MINDCHAMPS PRESCHOOL LIMITED

(Company Registration Number: 200814577H)
(Incorporated in Singapore)

DBS Bank Ltd. was the sole issue manager, bookrunner and underwriter (the "**Sole Issue Manager, Bookrunner and Underwriter**") for the initial public offering of shares in, and listing of, the Company on the Mainboard of the SGX-ST in November 2017. The Sole Issue Manager, Bookrunner and Underwriter assumes no responsibility for the contents of this announcement.

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

Consolidated Statement of Comprehensive Income for the First Quarter Ended 31 March 2019

	First Quarter		
	31.03.2019	**31.03.2018**	**+/-**
	S$'000	**S$'000**	**%**
Revenue	9,957	6,008	66%
Cost of sales	(4,765)	(2,584)	84%
Gross profit	**5,192**	**3,424**	**52%**
Other income			
- Interest income	70	85	(18%)
- Others	839	740	13%
Expenses			
- Administrative	(5,068)	(3,447)	47%
- Marketing	(169)	(146)	16%
- Impairment loss on financial assets	(4)	-	N.M.
Operating profit	**860**	**656**	**31%**
Other loss	(9)	(65)	(86%)
Non-operating expenses			
- Finance	(347)	(101)	N.M.
Share of loss of an associated corporation and a joint venture	**-**	**-**	N.M.
Profit before income tax	**504**	**490**	**3%**
Income tax expense	(78)	(171)	(54%)
Net profit	**426**	**319**	**34%**

N.M.: Not meaningful

Consolidated Statement of Comprehensive Income for the First Quarter Ended 31 March 2019 (continued)

	First Quarter		
	31.03.2019	**31.03.2018**	**+/-**
	S$'000	**S$'000**	**%**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - loss	(104)	(649)	(84%)
Total comprehensive income/(loss)	**322**	**(330)**	N.M.
Profit attributable to:			
Equity holders of the Company	419	341	23%
Non-controlling interests	7	(22)	N.M.
	426	**319**	34%
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	315	(308)	N.M.
Non-controlling interests	7	(22)	N.M.
	322	**(330)**	N.M.

N.M.: Not meaningful

1(a)(ii) Net profit is arrived at after accounting for:

	First Quarter		
	31.03.2019	**31.03.2018**	**+/-**
	S$'000	**S$'000**	**%**
Amortisation of intangible assets	232	133	74%
Depreciation of property, plant and equipment	1,627	142	N.M
Allowance for impairment loss on financial assets	4	-	N.M

N.M.: Not meaningful

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

Consolidated Balance Sheet

	Group		Company	
	As at 31.03.2019 S$'000	As at 31.12.2018 S$'000	As at 31.03.2019 S$'000	As at 31.12.2018 S$'000
ASSETS				
Current assets				
Cash and cash equivalents	31,050	35,437	21,206	23,915
Trade and other receivables	12,732	12,009	51,636	50,870
Inventories	173	138	-	-
	43,955	47,584	72,842	74,785
Non-current assets				
Property, plant and equipment	19,133	1,940	206	217
Intangible assets	43,807	43,953	1,734	1,744
Deferred income tax assets	313	251	37	37
Investments in subsidiary corporations	-	-	2,473	2,473
Investment in an associated corporation	-	-	-	-
Investment in a joint venture	-	-	-	-
	63,253	46,144	4,450	4,471
Total assets	107,208	93,728	77,292	79,256
LIABILITIES				
Current liabilities				
Trade and other payables	6,560	8,965	6,548	6,516
Borrowings	5,828	5,838	5,828	5,838
Contract liabilities	1,925	2,155	-	-
Lease liabilities	3,986	-	-	-
Current income tax liabilities	247	216	-	-
	18,546	17,174	12,376	12,354
Non-current liabilities				
Borrowings	13,633	15,088	13,633	15,088
Deferred income tax liabilities	18	16	-	-
Lease liabilities	13,240	-	-	-
Provision for reinstatement costs	763	764	-	-
	27,654	15,868	13,633	15,088
Total liabilities	46,200	33,042	26,009	27,442
NET ASSETS	61,008	60,686	51,283	51,814
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	49,301	49,301	49,301	49,301
Currency translation reserve	(2,644)	(2,540)	-	-
Retained profits	14,393	13,974	1,982	2,513
	61,050	60,735	51,283	51,814
Non-controlling interests	(42)	(49)	-	-
Total equity	61,008	60,686	51,283	51,814

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

	Group			
	As at 31.03.2019		As at 31.12.2018	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	6,609	-	6,690	-
Amount repayable after one year	14,654	-	16,300	-
Total	**21,263**	**-**	**22,990**	**-**

Details of collaterals

The Group's borrowings consist of term loan and hire purchases.

