

OVERSEAS EDUCATION LIMITED
(Company Registration No. 201131905D)
(Incorporated in Republic of Singapore)
(the “Company”)

RESPONSES TO QUESTIONS RECEIVED FOR ANNUAL GENERAL MEETING

The Board of Directors of Overseas Education Limited (the “Company” or “OEL”) refers to the publishing of its annual general meeting related documents on the SGXNET on 5 April 2021. As at 12.00 p.m. on 12 April 2021, the Company has received the following questions from a shareholder and the Company wishes to provide its responses:

Q1A. I refer to page4 of the Annual Report about “Chairman’s Message to Shareholders”. In the 2nd column, at the 1st paragraph, it was stated that “OFS started the new School Year 2020-2021 in August 2020 with a cohort of about 2,200 students, and the average student enrolment for the whole of FY2020 was 2,300 students.” Out of the 4 age-related schools (e.g. Kindergarten/ Elementary School/ Middle School/ High School), which one(s) were affected the most?

(A) We lost more students at Kindergarten and Elementary School during the COVID-19 pandemic.

Q1B. How is the recovery in student enrolment so far?

(A) We do not envisage a quick recovery in student enrolment in the current year 2021 as our Singapore government does not foresee the full re-opening of borders and quarantine-free travels the way they were before the COVID-19 crisis before end of the year.

Q2. I refer to page22 of the Annual Report about “5-Year Financial Summary”. Even before Covid occurred in FY2020, “Total revenue” from FY2016 to FY2019 seemed to be on a structural downtrend. What went wrong?

(A) Similar question was raised by a shareholder in last year’s AGM [Question reference: Q2(i)], and we have addressed and published our answer in our announcement on 12 June 2020. Nonetheless, we are pleased to reproduce our answer verbatim as follows:

“In our Annual Report FY2015, Chairman informed that the decline in student enrolment in our junior schools was in part due to the move to our new Pasir Ris campus in June 2015.

Student enrolment continued to be impacted from 2016 to 2019 by the global economic slow-down, and increase in school places by new foreign system schools.

Now with COVID-19 on our shores and border restrictions still in place, we would foresee our student enrolment for the next school year starting August 2020 may also be affected.

The Group needs to remain focus on delivering quality school programmes, and to increase our student recruitment efforts and develop more channels to attract student enrolment.....”

Q3. I refer to page3 of the Annual Report about “Who we are”. In the last paragraph, it was stated that “About 5,000 students can be accommodated at OFS’ spacious campus in Pasir Ris, located east of Singapore.” Since “OFS started the new School Year 2020-2021 in August 2021 with a cohort of about 2,200 students” only, which is less than half of Pasir Ris campus’s capacity, did the Group over-invested in this new campus? Otherwise, can the Board share what is the timeline to maximise the utilisation rate of this new campus?

(A) Our Pasir Ris campus was designed and approved for about 5,000 students by our Singapore government agencies, and we believe our School is an inextricable part of Singapore’s social and economic infrastructure supporting foreign direct investments into Singapore. The operating environment for foreign system schools is to a large extent dependent upon the ability of Singapore to continue to attract foreign direct investments and supporting foreign talents into Singapore.

We are unable to provide a timeline as to when the School is able to maximise the utilisation rate. However, we are committed to ensure that education in OFS remains relevant, compelling and effective to attract student enrolments despite the challenging environment.

Q4. I refer to page104 of the Annual Report about “Other operating expense”. Noted that “Holiday programme expense” increased by 13.7times from \$19.9k in 2019 to \$275K in 2020. What happened?

(A) A four-week Holiday Programme was organised in June 2020 to support parents and their younger children in Kindergarten and Elementary School to make up for the loss of classroom learning during the circuit-breaker period 7 April 2020 to 4 May 2020.

Q5. I refer to page54 of the Annual Report about “Corporate Governance Report”. Despite being a Covid year, the “aggregate total remuneration paid to these key management personnel (who are not directors or the CEO)” has increased by 6.3% from S\$1,358,296 in 2019 to S\$1,443,860 in 2020. Can the Remuneration Committee share what remuneration factor(s) specifically led to the increase? How much is attributable to each of these remuneration factor(s)?

(A) The increase was due to the increase in apartment rental and allowances for some of our Principals.

Q6. Furthermore, despite being a Covid year, the remuneration band of Joyce Chee Jingying (Daughter of Executive Director, Ms Wong Lok Hiong) has increased from remuneration band “S\$150,000 to S\$200,000” in 2019 to remuneration band “S\$200,000 to S\$300,000”. Can the Remuneration Committee share what remuneration factor(s) specifically led to the increase? How much is attributable to each of these remuneration factor(s)?

(A) Ms Joyce Chee received a salary progression which is in line with the added responsibilities and her career progression within the organisation.

Q7. I refer to page122 of the Annual Report about “Commitments”. How will the “commitments” trend be like over the next 2-3 years? How will they be funded?

(A) Barring any unforeseen major capital expenditure, our annual budgeted capital expenditure and commitments range between S\$1.5 million to S\$2.0 million, and not likely to vary materially in the short term.

Minor capital expenditure and commitments will continue to be funded internally from operations.

By Order of the Board of
OVERSEAS EDUCATION LIMITED

David Alan Perry
Executive Chairman and Chief Executive Officer
19 April 2021