Overseas Education Limited

PROSPECTUS DATED 31 JANUARY 2013

(Registered by the Monetary Authority of Singapore on 31 January 2013)

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISER.

We have applied to the SGX-ST (as defined herein) for permission to deal in, and for quotation of all the Shares (as defined herein) in the capital of Overseas Education Limited (the "**Company**") already issued as well as the New Shares (as defined herein) which are the subject of this Invitation (as defined herein) (including any Over-allotment Shares (as defined herein) which may be issued upon the exercise of the Over-allotment Option (as defined herein)). Such permission will be granted when our Company has been admitted to the Official List of the Mainboard of the SGX-ST.

Acceptance of applications for the Invitation Shares (as defined herein) will be conditional upon, *inter alia*, the issue of the New Shares (including any Over-allotment Shares) and permission being granted by the SGX-ST to deal in, listing of and quotation for all of our existing issued Shares and the New Shares (including any Over-allotment Shares) on the Official List of the Mainboard of the SGX-ST. If completion of the Invitation does not occur because the said permission is not granted or for any other reason (including where the Authority (as defined herein) issues a Stop Order (as defined herein)), monies paid in respect of any application accepted will be returned to the applicant at the applicant's own risk, without interest or any share of revenue or other benefit arising therefrom, and the applicant will not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents (all as defined herein). The dealing in and quotation of our Shares will be in Singapore dollars. Prior to this Invitation, there has been no public market for our Shares.

In connection with the Invitation, our Company has granted the Joint Underwriters the Over-allotment Option to subscribe for up to 25,000,000 Over-allotment Shares (which represents up to 20.0% of the Invitation Shares) at the Invitation Price (as defined herein) exercisable in whole or in part on one or more occasions from the Listing Date (as defined herein) until the earlier of: (i) the date falling 30 days from the Listing Date; or (ii) the date the Joint Underwriters or their appointed agent(s) have purchased on the SGX-ST an aggregate of up to 25,000,000 Shares representing up to 20.0% of the Invitation Shares to undertake stabilising actions solely for the purpose of covering over-allotments (if any) of the Invitation Shares made in connection with the Invitation. The total number of issued Shares outstanding immediately after the completion of the Invitation (and prior to the exercise of the Over-allotment Option in full) will be 390,363,548 Shares. If the Over-allotment Option is exercised in full, the total number of issued Shares will increase by 25,000,000 Shares to 415,363,548 Shares.

We have received a letter of eligibility from the SGX-ST for all of our existing Shares and the New Shares (including any Over-allotment Shares (if the Over-allotment Option is exercised)). The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List of the Mainboard of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our Shares already issued and the New Shares (including any Over-allotment Shares (if the Over-allotment Option is exercised)).

A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the requirements of the Securities and Futures Act (as defined herein), or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the merits of the New Shares (including any Over-allotment Shares (if the Over-allotment Option is exercised)), as the case may be, being offered for investment. We have not lodged or registered this Prospectus in any other jurisdiction.

Investing in our Shares involves risks. Potential investors in our Company are advised to read the section entitled "Risk Factors" of this Prospectus and the rest of this Prospectus carefully and to seek professional advice if in doubt.

No shares shall be allotted and/or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

OVERSEAS EDUCATION LIMITED

(Company Registration No. 201131905D)
(Incorporated in the Republic of Singapore on 28 October 2011)

Invitation in respect of 125,000,000 Invitation Shares (subject to the Over-allotment Option) comprising 125,000,000 New Shares as follows:-

(i) 3,750,000 Offer Shares at S$0.48 each by way of public offer; and

(ii) 121,250,000 Placement Shares at S$0.48 each by way of placement, comprising:-

(a) 108,750,000 Placement Shares; and

(b) 12,500,000 Reserved Shares (as defined herein) reserved for Independent Directors, Employees, business associates and those who have contributed to the success of our Group, payable in full on application.

Applications should be received by 12.00 noon on 5 February 2013, or such other date and time as our Company may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST.

Issue Manager

UOB 大華銀行

Joint Underwriters and Joint Placement Agents

UOB 大華銀行

UOBKayHian
UOB Kay Hian Private Limited

Corporate Profile

We are a private foreign system school ("FSS") in Singapore offering 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 believe we are an inextricable part of the social and economic infrastructure supporting foreign direct investments into Singapore.

Our School is one of the top three FSSs in Singapore in terms of revenue and has 10.3%[1] of the market share in the FSS industry in Singapore. We believe we were the first and currently one of five such FSSs in Singapore offering a straight-through IB curriculum in a single location. In addition, we believe that we are a pioneer in integrating Model United Nations into our core curriculum and are the first and only FSS in Singapore to do so.

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 and have strong infrastructure and adequate facilities to support the activities of the students and our School.

We strive to achieve our master policy "to provide a happy, safe and effective school for overseas families living in Singapore, through our curriculum, student code of conduct and security measures.

As at the Latest Practicable Date, our School is supported by a staff strength of 501 of over 20 nationalities and has 3,753 students of around 70 nationalities.

Competitive Strengths

Well-recognised name and established track record

- We have built a well-recognised name in the private education industry in Singapore, particularly due to our long track record of providing K-12 education, together with our ability to attract students from a diversity of nationalities
- As one of the top three FSS in Singapore in terms of revenue, we have 10.3% of the market share in the FSS industry in Singapore

Resilient business model

- We believe our business model is a resilient one, even during the general downturn in the western economies as recently as 2008/2009
- This is coupled with Singapore playing an increasingly important role as a regional business hub in the East with the emergence of Asian economies such as China, India, Vietnam and Indonesia

Strong parent engagement with our School

- We engage the parents of our students actively in various ways to keep them informed of their children's learning experience and our services
- We have developed various channels of communication and avenues for participation by parents and students, allowing all to appreciate the quality of the education and curriculum which our School provides

1 According to an independent report dated 28 September 2012 by Frost & Sullivan (Singapore) Pte Ltd ("Frost & Sullivan's Report")

Dividend Policy: We intend to pay dividends of at least 50% of our net profit after tax to Shareholders for each financial year

Competitive Strengths (cont'd)

Specialisation between management and teaching

- Separation of the roles played by management and administration from that of academia and teaching allows the latter to focus on the education of our students and the on-going development and improvement of our various curricula

Multi-national student base

- Our diversified student base, consisting of around 70 nationalities, provides us with a resilient business model that allows us not to be overly dependent on the influx of students from any particular country in the world
- No students of any single nationality represent more than 20% of our School's total student population

Strong curriculum

- We offer the Cambridge-based IGCSE alongside the IB programmes and the integration of MUN into our curriculum that allow us to develop a strong curriculum for our students
- These prepare them well for tertiary education and beyond upon graduation from our School

Quality control through our continual assessment system

- A school-wide, online assessment system is in place that permits students, parents and teachers to assess the effectiveness of classes that have been taught during a school day
- This system is used to support and promote student learning and to accurately report student achievement on an on-going basis

Innovative use of IT

- 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
- The innovative use of IT has also increased our effectiveness and efficiency in running the School

Experienced and professional management team

- Executive Chairman and CEO, David Perry, and Executive Director, Irene Wong, have over 25 and 35 years of experience in FSSs, respectively
- Our Academic Director and our respective Principals have between them over 120 years of cumulative experience in the education industry

Prospects

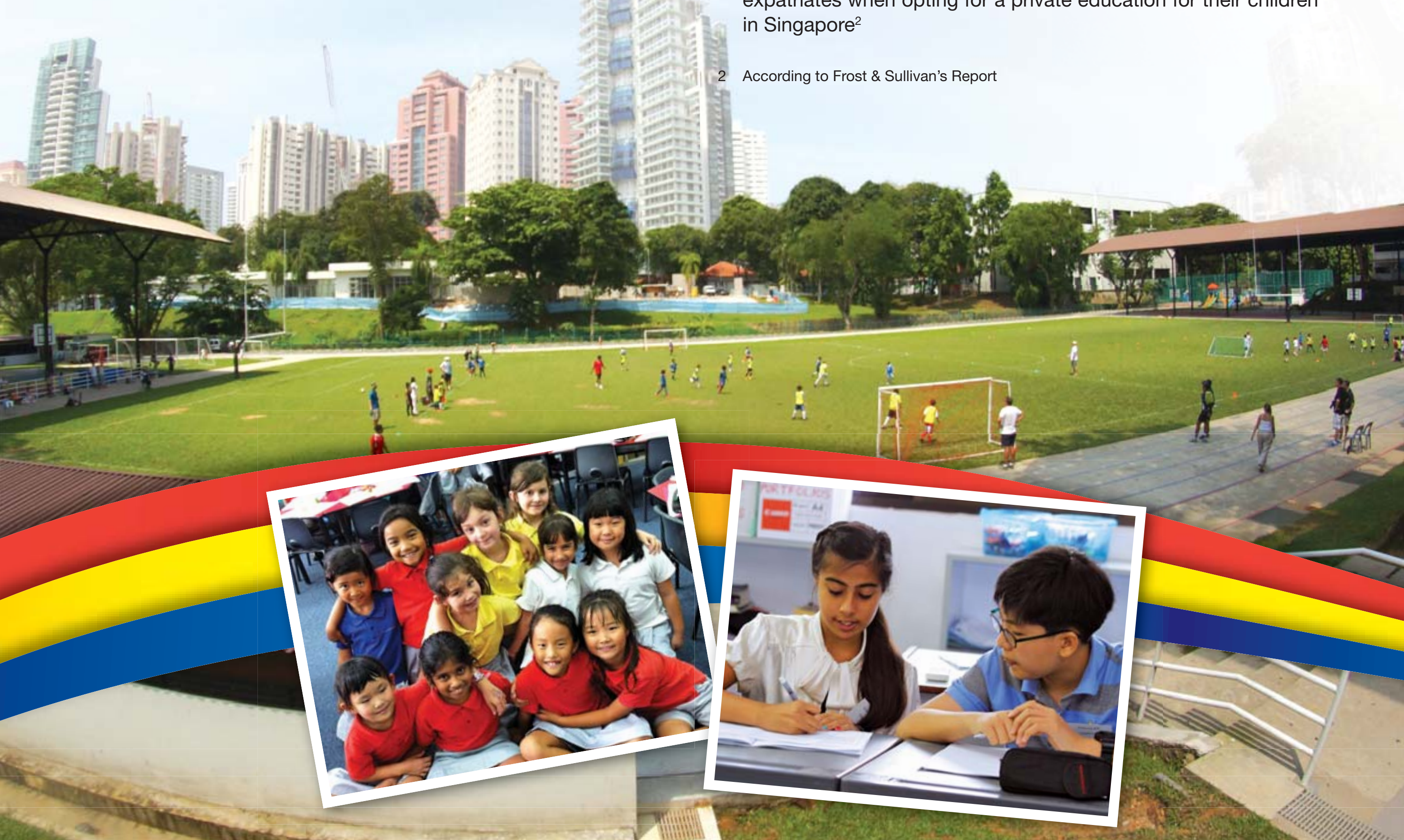
According to Frost & Sullivan's Report, the FSS industry in Singapore is forecasted to grow from approximately S$866.1 million in Financial Year 2011 to about S$1,430.2 million in Financial Year 2015, registering a compounded annual growth rate of approximately 13.4% during this period.

We believe that the outlook will remain positive due to the following factors:-

Economic growth leading to the growing population of foreigners

- Singapore attracted foreign direct investments totalling approximately S$430 billion and created over 160,000 new skilled jobs between 2001 and 2010[2]
- Economic growth leading to an increase in the population of foreigners, socio-economic factors and the demand for holistic development of students are demand drivers that will likely contribute to growth of the FSS industry in Singapore[2]
- The requirements for minimal disruption to the educational needs of their children upon relocation to Singapore and the need for a holistic and well-rounded education are strong drivers for these expatriates when opting for a private education for their children in Singapore[2]

2 According to Frost & Sullivan's Report



Socio-economic factors influencing demand for FSS education

- **Disposable income of expatriate families**
  With about 50% of expatriates earning over S$200,000 per annum[3], this is an indication of the spending power of expatriate families who can provide their children with FSS education, thus creating a constant demand for FSSs such as OFS
- **Singapore as a preferred expatriate destination**
  Ranked the third most ideal destination after Australia and the United States, with 73% of those surveyed more likely to send their children to FSSs and willing to spend more (average of US$20,122) for their children's education[3]
- **Constant mobility of expatriates**
  Given the constant mobility of expatriates and their families, a smooth transition of their children's education is important. According to Frost & Sullivan's Report, this factor, coupled with the relatively high disposable income makes them relatively price inelastic to tuition fees of FSSs, creating a constant demand for FSS education in Singapore
- **Demand for quality education**
  OFS is well-positioned to benefit from the Singapore government's initiatives alongside the demand for quality private education

Increasing recognition of the IB curriculum in Singapore

- According to Frost & Sullivan's Report, a 2010 survey of 150 university and admissions staff from the United Kingdom rated the IB's Diploma Programme higher than other qualifications based on the breadth of its curriculum
- We believe there is an upward trend in the number of schools offering the IB curriculum, and its increased recognition and appeal will bode well for OFS

3 According to the HSBC Expat Explorer Survey 2011 cited in Frost & Sullivan's Report

Business Strategies and Future Plans

Building of a new school campus

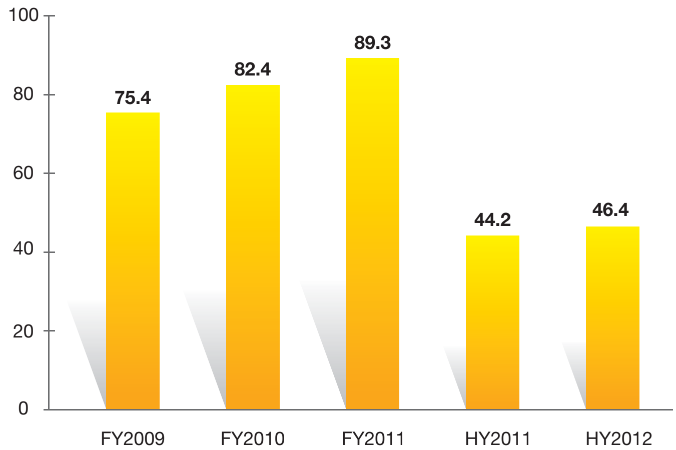
- As we are almost at our full capacity at our present location, we are raising funds to build a new school campus by ourselves or in collaboration with third parties, so that we may increase our student capacity
- Currently in discussions with various government agencies on the allocation of a permanent site for construction of the new school campus
- All of our net IPO proceeds will be used to build this new school campus

Expand our business and operations into new geographical markets

- We intend to leverage our management expertise and extensive experience in the education industry in Singapore as a springboard to expand our business into overseas markets such as Hong Kong and/or the People's Republic of China
- We may pursue growth by exploring opportunities to collaborate with suitable partners through strategic alliances, joint-ventures, acquisitions and investments

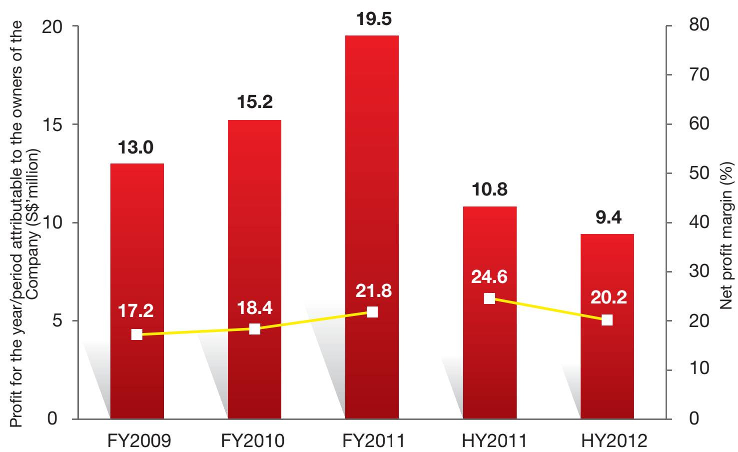
Financial Highlights

Revenue (S$'million)



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

Profit for the year/period attributable to the owners of the Company (S$'million)/Net profit margin (%)



OFS History of Enrolment

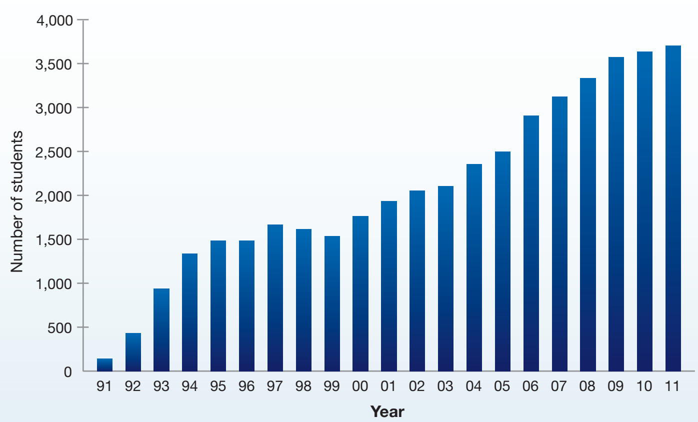


TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr. David Alan Perry (Executive Chairman and Chief Executive Officer) Ms. Irene Wong Lok Hiong (Executive Director) Mr. Ho Yew Mun (Lead Independent Director) Mr. Tan Teng Muan (Independent Director) Mr. Leow Wee Kia Clement (Independent Director)
COMPANY SECRETARY	:	Mr. Chew Kok Liang (LL.B. (Hons))
REGISTERED OFFICE	:	25F Paterson Road, Singapore 238515
PRINCIPAL PLACE OF BUSINESS AND CONTACT DETAILS	:	25F Paterson Road, Singapore 238515 Telephone no. : (65) 6738 0211 Facsimile no. : (65) 6735 9734
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	M & C Services Private Limited 112 Robinson Road #05-01 Singapore 068902
ISSUE MANAGER	:	United Overseas Bank Limited 80 Raffles Place Singapore 048624
JOINT UNDERWRITERS AND JOINT PLACEMENT AGENTS	:	United Overseas Bank Limited 80 Raffles Place #01-01 Singapore 048624 UOB Kay Hian Private Limited 8 Anthony Road Singapore 229957
AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young LLP One Raffles Quay Level 18 North Tower Singapore 048583 Partner-in-charge: Ms. Ho Shyan Yan (practising member of the Institute of Certified Public Accountants of Singapore)
SOLICITORS TO THE INVITATION AND LEGAL ADVISERS TO OUR COMPANY ON SINGAPORE LAW	:	RHTLaw Taylor Wessing LLP Six Battery Road #10-01 Singapore 049909
LEGAL ADVISERS TO OUR COMPANY ON HONG KONG LAW	:	Fred Kan & Co Suites 3104-7 31st Floor Central Plaza 18 Harbour Road Wanchai Hong Kong

SOLICITORS TO ISSUE MANAGER, JOINT UNDERWRITERS AND JOINT PLACEMENT AGENTS	:	Colin Ng & Partners LLP 36 Carpenter Street Singapore 059915
PRINCIPAL BANKER	:	United Overseas Bank Limited 80 Raffles Place Singapore 048624
RECEIVING BANK	:	United Overseas Bank Limited 80 Raffles Place Singapore 048624
INDUSTRY EXPERT	:	Frost & Sullivan (Singapore) Pte Ltd 100 Beach Road #29-01/11 Shaw Tower Singapore 189702

In this Prospectus and the accompanying Application Forms and in relation to Electronic Applications, the instructions appearing on the screens of the ATMs of the Participating Banks and on the internet banking websites of the relevant Participating Banks, unless the context otherwise requires, the following definitions apply throughout where the context so admits:-

Companies and Persons within our Group

"Company"	:	Overseas Education Limited
"David Perry" or "David Alan Perry"	:	Our Executive Chairman and CEO, Mr. David Alan Perry
"Group"	:	Our Company and our subsidiaries as at the date of this Prospectus
"Irene Wong" or "Irene Wong Lok Hiong"	:	Our Executive Director, Ms. Wong Lok Hiong
"Jason Lee" or "Jason Lee Chwee Soon"	:	Our General Manager and Executive Officer, Mr. Lee Chwee Soon
"Leow Wee Kia Clement"	:	Our Independent Director, Mr. Leow Wee Kia Clement (Liao Weijia Clement)
"OFS"	:	Overseas Family School Limited
"OFSHK"	:	Overseas Family School Limited (Hong Kong)
"Patrick Keenan" or "Patrick William Keenan"	:	Our Academic Director and Executive Officer, Mr. Patrick William Keenan
"Rani Suppiah"	:	Our Kindergarten Principal and Executive Officer, Ms. Thelagarani d/o Kathamuthu Rajamanickam (Mrs. Thelagarani Suppiah)
"School"	:	Overseas Family School, a private education institution registered with the CPE under the Private Education Act

Other Corporations and Organisations

"ACRA"	:	Accounting and Corporate Regulatory Authority
"Authority" or "MAS"	:	The Monetary Authority of Singapore
"CDP" or "Depository"	:	The Central Depository (Pte) Limited
"CPF"	:	The Central Provident Fund
"Frost & Sullivan"	:	Frost & Sullivan (Singapore) Pte Ltd
"Issue Manager", "UOB", "Principal Banker" or "Receiving Bank"	:	United Overseas Bank Limited

"Joint Underwriters" and/or "Joint Placement Agents"	:	UOB and UOB Kay Hian
"Master Projects"	:	Master Projects Pte Ltd
"MOE"	:	The Ministry of Education of Singapore
"MOM"	:	The Ministry of Manpower of Singapore
"Participating Banks"	:	DBS Bank Ltd. (including POSB) ("**DBS Bank**"), Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**"), UOB and its subsidiary, Far Eastern Bank Limited (collectively, the "**UOB Group**")
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"SLA"	:	Singapore Land Authority
"UOB Kay Hian"	:	UOB Kay Hian Private Limited

General

"Act" or "Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Application Forms"	:	The printed application forms to be used for the purpose of the Invitation and which form part of this Prospectus
"Application List"	:	The list of applications for subscription of the Invitation Shares
"Articles"	:	The articles of association of our Company
"Associate"	:	(i) In relation to an entity, means:- (a) in a case where the entity is a substantial shareholder, controlling shareholder, substantial interest-holder or controlling interest-holder, its related corporation, related entity, associated company or associated entity; or (b) in any other case, (aa) a director or an equivalent person, (bb) where the entity is a corporation, a controlling shareholder of the entity, (cc) where the entity is not a corporation, a controlling interest-holder of the entity, (dd) a subsidiary, a subsidiary entity, an associated company, or an associated entity, or (ee) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the controlling shareholder or controlling interest-holder, as the case may be, of the entity; and

		(c) in relation to an individual, means:- (aa) his immediate family; (bb) a trustee of any trust of which the individual or any member of the individual's immediate family is a beneficiary or, where the trust is a discretionary trust, a discretionary object, when the trustee acts in that capacity; or (cc) any corporation in which he and his immediate family (whether directly or indirectly) have interests in voting shares of an aggregate of not less than 30% of the total votes attached to all voting shares
"ATM"	:	Automated teller machine
"Audit Committee"	:	The audit committee of our Company as at the date of this Prospectus, unless otherwise stated
"Board" or "Board of Directors"	:	The board of Directors of our Company as at the date of this Prospectus, unless otherwise stated
"CAGR"	:	Compounded annual growth rate
"CEO"	:	Chief Executive Officer
"Controlling Shareholder"	:	A person who:- (i) holds directly or indirectly 15% or more of the votes attached to the voting shares in our Company; or (ii) in fact exercises control over our Company
"Directors"	:	The directors of our Company as at the date of this Prospectus, unless otherwise stated
"Electronic Applications"	:	Applications for the Offer Shares made through an ATM or the internet banking websites of one of the relevant Participating Banks, subject to and on the terms and conditions of this Prospectus
"Employees"	:	The employees of our Group, not including our Directors
"EPS"	:	Earnings per Share
"Executive Directors"	:	The executive Directors of our Company as at the date of this Prospectus, unless otherwise stated
"Executive Officers"	:	The executive officers of our Company as at the date of this Prospectus, unless otherwise stated

"Frost & Sullivan's Report"	:	An independent report dated 28 September 2012 by Frost & Sullivan, entitled 'A Study on Foreign System Schools in Singapore'
"FY"	:	Financial year ended or ending 31 December, as the case may be
"GDP"	:	Gross domestic product
"GST"	:	Goods and services tax
"Harding Road Site"	:	The premises located at Block 10A Harding Road, ancillary building and field grounds
"HY"	:	The financial period of the six months ended 30 June
"Independent Directors"	:	The independent Directors of our Company as at the date of this Prospectus, unless otherwise stated
"Invitation"	:	The invitation by our Company to the public in Singapore to subscribe for the Invitation Shares at the Invitation Price, upon the terms and subject to the conditions set out in this Prospectus
"Invitation Price"	:	S$0.48 for each Invitation Share
"Invitation Shares"	:	The 125,000,000 Shares, comprising 125,000,000 New Shares, which are the subject of the Invitation
"IT"	:	Information Technology
"Latest Practicable Date"	:	17 December 2012, being the latest practicable date prior to the date of lodgement of this Prospectus with the Authority
"Listing Date"	:	The date on which our Shares are admitted to the Official List of the Mainboard of the SGX-ST
"Listing Manual"	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"MP Shares"	:	Ordinary shares in the issued and paid-up capital of Master Projects
"New Shares"	:	The new Shares which are the subject of the Invitation (and in the event the Over-allotment Option is exercised, shall include the Over-allotment Shares, where applicable and where the context so requires) upon the terms and subject to the conditions set out in this Prospectus
"Nominating Committee"	:	The nominating committee of our Company as at the date of this Prospectus, unless otherwise stated

"NTA"	:	Net tangible assets
"Offer"	:	The invitation by our Company to the public in Singapore for the subscription of the Offer Shares at the Invitation Price, upon the terms and subject to the conditions set out in this Prospectus
"Offer Shares"	:	3,750,000 of the Invitation Shares which are the subject of the Offer
"OFS Interim Dividend"	:	Interim dividend amounting to S$31,217,127 declared and paid by Master Projects to our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong in November 2011, as described in the section entitled "**General Information on our Group – Restructuring Exercise**" of this Prospectus
"OFS Shares"	:	Ordinary shares in the issued and paid-up capital of OFS
"OFSHK Shares"	:	Ordinary shares in the issued and paid-up capital of OFSHK
"Over-allotment Option"	:	The over-allotment option granted by our Company to the Joint Underwriters, exercisable in whole or on part in one or more occasions from the Listing Date until the earlier of: (i) the date falling 30 days from the Listing Date; or (ii) the date the Joint Underwriters or their appointed agent(s) have purchased on the SGX-ST an aggregate of up to 25,000,000 Shares representing up to 20.0% of the total Invitation Shares to undertake stabilising actions solely for the purpose of covering over-allotments (if any) of the Invitation Shares made in connection with the Invitation. **Unless we indicate otherwise, all information in this Prospectus assumes that the Over-allotment Option is not exercised**
"Over-allotment Shares"	:	An aggregate of up to 25,000,000 New Shares to be issued in the event of the exercise of the Over-allotment Option
"PAT"	:	Profit after income tax
"Paterson Road Site"	:	The premises of OFS located at 25B, 25C, 25D, 25E, 25E Extension, 25F, 25G, 25J, 25K and 25H Paterson Road, Singapore 238515, and other surrounding facilities comprised on State Land Lots 704PT and 833PT TS 21
"PBT"	:	Profit before income tax
"PER"	:	Price earnings ratio
"Period Under Review"	:	The period which comprises FY2009, FY2010, FY2011 and HY2012

"Placement"	:	The placement of the Placement Shares by the Joint Placement Agents on behalf of our Company for subscription at the Invitation Price, upon the terms and subject to the conditions set out in this Prospectus
"Placement Shares"	:	The 121,250,000 Invitation Shares (including the 12,500,000 Reserved Shares) which are the subject of the Placement
"Private Education Act"	:	The Private Education Act (Chapter 247A) of Singapore, as amended, modified or supplemented from time to time
"Private Education Regulations 2009"	:	A subsidiary legislation of Private Education Act
"Prospectus"	:	This prospectus dated 31 January 2013 issued by our Company in respect of the Invitation
"Relevant Period"	:	Period Under Review and up to the Latest Practicable Date
"Remuneration Committee"	:	The remuneration committee of our Company as at the date of this Prospectus, unless otherwise stated
"Reserved Shares"	:	The 12,500,000 Placement Shares reserved for subscription by our Independent Directors, Employees, business associates and those who have contributed to the success of our Group
"Restructuring Agreement"	:	The agreement on the Restructuring Exercise dated 11 November 2011 entered into between our Company, OFS, Master Projects, OFSHK, our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong
"Restructuring Exercise"	:	The restructuring exercise undertaken by our Group prior to the Invitation, as described in the section entitled "**General Information on our Group – Restructuring Exercise**" of this Prospectus
"Securities Account"	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"Service Agreements"	:	The service agreements entered between each of our Executive Chairman and CEO, Mr. David Perry and our Executive Director, Ms. Irene Wong, and our Company as described in the section entitled "**Directors, Management and Staff – Service Agreements**" of this Prospectus
"SFA" or "Securities and Futures Act"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"SGXNET"	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies

"Shareholders"	:	Registered holders of our Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with our Shares
"Share Lending Agreement"	:	The share lending agreement dated 31 January 2013 entered into between PDAC Private Limited and the Joint Underwriters, details of which are set out under the section entitled "**Plan of Distribution – Share Lending Agreement**" of this Prospectus
"Share Split"	:	The sub-division of every two Shares into 17 Shares
"Shares"	:	Ordinary shares in the capital of our Company
"Subsidy"	:	A subsidy in cash provided by our Group of S$0.096 for each Reserved Share subscribed by our Employees, representing a discount of 20.0% to the Invitation Price
"Substantial Shareholder"	:	A person who has an interest or interests in Shares, the nominal amount of which is not less than 5% of the aggregate of the nominal amount of all the voting shares of our Company
"UK"	:	United Kingdom
"USA"	:	United States of America

Currencies, Units and Others

"ha"	:	hectares
"Hong Kong Dollars" or "HK$" and "HK cents"	:	Hong Kong dollars and cents, respectively
"Singapore Dollars" or "S$" and "cents"	:	Singapore dollars and cents, respectively
"sq m"	:	Square metres
"United States Dollars" or "US$" and "US cents"	:	United States dollars and cents, respectively
"%" or "per cent"	:	Per centum or percentage

The expressions "our", "ourselves", "us", "we" or "our Group" or other grammatical variations thereof shall, unless otherwise stated, refer to our Company and/or any member of our Group, as the context requires.

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The expressions "associated company", "associated entity", "related corporation", "related entity", "entity at risk", "interested person", "subsidiary", "subsidiary entity" and "substantial interest-holder" shall have the meanings ascribed to them respectively in the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

The expression "entity" includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust.

Any discrepancies between the amounts listed and their totals in tables included herein are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any reference in this Prospectus, the Application Forms and/or the Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended, modified, supplemented or re-enacted. Any word defined under the Act, the SFA, the Private Education Act or any statutory modification thereof and used in this Prospectus, the Application Forms and/or the Electronic Applications shall, where applicable or the context so requires, have the meaning ascribed to it under the Act, the SFA, the Private Education Act or any statutory modification thereof, as the case may be.

Any reference in this Prospectus, the Application Forms and/or the Electronic Applications to Shares being allotted to an applicant includes allotment or allocation to CDP for the account of that applicant.

Any reference to a time of day and date in this Prospectus, the Application Forms and/or the Electronic Applications shall be a reference to Singapore time and date respectively, unless otherwise stated.

In addition, unless we indicate otherwise, all information in this Prospectus assumes that the Joint Underwriters do not exercise the Over-allotment Option, and does not take into account any changes in shareholding that may arise as a result of any Shares lent or re-delivered pursuant to the Share Lending Agreement described in the section entitled "**Plan of Distribution – Share Lending Agreement**" of this Prospectus.

To facilitate a better understanding of our business, the following glossary provides an explanation of certain terms and abbreviations used in this Prospectus. The terms and abbreviations and their assigned meanings should not be treated as being definitive of their meanings, and may not correspond to standard industry meanings or common meanings or usage, as the case may be, of these terms and abbreviations.

"Academic Board"	:	The academic board of a private education institution as stipulated under Rule 15 of the Private Education Regulations 2009, which is responsible for, *inter alia*, developing and reviewing policies and procedures on all academic matters of the private education institution
"ACT"	:	A national college admission and placement examination administered and governed by ACT, Inc. that assesses students' general educational development and their ability to complete college-level work
"CIE"	:	University of Cambridge International Examinations, a provider of international qualifications for students aged 14 to 19
"CIE Centre"	:	A school, institution or organisation centre that has been awarded the status once it has been approved and registered with CIE
"Client"	:	A client of our School means our students' parents and/or guardians
"CPE"	:	Council for Private Education, a statutory board established under the Private Education Act with the legislative power to regulate the private education sector
"Curriculum Leadership"	:	The curriculum leadership includes the PYP, MYP and DP co-ordinators, the subject area leaders, the curriculum leaders, and the Elementary School Mathematics specialists
"Deputy Principals"	:	The respective deputy principals of each of the four sections within the School
"DP"	:	International Baccalaureate Diploma Programme, generally for students aged 16 to 19 in Grades 11 and 12
"ERF"	:	Mandatory Enhanced Registration Framework, as set out under the Private Education Act and the Private Education Regulations 2009, containing the mandatory registration requirements and legislative obligations which all private education institutions, operating in and from Singapore, must meet
"Examination Board"	:	The examination board of a private education institution as stipulated under Rule 16 of the Private Education Regulations 2009, which is responsible for, *inter alia*, the development of examination and assessment procedures for the private education institution

"foreign system school"	:	A school that follows a system or curriculum that is similar to that of countries other than Singapore or which follows an international curriculum
"GCE A-Level"	:	General Certificate of Education (Advanced Level) is a subject-based qualification which originated from the UK, generally for students aged 16 to 18
"GCE O-Level"	:	General Certificate of Education (Ordinary Level) is a subject-based qualification which originated from the UK, generally for students aged 14 to 16
"homebase teacher"	:	The teacher in charge of a homebase group or a class
"IB"	:	International Baccalaureate, formerly the International Baccalaureate Organisation (IBO), an international educational foundation founded in 1968 and headquartered in Geneva, Switzerland. "IB" can refer to the organisation itself, any of the three programmes or the diploma or certificates awarded at the end of the DP
"IB World School"	:	A school offering any of the three IB programmes, namely, the PYP, MYP and DP
"IGCSE"	:	International General Certificate of Secondary Education, developed by CIE in 1988, is the international alternative to the UK General Certificate of Secondary Education and is an internationally recognised qualification for school students, typically in the ages of 14 to 16
"International Schools Association"	:	The International Schools Association is a worldwide membership organisation of schools that adhere to certain key principles of internationalism based on the United Nations Charter and the United Nations Universal Declaration of Human Rights
"International Schools Curriculum Project"	:	An independent movement by heads of schools and teachers in international schools formed in 1994 whose aim was to create a common international educational framework for international schools, which subsequently dissolved itself in 1997 and handed the project over to the IB
"Junior School"	:	Comprises Kindergarten and Elementary School
"K-1"	:	Kindergarten 1, generally for students at the age of 4
"K-2"	:	Kindergarten 2, generally for students at the age of 5
"K-12"	:	K-12 Education, a designation for the sum of primary and secondary education, used in countries such as the USA, Canada, Australia and New Zealand, and an expression that is the abbreviation of Kindergarten for students aged 4 to 6, to Grade 12 for students aged 16 to 19
"local school"	:	A school under the national schooling system in Singapore

"MUN"	:	Model United Nations, an academic simulation of the United Nations that aims to educate participants about current events, topics in international relations, diplomacy and the United Nations agenda
"MYP"	:	International Baccalaureate Middle Years Programme, generally for students aged 11 to 16 in Grades 6 to 10
"open entry policy"	:	A policy where enrolment into our School is not based on the results of a screening of prospective students and where decisions on which grade a student is admitted to, and decisions on student entry into examinations rests solely on their parents
"Personal Project"	:	A project that students in the fifth-year of the MYP programme (Grade 10) are expected to complete as part of the MYP curriculum
"Pre-K"	:	Pre-Kindergarten, generally for students at the age of 3
"Principal"	:	The respective principals of each of the four sections within the School
"PYP"	:	International Baccalaureate Primary Years Programme, generally for students aged 3 to 12 in Pre-K to Grade 5
"SAT"	:	Scholastic Aptitude Test, a standardised test for college admissions in the USA, which is owned, published and developed by the College Board, a non-profit organisation in the USA
"sections within the School"	:	The four sections within our School, namely, the Kindergarten, Elementary, Middle and High Schools
"Senior School"	:	Comprises Middle and High Schools
"SPP"	:	Study Preparation Programme, which is a programme initiative by our School to help students to whom English is not their first language. Please refer to the section entitled "**General Information on our Group – Business Overview – Other Programmes**" of this Prospectus for more information
"THIMUN"	:	The Hague International Model United Nations, a non-governmental organisation associated with the United Nations that seeks to uphold among the young the values of the United Nations Charter
"WASC"	:	Western Association of Schools and Colleges, one of six regional associations in the USA that provides accreditation to educational institutions such as public and private schools, colleges, and universities in California, Hawaii, Guam, the Commonwealth of the Northern Marianas, American Samoa, the Federated States of Micronesia, the Republic of the Marshall Islands, Fiji, and East Asia

Singapore

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the lodgement and registration of this Prospectus in Singapore in order to permit a public offering of our Shares and the public distribution of this Prospectus in Singapore. The distribution of this Prospectus and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by us, the Issue Manager, the Joint Underwriters and the Joint Placement Agents to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Issue Manager, the Joint Underwriters and the Joint Placement Agents.

Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

Hong Kong

This Prospectus does not constitute an offer to the public in Hong Kong to subscribe for the Invitation Shares.

This Prospectus has not been and will not be registered with the Registrar of Companies in Hong Kong. Accordingly, except as mentioned below, no copy of this Prospectus may be issued, circulated or distributed in Hong Kong.

A copy of this Prospectus may, however, be issued by the Joint Placement Agents or their designated sub-placement agents to professional investors (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) for the Placement Shares in Hong Kong, or otherwise pursuant to, and in accordance with the conditions of, any applicable exemptions as set out in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) in a manner which does not constitute an invitation or offer of the Placement Shares to the public in Hong Kong or an issue, circulation or distribution in Hong Kong of a prospectus for the purposes of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The offer of the Placement Shares is personal to the person named in the accompanying Application Form, and application for the Placement Shares will only be accepted from such person. An application for the Placement Shares is not invited from any person in Hong Kong other than a person to whom a copy of this Prospectus has been issued by the Joint Placement Agents or their designated sub-placement agents, and if made, will not be accepted, unless the applicant satisfies the Joint Placement Agents or their designated sub-placement agents that he is a professional investor as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

No person to whom a copy of this Prospectus is issued may issue, circulate or distribute this Prospectus in Hong Kong or make or give a copy of this Prospectus to any other person, other than their legal, financial, tax or other appropriate advisers who are subject to a duty of confidentiality to such person.

The Joint Placement Agents have agreed with our Company that they (and their sub-placement agents, if any) have not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any of our Shares other than permitted under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and have not issued or had in its possession for the purpose of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document in respect of any of our Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to any of our Shares which are or are intended to be disposed of only to persons outside Hong Kong or permitted under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

This document is for distribution in Hong Kong only to persons who are "Professional Investors" within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any rules made under that Ordinance.

The contents of this document have not been reviewed by the Securities and Futures Commission of Hong Kong or any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Invitation. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

By accepting this document you agree to be bound by the foregoing limitations.

No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us, our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute "forward-looking statements". You can identify some of these forward-looking statements by terms such as "anticipates", "believes", "could", "estimates", "expects", "intends", "may", "plans", "will" and "would" or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements, including, without limitation, statements as to:-

(i) our revenue and profitability;

(ii) expected growth in demand;

(iii) expected industry trends;

(iv) anticipated expansion plans;

(v) anticipated commencement and completion date for projects; and

(vi) other matters discussed in this Prospectus regarding matters that are not historical facts,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:-

(i) changes in political, social and economic conditions and the regulatory environment in Singapore and other countries in which we conduct business;

(ii) changes in currency exchange rates;

(iii) our anticipated growth strategies and expected internal growth;

(iv) changes in the availability and prices of materials we need for our business;

(v) changes in customer demand;

(vi) changes in competitive conditions and our ability to compete under these conditions;

(vii) changes in our future capital needs and the availability of financing and capital to fund these needs;

(viii) war or acts of international or domestic terrorism;

(ix) occurrences of catastrophic events, natural disasters and acts of God that affect our business;

(x) other factors beyond our control; and

(xi) other factors that are described under the section entitled "**Risk Factors**" of this Prospectus.

These factors are discussed in greater detail in this Prospectus, in particular, but not limited to the discussions under the sections entitled "**Risk Factors**" and "**Management's Discussion and Analysis of the Results of Operations and Financial Condition**" of this Prospectus. All forward-looking statements by or attributable to us, our Directors, our Executive Officers or our employees acting on our behalf, or persons acting on our behalf, contained in this Prospectus are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this Prospectus.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Prospectus, undue reliance must not be placed on these statements which apply only as at the date of this Prospectus. Neither our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents nor any other person represents or warrants that our Group's actual future results, performance or achievements will be as discussed in those statements.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Issue Manager, the Joint Underwriters and the Joint Placement Agents disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect further developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the SFA and the Listing Manual regarding corporate disclosure.

LISTING ON THE SGX-ST

Our Company has made an application to the SGX-ST for permission to deal in and for quotation of all our Shares already issued as well as the New Shares (including any Over-allotment Shares). Such permission will be granted when our Company is admitted to the Official List of the Mainboard of the SGX-ST. No Shares shall be allotted and/or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

Acceptance of applications for the Invitation Shares will be conditional upon, *inter alia*, the issue of the New Shares (including any Over-allotment Shares) and permission being granted by the SGX-ST to deal in, listing of and for quotation of all our existing issued Shares and the New Shares (including any Over-allotment Shares) on the Official List of the Mainboard of the SGX-ST. If completion of the Invitation does not occur because the said permission is not granted or for any reason (including where the Authority issues a Stop Order (as defined below)), monies paid in respect of any application accepted will be returned to the applicant at the applicant's own risk, without interest or any share of revenue or other benefit arising therefrom, and the applicant will not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents.

In connection with the Invitation, our Company has granted to the Joint Underwriters an Over-allotment Option exercisable by the Joint Underwriters in whole or in part on one or more occasions from the Listing Date until the earlier of: (i) the date falling 30 days from the Listing Date; or (ii) the date the Joint Underwriters or their appointed agent(s) have purchased on the SGX-ST an aggregate of up to 25,000,000 Shares representing up to 20.0% of the Invitation Shares to undertake stabilising actions solely for the purpose of covering over-allotments (if any) of the Invitation Shares made in connection with the Invitation. The Joint Underwriters may, in their discretion but subject to compliance with applicable laws and regulations in Singapore, over-allot or effect transactions which stabilise or maintain the market price of our Shares. Such stabilisation activities, if commenced, may be discontinued by the Joint Underwriters at any time in their discretion in accordance with the laws of Singapore and shall not be effected after the expiry of the aforesaid period.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List of the Mainboard of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our Shares already issued and the New Shares (including any Over-allotment Shares (if the Over-allotment Option is exercised)).

A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the requirements of the SFA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the merits of the New Shares (including any Over-allotment Shares (if the Over-allotment Option is exercised)), as the case may be, being offered for investment. We have not lodged or registered this Prospectus in any other jurisdiction.

We are subject to the provisions of the SFA and the Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Prospectus is registered but before the close of the Invitation we become aware of:-

(i) a false or misleading statement or matter in this Prospectus;

(ii) an omission from this Prospectus of any information that should have been included in it under Section 243 of the SFA; or

(iii) a new circumstance that has arisen since this Prospectus was lodged with the Authority and would have been required by Section 243 of the SFA to be included in this Prospectus, if it had arisen before this Prospectus was lodged,

and that is materially adverse from the point of view of an investor, our Company may lodge a supplementary or replacement prospectus with the Authority.

In the event that a supplementary or replacement prospectus is lodged with the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement prospectus.

Where prior to the lodgement of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for the Invitation Shares and:-

(i) where the Invitation Shares have not been issued to the applicants, our Company shall either:-

(a) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement prospectus;

(b) within seven days from the date of lodgement of the supplementary or replacement prospectus, give the applicants a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications; or

(c) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and our Company shall, within seven days from the date of lodgement of the supplementary or replacement prospectus, pay to the applicants all monies which they had paid on account of their applications, without interest or any share of revenue or other benefit arising therefrom at the applicants' own risk, and the applicants shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents; or

(ii) where the Invitation Shares have been issued to the applicants but trading has not commenced, our Company shall either:-

(a) (aa) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return to our Company those Invitation Shares which they do not wish to retain title in; and

(bb) take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement prospectus;

(b) within seven days from the date of lodgement of the supplementary or replacement prospectus, give the applicants a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return to our Company those Invitation Shares which they do not wish to retain title in; or

(c) treat the issue of the Invitation Shares as void, in which case the issue shall be deemed void and our Company shall, within seven days from the date of lodgement of the supplementary or replacement prospectus, pay to the applicants all monies which they had paid on account of their applications, without interest or any share of revenue or other benefit arising therefrom at the applicant's own risk, and the applicant shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents.

An applicant who wishes to exercise his option under paragraph (i)(a) or (i)(b) above to withdraw his application shall, within 14 days from the date of lodgement of the supplementary prospectus or replacement prospectus, notify our Company of this, whereupon our Company shall, within seven days from the receipt of such notification, pay to the applicant all monies which he had paid on account of his application, without interest or any share of revenue or other benefit arising therefrom at the applicant's own risk and the applicant shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents.

An applicant who wishes to exercise his option under paragraph (ii)(a) or (ii)(b) above to return those Invitation Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares to our Company, whereupon our Company shall, within seven days from the receipt of such notification and documents, if any, pay to the applicant all monies which he had paid on account of his application, without interest or any share of revenue or other benefit arising therefrom at the applicant's own risk and the applicant shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents, and the issue of those Invitation Shares shall be deemed to be void.

Under the SFA, the Authority may, in certain circumstances issue a stop order ("**Stop Order**") to our Company, directing that no Shares or no further Shares to which this Prospectus relates, be allotted, issued or sold. Such circumstances will include a situation where this Prospectus (i) contains any statement or matter, which in the opinion of the Authority is false or misleading; (ii) omits any information that should be included in accordance with the SFA; (iii) does not, in the opinion of the Authority, comply with the requirements of the SFA; or (iv) if the Authority is of the opinion that it is in the public interest to do so.

Where the Authority issues a Stop Order pursuant to Section 242 of the SFA and applications to subscribe for the Invitation Shares have been made prior to the Stop Order, then:-

(i) Where the Invitation Shares have not been issued to the applicants, the applications for those Invitation Shares shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies which they had paid on account of their applications, without interest or any share of revenue or other benefit arising therefrom at their own risk and the applicants shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents; or

(ii) Where the Invitation Shares have been issued to the applicants, the issue of those Invitation Shares shall be deemed to be void and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies which they paid on account of their applications without interest or any share of revenue or other benefit arising therefrom and at their own risk and the applicants shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents.

This shall not apply where only an interim Stop Order has been served.

This Prospectus has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Invitation, our Company and its subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading.

Neither our Company, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or any other laws or regulations. No information in this Prospectus should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser for advice regarding an investment in our Shares and the New Shares (including any Over-allotment Shares).

No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents. Neither the delivery of this Prospectus and the Application Forms, any document relating to the Invitation nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our subsidiaries or in any statement of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we will comply with the relevant requirements of the SGX-ST and/or other requirements of the SFA and/or the Authority and make an announcement of the same to the SGX-ST and, if required under the SFA, lodge a supplementary or replacement prospectus with the Authority and will make the same available to the public after lodgement. All applicants should take note of any such announcement, or supplementary or replacement prospectus and, upon the release of such an announcement, or supplementary or replacement prospectus, shall be deemed to have notice of such changes.

Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our subsidiaries. The Invitation Shares are offered for subscription solely on the basis of the information contained and representations made in this Prospectus. This Prospectus has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for the Invitation Shares or for any other purpose.

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such an offer, solicitation or invitation.

Copies of this Prospectus and the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:-

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1 #03-03
Singapore 048624

UOB Kay Hian Private Limited
8 Anthony Road #01-01
Singapore 229957

and where available, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore.

A copy of this Prospectus is also available on:-

(i) the SGX-ST's website at http://www.sgx.com; and

(ii) the Authority's website at http://masnet.mas.gov.sg/opera/sdrprosp.nsf.

The Application List will open at 6.00 p.m. on 31 January 2013 and will close at 12.00 noon on 5 February 2013, or such other date and time as our Company may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST PROVIDED ALWAYS THAT where a supplementary or replacement prospectus has been lodged with the Authority, the Application List shall be kept open for at least 14 days after the lodgement of the supplementary or replacement prospectus.

Details of the procedures for applications to subscribe for the Invitation Shares are set out in Appendix G – "Terms and Conditions and Procedures for Application and Acceptance" of this Prospectus.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Invitation and trading of our Shares is set out below for the reference of applicants:-

Indicative Time and Date	Event
6.00 p.m. on 31 January 2013	Opening of Application List
12.00 noon on 5 February 2013	Close of Application List and closing date and time for the Invitation
6 February 2013	Balloting of applications, if necessary (in the event of over-subscription for the Invitation Shares)
9.00 am on 7 February 2013	Commence trading on a "ready" basis
14 February 2013	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that the date of closing of the Application List is 5 February 2013, the date of admission of our Company to the Official List of the Mainboard of the SGX-ST is 7 February 2013, the SGX-ST's shareholding spread requirement will be complied with and the Invitation Shares will be issued and allotted (as the case may be) and fully paid-up prior to 7 February 2013. The actual date on which our Shares will commence trading on a "ready" basis will be announced when it is confirmed by the SGX-ST.

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit trading on a "ready" basis and the commencement date of such trading.

Investors should consult the SGX-ST's announcement on the "ready" trading date on the internet (on the SGX-ST's website at http://www.sgx.com) or the newspapers, or check with their brokers on the date on which trading on a "ready" basis will commence.

In the event of any changes in the close of the Application List or the time period during which the Invitation is open, we will publicly announce the same:-

(i) through a SGXNET announcement to be posted on the internet on the SGX-ST's website at http://www.sgx.com; and

(ii) through a paid advertisement in a local English newspaper.

We will publicly announce details of the results of the Invitation (including the level of subscription for the Invitation Shares and the basis of allotment and/or allocation of the Invitation Shares pursuant to the Invitation) as soon as it is practicable after the close of the Application List through the channels described in (i) and (ii) above.

We reserve the right to reject or accept, in whole or in part, or to scale-down or ballot any application for the Invitation Shares, without assigning any reason thereof, and no enquiry or correspondence on our decision will be entertained. This right applies to applications made by way of Application Forms, Electronic Applications (each as defined in Appendix G – "**Terms and Conditions and Procedures for Application and Acceptance**" of this Prospectus) and any other forms of application as the Issue Manager, the Joint Underwriters and the Joint Placement Agents may, in consultation with us, deem appropriate. In deciding the basis of allotment and/or allocation, due consideration will be given to, among others, the desirability of allocating the Invitation Shares to a reasonable number of applicants with a view to establish an adequate market for our Shares.

*The information contained in this summary is derived from and should be read in conjunction with the full text of this Prospectus. As it is a summary, it does not contain all the information that you should consider before investing in our Shares. You should read the entire Prospectus carefully, especially the matters set out under the section entitled "**Risk Factors**" of this Prospectus, before deciding to invest in our Shares. The meanings of terms not defined in this summary can be found elsewhere in this Prospectus.*

OVERVIEW OF OUR GROUP

We are a private foreign system school in Singapore offering 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 believe we were the first and currently one of five such foreign system schools in Singapore offering a straight-through IB curriculum in a single location. We also believe we are an inextricable part of the social and economic infrastructure supporting foreign direct investments into Singapore and forming an important consideration for expatriates contemplating the relocation of their families and especially of their school-going children here.

Our master policy is "to provide a happy, safe and effective school for overseas families living in Singapore" that prepares our students for their return to their respective national education systems or, for the more senior students, for entry into universities worldwide.

OUR BUSINESS

The IB programme forms the foundation for the development of the curriculum throughout our School. The School comprises four sections:- Kindergarten (Pre-K to K2), Elementary School (Grades 1 to 5), Middle School (Grades 6 to 8) and High School (Grades 9 to 12). OFS is authorised by the IB to offer the Primary Years Programme ("**PYP**") to the Kindergarten and Elementary School students, the Middle Years Programme ("**MYP**") to the Middle School and Grades 9 and 10 High School students and the Diploma Programme ("**DP**") to the Grades 11 and 12 High School students. In addition to the IB programme, we also offer the International General Certificate of Secondary Education ("**IGCSE**") examinations administered by Cambridge University to our students in Grade 10.

Please refer to the section entitled "**General Information on our Group – Business Overview**" of this Prospectus for more information.

OUR COMPETITIVE STRENGTHS

Our Directors believe that our key competitive strengths are as follows:-

(i) Well-recognised name and established track record

We have built a well-recognised name in the private education industry in Singapore, particularly among the K-12 foreign system schools over the last two decades since our establishment.

(ii) Resilient business model

We believe that we have established a resilient business model, even during the general downturn in the western economies as recently as 2008/2009.

(iii) Strong parent engagement with our School

We recognise our role as a service provider to the parents of our students who have the primary responsibility of educating their own children. To this end, we have developed various channels of communication and avenues for participation for parents and students alike.

(iv) Specialisation between management and teaching

Since the inception of our School, we have separated the roles of management and administration from that of academia and teaching, with the administration of our School being managed entirely through our corporate office. We believe that this in turn allows our Principals, Curriculum Leadership and teachers to focus their efforts towards the education of our students and the on-going development and improvement of our various curricula.

(v) Multi-national student base

We believe that our diversified student base, consisting of around 70 nationalities, provides us with a resilient business model that allows us not to be overly dependent on the influx of students from any particular country in the world.

(vi) Strong curriculum

We are one of five foreign system schools in Singapore to offer the full IB curriculum, consisting of the PYP, MYP and the DP. We also offer, encourage and prepare our Grades 9 and 10 High School students to attempt for the Cambridge-based IGCSE examinations. In addition, we believe that OFS is a pioneer in integrating Model United Nations ("**MUN**") into our core curriculum and is the first and only foreign system school in Singapore to do so.

(vii) Quality control through our continual assessment system

We operate 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.

(viii) Innovative use of IT

We believe the extensive IT resources and infrastructure that we have invested in, coupled with our unique OFS integrated software application have allowed our students, parents and teachers to benefit from the innovative use of IT in our School which has not only enhanced interaction among them but has also increased our effectiveness and efficiency in running our School.

(ix) Experienced and professional management team

We have a very experienced and professional management team which is familiar with the business of managing and operating a foreign system school.

Please refer to the section entitled "**General Information on our Group – Competitive Strengths**" of this Prospectus for more information.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

We intend to focus on the following business strategies for the future growth and expansion of our business:-

(i) Building of a new school campus

Over the years, our School has grown through the expansion of the school campus at our present location to accommodate the steady increase in the number of students. We are almost at our full capacity at our present location. Therefore, the purpose of the Invitation is to raise funds to build a new school campus by ourselves or in collaboration with third parties, so that we may increase our student capacity.

We participated in the request-for-interest ("**RFI**") exercise that was called by the Economic Development Board ("**EDB**") on 3 April 2012, and were informed by the RFI Committee on 1 August 2012 that we had been pre-qualified for a site at Pasir Ris ("**Pasir Ris Site**"). However, the pre-qualification does not constitute a commitment on the part of EDB to ensure that the site is eventually awarded to us and the award of the Pasir Ris Site is subject to other approvals and legal processes.

(ii) Expanding our business and operations into new geographical markets

We intend to leverage on our management expertise and extensive experience in the education industry in Singapore as a springboard to expand our business into overseas markets such as Hong Kong and/or the People's Republic of China.

Please refer to the section entitled "**Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans**" of this Prospectus for more information.

OUR OWNERSHIP STRUCTURE

After the Invitation, PDAC Private Limited and WLH Private Limited will own approximately 34.7% and 33.3% of our Company's post-Invitation share capital, respectively. Please refer to the section entitled "**General Information on our Group – Shareholders**" of this Prospectus for more information.

WHERE YOU CAN FIND US

Our campus is sited at 25F Paterson Road, Singapore 238515. Our telephone and facsimile numbers are (65) 6738 0211 and (65) 6735 9734, respectively. Our company registration number is 201131905D. Our website address is http://www.ofs.edu.sg/.

Information on our website does not constitute part of this Prospectus.

SUMMARY OF OUR FINANCIAL INFORMATION

*You should read the following summary financial information in conjunction with the full text of this Prospectus, including the "**Audited Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Financial Years Ended 31 December 2009, 2010 and 2011**" and "**Unaudited Interim Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Six-Month Period Ended 30 June 2012**" as set out in Appendices A and B respectively, and the section entitled "**Management's Discussion and Analysis of the Results of Operations and Financial Condition**" of this Prospectus.*

Selected items from the Consolidated Statements of Comprehensive Income of our Group

S$'000	FY2009	FY2010	FY2011	HY2011	HY2012
Total revenue	**75,448**	**82,354**	**89,343**	**44,164**	**46,382**
Total operating expenses	(59,641)	(63,690)	(65,890)	(31,107)	(35,071)
Profit before taxation	**15,807**	**18,664**	**23,453**	**13,057**	**11,311**
Income tax expense	(2,795)	(3,493)	(3,988)	(2,214)	(1,926)
Profit for the year	**13,012**	**15,171**	**19,465**	**10,843**	**9,385**
Other comprehensive income	(+)	(+)	+	(+)	(+)
Total comprehensive income for the year	**13,012**	**15,171**	**19,465**	**10,843**	**9,385**
EPS(1) (cents)	**4.9**	**5.7**	**7.3**	**4.1**	**3.5**
EPS as adjusted for the Invitation(2) (cents)	**3.3**	**3.9**	**5.0**	**2.8**	**2.4**

Notes:-

(1) For comparative purposes, EPS is calculated based on profit for the year and the pre-Invitation share capital of our Company of 265,363,548 Shares.

(2) For comparative purposes, EPS is calculated based on profit for the year and the post-Invitation share capital of our company of 390,363,548 Shares.

\+ Amount lower than S$1,000.

Selected items from the Consolidated Balance Sheets of our Group

S$'000	As at 31 December 2011	As at 30 June 2012
Non-current assets	18,289	16,631
Current assets	82,570	69,176
Total assets	**100,859**	**85,807**
Current liabilities	44,673	28,283
Non-current liabilities	1,410	1,363
Total liabilities	**46,083**	**29,646**
Revenue reserve	**9,726**	**11,111**
Total equity	**54,776**	**56,161**
NTA per Share (cents)(1)	**19.2**	**19.8**

Note:-

(1) For comparative purposes, NTA per Share is calculated based on the pre-Invitation share capital of our Company of 265,363,548 Shares.

Invitation Size	:	125,000,000 Invitation Shares (excluding the Over-allotment Shares) comprising 125,000,000 New Shares. The New Shares, which form part of the Invitation, shall, upon their allotment and issue be free from all pre-emption rights, charges, liens and other encumbrances and, rank in all respects *pari passu* with our existing issued Shares.
Invitation Price	:	S$0.48 for each Invitation Share.
The Offer	:	The Offer comprises an invitation by our Company of 3,750,000 Offer Shares to the public in Singapore for subscription at the Invitation Price, upon the terms and subject to the conditions of this Prospectus.
The Placement	:	The Placement comprises a placement by the Joint Placement Agents on behalf of our Company of 121,250,000 Placement Shares at the Invitation Price, upon the terms and subject to the conditions of this Prospectus.
Clawback and Re-allocation	:	The Invitation Shares may be re-allocated between the Offer and the Placement at the discretion of the Issue Manager, the Joint Underwriters and the Joint Placement Agents in the event of an excess of applications in one and a deficit of applications in the other.
Over-allotment Option	:	Our Company has granted to the Joint Underwriters, the Over-allotment Option which is exercisable by the Joint Underwriters in whole or in part on one or more occasions from the Listing Date until the earlier of: (i) the date falling 30 days from the Listing Date; or (ii) the date the Joint Underwriters or their appointed agent(s) have purchased on the SGX-ST an aggregate of up to 25,000,000 Shares representing up to 20.0% of the Invitation Shares to undertake stabilising actions solely for the purpose of covering over-allotments (if any) of the Invitation Shares made in connection with the Invitation. **Unless we indicate otherwise, all information in this Prospectus assumes that the Over-allotment Option is not exercised**.
Purpose of the Invitation	:	Our Directors consider that the listing of our Company and the quotation of our Shares on the SGX-ST will: (i) raise funds to build a new school campus; (ii) enhance our public image locally and internationally; (iii) enable us to tap the capital markets to fund our business growth; and (iv) provide members of the public, our Independent Directors, Employees, business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company.
Reserved Shares	:	Up to 12,500,000 of the Placement Shares will be reserved for our Independent Directors, Employees, business associates and those who have contributed to the success of our Group. In the event that any of the Reserved Shares are not taken up, they will be made available to satisfy applications for the Placement Shares, or in the event of an under-subscription of the Placement Shares, to satisfy excess applications for the Offer Shares.

Listing Status	:	There has been no public market for our Shares prior to the Invitation. Our Shares will be quoted in Singapore dollars on the SGX-ST, subject to admission of our Company to the Official List of the Mainboard of the SGX-ST and permission for dealing in, and for quotation of, our Shares and the New Shares being granted by the SGX-ST and the Authority not issuing a Stop Order.
Risk Factors	:	Investing in our Shares involve risks which are described in the section entitled "**Risk Factors**" of this Prospectus.

The Invitation is for 125,000,000 New Shares (excluding the Over-allotment Shares) offered in Singapore by way of the Offer and the Placement comprising 3,750,000 Offer Shares and 121,250,000 Placement Shares. The Invitation Price is determined by us in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents after taking into consideration, *inter alia*, prevailing market conditions and the estimated market demand for our Shares determined through a book-building process. The Invitation Price is the same for all Invitation Shares and the Over-allotment Shares (if the Over-allotment Option is exercised) and is payable in full on application.

Offer Shares

The Offer Shares are made available to members of the public in Singapore for subscription at the Invitation Price. Applications for the Offer Shares may be made by way of Offer Shares Application Forms or by way of Electronic Applications. The terms, conditions and procedures for applications are described in Appendix G – "**Terms and Conditions and Procedures for Application and Acceptance**" of this Prospectus.

An applicant who has made an application for Offer Shares by way of printed Offer Shares Application Forms may not make another separate application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate application shall be deemed to be multiple applications and shall be rejected.

Pursuant to the terms and conditions contained in the management and underwriting agreement signed between our Company, the Issue Manager and the Joint Underwriters dated 31 January 2013 ("**Management and Underwriting Agreement**"), the Issue Manager has agreed to manage the Invitation and the Joint Underwriters have agreed to underwrite the Offer Shares.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed for as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents and approved by the SGX-ST (if required).

In the event the number of Offer Shares applied for by members of the public exceeds the number of Offer Shares offered by the Company at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed at the close of the Application List or otherwise are insufficient to satisfy the over-subscription for the Offer Shares, the Issue Manager, shall, on behalf of the Company, arrange for the balloting of the applications for the Offer Shares in such manner as may be reasonably required by the Company, and the basis of allotments shall be decided by the Company after consultation with the Issue Manager and the SGX-ST (if required).

Placement Shares

Applications for the Placement Shares (other than Reserved Shares) must be made by way of Placement Shares Application Forms or other such forms of application as the Issue Manager, the Joint Underwriters and the Joint Placement Agents deem appropriate. The terms, conditions and procedures for applications are described in Appendix G – "**Terms and Conditions and Procedures for Application and Acceptance**" of this Prospectus.

Pursuant to the terms and conditions in the placement agreement signed between our Company and the Joint Placement Agents dated 31 January 2013 ("**Placement Agreement**"), the Joint Placement Agents have agreed to subscribe for, or procure subscribers for the Placement Shares at the Invitation Price.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers of the Placement Shares (excluding Reserved Shares) may be required to pay a brokerage of up to 1.0% of the Invitation Price (plus GST thereon and any other similar charges if applicable) to the Joint Placement Agents. Please refer to the section entitled "**Management, Underwriting and Placement Arrangements**" of this Prospectus for further information.

Reserved Shares

To recognise their contributions to our Group, we have reserved up to 12,500,000 Placement Shares for subscription by our Independent Directors, Employees, business associates and others who have contributed to the success of our Group. Applications for the Reserved Shares must be made by way of Reserved Shares Application Forms.

Our Group will be providing a Subsidy to our Employees for their subscription of Reserved Shares. This Subsidy will be available to all Employees who at the close of the Invitation are Employees and they have not given any notice or expressed any intentions to our Group nor is our Group aware of any intentions on their part, whether formal or informal, to terminate their employment with our Group or *vice versa*. For the avoidance of doubt, our Independent Directors and business associates and others who have contributed to the success of our Group will not be entitled to the Subsidy.

To demonstrate their commitment to our Group, these Reserved Shares subscribed by our Employees will be subject to a moratorium of three (3) months commencing from the Listing Date.

In the event that any of the Reserved Shares are not taken up, they will be made available to satisfy applications for the Placement Shares (other than the Reserved Shares) to the extent that there is an over-subscription of the Placement Shares (other than the Reserved Shares) as at the close of the Application List, or in the event of an under-subscription of the Placement Shares as at the close of the Application List, to satisfy applications made by members of the public for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Persons intending to subscribe for the Invitation Shares

None of our Directors, Executive Officers, Substantial Shareholders or Employees intends to subscribe for more than 5.0% of the Invitation Shares in the Invitation.

To the best of our knowledge and belief, we are not aware of any person who intends to subscribe for more than 5.0% of the Invitation Shares. However, through a book-building process to assess market demand for our Invitation Shares, there may be persons who may indicate an interest to subscribe for Invitation Shares amounting to more than 5.0% of the Invitation Shares. If such person(s) were to make an application for Invitation Shares for more than 5.0% of the Invitation Shares and are subsequently allotted such number of Invitation Shares, we will make the necessary announcements at the appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 210 of the Listing Manual.

No Shares will be allotted and/or allocated on the basis of this Prospectus later than six (6) months after the date of this Prospectus.

Over-allotment and Stabilisation

In connection with the Invitation, our Company has granted to the Joint Underwriters the Over-allotment Option exercisable by the Joint Underwriters in whole or in part prior on one or more occasions from the Listing Date until the earlier of: (i) the date falling 30 days from the Listing Date; or (ii) the date the Joint Underwriters or their appointed agents have purchased on the SGX-ST an aggregate of up to 25,000,000 Shares representing up to 20.0% of the Invitation Shares to undertake stabilising actions solely for the purpose of covering over-allotments (if any) of the Invitation Shares made in connection with the Invitation.

In order to facilitate the distribution of the Invitation Shares in respect of the Invitation, the Joint Underwriters may in the exercise of their discretion and role, but subject always to applicable laws and regulations in Singapore, over-allot or effect transactions which stabilise or maintain the market price of the Shares at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in all jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulatory requirements, including the SFA and any regulations thereunder.

In allocating the Over-allotment Shares (if any), priority will be given to satisfying the excess demand for the Placement Shares before satisfying any excess demand for the Offer Shares.

The Joint Underwriters may purchase a maximum of 25,000,000 Shares (representing 20.0% of the Invitation Shares) to undertake the stabilisation action. However, there is no assurance that the Joint Underwriters or their appointed agents will undertake such stabilisation actions. Such transactions may commence on or after the Listing Date and, if commenced, may be discontinued at any time at the discretion of the Joint Underwriters, and shall not be effected after the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date the Joint Underwriters have purchased on the SGX-ST an aggregate of up to 25,000,000 Shares representing up to 20.0% of the Invitation Shares to undertake stabilising actions.

None of our Company, the Issue Manager, the Joint Underwriters nor the Joint Placement Agents makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in this section may have on the market price of our Shares. In addition, none of our Company, the Issue Manager, the Joint Underwriters nor the Joint Placement Agents makes any representation that the Joint Underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without advance notice (unless such notice is required by law).

The Joint Underwriters will be required to make public announcements through the SGXNET on the cessation of the stabilising action and the amount of the Over-allotment Option that has been exercised no later than the start of the trading day of the SGX-ST immediately after the day of cessation of the stabilisation action.

Any profits, less the underwriting and selling commissions of the Joint Underwriters, derived as a consequence of the Joint Underwriters undertaking such stabilisation actions shall accrue to the benefit of the Joint Underwriters.

Share Lending Agreement

PDAC Private Limited had entered into the Share Lending Agreement with the Joint Underwriters on 31 January 2013 to lend up to 25,000,000 Shares to the Joint Underwriters for the purpose of facilitating the settlement of the over-allotment of the Shares in connection with the exercise of the Over-allotment Option. Save for the abovementioned Shares, the Shares held by PDAC Private Limited are subject to the moratorium undertaking set out in the section entitled "**General Information on our Group – Moratorium**" of this Prospectus. Any Shares that may be borrowed by the Joint Underwriters under the Share Lending Agreement will be returned by the Joint Underwriters to PDAC Private Limited either through the purchase of Shares in the open market by the Joint Underwriters in the conduct of their stabilisation activities or through exercise of the Over-allotment Option by the Joint Underwriters and will thereafter be subject to the moratorium undertaking.

Financial Effect of the Subsidy

In accordance with the Singapore Financial Reporting Standard 102 "Share-based Payment" ("**FRS 102**"), there will be an expense recognised in our consolidated statement of comprehensive income for FY2013 in respect of the Subsidy that we will be providing to our Employees pursuant to their subscription and the allotment and issue of the Reserved Shares in connection with the Invitation.

