INVESTING IN EDUCATION

ANNUAL REPORT 2014

Overseas Education Limited

CONTENTS

OUR MASTER POLICY IS

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

CORPORATE PROFILE

Overseas Education Limited (“OEL” and together with its subsidiaries, the “Group”) is the holding company of Overseas Family School Limited (“OFSL”) which operates Overseas Family School (“OFS” or the “School”), a leading private foreign system school (“FSS”) in Singapore with an operating history of more than 20 years.

We offer the K-12 International Baccalaureate (“IB”) curriculum within a globalised multi-cultural environment to children aged between 3 and 18 years of expatriate parents, who are senior executives and professionals working and living in Singapore. We have over 3,000 students from more than 70 nationalities, supported by about 500 staff members of over 30 nationalities.

Apart from being one of the pioneering schools in Singapore offering a straight-through IB curriculum in a single location, we believe we are also the first and only FSS to integrate the Model United Nations (“MUN”) initiative into our core curriculum.

Our curriculum is based on both the IB and the International General Certificate of Secondary Education (“IGCSE”) programmes. We also offer other programmes to supplement the curriculum.

Currently based at Paterson Road, we will move to a new campus in Pasir Ris in 2015, which will feature new teaching facilities that will further improve our service offering.

We strive to maintain a happy, safe and effective school for overseas families living in Singapore, which prepares our students for their return to their respective national education systems or, for the more senior students, for entry into universities worldwide.

Overseas Education Limited

Chairman's Message to Shareholders

Dear Shareholders,

On behalf of the Board of Directors of Overseas Education Limited (OEL), I present this annual report to shareholders for the financial year ended 31 December 2014 (FY2014).

We welcome our bondholders to the OEL family. In April 2014 we issued $150 million five year, 5.2%, unsecured Bonds. Some bondholders are also shareholders. Net proceeds of both our share and bond issues, together with accumulated past profits, are being applied to capital expenditure for the new OFS school project.

DIVIDENDS

The OEL Board remains committed to its annual dividend policy, being at least 50% of the net profit after tax (NPAT) attributable to shareholders. For FY2014, the Board again recommends a tax-exempt one-tier dividend of 2.75 cents per ordinary share, being 52% of NPAT. If approved by shareholders at the AGM on 22 April 2015, payment will be made on 19 May 2015, to registered shareholders as at 5.00pm on 7 May 2015.

EDUCATION

2014 was an eventful year for our subsidiary company Overseas Family School Limited (OFSL) under the experienced leadership of its CEO and co-founder, Irene Wong. We warmly thank the academic and administrative teams at OFSL for their excellent professional work.

Future Trends

World economic leadership continues to move from west to east, and we expect changes in the nationality profile of families coming to Singapore as foreign investors and joining OFS. The number of students from China enrolled has doubled this year, and this is now our fastest growing nationality. The Mandarin Mother Tongue programme is already in operation in our junior schools.

New Pasir Ris School Campus Nears Completion

We confirm that classes will commence on 12 August 2015 as planned. We express our sincere thanks and gratitude to our contractor Woh Hup (Private) Limited, architect MKPL Private Limited, all professional consultants, and the approximately 1,000 manpower team.

The new state of the art facility is designed to enable academic staff to be even more effective in their daily work. Teachers' private offices next to their classrooms are to better support their role as professional educators and encourage more personal engagement with parents.

Full spectrum mercury free LED lighting throughout the new school, with dimmer controls, will provide research-backed benefits for student learning. Classroom air-conditioning includes CO2 sensors, to pump fresh sea air into the rooms as required, to better maintain student focus on their studies.

Intellectual Development Unit At OFS

An OFS academic policy has always been to stimulate the intellectual levels of its students. A happy school for all, with minimum rules or punishments, has created an enthusiasm for learning, very effective as a strategy for learning by young students.

Classroom lessons by our senior chess expert have developed the chess skills of our junior students and they keenly seek opportunities to compete. Academic research indicates that we can expect improvements in both Mathematics and Reading levels from this initiative.

Computer Coding classes were also introduced recently by our intellectual development team. Students quickly respond to the opportunity to create their own computer programs using mathematics, and thus gain a better practical understanding of the subject.

These pilot projects in the current school will be fully implemented at the new school. Larger spaces and the central positioning of the Intellectual Development Unit will make it quickly accessible for all students by lift or escalator.

Students in Grades 3 to 12 receive benefits in confidence and international understanding from the OFS Model United Nations (MUN), now in its 11th year. In the new school, four large conference rooms, the 2,000 seat Auditorium and bigger classrooms will accommodate larger MUN international conferences and other events.

Mother Tongue Language Retention And Development

Research indicates that when young students change their language of instruction at school, they tend to lose some mother tongue processing ability. This can cause a temporary setback in academic progress.

OFS has extended its Mother Tongue programme, now part of the core curriculum for those choosing the option. This is designed to help students maintain their mother tongue, while also learning English as their language of instruction. For each student this will be optional, instead of a second language, provided within the daily timetable, at no extra cost.

Twenty such national language programmes are expected to be introduced on a top floor of the new school. We are currently employing the teachers. Each room will display a country name and flag outside, and only the national language of that country will be spoken inside.

International Primary Curriculum (IPC)

OFS has been a strong supporter of the International Baccalaureate organisation (IB) since 1994, when we introduced the IB Diploma Programme at Grade 12. This has enabled thousands of graduating OFS students to gain entry into top universities worldwide.

In 1999 the IB introduced the Primary Years Programme (PYP), and OFS was among the first in the world to adopt it. This has been the framework within which OFS has developed its successful junior school programme over the past 15 years.

Recently the IB changed its PYP teaching policies, some aspects of which are not consistent with the OFS junior Maths programme taught by our Maths specialists. Adopting the PYP rule changes would be detrimental to some junior students and therefore we are withdrawing from the IB PYP at the end of this school year, and replacing it with the IPC. The IPC is now the curriculum of choice in an estimated 1,800 primary schools in 95 countries, and encourages Maths and Science to a greater degree.

Our IB Middle Years and Diploma programmes are not affected.

APPRECIATION

To our Shareholders, Bondholders, Academic leadership and teaching staff, Management and administrative staff, to our students and their parents, and the companies and embassies which employ them in Singapore:

Thank you for your support. We look forward to building ever stronger relationships in our new school facility, designed with every stakeholders' interests in mind.

These are challenging and exciting times for the OFS school community.

David A Perry
Executive Chairman and Chief Executive Officer

BOARD OF DIRECTORS

PERRY, DAVID ALAN
Executive Chairman and CEO

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

Before moving to Singapore in 1987 and the founding of OFSL in 1991, Mr. Perry was a partner of Resource Control Associates from 1976 to 1985.

Mr. Perry is the founder and Chairman of the board of directors of Master Projects Pte Ltd since 1987. He is a non-executive director of its two New Zealand subsidiary companies, Centre for Advanced Medicine Limited since 1997, and Feedback Research Limited since 2003.

WONG LOK HIONG IRENE
Executive Director

Ms. Wong is one of the founders of the School and responsible for the overall business and operations of OFS. Ms. Wong sits on the Executive Board of our School and the board of directors of OFSL. Within the OFS management structure, Ms. Wong is the CEO of OFS and is responsible for all matters relating to the operation of our School. Our Academic Director, the four Principals, the General Manager and the School's Registrar all report to her.

Ms. Wong has 38 years of experience in the management of foreign system schools in Singapore.

Ms. Wong has been a director of Masters Projects Pte Ltd since 1990. She is a non-executive director of its two New Zealand subsidiary companies, Centre for Advanced Medicine Limited since 2002, and Feedback Research Limited since 2003.

YANG EU JIN
Executive Director and General Counsel

Mr. Yang was appointed to our Board on 12 August 2014. He assists the Executive Chairman and Chief Executive Officer in managing the corporate affairs of the Group and is responsible for overseeing all legal, regulatory and corporate governance matters of the Group. He sits on the Executive Board of our School and the board of directors of OFSL. Prior to joining our Group as General Counsel in December 2011, he was a senior executive at Master Projects Pte Ltd from June 2011 to November 2011. Mr. Yang was previously a lawyer in private practice and partner of a law firm in Singapore.

Mr. Yang graduated from the National University of Singapore with a Bachelor of Laws (Hons) in 1997 and is a member of the Singapore Academy of Law.

HO YEW MUN

Lead Independent Director

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

Between February 2001 and April 2005, he was the managing director of Equity Capital Markets, Investment Banking Group of DBS Bank. During this period, he was also head of equity capital markets (Hong Kong) from November 2001 to November 2003.

Mr. Ho was senior vice-president and head of the Securities Market Division of the SGX-ST (formerly known as the Stock Exchange of Singapore) and also a listings manager of the SGX-ST (formerly known as the Stock Exchange of Singapore) 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.

LEOW WEE KIA CLEMENT

Independent Director

Mr. Leow was appointed to our Board on 26 December 2012. He is currently an independent director of JB Foods Limited and Mann Seng Metal International Limited, companies listed on the Mainboard and the Catalist Board of the Singapore Exchange respectively.

Mr. Leow is also currently a partner and head of corporate finance at Partners Capital (Singapore) Pte Ltd, and has over 13 years of corporate finance experience primarily in initial public offerings, mergers & acquisitions as well as advisory transactions. Prior to this, Mr. Leow has held senior positions in corporate finance and banking in Singapore. Mr. Leow has also been appointed to the Institute of Banking and Finance, Financial Industry Competency Standards Corporate Finance Working Group, which provides guidance and sets the competency standards in the corporate finance industry in Singapore.

Mr. Leow graduated from Cornell University, United States with a Bachelor of Science in Applied Economics in 1994. He was awarded a Master of Business Administration in 2011 from the University of Oxford, United Kingdom, and was also conferred a Postgraduate Diploma in Financial Strategy in 2009 by the University of Oxford, United Kingdom. He also completed the Governance as Leadership program at Harvard Kennedy School, United States in 2010, and has served as a member of the Singapore Institute of Directors since April 2009. He also serves as a member of the Selection Committee of Singapore Tennis Association and has been awarded the Singapore Armed Forces Good Service Medal in 2007.

TAN TENG MUAN

Independent Director

Mr. Tan was appointed to our Board on 28 October 2011, the date of incorporation of Overseas Education Limited. He is currently a Commissioner for Oaths and a partner in the civil and commercial litigation practice of Mallal & Namazie.

He has over 27 years of experience in legal practice. Mr. Tan 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.

EXECUTIVE OFFICERS

FROM LEFT TO RIGHT: Lee Kwok-Tung Michael | Lee Chwee Soon Jason | Keenan, Patrick William | Suppiah, Rani | Bentin, Suzanne Magdalen | Wong Juan Meng | Matthew, Gregory Gerard | Ho Hie Wu David

BENTIN, SUZANNE MAGDALEN

High School Principal

Ms. Bentin provides academic leadership and oversees the administration and all academic matters of the High School, including school planning and co-ordination among the subject areas. She joined our School in August 1996 and has held various appointments before her current position in August 2006. She is a member of our Academic Board and a member of the Executive Board of our School.

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

HO HIE WU DAVID

Director Of Finance and Planning

Mr. Ho is responsible for developing and implementing the strategic planning framework, and assessing strategic issues and the foreign-system school competitive landscape and the markets for the Group. Mr. Ho also provides advice on financial matters relating to OFSL. He was appointed to his position on 1 July 2013. Mr. Ho was previously a director in a company providing independent business advisory and valuation, financial and human resource advisory services to companies. Prior to that, he was a Director at PricewaterhouseCoopers, where he was responsible for overseeing the audit and business advisory department for the enterprise and emerging clients, as well as serving as director of the PricewaterhouseCoopers shared services advisory unit and corporate services unit. Mr. Ho graduated from the Western Australian Institute of Technology in 1986 with a Bachelor of Business (Accounting). He has been a Chartered Accountant (Australia) with the Institute of Chartered Accountants in Australia since 1990, and has been a Fellow of the Institute of Singapore Chartered Accountants since 2004.

KEENAN, PATRICK WILLIAM

Academic Director

Mr. Keenan oversees all academic matters of our School. He joined our School in 1998 and has held various appointments. As Academic Director since 2007, Mr. Keenan chairs the Academic Board, which develops and reviews internal policies and procedures on all academic matters for our School. He is also the Chairman of the Examination Board and the Head of our Independent Assessment Unit within OFS. Mr. Keenan sits on the Executive Board of our School and the board of directors of OFS. Prior to joining our School, Mr. Keenan had worked in various schools in New Zealand and the New Zealand Education Department, as well as the International School Manila in the Philippines. He graduated from Waikato University, New Zealand with a Diploma in Teaching in 1971 and obtained a Bachelor of Education in 1972.

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 Parents 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 Academic Director 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 OFS. Mr. Lee received his GCE O-Level Certificate in 1990, and was certified as a Fire Safety Manager by the Civil Defence of Force of Singapore in 2007.

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 positions 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 the United Kingdom and was Head of Science in his last post there. He graduated from the University of Salford, United Kingdom with a Bachelor of Science (Hons) in 1993 and was awarded a Postgraduate Certificate in Education from the University of Wolverhampton, United Kingdom in 1999. Between 1993 and 1998, Mr. Lee served as an Inspector of Police in the Royal Hong Kong Police Force.

MATTHEW, GREGORY GERARD
Elementary School Principal

Mr. Matthew oversees the overall management and administration of the Elementary School. He originally joined our School in August, 1993. Since then, Mr. Matthew has worked in schools both in his home country of Australia, where he taught in a variety of rural, regional and inner-city schools and in our Elementary School, where he has held various teaching and administrative positions, before his current appointment as Elementary School Principal in August 2014. He is a member of our Academic Board and a member of the Executive Board of our School. Mr. Matthew obtained a Diploma of Teaching from Royal Melbourne Institute of Technology University in 1989 and graduated from La Trobe University Melbourne with a Bachelor of Education in 1990. He obtained a Post-Graduate Bachelor of Educational Studies from The University of Melbourne in 1993 and a Master of Education, specialising in Educational Administration, from The University of Melbourne in 2000.

