	(43,451)	(42,244)
At 31 December	3,770,234	4,751,718	18,104	61,555

#### (b) Carrying amounts of lease liabilities

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
At 1 January	4,789,018	3,612,834	62,213	17,393
Additions	3,255,950	5,196,320	-	86,901
Accretion of interest	91,348	79,017	1,423	1,669
De-recognition	(307,222)	(157,960)	-	-
Payments	(4,039,484)	(3,941,193)	(45,000)	(43,750)
At 31 December	3,789,610	4,789,018	18,636	62,213
Current	3,069,304	3,305,390	18,636	43,577
Non-current	720,306	1,483,628	-	18,636
	3,789,610	4,789,018	18,636	62,213

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



## 21. LEASES (CONT'D)

(c) Amounts recognised in profit or loss

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Depreciation of right-of-use assets	3,950,232	3,881,044	43,451	42,244
Interest expense on lease liabilities	91,348	79,017	1,423	1,669
	<b>4,041,580</b>	3,960,061	<b>44,874</b>	43,913

(d) Total cash outflow

The Group had total cash outflow for leases of S\$4,039,484 (2021: S\$3,941,193).

## 22. DEFERRED TAX LIABILITIES

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated Balance sheet		Consolidated statement of comprehensive income	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
<b>Deferred tax assets</b>				
Provisions, unabsorbed capital allowances, and unearned registration fees	(347,484)	(277,714)	(69,770)	1,942
<b>Deferred tax liabilities</b>				
Differences in depreciation and amortisation for tax purposes	6,806,556	7,483,950	(677,394)	(710,828)
Deferred tax liabilities (net)	<b>6,459,072</b>	7,206,236	<b>(747,164)</b>	(708,886)

### Tax consequences of proposed dividends

There are no income tax consequences (2021: S\$nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 25).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 23. SHARE CAPITAL

	Group and Company			
	Number of shares	2022 S\$	Number of shares	2021 S\$
At 1 January and 31 December	<b>415,363,548</b>	<b>99,253,226</b>	415,363,548	99,253,226

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

## 24. OTHER RESERVES

	Group	
	2022 S\$	2021 S\$
Merger reserve	<b>(26,170,566)</b>	(26,170,566)
Foreign currency translation reserve	<b>1,088</b>	1,092
At 31 December	<b>(26,169,478)</b>	(26,169,474)

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

## 25. DIVIDENDS

	2022 S\$	2021 S\$
Declared and paid during the financial year:		
- Final exempt (one-tier) dividend for 2021: S\$0.013 (2020: S\$0.023) per share	<b>5,399,726</b>	9,553,362
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 2022: S\$0.011 (2021: S\$0.013) per share	<b>4,568,999</b>	5,399,726



## 26. RELATED PARTY TRANSACTIONS

### (a) Sale and purchase of goods and services

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

	Group	
	2022 S\$	2021 S\$
<i>Director-related company – MPPL</i>		
Provision of accounting services	<u>(5,000)</u>	<u>(5,000)</u>
<i>Director-related company – CAML</i>		
Purchase of goods	<u>-</u>	<u>2,190</u>

#### Director-related company

- A director of the Company has 50% interest in Master Projects Pte Ltd (“MPPL”). During the year, OFSL provided accounting services to MPPL. At the end of the reporting period, there was no outstanding balance from MPPL (2021: S\$nil).
- In 2021, the Group purchased goods amounting to S\$2,190 from Centre for Advanced Medicine Limited (“CAML”), a wholly owned subsidiary of MPPL. At the end of the reporting period, there was no outstanding balance to CAML (2021: S\$nil).

### (b) Compensation of key management personnel

	Group	
	2022 S\$	2021 S\$
Directors' fees	486,640	440,000
Directors' salaries and bonuses	896,000	1,248,000
Directors' Central Provident Fund contributions	14,160	20,760
Directors' short term benefits	24,181	25,281
Other key management personnel's and related party's salaries and bonuses	1,223,000	1,110,000
Other key management personnel's and related party's Central Provident Fund contributions	30,240	30,220
Other key management personnel's and related party's short term benefits	<u>120,917</u>	<u>72,222</u>
	<b>2,795,138</b>	<b>2,946,483</b>
Comprise amounts paid to:		
- Directors of the Company	1,420,981	1,734,041
- Other key management personnel and related party*	<u>1,374,157</u>	<u>1,212,442</u>
	<b>2,795,138</b>	<b>2,946,483</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 27. COMMITMENTS

### *Capital commitments*

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

	Group		Company	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Commitments relating to capital expenditure not contracted for	134,500	134,500	-	-

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

### ***Interest rate risk***

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

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

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

### Interest rate risk (cont'd)

#### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change if the market interest rates increased/(decreased) by 100 basis point (2021: 100 basis point), with all other variables held constant.