Under FRS 102, the amount of expense to be recognised pursuant to the Subsidy will be based on the excess of the fair value of the Reserved Shares on grant date over the amount payable by our Employees for subscribing these Reserved Shares. Assuming that the fair value of the Reserved Shares approximates the Invitation Price and that the grant date of the Reserved Shares is the date of allotment and issue of the Reserved Shares, an amount equal to the Subsidy would then be recognised as expense in our consolidated statement of comprehensive income for FY2013 for each Reserved Share subscribed by our Employees upon its allotment and issue in connection with the Invitation.

Any amount of Subsidy provided by us would therefore have the effect of reducing the gross proceeds from the Invitation, our Shareholders' equity immediately upon the completion of the Invitation, our total comprehensive income and EPS for FY2013 than otherwise would have been the case had the Subsidy not been provided by us or in the case where none of our Employees were successfully allotted and issued with Reserved Shares.

All information in this Prospectus assumes that no amount of Subsidy has been provided by us to the Employees.

USE OF PROCEEDS FROM THE INVITATION AND EXPENSES INCURRED

The purpose of the Invitation is to raise funds to build a new school campus.

The estimated amount of expenses of the Invitation and the application for listing, including underwriting and placement commission, brokerage, management, audit and legal fees, advertising and printing expenses, listing fees payable to the SGX-ST and the Authority and all other incidental expenses in relation to the Invitation is approximately S$3.9 million. The net proceeds to be raised by our Company from the issue of the Invitation Shares are estimated to be S$56.1 million.

The intended use of the proceeds from the Invitation and major expenses are set out below:-

Use of the proceeds	(S$'000)	Estimated amount for each dollar of the gross proceeds from the issue of Invitation Shares (cents)
Building of a new school campus	56,058	93.5
Net Proceeds	**56,058**	**93.5**
Invitation Expenses		
Listing fees	114	0.2
Professional fees	1,699	2.8
Underwriting commission, placement commission and brokerage(1)	1,926	3.2
Miscellaneous expenses	203	0.3
Gross proceeds	**60,000**	**100.0**

Note:-

(1) Pursuant to the Management and Underwriting Agreement, the Joint Underwriters agreed to underwrite the subscription of the Offer Shares for a commission of 3.0% of the Invitation Price for each Offer Share subscribed. Pursuant to the Placement Agreement, the Joint Placement Agents agreed to subscribe or procure the subscription of the Placement Shares for a commission of 3.0% of the Invitation Price for each Placement Share subscribed.

Additional information on our future plans may be found under the section entitled "**Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans**" of this Prospectus. Our future plans may be funded, apart from the net proceeds from the Invitation, either through internally generated funds and/or external borrowings.

Pending the deployment of the net proceeds from the Invitation, the funds will be placed in short-term deposits with financial institutions and/or used to invest in short-term money market instruments as our Directors may, in their absolute discretion, deem appropriate.

As part of its terms of reference, our Audit Committee will monitor our use of net proceeds from the Invitation. We will make periodic announcements as and when the net proceeds from the Invitation are materially disbursed and provide a status report on the use of the net proceeds in our annual report.

In the event that our proposed use of the net proceeds from the Invitation does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may re-allocate the intended funding to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the best interest of our Company and our Shareholders, taken as a whole. In the event that our School is relocated to a temporary site whilst awaiting for a permanent site to be secured, the Company will place the proceeds from the Invitation in interest-bearing account(s) with one or more of the three local banks, namely, DBS Bank, OCBC Bank and/or UOB, until such time that the Company has secured a permanent site. Please refer to the section entitled "**Risk Factors – Risks Relating to Our Business and Industry – We may be affected by increases in rental expense, the failure to procure the renewal of our existing leases on favourable terms or at all, the failure to obtain alternative premises or to complete the construction of a new school campus in a timely manner**" for more information. Any change in the use of the net proceeds from the Invitation will be subject to the listing rules of the SGX-ST and appropriate announcements will be made by our Company on SGXNET.

USE OF PROCEEDS FROM THE INVITATION AND EXPENSES INCURRED

Save as disclosed, none of the net proceeds from the Invitation will be used, directly or indirectly, to acquire or re-finance the acquisition of an asset other than in the ordinary course of business.

In the opinion of our Directors, no minimum amount must be raised from the Invitation.

If the Over-allotment Option is exercised in full, the additional net proceeds (after the payment of relevant fees, commissions and expenses) which we will receive is approximately S$11.6 million. Such net proceeds will be used towards the building of our new school campus.

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Pursuant to the Management and Underwriting Agreement, our Company has appointed the Issue Manager and the Joint Underwriters to manage the Invitation and underwrite the Offer Shares (as the case may be). The Issue Manager will receive a management fee from our Company for its services rendered in connection with the Invitation.

Pursuant to the Management and Underwriting Agreement, the Joint Underwriters have agreed to underwrite the Offer Shares for a commission of 3.0% (inclusive of each Participating Bank's brokerage set out below) of the Invitation Price for each Offer Share payable by our Company in the proportion indicated below:-

Joint Underwriters	Proportion of Offer Shares
UOB	2,625,000 Offer Shares
UOB Kay Hian	1,125,000 Offer Shares

The Joint Underwriters may, at their absolute discretion and at their own expense, appoint one or more sub-underwriters to sub-underwrite the Offer Shares.

Brokerage will be paid by our Company (out of the underwriting commission) to members of the SGX-ST, merchant banks and members of the Association of Banks in Singapore in respect of accepted applications made on Application Forms bearing their respective stamps, or to Participating Banks in respect of successful applications made through Electronic Applications, at the rate of 0.25%, and in the case of DBS Bank, 0.5%, of the Invitation Price for each Offer Share. In addition, DBS Bank levies a minimum brokerage fee of S$10,000. Where brokerage levied by DBS Bank based on 0.5% of the Invitation Price is less than the minimum brokerage fee of S$10,000 levied by DBS Bank, such difference will be paid by our Company.

Pursuant to the Placement Agreement, the Joint Placement Agents have agreed to subscribe for or procure subscriptions for the Placement Shares for a placement commission of 3.0% of the Invitation Price for each Placement Share payable by our Company in the proportion indicated below:-

In the event that the Over-allotment Option is exercised, we will pay a commission of 3.0% of the Invitation Price for each Over-allotment Share subscribed.

Joint Placement Agents	Proportion of Placement Shares
UOB	84,875,000 Placement Shares
UOB Kay Hian	36,375,000 Placement Shares

The Joint Placement Agents may, at their absolute discretion and at their own expense, appoint one or more sub-placement agents for the Placement Shares.

Subscribers of the Placement Shares (excluding the Reserved Shares) may be required to pay a brokerage of up to 1.0% of the Invitation Price, GST and any other similar charges (where applicable) for each Placement Share (excluding the Reserved Shares) to the Joint Placement Agents or any sub-placement agent that may be appointed by the Joint Placement Agents.

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert or any other person for subscribing for and/or purchasing or agreeing to subscribe for or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or any of our subsidiaries.

Notwithstanding anything contained in the Management and Underwriting Agreement or the Placement Agreement, the Issue Manager or any one of the Joint Underwriters or any one of the Joint Placement Agents may, in their absolute discretion, by notice in writing to our Company, rescind or terminate the Management and Underwriting Agreement or the Placement Agreement if, *inter alia*:-

(i) there shall come to the knowledge of the Issue Manager and/or the Joint Underwriters and/or the Joint Placement Agents any material breach of any of the representations, warranties or undertakings by the Company contained in the Management and Underwriting Agreement or the Placement Agreement or that any of the representations, warranties or undertakings by the Company in the Management and Underwriting Agreement or the Placement Agreement is untrue or incorrect in any material respect;

(ii) any "specified event" comes to the knowledge of the Issue Manager and/or the Joint Underwriters and/or the Joint Placement Agents, and "specified event" means an event occurring on or after the date of the Management and Underwriting Agreement and the Placement Agreement and prior to 12.00 noon on the date of the close of the Application List which, if it had occurred before the date or during the currency of the Management and Underwriting and the Placement Agreement, would have rendered any of the warranties contained in the Management and Underwriting Agreement and the Placement Agreement, untrue, incorrect or misleading in any material respect;

(iii) there shall have been, since the date of the Management and Underwriting Agreement or the Placement Agreement:-

(a) any material adverse change, or any development involving a prospective material adverse change, in the condition (business, trading, operational, financial or otherwise), performance or general affairs of our Company or of our Group as a whole;

(b) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive or request issued by the Authority, the ACRA, the Securities Industry Council of Singapore or the SGX-ST) in Singapore or elsewhere or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere including but not limited to foreign exchange controls in Singapore or overseas;

(c) any change or any development involving a prospective change or any crisis in local, national, regional or international political, industrial, legal, financial, monetary or economic conditions, taxation or exchange controls (including but without limitation to the conditions in the stock market, foreign exchange market, inter-bank market or interest rates or money market, in Singapore or any other jurisdiction), political, industrial, economic, legal or monetary conditions, taxation or exchange controls or a combination of any such changes or development or crisis or deterioration thereof;

(d) any imminent threat or occurrence or any local, national or international outbreak or escalation of hostilities, insurrection, terrorists attacks or armed conflict whether war has been declared (whether or not involving financial markets in any jurisdiction);

(e) any regional or local outbreak of disease that may have an adverse effect on the financial markets;

(f) the issue of a Stop Order by the Authority in accordance with Section 242 of the SFA;

(g) any other occurrence of any nature whatsoever, which event(s) shall in the reasonable opinion of the Issue Manager and/or the Joint Underwriters and/or the Joint Placement Agents (exercised in good faith):-

(aa) results or be likely to result in a material adverse fluctuation or condition in the stock market in Singapore or elsewhere; or

(bb) be likely to materially prejudice the success of the Invitation (whether in the primary market or in respect of dealings in the secondary market); or (cc) make it impracticable, inadvisable, inexpedient or not commercially viable to proceed with any of the transactions contemplated in the Management and Underwriting Agreement or the Placement Agreement; or

(dd) be likely to have a material adverse effect on the business, trading position, operations or prospects of the Company or of the Group as a whole; or

(ee) be such that no reasonable underwriter or placement agent would have entered into the Management and Underwriting Agreement or the Placement Agreement; or

(ff) results or is likely to result in the issue of a Stop Order by the Authority; or

(gg) make it non-commercial or otherwise contrary to or outside the usual commercial practices of underwriting or placement in Singapore for the Joint Underwriters or the Joint Placement Agents to observe or perform or be obliged to observe or perform the terms of the Management and Underwriting Agreement or the Placement Agreement;

(iv) If it comes to the notice of the Issue Manager and/or the Joint Underwriters and/or the Joint Placement Agents that (a) any statement contained in this Prospectus or the Application Forms relating thereto has in the sole and absolute opinion of the Issue Manager and/or the Joint Underwriters and/or the Joint Placement Agents become untrue, incorrect or misleading in any material respect or (b) matters have arisen or have been discovered, which would, if this Prospectus was to be issued at that time, constitute in the sole and absolute opinion of the Issue Manager and/or the Joint Underwriters and/or the Joint Placement Agents, a material omission of such information, or (c) a new circumstance that has arisen since this Prospectus was lodged with the Authority and would have been required by Section 243 of the SFA to be included in this Prospectus if it had been before this Prospectus was lodged and the Company fails to lodge a supplementary or replacement prospectus or document within a reasonable time after being notified of such material misrepresentation or omission or fails to promptly take such steps as the Issue Manager and/or the Joint Underwriters and/or the Joint Placement Agents may reasonably require to inform investors of the lodgement of such supplementary prospectus. In such events, the Issue Manager and/or the Joint Underwriters and/or the Joint Placement Agents reserves the right, at its absolute discretion to cancel the Invitation and any application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicants for the Invitation Shares by ordinary post or telegraphic transfer at the applicant's own risk within 14 days of the termination of the Invitation; or

(v) there shall come to the knowledge of the Issue Manager and/or the Joint Underwriters and/or the Joint Placement Agents any information, matter or event which may result or be likely to result in the issue of a Stop Order by the Authority in accordance with Section 242 of the SFA or the issue of a Stop Order (interim or final) by the Authority in accordance with Section 242 of the SFA (notwithstanding that a supplementary prospectus or replacement prospectus is subsequently registered with the Authority pursuant to Section 241 of the SFA); or

(vi) the Shares (including the Invitation Shares) have not been admitted to the Official List of the Mainboard of SGX-ST on or before 7 February 2013 (or such other date as our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents may agree).

Pursuant to the Management and Underwriting Agreement and the Placement Agreement, our Company will hold the Issue Manager and each of the Joint Underwriters and each of the Joint Placement Agents or each of the Joint Underwriters' sub-underwriters or each of the Joint Placement Agents' sub-placement agents, and the affiliates, associated companies and related companies and corporations of the Issue Manager and each of the Joint Underwriters and each of the Joint Placement Agents or each of the Joint Underwriters' sub-underwriters or each of the Joint Placement Agents' sub-placement agents, as well as their respective directors, employees and agents (including the directors and employees of such agents) ("**Indemnified Persons**") fully and effectively indemnified against all damages, losses, liabilities, costs (including legal costs on a full indemnity basis), expenses charges, actions and demands arising out of any claim, action or proceeding which they may incur or suffer or may be brought or threatened to be brought against any of them in relation to the Invitation or in connection with or arising out of the issue of the preliminary prospectus or Prospectus (whether or not such claim, action or proceeding is successful, compromised or settled) as a result of, arising out of or in connection with, directly or indirectly:-

(i) any failure by any of our Company or its subsidiaries to comply with any terms of the Management and Underwriting Agreement and the Placement Agreement and any requirements of any statute or statutory regulation, the Listing Manual, governmental or ministerial order or decree, or decision or circular of any governmental or quasi-sovereign authority, the SGX-ST or the Securities Industry Council of Singapore or any other authority in Singapore or elsewhere (including, without limitation to the foregoing, any directive or order by the Authority or the SGX-ST pursuant to the SFA and the Listing Manual);

(ii) the Prospectus not containing all information required pursuant to Section 243 of the SFA or material in the context of the Invitation, or any statement contained therein or in any information which is otherwise supplied by our Company to the Issue Manager, the Joint Underwriters and the Joint Placement Agents in connection with the Invitation being untrue, incorrect or misleading;

(iii) any actual or alleged misrepresentation or in connection with any actual or alleged inaccuracies in, or actual or alleged omission contained or material omission in the preliminary prospectus or Prospectus;

(iv) any actual or alleged breach of our Company of any of the representations and warranties or any of its obligations contained in the Management and Underwriting Agreement and the Placement Agreement respectively;

(v) any failure or delay by our Company in performing its obligations in the Management and Underwriting Agreement and the Placement Agreement; and

(vi) any exercise by the Indemnified Persons of any of the rights and authorities granted to them under the Management and Underwriting Agreement and the Placement Agreement,

including in any such case (but without prejudice to the generality of the foregoing) all costs, charges and expenses which the Indemnified Persons may incur or bear in disputing any such claim made against them or in establishing any claim on their part under the foregoing provisions of this clause, except arising out of any claim, action or proceeding which may be incurred or suffered or may be brought against any of the Indemnified Persons arising from the willful default or gross negligence by any of the Issue Manager or the Joint Underwriters or the Joint Placement Agents. For the avoidance of doubt, the indemnity contained in:

(i) the Management and Underwriting Agreement is without prejudice to the right of termination of the Issue Manager and the Joint Underwriters under the Management and Underwriting Agreement; and

(ii) the Placement Agreement is without prejudice to the right of termination of the Joint Placement Agents under the Placement Agreement.

The Management and Underwriting Agreement and the Placement Agreement are conditional upon each agreement not having been terminated or rescinded pursuant to the provisions of each agreement or on the occurrence of certain events including those specified above.

In the event that the Management and Underwriting Agreement or the Placement Agreement is terminated, we reserve the right, at the absolute discretion of our Directors to cancel the Invitation.

Save as disclosed above and in the section entitled "**Potential Conflicts of Interests – Interests of the Issue Manager, the Joint Underwriters and the Joint Placement Agents**", we do not have any material relationship with any of the Issue Manager, the Joint Underwriters or the Joint Placement Agents.

Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Prospectus before deciding to invest in our Shares. Some of the following risk factors relate principally to the industry in which our Group operates and the business of our Group in general. Other considerations relate principally to general economic and political conditions and the securities market and ownership of our Shares, including possible future sale of our Shares. Before deciding to invest in our Shares, you should seek professional advice from the relevant advisers about your particular circumstances. To the best of our Directors' knowledge and belief, all risk factors which are material to investors in making an informed judgement of our Group have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, our business, operations, prospects, financial conditions and/or results of operations could be materially and adversely affected. In such cases, the trading price of our Shares could decline and investors may lose all or part of their investment in our Shares.

This Prospectus also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may be affected by increases in rental expense, the failure to procure the renewal of our existing leases on favourable terms or at all, the failure to obtain alternative premises or to complete the construction of a new school campus in a timely manner

Our School currently occupies the Paterson Road Site, which is located in the heart of Orchard Road, pursuant to a 3-year lease from the SLA. Our School has been operating from the Paterson Road Site since the beginning of our operations in September 1991 and the lease is generally on 3-year lease terms. The current lease for the Paterson Road Site commenced on 25 July 2010 and will expire on 24 July 2013. On 2 April 2012, we have received a letter from the SLA indicating that they are prepared to consider renewing our lease from 25 July 2013 to 30 June 2015, which shall be the last and final extension of stay based on the current tenanted boundaries. On 9 May 2012, we wrote to the SLA confirming our application for the aforesaid extension of the lease and on 6 June 2012, the SLA responded in writing that they are processing the request and will inform us once approval has been obtained from the relevant government agencies. On 3 July 2012, the SLA responded in writing to confirm that they have obtained approval for the direct grant of tenancy to our School from 25 July 2013 to 30 June 2015. Pursuant to the lease extension beginning 25 July 2013, an inspection of the Paterson Road Site and a valuation will be carried out by the Chief Valuer prior to the commencement of the lease, before a tenancy agreement can be signed between the SLA and OFS. As at the Latest Practicable Date, the inspection and valuation of the Paterson Road Site have not been carried out. Depending on the valuation carried out by the Chief Valuer, there may be a revision to the annual rental expense for the Paterson Road Site. After 30 June 2015, we may still apply to the SLA for a renewal of the lease of Paterson Road Site, although any renewals, if granted, may be on boundaries different from our current tenanted boundaries. Under our current lease with the SLA, the annual rental expense for the Paterson Road Site is approximately S$6.6 million. There is no assurance that the annual rental expense for the lease extension beginning 25 July 2013 will be maintained at our current rental rates.

We also have an ancillary site at the Harding Road Site, which is on a 3-year lease from the SLA commencing on 2 May 2012 and expiring on 1 May 2015, which we use for certain sports and recreational activities. The annual rental for the Harding Road Site, which is located within a short distance from the Paterson Road Site, is approximately S$0.1 million. Please refer to the section entitled "**General Information on our Group – Properties and Fixed Assets**" of this Prospectus for more information of the aforesaid sites.

Negotiations with the SLA for the renewal of our leases normally commence at least a year before the expiry of the 3-year lease terms. However, upon the expiry of the current 3-year lease terms, the SLA may increase our rent significantly to be in line with the escalating property and rental prices in the prime property districts in Singapore. During the negotiation process for the renewal of our leases, the SLA also has the right to review and change the terms and conditions of the leases.

We face the possibility of an increase in the rental expense, a change in the terms and conditions of the leases which are unfavourable to us or even the non-renewal of the leases. Any proposed renewal of the leases on significantly less favourable terms, whether in terms of an increase in rental expense, a decrease in the tenure of the leases, a decrease in the size of tenanted boundaries or otherwise may increase our costs or disrupt our operations.

In particular, the expiry of the lease on, or the non-renewal of the lease after, 30 June 2015 for the Paterson Road Site will require us to seek alternative premises for our School. As set out in the section entitled "**Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans**", we had participated in the request-for-interest ("**RFI**") exercise that was called by the Economic Development Board ("**EDB**") on 3 April 2012, and were informed by the RFI Committee on 1 August 2012 that we had been pre-qualified for a site at Pasir Ris ("**Pasir Ris Site**"). However, the award of the Pasir Ris Site is subject to other approvals and legal processes. In the event the Pasir Ris Site is not awarded to us, we will have to secure a new site and develop the site for the operation of our School. The development and construction of our new school campus at the Pasir Ris Site or elsewhere will require us to incur significant capital expenditure, time and other resources, the development of which could be subject to the risks of cost overruns, project delays, the inability to effect the relocation of our School during the scheduled school holidays or otherwise in a timely manner, or result in a decline in student enrolment pursuant to the relocation.

In the event we are not able to complete the construction of our new school campus before the expiry of the lease extension of the Paterson Road Site on 30 June 2015, we may be required to secure alternative temporary premises, and incur significant capital expenditure, time and other resources to develop the temporary site for the operation of our School. The relocation of our School to a temporary site may also result in a decline in student enrolment.

Any of the above occurrences will have an adverse effect on our business, operations, prospects, financial condition and results of operations.

We may be affected by the disruptions in the global credit markets and the sovereign debt markets

Since the second half of 2007, the disruptions in the global credit markets coupled with the repricing of credit risks, the deterioration of the USA's housing market and a slowdown in the global economy have resulted in historic volatility, less liquidity, widening of credit spreads and a lack of price transparency in certain markets. These conditions have resulted in the failures of a number of financial institutions in the USA and unprecedented action by government authorities and central banks around the world. From late 2009, rising sovereign debt levels coupled with the downgrading of sovereign debts in certain European countries, such as Greece, Ireland and Portugal, had made it difficult or close to impossible for these European countries to re-finance their debts, and resulted in the European sovereign debt crisis. The extended downturn in the western economies has caused increasingly difficult conditions in the financial markets and it is difficult to predict how long these conditions will exist or how frequently they will recur in the future.

Prolonged disruption to the western economies may adversely impact the economic situation in Singapore, by causing a decrease in foreign direct investments, and thereby a decrease in the number of expatriate families living and working in Singapore and the number of school-going children. The economic downturn may also adversely affect the financial condition of companies which the parents of our students are employed in, as well as the financial status of these parents. These may in turn result in a relocation of these expatriate families or the retrenchment of these parents. In the event of the occurrence of any of the above events, our School's student enrolment numbers may be adversely affected, and this may have an adverse effect on our business, operations, prospects, financial condition and results of operations.

We are subject to stringent standards and requirements under the regulatory framework governing our industry and may be adversely affected by changes in the laws, rules and regulations governing or affecting our industry

The private education industry in Singapore is regulated by the Council of Private Education ("**CPE**"), a statutory board established under the Private Education Act. The Private Education Act gives CPE legislative powers to regulate and accredit private education institutions in Singapore to ensure the provision of quality education. All private education institutions operating in or from Singapore must be registered with CPE.

Before a private education institution can be registered with CPE, it must meet certain standards and requirements set out in the Private Education Act and Private Education Regulations 2009. These standards and requirements relate to the size and configuration of a school's premises, qualifications and experience of the teachers, course administration and content, and the establishment of both an Academic Board and an Examination Board within a school. On 21 June 2011, our School was granted temporary registration with CPE under the new regulatory regime pursuant to the Private Education Act, where existing private education institutions were given a transition period of 18 months from 21 December 2009 to register with CPE and comply with the new statutory requirements. Our School has been registered with CPE since 1 September 2011, and this registration is valid for four years.

In the event that we are unable to maintain our registration with CPE or if we are subsequently unable to renew our registration with CPE after its expiration, our operations will have to be suspended, and our business, operations, prospects, financial condition and results of operations will be adversely affected. Please refer to the section entitled "**General Information on our Group – Accreditation, Authorisations and Quality Assurance**" of this Prospectus for more information on the continuing requirements for the renewal of our registration with CPE.

In addition, the laws, rules and regulations governing the operation of private education institutions or foreign system schools are subject to changes that may be unfavourable to these institutions or schools and may impose restrictions on their operations. In the event the requirements become more stringent, our Group may have to increase our compliance standards and procedures. This may lead to an increase in our compliance costs, require more of our management's time and resources, and thus have an adverse effect on our business, operations, prospects, financial condition and results of operations.

Please refer to Appendix F – "**Government Regulations**" of this Prospectus for more information on the rules and regulations governing the private education industry in Singapore.

We may be affected by changes in Singapore government policies affecting, *inter alia*, foreign direct investments, foreign talent and/or immigration

Foreign system schools are part of the foreign direct investment infrastructure of Singapore, which is established as part of the Singapore government's strategy to attract foreign direct investments and foreign talent. Singapore has a relatively open immigration policy towards foreign talent in order to support the expertise and skills necessary to sustain a resilient and vibrant economy. However, due to the huge inflow of foreigners working in Singapore over the past few years, the government has recently tightened the immigration framework which aims to raise the quality of the workforce and to calibrate the influx of foreign talent.

Any changes in government strategies, policies or regulations concerning, *inter alia*, foreign direct investment, foreign talent and/or immigration which have the effect of reducing foreign direct investments, and therefore reducing the inflow of foreign talent may affect the parents of the students in our School, parents considering enrolling their children in our School, our foreign academic personnel and potential foreign applicants for academic positions in our School. Any such changes in government strategies, policies or regulations may also increase our compliance and operational costs. This will have an adverse effect on our business, operations, prospects, financial condition and results of operations.

We may be dependent upon the availability of funding for the development and construction of our new school campus

We are presently in discussions with various government agencies on the allocation of a permanent site for the construction of our new school campus. Based on our discussions with Langdon & Seah Project Management Pte Ltd, our project manager, regarding similar projects that they had undertaken in the past and subject to the finalisation of the design and development plans for our new school campus, we estimate the duration of the construction of our new school campus is approximately 24 months.

As at the Latest Practicable Date, the Group has set aside $60.0 million from distributable profits to part finance the new school campus. After taking into account the net proceeds of the Invitation which will be used to fund the construction of our new school campus, we will require additional funding via bank borrowings and/or equity funding.

Based on the estimated total cost of the land and construction of the new school campus of approximately S$200.0 million, and assuming (i) the permanent site for the new school campus is on a 30-year lease term and (ii) without accounting for the operating cash flows of the Group that may be generated during the construction period that could go towards the payment of the cost in part, our Group would have to raise additional funds of between S$72.3 million (assuming the Over-allotment Option is exercised) and S$83.9 million. Assuming that all of the additional funds are raised via bank borrowings and a borrowing cost of 5.0% to 6.0% per annum, the interest expense incurred is estimated to be up to S$5.0 million. This interest expense incurred will have the effect of reducing our cash inflow and will be capitalised during the construction period as part of our cost of construction and depreciated in our consolidated statement of comprehensive income when construction has been completed over the remaining lease term of 28 years on a straight-line basis. Following the completion of the construction, such interest expense incurred will be charged directly to our consolidated statement of comprehensive income.

However, once we have relocated to the new school campus, we expect that the savings of approximately S$6.7 million in annual rental expense that is presently paid for the Paterson Road Site and the Harding Road Site will be sufficient to fund the annual interest costs arising from such bank borrowings. We also wish to highlight that any bank borrowings obtained would be drawn down on a progressive basis as the construction progresses and the additional funds would not be drawn down immediately or at once.

It is noted that the slowdown in the global economy due to the extended downturn in the western economies has resulted in a loss of confidence in the global economy. This has caused prolonged disruptions to the credit markets which could limit the availability of funding and thus increase our funding costs.

In addition, the bank borrowings for the development and construction of our new school campus may include restrictive covenants that:-

(i) limit our ability to pay dividends or require us to seek consents from the relevant financial institutions for the payment of dividends;

(ii) require us to maintain certain financial ratios, and/or financial requirements, failing which repayment of bank borrowings may be accelerated;

(iii) restrict our ability to undertake or require us to obtain consents from the relevant financial institutions for corporate restructuring, additional financing or other fundraising activities; and/or

(iv) restrict the change in shareholding of any Controlling Shareholders in our Group, or a change in control of our Group, a breach of which may result in higher compliance costs and/or a default in the financing.

Hence, the tightening of the credit markets and the limitations imposed by such restrictive covenants pursuant to the additional bank borrowings may decrease our financial and operating flexibility.

In such an event, we may not be able to proceed with the development and construction of our new school campus according to our original plans. This will have an adverse effect on our business, operations, prospects, financial condition and results of operations.

We may not be able to maintain our authorisations and accreditation from the respective educational associations and organisations

At our School, the IB programme forms the foundation for the development of our K-12 curriculum throughout the School and our School is authorised by the IB to offer their PYP, MYP and DP. Our School is also authorised by CIE to offer and conduct the IGCSE examinations. In addition, our School is accredited by WASC. There are periodic evaluation reviews conducted by each of the IB, CIE and WASC to ensure that our School continues to meet the requirements necessary to maintain the authorisations and accreditation of these respective educational associations and organisations. Please refer to the section entitled "**General Information on our Group – Accreditation, Authorisations and Quality Assurance**" of this Prospectus for more information on the accreditation and authorisation requirements and procedures by IB, CIE and WASC.

There is no assurance that we will be able to continue to comply with the requirements of the IB, CIE and WASC or with any changes to the conditions or any additional conditions that these educational associations and organisations may impose. In the event that we fail to maintain our authorisations to offer the PYP, MYP and/or DP, we will not be able to offer the respective IB programmes in our School. If we lose our authorisation with CIE, we will not be able to operate as a CIE Centre. If we lose our accreditation by WASC, our School may be less attractive to students seeking to further their education in universities or other tertiary educational institutions located in the USA. Our inability to maintain our authorisations and accreditation may affect the attractiveness of our curriculum and the reputation of our School. If we fail to obtain alternative accreditation or authorisation from other educational associations or organisations, our student enrolment may decline. This will have an adverse effect on our business, operation, prospects, financial condition and results of operations.

We are reliant on our key management and academic personnel

Our profitability and growth is dependent on the ability, dedication, enthusiasm and continued commitment of our key management and academic personnel. Our Executive Chairman and CEO, Mr. David Perry and our Executive Director, Ms. Irene Wong, who are our founders, have contributed significantly to our success and we are reliant on them for our Group's overall management and business strategies. Our academic personnel also play an important role in our Group by maintaining and continually striving to improve the quality of our IB programmes, among others.

Our continued success will be dependent, to a large extent, on our ability to retain the services of our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong, the commitment of our academic personnel and our ability to identify, recruit, train and retain good and qualified employees.

Currently, we do not have keyman insurance coverage for our key management, including our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong. In addition, under Section 153 of the Companies Act, our Executive Chairman and CEO, Mr. David Perry, is subject to re-appointment as a Director of our Company at annual general meetings, as he is over the age of 70 years. In the event that he is not re-appointed as a Director of our Company, we will lose a key management person who has spearheaded our Group's growth and development since its establishment.

The loss of the services of our key management and our inability to replace our academic personnel on a timely basis or to increase our team of academic personnel in line with our growth would have an adverse effect on our reputation, the quality of our curriculum and their delivery. Hence, our ability to retain existing and attract new students will also be affected. This will have an adverse effect on our business, operations, prospects, financial condition and results of operations.

We face competition from other schools offering similar programmes

Under the Compulsory Education Act (Chapter 51) of Singapore, Singaporean students are generally not allowed to attend foreign system schools except under limited circumstances, whereas foreign students are not prohibited from attending local schools. Some local schools have also established programmes for international students. Hence, our School competes for a limited pool of foreign students from the resident expatriate population in Singapore.

We also face competition from other schools in Singapore that offer any of the combination or all of the three IB programmes, that is, the PYP, MP and DP. Currently, there are 27 IB World Schools in Singapore offering one or more of the three IB programmes. We believe that of these 27 schools, 17 schools offer the PYP, 6 schools offer the MYP and 19 schools offer the DP[1], and that we are one of only five schools in Singapore to offer all three IB programmes in a single location. For more details on our major competitors, please refer to the section entitled "**General Information on our Group – Competition**" of this Prospectus.

The primary bases for competition are the quality of the curriculum, facilities and academic personnel, and competitiveness of school fees and reputation of the school. We believe that competition will increase as existing foreign system schools which already offer all or a combination of the three IB programmes may become more competitive on any of these bases. In addition, existing foreign system schools which offer a combination of the three IB programmes may extend their curriculum to offer all three IB programmes, existing foreign system schools that do not offer the IB programmes may seek authorisation to offer the IB programmes, and IB World Schools which currently do not have a local presence may decide to enter the education market in Singapore.

Furthermore, some of our competitors may have longer operating histories, stronger financials, more experienced management, better technical and other resources than our School for the development and promotion of their curriculum, services, facilities, students and academic personnel. These competitors may be able to better equip their students to face the challenges in a more globalised and rapidly changing economy. They may also be able to respond more quickly than our School to trends and demands in the global economy, changes in the expatriate student population, student needs, curriculum, teaching materials, admissions standards, or the use of new technologies as teaching or educational aids. Hence, there is no assurance that we will be able to compete successfully against current or future competitors.

To maintain our competitive edge and to attract new students, we may need to upgrade our facilities, invest more in our academic personnel's training, improve our curriculum and teaching methodologies, and to be more relevant in preparing our students for further studies or entry into tertiary educational institutions. We will also need to continually develop and update our teaching programmes, programme curriculum and programme materials to meet the needs and demands of both our students and their parents to maintain our authorisations and accreditation with the respective educational organisations and associations. We may not be able to update our programmes or develop new programmes on a cost-effective basis or in a timely manner, or at all, to keep pace with changes in market expectations.

In the event we are unable to maintain our competitive advantages or otherwise compete effectively, our student enrolment may fall and this will have an adverse effect on our business, operations, prospects, financial condition and results of operations.

1 The information is derived from the website of International Baccalaureate, which was accessed on 28 December 2012 (http://www.ibo.org/school/search/index.cfm?programmes=&country=SG&region=&find_schools=Find). International Baccalaureate has not consented to the inclusion of the relevant statement and is therefore not liable for the relevant statement under Section 253 and Section 254 of the Securities and Futures Act. Our Directors are aware that International Baccalaureate Organization does not guarantee or assume responsibility that the information in its website is accurate, adequate, current or reliable, or may be used for any other purpose other than for general reference. While our Company has taken reasonable action to ensure that the relevant information is reproduced in its proper form and context, and that the information is extracted accurately and fairly, all other parties and ourselves have not conducted an independent review of the statement and have not verified the accuracy of the statement.

We may be affected by any decline in the number of expatriates working in Singapore

Expatriate compensation packages previously often included allowances for relocation, housing, car, and international school education for their children. In recent years, we have observed a decline in the number of compensation packages providing school fees. Our Directors believe that our business is closely linked to Singapore's economic growth and, in particular, Singapore's policies on foreign direct investments. The influx of expatriates and their family results in the demand that supports the foreign system school industry in Singapore. General economic downturn may result in a reduction in the number of expatriates living and working in Singapore and in expatriate compensation packages. Any such reduction in expatriate compensation packages may make Singapore a less attractive place for expatriates and affect the number of expatriates willing to relocate to or remain in Singapore. These may result in less expatriate families relocating to Singapore or remaining in Singapore and, hence, reduce the number of school-going children of expatriate families enrolled in foreign system schools. Furthermore, if the expatriate compensation packages do not provide for foreign system school education for their children, expatriates may choose to send their children to local schools instead.

