

# 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

	Note	GROUP			Change %	
		Year to Date ended		31-Dec-14 \$'000		
		31-Dec-15 \$'000				
<b>Revenue</b>						
Tuition fees		93,791	96.6%	97,839	95.8%	(4.1)
Registration fees		1,420	1.4%	1,782	1.8%	(20.3)
School bookshop sales		878	0.9%	998	1.0%	(12.0)
Enrichment programme revenue		564	0.6%	765	0.7%	(26.3)
Interest income		376	0.4%	626	0.6%	(39.9)
Other revenue		90	0.1%	110	0.1%	(18.2)
<b>Total revenue</b>		<u>97,119</u>	100.0%	<u>102,120</u>	100.0%	(4.9)
<b>Operating expenses</b>						
Personnel expenses		57,248	58.9%	57,097	55.9%	0.3
School lease rental		3,416	3.5%	6,831	6.7%	(50.0)
Depreciation expenses						
- Leasehold land		618	0.6%	-	0.0%	n.m.
- School buildings		1,824	1.9%	-	0.0%	n.m.
- Other plant and equipment		3,863	4.0%	2,976	2.9%	29.8
Amortisation of intangible assets		679	0.7%	709	0.7%	(4.2)
Cost of goods sold		519	0.5%	622	0.6%	(16.6)
Enrichment programme cost		362	0.4%	486	0.5%	(25.5)
Utilities		1,085	1.1%	757	0.7%	43.3
Upkeep and maintenance		534	0.6%	983	1.0%	(45.7)
Finance costs		4,152	4.3%	-	0.0%	n.m.
Other operating expenses		5,123	5.3%	5,219	5.1%	(1.8)
Relocation to Pasir Ris		322	0.3%	-	0.0%	n.m.
<b>Total operating expenses</b>		<u>79,745</u>	82.1%	<u>75,680</u>	74.1%	5.4
<b>Profit before taxation</b>		<b>17,374</b>	17.9%	<b>26,440</b>	25.9%	(34.3)
Income tax expense - current tax		(59)	0.1%	(4,592)	4.5%	(98.7)
- deferred tax	2	(2,379)	2.4%	136	-0.1%	n.m.
<b>Profit for the year</b>		<u><b>14,936</b></u>	15.4%	<u><b>21,984</b></u>	21.5%	(32.1)
Other comprehensive income for the year, net of tax		+		+		0.0
<b>Total comprehensive income for the year</b>		<u><u><b>14,936</b></u></u>	15.4%	<u><u><b>21,984</b></u></u>	21.5%	(32.1)
Attributable to:						
Owners of the Company		14,936	15.4%	21,984	21.5%	(32.1)
		<u><u><b>14,936</b></u></u>	15.4%	<u><u><b>21,984</b></u></u>	21.5%	(32.1)

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 %
	31-Dec-15 \$'000	31-Dec-14 \$'000	
Allowance for doubtful debt	63	90	(30.0)
Write-off for stock obsolescence	7	109	(93.6)
Over provision of tax in respect of prior year	-	(24)	n.m.
(Gain)/Loss on disposal of plant and equipment	(+)	15	n.m.

