

# Overseas Education Limited

Company Registration No: 201131905D

## UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

### PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2,& Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP				Change %
	Year to Date ended				
	31-Dec-14 \$'000		31-Dec-13 \$'000		
<b>Revenue</b>					
Tuition fees	97,839	95.8%	98,645	95.7%	(0.8)
Registration fees	1,782	1.8%	1,807	1.8%	(1.4)
School bookshop sales	998	1.0%	1,172	1.1%	(14.8)
Enrichment programme revenue	765	0.7%	916	0.9%	(16.5)
Interest income	626	0.6%	441	0.4%	42.0
Other revenue	110	0.1%	115	0.1%	(4.3)
<b>Total revenue</b>	<b>102,120</b>	<b>100.0%</b>	<b>103,096</b>	<b>100.0%</b>	<b>(0.9)</b>
<b>Operating expenses</b>					
Personnel expenses	57,097	55.9%	56,068	54.4%	1.8
School lease rental	6,831	6.7%	6,830	6.6%	0.0
Depreciation and amortisation expenses	3,685	3.6%	3,999	3.9%	(7.9)
Cost of goods sold	622	0.6%	754	0.7%	(17.5)
Enrichment programme cost	486	0.5%	529	0.5%	(8.1)
Utilities	757	0.7%	774	0.8%	(2.2)
Upkeep and maintenance	983	1.0%	1,137	1.1%	(13.5)
Other operating expenses	5,219	5.1%	4,600	4.5%	13.5
Share subsidy for staff shareholders	-	0.0%	1,081	1.0%	n.m.
<b>Total operating expenses</b>	<b>75,680</b>	<b>74.1%</b>	<b>75,772</b>	<b>73.5%</b>	<b>(0.1)</b>
<b>Profit before taxation</b>	<b>26,440</b>	<b>25.9%</b>	<b>27,324</b>	<b>26.5%</b>	<b>(3.2)</b>
Income tax expense	(4,456)	4.4%	(4,714)	4.6%	(5.5)
<b>Profit for the year</b>	<b>21,984</b>	<b>21.5%</b>	<b>22,610</b>	<b>21.9%</b>	<b>(2.8)</b>
Other comprehensive income for the year, net of tax	+		+		0.0
<b>Total comprehensive income for the year</b>	<b>21,984</b>	<b>21.5%</b>	<b>22,610</b>	<b>21.9%</b>	<b>(2.8)</b>
Attributable to:					
Owners of the Company	21,984	21.5%	22,610	21.9%	(2.8)
	<b>21,984</b>	<b>21.5%</b>	<b>22,610</b>	<b>21.9%</b>	<b>(2.8)</b>

n.m. - Not meaningful

+ - Amount lower than S\$1,000

1(a)(ii) Breakdown and Explanatory Notes to Consolidated Statement of Comprehensive Income

	Group		Change
	Year to Date ended		
	31-Dec-14	31-Dec-13	
	\$'000	\$'000	%
Allowance for doubtful debt	90	68	32.4
Write-off for stock obsolescence	109	21	419.0
(Over)/Under provision of tax in respect of prior year	(24)	3	n.m.
Loss on disposal of plant and equipment	15	23	(34.8)
Share subsidy for staff shareholders (Note A)	-	1,081	n.m.

Note A: Relates to the share subsidy provided by the Group of \$0.096 per share which was a discount of 20% to the invitation price for each reserved share subscribed by the staff shareholders in the IPO.