In addition, the inflation rate for Singapore in 2011 was 5.2%, and was as high as 6.6% as recently as 2008. The consumer price index (using 2009 as the basis) was 100, 102.8 and 108.2 in 2009, 2010 and 2011, respectively[2]. Mercer's 2012 Cost of Living Survey ranked Singapore as the 6th most expensive city in the world for expatriates to live in, placing Singapore as the most expensive city in Asia outside of Japan[3]. The survey measured the comparative cost of over 200 items in each city, including housing, transport, food, clothing, household goods and entertainment.

A major component of the cost of living relates to housing and transportation costs. In late 2011, the Singapore government introduced new property market cooling measures by introducing additional buyer's stamp duty for foreigners, where all foreigners buying residential properties in Singapore will have to pay 10.0% stamp duty based on purchase price or market value, whichever is higher, in addition to the existing stamp duty charges. The prices of certificates of entitlement for vehicles and public transportation charges such as taxi fares have also increased over the past few years. The rising cost of living in Singapore may make Singapore a less attractive place for expatriates to work in Singapore and adversely affect the number of expatriate families willing to relocate to or remain in Singapore for work.

Any decrease in the number of expatriate families together, with their school-going children, willing to relocate to or remain in Singapore may affect our School's student enrolment and may have an adverse effect on our business, operations, prospects, financial condition and results of operations.

We may be exposed to possible infringements of our intellectual property rights

We have developed and used various trademarks in connection with our business, namely our brand name and logo. We believe that our trademarks are an integral aspect of our Group's strategy on branding and play a key role in increasing brand awareness for our education services. Please refer to the section entitled "**General Information on our Group – Intellectual Property**" of this Prospectus for more information on our Group's trademarks.

2 The information is derived from the website of the Singapore Department of Statistics, which was accessed on 28 December 2012 (http://www.singstat.gov.sg/stats/themes/economy/hist/cpi.html). The Singapore Department of Statistics has not consented to the inclusion of the relevant statement and is therefore not liable for the relevant statement under Section 253 and Section 254 of the Securities and Futures Act. Our Directors are aware that the Singapore Department of Statistics does not guarantee or assume responsibility that the information in its website is accurate, adequate, current or reliable, or may be used for any other purpose other than for general reference. While our Company has taken reasonable action to ensure that the relevant information is reproduced in its proper form and context, and that the information is extracted accurately and fairly, all other parties and ourselves have not conducted an independent review of the statement and have not verified the accuracy of the statement.

3 The information is derived from the website of Mercer LLC, which was accessed on 28 December 2012 (http://www.mercer.com/costoflivingpr#City_rankings). Mercer LLC has not consented to the inclusion of the relevant statement and is therefore not liable for the relevant statement under Section 253 and Section 254 of the Securities and Futures Act. Our Directors are aware that Mercer LLC does not guarantee or assume responsibility that the information on its website is accurate, adequate, current or reliable, or may be used for any other purpose other than for general reference. While our Company has taken reasonable action to ensure that the relevant information is reproduced in its proper form and context, and that the information is extracted accurately and fairly, all other parties and ourselves have not conducted an independent review of the statement and have not verified the accuracy of the statement.

We are not aware of any violations or infringements of our intellectual property rights over the Period Under Review and as at the Latest Practicable Date. However, there is no assurance that third parties will not infringe our intellectual property rights or misuse our trademarks in ways that will have negative repercussions on our reputation or that measures taken by us to protect our trademark will be adequate to prevent brand infringement and counterfeiting by others. In the event that other parties infringe our intellectual property rights, we may face great difficulties and costly litigation to fully protect our intellectual property rights which may in turn affect our business, operations, prospects, financial condition and results of operations.

We may experience system disruptions to our computer systems and computer networks

The performance and reliability of our IT infrastructure is important to our School's operations as it enables us to operate on a more optimal level and translates into significant cost savings. For example, our students complete homework or school assignments on our online system. The assessment reporting system enables parents and teachers to keep track of the students' performance. In addition, there is a timetabling system that schedules classes and optimises the utilisation of the classrooms in our School.

Our computer systems may be vulnerable to breakdowns, malfunction or disruption due to events beyond our control and there is no assurance that we will not suffer any damage or disruption caused by power outages, computer viruses, hardware and software failures, telecommunications failures, fires and other similar events in the future. Any breakdown or disruption to any of our computer systems could have a material adverse effect on our business and cost of operations. Please refer to the sections entitled "**General Information on our Group – Business Overview – Assessment System**" and "**General Information on our Group – Business Overview – IT Infrastructure and School Facilities**" of this Prospectus for more information on our assessment system and timetabling system.

Our computer networks may also be vulnerable to unauthorised access, computer hackers, computer viruses and other security problems. A user who circumvents our IT security can misappropriate proprietary information, disrupt or cause malfunctions in our operations. All of the personal data and information of our students are manually entered into our computer systems by our staff in the Admissions Department. Our authorised staff have the authority to access and view this personal data and information subject to our guidelines. Any leakage or misappropriation of proprietary and confidential information belonging to our students and applicants from our system can result in a loss of confidence in our School by our Clients, and may lead to legal proceedings against our Group. This can have a material and adverse effect on our reputation and business operations. As a result, we may be required to expend significant resources to guard against these risks or alleviate problems caused by these breaches which may in turn affect our business, operating, prospects, financial condition and results of operations.

We may fail to implement our growth strategy

Our long-term success is dependent on the successful implementation of our growth strategy. For the future growth and expansion of our business, we intend to build a new school campus, and expand our business and operations into new geographical markets. These plans will require our management's attention and the allocation of significant resources. Our growth strategy may not be implemented successfully due to our failure to effectively market our academic programmes while attracting students and increasing student enrolment. Our future growth may also be limited by the physical constraints of our current Paterson Road Site, which is currently operating near its full capacity.

We may not be able to recruit and retain qualified academic personnel for our new schools overseas. In addition, we may not be able to identify new locations with sufficient growth potential. Furthermore, we may not be able to develop additional content for our academic programmes in a timely manner in compliance with overseas regulations. We do not have any experience operating outside Singapore and may face challenges caused by our unfamiliarity with language and cultural differences, differences in the operating environment, as well as legal and regulatory restrictions, among others, when we expand our operations beyond Singapore.

If our growth strategy is not implemented successfully, our growth may be impaired and resources that have been expended may not yield an acceptable return or any return for us, both of which may materially and adversely affect our business, financial condition, results of operations and prospects. There is also no assurance that we will be able to obtain additional funding on terms that are acceptable to us. In such event, our future plans and growth prospects will be adversely affected.

We require various licences and permits

In addition to our registration with CPE, we are required to obtain other licences and permits for the operation of our School. Details of these licences and permits, such as the hazardous substances permit, swimming pool licence, and foodshop licence, are described in the section entitled "**Licences and Permits**" of this Prospectus.

The licences and permits are generally subject to conditions stipulated in the licences and permits and/or the relevant laws or regulations under which such licences and permits are issued. For example, our hazardous substances permit allows our School to keep different types of acids in certain quantities and specifies the purity levels for their use in our laboratories. The swimming pool licence requires, among others, the monitoring of the physical, bacteriological and chemical quality of the water to ensure that the swimming pool is safe for use by our students, and the foodshop licence requires our School to ensure, among others, all food handlers pass the mandatory basic food hygiene course to ensure the cleanliness and food safety in the food shops and prevent food-borne diseases.

Our School has to constantly monitor and ensure our compliance with such requirements. Failure to comply with such requirements will result in the revocation or non-renewal of any or all of the licences and permits, and activities and operations in our School may thereby be affected or disrupted. There may also be negative publicity arising from our failure to comply with the requirements of these licences and permits, which will have an adverse effect on our business, operations, financial condition and results of operations.

We may not have adequate insurance coverage

We have insurance coverage for fire, money in transit, work injury, property, theft/burglary, public liability, hospitalisation and surgery for our employees and students, as well as for the recovery of course fees. Currently, we do not have keyman insurance for our key management, including our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong. Please refer to the section entitled "**General Information on our Group – Insurance**" of this Prospectus for more information on the various insurance policies that our Group has taken out.

We are subject to various risks in relation to our business and assets, including the risk of damage or destruction due to fire, burglary, loss or damage to our School campus, equipment, facilities and other properties. We may face public liability claims for loss of or damage to vehicles in our School's premises or bodily injury, death or loss of or damage to third party property at our School's premises caused by our negligence, for example, failure to provide adequate supervision or failure to maintain a safe environment. Any accidents or negative media reports could adversely affect our reputation. Litigation proceedings and claims could cause unfavourable publicity, require substantial cost to defend and divert the time and attention of our management.

There is no assurance that our insurance coverage will be adequate to offset the potential financial loss in its entirety if any of these events were to occur, or that all possible risks have been covered by the insurance policies we maintain. We may have to bear the financial costs of any uninsured amount and any consequential losses arising from the loss of our reputation, all of which can have an adverse effect on our business, operations, prospects, financial condition and results of operations.

Our operating results may be adversely affected by the increase in total personnel expenses

Personnel expenses contribute significantly to our total operating expenses. In FY2009, FY2010, FY2011, HY2011 and HY2012, personnel expenses accounted for approximately 66.8%, 66.2%, 68.0%, 67.9% and 75.0% of our Group's total operating expenses, respectively. We recruit qualified academic personnel who have a strong command of the subject areas to be taught, and who are capable of delivering innovative and inspirational instruction, and ensuring the quality of our curriculum. The increase in Singapore's living costs may require us to pay higher wages and incur higher personnel expenses to retain existing and to recruit new academic, administrative and support staff. This will increase our expenses and if we are unable to pass on these costs to our Clients, our business, operations, prospects, financial condition and results of operations will be adversely affected.

Our historical financial and operating results are not indicative of future performance

Our financial and operating results may not meet the expectations of public market analysts or investors. Our revenue, expenses and operating results may vary from quarter to quarter and from year to year in response to a variety of other factors beyond our control, including:-

(i) our ability to increase school enrolments and school fees;

(ii) general economic conditions and regulations or actions pertaining to the provision of private education services in Singapore; and

(iii) our ability to control cost of revenue and operating expenses.

Owing to these factors, among others, we believe that even quarter-to-quarter comparisons of our historical operating results may not be indicative of our future performance and reliance should not be placed on these comparisons to predict the future performance of our Shares.

We may be affected by adverse changes in the political, economic, regulatory or social conditions in the countries in which we operate or into which we intend to expand

We are governed by the laws, regulations and government policies in Singapore. Our business and future growth are dependent on the political, economic, regulatory and social conditions in Singapore, and in particular the changes to Singapore's economic growth, and the government policies pertaining to foreign direct investment, foreign talent and immigration. In the event we expand into other countries, we will be subject to the laws, regulations and government polices of those countries as well. Any economic downturn or changes in policies in Singapore or the countries in which we may expand into, currency and interest rate fluctuations, capital controls or capital restrictions, labour laws, changes in environmental protection laws and regulations and duties and taxation may have an adverse effect on our business, operations, prospects, financial condition and results of operations.

We do not have any experience operating outside Singapore and may face challenges caused by our unfamiliarity with language and cultural differences, differences in the operating environment, as well as legal and regulatory differences, among others, when we expand our operations beyond Singapore.

In addition, terrorist attacks and other acts of violence or war may affect the market in Singapore, and consequently affect our business and financial performance. Such terrorist attacks or armed conflict may result in political and economic instability in the Singapore market and affect the inflow of foreign direct investments into Singapore, which could in turn affect our business and financial performance. In addition, any such activities in Singapore or its neighbouring countries in Southeast Asia may result in concern about the stability in the region, which can adversely affect our business, operations, prospects, financial condition and results of operations. The consequences of any of these terrorist attacks or armed conflict are unpredictable and we are not able to foresee these events that can have an adverse effect on our business or any investment in our Company.

We are exposed to risks in respect of outbreaks of swine flu, avian influenza, hand, foot and mouth disease and/or other communicable diseases which, if uncontrolled, could affect our business, operations, prospects, financial condition and results of operations. An outbreak of the swine flu, avian influenza, hand, foot and mouth disease and/or other communicable diseases, if uncontrolled, can affect our operations.

Countries in Asia, including Singapore, have been adversely affected by outbreaks of infectious diseases over the past decade. The outbreak of Severe Acute Respiratory Syndrome in 2003, a highly contagious form of pneumonia, in People's Republic of China and other parts of Asia, including Singapore, had a significant adverse impact on a variety of businesses and the economy in general. In recent years, large parts of Asia have also experienced outbreaks of avian influenza caused by the H1N1 virus. Several cases of bird-to-human transmission of avian influenza had been reported. The World Health Organisation (the "**WHO**") and other agencies continue to issue warnings of a potential avian influenza pandemic if there are sustained human-to-human transmissions. No fully effective avian flu vaccines have been developed and an effective vaccine may not be discovered in time to protect against a potential pandemic.

More recently, in 2009, there was a global outbreak of the swine flu caused by the H1N1 Influenza A virus. In May 2009, the first case was detected in Asia, and in June 2009, the WHO raised the alert of a swine flu outbreak to the highest level, stating that the swine flu virus had spread to enough countries to be considered a global pandemic.

Due to the nature of our business, which involves the gathering of our academic personnel and students in confined areas, an outbreak of swine flu, avian influenza, hand, foot and mouth disease and/or other communicable diseases may result in the quarantine of our academic personnel and students, the temporary closure of our School and/or the suspension of our programmes. This may adversely affect our business, financial condition, and results of operations.

We may be affected by the non-delivery of services by external service providers of enrichment programmes

We provide more than 40 optional enrichment programmes to our students and Clients. The enrichment programmes are provided by external service providers engaged by our School, separately paid for by our Clients and held within our School's premises after school hours. The time and venue of these enrichment programmes are fixed by our School, and these programmes range from various types of sports and games, to the arts (including music, dance and drama), the sciences and some popular languages. In the event the enrichment programmes run by the external service providers are not of an adequate or satisfactory standard or if they are prematurely terminated and our School is unable to replace the service provider of a similar quality in a timely manner, our School's reputation may be affected.

RISKS RELATING TO OUR SHARES

There has been no prior market for our Shares

Prior to the Invitation, there has been no public market for our Shares. There is no assurance that an active trading market for our Shares will develop or, if developed, will be sustained, or that the market price for our Shares will not decline below the Invitation Price. Therefore, we cannot predict the extent to which a trading market will develop or how liquid the market might become. The rules of the Listing Manual require that companies applying for listing of their equity securities on the SGX-ST meet certain minimum shareholding spread and distribution requirements. While we will need to meet these requirements in order to list our Shares on the SGX-ST, these requirements are only minimum requirements, and our share distribution in the Invitation and our post-Invitation shareholding spread may not substantially exceed these limits or may even fall below these limits after the Invitation. In the case where the percentage of our post-Invitation share capital held by public shareholders is less than 10%, the SGX-ST may suspend trading of our Shares. As a result, liquidity of our Shares can be materially curtailed and there may be no or limited trading in our Shares, and you may not be able to acquire Shares or sell your Shares in our Company, either at a favourable price or at all. In addition, if shares, such as our Shares, have only limited liquidity, the price of such shares can fluctuate significantly as a result of only one or a small number of trades in these shares.

Accordingly, you may be unable to sell your Shares at or above the Invitation Price. The Invitation Price may not be indicative of the market price for our Shares after the completion of this Invitation. The Invitation Price should not be taken as an indication of the merits of the Invitation, our Group and our Shares.

The prices of our Shares may be volatile, which could result in substantial losses for investors purchasing Shares in this Invitation.

The slowdown in the global economy due to the European sovereign debt crisis and the extended downturn in the western economies have caused increasingly difficult conditions in the financial markets. These conditions may be exacerbated by persisting volatilities in the financial sector and the capital markets, or concerns about, a default by one or more financial institutions, which could lead to significant market wide liquidity problems, losses or defaults by other institutions. Furthermore, we are unable to predict what structural and/or regulatory changes may result from the current market conditions or whether such changes may be materially adverse to us and our prospects. Conditions in the capital markets can also adversely affect the Invitation and limit or reduce the number of investors in our Shares, thereby adversely affecting the liquidity and potentially the price of our Shares.

In addition, the market price of our Shares may be highly volatile and can fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond our control:-

(i) variations in our results of operations;

(ii) success or failure of our management team in implementing business and growth strategies;

(iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;

(iv) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;

(v) changes in market valuations and share prices of companies with similar businesses to our Company that may be listed in Singapore;

(vi) additions or departures of key personnel;

(vii) fluctuations in stock market prices and volume; or

(viii) involvement in material litigation.

Investors in our Shares will face immediate and substantial dilution to the book value per Share and may experience future dilution

The Invitation Price of our Shares is substantially higher than the NTA per Share of approximately 27.8 cents after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation issued share capital. If we were liquidated for NTA immediately following the Invitation, each Shareholder subscribing to the Invitation will receive less than the price they paid for their Shares. Details of the immediate dilution of our Shares incurred by new investors are described under the section entitled "**Dilution**" of this Prospectus.

Further, if we were to raise funds in the future by way of a placement of Shares, rights issue, or other equity-linked securities for our future equity or equity linked growth, investments, capital expenditure, and working capital, and if any Shareholders are unable or unwilling to participate in such fund-raising, such Shareholders will suffer dilution in their shareholdings. Further, an issue of our Shares below the then prevailing market price will also affect the value of our Shares then held by an investor. Dilution may occur in shareholding terms even if the issue of shares is at a premium to the market price.

Our Controlling Shareholders have substantial control over our Company and their interests may not be aligned with the interests of our other Shareholders.

Immediately following this Invitation, our Controlling Shareholders will beneficially own an aggregate of approximately 68.0% of our Company's issued Shares if the Over-allotment Option is not exercised, or an aggregate of approximately 63.9% if the Over-allotment Option is exercised in full.

By virtue of their controlling ownership of our share capital, our Controlling Shareholders will be able to exert significant influence over our business and otherwise on matters of significance to us and other Shareholders by voting at the general meetings of shareholders, including:-

(i) election of directors;

(ii) selection of senior management;

(iii) amount and timing of dividend payments and other distributions;

(iv) acquisition of or merger with another entity;

(v) overall strategic and investment decisions;

(vi) issuance of securities and adjustment to our capital structure; and

(vii) amendments to our articles of association.

Investors may not be able to participate in future issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we may be subject to regulations as to the procedures to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. Accordingly, holders of our Shares may be unable to participate in future offerings of our Shares and may experience dilution of their shareholdings.

Additional funds raised through issue of new Shares for our future growth will dilute Shareholders' equity interests

We may require additional funding for the building of our new school campus and may in the future expand our capabilities and business through acquisitions, joint ventures, strategic partnerships and alliances with parties who can add value to our business. We may require additional equity funding after the Invitation and the equity interests of our Shareholders will be diluted should we issue new Shares to fund such purposes.

The prices of our Shares may be adversely affected by any future sale of our Shares by our Company or existing Shareholders

Any future sale or availability of our Shares can have a downward pressure on our Share price. The sale of a significant amount of Shares in the public market after the Invitation, or the perception that such sales may occur, can adversely affect the market price of our Shares. These factors also affect our ability to sell additional equity securities. Except as otherwise described under the section entitled "**General Information on our Group – Moratorium**" of this Prospectus, there are no restrictions imposed on our Substantial Shareholders to dispose of their shareholdings.

Negative publicity may adversely affect our Share price

Any negative publicity or announcement involving our Group, any of our Directors, Controlling Shareholders or key management personnel may adversely affect the market perception of our Company or performance of our Share price, whether or not this is justifiable. Such negative publicity or announcement may include, *inter alia*, involvement in insolvency proceedings, failed attempts in takeovers and joint ventures.

Overseas Shareholders may not be able to participate in future rights offerings or certain other equity issues we may make

If we offer to our Shareholders rights to subscribe for additional Shares or any right of any other nature, we will have the discretion as to the procedure to be followed in making the rights available to our Shareholders or in disposing of the rights for the benefit of our Shareholders and making the net proceeds available to such Shareholders. We may choose not to offer the rights or other equity issues to our Shareholders having an address outside Singapore, hence overseas Shareholders may not be able to participate in such rights offerings and/or equity issues.

Invitation Price	48.0 cents
NTA	
NTA per Share based on the unaudited interim consolidated balance sheet of our Group as at 30 June 2012:-	
(i) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 265,363,548 Shares	19.8 cents
(ii) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 390,363,548 Shares	27.8 cents
Premium of the Invitation Price over the NTA per Share:-	
(i) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 265,363,548 Shares	142.4%
(ii) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 390,363,548 Shares	72.7%
Earnings	
Historical EPS based on the audited consolidated profit for FY2011 and the pre-Invitation share capital of 265,363,548 Shares	7.3 cents
Historical EPS based on the audited consolidated profit for FY2011 and the pre-Invitation share capital of 265,363,548 Shares, assuming that the Service Agreements had been in place from the beginning of FY2011	7.3 cents
Price Earnings Ratio	
Historical PER based on the historical EPS of our Group for FY2011 and the pre-Invitation share capital of 265,363,548 Shares	6.6 times
Historical PER based on the historical EPS of our Group for FY2011 and the pre-Invitation share capital of 265,363,548 Shares, assuming that the Service Agreements had been in place from the beginning of FY2011	6.6 times
Net Operating Cash Flow per Share(1)	
Historical net operating cash flow per Share based on the audited consolidated statement of comprehensive income of our Group for FY2011 and the pre-Invitation share capital of 265,363,548 Shares	9.1 cents
Historical net operating cash flow per Share based on the audited consolidated statement of comprehensive income of our Group for FY2011 and the pre-Invitation share capital of 265,363,548 Shares, assuming that the Service Agreements had been in place from the beginning of FY2011	9.1 cents
Ratio of Price To Net Operating Cash Flow	
Ratio of Invitation Price to historical net operating cash flow per Share for FY2011 based on the pre-Invitation share capital of 265,363,548 Shares	5.3 times
Ratio of Invitation Price to historical net operating cash flow per Share for FY2011 based on the pre-Invitation share capital of 265,363,548 Shares, assuming that the Service Agreements had been in place from the beginning of FY2011	5.3 times

Market Capitalisation

Market capitalisation based on the Invitation Price and our post-Invitation share capital of 390,363,548 Shares	S$187.4 million

Note:-

(1) Net operating cash flow is defined as net profit attributable to equity holders of our Company with depreciation and amortisation charges added back.

DILUTION

Dilution is the amount by which the Invitation Price to be paid by the new investors for the Invitation Shares ("**New Investors**") exceeds our NTA per Share immediately after the Invitation.

Our NTA per Share as at 30 June 2012 adjusted for the Share Split, before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation share capital of 265,363,548 Shares, was 19.8 cents.

Based on the issue of 125,000,000 New Shares at the Invitation Price pursuant to the Invitation, our NTA per Share as at 30 June 2012 after adjusting for the estimated net proceeds from the Invitation and based on the post-Invitation share capital of 390,363,548 Shares, would be 27.8 cents. This represents an immediate increase in NTA per Share of 8.0 cents to our existing Shareholders and an immediate dilution in NTA per Share of 20.2 cents to our New Investors. The following table illustrates such dilution on a per Share basis:-

	Cents
Invitation Price per Share	48.0
NTA per Share as at 30 June 2012 based on the pre-Invitation share capital of 265,363,548 Shares (adjusted for the Share Split)	19.8
Increase in NTA per Share attributable to existing Shareholders	8.0
NTA per Share after the Invitation	27.8
Dilution in NTA per Share to New Investors	20.2
Dilution in NTA per Shares to New Investors (%)	42.1

The following table summarises the total number of Shares issued by us to our Directors and Substantial Shareholders during the period of 3 years prior to the date of this Prospectus, the total consideration paid by them and the average effective cost per Share paid by them and paid by our New Investors pursuant to the Invitation:-

	Number of Shares acquired	**Total consideration (S$)**	**Average effective cost per Share (cents)**
Shareholders			
PDAC Private Limited	135,335,410	15,921,813	11.8
WLH Private Limited	130,028,138	15,297,428	11.8
New Investors	125,000,000	60,000,000	48.0

CAPITALISATION AND INDEBTEDNESS

The following information should be read in conjunction with the "**Audited Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Financial Years Ended 31 December 2009, 2010 and 2011**" and "**Unaudited Interim Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Six-Month Period Ended 30 June 2012**" as set out in Appendices A and B respectively, and the section entitled "**Management's Discussion and Analysis of the Results of Operations and Financial Condition**" of this Prospectus.

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of our Group as at 30 November 2012, being a date no earlier than 60 days before the date of lodgement of this Prospectus, based on:-

(i) our unaudited management accounts as at 30 November 2012 and

(ii) as adjusted for the issue of New Shares pursuant to the Invitation and the application of net proceeds, after deducting estimated issue expenses incurred in connection with the Invitation.

	As at 30 November 2012		
S$'000	**Actual**	**As adjusted for the net proceeds from the Invitation (assuming there was no exercise of the Over-allotment Option)**	**As adjusted for the net proceeds from the Invitation (assuming the Over-allotment Option is exercised in full)**
Cash and cash equivalents	71,097	127,155	138,770
Indebtedness			
Current			
- secured and guaranteed	–	–	–
- secured and non-guaranteed	–	–	–
- unsecured and guaranteed	–	–	–
- unsecured and non-guaranteed	–	–	–
- finance leases	–	–	–
Non-current			
- secured and guaranteed	–	–	–
- secured and non-guaranteed	–	–	–
- unsecured and guaranteed	–	–	–
- unsecured and non-guaranteed	–	–	–
- finance leases	–	–	–
Total indebtedness	–	–	–
Total shareholders' equity(3)	65,297	121,355	132,970
Total capitalisation and indebtedness	65,297	121,355	132,970

Notes:-

(1) The net proceeds from the Invitation (assuming no exercise of the Over-allotment option is exercised) is S$56.1 million.

(2) The net proceeds from the Invitation (assuming the Over-allotment option is exercised in full) is S$67.7 million.

(3) Includes share capital and reserves.

As at the Latest Practicable Date, we did not have any credit facilities.

To the best of our Directors' knowledge, we are not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments of our Shareholders.

DIVIDEND POLICY

Our Board of Directors may recommend annual dividends, subject to the approval of our Shareholders, in an annual general meeting. Our Directors may, without the approval of our Shareholders, also declare an interim dividend. Our policy is to pay dividends of at least 50.0% of our net profit after tax to our Shareholders for each financial year. This dividend policy may be changed by our Board of Directors at any time.

The actual dividends that our Board of Directors may recommend or declare in respect of any particular financial year or period will be subject to restrictions under applicable laws and regulations. Under Section 403 of the Companies Act and our Articles, dividends are payable out of profits only. In considering the level of dividend payments, we will also take into account the factors outlined below as well as any other factors deemed relevant by our Board of Directors:-

- our Group's financial position, results of operations and cash flow;
- the ability of our subsidiaries to make dividend payments to our Company;
- our Group's expected working capital requirements to support our Group's future growth;
- our actual and projected financial performance; and
- general economic conditions and such other external factors that our Group believes to have an impact on the business operations of our Group.

Save as disclosed below, our Group had not declared or paid any other dividends during the Relevant Period.

Our subsidiary, OFS, had declared and paid dividends to its shareholders for the Relevant Period as set out in the table below:-

	Dividends paid (S$'000)	Dividend per share (S$)	% of net profit after tax
FY2009	1,500	5.00[(1)]	46.1% of FY2009 net profit after tax
	4,500	0.90[(2)]	
FY2010	6,000	1.20[(2)]	39.5% of FY2010 net profit after tax
FY2011	8,000	1.60[(2)]	41.1% of FY2011 net profit after tax
1 January 2012 to the Latest Practicable Date	8,000	1.60[(2)]	41.1% of FY2011 net profit after tax

Notes:-

(1) Based on OFS's share capital of 300,000 shares.

(2) Based on OFS's share capital of 5,000,000 shares pursuant to the issuance of 47 bonus shares for every 3 shares held.

Our Company had declared and paid an interim dividend to its shareholders, PDAC Private Limited and WLH Private Limited, on 30 March 2012 in the amount of S$8.0 million (S$0.26 per share based on share capital of 31,219,241 shares prior to the Share Split). Please refer to Appendix B – "**Unaudited Interim Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Six-Month Period Ended 30 June 2012**" for more information.

You should note that the dividend policy stated above is merely a statement of our present intention and shall not constitute a legally binding statement in respect of our Company's future dividends, which may be subject to modification (including reduction or non-declaration thereof) in the sole and absolute discretion of our Board of Directors.

Information relating to taxes payable on dividends is set out in Appendix C – "**Taxation**" of this Prospectus.

*The following selected consolidated financial information of our Group should be read in conjunction with the full text of this Prospectus, including the "**Audited Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Financial Years Ended 31 December 2009, 2010 and 2011**" and "**Unaudited Interim Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Six-Month Period Ended 30 June 2012**" as set out in Appendices A and B of this Prospectus, respectively.*

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Audited			Unaudited	
S$'000	**FY2009**	**FY2010**	**FY2011**	**HY2011**	**HY2012**
Revenue					
Tuition fees	72,963	78,367	85,440	42,286	43,816
Registration fees	–	1,080	1,331	938	1,675
School bookshop sales	1,172	1,131	1,213	361	331
Enrichment programme revenue	794	775	814	407	415
Interest income	244	177	197	94	92
Other revenue	275	824	348	78	53
Total revenue	**75,448**	**82,354**	**89,343**	**44,164**	**46,382**
Less: Operating expenses					
Personnel expenses	39,853	42,190	44,787	21,130	26,292
School lease rental	5,760	6,661	6,697	3,343	3,385
Depreciation expenses	4,505	4,645	3,892	1,963	1,816
Amortisation of intangible assets	849	937	838	452	376
Management fees	2,968	2,935	2,570	1,402	–
Cost of goods sold	749	695	787	239	205
Enrichment programme cost	531	473	466	232	244
Utilities	683	693	888	396	470
Upkeep and maintenance	1,244	1,285	1,449	377	363
Other operating expenses	2,499	3,176	3,516	1,573	1,920
Total operating expenses	**59,641**	**63,690**	**65,890**	**31,107**	**35,071**
Profit before taxation	**15,807**	**18,664**	**23,453**	**13,057**	**11,311**
Income tax expense	(2,795)	(3,493)	(3,988)	(2,214)	(1,926)
Profit for the year / period attributable to owners of the Company	**13,012**	**15,171**	**19,465**	**10,843**	**9,385**
Other comprehensive income for the year / period, net of tax	(+)	(+)	+	(+)	(+)
Total comprehensive income for the year / period attributable to owners of the Company	**13,012**	**15,171**	**19,465**	**10,843**	**9,385**
EPS (cents)(1)	**4.9**	**5.7**	**7.3**	**4.1**	**3.5**
EPS as adjusted for the Invitation (cents)(2)	**3.3**	**3.9**	**5.0**	**2.8**	**2.4**

Notes:-

(1) For comparative purposes, EPS is calculated based on profit for the year or period, as the case may be, and the pre-Invitation share capital of the Company of 265,363,548 Shares.

(2) For comparative purposes, EPS is calculated based on profit for the year or period, as the case may be, and the post-Invitation share capital of the Company of 390,363,548 Shares.

\+ Amount lower than S$1,000.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS OF OUR GROUP

S$'000	As at 31 December 2011 (Audited)	As at 30 June 2012 (Unaudited)
ASSETS		
Non-current assets		
Plant and equipment	10,411	8,760
Intangible assets	3,773	3,707
Fee protection insurance deposits	2,016	2,020
School lease deposits	1,808	1,777
Staff housing deposits	281	367
	18,289	16,631
Current assets		
Inventories	579	626
Trade receivables	648	2,296
Other receivables and deposits	416	303
Prepayments	1,298	2,116
Amounts due from director-related company	–	15
Cash and bank balances	7,629	11,320
Fixed deposits	32,000	12,500
Term bank deposits	40,000	40,000
	82,570	69,176
TOTAL ASSETS	100,859	85,807
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	309	312
Other payables	1,519	1,022
Fees received in advance	35,236	21,334
Goods and Services Tax payable	2,794	3,323
Central Provident Fund payable	441	319
Income tax payable	4,374	1,973
	44,673	28,283
NET CURRENT ASSETS	37,897	40,893
Non-current liabilities		
Deferred tax liabilities	1,410	1,363
	1,410	1,363
TOTAL LIABILITIES	46,083	29,646
Net assets	54,776	56,161
Equity attributable to owners of the Company		
Share capital	31,219	31,219
Revenue reserve	9,726	11,111
Other reserves	13,831	13,831
TOTAL EQUITY	54,776	56,161
NTA per Share (cents)(1)	**19.2**	**19.8**

Note:-

(1) For comparative purposes, NTA per Share is calculated based on the pre-Invitation share capital of the Company of 265,363,548 Shares.

*The following discussion of our results of operations and financial position should be read in conjunction with the "**Audited Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Financial Years Ended 31 December 2009, 2010 and 2011**" and "**Unaudited Interim Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Six-Month Period Ended 30 June 2012**" as set out in Appendices A and B of this Prospectus respectively. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in the section entitled "**Risk Factors**" of this Prospectus. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the section entitled "**Cautionary Note Regarding Forward-Looking Statements**" of this Prospectus.*

OVERVIEW

We are a private foreign system school in Singapore offering the K-12 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 offer a straight-through IB curriculum, comprising the PYP, MYP and DP. In addition to the IB curriculum, we also offer the IGCSE examinations to students in the MYP.

Our master policy is "to provide a happy, safe and effective school for overseas families living in Singapore" that prepares our students for their return to their respective national education systems or, for the more senior students, for entry into universities worldwide. We strive to achieve this master policy through our curriculum, our student code of conduct, and security measures.

Our Group's financial year is from 1 January to 31 December. However, our academic year commences in August and ends in June the following year. Each academic year comprises two semesters, with the first semester from August to December and the second semester from January to June the following year.

Revenue

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

<u>Tuition fees</u>

Tuition fees accounted for 96.7%, 95.2%, 95.6%, 95.7% and 94.5% of our total revenue in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively.