	Group Profit before tax Increase/(decrease)	
	2022 S\$	2021 S\$
<b>Financial liability</b>		
Borrowings – Bank loan interest rate		
– increased	(954,541)	(1,014,963)
– decreased	954,541	1,014,963

### Liquidity risk

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

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

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

	1 year or less S\$	1 to 5 years S\$	More than 5 years S\$	Total S\$
<b>Group</b>				
<b>2022</b>				
<b>Financial assets</b>				
Deposits	–	352,830	–	352,830
Staff housing deposits	–	175,800	–	175,800
Other long term asset	–	333,500	–	333,500
Derivatives	179,552	2,589,151	–	2,768,703
Trade receivables	637,568	–	–	637,568
Other receivables and deposits	500,478	–	–	500,478
Cash and cash equivalents	50,353,079	–	–	50,353,079
Total undiscounted financial assets	51,670,677	3,451,281	–	55,121,958



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

### Liquidity risk (cont'd)

	1 year or less S\$	1 to 5 years S\$	More than 5 years S\$	Total S\$
<b>Group</b>				
<b>2022</b>				
<b>Financial liabilities</b>				
Trade payables	376,748	-	-	376,748
Other payables and liabilities	819,088	-	-	819,088
Lease liabilities (a)	3,116,377	726,352	-	3,842,729
Bank loan – Interest payable (b)	4,590,380	18,506,144	1,429,573	24,526,097
Borrowings – Bank loan	6,042,250	30,211,250	59,200,563	95,454,063
Total undiscounted financial liabilities	14,944,843	49,443,746	60,630,136	125,018,725
Total net undiscounted financial assets/(liabilities)	36,725,834	(45,992,465)	(60,630,136)	(69,896,767)
<b>Group</b>				
<b>2021</b>				
<b>Financial assets</b>				
Deposits	-	98,350	-	98,350
Staff housing deposits	-	341,400	-	341,400
Other long term asset	-	333,500	-	333,500
Trade receivables	741,706	-	-	741,706
Other receivables and deposits	2,254,582	-	-	2,254,582
Cash and cash equivalents	38,423,782	-	-	38,423,782
Total undiscounted financial assets	41,420,070	773,250	-	42,193,320
<b>Financial liabilities</b>				
Trade payables	222,856	-	-	222,856
Other payables and liabilities	1,306,058	-	-	1,306,058
Lease liabilities (a)	3,360,749	1,491,559	-	4,852,308
Bank loan – Interest payable (b)	2,067,413	8,412,349	1,701,301	12,181,063
Borrowings – Bank loan	6,042,250	30,211,250	65,242,813	101,496,313
Total undiscounted financial liabilities	12,999,326	40,115,158	66,944,114	120,058,598
Total net undiscounted financial assets/(liabilities)	28,420,744	(39,341,908)	(66,944,114)	(77,865,278)

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

### Liquidity risk (cont'd)

	1 year or less S\$	1 to 5 years S\$	Total S\$
<b>Company</b>			
<b>2022</b>			
<b>Financial assets</b>			
Amount due from subsidiary	4,000,000	-	4,000,000
Other receivables and deposits	12,500	-	12,500
Cash and cash equivalents	3,608,480	-	3,608,480
Total undiscounted financial assets	7,620,980	-	7,620,980
<b>Financial liabilities</b>			
Other payables and liabilities	96,426	-	96,426
Lease liabilities (a)	18,750	-	18,750
Total undiscounted financial liabilities	115,176	-	115,176
Total net undiscounted financial assets	7,505,804	-	7,505,804
<b>2021</b>			
<b>Financial assets</b>			
Amount due from subsidiary	4,000,000	-	4,000,000
Other receivables and deposits	13,250	-	13,250
Cash and cash equivalents	3,693,078	-	3,693,078
Total undiscounted financial assets	7,706,328	-	7,706,328
<b>Financial liabilities</b>			
Other payables and liabilities	94,570	-	94,570
Lease liabilities (a)	45,000	18,750	63,750
Total undiscounted financial liabilities	139,570	18,750	158,320
Total net undiscounted financial assets/(liabilities)	7,566,758	(18,750)	7,548,008