The Group's term loans are secured by means of:

- Specific Security Deed in respect of securities over shares in subsidiary corporations, MindChamps Early Learning 1 Pty. Limited (previously known as MindChamps Australia Pty. Ltd.), MindChamps Early Learning 3 Pty. Limited (previously known as MindChamps Early Learning & Care @ Cherrybrook Pty. Limited) and MindChamps Early Learning 4 Pty. Limited (previously known as MindChamps Early Learning & Care @ Eastwood Pty. Limited); and

- Deed of Guarantee and Indemnity for all monies from immediate holding corporation, MindChamps Holdings Pte. Limited.

The Group's hire purchases are effectively secured over the leased motor vehicles, as the legal title is retained by the financial institutions and will be transferred to the Group upon full settlement of the hire purchase.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows

	First Quarter	
	31.03.2019 S$'000	**31.03.2018 S$'000**
Cash flows from operating activities		
Net profit	426	319
Adjustments for:		
- Amortisation of intangible assets	232	133
- Depreciation of property, plant and equipment	1,627	142
- Interest expense	347	101
- Interest income	(70)	(85)
- Income tax expense	78	171
- Unrealised currency translation losses	27	25
	2,667	806
Changes in working capital:		
- Trade and other receivables	(714)	(217)
- Inventories	(35)	(8)
- Trade and other payables	(1,484)	(783)
- Contract liabilities	(230)	265
Cash generated from operations	204	63
Income tax refund	2	-
Income tax paid	(40)	(12)
Net cash provided by operating activities	166	51
Cash flows from investing activities		
Additions to property, plant and equipment	(214)	(161)
Additions to intangible assets	(1,206)	(192)
Acquisition of a subsidiary corporation, net of cash acquired	-	(1,122)
Interest received	70	85
Provision of an acquisition deposit to a third party	-	(1,581)
Net cash used in investing activities	(1,350)	(2,971)
Cash flows from financing activities		
Interest paid	(206)	(79)
Repayments of borrowings	(1,474)	(568)
Repayments of principal element of lease payments	(1,514)	(10)
Net cash used in financing activities	(3,194)	(657)
Net decrease in cash and cash equivalents	(4,378)	(3,577)
Cash and cash equivalents		
Beginning of financial period	35,437	39,377
Effects of currency translation on cash and cash equivalents	(9)	(28)
End of financial period	31,050	35,772

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

(A) Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company					
	Share capital	Currency translation reserve	Retained profits	Total	Non-controlling interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2019						
Balance as at 1 January 2019	49,301	(2,540)	13,974	60,735	(49)	60,686
Total comprehensive (loss) / income for the financial period	-	(104)	419	315	7	322
Balance as at 31 March 2019	49,301	(2,644)	14,393	61,050	(42)	61,008
2018						
Balance as at 31 December 2017	49,301	(175)	7,574	56,700	(32)	56,668
Adoption of SFRS(I) 9	-	-	16	16	-	16
Balance as at 1 January 2018	49,301	(175)	7,590	56,716	(32)	56,684
Total comprehensive (loss) / income for the financial period	-	(649)	341	(308)	(22)	(330)
Balance as at 31 March 2018	49,301	(824)	7,931	56,408	(54)	56,354

(B) Company – Statement of Changes in Equity

	Attributable to equity holders of the Company		
	Share capital	**Retained profits**	**Total**
	S$'000	**S$'000**	**S$'000**
2019			
Balance as at 1 January 2019	49,301	2,513	51,814
Total comprehensive loss for the financial period	-	(531)	(531)
Balance as at 31 March 2019	49,301	1,982	51,283
2018			
Balance as at 1 January 2018	49,301	1,174	50,475
Total comprehensive loss for the financial period	-	(612)	(612)
Balance as at 31 March 2018	49,301	562	49,863

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

Share Buy Back

No shares were bought back by the Company during the current quarter under the Share Purchase Mandate (first approved by the Shareholders on 9 November 2017 and last renewed at the Annual General Meeting on 30 April 2019).