The average student enrolment for the Junior School and the Senior School in each financial year/period for the Period Under Review, are as follows:-

	FY2009	**FY2010**	**FY2011**	**HY2011**	**HY2012**
Junior School	1,819	1,803	1,902	1,877	2,004
Senior School	1,735	1,794	1,778	1,762	1,775
Total	**3,554**	**3,597**	**3,680**	**3,639**	**3,779**

The average tuition fee per student for the Junior School and the Senior School in each financial year/ period for the Period Under Review, based on the average student enrolment, are as follows:

S$	FY2009	FY2010	FY2011	HY2011	HY2012
Junior School	18,461	19,586	20,869	10,455	10,459
Senior School	22,699	23,998	25,730	12,862	12,877

The breakdown of revenue from tuition fees for the Junior School and the Senior School in each financial year / period for the Period Under Review are as follows:-

S$'000	FY2009	%	FY2010	%	FY2011	%	HY2011	%	HY2012	%
Junior School	33,581	46.0	35,314	45.1	39,692	46.5	19,624	46.4	20,959	47.8
Senior School	39,382	54.0	43,053	54.9	45,748	53.5	22,662	53.6	22,857	52.2
Total	**72,963**	**100.0**	**78,367**	**100.0**	**85,440**	**100.0**	**42,286**	**100.0**	**43,816**	**100.0**

Tuition fees for each semester are invoiced thirty days before the end of the previous semester and are payable thirty days before the start of the new semester. Tuition fees collected for the semester starting in January are recognised equally over six months from January to June. Tuition fees for the semester starting in August are recognised equally over six months from July to December. Where a student's enrolment with the School commences after the start of the semester, the tuition fee that is payable is pro-rated and recognised on a monthly basis with a full month's tuition fee payable and recognised in the month of commencement of the student's enrolment. Amount of fees collected relating to future periods are recorded as fees received in advance.

Tuition fees paid are normally not refundable.

Registration fees

With effect from April 2010, beginning with the academic year commencing from August 2010, a registration fee of S$1,000 per new student is payable when the application for enrolment by the student is accepted by the School. The registration fee was revised to S$2,000 per new student with effect from 9 March 2012, for all new students commencing School in the academic year commencing from August 2012. Registration fee is recognised when the application for enrolment by a student is accepted by the School, and is levied to cover the administrative cost incurred in enrolling new students and is not refundable. The registration fees accounted for 1.3%, 1.5%, 2.1% and 3.6% of our total revenue in FY2010, FY2011, HY2011 and HY2012 respectively.

School bookshop sales

School bookshop sales are revenue derived from the School's bookshop for the sale of school uniforms, books and stationery supplies to our students and Clients, and are recognised upon transfer of significant risks and rewards of ownership of goods to the customer, which generally coincides with delivery, and acceptance of the goods sold. School bookshop sales accounted for 1.6%, 1.4%, 1.4%, 0.8% and 0.7% of our total revenue in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively.

Enrichment programme revenue

Enrichment programme revenue is derived from enrichment programmes that we organise over and above our core curriculum and are conducted by external service providers for which our students and Clients may enrol in. These programmes range from various types of sports and games, to the arts (including music, dance and drama), the sciences and some popular languages. Enrichment programme revenue is recognised when services are rendered. All enrichment classes are held within our School's premises either after school hours or on Saturdays. The enrichment programme revenue accounted for 1.1%, 0.9%, 0.9%, 0.9% and 0.9% of our total revenue in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively.

Interest income

Interest income consists of income from the placement of surplus funds generated from our operations in fixed and short-term deposits with reputable banks in Singapore, and is recognised using the effective interest method. Interest income accounted for 0.3%, 0.2%, 0.2%, 0.2% and 0.2% of our total revenue in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively.

Other revenue

Other revenue consists of motor vehicle rental income, parking income, write-back of unclaimed excess payments and other income. Other revenue accounted for 0.4%, 1.0%, 0.4%, 0.2% and 0.1% of our total revenue in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively.

Motor vehicle rental income relates to charges to Master Projects, a director-related company, for our provision of motor vehicles to certain staff of Master Projects who were seconded to OFS, as provided for under their employment contracts with Master Projects. All transactions with Master Projects were terminated on 30 November 2011. Please see the section entitled "**Interested Persons Transactions – Past Interested Person Transactions**" of this Prospectus for more information.

Parking income relates to fees charged to visitors who park their vehicles within the School's premises.

Unclaimed excess payments refer primarily to prior years' (i) overpayment of our students' tuition fees; and (ii) student refundable deposits previously collected from our Clients which were refundable to our Clients but which were unclaimed by them.

The overpayment of tuition fees resulted, for example, from situations where fees were paid for students who subsequently failed to attend classes held during the School holidays. In other instances, the employer of the parent was responsible for the payment of fees but the parent made payment of the fees first and payment was subsequently also received from the employer. These overpayments were recorded as a current liability. Although we informed the parents or the parents' employers, depending on who is responsible for the fees, in writing of these overpayments at their last known addresses, in a small minority of cases, these amounts remained unclaimed despite our attempts to contact and inform the relevant parties. Where such amounts have remained outstanding for at least 5 years and we have evidence that the parents were no longer contactable or the employer has been wound-up, as the case may be, we recognised such amounts as other revenue.

Prior to 21 December 2009, our Clients were required to pay a student refundable deposit of S$5,000 per family. This was intended for use to offset against, if circumstances required, any unpaid fees and to make good any damage to or loss of school property caused by the student. The deposits were recorded as a current liability and were refundable to our Clients upon the graduation or withdrawal of a student after the giving of at least 30 days' notice of withdrawal to the School. Although we informed our Clients in writing of these student refundable deposits at their last known addresses, we were not successful in refunding these deposits in a small minority of cases. After remaining unclaimed and outstanding for at least 5 years and we have evidence that the parents were no longer contactable or the employer has been wound-up, as the case may be, we recognised these deposits as other revenue. As at the Latest Practicable Date, there were no outstanding student refundable deposits which have not been claimed by former Clients. With effect from 21 December 2009, pursuant to the implementation of the Private Education Regulation 2009 under the new statutory regime set out under the Private Education Act, no private education institution is permitted to require a student to pay any deposit or penalty in relation to any causes other than a charge for the late payment of the course fee.

OFS first began recognising the unclaimed excess payments in FY2010 arising from the overpayment of its students' tuition fees and for student refundable deposits for amounts which had been unclaimed and outstanding since at least 5 years ago from FY2010, that is, for certain amounts which had been unclaimed and outstanding since 1 January 2006 or before.

Other income mainly relates to penalties for loss of library books, charges from student's request for duplicate copies of their transcripts and vending machine commission.

Operating Expenses

Personnel expenses

The breakdown of personnel expenses in each financial year/period for the Period Under Review is as follows:-

S$'000	FY2009	%	FY2010	%	FY2011	%	HY2011	%	HY2012	%
Salaries and bonuses	34,995	87.8	35,572	84.3	36,347	81.2	17,080	80.8	21,518	81.9
CPF contributions	1,269	3.2	1,324	3.1	1,434	3.2	652	3.1	847	3.2
Staff medical insurance	287	0.7	395	0.9	423	0.9	205	1.0	245	0.9
Grant income from Jobs Credit Scheme	(738)	(1.9)	(146)	(0.3)	–	–	–	–	–	–
Other short term benefits	4,040	10.2	5,045	12.0	6,583	14.7	3,193	15.1	3,682	14.0
Total	**39,853**	**100.0**	**42,190**	**100.0**	**44,787**	**100.0**	**21,130**	**100.0**	**26,292**	**100.0**

Personnel expenses accounted for 66.8%, 66.2%, 68.0%, 67.9% and 75.0% of our total operating expenses in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. Personnel expenses included salaries and bonuses, CPF contributions, staff medical insurance and other short term benefits such as staff medical expenses, staff apartment rental costs, school fees for children of staff enrolled in our School, relocation airfare for staff and other staff relocation costs. Staff salaries, bonuses and CPF contributions accounted for 91.0%, 87.4%, 84.4%, 83.9% and 85.1% of our total personnel expenses in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. Personnel expenses were partially offset against grant income from Jobs Credit Scheme received in FY2009 and FY2010.

The Jobs Credit Scheme was introduced in the Singapore Budget 2009 to encourage businesses to preserve jobs during the 2009 economic downturn. Under the Jobs Credit Scheme, an employer received a cash grant of 12.0% on the first S$2,500 of each month's wages for each eligible employee on the CPF payroll in 4 payments: March, June, September and December 2009. In October 2009, the Singapore government announced that the Jobs Credit Scheme would be extended for six months with two additional payments at reduced rates of 6.0% and 3.0% on the first S$2,500 of each month's wages in March 2010 and June 2010, respectively. The Jobs Credit Scheme was terminated in June 2010.

School lease rental

School lease rental relates to the rental of our premises at the Paterson Road Site, the Harding Road Site and for the warehouse space at 315 Outram Road, #14-07, Tan Boon Liat Building, Singapore 169074.

School lease rental accounted for 9.7%, 10.5%, 10.2%, 10.7% and 9.7% of our total operating expenses in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. In FY2009, we received a rental rebate of 15.0% of our monthly rental payable from the SLA for our tenancy at the Paterson Road Site and the Harding Road Site. In the Singapore Budget 2009, the Singapore government announced a package of measures to assist businesses in coping with the economic slowdown. As part of these measures, the Singapore government, through SLA, granted a 15.0% rental rebate per month for one year commencing 1 January 2009 to eligible tenants and temporary occupation licensees of state commercial and industrial properties. These rental rebates were intended to help tenants, licensees and lessees during the 2009 economic downturn by lowering their business costs and supporting business cash flows.

Depreciation expenses and amortisation of intangible assets

Depreciation expenses and amortisation of intangible assets in aggregate accounted for 9.0%, 8.8%, 7.2%, 7.8% and 6.3% of our total operating expenses in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively.

Depreciation of plant and equipment such as school renovations and improvements, school furnishings, school equipment, library books and media and computers and amortisation of intangible assets such as acquired computer software and internally developed software begin when the assets become available for use and are computed on a straight-line basis over their estimated useful lives.

During FY2009, we conducted a review of the economic useful lives of our plant and equipment as well as intangible assets. We revised downwards the estimated useful lives of school renovations and improvements, school furnishings, school equipment, library books and media, computers and acquired computer software, from nine to six years. The revisions in the estimated useful lives were applied on a prospective basis from 1 December 2009.

Management fees

Management fees accounted for 5.0%, 4.6%, 3.9%, 4.5% and nil of our total operating expenses in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. These fees were incurred pursuant to the management services agreement entered into between OFS and Master Projects which commenced on 27 August 1991 and was terminated on 30 November 2011 ("**Management Services Agreement**"). Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions**" of this Prospectus for more information.

Cost of goods sold

Cost of goods sold relates to cost of goods such as school uniforms, books and stationery supplies sold in the School's bookshop. Cost of goods sold accounted for 1.3%, 1.1%, 1.2%, 0.8% and 0.6% of our total operating expenses in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. Cost of goods sold is determined on a weighted average cost basis.

Enrichment programme cost

Enrichment programme cost is the direct cost incurred for engaging external service providers to conduct the enrichment programmes that we organise over and above our core curriculum for which our students and Clients may enrol in. Enrichment programme cost accounted for 0.9%, 0.7%, 0.7%, 0.7% and 0.7% of our total operating expenses in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively.

Utilities, upkeep and maintenance

Utilities, upkeep and maintenance in aggregate accounted for 3.2%, 3.1%, 3.5%, 2.5% and 2.4% of our total operating expenses in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. Upkeep and maintenance expenses include expenses incurred for lavatory maintenance, pest control, fire and safety maintenance, repairs of school equipment, repair and replacements of fittings, swimming pool and grounds maintenance, air-conditioning maintenance, repainting and cleaning of our school buildings, fields and school grounds.

Other operating expenses

Other operating expenses accounted for 4.2%, 5.0%, 5.3%, 5.1% and 5.5% of our total operating expenses in FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. Other operating expenses comprise mainly loss on disposal of plant and equipment, write-off of intangible assets, staff training expense, consulting and professional fees, Directors' fees, insurance premiums, debit and credit card charges by financial institutions for our Clients' use of these card facilities for the payment of our fees, teaching materials and motor vehicle expenses.

Consulting and professional fees relate to education consultant's and IT consultant's fees and professional fees relate to audit, secretarial and legal fees. The education consultant's fee incurred relates to the services rendered by an external Chinese language consultant who provided online Chinese curriculum content for the School. The IT consultant's fee incurred relates to the services rendered by Metaparadigm Pte Ltd ("**Metaparadigm**"). Our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong, were directors of Metaparadigm and their directorships ceased with effect from 10 October 2011. Please refer to the section entitled "**Interested Person Transactions – Other Transactions**" of this Prospectus for more information.

Income tax expense

Income tax expense for FY2009, FY2010, FY2011, HY2011 and HY2012 consist of current and deferred taxes. The statutory tax rate in Singapore was 17.0% for FY2009, FY2010, FY2011, HY2011 and HY2012. The effective tax rates for our Group were 17.7%, 18.7%, 17.0%, 17.0% and 17.0% for FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. The effective tax rate for our Group was relatively consistent over the Period under Review.

FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION

1. Foreign direct investments, inflow of foreign talent and immigration into Singapore

   We are a foreign system school in Singapore and we believe we are part of its foreign direct investment infrastructure aimed at attracting foreign direct investments and foreign talent into the country. Our success will therefore depend in part on the attractiveness of Singapore in terms, *inter alia*, of its economic, political, legal, business, social and physical environment as a destination for foreign direct investments and foreign talent. Any changes to these environmental conditions including a slowdown in Singapore's economy, unfavourable political and social climate and restrictive immigration policies will increase the difficulty or cost of bringing foreign direct investments into Singapore, and in turn affect the expatriate families living and working in Singapore and their school-going children and, hence, our existing and prospective student enrolment, our business, results of operations and financial condition.

2. Competition from other foreign system schools offering similar programmes

   Our School faces keen competition from both foreign system schools and local schools, in particular, schools that offer any combination or all of the three IB programmes. We believe that the competition will increase as existing schools, which already offer all or a combination of the three IB programmes, may become more competitive whether by marketing themselves as having a stronger curriculum, better qualified academic personnel, more extensive school facilities or otherwise. In addition, existing schools which offer a combination of any of the three IB programmes may extend their curriculum to offer all three IB programmes, existing schools which do not offer the IB programmes may seek authorisation to do so, or IB World Schools which currently do not have a local presence may decide to enter Singapore. Hence, our business, results of operations and financial condition will depend on our School's ability to maintain our competitive edge and compete effectively against other schools.

3. Inflationary pressures affecting our total operating expenses

   The inflation rate for Singapore in 2011 was 5.2% and was as high as 6.6% as recently as 2008. Inflationary pressures in Singapore could translate into higher operating expenses for us and if we are unable to manage these inflationary pressures by being more cost-efficient in our operations and/or passing on such increases to our Clients in the form of higher fees, our business, results of operations and financial condition could be affected. In particular, personnel expenses had constituted the single largest component representing 66.8%, 66.2%, 68.0%, 67.9% and 75.0% of our total operating expenses for FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. As a result of inflation, we may have to ensure that our staff salaries continue to be competitive so that we are able to retain and attract talent to support our growth. In addition, rental expenses had constituted the second largest component representing 9.7%, 10.5%, 10.2%, 10.7%

and 9.7% of our total operating expenses for FY2009, FY2010, FY2011, HY2011 and HY2012 respectively. Our School's operating premises at the Paterson Road Site and the Harding Road Site have been leased from the SLA on 3-year lease terms. Under our lease with the SLA, the annual rental expense for the Paterson Road Site and the Harding Road Site is approximately S$6.6 million and S$0.1 million respectively. Although negotiations from the SLA for the renewal of the leases normally commences about 1 year before the leases expire, our School may be subject to increases in rent or the non-renewal of our leases which could result in significant capital expenditure or disruptions to our operations. Notwithstanding, for the Period under Review, the performance of our Group had not been materially affected by inflation. Please refer to the sections entitled "**Prospects, Business Strategies and Future Plans – Trends and Order Book**" and "**Management's Discussion and Analysis of the Results of Operations and Financial Condition – Inflation**" of this Prospectus for more information.

4. Physical limitation of our School facilities

   Our ability to expand our student enrolment and, hence, increase our profitability depends, *inter alia,* on the physical capacity of our School facilities. From FY2009 to HY2012, our average student enrolment increased by 6.3% from 3,554 to 3,779 students. For each of the financial years/periods under the Period Under Review, our School's classroom utilisation rate was above 90.0%. As our School is already currently operating at close to full capacity, there is a limitation to the extent we could increase our student enrolment at our present premises. We are therefore embarking on the Invitation for the purpose of raising funds to finance the building of a new school campus to increase our student capacity.

5. Changes in laws, rules and regulations governing or affecting our industry

   The private education industry in Singapore is governed by CPE, a statutory board established under the Private Education Act. All private education institutions in Singapore must be registered with CPE and must meet the standards and requirements set out under the Private Education Act and Private Education Regulations 2009. Our business, results of operations and financial condition will depend on our School maintaining our registration with CPE and our ability to comply with any changes in laws, rules and regulations governing our operations which may in turn lead to an increase in our compliance costs and require more of our management's time and resources.

6. Authorisations and accreditations from the respective educational associations and organisations

   Our School is authorised by the IB to offer the PYP, MYP and DP programmes. We are also authorised by CIE to offer the IGCSE examinations to our Grade 10 students. In addition, we are accredited by WASC, which is important to our high school graduates seeking admission to universities or other tertiary educational institutions in USA as some of these institutions will only accept credits from WASC accredited schools such as us. Hence, our business, results of operations and financial condition depends to some extent on our School maintaining compliance with the requirements of IB, CIE and WASC or with changes to the requirements or any additional requirements that these educational associations and organisations may impose.

REVIEW OF RESULTS OF OPERATIONS

FY2010 compared to FY2009

Revenue

In FY2010, our total revenue increased by S$7.0 million or 9.2% from S$75.4 million in FY2009 to S$82.4 million.

<u>Tuition fees</u>

Tuition fees revenue increased by S$5.4 million or 7.4% from S$73.0 million in FY2009 to S$78.4 million in FY2010. The increase was mainly due to a revision in the tuition fees across all grades of the School for the academic year commencing August 2010 from an average tuition fee per student of S$18,461 and S$22,699 in FY2009 to S$19,586 and S$23,998 in FY2010 for the Junior School and the Senior School respectively, representing an increase of 6.1% and 5.7%, respectively. Over the year in FY2010, our average student enrolment decreased by 16 or 0.9% from 1,819 students in FY2009 to 1,803 students in FY2010 for the Junior School and our average student enrolment increased by 59 or 3.4% from 1,735 students in FY2009 to 1,794 students in FY2010 for the Senior School.

Registration fees

With effect from April 2010, beginning with the academic year commencing August 2010, a registration fee of S$1,000 per student is payable when the application for enrolment by the student is accepted by the School. In FY2010, registration fees of S$1.1 million were recognised.

School bookshop sales

School bookshop sales decreased by S$41,000 or 3.5% to S$1.1 million in FY2010. This was mainly due to the decrease in average student enrolment numbers in the Junior School as Junior School students are generally required to purchase more uniforms, more books and stationery from the School's bookshop than the Senior School students.

Enrichment programme revenue

Enrichment programme revenue was relatively stable at S$0.8 million in FY2009 and FY2010.

Interest income

Interest income decreased by S$67,000 or 27.5% to S$0.2 million in FY2010 due to lower short-term and fixed deposit rates offered by banks. In FY2009, the interest rates ranged from 0.53% to 0.69% per annum, as compared to FY2010 when interest rates ranged from 0.13% to 0.75% per annum. In addition, the decrease in interest income could be attributed to the decrease in average term bank deposits and fixed deposit balances in FY2010 as compared to the average balances in FY2009. This was mainly due to the refund of student refundable deposits during FY2010 in compliance with the Private Education Act, issued by CPE.

Other revenue

Other revenue increased by S$0.5 million or almost two-fold from S$0.3 million in FY2009 to S$0.8 million in FY2010. The increase was mainly due to the recognition of S$0.6 million in unclaimed excess payments comprising student refundable deposits and overpayments which we first began to recognise for amounts which had been unclaimed and outstanding since at least 5 years ago from FY2010. This was partially offset by the decrease in other non-operating income of S$39,000.

Operating expenses

In FY2010, our total operating expenses increased by S$4.1 million or 6.8% from S$59.6 million in FY2009 to S$63.7 million.

Personnel expenses

Personnel expenses increased by S$2.3 million or 5.9% from S$39.9 million in FY2009 to S$42.2 million in FY2010. This was due to the increase in salaries, bonuses and CPF contributions of S$0.6 million, the increase in other short-term benefits of S$1.0 million, and the decrease in grant income from the Jobs Credit Scheme of S$0.6 million.

The increase in salaries, bonuses and CPF contributions was attributable to salary adjustments pursuant to the renewal of employment contracts with our academic personnel, salary increments to other staff and the increase in employer's CPF contribution rate of 0.5% from 1 September 2010. The increase in other short-term benefits was mainly attributable to the improvement in our employee benefit policy relating to tuition fees paid by our School for the children of our staff. The increase in other short-term benefits was also attributable to the increase in staff apartment rental costs in line with rising property prices following the renewal of our academic personnel's apartment leases pursuant to the renewal of their employment contracts. The lower grant income from the Jobs Credit Scheme was due to the reduced rates of 6.0% and 3.0% on the first S$2,500 of each month's wages for each eligible employee on the CPF payroll which were made in March 2010 and June 2010, respectively, as against the 12.0% rate when the Jobs Credit Scheme was first introduced in 2009.

School lease rental

School lease rental increased by S$0.9 million or 15.6% from S$5.8 million in FY2009 to S$6.7 million in FY2010. The increase was attributable to the combined effect of the absence of the 15.0% rental rebate of our monthly rental payable which we had received from the SLA from 1 January 2009 but which was terminated on 31 December 2009 and an upward revision of our lease rental rate from 25 July 2010 when our School renewed our tenancy at the Paterson Road Site with the SLA for another three years.

Depreciation expenses and amortisation of intangible assets

Depreciation expenses and amortisation of intangible assets increased by S$0.2 million or 4.3% from S$5.4 million in FY2009 to S$5.6 million in FY2010. The increase was mainly due to the change in the useful lives of certain plant and equipment and intangible assets from nine to six years with effect from 1 December 2009.

Management fees

Management fees remained relatively stable at S$2.9 million in FY2010. These were fees paid under the Management Services Agreement. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions**" of this Prospectus for more information.

Cost of goods sold

Cost of goods sold decreased by S$54,000 or 7.2% to S$0.7 million in FY2010 along with the decrease in school bookshop sales in FY2010.

Enrichment programme cost

Enrichment programme cost decreased by S$58,000 or 10.9% to S$0.5 million in FY2010 along with the decrease in enrichment programme revenue.

Utilities, upkeep and maintenance

Utilities, upkeep and maintenance expenses were relatively stable at S$2.0 million in FY2010.

Other operating expenses

Other operating expenses increased by S$0.7 million or 27.1% from S$2.5 million in FY2009 to S$3.2 million in FY2010. This was mainly due to the write-off of software development costs for projects which were aborted of S$0.1 million in FY2010, the increase in debit and credit card charges of S$0.2 million, the increase in insurance premiums of S$0.1 million, the increase in staff training expenses of S$0.1 million and the increase in other miscellaneous expenses of S$0.2 million.

Profit before taxation

As a result of the foregoing, our profit before taxation increased by S$2.9 million or 18.1% from S$15.8 million in FY2009 to S$18.7 million in FY2010.

Income tax expense

Income tax expense increased by S$0.7 million or 25.0% from S$2.8 million in FY2009 to S$3.5 million in FY2010 in line with the increase in our profit before taxation.

Profit for the year

As a result of the foregoing, our profit for the year increased by S$2.2 million or 16.6% from S$13.0 million in FY2009 to S$15.2 million in FY2010.

FY2011 compared to FY2010

Revenue

In FY2011, our total revenue increased by S$7.0 million or 8.5% from S$82.4 million in FY2010 to S$89.3 million.

Tuition fees

Tuition fees revenue increased by S$7.0 million or 9.0% from S$78.4 million in FY2010 to S$85.4 million in FY2011. The increase was mainly due to the full year effect pursuant to the revision in the tuition fees across all grades of the School for the academic year commencing from August 2010. As a result, the average tuition fee per student for the Junior School and Senior School in FY2011 was S$20,869 and S$25,730 respectively, compared to S$19,586 and S$23,998 respectively in FY2010, representing an increase of 6.6% and 7.2%, respectively. Over the year in FY2011, our average student enrolment increased by 99 or 5.5% from 1,803 students in FY2010 to 1,902 students in FY2011 for the Junior School and our average student decreased by 16 or 0.9% from 1,794 students in FY2010 to 1,778 students in FY2011 for the Senior School.

Registration fees

Revenue derived from registration fees increased by S$0.2 million or 23.2% from S$1.1 million in FY2010 to S$1.3 million in FY2011. This was in line with an increase in average student enrolment numbers of 3,680 in FY2011 compared with 3,597 in FY2010. In addition, the increase in revenue derived from registration fees was also due to FY2011 being the first full financial year in which the implementation of the registration fees had come into effect.

School bookshop sales

School bookshop sales increased by S$82,000 or 7.3% to S$1.2 million in FY2011. This was in line with an increase in average student enrolment numbers of 3,680 in FY2011 compared with 3,597 in FY2010.

Enrichment programme revenue

Enrichment programme revenue increased by S$39,000 or 5.0% to S$0.8 million in FY2011. This was a result of the higher enrolment in enrichment programmes in FY2011 as compared to FY2010 in line with the increase in average student enrolment numbers.

Interest income

Interest income remained relatively stable at S$0.2 million in FY2011 notwithstanding the lower interest rates offered by banks as the effect of lower interest rates was offset by the higher average term bank deposits and fixed deposit balances in FY2011 as compared to in FY2010, in line with the increase in our profit for the year in FY2011.

The interest rates ranged from 0.13% to 0.75% per annum in FY2010 as compared to FY2011 when interest rates ranged from 0.03% to 0.8% per annum.

Other revenue

Other revenue decreased by S$0.5 million or 57.8% from S$0.8 million in FY2010 to S$0.3 million in FY2011 as FY2011 was the second year in which we recognised unclaimed excess payments comprising overpayments and student refundable deposits which had been unclaimed and outstanding since 5 years ago from FY2011 as other revenue as compared to FY2010 when student refundable amounts transacted prior to 1 January 2006 were recognised.

Operating expenses

In FY2011, our total operating expenses increased by S$2.2 million or 3.5% from S$63.7 million in FY2010 to S$65.9 million.

Personnel expenses

Personnel expenses increased by S$2.6 million or 6.2% from S$42.2 million in FY2010 to S$44.8 million in FY2011. This was mainly attributable to the increase in salaries, bonuses and CPF contributions of S$0.9 million, the increase in other short term benefits of S$1.5 million and the absence of any grant income from the Jobs Credit Scheme in FY2011 against S$0.1 million which we had received in FY2010 following its termination by the Singapore government in June 2010.

The increase in salaries, bonuses and CPF contributions was attributable to salary adjustments made for all administration staff with effect from 1 August 2011 and the increase in employer's CPF contribution rate of another 0.5% from 1 March 2011. The increase in other short term benefits was attributable to the full year effect from the improvement in our employee benefit policy relating to tuition fees paid by our School for the children of our staff.

School lease rental

School lease rental remained relatively stable at S$6.7 million in FY2011.

Depreciation expenses and amortisation of intangible assets

Depreciation expenses and amortisation of intangible assets decreased by S$0.9 million or 15.3% from S$5.6 million in FY2010 to S$4.7 million in FY2011. As a result of the change in the useful lives of certain plant and equipment and intangible assets from nine to six years with effect from 1 December 2009, some of these plant and equipment and intangible assets were fully depreciated by FY2010 giving rise to a lower balance of depreciable plant and equipment and intangible assets which were subject to depreciation resulting in a lower depreciation and amortisation expense in FY2011.

Management fees

Management fees decreased by S$0.4 million or 12.4% from S$2.9 million in FY2010 to S$2.6 million in FY2011. This was due to our termination of the Management Services Agreement on 30 November 2011 and, hence, only eleven months' of management fees were incurred in FY2011.

Cost of goods sold

Cost of goods sold increased by S$92,000 or 13.2% to S$0.8 million in FY2011 along with the increase in school bookshop sales in FY2011.

Enrichment programme cost

Enrichment programme cost remained relatively stable at S$0.5 million in FY2011 even though enrichment programme revenue increased by 5.0% to S$0.8 million in FY2011, due to the increase in enrichment programme enrolment rates while the enrichment programme cost remained the same as the external service providers were paid a flat fee for their services.

Utilities, upkeep and maintenance

Utilities, upkeep and maintenance expenses increased by S$0.3 million or 18.1% from S$2.0 million in FY2010 to S$2.3 million in FY2011. This was mainly attributable to the increase in utilities expenses of S$0.2 million due to an increase in tariff rates and higher expenses incurred for the maintenance of our school buildings in FY2011.

Other operating expenses

Other operating expenses increased by S$0.3 million or 10.7% from S$3.2 million in FY2010 to S$3.5 million in FY2011. This was mainly due to the IT consultant's fee of S$0.2 million payable to Metaparadigm. Please refer to the section entitled "**Interested Person Transactions – Other Transactions**" of this Prospectus for more information.

In addition, the increase in other operating expenses was due to the increase in loss on disposal of plant and equipment of S$0.2 million, the increase in debit and credit card charges of S$0.1 million and these were partially offset by the decrease in the write-off of intangible assets of S$0.1 million due to the absence of the write-off of software development costs for projects which were aborted in FY2010 and the decrease in other miscellaneous expenses of S$0.1 million.

Profit before taxation

As a result of the foregoing, our profit before taxation increased by S$4.8 million or 25.7% from S$18.7 million in FY2010 to S$23.5 million in FY2011.

Income tax expense

Income tax expense increased by S$0.5 million or 14.2% from S$3.5 million in FY2010 to S$4.0 million in FY2011 in line with the increase in our profit before taxation.

Profit for the year

As a result of the foregoing, our profit for the year increased by S$4.3 million or 28.3% from S$15.2 million in FY2010 to S$19.5 million in FY2011.

HY2012 compared to HY2011

Revenue

In HY2012, our total revenue increased by S$2.2 million or 5.0% from S$44.2 million in HY2011 to S$46.4 million.

Tuition fees

Tuition fees revenue increased by S$1.5 million or 3.6% from S$42.3 million in HY2011 to S$43.8 million in HY2012. The increase was due to the increase in student enrolment. Over the period in HY2012, our average student enrolment increased by 127 or 6.8% from 1,877 students in HY2011 to 2,004 students in HY2012 for the Junior School and our average student increased by 13 or 0.7% from 1,762 students in HY2011 to 1,775 students in HY2012 for the Senior School.

Registration fees

Revenue derived from registration fees increased by S$0.7 million or 78.6% from S$0.9 million in HY2011 to S$1.7 million in HY2012. This was primarily due to the revision of the registration fee from S$1,000 to S$2,000 per student with effect from 9 March 2012.

School bookshop sales

School bookshop sales decreased by S$30,000 or 8.3% to S$331,000 in HY2012. This was due to lower sales of uniforms, books and stationery. For the second semester of the academic year, sales from the School's bookshop were mainly due from walk-in students / Clients and sales are dependent on the ad-hoc demand by them.

Enrichment programme revenue

Enrichment programme revenue increased by S$8,000 or 2.0% to S$415,000 in HY2012. This was a result of the higher enrolment in enrichment programmes in HY2012 as compared to HY2011 in line with the increase in average student enrolment numbers.

Interest income

Interest income remained relatively stable at S$0.1 million in HY2012 notwithstanding the higher average term bank deposit and fixed deposit balances as the effect was offset by the lower interests rates in HY2012 as compared to HY2011.

The interest rates ranged from 0.03% to 0.52% per annum, in HY2012 as compared to HY2011 when interest rates ranged from 0.10% to 0.80% per annum.

Other revenue

Other revenue decreased by S$25,000 or 32.1% from S$78,000 in HY2011 to S$53,000 in HY2012. This was mainly due to the absence of motor vehicle income in HY2012 pursuant to the termination of the Management Services Agreement with Master Projects on 30 November 2011 and this was partially offset by the IT consultancy income of S$22,000 earned pursuant to the provision of IT consultancy services by OFS to CAM (Please refer to the section entitled "**Interested Person Transactions – Present And On-going Interested Person Transactions**" of this Prospectus for more information) and the gain on disposal of plant and equipment of S$12,000.

Operating expenses

In HY2012, our total operating expenses increased by S$4.0 million or 12.7% from S$31.1 million in HY2011 to S$35.1 million.

Personnel expenses

Personnel expenses increased by S$5.2 million or 24.4% from S$21.1 million in HY2011 to S$26.3 million in HY2012. The increase was mainly attributable to the increase in headcount, salaries, bonuses and CPF contributions of S$4.6 million and the increase in other short-term benefits of S$0.5 million.

The increase in salaries, bonuses and CPF contributions was attributable to S$0.7 million pursuant to an increase in the number of academic personnel, in line with the increase in average student enrolment, S$2.2 million in salary adjustments made for all academic personnel including promotion-related adjustments and S$1.7 million for the transfer of administration staff previously employed by Master Projects to the School and the Company pursuant to the termination of the Management Services Agreement with Masters Project on 30 November 2011. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions**" of this Prospectus for more information.

The increase in other short-term benefits was mainly attributable to higher tuition fees paid by our School due to an increase in the number of our staff's children studying in the School and higher staff apartment rental costs attributable to an increase in the number of foreign academic staff.

School lease rental

School lease rental remained relatively stable at S$3.4 million in HY2012.

Depreciation expenses and amortisation of intangible assets

Depreciation expenses and amortisation of intangible assets decreased by S$0.2 million or 9.2%, from S$2.4 million in HY2011 to S$2.2 million in HY2012. The decrease was mainly attributable to lower capital expenditure in HY2012 which led to lower depreciation and amortisation costs.

Management fees

As compared to the management fees of S$1.4 million incurred in HY2011, no management fees were incurred in HY2012 pursuant to the termination of the Management Services Agreement with Master Projects on 30 November 2011. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions**" of this Prospectus for more information.

Cost of goods sold

Cost of goods sold decreased by S$34,000 or 14.2% from S$239,000 in HY2011 to S$205,000 in HY2012 along with the decrease in school bookshop sales in HY2012.

Enrichment programme cost

Enrichment programme cost increased by S$12,000 or 5.2% from S$232,000 in HY2011 to S$244,000 in HY2012 along with the increase in enrichment programme revenue.

Utilities, upkeep and maintenance

Utilities, upkeep and maintenance expenses increased by S$60,000 or 7.8% from S$773,000 in HY2011 to S$833,000 in HY2012. This was mainly attributable to higher tariff rates in HY2012.

Other operating expenses

Other operating expenses increased by S$0.3 million or 22.1% from S$1.6 million in HY2011 to S$1.9 million in HY2012. The increase was mainly attributable to directors' fees of S$0.2 million incurred in HY2012 following the appointment of additional directors upon the incorporation of the Company on 28 October 2011 and the increase in professional fees of S$0.2 million pursuant to the Invitation.

Profit before taxation

As a result of the foregoing, our profit before taxation decreased by S$1.7 million or 13.4%, from S$13.1 million in HY2011 to S$11.3 million in HY2012.

Income tax expense

Income tax expense decreased by S$0.3 million or 13.0% from S$2.2 million in HY2011 to S$1.9 million in HY2012 in line with the lower profit before taxation.

Profit for the six months ended 30 June 2012

As a result of the foregoing, our profit for the six months ended 30 June 2012 decreased by S$1.5 million or 13.4% from S$10.8 million in HY2011 to S$9.4 million in HY2012.