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

**BALANCE SHEETS**

	Note	GROUP		COMPANY	
		31-Dec-14 \$'000	31-Dec-13 \$'000	31-Dec-14 \$'000	31-Dec-13 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment					
- Leasehold land		35,245	36,482	-	-
- Other property, plant and equipment		179,086	22,330	168	218
Intangible assets		2,911	3,225	-	-
Investment in subsidiaries		-	-	66,219	46,219
Inter-company loan to subsidiary		-	-	131,181	-
Bonds - Issuance expenses	1	1,435	-	1,435	-
School lease deposits		120	1,828	-	-
Staff housing deposits		199	304	-	-
		<u>218,996</u>	<u>64,169</u>	<u>199,003</u>	<u>46,437</u>
<b>Current assets</b>					
Inventories		516	596	-	-
Trade receivables		1,185	1,085	-	-
Other receivables and deposits		2,430	374	15	13
Goods and Services Tax receivables		1,162	-	-	-
Amount owing by subsidiary		-	-	1,827	-
Bonds - Issuance expenses	1	436	-	436	-
Prepayments		1,661	1,117	18	18
Fee protection insurance deposits		-	2,031	-	-
Cash and bank balances		125,515	111,203	70,447	68,245
Fixed deposits		-	13,500	-	-
		<u>132,905</u>	<u>129,906</u>	<u>72,743</u>	<u>68,276</u>
<b>TOTAL ASSETS</b>		<u>351,901</u>	<u>194,075</u>	<u>271,746</u>	<u>114,713</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		289	193	-	-
Other payables and liabilities		711	680	513	112
Fees received in advance		35,986	37,565	-	-
Bonds - Interest payable		1,624	-	1,624	-
Goods and Services Tax payable		57	2,416	57	61
Central Provident Fund payable		457	476	10	32
Income tax payable		4,620	5,015	136	58
		<u>43,744</u>	<u>46,345</u>	<u>2,340</u>	<u>263</u>
<b>NET CURRENT ASSETS</b>		89,161	83,561	70,403	68,013
<b>Non-current liabilities</b>					
Borrowings - Bonds	1	150,000	-	150,000	-
Other liabilities		-	-	1,435	-
Deferred tax liabilities		941	1,076	-	-
		<u>150,941</u>	<u>1,076</u>	<u>151,435</u>	<u>-</u>
Net assets		<u>157,216</u>	<u>146,654</u>	<u>117,971</u>	<u>114,450</u>
<b>Equity attributable to owners of the Company</b>					
Share capital		99,253	99,253	99,253	99,253
Revenue reserve		44,132	33,570	18,718	15,197
Other reserves		13,831	13,831	-	-
		<u>157,216</u>	<u>146,654</u>	<u>117,971</u>	<u>114,450</u>
Note 1:					
Borrowings - Bonds		150,000			
Bonds - Issuance expenses					
- Non-current assets		(1,435)			
- Current assets		(436)			
		<u>(1,871)</u>			
		<u>148,129</u>			

**1b(ii) Aggregate amount of Group's borrowings and debt securities**

The Company issued \$150 million bonds on 17 April 2014 with maturity on 17 April 2019. The Bonds are unsecured and bear interest from 17 April 2014 at the rate of 5.20 per cent. per annum, payable semi-annually in arrear on 17 October and 17 April in each year.

	<b>31-Dec-14</b>
	<b>\$'000</b>
Borrowings - Bonds	150,000
Bonds issuance expenses	(1,871)
	<u>148,129</u>
Total bonds issuance expenses incurred	2,181
Amortisation during the year	(310)
	<u>1,871</u>

There were no borrowings or debt securities as at the end of the immediately preceding financial year.

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding year.****CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>GROUP</b>	
	<b>Year to Date ended</b>	
	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	26,440	27,324
Adjustments for:		
Depreciation expenses	2,976	3,259
Amortisation expenses	709	740
Loss on disposal of plant and equipment	15	23
Interest income	(626)	(441)
<b>Operating profit before working capital changes</b>	<u>29,514</u>	<u>30,905</u>
(Increase)/decrease in inventories	80	(29)
(Increase)/decrease in trade receivables	(100)	84
(Increase)/decrease in other receivables and deposits and prepayments	(1,736)	(1,209)
(Increase)/decrease in non-current deposits	1,814	2,078
Increase/(decrease) in trade payables, other payables and liabilities, and fees received in advance	(3,832)	(1,085)
<b>Cash generated from operations</b>	<u>25,740</u>	<u>30,744</u>
Interest received	632	506
Income tax paid	(4,986)	(4,022)
<b>Net cash generated from operating activities</b>	<u>21,386</u>	<u>27,228</u>
<b>Cash flows from investing activities</b>		
Additions of intangible assets	(396)	(415)
Acquisition of property, plant and equipment	(152,732)	(53,248)
Bond interest paid capitalised in construction in progress	(3,911)	-
Proceeds from disposal of plant and equipment	68	70
<b>Net cash used in investing activities</b>	<u>(156,971)</u>	<u>(53,593)</u>
<b>Cash flows from financing activities</b>		
Issuance of bonds	150,000	-
Bonds issuance expenses	(2,181)	-
Issuance of new ordinary shares on completion of IPO exercise	-	72,000
Share issuance expenses	-	(3,966)
Dividends paid	(11,422)	(11,422)
<b>Net cash generated from financing activities</b>	<u>136,397</u>	<u>56,612</u>
Net increase in cash and cash equivalents	812	30,247
Cash and cash equivalents at beginning of the year	124,703	94,456
<b>Cash and cash equivalents at end of the year</b>	<u>125,515</u>	<u>124,703</u>