SUPPIAH, RANI
Kindergarten Principal

Mrs. Suppiah oversees the overall management and administration of the Kindergarten. She joined our School in 1994 and held various appointments (Teacher, PYP Coordinator and Deputy Principal) before her current position in January 2001. Mrs. Suppiah is a member of our Academic Board and a member of the Executive Board of our School. Prior to joining our School, she was a Teacher at Parkhurst Infants School, London Borough of Haringey, UK, and had worked in private organizations and the Ministry of Health as a Medical Social Worker, Singapore before entering the education field. Mrs. Suppiah graduated from the National University of Singapore with a Bachelor of Arts (majoring in Social Work, Sociology and Social Administration) in 1974. She obtained a Post Graduate Certificate in Education in Multilingual Primary Education from the University of North London, UK, in 1991, and a Master of Educational Management from the University of Melbourne, Australia in 2008.

WONG JUAN MENG
Chief Financial Officer

Ms. Wong is in charge of the overall financial and accounting matters and compliance with the financial reporting requirements of our Group, and was appointed on 23 July 2012. Prior to joining us, Ms. Wong held various finance-related portfolios in companies such as PSC Corporation and Hotel Plaza Ltd, where she undertook the role of group financial controller and corporate controller from October 2003 to May 2012 and June 2001 to January 2003 respectively. She is also well-versed in a wide array of industries following previous executive roles in established companies such as The Ascott Limited, F&N Coca Cola Pte Ltd, Fraser & Neave Ltd, Sime Singapore Ltd and PricewaterhouseCoopers. Ms. Wong graduated from the University of Singapore with a Bachelor of Accountancy in 1979. She has been a member of the Institute of Singapore Chartered Accountants since 1989.

ABOUT OFS

THE OFS EXPERIENCE

OFS is unique in our philosophy of education and in our beliefs for our School. We promote a truly international outlook and there is no one dominant nationality within our student population or amongst our staff.

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

We are also a firm believer in engaging our Clients, namely the parents and guardians of our students, in the decisions relating to, and the progress of their child's education. In addition, we take pride that our academic personnel are tasked with teaching duties only and are not required to carry out administrative duties, which are carried out separately by our administrative staff.

We have a full curriculum based on IB and the IGCSE, with the MUN Initiative incorporated into our core curriculum.

<table>
<tr><th>KINDERGARTEN</th><th>ELEMENTARY SCHOOL</th><th>MIDDLE SCHOOL</th><th colspan="2">HIGH SCHOOL</th></tr>
<tr><td>Pre-K to K2</td><td>Grades 1 to 5</td><td>Grades 6 to 8</td><td>Grades 9 to 10 (Junior)</td><td>Grades 11 to 12 (Senior)</td></tr>
<tr><td colspan="2">IB Primary Years Programme</td><td colspan="2">IB Middle Years Programme</td><td>IB Diploma Years Programme</td></tr>
<tr><td colspan="2" rowspan="2"></td><td rowspan="2"></td><td>International General Certificate of Secondary Education ("IGCSE")</td><td></td></tr>
<tr><td colspan="2">OFS High School Diploma</td></tr>
<tr><td colspan="5">Other Programmes</td></tr>
<tr><td colspan="5">Model United Nations ("MUN") Initiative, Study Preparation Programme and Second Language, Mother Tongue Programme, Intellectual Development Programmes (Strategic Games like Chess, Weiqi and Computer Coding), Enrichment Programmes, College Admission Counselling, Extra-Curricular Activities, Community Service</td></tr>
</table>

FULL AND INTEGRATED CURRICULUM

The International Baccalaureate ("IB") programme formed the foundation for the development of the curriculum in our School – from Kindergarten (Pre-K to K2) and Elementary School (Grades 1 to 5), through to Middle School (Grades 6 to 8) and High School (Grades 9 to 12). Having a K-12 curriculum enables us to accept enrolment of students at any pre-tertiary education level.

In addition to the IB programme, we also offer the IGCSE examinations administered by Cambridge University to our students in Grade 10. The IGCSE certificate is equivalent to the GCE O-Level certificate.

In 2009, OFS integrated the MUN initiative into our curriculum, and was the first and only FSS in Singapore to do so. The MUN initiative seeks to develop students' skills in research, collaboration, negotiation and presentation and develop 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 the past seven years. Each year we organise two MUN conferences – MUNOFS for High School students and MY-MUNOFS for Middle School students. The recent MY-MUNOFS VI conference held from 27th February to 1st March 2015 had nearly 600 participants from 26 schools hailing from 11 different countries.

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 also 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 our High School students who obtained 35+ points (which would generally require the students to have obtained a majority of at least six 'A-' grades and above), was consistently above the world-wide percentages of DP students. In Academic Year 2013/2014, 38.82% of OFS DP candidates achieved 35+ points, compared with 24.8% of candidates world-wide.

OFS: PRE-KINDERGARTEN TO HIGH SCHOOL

KINDERGARTEN

- Established in 1992, the Kindergarten is currently led by our Kindergarten Principal and Executive Officer, Suppiah, Rani, one Deputy Principal, Kindergarten Curriculum Leadership and a staff force of over 35 teachers.
- The Kindergarten programme is offered to students aged between 3 and 5. It is specially designed to enrich and stimulate the minds of young children, and to provide the 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 pre-K, K1 and K2 classes.

ELEMENTARY SCHOOL

- Established in 1991, the Elementary School is led by our Elementary School Principal and Executive Officer, Matthew, Gregory Gerard, two Deputy Principals, Elementary School Curriculum Leadership and over 105 teaching staff.
- 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 an inquiry-based curriculum that encourages students to develop the conceptual understanding, knowledge and skills they need to become life-long learners.

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

STUDY PREPARATION PROGRAMME ("SPP") AND SECOND LANGUAGE

English is the language in which our School conducts the teaching of our main curriculum and for students for whom English is not their first language, where necessary we will offer them the specialised SPP, which has three levels:

- At Levels 1 and 2, the students undergo an intensive language acquisition programme conducted by specialist teachers trained to teach English as a second or other language; and
- When basic proficiency is reached, our students are moved to Level 3, where they will be able to participate in regular classes, with on-going support from SPP English language specialist teachers.

A main objective of SPP is to enable SPP students to return to or 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. The five second languages currently offered at OFS are Mandarin, French, German, Spanish and Japanese.

EXTRA-CURRICULAR ACTIVITIES

In addition to the core curricular programme, OFS also conducts extra-curricular activities. Students can choose to join various clubs in areas such as science, art, music, dance, drama and chess, or sports activities, including basketball, badminton, soccer, swimming, touch rugby and

MIDDLE SCHOOL

- Established in 1991, the Middle School is currently led by our Middle School Principal and Executive Officer, Lee Kwok-Tung Michael, two Deputy Principals, Middle School Curriculum Leadership and over 60 teaching staff.
- 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, Bentin, Suzanne Magdalen, two Deputy Principals and High School Curriculum Leadership. It has over 120 teaching staff, 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 programme, the Junior High School students at OFS are also offered the IGCSE syllabus at Grades 9 and 10.

volleyball. Students are also given the chance to engage in friendly competition with other teams including teams from other schools.

ENRICHMENT PROGRAMMES

In addition to the school curriculum, OFS currently offers more than 40 optional enrichment programmes that students from Grades K-12 may enrol in. These enrichment programmes are provided by external service providers who have been carefully selected and range from various types of sports and games, to the arts (including music, dance and drama), the sciences and some popular languages. Some of the programmes, such as the language and yoga courses, are also open for participation by the parents of our students.

COLLEGE ADMISSION COUNSELLING

Our academic advisers counsel students planning to enroll in colleges and universities. We assist students by providing them with information on admission requirements to different colleges and universities and the degrees and courses available for tertiary education.

We also schedule Grade 11 and 12 students to meet a number of representatives from colleges world-wide, to discuss their respective college requirements, application procedures and all other prerequisites necessary for admission into the colleges. In addition, we conduct Scholastic Aptitude Test (“SAT”) and ACT workshops and assist students in their final college placement arrangements by providing one-to-one college admission counselling sessions for them.

FINANCIAL HIGHLIGHTS

Financial Year ended 31 December

5-YEAR FINANCIAL SUMMARY

FINANCIAL HIGHLIGHTS (S$'000)	FY2010	FY2011	FY2012	FY2013	**FY2014**
Total revenue	82,354	89,343	96,403	103,096	**102,120**
Profit before taxation	18,664	23,453	24,469	27,324	**26,440**
Profit for the year	15,171	19,465	20,656	22,610	**21,984**
Earnings per ordinary share (cents)[1]	5.7	7.3	7.8	5.7	**5.3**

BALANCE SHEET (S$'000)	31-Dec-2010	31-Dec-2011	31-Dec-2012	31-Dec-2013	**31-Dec-2014**
Total assets	85,342	100,859	115,246	194,075	**351,901**
Total liabilities	42,032	46,083	47,814	47,421	**194,685**
Revenue reserve	8,261	9,726	22,382	33,570	**44,132**
Total equity	43,310	54,776	67,432	146,654	**157,216**
Net asset value per ordinary share (cents)[2]	16.3	20.6	25.4	35.3	**37.9**

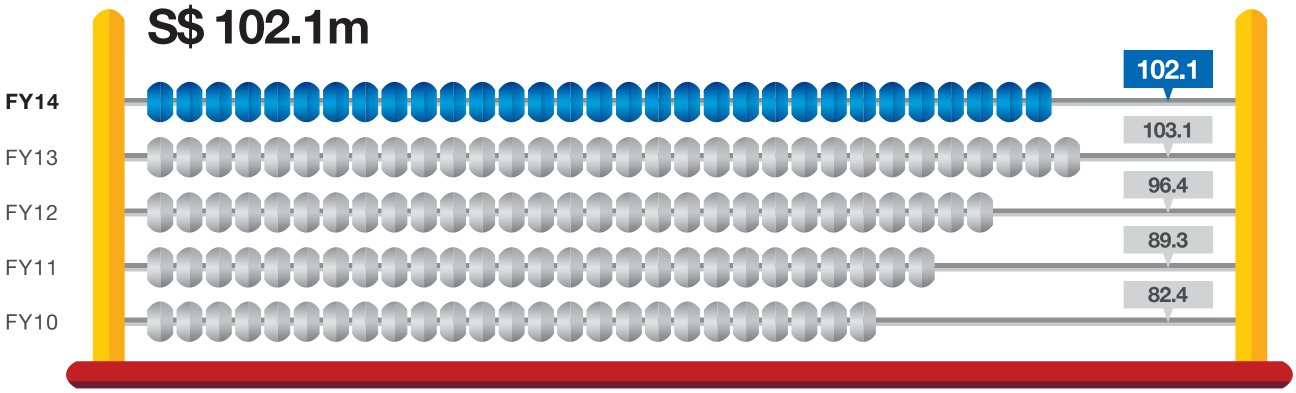
CASH FLOW (S$'000)	31-Dec-2010	31-Dec-2011	31-Dec-2012	31-Dec-2013	**31-Dec-2014**
Net cash generated from operating activities	10,000	27,960	25,565	27,228	**21,386**
Net cash used in investing activities	(3,596)	(3,351)	(2,738)	(53,593)	**(156,971)**
Net cash generated from/(used in) financing activities	(10,546)	(7,836)	(8,000)	56,612	**136,397**
Cash and cash equivalents at end of the year	62,856	79,629	94,456	124,703	**125,515**

Notes:

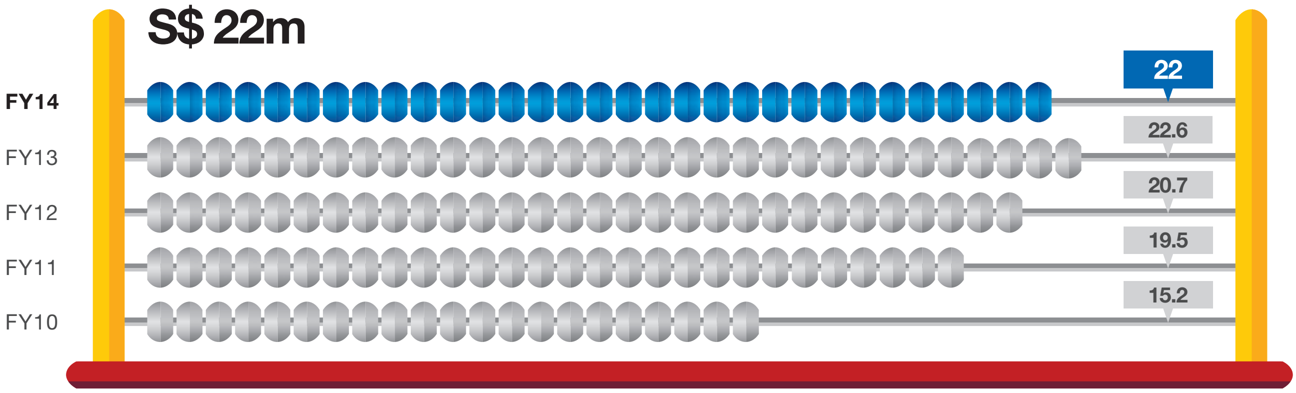
1 For comparative purposes, earnings per ordinary share of the Group for financial years ended 31 December 2010 to 2012 have been computed based on share capital of 265,363,548 shares, following the share split exercise on 28 June 2012. For the financial years ended 31 December 2013 and 31 December 2014, earnings per ordinary share of the Group was computed based on weighted average number of ordinary shares of 397,760,808 and 415,363,548 respectively.