REVIEW OF FINANCIAL POSITION

Non-current assets

Our non-current assets consist of plant and equipment, intangible assets, fee protection insurance deposits, school lease deposits and staff housing deposits. Our non-current assets amounted to S$18.3 million or 18.1% of total assets and S$16.6 million or 19.4% of total assets as at 31 December 2011 and 30 June 2012 respectively.

Plant and equipment

Our plant and equipment consists of school furnishings, school renovations, school equipment, computers, motor vehicles and library books and media. Our plant and equipment amounted to S$10.4 million or 10.3% of total assets and S$8.8 million or 10.2% of total assets as at 31 December 2011 and 30 June 2012 respectively.

Intangible assets

Our intangible assets consist of internally developed computer software and acquired computer software. These software are used in our School's timetabling and subject management system, on-line assessment system and the OFS software application. Our intangible assets amounted to S$3.8 million or 3.7% of total assets and S$3.7 million or 4.3% of total assets as at 31 December 2011 and 30 June 2012 respectively.

Fee protection insurance deposits

Our fee protection insurance deposits consist of monies placed with an insurance company authorised by the CPE and earning an interest at 0.375% per annum as collateral against the insurance guarantee provided by the insurance company pursuant to the requirement under Section 49 of the Private Education Act for all registered private education institutions to enter into a student fee protection scheme approved by CPE. Accordingly, we had entered into such a scheme on 22 February 2010 with the insurance company. Our fee protection insurance deposits amounted to S$2.0 million or 2.0% of total assets and S$2.0 million or 2.4% of total assets as at 31 December 2011 and 30 June 2012 respectively.

School lease deposits

Our school lease deposits consist of lease deposits for the rental of our premises at the Paterson Road Site, the Harding Road Site and for the warehouse space at 315 Outram Road, #14-07, Tan Boon Liat Building, Singapore 169074. Our school lease deposits amounted to S$1.8 million or 1.8% of total assets and S$1.8 million or 2.1% of total assets as at 31 December 2011 and 30 June 2012 respectively.

Staff housing deposits

Our staff housing deposits consist of lease rental deposits for the rental of apartments for our academic personnel which are recorded as non-current assets, where the tenancy of these apartments are due to expire after 1 year from 31 December 2011 and 30 June 2012. Staff housing deposits amounted to S$0.3 million or 0.3% of total assets and S$0.4 million or 0.4% of total assets as at 31 December 2011 and 30 June 2012 respectively.

Current assets

Our current assets consist of inventories, trade receivables, other receivables and deposits, prepayments, amounts due from director-related company, cash and bank balances, fixed deposits and term bank deposits. Current assets amounted to S$82.6 million or 81.9% of total assets and S$69.2 million or 80.6% of total assets as at 31 December 2011 and 30 June 2012 respectively.

Inventories

Our inventories consist of school uniforms, books and stationery supplies for sale at our school bookshop. Inventories amounted to S$0.6 million or 0.6% of total assets and S$0.6 million or 0.7% of total assets as at 31 December 2011 and 30 June 2012 respectively.

Trade receivables

Our trade receivables consist of amounts attributable to tuition fees, registration fees, school bookshop sales and other revenue. Trade receivables are non-interest bearing and have credit terms of 0 to 60 days. Trade receivables amounted to S$0.6 million or 0.6% of total assets and S$2.3 million or 2.7 % of total assets as at 31 December 2011 and 30 June 2012 respectively.

Other receivables and deposits

Our other receivables and deposits consist of interest income receivable from fixed deposits and term bank deposits, and lease deposits for the rental of apartments for our academic staff which are recorded as current assets where the tenancy of these apartments are expiring in less than 1 year's time. Other receivables and deposits amounted to S$0.4 million or 0.4% of total assets and S$0.3 million or 0.4% as at 31 December 2011 and 30 June 2012 respectively.

Prepayments

Our prepayments consist mainly of prepaid lease rental of apartments for our academic staff and prepaid Invitation expenses. Prepayments amounted to S$1.3 million or 1.3% of total assets and S$2.1 million or 2.5% of total assets as at 31 December 2011 and 30 June 2012 respectively.

Amounts due from director-related company

During HY2012, the Group rendered IT consultancy services to Centre for Advanced Medical Ltd ("**CAM**"), a wholly owned subsidiary of Master Projects, for the development, implementation and support of their patient management system which amounted to S$22,200. As at 30 June 2012, S$15,300 was outstanding from CAM. This amount had since been paid on 18 July 2012.

Cash and bank balances

Our cash and bank balances amounted to S$7.6 million or 7.6% of total assets and S$11.3 million or 13.2% of total assets as at 31 December 2011 and 30 June 2012 respectively.

Cash and bank balances earn interest at floating rates based on daily bank deposit rates.

Fixed deposits and term bank deposits

In aggregate, fixed deposits and term bank deposits amounted to S$72.0 million or 71.4% of total assets and S$52.5 million or 61.2 % of total assets as at 31 December 2011 and 30 June 2012 respectively.

Fixed deposits and term bank deposits were placed for varying periods of between one month and twelve months depending on our immediate cash requirements and earned interest ranging from 0.03% to 0.8% per annum.

Current liabilities

Our current liabilities consist of trade payables, other payables, fees received in advance, GST payable, CPF payable and income tax payable. Our current liabilities amounted to S$44.7 million or 96.9% of total liabilities and S$28.3 million or 95.4% of total liabilities as at 31 December 2011 and 30 June 2012 respectively.

Trade payables

Our trade payables consist of amounts payable for our school bookshop purchases, insurance premium, utilities, and upkeep and maintenance of our School premises. Trade payables amounted to S$0.3 million or 0.7% of total liabilities and S$0.3 million or 1.1% of total liabilities as at 31 December 2011 and 30 June 2012 respectively.

Other payables

Our other payables consist of accrued staff and related cost pertaining to unutilised leave provision and payables to other creditors which mainly pertains to unclaimed excess payments. Unutilised leave provision is recognised for employees' entitlements to annual leave for services which have been rendered. Other payables amounted to S$1.5 million or 3.3% of total liabilities and S$1.0 million or 3.4% of total liabilities as at 31 December 2011 and 30 June 2012 respectively.

Fees received in advance

Our fees received in advance consist of tuition fees invoiced and received for the semester beginning in the next financial year/period. Fees received in advance amounted to S$35.2 million or 76.5% of total liabilities and S$21.3 million or 72.0% of total liabilities as at 31 December 2011 and 30 June 2012 respectively.

GST payable

GST payable amounted to S$2.8 million or 6.1% of total liabilities and S$3.3 million or 11.2% of total liabilities as at 31 December 2011 and 30 June 2012 respectively.

CPF payable

CPF payable amounted to S$0.4 million or 1.0% of total liabilities and S$0.3 million or 1.1% of total liabilities as at 31 December 2011 and 30 June 2012 respectively.

Income tax payable

Income tax payable amounted to S$4.4 million or 9.5% of total liabilities and S$2.0 million or 6.7% of total liabilities as at 31 December 2011 and 30 June 2012 respectively.

Non-current liabilities

Our non-current liabilities consist of deferred tax liabilities. Non-current liabilities amounted to S$1.4 million or 3.1% of total liabilities and S$1.4 million or 4.6% of total liabilities as at 31 December 2011 and 30 June 2012 respectively.

Equity attributable to owners of the Company

Equity attributable to owners of the Company consists of share capital, revenue reserve and other reserves, which in aggregate, amounted to S$54.8 million and S$56.2 million as at 31 December 2011 and 30 June 2012 respectively.

LIQUIDITY AND CAPITAL RESOURCES

Sources of liquidity

Our Group finances its operations through internal resources. Internal resources refer to cash generated from our operating activities. The principal uses of our resources are mainly for capital expenditures, working capital requirements and operating expenses.

As at the date of lodgement of this Prospectus, our Directors are of the opinion that we have adequate working capital available to our Group to meet our current requirements, taking into account our Group's internal resources and cash flow generated from operating activities.

Please refer to the section entitled "**Capitalisation and Indebtedness**" of this Prospectus for more information.

The following table sets out a summary of our Group's cash flow for the Period Under Review.

	← Audited		→	← Unaudited	→
S$'000	**FY2009**	**FY2010**	**FY2011**	**HY2011**	**HY2012**
Cash flows from operating activities before working capital changes	21,084	24,308	28,317	15,576	13,399
Working capital changes					
Decrease in student refundable deposits	(4,754)	(10,818)	–	–	–
Other working capital changes	(546)	(595)	2,997	(10,998)	(16,502)
Interest received and income tax paid	(3,331)	(2,895)	(3,354)	(3,452)	(4,242)
Net cash generated from/(used in) operating activities	12,453	10,000	27,960	1,126	(7,345)
Net cash used in investing activities	(4,108)	(3,596)	(3,351)	(1,047)	(464)
Net cash used in financing activities	(1,443)	(10,546)	(7,836)	(2,833)	(8,000)
Net increase/(decrease) in cash and cash equivalents	6,902	(4,142)	16,773	(2,754)	(15,809)
Cash and cash equivalents at beginning of the year / period	60,096	66,998	62,856	62,856	79,629
Cash and cash equivalents at end of the year / period	66,998	62,856	79,629	60,102	63,820

FY2009

Net cash generated from operating activities

In FY2009, we generated net cash flow from operating activities of S$12.5 million which consisted of cash flows from operating activities before working capital changes of S$21.1 million, net working capital outflow of S$5.3 million, interest received of S$0.3 million and income tax paid of S$3.6 million.

The net working capital outflow arose mainly from the following:-

(i) the decrease in student refundable deposits of S$4.8 million mainly due to the partial refund of student refundable deposits to Clients on a goodwill basis in light of the economic conditions then;

(ii) the decrease in trade payables, other payables and fees received in advance of S$0.9 million mainly due to the decrease in the number of Clients who paid as at 31 December 2009; and

(iii) partially offset by the decrease in trade receivables of S$0.4 million due to our increased efforts in collecting payments due from our Clients.

Net cash used in investing activities

In FY2009, we recorded a net cash outflow from investing activities of S$4.1 million mainly due to the following:-

(i) acquisition of plant and equipment of S$3.2 million, which was mainly due to the purchase of computers and improvement works done on the network infrastructure amounting to S$0.8 million, school renovations and improvements of S$1.6 million, and expenses relating to school furnishings, school equipment, library books and media and motor vehicles in aggregate of S$0.8 million as part of regular annual renewal and replacement process;

(ii) additions of intangible assets of S$1.0 million, which was mainly due to the investment in internally developed computer software for the upgrades to the timetabling and subject management system and the OFS software application; and

(iii) partially offset by the proceeds from disposal of plant and equipment in relation to motor vehicles of S$71,000.

Net cash used in financing activities

In FY2009, we recorded a net cash outflow from financing activities of S$1.4 million which was mainly due to the following:-

(i) the payment of an interim dividend for FY2009 of S$1.5 million; and

(ii) partially offset by a decrease in receivables from a director-related company, Master Projects, which amounted to S$57,000.

FY2010

Net cash generated from operating activities

In FY2010, we generated net cash flow from operating activities of S$10.0 million which consisted of cash flows from operating activities before working capital changes of S$24.3 million, net working capital outflow of S$11.4 million, interest received of S$0.2 million and income tax paid of S$3.1 million.

The net working capital outflow arose mainly from the following:-

(i) the decrease in student refundable deposits of S$10.8 million, mainly due to refund of S$10.5 million to our Clients pursuant to the implementation of the Private Education Regulation 2009 under the Private Education Act by CPE with the remaining S$0.3 million outstanding belonging to Clients who were not contactable being re-classified as part of other creditors;

(ii) the increase in non-current deposits of S$2.2 million mainly due to the placement of fee protection insurance deposits with an insurance company. Our fee protection insurance deposits consist of monies placed with an insurance company authorised by CPE and earning an interest at 0.375% per annum as collateral against the insurance guarantee provided by the insurance company pursuant to the requirement under Section 49 of the Private Education Act for all registered private education institutions to enter into a student fee protection scheme approved by CPE. Accordingly, we had entered into such a scheme on 22 February 2010 with the insurance company;

(iii) these were partially offset by the net increase of S$0.9 million in trade payables, other payables and fees received in advance which consisted of (a) the increase in fees received in advance of S$3.7 million mainly due to the revision in the tuition fees across all grades of the School commencing from August 2010, (b) the increase in GST payable of S$0.4 million and (c) the decrease in unclaimed excess payments of S$3.2 million which was due to the Group's increased efforts in refunding these excess payments; and

(iv) partially offset by the decrease in trade receivables of S$0.8 million due to our increased efforts in collecting payments due from our Clients.

Net cash used in investing activities

In FY2010, we recorded a net cash outflow from investing activities of S$3.6 million mainly due to the following:-

(i) acquisition of plant and equipment of S$2.7 million, which was mainly attributable to School renovations and improvements, which amounted to S$1.2 million, and expenses relating to school furnishings, school equipment, library books and media and motor vehicles in aggregate of S$1.5 million, as part of regular annual renewal and replacement process;

(ii) additions of intangible assets of S$1.0 million, which was mainly due to the investment in internally developed computer software for the upgrades to the timetabling and subject management system and the OFS software application; and

(iii) partially offset by the proceeds from disposal of plant and equipment in relation to motor vehicles of S$78,000.

Net cash used in financing activities

In FY2010, we recorded a net cash outflow from financing activities of S$10.5 million, which was mainly due to the payment of a final dividend for FY2009 of S$4.5 million and an interim dividend for FY2010 of S$6.0 million.

FY2011

Net cash generated from operating activities

In FY2011, we generated net cash flow from operating activities of S$28.0 million which consisted of cash flows from operating activities before working capital changes of S$28.3 million, net working capital inflow of S$3.0 million, interest received of S$0.2 million and income tax paid of S$3.5 million.

The net working capital inflow arose mainly from the following:-

(i) the increase in fees received in advance of S$3.7 million due to the increase in the number of Clients who had paid tuition fees for the next semester as at 31 December 2011 and this was in line with the increase in average student enrolment from 3,597 in FY2010 to 3,680 in FY2011; and

(ii) this was partially offset by the increase in other receivables, deposits and prepayments of S$0.7 million mainly due to the prepayment of Invitation expenses of S$0.6 million in FY2011.

Net cash used in investing activities

In FY2011, we recorded a net cash outflow from investing activities of S$3.4 million mainly due to the following:-

(i) acquisition of plant and equipment of S$3.0 million, which was mainly due to the purchase and upgrading of computers amounting to S$1.4 million, school renovations and improvements of S$0.7 million, expenses relating to school furnishings, school equipment, library books and media and motor vehicles in aggregate of S$0.9 million as part of regular annual renewal and replacement process;

(ii) additions of intangible assets of S$0.5 million, which was mainly due to the investment in internally developed computer software and acquisition of computer software for the upgrades to the timetabling and subject management system and the OFS software application; and

(iii) partially offset by the proceeds from disposal of plant and equipment in relation to motor vehicles of S$0.2 million.

Net cash used in financing activities

In FY2011, we recorded a net cash outflow from financing activities of S$7.8 million, which was mainly due to the payment of an interim dividend for FY2011 of S$8.0 million and this was partially offset by a decrease in receivables from a director-related company, Master Projects, of S$0.2 million.

HY2011

Net cash generated from operating activities

In HY2011, net cash generated from operating activities was S$1.1 million, which consisted of cash inflows from operating activities before working capital changes of S$15.5 million, net working capital outflow of S$11.0 million, interest received of S$0.1 million, and income tax paid of S$3.5 million.

The net working capital outflow arose mainly from the following:-

(i) the decrease in fees received in advance of S$10.7 million, as tuition fees invoiced for the semester commencing in August 2011 were only due for payment after 30 June 2011, namely thirty days before the start of the new semester, whereas tuition fees invoiced for the semester commencing in January 2011 would have been largely collected by 31 December 2010 given that they were due for payment thirty days before the start of the new semester;

(ii) increase in trade receivables of S$1.0 million was attributable to the same reason as described in (i) above. Tuition fees billed in HY2011 for the new semester commencing in August 2011 were only due for payment after 30 June 2011, namely thirty days before the start of the new semester; and

(iii) the above was partially offset by an increase in trade and other payables of S$1.2 million, which were mainly due to slower payment to suppliers and higher unclaimed excess payments.

Net cash used in investing activities

In HY2011, we recorded a net cash outflow from investing activities of S$1.0 million mainly due to the following:-

(i) acquisition of plant and equipment of S$1.1 million, which was mainly due to the purchase and upgrading of computers amounting to S$309,000, school renovations and improvements of S$232,000, motor vehicle purchases of S$226,000, expenses relating to school furnishings, school equipment, library books and media in aggregate of S$304,000, as part of the regular annual renewal and replacement process; and

(ii) addition of intangible assets of S$0.1 million, which was mainly due to the investment in internally developed computer software and acquisition of computer software for the upgrades to the timetabling and subject management system and the OFS software application.

Net cash used in financing activities

In HY2011, the net cash outflow from financing activities was S$2.8 million. This was mainly due to the payment of an interim dividend in respect of FY2011 of S$3.0 million.

HY2012

Net cash used in operating activities

In HY2012, net cash used in operating activities was S$7.3 million, which consisted of cash inflows from operating activities before working capital changes of S$13.4 million, net working capital outflow of S$16.5 million, interest received of S$0.1 million, and income tax paid of S$4.3 million.

The net working capital outflow arose mainly from the following:-

(i) the decrease in fees received in advance of S$13.9 million, as tuition fees invoiced for the semester commencing in August 2012 were only due for payment after 30 June 2012, namely thirty days before the start of the new semester, whereas tuition fees invoiced for the semester commencing in January 2012 would have been largely collected by 31 December 2011 given that they were due for payment thirty days before the start of the new semester;

(ii) increase in trade receivables of S$1.7 million was attributable to the same reason as described in (i) above. Tuition fees billed in HY2012 for the new semester commencing in August 2012 were only due for payment after 30 June 2012, namely thirty days before the start of the new semester; and

(iii) increase in other receivables, deposits and prepayments of S$0.8 million, mainly due to prepayment of Invitation expenses of S$0.6 million in HY2012.

Net cash used in investing activities

In HY2012, we recorded a net cash outflow from investing activities of S$0.5 million mainly due to the following:-

(i) acquisition of plant and equipment of S$0.2 million, which was mainly due to the purchase and upgrading of computers amounting to S$32,000, school renovations and improvements of S$34,000, expenses relating to school furnishings, school equipment, library books and media in aggregate of S$116,000, as part of the regular annual renewal and replacement process; and

(ii) addition of intangible assets of S$0.3 million, which was mainly due to the investment in internally developed computer software and acquisition of computer software for the upgrades to the timetabling and subject management system and the OFS software application.

Net cash used in financing activities

In HY2012, the net cash outflow from financing activities was S$8.0 million. This was due to the payment of an interim dividend in respect of FY2012 of S$8.0 million.

HY2012 compared to HY2011

In HY2012, net cash used in operating activities was S$7.3 million while in HY2011, net cash generated from operating activities was S$1.1 million. This was primarily due to the following:-

(i) a S$2.1 million decrease in cash inflows from operating activities before working capital changes from S$15.5 million in HY2011 to S$13.4 million in HY2012 mainly attributable to the lower profit before taxation recorded of S$11.3 million in HY2012 against S$13.1 million in HY2011; and

(ii) a S$5.5 million increase in net working capital outflow from S$11.0 million in HY2011 to S$16.5 million in HY2012 mainly attributable to more tuition fees collected in advance by 31 December 2011 for the semester commencing in January 2012 as compared with that collected by 31 December 2010 for the semester commencing in January 2011, such that the decrease in fees received in advance for HY2012 was greater than that for HY2011.

CAPITAL EXPENDITURE AND DIVESTMENTS

The following table sets out a summary of our Group's capital expenditure and divestments for the Period Under Review and up to the Latest Practicable Date:-

Expenditures (S$'000)	FY2009	FY2010	FY2011	HY2012	1 July 2012 to the Latest Practicable Date
School furnishings	212	285	53	2	55
School renovations	1,593	1,214	719	34	268
School equipment	332	288	345	54	104
Computers	797	369	1,358	32	785
Motor vehicles	87	174	296	–	462
Library books and media	203	358	264	60	177
Internally developed computer software	947	980	527	310	183
Acquired computer software	8	5	–	–	23
Total	**4,179**	**3,673**	**3,562**	**492**	**2,057**

Divestments (S$'000)	FY2009	FY2010	FY2011	HY2012	1 July 2012 to the Latest Practicable Date
School furnishings	–	–	2,155	15	11
School renovations	22	5,749	533	–	–
School equipment	165	66	2,482	74	57
Computers	475	16	2,866	1	140
Motor vehicles	124	129	483	–	473
Library books and media	171	14	2,126	61	66
Internally developed computer software	–	89	534	64	50
Acquired computer software	–	–	144	–	52
Total	**957**	**6,063**	**11,323**	**215**	**849**

FY2009

In FY2009, our Group incurred a total of S$4.2 million in capital expenditure. This was mainly attributable to school renovations, of which S$1.3 million was spent on renovation and upgrading works to the Elementary School building and on improving the drainage and turf of the soccer and rugby fields. Our Group also acquired computers and upgraded the servers and network infrastructure which amounted to S$0.8 million. In addition, we invested in internally developed computer software which amounted to S$0.9 million for upgrades to the timetabling and subject management system and OFS software application.

In FY2009, our divestment of non-current assets comprised mainly the following:-

(i) disposal of School equipment which included air-conditioning equipment which had broken down, old copiers and printers;

(ii) disposal of obsolete computers; and

(iii) disposal of two motor vehicles, one of which was replaced and the other pursuant to the resignation of the personnel who was using it.

FY2010

In FY2010, our Group incurred a total of S$3.7 million in capital expenditure. This was mainly attributable to school renovations of S$1.2 million, of which approximately S$0.9 million was spent on renovation and upgrading works to the High School building. We also invested in internally developed computer software which amounted to S$1.0 million for upgrades to the timetabling and subject management system and OFS software application.

In FY2010, our divestment of non-current assets comprised mainly the following:-

(i) write-off of School renovations that were replaced during regular upgrading and improvement works done; and

(ii) disposal of one motor vehicle pursuant to the resignation of the personnel who was using it.

FY2011

In FY2011, our Group incurred a total of S$3.6 million in capital expenditure. This was mainly attributable to the acquisition of computers which amounted to S$1.4 million, of which S$1.1 million was spent on upgrading all the computers used by our students in the School premises. Our Group spent S$0.7 million on school renovations and improvements to the general administration office building and the Middle School building. We also invested in internally developed computer software which amounted to S$0.5 million for upgrades to the timetabling and subject management system and OFS software application.

In FY2011, our divestment of non-current assets comprised mainly the following:-

(i) write-off of School furnishings, School renovations and School equipment that were replaced during regular upgrading and improvement works done;

(ii) disposal of obsolete computers; and

(iii) write-off of library books and media which have been fully depreciated and no longer in use.

HY2012

In HY2012, our Group incurred a total of S$0.5 million in capital expenditure. This was mainly attributable to our investment in internally developed computer software which amounted to S$0.3 million for upgrades to the timetabling and subject management system and OFS software application. Our Group also acquired computers and library books and media which amounted to S$0.1 million. In addition, we incurred S$0.1 million on school renovation and improvements works on the High School and Middle School buildings and school equipment.

In HY2012, our divestment of non-current assets comprised mainly the following:-

(i) write-off of School equipment which included air-conditioners, old copiers and printers;

(ii) disposal of obsolete computers and servers; and

(iii) write-off of library books which have been fully depreciated and no longer in use.

COMMITMENTS

As at the Latest Practicable Date, we had operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of the rental of the Paterson Road Site, the Harding Road Site, warehouse space and apartments for our academic staff as follows:-

S$'000	**As at the Latest Practicable Date**
Not later than 1 year	11,091
Later than 1 year but not later than 5 years	12,243[(1)]
Later than 5 years	–
Total	**23,334**

Note:-

(1) This commitment consists of the following:-

(i) the rental expense of S$10.2 million to be incurred during the lease extension to 30 June 2015 (assuming that there is no increase from the existing monthly rental of S$553,061) of the Paterson Road Site;

(ii) the rental expenses of S$0.2 million to be incurred during the remainder of the existing signed leases of the Harding Road Site and the warehouse space located at 315 Outram Road, #14-07, Tan Boon Liat Building which will be expiring on 1 May 2015 and 31 August 2014 respectively; and

(iii) the rental expenses of S$1.8 million to be incurred pursuant to the existing leases of Group's staff lodging. These leases are generally on 2-year terms with various dates of expiry.

Our Group leased the Paterson Road Site and the Harding Road Site from the SLA for a term of 3 years with effect from 25 July 2010 and 2 May 2012, respectively.

In relation to the Paterson Road Site, on 9 May 2012, OFS wrote to the SLA confirming our application for the aforesaid extension of the lease and on 6 June 2012, the SLA responded in writing that they are processing the request and will inform us once approval has been obtained from the relevant government agencies. On 3 July 2012, the SLA responded in writing to confirm that they have obtained approval for the direct grant of tenancy to our School from 25 July 2013 to 30 June 2015. Pursuant to the lease extension beginning 25 July 2013, an inspection of the Paterson Road Site and a valuation will be carried out by the Chief Valuer prior to the commencement of the lease, before a tenancy agreement can be signed between the SLA and OFS. Depending on the valuation by the Chief Valuer, there may be a revision to the annual rental expense for the Paterson Road Site.

Our Group leased the warehouse space, located at 315 Outram Road, #14-07, Tan Boon Liat Building, Singapore 169074, from 1 September 2012 for a term of two years.

We will fund these commitments using cash generated from operations.

Save as disclosed above our Group does not have any other material operating lease commitments as at the Latest Practicable Date.

Capital Commitments

Our Group did not have any material commitments for capital expenditure as at the Latest Practicable Date.

CONTINGENT LIABILTIES

As at the Latest Practicable Date, we are not aware of any material contingent liabilities which may have a material effect on the financial position and profitability of our Group.

CHANGES IN ACCOUNTING POLICIES

Saved as disclosed in the "**Audited Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Financial Years Ended 31 December 2009, 2010 and 2011**" and "**Unaudited Interim Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Six-Month Period Ended 30 June 2012**" as set out in Appendices A and B of this Prospectus, respectively, we have not made any significant changes in our accounting policies during the Period Under Review.

INFLATION

For the Period under Review, the performance of our Group had not been materially affected by inflation.

However, our Group's revenue and results of operations may be affected by inflationary pressures in the current financial year ending 31 December 2012. Please refer to the section entitled "**Prospects, Business Strategies and Future Plans – Trends and Order Book**" of this Prospectus for more information.

SHARE CAPITAL

Our Company was incorporated in the Republic of Singapore on 28 October 2011 under the Act as a public company limited by shares, under the name, "Overseas Education Limited" bearing company registration number 201131905D.

As at the date of this Prospectus, the issued and paid-up capital of our Company was S$31,219,241 comprising of 265,363,548 Shares.

At an extraordinary general meeting held on 28 June 2012, our Shareholders approved, *inter alia*, the following:-

(i) the Share Split;

(ii) the allotment and issue of the New Shares which are the subject of the Invitation, on the basis that the New Shares, when allotted, issued and fully paid-up, will rank *pari passu* in all respects with the existing issued and fully paid-up Shares;

(iii) the authorisation for our Directors, pursuant to Section 161 of the Companies Act and the Articles, to: (a) issue Shares whether by way of rights, bonus or otherwise; (b) 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) 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 shall in their absolute discretion deem fit; and (c) (notwithstanding the authority conferred by this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided that:-

   (a) the aggregate number of Shares be issued pursuant to such authority (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this authority) does not exceed 50.0% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the then existing Shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20.0% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

   (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of the issued Shares shall be based on the total number of issued Shares of the Company (excluding treasury shares) immediately after the Invitation, after adjusting for:-

      (aa) new Shares arising from the conversion or exercise of any convertible securities;

      (bb) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this authority is passed; and

      (cc) any subsequent consolidation or sub-division of Shares;

   (c) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles for the time being of the Company; and (aa) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall take effect from the Listing Date and continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier and 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.

Upon allotment and issue of the New Shares, the resultant issued and paid-up capital of our Company will be increased to S$87,276,779 comprising 390,363,548 Shares.

As at the date of this Prospectus, our Company has only one class of shares, being ordinary shares. The rights and privileges of our Shares are stated in the Articles of Association of our Company. There are no founder, management or deferred Shares.

No person has been, or is to be given the right to register an option to subscribe for or purchase any securities of our Company or any of our subsidiaries. As at the Latest Practicable Date, no option to subscribe for Shares in our Company had been granted to, or had been exercised by any of our Directors. As at the Latest Practicable Date, the Shares held by our Controlling Shareholders and the Invitation Shares to be allotted and issued were not subject to any pledge, mortgage or any other form of encumbrance.

Details of the changes in the issued and paid-up share capital of our Company since our incorporation and immediately after the Invitation are as follows:-

	Resultant number of Shares	**Resultant issued and paid-up share capital (S$)**
Issued and paid-up Shares as at our incorporation	100	100
After issuance of 15,921,762 Shares to PDAC Private Limited pursuant to the Restructuring Exercise(1)	15,921,862	15,921,862
After issuance of 15,297,379 Shares to WLH Private Limited pursuant to the Restructuring Exercise(2)	31,219,241	31,219,241
Share Split	265,363,548	31,219,241
125,000,000 New Shares to be issued pursuant to the Invitation	390,363,548	87,276,779

Notes:-

(1) PDAC Private Limited is wholly-owned by our Executive Chairman and CEO, Mr. David Perry.

(2) WLH Private Limited is wholly-owned by our Executive Director, Ms. Irene Wong.

Save as disclosed below, there were no changes in the issued and paid-up capital of our Group within the three years preceding the Latest Practicable Date:-

Company	Date of Issue	Purpose of Issue	Number of Shares issued	Issue Price	Amount of Capital Contributed	Resultant Issued Share Capital
Overseas Family School Limited	2 September 2009	Bonus shares	4,700,000	S$1	S$4,700,000	S$5,000,000
Overseas Education Limited	28 October 2011	Subscription on incorporation	100	S$1	S$100	S$100
	28 December 2011	Consideration for the acquisition of 2,550,000 OFS Shares from David Perry	15,920,735	S$1	S$15,920,735	S$15,920,835
	28 December 2011	Consideration for the acquisition of 2,450,000 OFS Shares from Irene Wong	15,296,392	S$1	S$15,296,392	S$31,217,227
	28 December 2011	Consideration for the acquisition of 114,750 OFSHK Shares from David Perry[(1)]	1,027	S$1	S$1,027	S$31,218,254
	28 December 2011	Consideration for the acquisition of 110,250 OFSHK Shares from Irene Wong[(1)]	987	S$1	S$987	S$31,219,241

Note:-

(1) Based on an exchange rate of S$1 = HK$6

RESTRUCTURING EXERCISE

The Restructuring Exercise, comprising the following steps, was undertaken by our Group to streamline our Group structure and to prepare for the listing of our Company:-

(i) Incorporation of our Company

Our Company was incorporated in the Republic of Singapore on 28 October 2011 as public company limited by shares to act as the holding company of our Group. On incorporation, our Company's issued and paid-up share capital was S$100 comprising 100 Shares, with 51 Shares and 49 Shares allotted and issued to our Executive Chairman and CEO, Mr. David Perry and our Executive Director, Ms. Irene Wong, respectively.

(ii) Acquisition of Singapore subsidiary, OFS

On the founding of OFS, in consideration of the sum of S$25,000 paid by Ms. Irene Wong to Mr. David Perry, Mr. David Perry had granted to Ms. Irene Wong a perpetual option for Ms. Irene Wong to acquire up to 49.0% (less 1 MP Share already owned by Ms. Irene Wong) of the MP Shares held by Mr. David Perry, for a nominal consideration of S$1.

Pursuant to the Restructuring Agreement, Ms. Irene Wong elected to exercise the option for 49.0% of the MP Shares (less 1 MP Share already held by Ms. Irene Wong). Mr. David Perry and Ms. Irene Wong agreed that in lieu of Mr. David Perry transferring to Ms. Irene Wong such number of MP Shares as would comprise 49.0% (less 1 MP Share) of the total number of issued MP Shares, Mr. David Perry assigned, and directed Master Projects to pay, 49.0% of the OFS Interim Dividend (being the sum of S$15,296,392) to Ms. Irene Wong. Mr. David Perry was therefore entitled to 51.0% of the OFS Interim Dividend (being the sum of S$15,920,735).

The audited NTA of OFS as at 31 December 2010 was S$39,217,127. Following the payment of dividends aggregating S$8,000,000 on 31 January 2011 and 21 September 2011, the adjusted NTA of OFS as at 31 December 2010 was S$31,217,127.

On 25 November 2011, Master Projects transferred the entire shareholding of OFS, comprising 5,000,000 OFS Shares, to its two shareholders, Mr. David Perry and Ms. Irene Wong. Master Projects transferred 2,550,000 OFS Shares to Mr. David Perry for a consideration of S$15,920,735 and transferred 2,450,000 OFS Shares to Ms. Irene Wong for a consideration of S$15,296,392. Master Projects, Mr. David Perry and Ms. Irene Wong agreed that the aforesaid total consideration of S$31,217,127 would be set-off against the OFS Interim Dividend.

On 28 December 2011, the Company acquired the entire shareholding of OFS comprising 5,000,000 OFS Shares held by Mr. David Perry and Ms. Irene Wong. In consideration of Mr. David Perry's transfer of 2,550,000 OFS Shares to the Company, the Company allotted and issued 15,920,735 new Shares to PDAC Private Limited, a private limited liability company incorporated in Singapore solely owned by Mr. David Perry, and a nominee of Mr. David Perry. In consideration of Ms. Irene Wong's transfer of 2,450,000 OFS Shares to the Company, the Company allotted and issued 15,296,392 new Shares to WLH Private Limited, a private limited liability company incorporated in Singapore, solely owned by Ms. Irene Wong and a nominee of Ms. Irene Wong.

(iii) Acquisition of Hong Kong subsidiary, OFSHK

Prior to the transfer of shares as described below, Mr. David Perry held 1 OFSHK Share. Pursuant to the Restructuring Agreement, on 23 November 2011, Master Projects transferred its entire shareholding in OFSHK comprising 224,999 OFSHK Shares to Mr. David Perry and Ms. Irene Wong for a total consideration of HK$12,086. Master Projects transferred 114,749 OFSHK Shares to Mr. David Perry for a consideration of HK$6,164 and transferred 110,250 OFSHK Shares to Ms. Irene Wong for a consideration of HK$5,922.