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-15 \$'000	31-Dec-14 \$'000	31-Dec-15 \$'000	31-Dec-14 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment					
- Leasehold land		34,008	35,245	-	-
- School buildings		180,965	-	-	-
- Other plant and equipment		69,946	4,285	141	168
- Construction-in-progress		-	174,801	-	-
Intangible assets		2,626	2,911	-	-
Investment in subsidiaries		-	-	101,219	66,219
Inter-company loan to subsidiary		-	-	150,000	131,181
Bonds - Issuance expenses	1	999	1,435	999	1,435
Deposits		235	120	-	-
Staff housing deposits		395	199	-	-
		<u>289,174</u>	<u>218,996</u>	<u>252,359</u>	<u>199,003</u>
<b>Current assets</b>					
Inventories		589	516	-	-
Trade receivables		1,329	1,185	-	-
Other receivables and deposits		251	2,430	12	15
Goods and Services Tax receivables		-	1,162	-	-
Amount owing by subsidiary		-	-	1,777	1,827
Bonds - Issuance expenses	1	436	436	436	436
Prepayments		1,338	1,661	16	18
Cash and bank balances		60,359	125,515	11,997	70,447
		<u>64,302</u>	<u>132,905</u>	<u>14,238</u>	<u>72,743</u>
<b>TOTAL ASSETS</b>		<u>353,476</u>	<u>351,901</u>	<u>266,597</u>	<u>271,746</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		245	289	-	-
Other payables and liabilities		7,060	711	521	513
Fees received in advance		32,615	35,986	-	-
Bonds - Interest payable		1,624	1,624	1,624	1,624
Goods and Services Tax payable		3,012	57	57	57
Central Provident Fund payable		503	457	5	10
Income tax payable		79	4,620	61	136
		<u>45,138</u>	<u>43,744</u>	<u>2,268</u>	<u>2,340</u>
<b>NET CURRENT ASSETS</b>		19,164	89,161	11,970	70,403
<b>Non-current liabilities</b>					
Borrowings - Bonds	1	150,000	150,000	150,000	150,000
Other liabilities		-	-	999	1,435
Deferred tax liabilities	2	3,320	941	-	-
		<u>153,320</u>	<u>150,941</u>	<u>150,999</u>	<u>151,435</u>
Net assets		<u>155,018</u>	<u>157,216</u>	<u>113,330</u>	<u>117,971</u>
<b>Equity attributable to owners of the Company</b>					
Share capital		99,253	99,253	99,253	99,253
Revenue reserve		81,934	44,132	14,077	18,718
Other reserves		(26,169)	13,831	-	-
		<u>155,018</u>	<u>157,216</u>	<u>113,330</u>	<u>117,971</u>

	<b>GROUP</b>	
	<b>31-Dec-15</b>	<b>31-Dec-14</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 1:</b>		
Borrowings - Bonds	150,000	150,000
<b>Bonds - Issuance expenses</b>		
- Non-current assets	(999)	(1,435)
- Current assets	(436)	(436)
	<u>(1,435)</u>	<u>(1,871)</u>
	<u>148,565</u>	<u>148,129</u>
<b>Note 2:</b>		
<b>Deferred tax liabilities</b>		
Balance at 1 January	941	1,077
<b>Movements during the year comprising:</b>		
- Difference in net book value and tax-written-down-value of property, plant and equipment	3,092	(136)
- Unabsorbed capital allowances	(713)	-
Deferred tax charged to P&L during the year	<u>2,379</u>	<u>(136)</u>
Balance at 31 December	<u>3,320</u>	<u>941</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-15</b>	<b>31-Dec-14</b>
	<b>\$'000</b>	<b>\$'000</b>
Borrowings - Bonds	150,000	150,000
Bonds issuance expenses	(1,435)	(1,871)
	<u>148,565</u>	<u>148,129</u>
Total bonds issuance expenses incurred	2,181	2,181
Accumulated amortisation	(746)	(310)
	<u>1,435</u>	<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-15</b>	<b>31-Dec-14</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	17,374	26,440
Adjustments for:		
Depreciation and amortisation expenses	6,984	3,685
(Gain)/Loss on disposal of plant and equipment	(+)	15
Finance costs	4,152	-
Interest income	(376)	(626)
<b>Operating profit before working capital changes</b>	<u>28,134</u>	<u>29,514</u>
(Increase)/decrease in inventories	(73)	80
Increase in trade receivables	(144)	(100)
Decrease/(increase) in other receivables and deposits and prepayments	3,663	(1,736)
(Increase)/decrease in non-current deposits	(311)	1,814
Decrease in trade payables, other payables and liabilities, and fees received in advance	(457)	(3,832)
<b>Cash generated from operations</b>	<u>30,812</u>	<u>25,740</u>
Interest received	376	632
Income tax paid	(4,600)	(4,986)
<b>Net cash generated from operating activities</b>	<u>26,588</u>	<u>21,386</u>
<b>Cash flows from investing activities</b>		
Additions of intangible assets	(394)	(396)
Acquisition of property, plant and equipment	(66,484)	(152,732)
Bond interest paid capitalised as construction in progress	(5,492)	(3,911)
Bond interest paid and expensed upon completion of the new school campus	(2,308)	-
Proceeds from disposal of plant and equipment	68	68
<b>Net cash used in investing activities</b>	<u>(74,610)</u>	<u>(156,971)</u>
<b>Cash flows from financing activities</b>		
Issuance of bonds	-	150,000
Bonds issuance expenses	-	(2,181)
Dividends paid	(17,134)	(11,422)
<b>Net cash (used in)/generated from financing activities</b>	<u>(17,134)</u>	<u>136,397</u>
Net (decrease)/increase in cash and cash equivalents	(65,156)	812
Cash and cash equivalents at beginning of the year	<u>125,515</u>	<u>124,703</u>
<b>Cash and cash equivalents at end of the year</b>	<u>60,359</u>	<u>125,515</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						
	Share capital \$'000	Revenue reserve \$'000	Other reserves, total \$'000	Foreign currency translation reserve \$'000	Merger reserve \$'000 (Note #)	Capital reserve \$'000 (Note *)	Total equity \$'000
<b>GROUP</b>							
<b>2015</b>							
Balance at 1 January 2015	99,253	44,132	13,831	1	(26,170)	40,000	157,216
Profit net of tax	-	14,936	-	-	-	-	14,936
Other comprehensive income for the year	-	-	-	+	-	-	+
Total comprehensive income for the year	-	14,936	-	+	-	-	14,936
Distribution to owners							
Dividends	-	(17,134)	-	-	-	-	(17,134)
Total transactions with owners in their capacity as owners	-	(17,134)	-	-	-	-	(17,134)
Others							
Transfer from Capital reserve to Revenue reserve	-	40,000	(40,000)	-	-	(40,000)	-
Total others	-	40,000	(40,000)	-	-	(40,000)	-
Balance at 31 December 2015	99,253	81,934	(26,169)	1	(26,170)	-	155,018
<b>2014</b>							
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
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