2 For comparative purposes, net asset value per ordinary share for 31 December 2010 to 2012 has been computed based on share capital of 265,363,548 shares, following the share split exercise on 28 June 2012. For 31 December 2013 to 2014, net asset value per ordinary share was computed based on share capital of 415,363,548 shares.

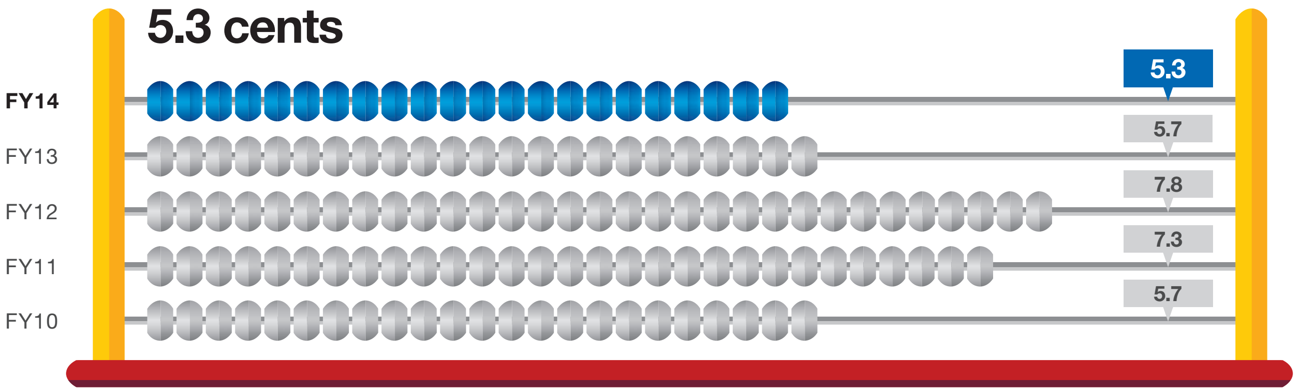
TOTAL REVENUE (S$'MILLION)[1]



PROFIT FOR THE YEAR (S$'MILLION)



EARNINGS PER ORDINARY SHARE (CENTS)[2]



Notes:

1 Total revenue consists of tuition fees, registration fees, school bookshop sales, enrichment programme revenue, interest income and other revenue.

2 For comparative purposes, earnings per ordinary share of the Group for financial years ended 31 December 2010 to 2012 have been computed based on share capital of 265,363,548 shares, following the share split exercise on 28 June 2012. For the financial years ended 31 December 2013 and 31 December 2014, earnings per ordinary share of the Group was computed based on weighted average number of ordinary shares of 397,760,808 and 415,363,548 respectively.

OPERATIONS & FINANCIAL REVIEW

INCOME STATEMENT

Total Revenue

For the financial year ended 31 December 2014, the Group posted a 0.9% year-on-year decrease in turnover to $102.12 million, due to lower contribution from tuition fees, school bookshop sales and enrichment programmes.

- Tuition fees revenue decreased to $97.84 million in FY2014 from $98.65 million in FY2013 due to softness in enrolment in the junior school.
- Revenue from registration fees remained relatively stable at $1.78 million in FY2014, lower by 1.4% from $1.81 million in the prior financial year.
- Revenue from school bookshop sales was lower by $0.17 million, or 14.8%, to $1.00 million in FY2014. Enrichment programme revenue decreased from $0.92 million in FY2013 to $0.77 million in FY2014.
- Interest income of $0.63 million in FY2014, derived from interest earning bank balances, was 42.0% higher year-on-year.
- Other revenue remained fairly constant at $0.11 million in FY2014, as compared to $0.12 million posted in FY2013.

Operating Expenses

In FY2014, the Group's total operating expenses decreased by 0.1% to $75.68 million from lower depreciation, utilities, upkeep and maintenance expenses, which offset higher personnel expenses and other operating expenses.

Depreciation and amortisation expenses were also lower at $3.69 million in FY2014 as compared to $4.00 million in FY2013 as most fixed assets were fully depreciated in FY2013. As the school is in the midst of preparing to move to its new premises later this year, fewer new asset purchases were made, resulting in lower overall depreciation.

Personnel expenses were higher at $57.10 million, compared to $56.07 million in FY2013, due to annual salary increments and corresponding CPF contributions 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.

Other operating expenses increased by $0.62 million in FY2014, from $4.60 million in FY2013 to $5.22 million in FY2014 due to the imposition of a mandatory fee protection insurance scheme premium resulting from the School's receipt of the Edutrust certification on 23 December 2013.

Profitability

Taking into account the aforementioned, profit before taxation decreased $0.88 million from $27.32 million in FY2013 to $26.44 million in FY2014.

Effective tax rate decreased from 17.3% in FY2013 to 16.9% in FY2014.

As a result, profit after taxation decreased by 2.8% or $0.63 million from $22.61 million in FY2013 to $21.98 million in FY2014.

BALANCE SHEET

Property, plant and equipment increased to $179.09 million in FY2014, from $22.33 million in FY2013, mainly due to capital expenditure of $157.50 million incurred for the construction of the new campus and other additions of $1.00 million. Depreciation charges amounting to $1.24 million pertaining to the Group's leasehold land were also capitalised as construction-in-progress as part of other property, plant and equipment.

Other receivables increased by $2.06 million to $2.43 million in FY2014 following the reclassification of deposits from the school lease at Paterson Road and warehouse space to current assets, as the leases are slated for expiry within the next 12 months.

Likewise, trade receivables increased by $0.10 million to $1.19 million from higher tuition fee billings.

Trade payables remained fairly constant at $0.29 million in FY2014 as compared to $0.19 million in the previous fiscal year.

During the same period, fees received in advance decreased by $1.58 million to $35.99 million as at 31 December 2014. Correspondingly, the Group's shareholders' equity amounted to $157.22 million in FY2014, $10.57 million higher than the $146.65 million recorded in FY2013.

CASH FLOW STATEMENT

In FY2014, net cash generated from operating activities was $21.39 million. This comprised 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.

Net working capital outflow of $3.77 million was mainly from the decrease in payables of $3.83 million which was mainly attributable to a decrease in fees received in advance of $1.58 million and lower GST payable of $2.36 million.

With regard to investing activities, net cash outflow amounted to $156.97 million in FY2014 due to capital expenditure relating to the construction of the new school campus and bond interest paid of $3.91 million capitalised under construction-in-progress.

During the year, net cash inflow in financing activities totalled $136.40 million mainly due to the receipt of net proceeds arising from the bond issue in April 2014.

Resultantly, the Group reported cash and cash equivalents of $125.52 million as at 31 December 2014, as compared to $124.70 million the year before. This was principally attributable to net proceeds received from the issuance of bonds in Q2 2014 to finance the construction of the new school campus in Pasir Ris, less the payment to-date for capital expenditure in relation to the construction.

SIGNIFICANT TRENDS AHEAD

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.

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 instill a sense of social responsibility among our students and teachers alike.

The 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 local Singapore community, or the larger global community. The teachers at OFS 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

Over the years, our School has continued to forge community service partnerships with various local and overseas organisations. This has helped our students to understand the importance of volunteering and that their participation provides valuable community services.

OFS takes a yearly trip to Cambodia to work with both Caring for Cambodia and the Tabitha Organization. OFS has been working with these two organisations for over 10 years and through the Tabitha Organization in Phnom Penh, OFS funded and completed 10 houses for needy families. Caring for Cambodia provides education for low-income students in Cambodia who otherwise would not be able to afford schooling. Last year, OFS High School students went to the Pak Doc orphanage in Siam Reap, where they taught the children basic hygiene skills and distributed hygiene packs collected in High School. They were also invited to a village ramble organised by a local Caring for Cambodia school, where they painted one of the school walls which was in need of renewal.

In September, a group of OFS High School students participated in the worldwide International Coastal Cleanup (ICC) effort. This annual cleanup has over 600,000 volunteers in 92 countries, with 3,500 of them from Singapore. The responsibility of the OFS group involved a three-hour cleanup at Punggol Beach. The effort was very successful, resulting in the collection of 120 kg of marine trash. An important part of participating in the ICC involved documenting all the trash collected. This information is then compiled by the ICC in an effort to document marine trash around the world, with one of the aims being to influence positive environmental measures and public action. The items collected by the students included 1,500 pieces of styrofoam, 78 plastic bottles and 75 plastic bags.

With regard to OFS's ongoing involvement with the Movement for the Intellectually Disabled of Singapore (MINDS), students last year were asked to paint a mural for Lee Kong Chian Gardens School. This group of mainly art students were asked to create a mural based on the school's motto "SMILE", which stood for: Strength, Mutual Respect, Integrity, Life Long Learning and Excellence. Over two days, they created a stunning mural which would likely be the first thing that visitors saw when they entered the campus.

Another endeavor by several OFS art students was the donation of their own art pieces for auction at the Tabitha Foundation Gala Event, where all proceeds went towards building the Nokor Tep Women's Hospital, which was a hospital to address the pressing health needs of the women of Cambodia.

Apart from the organisations mentioned above, OFS continues to have a long-standing involvement with many other non-profit organisations in Singapore, such as Riding for the Disabled Association (RDA) and Bishan Home.

PARTNERSHIPS WITH LOCAL INSTITUTIONS

As with previous years, we continue to have various partnerships and collaborations with the Ministry of Education ("MOE") and other local educational institutions in Singapore.

MOE Teacher Work Attachment Programme

Since 2005, we have worked closely with MOE under its "Teacher Work Attachment" programme to provide professional development for MOE teachers. Under this programme, MOE assigns their teachers to work under attachment with teachers at our School for a period of two to four weeks, to gain an understanding of the teaching philosophy and methodologies of OFS and the IB.

In recognition of OFS's contribution to the professional development of teachers in Singapore, in 2014 we were again the only international school, as in 2011, 2012 and 2013, to be awarded a certificate of appreciation by the Academy of Singapore Teachers. OFS has renewed its commitment to the Teacher Work Attachment programme with MOE for 2015, and will continue to participate in this partnership on a sustained basis to provide attachment places to MOE teachers.

Exchanges with Local Schools

This has been a valuable programme for both OFS and the participating local schools because of the many educational and cultural experiences and insights gleaned by participating teachers and students of both OFS and the local schools alike.

Over the last 5 years, OFS and Ang Mo Kio Secondary School (AMKSS) have maintained close ties. Last year, 21 students and two teachers from OFS spent two days at AMKSS and AMKSS reciprocated by visiting OFS to experience the OFS Global Picnic and also a day in the life of an OFS student.

For the popular Bendemeer Secondary School (BSS) exchange programme, OFS students were partnered with a BSS 'buddy' to take them to classes to experience the environment in a local school. The OFS students will then reciprocate by hosting their BSS 'buddies' at OFS. This allowed all participating students to experience a different school and a different education system, and the opportunity to make new friends from different cultures.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Perry, David Alan	Executive Chairman and Chief Executive Officer
Wong Lok Hiong Irene	Executive Director
Yang Eu Jin	Executive Director and General Counsel
Ho Yew Mun	Lead Independent Director
Tan Teng Muan	Independent Director
Leow Wee Kia Clement	Independent Director

NOMINATING COMMITEE

Leow Wee Kia Clement (Chairman)

Ho Yew Mun

Tan Teng Muan

Perry, David Alan

REMUNERATION COMMITEE

Leow Wee Kia Clement (Chairman)

Ho Yew Mun

Tan Teng Muan

AUDIT COMMITTEE

Ho Yew Mun (Chairman)

Leow Wee Kia Clement

Tan Teng Muan

COMPANY SECRETARY

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

REGISTERED OFFICE

25F Paterson Road, Singapore 238515
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 2010)

CORPORATE GOVERNANCE REPORT

Overseas Education Limited (the "Company") is committed to setting in place corporate governance practices to provide the structure through which the objectives of protection of shareholders' interests and enhancement of long-term shareholders' value are met.

This report outlines the Company's corporate governance practices with specific reference made to the principles of the Singapore Code of Corporate Governance 2012 issued on 2 May 2012 (the "Code"), which is effective from financial year commencing on or after 1 November 2012.

This report should be read as a whole, instead of being read separately under the different principles of the Code.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: **Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.**

As at 31 December 2014, the Board of Directors (the "Board") comprises 6 directors of whom 3 are executive directors and 3 are independent directors. Their combined wealth and diversity of skills, experience, gender and knowledge of the Company 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. It 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:

- Setting the Group's values and standards, 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;
- 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 Company's assets;
- Approving the release of the Group's quarterly 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 staff, including the review of their performances and remuneration packages;
- Reviewing and endorsing corporate policies in keeping with good corporate governance and business practice;
- Identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- Setting the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

All directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

To ensure that specific issues are subject to considerations and review before the Board makes its decisions, the Board has established 3 board committees, namely, the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), responsible for making recommendations to the Board. These 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 Company has since its official listing on the SGX-ST on 7 February 2013, held its Board meetings on a quarterly basis. During the financial year ended 31 December 2014, the Board held a total of 4 meetings. The Company's Articles of Association (the "Articles") provide 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 Board also approves transactions through circular resolutions, which are circulated to the Board together with all relevant information to the proposed transaction.

The frequency of meetings and the attendance of each director at every board and board committee meetings for the financial year ended 31 December 2014 are disclosed in the table reflected below:

Attendance Report of Directors

Types of Meetings / Names of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
David Alan Perry	4	4	NA	NA	2	2	NA	NA
Wong Lok Hiong	4	4	NA	NA	NA	NA	NA	NA
Yang Eu Jin*	4	1	NA	NA	NA	NA	NA	NA
Ho Yew Mun	4	4	4	4	2	2	2	2
Leow Wee Kia Clement	4	4	4	4	2	2	2	2
Tan Teng Muan	4	4	4	4	2	2	2	2

* Yang Eu Jin was appointed a director of the Company on 12 August 2014.