(a) relates to contractual obligation of lease commitments

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

### *Credit risk*

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

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

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

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

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

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

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

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

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

### Trade receivables

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



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

### Credit risk (cont'd)

#### Trade receivables (cont'd)

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

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

2021	Current S\$	More than 30 days past due S\$	More than 60 days past due S\$	More than 90 days past due S\$	Total S\$
Expected credit loss rate	8.21%	0.65%	24.50%	100.00%	
Gross carrying amount	736,699	62,399	4,608	139,845	943,551
Loss allowance provision	(60,468)	(403)	(1,129)	(139,845)	(201,845)

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

During the previous financial year, the Group wrote-off S\$65,761 of trade receivables against allowance (Note 14) which are more than 90 days past due as the Group does not expect to receive future cash flows from these debtors and there are no significant recoveries from collection of amounts previously written off. There was no write-off during this financial year.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 29. FINANCIAL INSTRUMENTS

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

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
<b>Financial assets measured at amortised cost</b>				
Deposits (non-current)	352,830	98,350	-	-
Staff housing deposits (non-current)	175,800	341,400	-	-
Other long term asset	333,500	333,500	-	-
Trade receivables	637,568	741,706	-	-
Other receivables and deposits	500,478	2,254,582	12,500	13,250
Amount due from subsidiary	-	-	4,000,000	4,000,000
Cash and cash equivalents	50,353,079	38,423,782	3,608,480	3,693,078
	<b>52,353,255</b>	<b>42,193,320</b>	<b>7,620,980</b>	<b>7,706,328</b>
<b>Financial assets measured at fair value through profit or loss</b>				
Derivatives	2,768,703	-	-	-
<b>Financial liabilities measured at amortised cost</b>				
Trade payables	376,748	222,856	-	-
Other payables and liabilities	819,088	1,306,058	96,426	94,570
Lease liabilities	3,789,610	4,789,018	18,636	62,213
Borrowings – Bank loan	96,436,165	101,589,994	-	-
	<b>101,421,611</b>	<b>107,907,926</b>	<b>115,062</b>	<b>156,783</b>

## 30. FAIR VALUE OF FINANCIAL INSTRUMENTS

### Fair values

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

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

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

#### *Fair values (cont'd)*

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

#### (a) *Fair value hierarchy*

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

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

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

#### (b) *Assets measured at fair value*

Group	Note	Significant observable inputs other than quoted prices (Level 2) S\$	Total S\$
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2022

#### **Financial asset**

Derivatives

– Interest rate swaps 12 2,768,703 2,768,703

#### Methods and assumptions used to determine fair values

Interest rate swaps are valued using valuation techniques which employ the use of market observable inputs. The most frequently applied valuation technique include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves. The Group's interest rate swaps are valued based on valuation obtained from a reputable financial institution.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 31. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

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	
	2022 S\$	2021 S\$
Total gross debt <sup>^</sup>	<b>96,190,000</b>	102,350,000
Equity attributable to owners of the company		
Share capital	<b>99,253,226</b>	99,253,226
Revenue reserve	<b>62,056,704</b>	62,178,361
Other reserves	<b>(26,169,478)</b>	(26,169,474)
	<b>135,140,452</b>	135,262,113
Gross debt equity ratio	<b>71.18%</b>	75.67%
Cash and cash equivalents	<b>50,353,079</b>	38,423,782
Less: Total gross debt <sup>^</sup>	<b>(96,190,000)</b>	(102,350,000)
Net borrowing position	<b>(45,836,921)</b>	(63,926,218)

<sup>^</sup> Gross debt relates to principal amount of borrowings

## 32. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of directors on 24 March 2023.

# SHAREHOLDINGS STATISTICS

AS AT 15 MARCH 2023

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	75	6.75	60,200	0.01
1,001 – 10,000	427	38.43	2,437,476	0.59
10,001 – 1,000,000	585	52.66	47,866,400	11.52
1,000,001 and above	23	2.07	364,999,462	87.88
<b>TOTAL</b>	<b>1,111</b>	<b>100.00</b>	<b>415,363,548</b>	<b>100.00</b>

## 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 <sup>(1)</sup>	–	–	136,915,110	32.96
Wong Lok Hiong <sup>(2)</sup>	–	–	131,878,138	31.75
Credit Suisse Trust Limited <sup>(3)</sup>	–	–	31,591,594	7.61

### Notes:

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> 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.