+ 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.

Note \* The capital reserve was previously allocated from revenue reserve established out of internally generated funds for purposes of building the new school. This capital reserve is now transferred back to revenue reserve upon completion of the new school.

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

	<b>Attributable to owners of the Company</b>		
	<b>Share capital</b>	<b>Revenue reserve</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>COMPANY</b>			
<b>2015</b>			
Balance at 1 January 2015	99,253	18,718	117,971
Profit net of tax	-	12,493	12,493
Total comprehensive income for the year	-	12,493	12,493
Distribution to owners			
Dividends	-	(17,134)	(17,134)
Total transactions with owners in their capacity as owners	-	(17,134)	(17,134)
Balance at 31 December 2015	99,253	14,077	113,330
<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
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

**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 2015, the Company has no outstanding convertibles (31 December 2014 : nil).

	<b>Company</b>
	No of shares
At 31 December 2015 and 31 December 2014	<u>415,363,548</u>

**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-15</b>	<b>31-Dec-14</b>
Total number of issued shares	<u>415,363,548</u>	<u>415,363,548</u>

**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 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 2014, 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 2015.

Depreciation on the new school buildings is calculated on an estimated useful life of 50 years from 1 July 2015, when operations commenced at the new school.

**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 31-Dec-15 cents</b>	<b>31-Dec-14 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	3.6	5.3
On a fully diluted basis	3.6	5.3
Weighted average number of ordinary shares for basic and diluted earnings per share computation	415,363,548	415,363,548

**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-15 cents</b>	<b>31-Dec-14 cents</b>	<b>31-Dec-15 cents</b>	<b>31-Dec-14 cents</b>
Net asset value per ordinary share based on issued share capital at the end of the period reported on	37.3	37.9	27.3	28.4



**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 \$5.00 million during the year ended 31 December 2015 (FY 2015) from \$102.12 million in the financial year ended 31 December 2014 (FY 2014) to \$97.12 million. This overall decrease of 4.9% was attributed to the softening of student enrolment numbers particularly in the junior schools. Details of revenue lines are as follows:

Tuition fees revenue decreased by 4.1%, from \$97.84 million in FY 2014 to \$93.79 million in FY 2015.

Revenue from registration fees decreased by 20.3% from \$1.78 million in FY 2014 to \$1.42 million in FY 2015.