Director Orientation and Training

The Company will conduct briefing and orientation programs for new directors to familiarise themselves with the Company's structure and organisation, businesses and governance policies. Upon appointment, the Company will provide each newly appointed director a formal letter and will be briefed by the Executive Chairman and Chief Executive Officer and/or senior Management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as directors. The aim of the orientation program is to give directors a better understanding of the Company's businesses and 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. Changes to regulations and accounting standards are monitored closely by the Management. In order to keep pace with such regulatory changes, the Company provides opportunities for ongoing training on Board processes and best practices as well as any updates on changes in legislation and financial reporting standards, regulations and guidelines from SGX-ST that affect the Company and/or the directors in discharging their duties effectively.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading (if any) and key changes to the relevant regulatory requirements and financial standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA"), which are relevant to the directors are circulated to the Board. The Company Secretary also informs the directors of upcoming conferences and seminars relevant to their roles as directors of the Company. The external auditors would update the AC and the Board on new and revised financial reporting standards annually.

Matters Requiring Board Approval

The authority for approval of, *inter alia*, the following transactions rest with the Board:

- Approval of quarterly 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 release concerning the Group for release to the SGX-ST.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As of the date of this report, the Board comprises the following directors:

Executive Directors
David Alan Perry
Wong Lok Hiong
Yang Eu Jin

Independent Directors
Ho Yew Mun
Leow Wee Kia Clement
Tan Teng Muan

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. In line with Guideline 2.2(a), the independent directors of the Company make up half 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 said form, which was drawn up based on the definitions and guidelines set forth in Guideline 2.3 in the Code and the Guidebook for Audit Committees in Singapore issued by the Audit Committee Guidance Committee, requires each director to assess whether he considers himself independent despite not having any of the relationships defined in the Code. The NC has reviewed the forms completed by each independent director and is satisfied that half of the Board comprises independent directors.

Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board. The decisions are based on collective decision without any individual or small group of individuals influencing or dominating the decision making process.

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 Company's operations. 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 to enable the Management to benefit from a diverse perspective of issues that are brought before the Board. Together, the directors as a group provide core competencies in business, investment, legal, audit and accounting, management experience and industry knowledge.

Although all the directors have an equal responsibility for the Group's operations, the independent directors play an important role 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. The independent directors are encouraged to meet, without the presence of Management in order to facilitate a more effective check on Management.

The profiles of the Board are set out on pages 4 and 5 of the Annual Report. None of our directors has served on our Board beyond nine years from the date of his/her appointment.

To-date, none of the independent directors of the Company has been appointed as director of the Company's principal subsidiary, which is based in Singapore.

Chairman and Chief Executive Officer

Principle 3: **There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.**

The roles of Chairman and Chief Executive Officer ("CEO") are assumed by David Alan Perry. As the CEO, he is responsible for the day-to-day operations of the Group. He plays an instrumental role in charting the direction and strategic development of the Group and formulates business strategies, the development of the Group and promoting high standards of corporate governance. As the Chairman, he exercises control over the quality, quantity and timeliness of information flow between the Management and the Board. He ensures that the Board receives accurate, timely and clear information; Board meetings are held as and when necessary; promoting a culture of openness and debate at the Board; and setting the Board's meeting agenda. He ensures that effective communication is maintained with the shareholders.

Although the roles and responsibilities of both the Chairman and CEO are vested in David Alan Perry, major decisions are made in consultation with the Board, where half of the Board comprises independent directors. The Board is of the opinion that the process of decision making by the Board has a strong independent element and provides for collective decisions without any individual or small group of individuals dominating the Board's decision making.

In maintaining good corporate governance, Ho Yew Mun, who has been appointed as the Lead Independent Director of the Company, will lead and coordinate the activities of the independent directors and contribute to a balance of viewpoints on the Board. He is the principal liaison on Board issues between the independent directors and the Chairman of the Board. The Lead Independent Director is available to shareholders who have concerns and for which contact through the normal channels of the Chairman and CEO, Executive Directors or Chief Financial Officer ("CFO") has failed to resolve or for which such contact is inappropriate.

Board Membership

Principle 4: **There should be a formal and transparent process for the appointment and re-appointment of directors to the Board**

The Board established the NC which consists of 4 directors, a majority of whom are independent. The NC is chaired by an independent director, Leow Wee Kia Clement. The other NC members are Ho Yew Mun, Tan Teng Muan and David Alan Perry.

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 duties as a director; notwithstanding that the director has multiple board representations;
- Reviewing of board succession plans for directors, in particular, the Chairman and the CEO;
- Development of a process for evaluation of the performance of the Board, its board committees and directors;
- Reviewing of training and professional development programs for the Board;
- Reviewing and approval of new employment of persons related to the directors, CEO and controlling shareholders and the proposed terms of their employment; and
- Appointment and re-appointment of directors (including alternate directors, if applicable).

The NC meets at least once a year. Pursuant to the Company's Articles of Association, each director of the Company shall retire from office. Directors who retire are eligible to stand for re-election.

All directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Article 91 of the Company's Articles of Association requires one-third of the Board to retire and submit themselves for re-election by shareholders at each Annual General Meeting ("AGM"). In addition, Article 97 of the Company's Articles of Association 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. In addition, section 153(6) of the Singapore Companies Act, Chapter 50 provides that a director of or over the age of 70 years may, by an ordinary resolution passed at an AGM be appointed or re-appointed as a director of the company to hold office until the conclusion of the next AGM.

The dates of initial appointment and last re-election of each director are set out below:

Name of Director	Date of First Appointment	Date of Last Re-election
David Alan Perry	28 October 2011	23 April 2014
Wong Lok Hiong	28 October 2011	23 April 2013
Ho Yew Mun	1 August 2012	23 April 2014
Leow Wee Kia Clement	26 December 2012	23 April 2013
Tan Teng Muan	28 October 2011	23 April 2014
Yang Eu Jin	12 August 2014	NA

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 re-nomination as a director.

Despite some of the directors having multiple Board representations, the NC is satisfied that these directors are able to, and have adequately carried out their duties as directors of the Company after taking into the 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 which 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.

The NC has recommended the re-election of the David Alan Perry, Wong Lok Hiong, Leow Wee Kia Clement and Yang Eu Jin, who are retiring at the coming AGM.

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.

The key information regarding directors is set out on pages 4 and 5.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

In line with the principles of good corporate governance, the Board has implemented a process to be carried out by the NC to evaluate the effectiveness of the Board as a whole and its Board Committees 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 leads to enhance its performance over time. 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 NC, in considering the re-nomination of any director, had considered factors including their performance in the Board as a whole, its Board Committees and individual performance including his attendance, preparedness, participation and contributions in the proceedings of the meetings.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To assist the Board to fulfil its responsibilities, the Management provides the directors with management reports that are complete, adequate and timely information on Board affairs and issues that require the Board's decision as well as ongoing reports relating to the operational and financial performance of Company. 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. Directors are also informed of any significant developments or events relating to the Group. In addition, the directors are entitled to request from Management such additional information as needed to make informed decisions. Management ensures that any additional information requested for is provided to the directors in a timely manner.

The directors have separate and independent access to the key management personnel at all times. 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. The costs of such professional advice will be borne by the Company.

The directors have separate and independent access to the Company Secretary, who provides the directors with regular updates on the requirements of the Companies Act and all the rules and regulations of the SGX-ST. The Company Secretary or his representatives attend all Board and Board committee meetings, and assists the Chairman of the Board and Board committees in ensuring that the relevant procedures are followed and reviewed such that the Board and Board committees function effectively. The decision to appoint or remove the Company Secretary is made by the Board as a whole.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: **There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.**

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 comprises 3 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 and Tan Teng Muan. In discharging their duties, the RC members have access to advice from the internal human resources personnel, and if required, advice from external experts.

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 for all directors and executive officers of the Company;

- Reviewing the service agreements of the executive directors and key management personnel of the Company;

- Performing an annual review of the remuneration of employees related to directors to ensure that their remuneration packages are in line with the Company'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 looks into all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, share options, share-based incentives and awards and benefits-in-kind. In addition, the RC also reviews the remuneration of senior Management. 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.

The RC, in considering the remuneration of all directors, has not sought external advice nor appointed remuneration consultants.

In reviewing the service agreements of the executive directors and key management personnel of the Company, the RC will review the Company'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.

Level and Mix of Remuneration

Principle 8: **The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.**

In setting remuneration packages, the Company takes into consideration the remuneration packages and employment conditions within the industry as well as the Group's relative performance and the performance of each director.

The independent directors are paid directors' fees taking into account factors including but not limited to the effort and time spent and the scope of responsibilities of these directors. The 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.

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, which are the bonuses and other benefits. The remuneration packages of the executive directors and key management personnel do not contain any financial incentive component. Therefore, the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company would not be applicable in these circumstances.

The service agreements entered into with our executive directors David Alan Perry and Wong Lok Hiong are for an initial period of 3 years with effect from the date of listing of the Company. These service agreements are subject to review by the RC and provide for automatic renewal for a further term of 3 years unless either party gives to the other not less than 6 months' prior notice of that party's intention not to renew. The employment agreement with our executive director Yang Eu Jin has no fixed term and is terminable by either party with 3 months' prior notice.

Disclosure on Remuneration

Principle 9: **Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.**

A breakdown showing the level and mix of remuneration of each director and top 5 key management personnel (who are not directors and those who were in service for the year ended 31 December 2014) is as follows:

Directors

Names	Salary (S$)	Bonus (S$)	Other Benefits (S$)	Directors' Fees (S$)	Total (S$)
David Alan Perry	384,000	-	4,790	-	388,790
Wong Lok Hiong	384,000	-	16,450	-	400,450
Yang Eu Jin*	487,742	-	21,150	-	508,892
Ho Yew Mun	-	-	-	120,000	120,000
Leow Wee Kia Clement	-	-	-	120,000	120,000
Tan Teng Muan	-	-	-	100,000	100,000

* Yang Eu Jin was appointed a director of the Company on 12 August 2014.

Top 5 Key Management Personnel

Names	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S$250,000 to S$500,000				
Suzanne Magdalen Bentin	82.7	-	17.3	100.0
Patrick William Keenan	77.7	-	22.3	100.0
David Ho Hie Wu	96.2	-	3.8	100.0
Jason Lee Chwee Soon	94.3	-	5.7	100.0
Wong Juan Meng	88.9	7.4	3.7	100.0

The aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO) for the year ended 31 December 2014 is approximately S$1,836,088.

The following is the details of the remuneration of employees who are the immediate family members of a director or the CEO, and whose remuneration exceeds $50,000 for the year ended 31 December 2014:-

Names	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S$100,000 to S$150,000				
Chee Jingying, Joyce (daughter of Executive Director, Ms Wong Lok Hiong)	82.8	7.8	9.4	100.0

The Company does not have an employee share scheme in place and will consider it as and when it deemed necessary.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board understands its accountability to the shareholders on the Group's position, performance and progress. The objectives of the presentation of the annual audited financial statements, full-year and quarterly results to its shareholders are to provide the shareholders with a balanced and understandable assessment and explanation of the Group's financial performance and position and prospects.

In line with the SGX Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year review, the CEO and the CFO have provided assurance to the Board on the integrity of the Group's financial statements.

The Management provides the Board with a continual flow of relevant information on a timely basis in order that it may effectively discharge its duties. The Management understands its role to provide all members of the Board with appropriate management reports in a balanced and understandable assessment of the Group's performance, position and prospects.

Risk Management and Internal Controls

Principle 11: **The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.**

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 integrity 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.

The Group had appointed Deloitte and Touche Enterprise Risk Services Pte Ltd as the independent internal auditors of the Group to review the effectiveness of the Group's internal controls in light of 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.

For FY2014, the Board has received assurances from the CEO and the CFO of the Company that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are operating effectively.

Based on the various management controls put in place, representation letter from the Management, periodic reviews by the Management, the Board with the concurrence of the AC is of the opinion that the system of internal controls addressing financial, operational, compliance and information technology controls, and risk management systems maintained by the Company during the year are adequate as at 31 December 2014.

Audit Committee

Principle 12: **The Board should establish an AC with written terms of reference which clearly set out its authority and duties.**

The AC currently comprises of 3 directors, all of whom are independent. Ho Yew Mun is the AC Chairman. The other AC members are Leow Wee Kia Clement and Tan Teng Muan.

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.

The AC comprises of members who have sufficient experience in finance, legal and business fields.

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal control.

The AC shall meet periodically to discuss and review the following matters:

- Review with the external auditors the audit plan, their management letter and the Company's management's response;

- Review with the internal auditors the internal audit plan and their evaluation of the adequacy of the Company'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' and internal auditors' recommendations with the concurrence of Management in relation to the adequacy of our internal controls and accounting system addressing financial, operational, compliance and information technology controls;

- Review 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;

- Reviewing the adequacy of internal controls and procedures and ensure co-ordination between the external auditors and Management, reviewing 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 auditors and matters relating to resignation or dismissal 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;

- To 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 Group's 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 3, the Board shall, within 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 our Group's operating results and/or financial position.

The AC has reviewed all Interested Person Transactions for the financial year ended 31 December 2014 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. 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.

The Company has approved the following aggregate amount of fees paid/payable to the external auditors for the financial year ended 31 December 2014:-

Services	Amount S$ '000
Audit service	154
Total	154

Save for professional fees and miscellaneous expenses incurred for audit services, the Company did not pay any other non-audit fee to the external auditors during financial year ended 31 December 2014.

The AC has undertaken a review of the services, scope, independence and objectivity of the external auditors. Ernst & Young LLP, the external auditors of the Company, has confirmed that they are a Public Accounting Firm registered with Accounting & Corporate Regulatory Authority and provided a confirmation of their independence to the AC. Having assessed the external auditors based 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 Ernst & Young LLP for re-appointment as the external auditor at the forthcoming AGM.