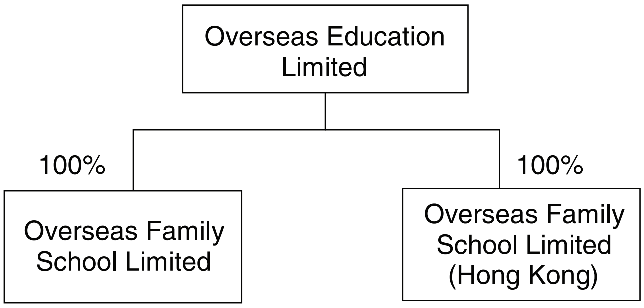
On 28 December 2011, the Company acquired the entire shareholdings in OFSHK comprising 225,000 OFSHK Shares from Mr. David Perry and Ms. Irene Wong. In consideration of Mr. David Perry's transfer of 114,750 OFSHK Shares to the Company, the Company allotted and issued 1,027 new Shares to PDAC Private Limited, a nominee of Mr. David Perry. In consideration of Ms. Irene Wong's transfer of 110,250 OFSHK Shares to the Company, the Company allotted and issued 987 new Shares to WLH Private Limited, a nominee of Ms. Irene Wong. The consideration was based on the unaudited NTA of OFSHK as at 30 November 2011.

(iv) Transfer of Shares to nominees of Mr. David Perry and Ms. Irene Wong respectively

On 27 February 2012, Mr. David Perry and Ms. Irene Wong transferred their 51 and 49 initial subscriber Shares to their nominees, PDAC Private Limited and WLH Private Limited, respectively.

GROUP STRUCTURE

Our Group structure as at the date of this Prospectus is as follows:-



SUBSIDIARIES

The details of the subsidiaries of our Company as at the date of this Prospectus are as follows:-

Name of Company	Principal Activities	Date and Place of Incorporation	Principal Place of Business	Effective Equity Held By Group	Issued Capital
Overseas Family School Limited	Operating a foreign system school	27 August 1991 Singapore	Singapore	100%	S$5,000,000
Overseas Family School Limited (Hong Kong)	Dormant[1]	24 November 1992 Hong Kong	Hong Kong	100%	HK$225,000

Note:-

(1) OFSHK has been dormant since incorporation. It was incorporated to reserve the name of the company for the Group's proposed expansion into Hong Kong when the conditions there were favourable. As that plan has not been implemented yet, OFSHK has remained dormant since incorporation.

None of our Independent Directors sits on the board of the Company's principal subsidiaries based in jurisdictions outside Singapore.

SHAREHOLDERS

Our Shareholders and their respective shareholdings immediately before and after the Invitation are set out below:-

	Before the Invitation				After the Invitation			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
David Perry[1]	–	–	135,335,410	51.0	–	–	135,335,410	34.7
Irene Wong[2]	–	–	130,028,138	49.0	–	–	130,028,138	33.3
Ho Yew Mun	–	–	–	–	–	–	–	–
Tan Teng Muan	–	–	–	–	–	–	–	–
Leow Wee Kia Clement	–	–	–	–	–	–	–	–
Substantial Shareholders								
PDAC Private Limited	135,335,410	51.0	–	–	135,335,410	34.7	–	–
WLH Private Limited	130,028,138	49.0	–	–	130,028,138	33.3	–	–
Public (including Reserved Shares)	–	–	–	–	125,000,000	32.0	–	–
Total	**265,363,548**	**100.0**			**390,363,548**	**100.0**		

Notes:-

(1) Our Executive Chairman and CEO, Mr. David 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.

(2) Our Executive Director, Ms. Irene Wong 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.

There are no family relationships among our Directors and Substantial Shareholders.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the New Shares which are the subject of the Invitation.

Save as disclosed above, our Company is not directly or indirectly owned or controlled by another corporation, any government or other natural or legal person whether severally or jointly. There is no known arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company.

There has not been any public takeover offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or the units of a business trust, which had occurred between 1 January 2011 and the Latest Practicable Date.

Significant Changes in the Percentage of Ownership

Save as disclosed under the sections entitled "**General Information on our Group – Share Capital**" and "**General Information on our Group – Restructuring Exercise**" of this Prospectus, there had been no significant changes in the percentage of ownership of the Shares in our Company in the Relevant Period.

MORATORIUM

To demonstrate their commitment to our Group, each of PDAC Private Limited and WLH Private Limited who in aggregate hold 265,363,548 Shares, representing approximately 68.0% of our Company's post-Invitation share capital, has undertaken not to assign, dispose of or transfer or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of their respective interest in the Company for a period of six months commencing from the Listing Date.

Our Executive Chairman and CEO, Mr. David Perry and our Executive Director, Ms. Irene Wong who hold the entire issued and paid-up share capital of PDAC Private Limited and WLH Private Limited respectively, have each undertaken not to assign, dispose of or transfer or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of their respective interest in PDAC Private Limited and WLH Private Limited for a period of six months commencing from the Listing Date.

In addition, PDAC Private Limited had entered into the Share Lending Agreement with the Joint Underwriters to lend up to 25,000,000 Shares to the Joint Underwriters for the purpose of effecting the over-allotment or stabilisation activities in connection with the Invitation. Any Shares that may be borrowed by the Joint Underwriters under the Share Lending Agreement will be returned by the Joint Underwriters to PDAC Private Limited either through the purchase of Shares in the open market by the Joint Underwriters in the conduct of stabilisation activities or through exercise of the Over-allotment Option by the Joint Underwriters and will thereafter be subject to the aforementioned moratorium undertaking. There is no commission or fee payable to PDAC Private Limited for the share lending arrangement under the Over-allotment Option.

Ms. Chee Jingying, Joyce ("**Joyce Chee**"), a management trainee in OFS, is the daughter of our Executive Director, Ms. Irene Wong. She is entitled to the Subsidy to subscribe for the Reserved Shares, and has undertaken not to assign, dispose of or transfer or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of her interest in any Reserved Shares that she may subscribe for pursuant to this Invitation, for a period of six months commencing from the Listing Date.

Our Employees (other than Joyce Chee) who are entitled to the Subsidy to subscribe for the Reserved Shares, have undertaken not to assign, dispose of or transfer or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of their respective interest in any Reserved Shares that any of them may subscribe for pursuant to this Invitation, for a period of three months commencing from the Listing Date.

INDUSTRY OVERVIEW

Unless expressly stated below, all the information and data presented in this section are extracted from parts of Frost & Sullivan's Report. Frost & Sullivan has been commissioned by our Company to prepare the report for the purposes of providing information for incorporation into this Prospectus.

While our Directors have taken reasonable care and due diligence to ensure that statements from Frost & Sullivan's Report have been extracted in their proper form and context, and that such statements have been extracted accurately and fairly from Frost & Sullivan's Report, none of our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents, or their respective officers, agents, employees and advisers has conducted an independent review of the content or independently verified the accuracy thereof. You should be aware that since the date of Frost & Sullivan's Report, there may have been changes in the education industry and the various sectors therein which can affect the accuracy or completeness of the information in this section.

Private education has grown rapidly over the years in response to catering to the demands from expatriate parents for quality education. The education industry is viewed as an infrastructure for attracting foreign direct investment ("**FDI**"), and this has prompted the Singapore Government to welcome foreign private education providers to penetrate the local education industry, in meeting the education needs of expatriates migrating to Singapore. The private education sector caters to the large demand stemming from international students and children of expatriates who have relocated to Singapore. In recognising the diversity of population within the country, the Singapore Government has moved to establish foreign system schools ("**FSSs**") which primarily cater to foreign students and children of Singapore permanent residents. These private schools enable students to pursue education similar to that of their home country. Singapore citizens who wish to enrol in FSSs (excluding pre-school) require MOE's approval to do so.

FSS education extends from pre-school to post-secondary school. In 2011, there were a total of 33 FSSs in Singapore. FSSs in Singapore can be categorised as FSSs with globally recognised curriculum ("**Globally Recognised Curriculum**") and FSSs with country accepted curriculum ("**Country Accepted Curriculum**").

Figure 1: Snapshot of FSSs in Singapore

FSSs Category	Description
FSSs with Country Accepted Curriculum	● Offers curriculums of a specific country with a targeted student population from a specific country background.
FSSs with Globally Recognised Curriculum	● Offers at least one internationally recognised curriculum and/or curriculum that can lead to an internationally recognised diploma certificate such as IB diploma. ● Such curriculum in our current research scope includes: ● IB ● IGCSE ● GCSE ● GCE 'O'/'A' level ● Advanced Placement courses ● International Primary Curriculum ● Montessori program ● Australian New South Wales Curriculum

Schools under the FSS segment with Country Accepted Curriculum category comprise the following (as of December 2011):-

- Lycée Français de Singapour
- The Singapore Japanese School
- Hollandse School
- Yuvabharathi International School
- Swiss School in Singapore (SSS)
- Singapore Korean International School (SKS)
- Waseda Shibuya Senior High School
- Sekolah Indonesia Singapura (SIS)

FSSs with Globally Recognised Curriculum can be further classified into multi-national FSSs and semi-national FSSs:-

(i) Multi-national FSSs are schools which encourage a multi-cultural environment where students are exposed to diverse cultural experiences. To be recognised as a Multi-national FSS, schools must meet the following criteria:-

(a) Schools must accept foreign students from diverse nationalities. FSSs that offer country specific education experience are exempted from this classification.

(b) Students from one foreign country shall not dominate the student population by accounting for more than 50% of a FSS's total student population.

Multi-national FSSs ("**MFSSs**") comprise the following (as of December 2011):-

- Canadian International School (CIS)
- Chatsworth International School
- Eton House International School and Preschool (Broadrick campus)[4]
- Overseas Family School (OFS)
- Integrated International School (IIS)
- ISS International School Singapore (ISS)
- International Community School (Singapore)
- One World International School Singapore
- Nexus International School
- Stamford American International School
- United World College of South East Asia (UWCSEA)

(ii) Semi-national FSSs are schools that are less diverse in terms of the nationality of its student population. In addition, these schools may provide both globally recognised curriculum as well as country specific curriculum with an international perspective. Semi-national FSSs (SNFSSs) comprise the following (as of December 2011):-

- Anglo-Chinese School (International) Singapore
- Australian International School (AIS)
- Avondale Grammar School Singapore (AGS)
- Chinese International School Singapore (CNIS)
- Dover Court Preparatory School
- DPS International School Singapore
- German European School Singapore (GESS)
- Global Indian International School Singapore (GIIS)
- Hwa Chong International School (HCIS)
- Manasseh Meyer School

4 Based on primary interviews conducted by Frost & Sullivan, Eton House International School and Preschool (Broadrick campus, referred to as Eton House International Educational Group as per ACRA) is representative of a MFSS where students from one foreign country will not account for more than 50% of the total school population (only 10 to 20% of students in the Broadrick campus are of Singaporean nationality). The remaining Eton House campuses in general have a larger number of Singaporeans (accounting for 50% or more of total student population) which did not meet the criteria to be classified as FSSs.

- NPS International
- Singapore American School (SAS)
- SJI International School (SJII)
- Tanglin Trust School (TTS)

Estimated Industry Size

The value of the FSS segment of the education services industry in Singapore was calculated by taking the summation of revenues of all 33 FSSs for their most recent financial year. In 2011, FSSs in Singapore generated revenues totalling approximately S$866.1 million, registering a growth of 13.7% from the S$761.5 million in 2010.

Figure 2: Historical estimated industry size of the FSS Segment of the Private Education Industry (Singapore), 2009-2011

Financial Year	Estimated Industry Size[5] (S$ million)	Growth Rate (%)
2009	702.3	Not available
2010	761.5	8.4
2011	866.1	13.7
CAGR		**11.1**

Source: ACRA, Frost & Sullivan

Singapore FSS Market Share Estimation

The top 3 FSSs in Singapore in Financial Year 2011 were Singapore American School (SAS), United World College of South East Asia (UWCSEA) and Overseas Family School (OFS). SAS had the largest market share at 14.7% with revenue of S$127,091,240, followed by UWCSEA with market share of 12.3% (S$106,963,730) and OFS with 10.3% (S$89,345,694). The top 5 FSSs in Singapore collectively held approximately 53.1% of the total market share in terms of revenue, while the top 3 FSSs alone held approximately 37.3%.

Figure 3: Estimated revenues of top/leading FSSs (In descending order of FY2011 revenue)

FSSs	Revenue (S$)
Singapore American School (SAS)	127,091,240
United World College of South East Asia (UWCSEA)[6 7]	106,963,730
Overseas Family School (OFS)	89,345,694[8]
Tanglin Trust School (TTS)	71,955,029
Australian International School (AIS)	64,502,360
Others	406,249,081
Total	**866,107,134**

Source: ACRA, Frost & Sullivan

5 Please note that that not all 33 FSSs have filed their annual returns with ACRA. The Financial Year 2009 and Financial Year 2010 revenues of FSSs that have not filed annual returns are estimated by taking the product of estimated average FSS school fees of FSSs that have filed annual returns in ACRA and the FSSs' student population. The estimated average FSS school fees are tabulated based on taking the sum of actual Financial Year 2009 and Financial Year 2010 revenues of FSSs that have filed annual returns and dividing it by the sum of respective student populations. The Financial Year 2011 revenues of FSSs that have not filed annual returns are estimated based on product of actual average school fees and the total student population of the respective individual FSS pertaining to the period under review.

6 The Financial Year 2011 revenue of UWCSEA is inclusive of its amortisation of development fund (UWCSEA collects development levy per term from all its students which is recognised in the income statement).

7 For the purpose of computation of market share, government grants granted to UWCSEA, East Campus were not considered, as they were non-recurring in nature.

8 In order to be consistent with our reporting of ACRA revenues for other MFSSs, Frost & Sullivan has extracted the 2011 revenue of OFS from ACRA. This may, however, be different from the revenues presented in the consolidated financial statements of the Company and its subsidiaries including OFS due to the elimination of inter-company transactions.

Frost & Sullivan has reported that the principal competitive factors that affect the businesses of FSSs are school fees, student population, length of operations of the school, and total teacher population. As a result of its dedication in providing education which caters to the diverse and unique needs of its student population, and an emphasis on teaching quality, OFS has garnered a market share of 10.3%, placing it in the top 3 FSSs among the 33 FSSs in Singapore.

Singapore FSS Market Growth Estimation

Frost & Sullivan estimates that the total student population in the FSS industry in Singapore is projected to grow from approximately 42,504 in Academic Year 2011/2012 to about 58,051 in Academic Year 2015/2016, registering a CAGR of approximately 8.1% during this period. Frost & Sullivan also forecasts that the FSS industry is expected to grow from approximately S$866.1 million in Financial Year 2011 to about S$1,430.2 million in Financial Year 2015, registering a CAGR of approximately 13.4% during this period. This growth is likely to be driven by demand drivers such as economic growth leading to an increase in the population of foreigners, socio-economic factors and the demand for a holistic development of students.

Figure 4: Projected growth of total student population in Singapore FSS industry[9]

Academic Year	Forecasted student population
2011/2012 E	42,504[10]
2012/2013 F	45,826
2013/2014 F	49,436
2014/2015 F	53,360
2015/2016 F	58,051
CAGR	**8.1%**

Source: Frost & Sullivan estimation

Figure 5: Forecasted FSS industry growth

Financial Year	Forecasted Industry Size (S$ million)
2011 E	866.1
2012 F	979.6
2013 F	1,108.1
2014 F	1,258.9
2015 F	1,430.2
CAGR	**13.4%**

Source: Frost & Sullivan estimation

9 The estimated student population in Singapore FSS industry is an average of the results of the following two methodologies:

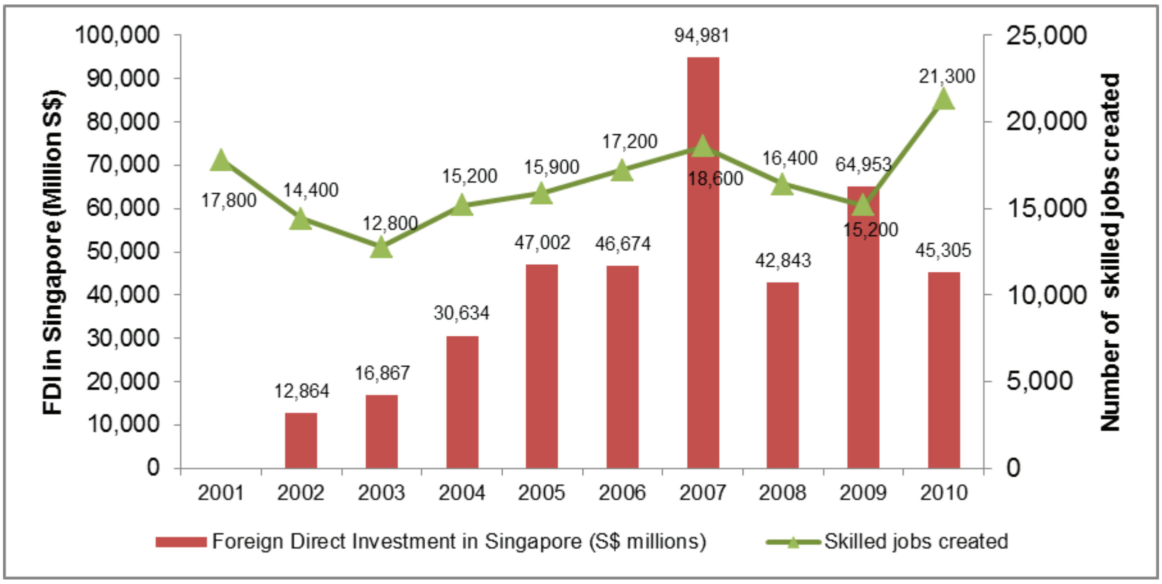
(a) According to a whitepaper written by Brenda S.A. Yeoh and Weiqiang Lin of National University of Singapore, there were 91,500 foreign born student pass holders in Singapore in Academic Year 2010/2011; whereas the Singapore Government has a goal of increasing this population to approximately 150,000 by Academic Year 2015/2016, at an estimated CAGR of 10.4%. Based on 42,504 students in FSSs and estimated 101,000 student pass holders in Academic Year 2011/12, Frost & Sullivan has estimated that approximately 42.1% of the student pass holders are represented by students in FSSs. Frost & Sullivan has assumed this proportion to be constant in the near future and has applied it on the estimated number of student pass holders in the respective years.

(b) Frost & Sullivan has forecasted the number of Employment Pass ("**EP**") holders in Singapore from Academic Year 2011/2012 to 2015/2016. Based on 42,504 students in FSSs and 176,000 EP holders in Academic Year 2011/12, Frost & Sullivan has estimated the ratio of EP holders to FSS students to be 24.2%. Frost & Sullivan has assumed this ratio to be constant in the near future and has applied it on the estimated number of EP holders in the respective years.

10 Estimated as of June 2012.

To support the anticipated market growth, the Singapore Government is also likely to be releasing additional land to enable the expansions of FSSs. The land allocation, which is leased to FSSs by the Singapore Government for long term use, typically up to 30 years, is likely to encourage FSSs to take a long term view of their presence in Singapore, set high education standards and invest in resources that are commensurate with the expectations of parents and students moving forward. The land allocation is likely to enable FSSs to offer facilities such as arts and sports facilities like auditoriums, swimming pools and soccer fields for students to develop in a more holistic manner. Such allocation of land by the Singapore Government is also likely to be a driver to attract greater number of expatriates into Singapore as they would find it easier to enrol their children into FSSs, given the additional capacity.

Figure 6: FDI inflow and skilled jobs created in Singapore (2001 to 2010)

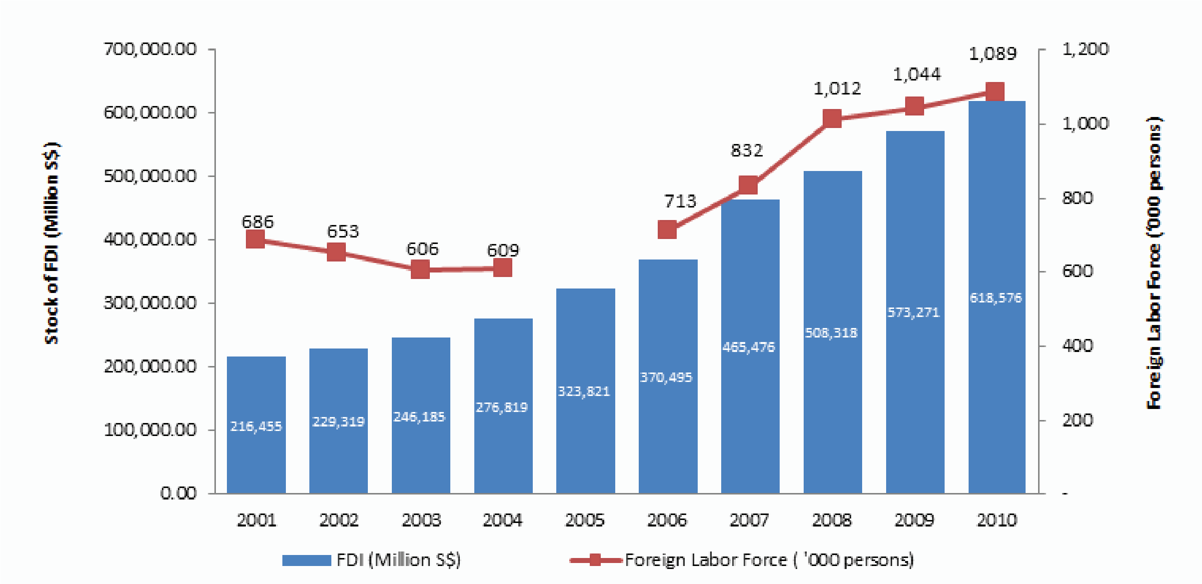


Source: Ministry of Manpower (MOM), Singapore Statistics, Singapore Economic Development Board (EDB)

It can be seen that the creation of skilled jobs in Singapore is positively correlated to FDI into Singapore from 2001 to 2010. As the world continues to globalise, multi-national companies increasingly see the world economy as their market. FDI is also increasingly used more as a market entry strategy for such companies rather than as an investment strategy. This is especially true for many multi-national companies setting up their base in Singapore to gain entry into other Asian markets, including markets such as India, Indonesia, China, Vietnam, among others. As such, with the growth of Asia moving forward, Singapore is likely to attract increasing amount of FDI which is likely to lead to consequential increase in skilled jobs creation.

With the inflow of FDI leading to the creation of skilled jobs, Singapore's foreign labour force also depicted a similar increasing trend. As Singapore's stock of FDI increased from S$216.5 billion in 2001 to S$618.6 billion in 2010, the foreign labour force also witnessed an increase from 686,000 persons to 1,089,000 persons during the same period. As of December 2010, there were approximately 142,000 foreign professional pass holders (P1, P2 and Q1 EP holders) and this number increased to 176,000 in 2011.

Figure 7: Stock of FDI and foreign labour force (2000 – 2010)[11]



Source: Ministry of Manpower (MOM), Singapore Statistics

Many married foreigners who relocate to Singapore due to career opportunities, bring their families with them. The influx of such foreigners, and particularly, expatriates and their children into Singapore, results in a consistent demand for quality private education among FSSs in Singapore. The requirements for minimal disruption to the educational needs of their children upon relocation and the need for a holistic and well-rounded education are strong drivers for these expatriates when opting for a FSS education. Therefore, FSS industry players benefit from the growth in foreign labour population in Singapore as a result of the economic shift from the west to the east. Moving forward, the growing population of foreigners will continue to be a key demand driver for FSSs as Singapore is expected to continue being a regional business hub for Asia. The growth of foreigners in Singapore can be attributed to relocation of foreigners from other countries or live births by foreigners in Singapore.

Figure 8: Number of live births by foreigners in Singapore (2010 – 2011)[12]

	2010	2011
Number of live births by foreigners	10,777	15,281

Source: Immigration and Checkpoint Authority, Singapore Statistics, Frost & Sullivan

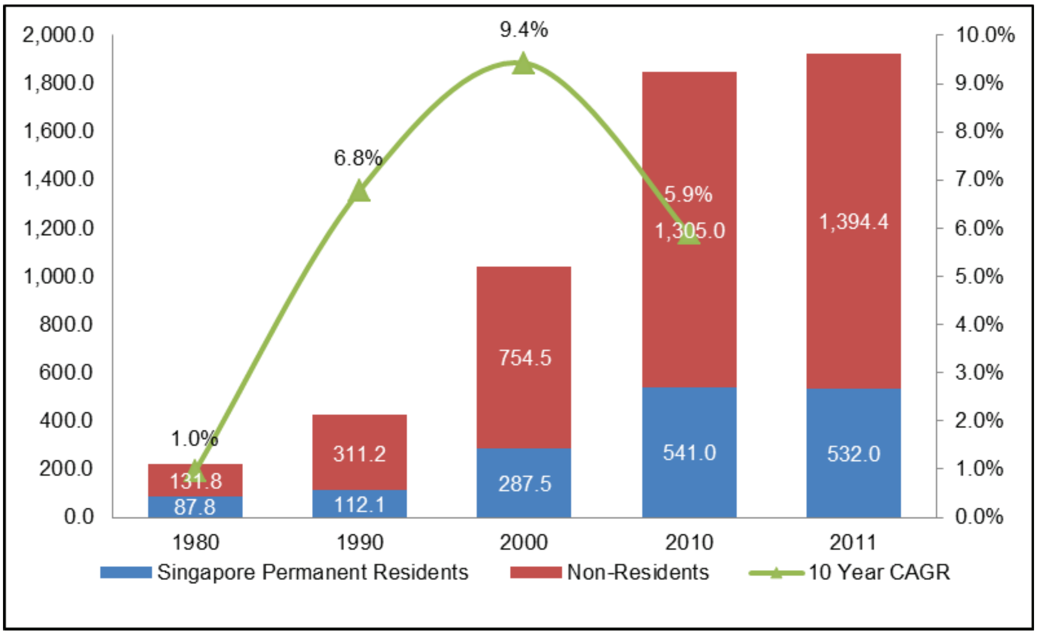
Additionally, Singapore's permanent resident (PR) population is also depicting a growing trend, having increased from approximately 87,800 persons in 1980 to approximately 532,000 in 2011, while the non-resident population increased at a higher pace from approximately 131,800 persons to approximately 1,394,400 during the same period. Within the non-resident population, the number of P1, P2 and Q1 EP holders population in Singapore, which forms part of the expatriate population in Singapore, has grown from 115,000 in 2009, to 142,000 in 2010 to 176,000 in 2011, at a CAGR of 23.7%.

11 Data for 2005 are not available as the Comprehensive Labour Force Survey was not conducted due to the conduct of the General Household Survey by Department of Statistics, Ministry of Trade and Industry.

12 The number of live births by foreigners is only available for 2 years.

Expatriates who can afford to send their children to FSSs most likely fall under the P1 EP category and earn a minimum annual salary of S$96,000 per annum (considering an annual wage of 12 months' salary). Therefore, they are able to afford the typical MFSS annual school fees of between S$20,000 to S$30,000 per annum. With the overall growth of the EP holder population in Singapore from 2009 to 2011, the population of P1 EP holders is set to grow in tandem. Parents in both the permanent resident and non-resident population, especially the population of P1 EP holders, are key target markets for MFSSs such as OFS.

Figure 9: Population of Singapore Permanent Residents (PRs) and Non-Residents (1980, 1990, 2000, 2010, 2011)[13]



Source: Singapore Statistics

Since the introduction of tougher CPE regulations, the number of private educational institutions in Singapore has reduced from approximately 1,200 in 2007 to approximately 300 in 2011. Critical success factors for FSSs to remain key industry players include:-

- High education service quality made possible by well qualified and experienced teachers and rigorous courses.
- A FSS with a long history of operations is more likely to understand the best way to deliver high education service quality with consistency.
- Robust strategic planning and financial control of the FSSs made possible by well qualified and experienced managers to ensure consistency in meeting strategic and financial Key Performance Indicators (KPIs).
- With a long history of operation and consistent delivery of high quality education services, a well-established FSS is likely to develop a strong brand to differentiate itself from less established players.

13 The 10 Year CAGR is calculated using the summation of population of PRs and non-residents.

OUR HISTORY AND DEVELOPMENT

Our Company was incorporated in Singapore on 28 October 2011 to be the investment holding company of OFS and OFSHK.

Our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong, first met in 1987 on a consultancy project where Ms. Irene Wong was an administrative manager and Mr. David Perry was the consultant to the project. Prior to this, Mr. David Perry had been a partner in an IT company in New Zealand for over 10 years, providing consultancy and software development services to companies. Ms. Irene Wong started her career working in foreign system schools and at that time had about 10 years of experience managing foreign system schools in Singapore.

In 1990, Mr. David Perry and Ms. Irene Wong together recognised that there was a strong demand for high quality foreign system education in Singapore. In recognition of this, Mr. David Perry and Ms. Irene Wong seized the opportunity and founded our School by incorporating OFS on 27 August 1991. On 10 September 1991, Master Projects, a company held by Mr. David Perry and Ms. Irene Wong, became the holding company of OFS.

We were awarded the tender by the Singapore Land Authority ("**SLA**") for the site at 25F Paterson Road and our School commenced operations on 30 September 1991 at Blocks 25F and 25G Paterson Road with 12 classrooms and an enrolment of 130 students.

By start of the academic year in August 1992, our School had expanded to include Blocks 25D, 25E and 25J, increasing the number of classrooms by 69 classrooms to 81 classrooms, and the enrolment of students in OFS had increased by 690 students to 820 students.

In October 1992, OFS received authorisation from University of Cambridge International Examinations ("**CIE**") to be an approved CIE Centre for the International General Certificate of Secondary Education ("**IGCSE**").

On 24 November 1992, OFSHK was incorporated as a wholly owned subsidiary of Master Projects, with Mr. David Perry and Ms. Irene Wong as its directors, with the intention of expanding our School's operations into Hong Kong, as and when the conditions there were favourable.

In 1994, OFS was authorised by the International Baccalaureate ("**IB**") to offer the IB Diploma Programme ("**DP**") to its students. The DP is internationally known for its high quality of education. In the same year, OFS was also authorised to be an approved centre for the International GCE Examinations by University of London Examinations & Assessment Council for the General Certificate of Education (Advanced Level) ("**GCE A-Level**") examinations, with effect from the May 1995 examination, where our first batch of students sat for the GCE A-Level examinations. However, with the commencement of DP at OFS, the demand for the GCE A-Level curriculum in OFS declined, and it was phased out over a period of three years.

By the start of the academic year in August 1995, our School had expanded to include Blocks 25B and 25C, increasing the number of classrooms by 37 classrooms to 118 classrooms, and the enrolment of students in OFS had increased by 660 students to 1,480 students.

In 1995, OFS received accreditation from the Western Association of Schools and Colleges ("**WASC**"). This was in recognition of the quality of our School's programmes and operations, and is taken into consideration when our High School graduates seek admission to universities or other tertiary educational institutions in the USA. Please see the section entitled "**General Information on our Group – Accreditation, Authorisations and Quality Assurance**" of this Prospectus for more details of the accreditation process by WASC.

In 1997, OFS received authorisation from the IB to offer the IB Middle Years Programme ("**MYP**") to our students. Our students are encouraged to study for the IGCSE examinations concurrently with the final two years of the MYP in Grades 9 and 10.

In 2000, OFS received authorisation from the IB to offer the IB Primary Years Programme ("**PYP**") to our students and with this, OFS became the first school in Singapore to offer all three IB programmes. The international curriculum of the IB programmes offers the children of overseas families living and working in Singapore better continuity in education wherever their country of origin or wherever they may be relocated. Please refer to the sections entitled "**General Information on our Group – Overview of the International Baccalaureate**" and "**General Information on our Group – Business Overview**" of this Prospectus for more information on the IB and the respective IB programmes, namely, the PYP, MYP and DP.

By the start of the academic year in August 2001, our School further expanded to include an extension to Block 25E and a new Block 25K, as well as the construction of a new storey of 12 classrooms at Block 25D, thus increasing the number of classrooms by 35 classrooms to 153 classrooms, and the enrolment of students in OFS had also increased by 450 students to 1,930 students.

In 2006, we were awarded the tender for the Harding Road Site, and completed the construction of one soccer/rugby pitch, a mini-soccer pitch, a cricket training pitch and the renovation of a pavilion with changing rooms.

In 2009, OFS integrated the Model United Nations ("**MUN**") initiative into the IB curriculum. The MUN initiative seeks to raise students' awareness of global issues. Students from our Elementary School, Middle School and High School participate in MUN conferences every year. We believe these MUN conferences help to hone the students' skills as negotiators, build their self-confidence and further deepen their understanding about global issues. We believe that OFS is presently the only foreign system school in Singapore which has integrated the MUN initiative into its core IB curriculum. Please refer to the section entitled "**General Information on our Group – Business Overview – Other Programmes**" of this Prospectus for more information of the MUN programme.

By the start of the academic year in August 2010, our School's premises further expanded to include a new Block 25H, as well as extensions to Blocks 25K, 25F and 25H thus increasing the number of classrooms by 53 classrooms to 206 classrooms. The enrolment of students in OFS increased by 1,690 students from 1,930 students in August 2001 to 3,620 in August 2010.

On 21 June 2011, OFS was granted temporary registration with the Council of Private Education ("**CPE**") under the new regulatory regime pursuant to the Private Education Act, where existing private education institutions were given a transition period of 18 months from 21 December 2009 to register with the CPE and comply with the new statutory requirements. Our School obtained the final registration certificate which is valid from 1 September 2011 to 31 August 2015. Please refer to Appendix F – "**Government Regulations**" of this Prospectus for more information on the Private Education Act and CPE.

On 2 November 2011, The Hague International Model United Nations ("**THIMUN**") approved the affiliation status for our School's MUN programme, known as MUNOFS. Please refer to the section entitled "**General Information on our Group – Business Overview – Other Programmes**" of this Prospectus for more information on our MUN initiative.

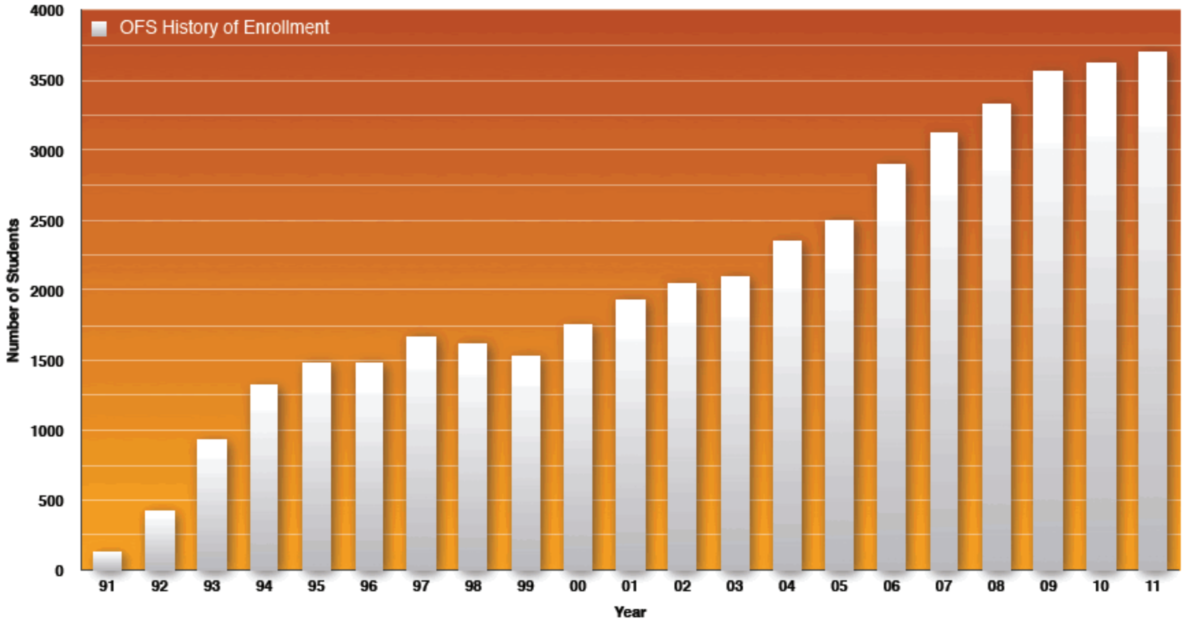
On 23 November 2011, OFS was awarded a Certificate of Appreciation from the Academy of Singapore Teachers. This award was in recognition of OFS's participation in the Ministry of Education's ("**MOE**") Teacher Work Attachment programme since 2005, by providing MOE's teachers attached with OFS with a greater understanding of the teaching methodologies adopted by our academic personnel and enhancing mutual understanding of the different teaching methodologies. We believe OFS was the only foreign system school to have received this award in 2011. Please refer to the section entitled "**General Information on our Group – Partnerships with Local Institutions**" of this Prospectus for more information on this award.