Revenue from school bookshop sales was \$0.88 million in FY 2015 compared to \$1.00 million in FY 2014. Enrichment programme revenue decreased from \$0.77 million in FY 2014 to \$0.56 million in FY 2015.

Interest income was \$0.38 million in FY 2015 compared to \$0.63 million in FY 2014 as funds were utilised for the building of the new school campus at Pasir Ris. Other revenue was constant at \$0.09 million for FY 2015 compared to \$0.11 million for FY 2014.

Total operating expenses increased by 5.4%, from \$75.68 million in FY 2014 to \$79.75 million in FY 2015. The increase was due to higher depreciation expenses, finance costs and utilities, offset by the absence of school lease rental after the move to the new school campus in July 2015 and lower upkeep and maintenance expenses.

Personnel expenses were maintained fairly constant at \$57.25 million for FY 2015 compared to \$57.10 million for FY 2014.

The increase in depreciation expenses was mainly due to the depreciation on leasehold land and school buildings of \$2.44 million and higher depreciation expense of \$0.89 million for other plant and equipment at the new school campus.

Cost of goods sold and enrichment programme cost were \$0.52 million and \$0.36 million respectively in FY 2015. Both expenses were lower as compared to \$0.62 million and \$0.49 million respectively in FY 2014. These decreases were in line with the lower revenue from school bookshop sales and enrichment programme revenue.

Utilities expenses increased from \$0.76 million in FY 2014 to \$1.09 million in FY 2015. Upkeep and maintenance expenses decreased from \$0.98 million in FY 2014 to \$0.53 million in FY 2015. Both fluctuations were mainly due to the initial phase of settling into the new school campus.

Finance costs of \$4.15 million were expensed in the second half of FY 2015 as these costs were no longer capitalised as part of construction-in-progress upon completion of the new school campus and the commencement of the school operations from 1 July 2015.

Other operating expenses were lower by \$0.10 million, from \$5.22 million in FY 2014 to \$5.12 million in FY 2015.

Profit before taxation decreased from \$26.44 million in FY 2014 to \$17.37 million in FY 2015; a decrease of \$9.07 million (34.3%).

Income tax expense for FY2015 comprised mainly of the accrual of current year's net deferred tax liabilities of \$2.38 million due to the recognition of capital allowances on new assets acquired for the new school campus. The income tax expense for FY2014 was mainly tax on chargeable income for FY2014. Consequently, the effective tax rate for FY 2015 was 14.0% compared to 16.9% for FY 2014.

Profit after taxation decreased from \$21.98 million in FY 2014 to \$14.94 million in FY 2015, a decrease of \$7.04 million (32.1%).

### **Review of Group Balance Sheet as at 31 December 2015**

School buildings and other plant and equipment increased by \$246.62 million, from \$4.29 million as at 31 December 2014 to \$250.91 million as at 31 December 2015, due to capital expenditure incurred and the transfer of construction-in-progress to school buildings, other plant and equipment following the completion of the new school campus less the depreciation charge.

Inventories for school uniforms, books and stationery supplies for sale at the school bookshop were \$0.59 million as at 31 December 2015 compared to \$0.52 million as at 31 December 2014.

Trade receivables balance as at 31 December 2015 was higher at \$1.33 million as compared to \$1.19 million as at 31 December 2014.

Other receivables and deposits reduced by \$2.18 million to \$0.25 million as at 31 December 2015 mainly due to the refund of the deposits from the Commissioner of Lands for the previous Paterson Road campus.

As at 31 December 2015, the Group's cash and cash equivalents were \$60.36 million compared to \$125.52 million as at 31 December 2014. This decrease of \$65.16 million was due to the capital expenditure incurred for the new school campus and two dividend payments during FY 2015, offset by the cash generated from operations.

Trade and other payables and liabilities increased by \$6.31 million as at 31 December 2015, mainly due to accrual of the remaining retention sum due to the main contractor.

The fluctuation in fees received in advance of \$32.62 million as at 31 December 2015 compared to \$35.99 million as at 31 December 2014 was due to the timing of receipts of the fees received in advance.

Bonds - Interest payable was for the interest accrued on the \$150 million bonds at 5.20% p.a. for the period from 17 October to 31 December at the end of 2014 and 2015 respectively.