# SHAREHOLDINGS STATISTICS

AS AT 15 MARCH 2023

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 15 March 2023, 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	WLH PRIVATE LIMITED	131,878,138	31.75
2	PDAC PRIVATE LIMITED	131,878,138	31.75
3	RAFFLES NOMINEES (PTE) LIMITED	35,241,994	8.48
4	DBS NOMINEES PTE LTD	15,307,100	3.68
5	CITIBANK NOMINEES SINGAPORE PTE LTD	11,953,372	2.88
6	PHILLIP SECURITIES PTE LTD	6,375,220	1.53
7	ABN AMRO CLEARING BANK N.V.	5,307,300	1.28
8	DB NOMINEES (SINGAPORE) PTE LTD	5,011,200	1.21
9	D'OASIS PTE LTD	2,604,900	0.63
10	LIM AND TAN SECURITIES PTE LTD	2,017,400	0.48
11	ANG HAO YAO (HONG HAOYAO)	1,698,800	0.41
12	LAI CHOY KUEN	1,644,000	0.40
13	FU MUI KIM MRS WOO TOONG LI	1,600,000	0.39
14	OCBC SECURITIES PRIVATE LTD	1,574,200	0.38
15	LIM GECK CHIN MAVIS	1,500,000	0.36
16	ESTATE OF MRS LIM NANCY NEE TAN NANCY, DEC'D	1,500,000	0.36
17	PATRICK BROOKS HALLER	1,325,100	0.32
18	WEE CHOO CHUAN	1,300,000	0.31
19	HO CHEW SENG	1,100,000	0.26
20	SOPHIA ANG BEE LENG	1,062,400	0.26
	<b>TOTAL</b>	<b>361,879,262</b>	<b>87.12</b>

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM” or “Meeting”) of **OVERSEAS EDUCATION LIMITED** (the “Company”) will be held at 81 Pasir Ris Heights, Singapore 519292 on Thursday, 27 April 2023 at 3:00 p.m. (Singapore time) for the following purposes:

## AS ORDINARY BUSINESS

- 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 2022 together with the Auditor’s Report thereon. **(Resolution 1)**
- To declare final dividend (tax exempt one-tier) of S\$0.011 per ordinary share for the financial year ended 31 December 2022. **(Resolution 2)**
- To approve the payment of Directors’ fees of S\$490,000 in advance for the financial year ending 31 December 2023. **(Resolution 3)**
- 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:
  - Mr Tan Teng Muan **(Resolution 4)**
  - Mr Walker, David Peter **(Resolution 5)**[See Explanatory Note (i)]
- To re-appoint Messrs Ernst & Young LLP, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
- 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:

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

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

- issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
  - 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



# NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

(the “**Share Issue Mandate**”)

provided that:

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

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

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

[See Explanatory Note (ii)]

By Order of the Board

Tan Swee Gek  
Company Secretary

Singapore, 12 April 2023



## Explanatory Notes:

- (i) (a) Mr Tan Teng Muan will, upon re-election as a Director of the Company, remain as Non-Executive Chairman and Independent Director of the Company, and as a member of the 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 64 to page 66 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.
- (b) Mr Walker, David Peter will, upon re-election as a Director of the Company, remain as Independent Director of the Company, and as a member of the Nominating Committee, Remuneration Committee and Audit Committee. Mr Walker, David Peter 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 Walker, David Peter 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 64 to page 66 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of SGX-ST.
- (ii) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

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



# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

### Physical meeting

1. The AGM is being convened and will be held physically at 81 Pasir Ris Heights, Singapore 519292. **There will be no option for members to participate virtually.**
2. All persons attending the AGM must comply with the prevailing COVID-19 safe management measures at the time of the AGM. The COVID-19 safe management measures to be implemented at the AGM (if any) are subject to change depending on any regulations, directives, measures or guidelines that may be issued by any government or regulatory agency in light of the COVID-19 situation in Singapore from time to time, and members should check the SGX's website at URL <https://www.sgx.com/securities/company-announcements> or the Company's website at URL <https://oel.listedcompany.com/newsroom.html> for the latest updates on the status of the AGM.

### Registration process for AGM

3. Shareholders who wish to attend the AGM are strongly encouraged to pre-register at the pre-registration website at <https://conveneagm.sg/oelagm2022> and following the online instructions, from 9.00 a.m. on 12 April 2023 till no later than **3.00 p.m. on 24 April 2023** (the "**Registration Deadline**") to enable the Company to verify their status as shareholders.
4. Following the verification, authenticated Shareholders will receive an email by 11.00 a.m. on **26 April 2023** containing details as well as instructions on attending the AGM.
5. Shareholders who register by the Registration Deadline but do not receive an email response may contact the Company's Share Registrar, M & C Services Private Limited, at [GPD@mncsingapore.com](mailto:GPD@mncsingapore.com), or alternatively at +65 6228 0508 or +65 6228 0518 between 11.00 a.m. and 6.00 p.m. on 26 April 2023 or between 9.00 a.m. and 2.00 p.m. on 27 April 2023 for assistance, with the full name of the shareholder and his/her/its identification number.