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

Whistle-blowing policy

The AC in consultation with the Board initiated the implementation of a whistle-blowing policy for all employees of the Group. This policy aims to provide an avenue for employees to raise concerns and provide reassurance that they will be protected from reprisals or victimisation for raising any concerns about fraud and for whistle-blowing in good faith.

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

Internal Audit

Principle 13: **The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.**

The AC and the Board recognises the need for a robust and effective system of internal controls. Deloitte and Touche Enterprise Risk Services Pte Ltd had in 2013 been appointed by the Board as the independent internal auditors of the Group. The internal audit function is expected to meet the standard set by internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC reviews 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 the independent internal auditors have unfettered access to all of the Group's documents, records, properties and personnel, including the AC.

The internal auditors have 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 weaknesses identified.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: **Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.**

The Company firmly believes in high standards of transparent corporate disclosure, in line with the continuous obligations of the Company under the SGX-ST Listing Manual 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. Quarterly results will be published through the SGXNet, news releases and the Company's website. All information of the Company's new initiatives is first disseminated via SGXNet followed by a news release, which is also available on the Company's website.

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

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. All shareholders of the Company will receive the Annual Report with notice of AGM by post and published in a newspaper within the mandatory period, which is held within four months after the close of the financial year. Together with the Annual Report, the Company also attaches a copy of the proxy form to shareholders in order that shareholders can appoint up to 2 proxies to attend, vote and voice any questions relating to the resolutions tabled in a general meeting and/or company affairs, for and on behalf of those shareholders, in the event that such shareholders are not able to attend the said general meeting personally.

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

Communication with Shareholders

Principle 15: **Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.**

The Company recognises the importance of actively engaging with stakeholders to promote effective and fair communication.

The Board also acknowledges its obligation to furnish timely information to shareholders and ensure that full disclosure of material information to comply with statutory requirements and the Listing Manual of the SGX-ST is made. Any price sensitive information will be publicly released on SGXNet first before being announced to any group of investors or analysts.

To keep all stakeholders of the Company updated on the latest announcements, press releases, and stock details of the Company, stakeholders have 24-hour access to the Company's website (www.ofs.edu.sg). In addition, automated email alert services on the latest announcements and press releases broadcasted to SGXNet by the Company can be subscribed to by stakeholders through the Company's website. Stakeholders can also post their enquiries to the Company via email at ir@ofs.edu.sg.

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.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Our 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 Chairman 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 our Board in addressing any relevant queries by our shareholders.

The Board also notes that there should be separate resolutions on each substantially separate issue that may be tabled at the general meeting.

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 are available to shareholders upon request.

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. 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 when the need arises.

MATERIAL CONTRACTS

Save for the service and employment agreements between the executive directors and the Company, there were no material contracts of the Company or its subsidiaries involving the interest of any other directors or controlling shareholders subsisting as at the financial year ended 31 December 2014.

INTERESTED PERSON TRANSACTIONS

There were no interested party transactions except as disclosed above equal to or exceeding $100,000 in aggregate between the Company and any of its interested persons (namely, directors, executive officers or controlling shareholders of the Group or the associates of such directors, executive officers or controlling shareholders) subsisting for the year ended 31 December 2014.

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

Except for the limited exceptions set in the policy, transactions with interested persons that will exceed $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 two weeks before the announcement of the Company's quarterly results and one month before the announcement of the Company's 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 consideration.

UPDATE ON USE OF IPO PROCEEDS

As at 12 March 2015, 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	30,200,000
Balance as at 12 March 2015	37,833,985

FINANCIAL CONTENTS

DIRECTORS' REPORT

The directors are pleased to present their report 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 2014.

Directors

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

David Alan Perry
Wong Lok Hiong
Yang Eu Jin (appointed on 12 August 2014)
Ho Yew Mun
Leow Wee Kia Clement
Tan Teng Muan

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

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in ordinary shares of the Company as stated below:

	Direct interest		Deemed interest	
Name of director	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
Ordinary shares of company				
David Alan Perry	–	–	135,335,410 #	135,335,410 #
Wong Lok Hiong	–	–	130,028,138 *	130,028,138 *
Yang Eu Jin	200,000	200,000	–	–

\# 130,028,138 ordinary shares are held through PDAC Private Limited, an investment holding company wholly owned by David Alan Perry and the balance of 5,307,272 ordinary shares are held through Bank of Singapore Nominees Pte Ltd, holding on behalf of David Alan Perry.

* The ordinary shares are held through WLH Private Limited, an investment holding company wholly owned by Wong Lok Hiong.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2015.

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 of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' REPORT

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Options

No options were issued by the Company or any of its subsidiaries during the financial year. As at 31 December 2014, there were no options on the unissued shares of the Company or any of its subsidiaries which were outstanding.

Audit committee

The audit committee carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Cap. 50. The functions performed are detailed in the Corporate Governance Report.

Further details regarding the audit committee are disclosed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

David Alan Perry
Director

Wong Lok Hiong
Director

Singapore
12 March 2015

STATEMENT BY DIRECTORS

We, David Alan Perry and Wong Lok Hiong, being two of the directors of Overseas Education Limited (the "Company"), do hereby state that, in the opinion of the directors,

(i) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) 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.

On behalf of the board of directors:

David Alan Perry
Director

Wong Lok Hiong
Director

Singapore
12 March 2015

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2014
To the Members of Overseas Education Limited

Report on the financial statements

We have audited the accompanying financial statements of Overseas Education Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 39 to 78, which comprise the balance sheets of the Group and Company as at 31 December 2014, the statements of changes in equity of the Group and the Company, and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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 the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
12 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Note	2014 S$	2013 S$
Revenue			
Tuition fees		**97,838,618**	98,644,783
Registration fees		**1,782,244**	1,807,478
School bookshop sales		**998,555**	1,171,673
Enrichment programme revenue		**764,572**	916,330
Interest income		**625,863**	440,779
Other revenue	4	**109,934**	115,074
Total revenue		**102,119,786**	103,096,117
Less: Operating expenses			
Personnel expenses	5	**57,096,847**	56,068,282
School lease rental	26	**6,831,291**	6,830,011
Depreciation expenses	9	**2,975,768**	3,259,106
Amortisation of intangible assets	10	**709,393**	739,709
Cost of goods sold		**621,905**	754,179
Enrichment programme cost		**485,629**	529,391
Utilities		**757,045**	773,997
Upkeep and maintenance		**983,473**	1,136,995
Share subsidy for staff shareholders		**–**	1,080,864
Other operating expenses	6	**5,218,579**	4,599,622
Total operating expenses		**75,679,930**	75,772,156
Profit before taxation		**26,439,856**	27,323,961
Income tax expense	7	**(4,454,939)**	(4,713,804)
Profit for the year attributable to owners of the Company		**21,984,917**	22,610,157
Other comprehensive income for the year, net of tax			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		**63**	60
Total comprehensive income for the year attributable to owners of the Company		**21,984,980**	22,610,217
Earnings per share (cents)			
- Basic and diluted	8	**5.3**	5.7

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

BALANCE SHEETS

As at 31 December 2014

	Note	Group 2014 S$	Group 2013 S$	Company 2014 S$	Company 2013 S$
ASSETS					
Non-current assets					
Property, plant and equipment					
– Leasehold land	9	**35,245,000**	36,481,667	**–**	–
– Other property, plant and equipment	9	**179,086,045**	22,330,313	**168,063**	217,982
Intangible assets	10	**2,911,461**	3,224,548	**–**	–
Amount due from subsidiary	16	**–**	–	**131,181,250**	–
Investment in subsidiaries	11	**–**	–	**66,219,141**	46,219,141
Bonds – Issuance expenses	20	**1,435,442**	–	**1,435,442**	–
School rental deposits		**119,500**	1,828,275	**–**	–
Staff housing deposits		**198,800**	303,800	**–**	–
		218,996,248	64,168,603	**199,003,896**	46,437,123
Current assets					
Inventories	13	**515,925**	595,935	**–**	–
Trade receivables	14	**1,185,356**	1,085,040	**–**	–
Other receivables and deposits	15	**2,429,506**	374,192	**15,331**	12,686
Bonds – Issuance expenses	20	**436,250**	–	**436,250**	–
Prepayments		**1,660,627**	1,116,956	**17,583**	18,382
Goods and Services Tax receivable		**1,161,830**	–	**–**	–
Amount due from subsidiary	16	**–**	–	**1,826,717**	–
Fee protection insurance deposits	12	**–**	2,031,020	**–**	–
Cash and bank balances	17	**125,515,044**	111,203,022	**70,447,276**	68,245,319
Fixed deposits	17	**–**	13,500,000	**–**	–
		132,904,538	129,906,165	**72,743,157**	68,276,387
TOTAL ASSETS		**351,900,786**	194,074,768	**271,747,053**	114,713,510
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables		**289,230**	192,699	**–**	–
Other payables and liabilities	18	**710,660**	680,348	**513,231**	112,215
Fees received in advance	19	**35,985,661**	37,564,535	**–**	–
Bonds – Interest payable		**1,624,110**	–	**1,624,110**	–
Goods and Services Tax payable		**57,373**	2,416,437	**57,373**	61,125
Central Provident Fund payable		**457,115**	475,992	**10,206**	31,834
Income tax payable		**4,619,575**	5,014,583	**135,851**	57,560
		43,743,724	46,344,594	**2,340,771**	262,734
NET CURRENT ASSETS		**89,160,814**	83,561,571	**70,402,386**	68,013,653
Non-current liabilities					
Borrowings - Bonds	20	**150,000,000**	–	**150,000,000**	–
Other liabilities	18	**–**	–	**1,435,442**	–
Deferred tax liabilities	21	**940,836**	1,076,430	**–**	–
		150,940,836	1,076,430	**151,435,442**	–
Net assets		**157,216,226**	146,653,744	**117,970,840**	114,450,776
Equity attributable to owners of the Company					
Share capital	22	**99,253,226**	99,253,226	**99,253,226**	99,253,226
Revenue reserve		**44,132,517**	33,570,098	**18,717,614**	15,197,550
Other reserves	23	**13,830,483**	13,830,420	**–**	–
Total equity		**157,216,226**	146,653,744	**117,970,840**	114,450,776

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Note	Attributable to owners of the Company						
		Share capital S$	Revenue reserve S$	Other reserves, total S$	Foreign currency translation reserve S$	Merger reserve S$	Capital reserve S$	Total equity S$
Group								
2014								
Balance at 1 January 2014		99,253,226	33,570,098	13,830,420	986	(26,170,566)	40,000,000	146,653,744
Profit net of tax		–	21,984,917	–	–	–	–	21,984,917
Other comprehensive income for the year		–	–	63	63	–	–	63
Total comprehensive income for the year		–	21,984,917	63	63	–	–	21,984,980
Dividends	24	–	(11,422,498)	–	–	–	–	(11,422,498)
Contributions by and distributions to owners		–	(11,422,498)	–	–	–	–	(11,422,498)
Balance at 31 December 2014		99,253,226	44,132,517	13,830,483	1,049	(26,170,566)	40,000,000	157,216,226

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Note	Attributable to owners of the Company						
		Share capital S$	Revenue reserve S$	Other reserves, total S$	Foreign currency translation reserve S$	Merger reserve S$	Capital reserve S$	Total equity S$
Group								
2013								
Balance at 1 January 2013		31,219,241	22,382,439	13,830,360	926	(26,170,566)	40,000,000	67,432,040
Profit net of tax		–	22,610,157	–	–	–	–	22,610,157
Other comprehensive income for the year		–	–	60	60	–	–	60
Total comprehensive income for the year		–	22,610,157	60	60	–	–	22,610,217
Shares issued for Initial Public Offerings	22	72,000,000	–	–	–	–	–	72,000,000
Share issuance expenses	22	(3,966,015)	–	–	–	–	–	(3,966,015)
Dividends	24	–	(11,422,498)	–	–	–	–	(11,422,498)
Contributions by and distributions to owners		68,033,985	(11,422,498)	–	–	–	–	56,611,487
Balance at 31 December 2013		99,253,226	33,570,098	13,830,420	986	(26,170,566)	40,000,000	146,653,744

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Note	Attributable to owners of the Company		
		Share capital S$	Revenue reserve S$	Total equity S$
Company				
2014				
Balance at 1 January 2014		99,253,226	15,197,550	114,450,776
Profit net of tax		–	14,942,562	14,942,562
Total comprehensive income for the year		–	14,942,562	14,942,562
Dividends	24	–	(11,422,498)	(11,422,498)
Contributions by and distributions to owners		–	(11,422,498)	(11,422,498)
Balance at 31 December 2014		99,253,226	18,717,614	117,970,840
2013				
Balance at 1 January 2013		31,219,241	12,223,166	43,442,407
Profit net of tax		–	14,396,882	14,396,882
Total comprehensive income for the year		–	14,396,882	14,396,882
Shares issued for Initial Public Offerings	22	72,000,000	–	72,000,000
Share issuance expenses	22	(3,966,015)	–	(3,966,015)
Dividends	24	–	(11,422,498)	(11,422,498)
Contributions by and distributions to owners		68,033,985	(11,422,498)	56,611,487
Balance at 31 December 2013		99,253,226	15,197,550	114,450,776

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2014

	Note	2014 S$	2013 S$
Cash flows from operating activities			
Profit before taxation		**26,439,856**	27,323,961
Adjustments for:			
Depreciation expenses	9	**2,975,768**	3,259,106
Amortisation expenses	10	**709,393**	739,709
Loss on disposal of property, plant and equipment	6	**15,260**	23,391
Write off of intangible assets	6	**–**	212
Interest income		**(625,863)**	(440,779)
Operating profit before working capital changes		**29,514,414**	30,905,600
Decrease/(increase) in inventories		**80,010**	(28,796)
(Increase)/decrease in trade receivables		**(100,316)**	83,858
Increase in other receivables, deposits and prepayments		**(1,735,616)**	(1,208,747)
Decrease in non-current deposits		**1,813,775**	2,077,567
(Decrease) in trade payables and other payables and fees received in advance		**(3,831,649)**	(1,084,711)
Cash generated from operations		**25,740,618**	30,744,771
Interest received		**631,746**	505,997
Income tax paid		**(4,985,541)**	(4,022,360)
Net cash generated from operating activities		**21,386,823**	27,228,408
Cash flows from investing activities			
Additions of intangible assets	10	**(396,306)**	(415,136)
Acquisition of property, plant and equipment	9	**(152,732,675)**	(53,247,962)
Bond interest paid capitalised in construction in progress		**(3,910,685)**	–
Proceeds from disposal of property, plant and equipment		**68,613**	70,057
Net cash used in investing activities		**(156,971,053)**	(53,593,041)
Cash flows from financing activities			
Issuance of bond	20	**150,000,000**	–
Bond issuance expenses	20	**(2,181,250)**	–
Issuance of new ordinary shares	22	**–**	72,000,000
Share issuance expenses	22	**–**	(3,966,015)
Dividends paid	24	**(11,422,498)**	(11,422,498)
Net cash generated from financing activities		**136,396,252**	56,611,487
Net increase in cash and cash equivalents		**812,022**	30,246,854
Cash and cash equivalents at beginning of the year		**124,703,022**	94,456,168
Cash and cash equivalents at end of the year	17	**125,515,044**	124,703,022

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

NOTES TO THE FINANCIAL STATEMENTS

Financial Year ended 31 December 2014

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 25F Paterson Road, Singapore 238515.