Share Capital

	As at 31.03.2019	**As at 31.03.2018**
Ordinary shares of the Company Number of shares issued and paid-up ('000)	241,600	241,600

The Company did not have any outstanding options, rights, subsidiary holdings, convertibles or treasury shares as at 31 March 2019 and 31 March 2018.

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

	As at 31.03.2019	As at 31.12.2018
Ordinary shares of the Company Number of shares issued and paid-up ('000)	241,600	241,600

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

The Company did not have any sales, transfers, cancellation and/or use of treasury shares as at 31 March 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company did not have any sales, transfers, cancellation and/or use of subsidiary holdings as at 31 March 2019.

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

The figures have yet to be audited or reviewed by the Company's auditors.

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

Not applicable. The figures have yet to be audited or reviewed by the Company's auditors.

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

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 31 December 2018.

The Group adopted the new/revised Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for annual periods beginning on or after 1 January 2019. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) Interpretation.

The following are the new SFRS(I) and SFRS(I) Interpretations, that are relevant to the Group:

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty Over Income Tax Treatments

The adoption of the above SFRS(I) and SFRS(I) Interpretations did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 16

SFRS(I) 16 is effective for financial year beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not reinstate comparative amount for the year prior to first adoption.

SFRS(I) 16 has resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

Lease liabilities are included as part of net debt and are taken into consideration when deriving the net gearing ratio.

The adoption of SFRS(I) 16 resulted in adjustments to the balance sheet of the Group as at 1 January 2019. The difference from the balance sheet as previously reported at 31 December 2018 are as follows:

	01.01.2019 S$'000
Consolidated Balance Sheets	
Increase in right-of-use assets	19,213
Increase in lease liabilities	18,682
Decrease in renovation (provision for reinstatement cost) – net book value	(531)

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

Refer to Paragraph 4.

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

	First Quarter	
Earnings Per Ordinary Share	**31.03.2019**	**31.03.2018**
Based on the weighted average number of ordinary shares on issue (in Singapore cents)	0.17	0.14
On a fully diluted basis (detailing any adjustments made to the earnings) (in Singapore cents)	0.17	0.14

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

Net asset value per share	**Group**		**Company**	
	31.03.2019	**31.12.2018**	**31.03.2019**	**31.12.2018**
Net asset value per share based on total number of issued shares at the end of year (in cents)	25.27	25.14	21.23	21.45

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

(A) COMMENTARY ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(i) First Quarter Ended 31 March 2019 ("Q1 2019") and 31 March 2018 ("Q1 2018")

(1) For the first quarter ended 31 March 2019, the Group recorded an increase of approximately 31% in operating profit to S$0.9 million (Q1 2018: S$0.7 million). Taking non-operating expenses into consideration, the Group recorded a profit before tax of S$0.5 million in Q1 2019 (Q1 2018: S$0.5 million) and an increase of approximately 34% in profit after tax to S$0.4 million in Q1 2019 (Q1 2018: S$0.3 million).

(2) Revenue increased by approximately S$4.0 million or 66%, from S$6.0 million in Q1 2018 to S$10.0 million in Q1 2019. The increase was mainly attributable to:

(a) an increase of approximately S$2.9 million in school fees, which resulted from the increased number of enrolled students following the acquisitions of preschool centres in 2018;

(b) an increase of approximately S$0.7 million in non-recurring franchise income; and

(c) an increase of approximately S$0.2 million in royalty income, from the addition of franchisee-owned franchisee-operated ("FOFO") centres.

(3) Cost of sales increased by approximately S$2.2 million or 84%, from S$2.6 million in Q1 2018 to S$4.8 million in Q1 2019. The increase in cost of sales was mainly due to higher academic staff costs incurred, which resulted from the increased number of academic staffs following the acquisitions of preschool centres in 2018.