- 1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company						Total equity \$'000
	Share capital \$'000	Revenue reserve \$'000	Other reserves, total \$'000	Foreign currency translation reserve \$'000	Merger reserve \$'000	Capital reserve \$'000	
<b>GROUP</b>							
<b>2014</b>					(Note #)		
Balance at 1 January 2014	99,253	33,570	13,831	1	(26,170)	40,000	146,654
Profit net of tax	-	21,984	-	-	-	-	21,984
Other comprehensive income for the year	-	-	-	(+)	-	-	(+)
Total comprehensive income for the year	-	21,984	-	(+)	-	-	21,984
Contribution by and distribution to owners							
Dividends	-	(11,422)	-	-	-	-	(11,422)
Total transactions with owners in their capacity as owners	-	(11,422)	-	-	-	-	(11,422)
Balance at 31 December 2014	99,253	44,132	13,831	1	(26,170)	40,000	157,216
<b>2013</b>							
Balance at 1 January 2013	31,219	22,382	13,831	1	(26,170)	40,000	67,432
Profit net of tax	-	22,610	-	-	-	-	22,610
Other comprehensive income for the year	-	-	-	+	-	-	+
Total comprehensive income for the year	-	22,610	-	+	-	-	22,610
Contribution by and distribution to owners							
Share issued for Initial Public Offering	72,000	-	-	-	-	-	72,000
Share issuance expenses	(3,966)	-	-	-	-	-	(3,966)
Dividends	-	(11,422)	-	-	-	-	(11,422)
Total transactions with owners in their capacity as owners	68,034	(11,422)	-	-	-	-	56,612
Balance at 31 December 2013	99,253	33,570	13,831	1	(26,170)	40,000	146,654

+ Amount lower than S\$1,000

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

**STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

	<b>Attributable to owners of the Company</b>		
	<b>Share capital \$'000</b>	<b>Revenue reserve \$'000</b>	<b>Total equity \$'000</b>
<b>COMPANY</b>			
<b>2014</b>			
Balance at 1 January 2014	99,253	15,197	114,450
Profit net of tax	-	14,943	14,943
Total comprehensive income for the year	-	14,943	14,943
Contribution by and distribution to owners			
Dividends	-	(11,422)	(11,422)
Total transactions with owners in their capacity as owners	-	(11,422)	(11,422)
Balance at 31 December 2014	99,253	18,718	117,971
<b>2013</b>			
Balance at 1 January 2013	31,219	12,223	43,442
Profit net of tax	-	14,396	14,396
Total comprehensive income for the year	-	14,396	14,396
Contribution by and distribution to owners			
Shares issued for Initial Public Offering	72,000	-	72,000
Share issuance expenses	(3,966)	-	(3,966)
Dividends	-	(11,422)	(11,422)
Total transactions with owners in their capacity as owners	68,034	(11,422)	56,612
Balance at 31 December 2013	99,253	15,197	114,450

1d(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 December 2014, the Company has no outstanding convertibles (31 December 2013 : nil).

	<b>Company</b>
At 30 September 2014 and 31 December 2014	No of shares 415,363,548

1d(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<b>As at</b>	
	<b>31-Dec-14</b>	<b>31-Dec-13</b>
Total number of issued shares	415,363,548	415,363,548

1d(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2013, except for the adoption of the new and revised Financial Reporting Standards (FRS) which become effective for the financial year beginning on or after 1 January 2014.

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

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

6 **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>GROUP</b>	
	<b>Year to Date Ended</b>	<b>Year to Date Ended</b>
	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	<b>cents</b>	<b>cents</b>
<b>Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:</b>		
Based on weighted average number of ordinary shares on issue	<u>5.3</u>	<u>5.7</u>
On a fully diluted basis	<u>5.3</u>	<u>5.7</u>
Weighted average number of ordinary shares for basic and diluted earnings per share computation	<u>415,363,548</u>	<u>397,760,808</u> *

\* This represents the weighted average number of ordinary shares after the IPO exercise in February 2013.

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31-Dec-14</b>	<b>31-Dec-13</b>	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	<b>cents</b>	<b>cents</b>	<b>cents</b>	<b>cents</b>
Net asset value per ordinary share based on issued share capital at the end of the period reported on	<u>37.9</u>	<u>35.3</u>	<u>28.4</u>	<u>27.6</u>

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

## **Review of performance**

### **Review of Income statement**

Total revenue decreased by \$0.98 million during the year ended 31 December 2014 (FY 2014) from \$103.10 million in the financial year ended 31 December 2013 (FY 2013) to \$102.12 million. This decrease of 0.9% was mainly attributed to lower revenue from tuition fees, school bookshop sales and enrichment programme.

Tuition fees revenue decreased from \$98.65 million in FY 2013 to \$97.84 million in FY 2014. This was mainly due to some softness in the enrolments in the junior school.