The principal activity of the Company is an investment holding company. The principal activities of the subsidiary companies are set out in Note 11.

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 ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies. 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 financial periods beginning on or after 1 January 2014. The adoption of these standards 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 that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
– Amendment to FRS 103 *Business Combinations*	1 July 2014
– Amendment to FRS 108 *Operating Segments*	1 July 2014
– Amendment to FRS 16 *Property, Plant and Equipment*	1 July 2014
– Amendment to FRS 24 *Related Party Disclosures*	1 July 2014
– Amendment to FRS 38 *Intangible Assets*	1 July 2014
– Amendment to FRS 113 *Fair Value Measurement*	1 July 2014
FRS 114 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Improvements to FRSs (November 2014)	1 January 2016
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

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

2.4 Basis of consolidation and business combinations

Basis of consolidation

(a) Entities under common control

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

(b) Other acquisitions

Apart from the above, subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

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:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– De-recognises the carrying amount of any non-controlling interest;

– De-recognises the cumulative translation differences recorded in equity;

– Recognises the fair value of the consideration received;

– Recognises the fair value of any investment retained;

– Recognises any surplus or deficit in profit or loss;

– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.5 Functional and foreign currency

(a) Functional currency

The management has assessed and determined the currency of the primary economic environment in which the Company operates, i.e. functional currency, to be Singapore Dollars (S$). Revenue and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in S$.

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

2.5 Functional and foreign currency (cont'd)

(b) Foreign currency transactions

The Group's consolidated 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.

(i) 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 determined.

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.

(ii) 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.

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.

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

2.6 Property, plant and equipment (cont'd)

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Leasehold land	–	30 years
School furnishings	–	Lower of 6 years and the remaining lease term
School renovations	–	Lower of 6 years and the remaining lease term
School equipment	–	Lower of 6 years or the remaining lease term
Computers	–	6 years
Motor vehicles	–	3 to 10 years (to a residual value) *
Library books and media	–	6 years

* 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.

Construction-in-progress is recorded when an expenditure is incurred and capitalised in relation to the building of a new school campus, and would be reclassified to building when the construction of the new school campus is completed. Construction-in-progress is not depreciated as the related assets are not yet available for use.

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 arising on derecognition 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.

Intangible assets with finite 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 for an intangible asset with a finite useful life 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 on intangible assets with finite useful lives is recognised in the profit or loss through the 'amortisation of intangible assets' line item.

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 such assessment is not supportable, the change in useful life from indefinite to finite is made on a prospective basis.

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

2.7 Intangible assets (cont'd)

Gains or losses arising from derecognition 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.

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.

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.

The carrying value of software development costs are reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year. Upon completion, the software development costs are amortised over the estimated useful life of 1 to 9 years.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is indication that an asset may be impaired. If any such 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 to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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.

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. 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 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.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

<u>Loans and receivables</u>

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, such assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Group classifies all its financial assets as loans and receivables.

Derecognition

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

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

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 subject to an insignificant risk of change in value.

Cash and cash equivalents carried in the balance sheet are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.10.

2.12 Trade and other receivables

Trade and other receivables, including amounts receivable from director-related company, are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.10.

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.13 below.

2.13 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

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

2.13 Impairment of financial assets (cont'd)

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.14 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.

2.15 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 30-90 day terms, other amounts payable and payables to related parties.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

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

2.16 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.

2.17 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 accrue 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.

2.18 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.

2.19 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.

2.20 Operating leases – as lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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

2.21 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(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 when the application is accepted by the school.

(b) Sale of goods

Revenue on shop sales is recognised upon the transfer of significant risks and rewards of ownership of goods to the customer which generally coincides with delivery and acceptance of the goods sold.

(c) Interest income

Interest income is recognised using the effective interest method.

2.22 Income 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.

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

2.22 Income taxes (cont'd)

(b) Deferred tax (cont'd)

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.

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.

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

2.22 Income taxes (cont'd)

(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.

2.23 Segment reporting

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 the operations in Singapore.

2.24 Share capital and share issuance expenses

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

2.25 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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

2.25 Related parties (cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies: (cont'd)

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgments 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. However, 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 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Income taxes

The Group has exposure to income taxes in Singapore. Significant judgment is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group income tax payable and deferred tax liabilities at 31 December 2014 were S$4,619,575 (2013: S$5,014,583) and S$940,836 (2013: S$1,076,430).

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) Useful lives of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of property, plant and equipment (excluding leasehold land) to be generally within 3 to 10 years and intangible assets to be within 1 to 9 years. School furnishings, renovations and certain equipment for the existing school premise are depreciated over the remaining lease term.

These are common life expectancies applied in the industry in which the Group operates.

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(a) Useful lives of property, plant and equipment and intangible assets (cont'd)

Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets; therefore future depreciation charges could be revised.

The carrying amount of the Group's property, plant and equipment (including leasehold land) as at 31 December 2014 was S$214,331,045 (2013: S$58,811,980). The carrying amount of the Group's intangible assets as at 31 December 2014 was S$2,911,461 (2013: S$3,224,548).

(b) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 28 to the financial statements.

4. Other revenue

	2014 S$	2013 S$
Parking income	**34,168**	30,686
Other income	**75,766**	84,388
	109,934	115,074

5. Personnel expenses

	2014 S$	2013 S$
Salaries and bonuses	**46,966,153**	46,031,398
Central Provident Fund contributions	**1,758,411**	1,819,216
Staff medical insurance	**529,437**	540,188
Other short term benefits	**7,842,846**	7,677,480
	57,096,847	56,068,282

6. Other operating expenses

The following items have been included in arriving at other operating expenses:

	2014 S$	2013 S$
Audit fees paid to:		
– Auditors of the Company	**150,000**	138,000
– Other auditors	**4,000**	4,000
Non - audit fees paid to:		
– Other auditors	**64,000**	–
Loss on disposal of property, plant and equipment	**15,260**	23,391
Write off of intangible assets	**–**	212
Foreign exchange loss, net	**6,841**	4,515
Allowance for doubtful debts (Note 14)	**90,322**	67,948
Directors' fees	**340,000**	340,000
International Baccalaureate Organisation ("IBO") fees	**64,270**	35,886
Teaching materials	**713,215**	735,356
Insurance	**223,653**	218,158
Training expenses	**343,746**	194,201
Consulting fees	**157,593**	438,500
Transport services	**162,365**	145,232
Charitable donation	**50,000**	50,000
Write-off of inventories (Note 13)	**108,938**	21,013

Non-audit fees paid relates to internal audit fees paid to other auditors (2013: S$nil).

7. Income tax expense

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

	2014 S$	2013 S$
Statement of comprehensive income:		
Current income tax:		
– Current year income taxation	**4,614,795**	4,962,457
– (Over)/under provision in respect of previous years	**(24,262)**	2,865
	4,590,533	4,965,322
Deferred income tax (Note 21):		
– Origination and reversal of temporary differences	**(135,594)**	(251,518)
Income tax expense recognised in the statement of comprehensive income	**4,454,939**	4,713,804

7. Income tax expense (cont'd)

(b) Relationship between tax expense and profit before tax

A reconciliation between the tax expense and the product of profit before tax multiplied by applicable corporate tax rate for the years ended 31 December was as follows:

	2014 S$	2013 S$
Profit before tax	**26,439,856**	27,323,961
Taxation at statutory tax rate of 17% (2013: 17%)	**4,494,775**	4,645,073
Adjustments:		
Effect of partial tax exemption	**(51,850)**	(59,925)
Expenses not deductible for tax purposes	**331,244**	318,557
Tax benefits from tax reliefs *	**(299,925)**	(184,006)
Under/(over) provision in respect of previous years	**(24,262)**	2,865
Others	**4,957**	(8,760)
	4,454,939	4,713,804

* Tax benefits mainly arise from the Productivity and Innovation Credit ("PIC") scheme introduced by the Singapore government.

8. Earnings per share

The basic and diluted earnings per share are calculated by dividing 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:

	2014	2013
Profit for the year attributable to owners of the Company	**S$ 21,984,917**	S$ 22,610,157
Weighted average number of ordinary shares for basic and diluted earnings per share computation	**415,363,548**	397,760,808
Earnings per share (cents) – Basic and diluted	**5.3**	5.7

9. Property, plant and equipment

	Leasehold land S$	Other property, plant and equipment: Construction-in-progress S$	School furnishings S$	School renovations S$	School equipment S$	Computers S$	Motor vehicles S$	Library books and media S$	Total for other property, plant and equipment S$	Total S$
Group										
Cost										
At 1 January 2013	–	241,059	1,485,629	17,224,599	2,994,611	5,293,219	1,082,183	2,669,459	30,990,759	30,990,759
Additions	37,100,000	15,208,641	7,492	174,657	173,057	104,636	283,844	195,635	16,147,962	53,247,962
Disposals/write-off	–	–	(11,193)	(31,977)	(136,808)	(140,632)	(132,660)	(76,442)	(529,712)	(529,712)
Transfer from leasehold land	–	618,333	–	–	–	–	–	–	618,333	618,333
At 31 December 2013 and 1 January 2014	37,100,000	16,068,033	1,481,928	17,367,279	3,030,860	5,257,223	1,233,367	2,788,652	47,227,342	84,327,342
Additions *	–	157,495,921	–	43,080	131,000	419,765	265,310	223,630	158,578,706	158,578,706
Disposals/write-off	–	–	–	–	(186,642)	(168,339)	(109,079)	(144,258)	(608,318)	(608,318)
Transfer from leasehold land	–	1,236,667	–	–	–	–	–	–	1,236,667	1,236,667
At 31 December 2014	37,100,000	174,800,621	1,481,928	17,410,359	2,975,218	5,508,649	1,389,598	2,868,024	206,434,397	243,534,397
Accumulated depreciation										
At 1 January 2013	–	–	1,048,429	14,026,714	2,110,077	2,757,231	263,142	1,868,594	22,074,187	22,074,187
Charge for the year	–	–	194,235	1,573,725	363,882	694,846	172,980	259,438	3,259,106	3,259,106
Charge transferred to construction-in-progress	618,333	–	–	–	–	–	–	–	–	618,333
Disposals/write-off	–	–	(7,579)	(31,977)	(116,277)	(127,597)	(80,898)	(71,936)	(436,264)	(436,264)
At 31 December 2013 and 1 January 2014	618,333	–	1,235,085	15,568,462	2,357,682	3,324,480	355,224	2,056,096	24,897,029	25,515,362
Charge for the year		–	173,509	1,320,870	360,135	669,432	208,036	243,786	2,975,768	2,975,768
Charge transferred to construction-in-progress	1,236,667	–	–	–	–	–	–	–	–	1,236,667
Disposals/write-off		–	–	–	(170,774)	(166,707)	(50,884)	(136,080)	(524,445)	(524,445)
At 31 December 2014	1,855,000	–	1,408,594	16,889,332	2,547,043	3,827,205	512,376	2,163,802	27,348,352	29,203,352
Net carrying values										
At 31 December 2014	35,245,000	174,800,621	73,334	521,027	428,175	1,681,444	877,222	704,222	179,086,045	214,331,045
At 31 December 2013	36,481,667	16,068,033	246,843	1,798,817	673,178	1,932,743	878,143	732,556	22,330,313	58,811,980

* Bond interest paid of S$3,910,685, interest payable of S$1,624,110 and amortized bond issuance expense of S$309,558 were capitalised in construction-in-progress during the year.

The total cash outflow on acquisition of PPE amounted to $152,732,675 (2013: $53,247,962).