(4) Operating administrative expenses increased by approximately S$1.6 million or 47%, from S$3.5 million in Q1 2018 to S$5.1 million in Q1 2019. The increase was mainly attributable to an increase in:

(a) administrative costs of approximately S$0.8 million incurred by the newly acquired centres in 2018, such as rental, utilities, depreciation, amortisation, repairs and maintenance and other day-to-day running costs; and

(b) staff costs of approximately S$0.8 million which mainly resulted from an increase in the number of staff to support the Group's business expansion overseas.

(5) Non-operating finance expenses increased by approximately S$0.2 million, from S$0.1 million in Q1 2018 to S$0.3 million in Q1 2019. The increase in non-operating finance expenses is mainly resulted from servicing the acquisition loans which the Company obtained for the acquisitions of preschool centres in Australia as well as the recognition of lease liabilities following the adoption of SFRS(I) 16 as disclosed in Paragraph 4.

(A) COMMENTARY ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

(i) First Quarter Ended 31 March 2019 ("Q1 2019") and 31 March 2018 ("Q1 2018") (continued)

(6) Currency translation loss arising from consolidation decreased by approximately S$0.5 million or 84%, from S$0.6 million in Q1 2018 to S$0.1 million in Q1 2019. These exchange differences arose from the translation of financial statements of Australian operations whose functional currencies are different from that of the Group's presentation currency. The translation losses for Q1 2019 arose largely from the weakening of the Australian dollar against the Singapore dollar.

(B) COMMENTARY ON THE CONSOLIDATED BALANCE SHEET

(1) Current assets

The Group's current assets decreased by approximately S$3.6 million or 8%, from S$47.6 million as at 31 December 2018 to S$44.0 million as at 31 March 2019 which mainly resulted from the net cash outflows during the period as follows:

(a) repayment of borrowings and payment of interests in relation to our acquisitions of preschool centres in Australia amounting to approximately S$1.7 million; and

(b) repayment of principal element of lease payments in relation to the leasing of preschool centres in Singapore and Australia of approximately S$1.5 million.

(2) Non-current assets

The Group's non-current assets increased by approximately S$17.1 million or 37%, from S$46.1 million as at 31 December 2018 to S$63.2 million as at 31 March 2019. The increase is largely due to the recognition of right-of-use assets arising from the adoption of SFRS(I) 16 as disclosed in Paragraph 4.

(3) Current liabilities

The Group's current liabilities increased by approximately S$1.4 million or 8%, from S$17.2 million as at 31 December 2018 to S$18.6 million as at 31 March 2019 mainly due to:

(a) an increase of approximately S$4.0 million in current lease liabilities which resulted from the recognition of current portion of lease liabilities arising from the adoption of SFRS(I) 16 as disclosed in Paragraph 4; and

(b) a decrease in trade and other payables of approximately S$2.5 million which resulted from the settlement of liabilities.

(4) Non-current liabilities

The Group's non-current liabilities increased by approximately S$11.8 million or 74%, from S$15.9 million as at 31 December 2018 to S$27.7 million as at 31 March 2019 mainly due to:

(a) an increase of approximately S$13.2 million in non-current lease liabilities which resulted from the recognition of non-current portion of lease liabilities arising from the adoption of SFRS(I) 16 as disclosed in Paragraph 4; and

(b) a decrease in borrowings of approximately S$1.5 million which resulted from the principal repayments of borrowings.

(C) COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

(i) First Quarter Ended 31 March 2019 ("Q1 2019")

The Group's cash and cash equivalents decreased by approximately S$4.4 million or 12%, from S$35.4 million as at 31 December 2018 to S$31.0 million as at 31 March 2019.

Major cash outflows in Q1 2019 were:

(a) repayments of borrowings and payment of interests in relation to our acquisitions of preschool centres in Australia amounting to approximately S$1.7 million;

(b) repayments of principal element of lease payments in relation to the leasing of preschool centres in Singapore and Australia of approximately S$1.5 million; and

(c) consideration of approximately S$1.0 million paid for the purchase of e-books which completed in the previous quarter.