Revenue from registration fees decreased by 1.4% from \$1.81 million in FY 2013 to \$1.78 million in FY 2014.

Revenue from school bookshop sales was \$1.0 million in FY 2014 compared to \$1.17 million for FY 2013. Enrichment programme revenue decreased from \$0.92 million in FY 2013 to \$0.77 million in FY 2014.

Interest income improved to \$0.63 million in FY 2014 compared to \$0.44 million in FY 2013. Other revenue was constant at \$0.11 million for FY 2014 compared to \$0.12 million for FY 2013.

Total operating expenses decreased from \$75.77 million in FY 2013 to \$75.68 million in FY 2014. Increase in personnel expenses and other operating expenses were offset by lower depreciation, utilities, upkeep and maintenance expenses.

The personnel expenses in FY 2014 of \$57.1 million was higher compared to FY 2013 by \$1.03 million. This was due to general increase in salaries and the corresponding CPF contribution for both administrative and academic staff for the first half of 2014, resulting from the increase in salaries at the beginning of the school year in August 2013, compared to the corresponding first half of 2013.

Depreciation and amortisation expenses of \$3.69 million in FY 2014 were lower as compared to \$4.0 million in FY 2013. This was due to more fixed assets (in particular renovations) being fully depreciated in FY 2013. As the school is preparing for its impending move to new premises in 2015, new asset purchases continued to be closely monitored, resulting in lower depreciation.

Cost of goods sold was lower at \$0.62 million in FY 2014 compared to \$0.75 million in FY 2013, in line with the decrease in school bookshop sales. Enrichment programme costs of \$0.49 million in FY 2014 was lower compared to \$0.53 million in FY 2013, corresponding to the lower revenue from enrichment programme.

Utilities remained constant at \$0.76 million in FY 2014 as compared to \$0.77 million in FY 2013.

Upkeep and maintenance decreased by \$0.16 million from \$1.14 million for FY 2013 to \$0.98 million in FY 2014.

Other operating expenses were higher by \$0.62 million in FY 2014, from \$4.60 million in FY 2013 to \$5.22 million in FY 2014. The increase was mainly due to the mandatory fee protection insurance scheme premium incurred for Q1 and Q2 2014 which was not incurred in the previous comparable periods, following the School's receipt of Edutrust certification on 23 December 2013.

The share subsidy of \$1.08 million incurred in FY 2013 was for the subsidy provided by the Group of \$0.096 per share which was a discount of 20% to the invitation price for each reserved share subscribed by 166 staff shareholders in the IPO exercise completed in Q1 2013.

Profit before taxation decreased from \$27.32 million in FY 2013 to \$26.44 million in FY 2014, a decrease of \$0.88 million.

Effective tax rate for FY 2014 was 16.9% compared to 17.3% for FY 2013.

Profit after taxation decreased from \$22.61 million in FY 2013 to \$21.98 million in FY 2014, a decrease of \$0.63 million or 2.8%.



#### **Review of Group Balance Sheet as at 31 December 2014**

Other property, plant and equipment increased from \$22.33 million as at 31 December 2013 to \$179.09 million as at 31 December 2014, due to capital expenditure of \$157.50 million incurred for the construction of the new school campus and \$1.24 million depreciation on leasehold land that was transferred to construction-in-progress as part of other property, plant and equipment, and other additions of \$1.00 million, offset by depreciation charge of \$2.98 million in FY 2014.

Inventories consist of school uniforms, books and stationery supplies for sale at the school bookshop were \$0.52 million as at 31 December 2014 compared to \$0.60 million as at 31 December 2013.

Other receivables and deposits increased from \$0.37 million as at 31 December 2013 to \$2.43 million as at 31 December 2014 mainly due to reclassification of deposits from the school leases at Paterson Road and warehouse space of \$1.81 million to current assets as the leases of such premises are expiring within one year.

Prepayment as at 31 December 2014 of \$1.66 million was higher than \$1.12 million as at 31 December 2013 due to prepaid expenses for property tax and fee protection insurance scheme premium.

Trade receivables increased by \$0.10 million mainly due to higher billing of tuition fees.

As at 31 December 2014, the Group's cash and cash equivalents was \$125.52 million, increased from \$124.70 million as at 31 December 2013. This was mainly contributed by the net proceeds from the issuance of bonds in Q2 2014, which sole purpose is to fund the building of the new school, less the payment to-date for capital expenditure in relation to the construction of the new school campus.

The trade payables remained stable at \$0.29 million as at 31 December 2014, as compared to \$0.19 million as at 31 December 2013.