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

	Motor vehicles S$	Total S$
Company		
Cost		
At 1 January 2013	192,988	192,988
Additions	163,822	163,822
Disposals	(98,511)	(98,511)
At 31 December 2013 and 1 January 2014	258,299	258,299
Additions	93,011	93,011
Disposals	(154,488)	(154,488)
At 31 December 2014	196,822	196,822
Accumulated depreciation		
At 1 January 2013	19,300	19,300
Charge for the year	33,181	33,181
Disposals	(12,164)	(12,164)
At 31 December 2013 and 1 January 2014	40,317	40,317
Charge for the year	34,921	34,921
Disposals	(46,479)	(46,479)
At 31 December 2014	28,759	28,759
Net carrying values		
At 31 December 2014	168,063	168,063
At 31 December 2013	217,982	217,982

10. Intangible assets

	Internally developed computer software S$	Internally developed computer software work-in-progress ("WIP") S$	Acquired computer software S$	Total S$
Group				
Cost				
At 1 January 2013	9,193,254	47,388	185,762	9,426,404
Additions	167,167	245,100	2,869	415,136
Write-off #	(4,585)	–	–	(4,585)
Transfer of completed assets	221,314	(221,314)	–	–
At 31 December 2013 and 1 January 2014	9,577,150	71,174	188,631	9,836,955
Additions	86,793	288,943	20,570	396,306
Transfer of completed assets	146,412	(146,412)	–	–
At 31 December 2014	9,810,355	213,705	209,201	10,233,261
Accumulated amortisation				
At 1 January 2013	5,731,111	–	145,960	5,877,071
Amortisation recognised	725,756	–	13,953	739,709
Write-off #	(4,373)	–	–	(4,373)
At 31 December 2013 and 1 January 2014	6,452,494	–	159,913	6,612,407
Amortisation recognised	696,705	–	12,688	709,393
At 31 December 2014	7,149,199	–	172,601	7,321,800
Net carrying values				
At 31 December 2014	2,661,156	213,705	36,600	2,911,461
At 31 December 2013	3,124,656	71,174	28,718	3,224,548

Write-off of costs and accumulated amortisation of fully amortised computer software which were no longer in use.

The remaining amortisation periods are as follows:

Internally developed computer software	–	range from 1 to 8 years (2013: 1 to 8 years)
Acquired computer software	–	range from 1 to 5 years (2013: 1 to 5 years)

11. Investment in subsidiaries

	Company 2014 S$	Company 2013 S$
Unquoted shares, at cost	**66,219,141**	46,219,141

The subsidiaries of the Company are as follows:

Name	Country of incorporation	Principal activities	Cost 2014 S$	Cost 2013 S$	Proportion (%) of ownership interest 2014 %	Proportion (%) of ownership interest 2013 %
Overseas Family School Limited *	Singapore	Operation of a foreign system school	**66,217,127**	46,217,127	**100**	100
Overseas Family School Limited (Hong Kong) #	Hong Kong	Dormant	**2,014**	2,014	**100**	100
			66,219,141	46,219,141		

* Audited by Ernst & Young LLP, Singapore.
# Audited by Ernst & Young, Hong Kong.

12. Fee protection insurance deposits

In accordance with Section 49 of the Private Education Act, registered private education institutions are required to enter into student fee protection designated by the Council for Private Education.

Since 2013, the School obtained the Edutrust certification and used the Fee Protection Scheme to provide full protection of fees which were paid by the students. The deposit of S$2,031,020 placed with the insurer was refunded during the year.

13. Inventories

	Group 2014 S$	Group 2013 S$
School supplies and stationeries	**515,925**	595,935

During the financial year, the Group wrote-off S$108,938 of inventories (2013: S$21,013) (Note 6) which is recognised as an expense in other operating expense in the statement of comprehensive income. The write-off was for school supplies which were no longer saleable.

14. Trade receivables

	Group	
	2014	2013
	S$	S$
Trade receivables	**1,300,091**	1,117,925
Less: Allowance for doubtful debt	**(114,735)**	(32,885)
	1,185,356	1,085,040

Trade receivables are non-interest bearing. Trade receivables relating to tuition fees are payable 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.

Receivables that are past due but not impaired

The Group has trade receivables amounting to S$1,177,575 (2013: S$1,082,068) that are past due at the end of the reporting period but not impaired. The analysis of their aging at the balance sheet date is as follows:

	Group	
	2014	2013
	S$	S$
Trade receivables past due:		
Less than 60 days	**1,085,763**	998,798
60 days and above	**91,812**	83,270
	1,177,575	1,082,068

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2014	2013
	S$	S$
Trade receivables	**114,735**	32,885
Less: Allowance for impairment	**(114,735)**	(32,885)
	–	–
Movements in allowance for doubtful debts are as follows:		
At beginning of the year	**32,885**	–
Charge for the year (Note 6)	**90,322**	67,948
Allowance utilised	**(8,472)**	(35,063)
At end of year	**114,735**	32,885

15. Other receivables and deposits

	Group 2014 S$	Group 2013 S$	Company 2014 S$	Company 2013 S$
Staff housing deposits	**435,400**	362,000	**6,800**	6,800
Interest income receivable	**–**	3,706	**–**	886
School rental deposits	**1,808,165**	–	**–**	–
Other debtors	**185,941**	8,486	**8,531**	5,000
	2,429,506	374,192	**15,331**	12,686

16. Amount due from subsidiary

As at 31 December 2014, the amount due from subsidiary (non-current) on loan account of S$131,181,250 was from the bond proceeds provided by the Company to the subsidiary (2013: S$nil) and bears interest from 17 April 2014 at the rate of 5.2% per annum, payable semi-annually in arrears on 17 October and 17 April each year. The loan is not expected to be repaid within the next 12 months.

The amount owing from subsidiary under current assets was unsecured, non-trade in nature and was interest free.

17. Cash and bank balances and fixed deposits

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

	Group 2014 S$	Group 2013 S$	Company 2014 S$	Company 2013 S$
Cash and bank balances	**125,515,044**	111,203,022	**70,447,276**	68,245,319
Fixed deposits	**–**	13,500,000	**–**	–
	125,515,044	124,703,022	**70,447,276**	68,245,319

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

Hong Kong dollars	**1,500**	1,646	**–**	–
United States dollars	**7,564**	7,243	**–**	–

Cash and bank balances earn interest at floating rates based on daily bank deposit rates. Fixed deposits earn interest ranging from 0.03% to 0.70% per annum for 2013 based on short-term deposit rates.

The Group is currently building a new school premise. A portion of cash and cash equivalents have been set aside for this purpose (Refer to Note 23).

18. Other payables and liabilities

	Group		Company	
	2014	2013	2014	2013
	S$	S$	S$	S$
Current:				
Accrued staff and related costs	**181,682**	214,646	**–**	52,882
Other creditors	**528,978**	465,702	**76,981**	59,333
Other liabilities	**–**	–	**436,250**	–
	710,660	680,348	**513,231**	112,215
Non-current:				
Other liabilities	**–**	–	**1,435,442**	–
	–	–	**1,435,442**	–

Company:

Included in Company's other liabilities (current) and other liabilities (non-current) are S$436,250 (2013: S$nil) and S$1,435,442 (2013: S$nil) relating to the bond issuance expense (Note 20) recovered from the subsidiary. These expenses were incurred by the Company for the bond issuance to fund the intercompany loan (Note 16) for construction of the school. The amounts are recognised to the profit and loss over the term of the loan.

Other payables are non-interest bearing.

19. Fees received in advance

Fees received in advance refer to the fees billed and received for the semester starting in January of the next financial year.

20. Borrowings - Bonds

	Group		Company	
	2014 S$	2013 S$	2014 S$	2013 S$
Borrowing – Bonds	**150,000,000**	–	**150,000,000**	–
Bond Issuance expense				
Opening balance	**–**	–	**–**	–
Costs incurred during the year	**2,181,250**	–	**2,181,250**	–
Amortization during the year	**(309,558)**	–	**(309,558)**	–
	1,871,692	–	**1,871,692**	–
Bonds at amortised cost	**148,128,308**	–	**148,128,308**	–
Bond Issuance expense				
Presented as:				
Current portion	**436,250**	–	**436,250**	–
Non-current portion	**1,435,442**	–	**1,435,442**	–
	1,871,692	–	**1,871,692**	–

The Company issued S$150 million bonds on 17 April 2014 with maturity on 17 April 2019 to finance the building of the new school by a subsidiary. The bonds are unsecured and bear interest from 17 April 2014 at a rate of 5.2% per annum, payable semi-annually in arrears on 17 October and 17 April each year.

21. Deferred tax liabilities

Deferred tax liabilities as at 31 December relates to the following:

	Group	
	2014 S$	2013 S$
Excess of net book value over tax written down value of property, plant and equipment	**940,836**	1,076,430

An analysis of the deferred taxes is as follows:

Balance at beginning of year	**1,076,430**	1,327,948
Movement for the year (Note 7)	**(135,594)**	(251,518)
Balance at end of year	**940,836**	1,076,430

22. Share capital

	Group and Company			
	Number of shares	2014 S$	Number of shares	2013 S$
At 1 January	**415,363,548**	**99,253,226**	265,363,548	31,219,241
Issuance of new ordinary shares pursuant to listing of the Company on SGX-ST	**–**	**–**	150,000,000	72,000,000
Share issuance expenses	**–**	**–**	–	(3,966,015)
At 31 December	**415,363,548**	**99,253,226**	415,363,548	99,253,226

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

23. Other reserves

	Group	
	2014 S$	2013 S$
Capital reserve	**40,000,000**	40,000,000
Merger reserve	**(26,170,566)**	(26,170,566)
Foreign currency translation reserve	**1,049**	986
At 31 December	**13,830,483**	13,830,420

The Group is currently building a new school premise. A capital reserve account allocated from revenue reserve had been previously established out of internally generated funds for this purpose.

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

24. Dividends

	2014 S$	2013 S$
Declared and paid during the financial year:		
– Final exempt (one-tier) dividend for 2013: S$0.0275 (2012: S$0.0275)	**11,422,498**	11,422,498
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
– Final exempt (one-tier) dividend for 2014: S$0.0275 (2013: S$0.0275)	**11,422,498**	11,422,498

25. Related party transactions

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

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

	Group	
	2014	**2013**
	S$	**S$**
Director-related company - CAML		
Purchase of goods	**12,552**	4,008
IT consultancy services	**–**	(500)
Director-related company - MN		
Legal services	**262**	–

Director-related company

- Two Directors of the Company have an aggregate 100% interest in Master Project Pte Ltd ("MPPL").

- During the financial year, the Group rendered IT consultancy services to Centre for Advanced Medicine Ltd ("CAML"), a wholly owned subsidiary of MPPL, for the development, implementation and support of their patient management system amounting to S$nil (2013: S$500). The Group purchased S$12,552 of goods (2013: S$4,008) from CAML during the period. At the end of the reporting period, there was no outstanding balance from CAML (2013: S$nil).

- An independent Director of the Company is a partner of Mallal & Namazie ("MN"), which rendered legal services amounting to S$262 (2013: S$nil) for debt recovery matters in prior year. No balance with MN was outstanding at the end of the reporting period (2013: S$nil).

25. Related party transactions (cont'd)

(b) Compensation of related parties

	Group	
	2014	**2013**
	S$	**S$**
Directors' fees	**340,000**	340,000
Directors' salaries and bonuses	**1,255,742**	763,334
Directors' Central Provident Fund contributions	**19,275**	10,200
Directors' short term benefits	**23,115**	9,247
Other key management personnel's and related parties' salaries and bonuses	**1,526,000**	1,703,000
Other key management personnel's and related parties' Central Provident Fund contributions	**38,125**	49,830
Other key management personnel's and related parties' short term benefits	**109,869**	204,064
Total compensation	**3,312,126**	3,079,675
Comprise amounts paid to:		
– Directors of the Company	**1,638,132**	1,122,781
– Other key management personnel and related parties *	**1,673,994**	1,956,894
Total	**3,312,126**	3,079,675

* includes key management personnel and family members of directors

26. Commitments

Operating lease commitments

At the end of the reporting period, the Group has the following commitments for future minimum lease payments under non-cancellable operating leases (principally for rental of school premises and teaching staff accommodation) with a term of more than one year as follows:

	Group	
	2014	**2013**
	S$	**S$**
Not later than one year *	**7,149,926**	10,868,220
Later than one year but not later than five years *	**988,305**	4,777,673
	8,138,231	15,645,893

Operating lease payments recognised in the statement of comprehensive income during the year amounted to S$10,938,039 (2013: S$11,038,327). S$6,831,291 (2013: S$6,830,011) is included in the line item, school lease rental, and S$4,106,748 (2013: S$4,208,316) is included in the line item, personnel expenses – other short term benefits (Note 5), in the statement of comprehensive income.

The Group is restricted from subleasing the School premises to third parties.

* On 26 March 2013, the Group signed the Tenancy Agreement with Singapore Land Authority ("SLA") for the use of the Paterson Road site for a term from 25 July 2013 to 30 June 2015.

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	
	2014	**2013**	**2014**	**2013**
	S$	**S$**	**S$**	**S$**
Capital commitments in respect of construction of property, plant and equipment	**79,002,932**	231,168,000	**–**	–

27. Financial risk management objectives and policies

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

The Group's principal financial instruments comprise cash and bank balances and short-term deposits. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and payables, which arise directly from its operations.

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

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate due to changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the Group's and Company's cash and bank deposits and its borrowings in bonds.

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. As the interest rate on the bonds is fixed, there is no impact 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.

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 and capital expenditure.