As at 31 December 2015, the GST payable of \$3.01 million was mainly related to the billing of semester two tuition fees. The GST receivable of \$1.16 million as at 31 December 2014 was mainly due to the GST on the expenditure in relation to the construction of the new school campus.

The increase in deferred tax liabilities arose from the capital allowances computed on the new school assets, offset by deferred tax asset. The deferred tax liabilities of \$4.03 million was recorded as at 31 December 2015 to account for the temporary differences between the net book value and the tax-written-down-value of qualifying assets less deferred tax asset of \$0.71 million.

### **Review of Group cash flow for the year ended 31 December 2015**

In FY 2015, net cash generated from operating activities was \$26.59 million, which consisted of cash flows from operating activities before working capital changes of \$28.13 million, net working capital inflow of \$2.68 million, interest received of \$0.38 million and income tax paid of \$4.60 million.

The net working capital inflow of \$2.68 million arose mainly from the increase in the cash inflow from other receivables and deposits and prepayments of \$3.66 million, which was mainly from receipt of deposits of \$1.83 million and GST receivable of \$1.16 million in FY 2015. This increase was set-off by the increase in cash outflow relating to non-current deposits of \$0.31 million and trade and other payables of \$0.46 million, which was in turn attributed to lower fees received in advance offset by the increase in GST payable.

The net cash outflow in investing activities of \$74.61 million in FY 2015 was mainly due to the capital expenditure for the construction of the new school campus and bond interest paid amounting to \$7.80 million.

The cash outflow in financing activities of \$17.13 million was attributable to the payment of the final dividend in respect of FY 2014 in May 2015 and payment of FY 2015 Special Dividend in November 2015.

**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.**

The foreign system schools (FSS) in Singapore are to a large extent dependent upon the ability of Singapore to continue to attract foreign direct investments.

With the completion of the new school campus at Pasir Ris and school operations having commenced on 1 July 2015 at the new premises, the Group is well placed in the FSS market to compete and to support any expansion of foreign investments into Singapore.

Depreciation expenses of the new school, and finance costs on bond borrowings have become the "new normal" expenses in the Group's Statement of Comprehensive Income from 1 July 2015. The Group continues its effort to monitor and contain costs after the initial phase of settling into the new school facility.

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

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

Name of dividend	FY2015 Special Dividend
Dividend type	Cash
Dividend rate	S\$0.01375 per share
Tax rate	Tax-exempt (one-tier)
Date paid	27-Nov-15
Name of dividend	FY2015 final dividend (proposed)
Dividend type	Cash
Dividend rate	S\$0.01375 per share
Tax rate	Tax-exempt (one-tier)
Date payable	17-May-16

**Date Payable**

The proposed dividend shall be payable on 17 May 2016.

**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 5 May 2016 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 6 May 2016 for the preparation of dividend warrants.

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

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

The total annual dividend paid in the financial year ended 31 December 2015 and 31 December 2014 were as follows:

	<b>31-Dec-15</b>	<b>31-Dec-14</b>
Final exempt (one-tier) dividend for previous financial year: \$0.0275 per share (2014: \$0.0275 per share)	11,422	11,422
Special exempt (one-tier) dividend for FY 2015: \$0.01375 per share (2014: Nil)	5,712	-
	<u>17,134</u>	<u>11,422</u>

**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**

	<b>GROUP</b>		
	<b>31-Dec-15</b>	<b>31-Dec-14</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Sales reported for the first half year	49,660	51,821	(4.2)
Operating profit after tax before deducting non-controlling interests reported for the first half year	10,850	11,003	(1.4)
Sales reported for the second half year	47,459	50,299	(5.6)
Operating profit after tax before deducting non-controlling interests reported for the second half year	4,086	10,981	(62.8)

**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	31	Daughter of Executive Director, Ms. Wong Lok Hiong	Student Recruitment Manager since 2014 in Overseas Family School Limited.  Responsible for active recruitment of new students and overseeing the Student Recruitment Department.	Not Applicable

**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 school campus	\$ <u>59,623,970</u>
Balance proceeds	\$ <u>8,410,015</u>

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

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

BY ORDER OF THE BOARD

David Alan Perry  
Executive Chairman and Chief Executive Officer  
February 16, 2016