Fees received in advance decreased by \$1.58 million from \$37.57 million as at 31 December 2013 to \$35.99 million as at 31 December 2014.

Bonds - Interest Payable was for the interest accrued on the \$150 million bonds at 5.20% p.a. for the period from 17 October 2014 to 31 December 2014.

As at 31 December 2014, GST receivable was \$1.16 million and GST payable was \$57,000, compared to GST payable of \$2.42 million as at 31 December 2013, the difference mainly due to GST receivable on expenditure relating to the construction of the new school campus.

#### **Review of Group cash flow for the year ended 31 December 2014**

In FY 2014, net cash generated from operating activities was \$21.39 million, which consisted of cash flows from operating activities before working capital changes of \$29.51 million, net working capital outflow of \$3.77 million, interest received of \$0.63 million and income tax paid of \$4.98 million.

The net working capital outflow of \$3.77 million was mainly from the decrease in payables of \$3.83 million which was mainly due to decrease in fees received in advance of \$1.58 million and lower GST payable of \$2.36 million. There was an increase in receivables of \$1.74 million arising mainly from increase in GST receivables of \$1.16 million attributed to the GST on expenditure incurred for the construction of the new school campus.

The net cash outflow in investing activities of \$156.97 million in FY 2014 was mainly due to the capital expenditure for the construction of the new school campus and bond interest paid of \$3.91 million capitalised in construction in progress.

The cash inflow in financing activities of \$136.40 million was attributable to the net proceeds from the bond issue received in April 2014 less payment in May 2014 of the final dividend in respect of FY 2013.

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

Not applicable.

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

Personnel expenses constituted the single largest component of the Group's operating expenses. Any worldwide inflationary pressures are likely to impact the Group's costs and its operational results. The Group's ability to revise the School's tuition fees rates will also affect the Group's operational results.

Construction of the new school in Pasir Ris is proceeding according to schedule and the expected date on or before which temporary occupation permit(TOP) is expected to be obtained remains unchanged at 30 April 2015, ahead of the start of the new school year in August 2015. There is no change in the time schedule to start the new academic year at the new Pasir Ris school.

**11 Dividend****(a) Current financial period reported on**

The particulars of the dividend declared for the current financial year are in the following:

Name of dividend	FY2014 final dividend (proposed)
Dividend type	Cash
Dividend rate	S\$ 0.0275 per share
Tax rate	Tax-exempt (one-tier)
Date payable	19 May 2015

**Date Payable**

The proposed dividend shall be payable on 19 May 2015.

**Books closure date**

Registrable transfers received by the Company's Registrar, M&C Services Private Limited, of 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 7 May 2015 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 8 May 2015 for the preparation of dividend warrants.

**(b) Corresponding period of the immediately preceding financial year**

Name of dividend	FY2013 final dividend
Dividend type	Cash
Dividend rate	S\$0.0275 per share
Tax rate	Tax-exempt (one-tier)
Date paid	19 May 2014

The total annual dividend paid in the financial year ended 31 December 2014 was \$11,422,498 (2013: S\$11,422,498).

**12 If no dividend has been declared/ recommended, a statement to that effect.**

Not applicable.

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

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

**14 Segmented revenue and results for business or geographical segments( of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The Company and its subsidiaries operate in Singapore in one business segment as determined in accordance with FRS 108, that of provision of education under a foreign education system. All revenue and expenses, and more than 99% of its assets and liabilities are derived from operations in Singapore.

**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

This has been addressed in paragraph 14.

**16 A breakdown of sales**

	GROUP		
	31-Dec-14 \$'000	31-Dec-13 \$'000	Change %
Sales reported for the first half year	51,821	51,223	1.2
Operating profits after tax before deducting non-controlling interests reported for the first half year	11,003	11,466	(4.0)
Sales reported for the second half year	50,299	51,873	(3.0)
Operating profits after tax before deducting non-controlling interests reported for the second half year	10,981	11,144	(1.5)

**17 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).**

Name	Age	Family relationship with any director and/or chief executive officer and/or	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ms. Chee Jingying, Joyce	30	Daughter of Executive Director, Ms. Wong Lok Hiong	Student Recruitment Manager since 2014.  Responsible for active recruitment of new students and overseeing the Student Recruitment Department.	Prior to appointment as Student Recruitment Manager was involved in planning coordination.

**18 Disclosure of the status on the use of proceeds raised from IPO.**

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

Building of a new school campus	\$ <u>30,200,000</u>
Balance proceeds	\$ <u>37,833,985</u>

BY ORDER OF THE BOARD

David Alan Perry  
Executive Chairman and Chief Executive Officer  
February 24, 2015