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

Not applicable. The Group did not issue any forecast or prospect statement to shareholders previously.

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

(A) Acquisition of MindChamps PreSchool @ Punggol Northshore Pte. Limited ("PGL")

On 30 April 2019, the Company completed the acquisition of all ordinary shares in PGL, at a total consideration of S$3,788,000. This acquisition is expected to have a positive impact on the earnings per share of the Group for the financial year ending 31 December 2019.

(B) Acquisitions of Subsidiaries in Australia

On 10 May 2019, the Company's wholly-owned subsidiary, MindChamps Early Learning Australia Pty. Limited completed the acquisitions of all of the shares in the following companies ("Subsidiaries") at a total purchase consideration of S$39,318,518 (A$40,837,680):

No.	Subsidiaries
1	Kids Club Education Pty Ltd
2	The Grove Academy – Albion Park Pty Ltd
3	Grove Early Education Centres Pty Ltd
4	Grove Education Pty Ltd
5	The Grove Academy – Mascot Pty Ltd
6	The Gove Academy – Parramatta Pty Ltd
7	The Grove Academy – Shellharbour Pty Ltd

The acquired Subsdiaries own eight preschool centres in Sydney, Australia.

These acquisitions are expected to have a significant positive impact on the earnings per share of the Group for the financial year ending 31 December 2019.

(C) Acquisition of MindChamps Music Pte Limited ("MCM")

On 10 May 2019, the Company completed the acquisition of 80% of ordinary shares in MCM, at a total consideration of S$80. This acquisition is not expected to have any material impact on the consolidated earnings per share and/or net tangible assets per share of the Group for the financial year ending 31 December 2019.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividends recommended in the current reported financial period.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No dividend declared for previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared for the quarter ended 31 March 2019 as the Company recently declared a final cash dividend of 1.34 cents per ordinary share for the financial year ended 31 December 2018 and the Company intends to reinvest the profits generated in the current financial period.

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

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Negative confirmation pursuant to Rule 705(5).

To the best of the Company's knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect.

15 Confirmation that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

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

16 Use of proceeds from the Company's IPO

The Company had raised proceeds amounting to S$47.6 million from the IPO.

As at the date of this announcement, the use of the proceeds from the IPO is as follows:

Use of proceeds	Amount allocated (S$ mil)	Amount utilised (S$ mil)	Amount unutilised (S$ mil)
Partial repayment of drawn down and outstanding amounts under Acquisition Loan (as defined in the Prospectus)	6.1	(6.1)	-
For payment of underwriting commissions and IPO expenses	3.0	(3.0)	-
For funding of our expansion plans, including potential acquisitions	34.5	(31.9)	2.6
For general corporate and working capital purposes	4.0	(1.4)[(1)]	2.6
Total	**47.6**	**(42.4)**	**5.2**

Note:

(1) The use of S$1.4 million was mainly in relation to the provision of security deposits to landlords to secure the leases for newly acquired preschool centres in FY2018.

The Company will make further announcements when the balance of the IPO proceeds is materially disbursed.

17 Segmented revenue and results for business of the Group in the form presented in the Company's most recently audited annual financial statements, with comparative information for the immediately preceding year.

First Quarter Ended 31 March 2019 ("Q1 2019") and 31 March 2018 ("Q1 2018")

	Singapore			Australia		Group
	Education S$'000	Franchise & Corporate S$'000	Others S$'000	Education S$'000	Franchise & Corporate S$'000	Total S$'000
Q1 2019						
Sales						
Total segment sales	3,575	2,669	-	4,044	-	10,288
Inter-segment sales	-	(331)	-	-	-	(331)
Sales to external parties	3,575	2,338	-	4,044	-	9,957
EBITDA	**1,822**	**552**	**(3)**	**812**	**(552)**	**2,640**
Q1 2018						
Sales						
Total segment sales	3,192	1,644	-	1,464	-	6,300
Inter-segment sales	-	(292)	-	-	-	(292)
Sales to external parties	3,192	1,352	-	1,464	-	6,008
EBITDA	**726**	**(92)**	**(2)**	**235**	**(86)**	**781**

By order of the Board

Mr. David Chiem Phu An
Executive Chairman
13 May 2019