### Submission of questions in advance of AGM

6. Shareholders will be able to submit questions in advance of or at the AGM. Shareholders may submit questions relating to the items on the agenda of the AGM in advance, no later than **19 April 2023 at 12.00 p.m.** by email to the Company's Investor Relations team at [ir@ofs.edu.sg](mailto: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.
7. The Company will address the substantial and relevant queries from shareholders by **21 April 2023** and the Company's responses will be uploaded on the SGXNet and the Company's website. The Company will address those substantial and relevant questions which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, during the AGM. The minutes of the AGM will be published within one (1) month after the conclusion of the AGM.



## Voting

8. Live voting will be conducted during the AGM for members and proxies attending the AGM. It is important for members and proxies to bring their own web-browser enabled devices for voting at the AGM. Examples of web-browser enabled devices include mobile smartphones, laptops or tablets with internet capabilities.
9. A Member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company. Members may appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.
10. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
11. The instrument appointing a proxy 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) be emailed to [GPD@mncsingapore.com](mailto:GPD@mncsingapore.com); or
  - (c) be submitted using digital proxy form at <https://conveneagm.sg/oelagm2022>

no later than **3.00 p.m. on 24 April 2023**, being seventy-two (72) hours before the time appointed for holding the Meeting.

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

\* A Relevant Intermediary is:

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

## Documents for AGM

13. Annual Report FY2022, 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>.



# NOTICE OF ANNUAL GENERAL MEETING

## Personal data privacy:

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

## NOTICE OF 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 **5 May 2023** for the purpose of determining shareholders' entitlements to the final dividend (tax-exempt one-tier) of S\$0.011 per ordinary share for the financial year ended 31 December 2022 (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 **4 May 2023** 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 **4 May 2023** will be entitled to the Dividend.

Payment of the Dividend (subject to shareholders' approval at the AGM) will be made on **19 May 2023**.



# PROXY FORM

(Please see notes overleaf before completing this Form)

**IMPORTANT:**

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

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.)

of \_\_\_\_\_ (Address)

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

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

and/or (delete as appropriate)

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

or failing him/her/them\*, the Chairman of the Annual General Meeting (the "Meeting"), as \*my/our \*proxy/proxies to attend and vote for \*me/us on \*my/our behalf at the Meeting of the Company to be held at 81 Pasir Ris Heights, Singapore 519292, on Thursday, 27 April 2023 at 3:00 p.m. and at any adjournment thereof. \*I/We direct my/our\* proxy/proxies\* to vote for, against or to abstain from voting the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies\* will vote for, against or to abstain from voting at \*his/her/their discretion.

No.	Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*	No. of votes 'Abstain'*
1	Audited Financial Statements for the financial year ended 31 December 2022			
2	Payment of proposed final dividend of S\$0.011 per ordinary share for the financial year ended 31 December 2022			
3	Approval of Directors' fees amounting to S\$490,000 in advance for the financial year ending 31 December 2023			
4	Re-election of Mr Tan Teng Muan as a Director			
5	Re-election of Mr Walker, David Peter as a Director			
6	Re-appointment of Messrs Ernst & Young LLP as Auditors			
7	Authority to issue shares pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited			

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

**Total Number of Ordinary Shares Held**

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

\* Delete where inapplicable

## Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary\*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 10, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, or emailed to [GPD@mncsingapore.com](mailto:GPD@mncsingapore.com), or submitted using digital proxy form at <https://conveneagm.sg/oelagm2022> not less than seventy-two (72) hours before the time appointed for holding the Meeting.
7. Investors who hold shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) and wish to appoint the Chairman of the 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.
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
10. CPF Investors and SRS Investors (collectively "**CPF and SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees (as may be applicable) to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the AGM, in which case, the relevant CPF and SRS Investors shall be precluded from attending the Meeting.

\* A Relevant Intermediary is:

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

## Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as the proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2023.

## General:

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

# OVERSEAS EDUCATION INVESTMENT ZONE 2022 ANNUAL REPORT



**Overseas Education Limited**

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SINGAPORE 519292