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

Liquidity risk (cont'd)

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$	Total S$
Group			
2014			
Financial assets			
School lease deposits	–	119,500	119,500
Staff housing deposits (non-current)	–	198,800	198,800
Trade receivables	1,185,356	–	1,185,356
Other receivables and deposits	2,429,506	–	2,429,506
Cash and bank balances	125,515,044	–	125,515,044
Total undiscounted financial assets	129,129,906	318,300	129,448,206
Financial liabilities			
Trade payables	289,230	–	289,230
Other payables and liabilities	710,660	–	710,660
Bond interest payable**	9,424,110	25,665,205	35,089,315
Borrowings-bonds (net of amortised issuance expenses)	–	148,128,308	148,128,308
Total undiscounted financial liabilities	10,424,000	173,793,513	184,217,513
Total net undiscounted financial assets/ liabilities	118,705,906	(173,475,213)	(54,769,307)
2013			
Financial assets			
School lease deposits	–	1,828,275	1,828,275
Staff housing deposits (non-current)	–	303,800	303,800
Trade receivables	1,085,040	–	1,085,040
Other receivables and deposits	374,192	–	374,192
Fee protection insurance deposits	2,031,020	–	2,031,020
Cash and bank balances	111,203,022	–	111,203,022
Fixed deposits	13,500,000	–	13,500,000
Total undiscounted financial assets	128,193,274	2,132,075	130,325,349
Financial liabilities			
Trade payables	192,699	–	192,699
Other payables	680,348	–	680,348
Total undiscounted financial liabilities	873,047	–	873,047
Total net undiscounted financial assets	127,320,227	2,132,075	129,452,302

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

Liquidity risk (cont'd)

	1 year or less S$	1 to 5 years S$	Total S$
Company			
2014			
Financial assets			
Amount due from subsidiary	1,826,717	131,181,250	133,007,967
Other receivables and deposits	15,331	–	15,331
Cash and bank balances	70,447,276	–	70,447,276
Total undiscounted financial assets	72,289,324	131,181,250	203,470,574
Financial liabilities			
Other payables and liabilities*	76,981	–	76,981
Bond interest payable**	9,424,110	25,665,205	35,089,315
Bonds-borrowings (net of amortised issuance expense)	–	148,128,308	148,128,308
Total undiscounted financial liabilities	9,501,091	173,793,513	183,294,604
Total net undiscounted financial assets/ liabilities	62,788,233	(42,612,263)	20,175,970
2013			
Financial assets			
Other receivables and deposits	12,686	–	12,686
Cash and bank balances	68,245,319	–	68,245,319
Total undiscounted financial assets	68,258,005	–	68,258,005
Financial liabilities			
Other payables	112,215	–	112,215
Total undiscounted financial liabilities	112,215	–	112,215
Total net undiscounted financial assets	68,145,790	–	68,145,790

* excluding other liabilities (note 18)
** relates to contractual obligation of remaining bond interest payable up to April 2019

Credit risk

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

There are no significant concentrations of credit risk.

28. Financial instruments

The carrying amounts of financial instruments in each of the following categories as defined in FRS 39 are as follows:

	Group	
	2014 S$	2013 S$
Loans and receivables		
School rental deposits	**119,500**	1,828,275
Staff housing deposits (non-current)	**198,800**	303,800
Trade receivables	**1,185,356**	1,085,040
Other receivables and deposits	**2,429,506**	374,192
Fee protection insurance deposits (current)	**–**	2,031,020
Cash and bank balances and fixed deposits	**125,515,044**	124,703,022
	129,448,206	130,325,349
Financial liabilities measured at amortised cost		
Trade payables	**289,230**	192,699
Other payables and liabilities	**710,660**	680,348
Bonds-borrowings (net of amortized issuance expense)	**148,128,308**	–
Bond interest payable	**1,624,110**	–
	150,752,308	873,047

	Company	
	2014 S$	2013 S$
Loans and receivables		
Other receivables and deposits	**15,331**	12,686
Cash and bank balances and fixed deposits	**70,447,276**	68,245,319
Amount due from subsidiary (non-current)	**131,181,250**	–
Amount due from subsidiary (current)	**1,826,717**	–
	203,470,574	68,258,005
Financial liabilities measured at amortised cost		
Other payables and liabilities*	**76,981**	112,215
Bond interest payable	**1,624,110**	–
Bonds-borrowings (net of amortized issuance expense)	**148,128,308**	–
	149,829,399	112,215

* excluding other liabilities (note 18)

29. Fair value of financial instruments

Fair values

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

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables reasonably approximate their fair values because these are mostly short term nature.

The fair values of the non-current school lease deposits and staff housing deposits 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.

The fair value of the bond is derived from significant observable inputs other than quoted prices (level 2).

	2014 S$	2013 S$
Fair value of the bond	**156,000,000**	–

30. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business 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 2014 and 31 December 2013.

30. Capital management (cont'd)

The Group will continue to be guided by prudent financial policies which are to finance the operations mainly through cash generated from the operating activities.

	Group	
	2014 S$	2013 S$
Total gross debt ^	**150,000,000**	–
Equity attributable to owners of the company		
Share capital	**99,253,226**	99,253,226
Revenue reserve	**44,132,517**	33,570,098
Other reserves	**13,830,483**	13,830,420
	157,216,226	146,653,744
Gross debt equity ratio	**95.41%**	–%
Cash and bank balances and fixed deposits	**125,515,044**	124,703,022
Less: Total gross debt	**(150,000,000)**	–
Net cash/(borrowing) position	**(24,484,956)**	124,703,022

^ Gross debt relates to bond borrowings. The Group did not have loans as at 31 December 2013.

31. Usage of proceeds from the initial public offering ("IPO")

As at the date of this report, 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	30,200,000
Balance as at date of report	37,833,985

32. Authorisation for issue of financial statements

The consolidated financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 12 March 2015.

SHAREHOLDINGS STATISTICS

As at 13 March 2015

Class of Equity Securities	Number of Equity Securities	Voting Rights
Ordinary Shares	415,363,548	One vote per share
Treasury Shares	Nil	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	50	6.55	49,300	0.01
1,001 – 10,000	421	55.10	2,128,200	0.51
10,001 – 1,000,000	281	36.78	18,780,500	4.52
1,000,001 and above	12	1.57	394,405,548	94.96
TOTAL	764	100.00	415,363,548	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
PDAC Private Limited	130,028,138	31.30	–	–
WLH Private Limited	130,028,138	31.30	–	–
David Alan Perry (1)	–	–	135,335,410	32.58
Wong Lok Hiong (2)	–	–	130,028,138	31.30
Prudential Assurance Company Singapore Pte. Ltd.	23,252,000	5.597988	–	–
Eastspring Investments (Singapore) Limited (3)	–	–	30,042,000	7.23270
Prudential Singapore Holdings Pte. Limited (4)	–	–	30,042,000	7.23270
Prudential Corporation Holdings Limited (5)	–	–	30,042,000	7.23270
Prudential Holdings Limited (5)	–	–	30,042,000	7.23270
Prudential Corporation Asia Limited (5)	–	–	30,042,000	7.23270
Prudential plc (5)	–	–	30,042,000	7.23270

Notes:

(1) Mr David Alan Perry is deemed to be interested in the Shares held by PDAC Private Limited by virtue of Section 4 of the Securities and Futures Act as he is the sole shareholder of PDAC Private Limited and 5,307,272 ordinary shares held by Bank of Singapore Nominees Pte. Ltd.

(2) Ms Wong Lok Hiong is deemed to be interested in the Shares held by WLH Private Limited by virtue of Section 4 of the Securities and Futures Act as she is the sole shareholder of WLH Private Limited.

(3) Eastspring Investments (Singapore) Limited has deemed interest in the shares as it has discretionary power in the disposal rights over the shares as fund manager.

(4) Prudential Singapore Holdings Pte. Limited is a substantial shareholder by virtue of its deemed interest in the shares managed by its subsidiary as fund manager.

(5) Each of Prudential plc, Prudential Corporation Asia Limited, Prudential Holdings Limited and Prudential Corporation Holdings Limited is a substantial shareholder by virtue of its deemed interest in the shares managed by its subsidiary as fund manager.

Prudential Corporation Holdings Limited is a wholly owned subsidiary of Prudential Holdings Limited which is a wholly owned subsidiary of Prudential Corporation Asia Limited. Prudential Corporation Asia Limited is ultimately owned by Prudential plc.

SHAREHOLDINGS STATISTICS

As at 13 March 2015

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 13 March 2015, approximately 28.84% of the Company's total number of issued shares is held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST which requires at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed at all times held in the hands of the public.

TWENTY LARGEST SHAREHOLDERS

	NAME	NO. OF SHARES	%
1	PDAC PRIVATE LIMITED	130,028,138	31.30
2	WLH PRIVATE LIMITED	130,028,138	31.30
3	CITIBANK NOMINEES SINGAPORE PTE LTD	65,727,900	15.82
4	RAFFLES NOMINEES (PTE) LTD	21,513,000	5.18
5	DBS NOMINEES PTE LTD	12,732,600	3.07
6	HSBC (SINGAPORE) NOMINEES PTE LTD	11,004,500	2.65
7	BANK OF SINGAPORE NOMINEES PTE LTD	5,607,272	1.35
8	PHILLIP SECURITIES PTE LTD	4,795,000	1.16
9	DBSN SERVICES PTE LTD	4,466,000	1.08
10	CIMB SECURITIES (SINGAPORE) PTE LTD	3,608,000	0.87
11	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,309,000	0.80
12	UOB KAY HIAN PTE LTD	1,586,000	0.38
13	CITIBANK CONSUMER NOMINEES PTE LTD	788,000	0.19
14	MAYBANK KIM ENG SECURITIES PTE LTD	665,000	0.16
15	TAN KENG SOON HOMER	630,000	0.15
16	TANG WEE LOKE	505,000	0.12
17	WONG MAN ON	492,000	0.12
18	MONTEREY PTE LTD	479,000	0.12
19	KWEK PECK GEOK	340,000	0.08
20	TAN BOON KENG KENNEDY	310,000	0.07
	TOTAL	398,614,548	95.97

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **OVERSEAS EDUCATION LIMITED** (the "**Company**") will be held at Four Seasons Hotel, 190 Orchard Boulevard, Singapore 248646, on Wednesday, 22 April 2015 at 4.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company and the Group for the financial year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare final dividend (tax exempt one-tier) of S$0.0275 per ordinary share for the financial year ended 31 December 2014. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$340,000 in advance for the financial year ending 31 December 2015. **(Resolution 3)**

4. To re-elect the following Directors of the Company who retire pursuant to Article 91 of the Articles of Association of the Company:

   Ms Wong Lok Hiong **(Resolution 4)**
   Mr Leow Wee Kia Clement **(Resolution 5)**

   [See Explanatory Note (i)]

5. To re-elect Mr Yang Eu Jin who retire pursuant to Article 97 of the Articles of Association of the Company. **(Resolution 6)**

   [See Explanatory Note (ii)]

6. To re-appoint Mr David Alan Perry, a Director of the Company retiring pursuant to Section 153(6) of the Companies Act, Chapter 50, who is over 70 years of age, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 7)**

   [See Explanatory Note (iii)]

7. To re-appoint Messrs Ernst & Young LLP, Certified Public Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 8)**

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

AS SPECIAL BUSINESS

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

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

   That pursuant to Section 161 of the Companies Act, Cap 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument 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) 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) 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 number of issued shares (excluding treasury shares) 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 the Instruments or any convertible securities;

    (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

    (c) any subsequent bonus issue, consolidation or subdivision of shares;

(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 Articles of Association 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 Annual General Meeting ("**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 9)**

[See Explanatory Note (iv)]

By Order of the Board

Chew Kok Liang
Company Secretary

Singapore, 7 April 2015

Explanatory Notes:

(i) Ms Wong Lok Hiong will, upon re-election as a Director of the Company, remain as executive director and will be considered non-independent.

Mr Leow Wee Kia Clement will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and Remuneration Committee, and a member of the Audit Committee. Mr Leow Wee Kia Clement will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

(ii) Mr Yang Eu Jin will, upon re-election as a Director of the Company, remain as executive director and will be considered non-independent.

(iii) The effect of Ordinary Resolution 7 is to re-appoint a director of the Company who is over 70 years of age. Mr David Alan Perry will, upon re-appointment as a Director of the Company, remain as Executive Chairman and CEO of the Company and will be considered non-independent.

(iv) Resolution 9, if passed, will empower the Directors of the Company from the date of this AGM until the date 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) 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) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

Notes :

1. A Member entitled to attend and vote at the AGM (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.

2. If the appointer is a corporation, the instrument appointing a proxy must be executed either under its seal or under the hand of an officer or attorney duly authorised.

3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 25F Paterson Road, Singapore 238515 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, the member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) 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), 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) 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 BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of **OVERSEAS EDUCATION LIMITED** (the "**Company**") will be closed on 8 May 2015 for the purpose of determining shareholders' entitlements to 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 7 May 2015 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 7 May 2015 will be entitled to the Dividend.

Payment of the dividend (subject to shareholders' approval at the AGM) will be made on 19 May 2015.

By Order of the Board

Chew Kok Liang
Company Secretary

Singapore, 7 April 2015

OVERSEAS EDUCATION LIMITED

(Company Registration No. 201131905D)
(Incorporated In the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:
1. For investors who have used their CPF monies to buy **OVERSEAS EDUCATION LIMITED**'s shares, this Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as an observer have to submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, ____

of ____

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 the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting (the "Meeting") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Meeting of the Company to be held at Four Seasons Hotel, 190 Orchard Boulevard, Singapore 248646, on Wednesday, 22 April 2015 at 4.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against 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 or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the financial year ended 31 December 2014		
2	Payment of final dividend (tax exempt one-tier) of S$0.0275 per ordinary share for the financial year ended 31 December 2014		
3	Approval of Directors' fees amounting to S$340,000.00 in advance for the financial year ending 31 December 2015		
4	Re-election of Ms Wong Lok Hiong as a Director		
5	Re-election of Mr Leow Wee Kia Clement as a Director		
6	Re-election of Mr Yang Eu Jin as a Director		
7	Re-appointment of Mr David Alan Perry as a Director		
8	Re-appointment of Messrs Ernst & Young LLP as Auditors		
9	Authority to issue shares pursuant to Section 161 of the Companies Act, Cap 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited		

Dated this __________ day of __________________ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

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 130A of the Companies Act, Chapter 50 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 appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company 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.

3. Where a member 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. 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.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 25F Paterson Road, Singapore 238515 not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her 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.

7. 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, Chapter 50 of Singapore.

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 forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 April 2015.

Overseas Education Limited

25F Paterson Road, Singapore 238515