On 28 December 2011, following the Restructuring Exercise as set out in the section entitled "**General Information on our Group – Restructuring Exercise**" of this Prospectus, OFS and OFSHK became wholly owned subsidiaries of our Company.

On 2 July 2012, we participated in the request-for-interest ("**RFI**") exercise that was called by the Economic Development Board ("**EDB**") on 3 April 2012, and were informed by the RFI Committee on 1 August 2012 that we had been pre-qualified for a site at Pasir Ris ("**Pasir Ris Site**"). Please refer to the section entitled "**Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans**" for more information on the RFI exercise.

On 20 November 2012, OFS was again awarded a Certificate of Appreciation from the Academy of Singapore Teachers.

As at the Latest Practicable Date, our School was supported by a staff strength of 501 of over 20 nationalities, and had 3,753 students of around 70 nationalities. Our School's premises currently occupy the Paterson Road Site and Harding Road Site, with a total land area of approximately 5.9 ha, with thirteen buildings and extensions, and facilities such as swimming pools, basketball and netball courts, soccer pitches and a tennis court. The diagram below depicts the growth in our student enrolment since our School's founding in 1991 to 2011, as at the end of each academic year in June.



OVERVIEW OF THE INTERNATIONAL BACCALAUREATE

*Unless expressly stated below, the information given in this section was extracted from the International Baccalaureate's ("**IB**") website (http://www.ibo.org) which was accessed on 28 December 2012.*

The IB has not consented to the inclusion of the information given in this section and is therefore not liable for the relevant statements under Section 253 and Section 254 of the Securities and Futures Act. Our Directors are aware that IB does not guarantee or assume responsibility that the information in its website is accurate, adequate, current or reliable, or may be used for any other purpose other than for general reference. While our Directors have taken reasonable care and due diligence to ensure that statements from the IB's website have been reproduced in their proper form and context, and that such statements have been extracted accurately and fairly from the IB's website, none of our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents, or their respective officers, agents, employees and advisers has conducted an independent review of the content or independently verified the accuracy thereof.

The IB is a non-profit educational foundation founded in 1968 with its headquarters in Geneva, Switzerland. Through a group of teachers at the International School of Geneva, and with the assistance from several other international schools, the DP was developed by the IB as a single programme for internationally mobile students aged 16 to 19 to prepare them for entry into universities. Toward this objective, the DP consisted of a common pre-university curriculum and a common set of external examinations for students in schools around the world.

In 1977, the IB established a regional office for North America in New York, USA, to work with schools in the USA, Caribbean and Canada. In 1978, the IB established a regional office for Africa, Europe and the Middle East in London, UK. In 1982, the IB established a regional office in Buenos Aires for Latin America. In the same year, it established an office in Singapore, making it the regional office for the Asia Pacific. In 1994, the regional office for Africa, Europe and the Middle East moved to Geneva, Switzerland. With effect from 1 January 2009, IB Americas was created and has since been managed by the staff in the regional offices in North America and Latin America.

In 1994, the IB added the MYP to its programme for students aged 11 to 16. In 1997, the PYP was developed by the IB as a curriculum for students aged 3 to 12, to give younger students access to an IB education.

In 2006, the IB published its IB learner profile, which is the IB mission statement translated into a set of learning outcomes for the 21st century. This defines the type of learner the IB hopes to develop through its programmes. The IB learner profile originated from the PYP in 1997, but practitioners from all three IB programmes identified it as a set of qualities that can also enhance learning in the MYP and the DP. IB learners strive to be inquirers, knowledgeable, thinkers, open-minded, and communicators, among other attributes and descriptors of the learner profile. The IB has since incorporated the IB learner profile into all three programmes so that all IB World Schools can use it as their guide to the mission statement of the IB, and as a tool for their school development.

A common continuum running through the three IB programmes, namely, the PYP, MYP and DP, is that the IB strives to inculcate international-mindedness in students through its curriculum and teaching methodology which aim to foster and develop an inquiring mind, critical thinking, reflection and research skills. The IB also promotes inter-cultural understanding and respect as an integral part of students' life, in addition to an understanding of their own cultural and national identity. To this end, the IB works with schools, governments and international organisations to develop challenging programmes of international education.

Although the first IB World Schools were predominantly private international schools, they included a very small number of private national institutions and schools belonging to state education departments. Today, over half of all IB World Schools are state schools. The IB works with 3,491 schools in 144 countries to offer the three IB programmes to approximately 1,065,000 students aged 3 to 19 years, namely, its flagship pre-university DP, MYP and PYP. The IB has seen a significant growth in the past five years, from December 2007 to December 2012, where the PYP, MYP and DP have seen an approximately 168.3%, 103.3% and 54.4% increase in the number of schools who offer their respective programmes.

To become an IB World School able to offer any of the three IB programmes, namely the PYP, MYP and DP, a school must be authorised by the IB for each of the IB programmes. The authorisation process will usually take two to three years to complete. Upon acceptance of the application for authorisation by the school, there will be a verification visit by an IB visiting team. Once the school has been authorised, it will acquire the status of an IB World School generally for a period of five years. Following authorisation, schools will undergo an evaluation process prior to a renewal of the authorisation to ensure that the requisite standards and practices of the programmes are being maintained.

Programmes

The IB offers three programmes for their students between the ages of 3 and 19. The programmes can be offered individually or as a continuum by the IB World Schools.

(i) The Primary Years Programme ("**PYP**") for students aged 3 to 12 started in 1997 and is offered by 982 IB World Schools.

The PYP was developed through the vision and effort of the International Schools Curriculum Project. The PYP's purpose is to produce a common international curriculum and to develop international-mindedness on the part of children. The PYP combines the different perspectives of the best practices from around the world, providing a holistic approach that focuses on the development of the students' attitudes, skills and inquiry approach.

(ii) The Middle Years Programme ("**MYP**") for students aged 11 to 16 started in 1994 and is offered by 992 IB World Schools.

The MYP began as an initiative of a non-governmental educational organisation, International Schools Association. The aim is to develop a curriculum encouraging international awareness with emphasis on the skills, attitudes, knowledge and understanding needed to participate in a global society. The MYP of the IB is a course of study designed to meet the international educational requirements of students aged 11 to 16. It is a holistic programme concerned with developing inter-cultural awareness and strong communication skills within a framework of inter-related disciplines.

(iii) The Diploma Programme ("**DP**") for students aged 16 to 19 started in 1968 and held its first examination in 1970. It is offered by 2,369 IB World Schools.

The DP was the first IB programme to be developed by the IB. It is designed to be an academically challenging and balanced programme of education with pre-university examinations for students aged 16 to 19. The DP is a comprehensive two year pre-university course that generally allows students to fulfil the requirements of various national education systems and builds on the attitudes, skills set and approach adopted in the PYP and MYP programmes.

BUSINESS OVERVIEW

We are a private foreign system school in Singapore offering the K-12 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. Our campus is sited at 25F Paterson Road, Singapore 238515. We believe we were the first and currently one of five such foreign system schools in Singapore offering a straight-through IB curriculum in a single location. We also believe we are an inextricable part of the social and economic infrastructure supporting foreign direct investments into Singapore and forming an important consideration for expatriates contemplating the relocation of their families and especially of their school-going children here.

Our master policy is "to provide a happy, safe and effective school for overseas families living in Singapore" that prepares our students for their return to their respective national education systems or, for the more senior students, for entry into universities worldwide. We strive to achieve this master policy through our curriculum, our student code of conduct and security measures. Details of these are set out below. We take pride in the fact that our academic personnel are tasked with teaching duties only and are not required to carry out administrative duties. These are carried out separately by our administrative staff. As at the Latest Practicable Date, our School was supported by a staff strength of 501 of over 20 nationalities, and had 3,753 students of around 70 nationalities.

We believe that we are unique in our philosophy of education and in our beliefs for our School. We promote a truly international outlook in our School, as a result of which there is no one dominant nationality within our student population or among our staff. We also believe 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. For example, our School adopts an open entry policy to admissions and examinations. This means that decisions on which grade a student is admitted to and decision on our students' entry into examinations rest solely with our Clients after we have screened the students and made our recommendations. Our Clients also have online access to information on their child's progress and performance in class.

Our curriculum is based on both the IB programmes and the IGCSE. Our School also offers other programmes to supplement the curriculum, and has a strong infrastructure and adequate facilities to support the activities of the students and our School. Details of the general information of our School, our curriculum, the other programmes that our School provides, and our infrastructure and facilities are set out in the sections below.

General information	Curriculum	Other programmes	IT Infrastructure and School facilities
• Admission Criteria • Academic Year • Homebase Group • Academic Adviser • Student to academic personnel ratio and student to homebase teacher ratio • Methods of Assessment • Parent-Teacher Conferences • Student Conduct • Security • School Health Services	• PYP • MYP and IGCSE • DP	• SPP and Second Language • Model United Nations Initiative • Enrichment Programmes • College Admission Counselling • Extra-Curricular Activities • Community Service	• IT Resources • OFS Software Application • Assessment system • School facilities

General information

Admission Criteria

Our School generally accepts students at any time of the year, often when they and their families first arrive in Singapore. However, as the DP is a 2-year course, there are a minimum number of hours the student is required to complete. We would usually require such a student to start at the beginning of Grade 11, unless the student has already completed the first year of the DP elsewhere, in which case we may permit him to commence at the beginning of Grade 12.

Academic Year

Our School's academic year usually commences in August and ends in June the following year. The academic year comprises two semesters of about 20 weeks per semester, the first being from August to middle of December, and the second being from January to early June. There are also one-week breaks in October, April, and over the Chinese New Year holidays.

Homebase Group

Our students are placed in a homebase group or a class under the care of a homebase teacher. In Kindergarten and Elementary School, in particular, the homebase teacher's responsibility is to build relationships with our students and give our students a sense of belonging to our School. The homebase teacher ensures that these homebase groups have regular health and social education sessions that cover issues such as team-building, self-esteem, time management, decision making, goal setting, conflict resolution and dealing with peer pressure. By High School, the homebase teachers' role is mainly administrative.

Academic Adviser

Our High School students are each assigned to an academic adviser who provides guidance and support in the selection of courses at High School and to advise on university placement. The academic adviser's role is to assist our students and parents to ensure that students choose appropriate subjects for graduation from our School and for the purposes of applying to universities. The academic adviser offers on-going academic guidance and support by monitoring his student's performance in school and is a point of liaison between students, academic personnel and parents if either of them has a cause for concern with regards to the student's performance in school. The academic adviser also involves parents in the process of university application through letters, meetings and articles in the school newsletter. The academic adviser liaises with counsellors from various university advice centres to provide students and parents alike with information about the respective universities and their application procedures.

Student to academic personnel ratio and student to homebase teacher ratio

The student to academic personnel ratios are based on our academic staff that includes our Principals, Deputy Principals, Curriculum Leadership staff, and our specialist teachers such as art, music and physical education teachers. The academic personnel in OFS recognises the importance of the student to academic personnel ratio, and even though class sizes may reach up to 25 students a class, the student to academic personnel ratio is generally 10:1.

Methods of Assessment

We assess our students using assessment criteria in accordance with the IB learner profile, subject assessment criteria mandated for IB courses and also by the requirements of IGCSE for IGCSE courses. The IB learner profile, which has been incorporated into all three IB programmes, serves as a guide to the IB World Schools to align their curriculum and teaching methodologies with the mission and strategy of the IB, which is to develop an inquiring mind, critical thinking and inter-cultural understanding and respect among their students.

We assess our students through a combination of:-

- representative examples of student work including portfolio, work samples, journals, oral reading tapes, reading and/or writing logs;
- records of test results;
- teacher observations, such as anecdotal notes, continually updated records, story retellings, progress checks and conference records;
- checklists;
- performances, such as presentations, reports, talks, publishing projects and drama; and
- peer and self-assessment.

There is continual assessment on each student throughout the school semester, and the assessment information is made available online to both students and their parents. Please refer to the sub-section entitled "**General Information on our Group – Business Overview – IT Infrastructure and School Facilities**" of this Prospectus for more information on the assessment information available to students, parents and teachers.

Final grades that a student can obtain for each assessment range from a minimum of 1 to a maximum of 7. Reports on the student will be sent home once per semester. These written reports will be sent via post and contain an assessment of skills, knowledge and attitudes in all curricular areas, using a scale from 1 to 7.

Parent-Teacher Conferences

There are two parent-teacher conference days during an academic year. Parents are also encouraged to meet with their child's teachers by contacting the teacher at any time they have a concern.

Student Conduct

Our School's student code of conduct, security measures and provision of school health services also underscore the focus encapsulated in our School's master policy "to provide a happy, safe and effective school for overseas families living in Singapore".

We aim to inculcate self-discipline in our students. We see this approach as superior to imposed discipline. To this end, we encourage a high standard of courtesy and discipline, and strictly enforce a no-violence policy. We also counsel students who may be facing difficulties at home or in school. In Kindergarten and Elementary School, students spend most of their class time with their homebase teacher who takes responsibility for their pastoral care. In Middle and High Schools, there are additional student support teachers to supplement homebase teacher support.

Security

Our School's security policy stipulates that all individuals are required to wear a security pass on campus except for our students in uniform.

The OFS Campus Security Guidelines are set out below:-

- The OFS identity pass must be shown to gain entry into our School's campus and upon exit.
- The OFS identity pass must be worn at all times and above waist in our School.
- Any valid photo identification can be shown in exchange for a temporary security pass and be at all times and above waist whilst in our School.
- Lost identity pass cards must be reported to the security supervisor.

School Health Services

Our School has three full-time nurses to provide first-aid to our students. Our School's sick bay has capacity for six people. There is also a quarantine room with direct access to our School's car park so that any student may be sent home or for medical treatment without undue disruption to other activities in our School. If a student becomes ill during the school day, we contact his or her parents, and if necessary, we will advise the parents to bring their child home. In the event the student becomes seriously ill and it is not possible to contact his or her parents, we will arrange a visit to our School's designated doctor or the emergency unit of a hospital.

As the student spends a substantial amount of his time during the day in our School, we urge the parents to inform our School of any long-standing illnesses or allergies that their child may have, in order to prepare our School and the student's teacher for what is to be done in cases of emergency. In such cases, parents should provide a letter with instructions explaining what action should be taken in cases of emergency.

Curriculum

We believe that OFS was the first school in Singapore to offer all three IB programmes, namely the PYP, MYP and DP, in a single location. We believe we are currently one of only five foreign system schools in Singapore to do so.

The IB programme forms the foundation for the development of the curriculum throughout our School. The School comprises four sections:- Kindergarten (Pre-K to K2), Elementary School (Grades 1 to 5), Middle School (Grades 6 to 8) and High School (Grades 9 to 12). OFS is authorised by the IB to offer the PYP to the Kindergarten and Elementary School students, the MYP to the Middle School and Grades 9 and 10 High School students and the DP to the Grades 11 and 12 High School students. In addition to the IB programme, OFS offers the IGCSE examinations administered by Cambridge University to students in Grade 10.

At the end of the MYP in Grade 10, the students are conferred the MYP certificate by the IB, if they complete at least one subject of each of the eight curriculum areas of the MYP, among other requirements. In the event they are not awarded the MYP certificate, they will be conferred the MYP record of achievement. Students who attempt and pass the IGCSE examinations at the end of Grade 10 will also obtain the IGCSE certificate. The IGCSE certificate is equivalent to the GCE O-Level certificate.

At the end of High School in Grade 12, our students are conferred either the IB diploma or the IB certificates for the individual subjects, by the IB. Our School confers the OFS High School Graduation Diploma to students who successfully complete the High School programme at OFS. This is earned through a system of credits and is valued by students seeking to enter North American educational institutions or any educational institutions based on the American education system. The credits for the subjects completed may also be used by students leaving our School and transferring to a new school. These credits will be recognised by the new school.

GENERAL INFORMATION ON OUR GROUP

Details of the four sections within the School and the respective IB programmes and IGCSE curriculum offered under them are set out below.

Curriculum	Grades	Areas of study
Kindergarten		
PYP	Pre-K – K2	● Language Arts ● Mathematics programme ● Programme of Inquiry ● IT ● Music/Music and movement ● Physical Education ● Library ● Cooking ● Art and Craft ● Mandarin
Elementary School		
PYP	1 – 5	● Language Arts (English) ● Second language ● Mathematics ● Programme of Inquiry (POI) ● Specials
Middle School		
MYP	6 – 8	● Language A (English) ● Language B ● Mathematics ● Humanities ● Science ● Technology (Design, Technology and Computer Technology) ● Art and Design, Music and Drama ● Physical Education
High School		
MYP and IGCSE	9 – 10 (Junior)	● Language A ● Language B ● Humanities ● Mathematics ● Physical Education ● Sciences ● The Arts ● Technology ● Personal Project
DP	11 – 12 (Senior)	● Language A ● Language B ● Individuals and Societies ● Experimental Sciences ● Mathematics ● The Arts ● Theory of Knowledge ● Creativity, Action, Service ● Extended Essay

Primary Years Programme ("PYP")

The PYP was developed through the vision and effort of the former International Schools Curriculum Project, a project created by a group of international school educators whose aim was to create a non-national based "best practice" educational framework for international schools. The PYP's purpose is to produce a common international curriculum and to develop international-mindedness on the part of students. The PYP combines the different perspectives of the best practices from around the world, providing a holistic approach that focuses on the development of student attitudes, skills and understanding through an inquiry-based approach.

The PYP was implemented by OFS in 2000 to cater to the needs of young international students who are children of geographically mobile parents. Through the PYP, our School aims to develop the child by instilling a love for learning in Kindergarten through to Elementary School.

- *Kindergarten*

  Established in 1992, the Kindergarten is currently led by our Kindergarten Principal and Executive Officer, Rani Suppiah, our Deputy Principal, Kindergarten Curriculum Leadership and a staff force of over 50 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. The goal of the Kindergarten teachers is 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 K1 and K2 classes. The Pre-K classes operate on either the above schedule or a half-day schedule from 9.00 am to 12.00 pm, or from 12.30 pm to 3.30 pm. The daily schedule comprises both academic and non-academic activities to promote all-rounded learning and development of the children. Through these activities, the students are encouraged to ask questions, work collaboratively with their classmates, play and use materials creatively to extend their knowledge.

  In addition to the programmes organised within the Kindergarten, there are also class excursions and field trips throughout the year. We invite parents on these trips to enjoy the experience with their child and to assist with the supervision of other children.

  The areas of study within the Kindergarten are:-

  1. **Language Arts**, including reading, writing and oral communication in English.

  2. **Mathematics**, where the children have daily practice using various teaching aids to sort, classify, count, compare, estimate, graph, create patterns, make sets, add and subtract.

  3. **Programme of Inquiry**, which includes social studies, science and art.

  4. **IT**, where the children have opportunities to interact with the Internet and educational programmes on the computer.

  5. **Music/Music and movement**, where the children sing, listen, play instruments and move in response to music.

  6. **Physical Education**, which includes indoor gymnastics and swimming.

  7. **Library**, where the children explore and enjoy the wide range of literature available.

  8. **Cooking**, where we encourage children to be involved in developing cooking skills. This also provides an opportunity for parents to be involved in our classes.

9. **Art and Craft**, which includes providing the children with creative materials for self-expression.

10. **Mandarin**

In our Kindergarten, children learn about the cultures of other children in their class. Parents are an integral part of this part of the children's learning, as they are invited to share pictures, stories, songs, costumes and food from their home countries with their child's class. The celebrations culminate on a 'United Nations Day' where the children come to school in traditional costumes from their home countries. During the day, parents are invited to join their children for a United Nations music presentation and a lunch featuring food from all parts of the world.

Each teacher welcomes parent helpers in his or her classroom. Parents can assist by helping with the activities in the classroom, volunteering in the library, helping the children change for swimming or assisting with cooking or weekly computer sessions. The Kindergarten also provides for a class mum, a parent who works closely with the class teacher to establish a point of contact between the teacher and other parents in the class. Class mums organise rosters for parent volunteers and co-ordinate other activities requiring parent involvement as requested by the teacher.

We believe cultural diversity will not only leave the children with a memorable learning experience, but also aid in fostering attitudes of tolerance, respect and appreciation for people of different communities.

- *Elementary School*

Established in 1991, the Elementary School is led by our Elementary School Principal and Executive Officer, Aaron Bennett Nussbaum, two Deputy Principals, Elementary School Curriculum Leadership and over 100 teaching staff.

The Elementary School has a 25-period week, with five one-hour periods per day. The Elementary School programme is designed for students from aged 6 to 10. The Elementary School programme comprises an inquiry-based curriculum that encourages students to develop the conceptual understanding, knowledge and skills they need to become life-long learners. The development of skill areas focuses on thinking, communication, self-management, social skills and research. We address these areas of study through the core curricular programme comprising eight compulsory subjects, namely Language Arts, Second Language, Mathematics, Programme of Inquiry (POI), Visual Arts, Information Technology, Music and Physical Education.

The areas of study within the Elementary School are:-

1. **Language Arts**, which includes reading, writing, speaking and listening in English.

2. **Second Language**, chosen from English, French, German, Japanese, Mandarin and Spanish.

3. **Mathematics**, where we employ a team of dedicated mathematics teachers who, in conjunction with the respective mathematics specialists, help to plan, support and promote our mathematics programme and its assessment.

4. **Programme of Inquiry (POI)**, which includes science, social studies and fine arts studies.

5. **Specials**, where each class is taught by a trained specialist teacher in art, music, physical education and information technology.

Middle Years Programme ("MYP")

The Middle School teaches the first three years of the MYP in Grades 6, 7 and 8 and the High School (Junior) covers the final two years of the five year MYP in Grades 9 and 10.

- *Middle School*

  Established in 1991, the Middle School is currently led by our Middle School Principal and Executive Officer, David William Edwards, two Deputy Principals, Middle School Curriculum Leadership and has over 50 teaching staff.

  The Middle School has a 25-period week, with five one-hour periods per day. The Middle School operates on a full day schedule from 9.00 am to 3.30 pm. In Middle School, the compulsory subjects are as follows:-

  1. **Language A (English)**

  2. **Language B**, chosen from English, French, German, Japanese, Mandarin and Spanish.

  3. **Mathematics**

  4. **Humanities**, which covers political, economic, historical, social, legal and geographical aspects.

  5. **Science**, which covers general science, biology, chemistry and physics.

  6. **Technology (Design Technology and Computer Technology)**, a curriculum which is developed as a series of problems and challenges that require students to produce and evaluate a product or solution, such as designing and building the housing for a thumb-drive and designing packaging on suitable computer graphics software.

  7. **Art and Design, Music and Drama**, which includes art and design lessons such as drawing, printmaking and collage; music lessons such as basic keyboard skills, music theory, history of western music and instruments of the orchestra; and drama lessons such as basic performance skills, character development and developing scripts.

  8. **Physical Education**, such as swimming, soccer, volleyball and basketball.

     Student work is assessed following the MYP criteria, which varies from subject to subject. Assessment for MYP students is performed internally and according to the subject group objectives and the use of the corresponding assessment criteria. Students obtain an overall grade out of 7 for each subject at the end of each quarter and semester. An examination assessing some or all of the semester's work occurs at the end of each semester in English, Mathematics, Science, Humanities and Language B.

- *High School (Junior)*

  Established in 1991, the High School is led by our High School Principal and Executive Officer, Suzanne Magdalen Bentin, two Deputy Principals, High School Curriculum Leadership and has over 100 High School teaching staff, covering both Junior and Senior High Schools.

  The High School (Junior) 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 2 years of the IB MYP programme, the High School (Junior) students at OFS are also offered the IGCSE syllabus at Grades 9 and 10.

Students who:-

(i) are registered in at least 1 subject for each of the 8 curriculum areas of the MYP;

(ii) have participated in the final 2 years of the MYP (that is, Grades 9 and 10);

(iii) have obtained at least a grade 3 (out of 7) for the Personal Project;

(iv) obtain a minimum grade total of 36 from the 8 curriculum areas and the Personal Project (out of a possible maximum of 63);

(v) have met the expectations of community service to the satisfaction of the school; and

(vi) obtained at least grade 2 (out of 7) in all 8 subject areas,

will be awarded the MYP certificate. In the event they are not awarded the MYP certificate, they will receive a MYP record of achievement, setting out the grades achieved for each subject and for the Personal Project. For example, a student may wish to take a combination of subjects that do not cover all eight curriculum areas, by taking two subjects in one of the curriculum areas and none in another curriculum area. In such an instance, the student will obtain a MYP record of achievement instead of the MYP certificate, which would have required the student to take at least one subject for each of the eight curriculum areas.

At OFS, we also offer the IGCSE examinations to our High School (Junior) students in Grades 9 and 10. Students at our School will usually study for the IGCSE examinations concurrently with the final two years of the MYP. The IGCSE is one of the most recognised qualifications around the world. It is equivalent to the GCE O-Level qualifications and examinations are independently graded by CIE in the UK. The IGCSE is designed to be taught as a two-year course, with the syllabus set by the University of Cambridge. The methods by which the syllabus is administered may vary from school to school. Students are only permitted to sit for the IGCSE examinations through a registered CIE Centre and OFS is one such centre.

Generally, save for a few students, all of our non-Study Preparation Programme ("**SPP**") students will sit for the IGCSE examinations in any given year, by taking at least one subject at the IGCSE examinations.

We believe that the combination of MYP and IGCSE prepares our students for the rigour of the higher level DP by equipping them with core subject contents and essential skills such as critical thinking, reflection, learning and research skills.

The courses available to the students in Grades 9 and 10 are as follows:-

1. Language A : Literature*
English*
English - Second Language*
First Language Japanese
First Language Korean

2. Language B : French*
German*
Japanese (Advanced)
Mandarin*
Spanish*

3.	**Humanities**	:	History* Geography* Business Studies* Economics* Humanities Model United Nations
4.	**Mathematics**	:	Mathematics*
5.	**Physical Education**	:	Health/Physical Education
6.	**Sciences**	:	Integrated Science Co-ordinated Science*
7.	**The Arts**	:	Art Art* Drama Dance Music Music* Orchestra
8.	**Technology**	:	Computer Applications Computer Studies* Design Technology

Note:-

* These courses are also IGCSE courses within the IGCSE curriculum.

In addition to the courses above, all students in Grades 9 and 10 will have to undertake a Personal Project, which is a significant body of work produced over several months towards the end of the five-year MYP programme. The student may select their own topic or theme for this project, which can take the form of, for example, an original piece of art, a piece of literary fiction, an original science experiment, an invention or a written piece of work on a special topic.

Students typically take about six months to complete the Personal Project, which is undertaken in the students' own time under the supervision of the teachers. Assessment is conducted internally but samples of the Personal Projects and of work from every subject studied are sent to the IB for moderation.

Diploma Programme ("DP")

The High School (Senior) teaches the DP to students in the final two years of High School, namely Grades 11 and 12.

- *High School (Senior)*

  Established in 1991, the High School (Senior) is also led by the same team that leads the High School (Junior), namely, our High School Principal and Executive Officer, Suzanne Magdalen Bentin, two Deputy Principals, High School Curriculum Leadership and has over 100 teaching staff, covering High School (Junior) and High School (Senior).

  The High School (Senior) 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. For certain classes, there may be an additional class from 3.30 pm to 4.30 pm on Tuesdays, Wednesdays or Thursdays, with the student having a commensurate number of free first-period classes.

In Grade 12, students will usually attempt to obtain either the full IB diploma or obtain the IB certificates in individual subjects. Each subject is graded from 1 point (lowest) to 7 points (highest). In order to obtain the full IB Diploma, students must attempt papers in six subjects (one from each subject group) and fulfil certain grade requirements, including obtaining a minimum of 24 points out of a maximum of 45 points, as well as satisfactorily completing the three core requirements, namely (i) Theory of Knowledge, (ii) Creativity, Action, Service and (iii) Extended Essay, details of which are set out in this section below.

Upon graduation from Grade 12 from OFS and having obtained minimum of 22 credits from various subjects between Grades 9 to 12, among other requirements, our students will be conferred the OFS High School Graduation Diploma. The OFS High School Graduation Diploma is evidence that a student has satisfactorily completed four years of high school at OFS.

There are six groups of academic subjects offered at High School (Senior) under the DP, namely:-

1. **Language A**, which covers a first language and literature. OFS currently offers Language A classes in English, Japanese, Korean and Mandarin.

2. **Language B**, chosen from English, French, German, Japanese, Mandarin or Spanish.

3. **Individuals and Societies**, which covers humanities and social science subjects. In this category OFS currently offers Business and Management, Economics, Geography, History, World Politics and International Relations, Environmental Systems and Societies and Information Technology in a Global Society.

4. **Experimental Sciences**, which covers Biology, Chemistry, Physics and Environmental Systems and Societies (the last also offered in the category above).

5. **Mathematics**, which is compulsory and three options are available to cater for different abilities and levels of student interest. Computer Science is an additional subject that may be selected as an elective.

6. **The Arts**, which includes Visual Arts, Dance, Music and Theatre Arts. Students may choose a second subject from the above five groups as an elective by replacing a selection in The Arts group.

Our School also offers pre-IB courses for English A, English B, intensive foreign language, Humanities, Combined Science, Mathematics, Business and Visual Arts. These pre-IB courses are developed by our School for students who have completed Grade 10, and are one-year preparatory courses in each subject area that aim to equip our students for the rigour of the DP by giving them more time to adapt to the increased difficulty in the course content and assessment criteria. Students who wish to acquire more understanding of a subject or who wish to consolidate their academic English skills may choose one or more of these pre-IB courses. Our students may choose to take the two-year DP upon completion of these one year pre-IB courses.

In addition to the academic subjects, the DP has three core requirements that are included to broaden the educational experience and challenge students to apply their knowledge and understanding. They are (i) Theory of Knowledge, (ii) Creativity, Action, Service and (iii) Extended Essay. The description of these core requirements are as follows:-

Theory of Knowledge is an inter-disciplinary requirement intended to stimulate critical reflection on the knowledge and experience gained inside and outside the classroom. The course challenges students to question the bases of knowledge, to be aware of subjective and ideological biases and to develop the ability to analyse evidence that is expressed in a rational argument. It is a key element in encouraging students to appreciate other cultural perspectives. The course is unique to the IB, which recommends at least 100 hours of teaching time spanning the programme's two years.

Creativity, Action, Service programme is in line with the goal to educate the whole person and foster responsible and compassionate students. The CAS programme encourages students to share their energy and special talents with others. Students may, for example, participate in theatre or musical productions, sports and community service activities. Students should, through these activities, develop greater awareness of themselves, concern for others, and the ability to work co-operatively with other people.

Extended Essay of 4000 words gives the students the opportunity to investigate a topic of special interest. The essay requirement acquaints DP candidates with the kind of independent research and writing skills expected by universities. It is recommended that a student devote a total of about 40 hours of private study and writing time to the essay, which may be written in one of 60 subjects. The essay permits students to deepen their programmes of study, for example, by selecting a topic in one of their higher level courses. Alternatively, they might add breadth to their academic experience by electing to write in a subject not included in their programme choices. The Extended Essay gives the students the opportunity to investigate a topic of special interest and acquaints the students with the type of independent research and writing skills expected at the university level.

Other Programmes

Study Preparation Programme ("SPP") and Second Language

English is the language in which our School conducts the teaching of our main curriculum. For students for whom English is not their first language, we assess their English proficiency upon their admission to our School. If necessary, we will offer them the specialised SPP, which is conducted in English and tailored to the students' English language proficiencies. In addition to learning the English language, SPP students study a full range of specially developed classes in most academic subjects including Science, Mathematics, and Humanities. There are 3 levels of SPP - 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. When basic proficiency is reached, our students will be 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, in the same grade level as their non-SPP peers so that they do not lose an academic year.

Our students are required to acquire proficiency in English and in another language of their choice. As all classes are conducted in English, all of our students are encouraged to, and usually do take English as either Language B or Second Language. All non-SPP students are expected to study another major international language apart from English. The five additional languages currently offered at OFS are Mandarin, French, German, Spanish and Japanese.

The fact that we have deliberately maintained a policy of diversity resulting in our School having around 70 nationalities of students, for most of whom English is a second language, encourages these students to use English as the common language of communication among themselves.

Model United Nations Initiative

MUN is an academic simulation of the deliberations of the various organs of the United Nations, by which our School seeks to educate our students about current events, topics in international relations, diplomacy and the United Nations agenda.

Our School believes that the MUN is a vehicle through which our students can leverage on knowledge gained from a variety of subject areas and develop skills in research, collaboration, negotiation, and written and oral presentation. Our students develop international mindedness from a relatively young age through researching, advocating and debating major current issues from the perspective of a country other than the student's own. MUN is embedded into our curriculum for all students from Grade 4 to Grade 8. In High School, the option classes for MUN in Grades 9 and 10 prepare students for the related subject "IB World Politics and International Relations" in Grades 11 and 12. Following an OFS presentation at the 2009 World Heads of IB Schools Conference in Seville, Spain, numerous schools around the world have contacted our School with a view to following this lead in MUN curriculum integration.

In Elementary School, there is a MUN-specific unit of study, undertaken by all Grades 4 and 5 students. For example, the MUN-POI unit for our Grades 4 and 5 students allows our students to inquire into the structure and function of the United Nations organisation, and also allows them to research and present on various issues such as disaster relief, reducing waste and eradication of poverty from the standpoint of a particular country, usually not their own. The MUN units for our Grades 6 to 8 students are interdisciplinary, and can cover issues such as infectious diseases (Science), European imperial conflict (Humanities) and data analysis and presentation (Mathematics).

On 29 December 2009, our School received authorisation from the IB to teach World Politics and International Relations to our students in High School (Senior) as a diploma subject for the DP from May 2012 onwards.

MUN is also an extra-curricular activity for our High School students, where the students research, discuss and negotiate on world related issues through the perspective of a country that is not their own country. This culminates into the MUNOFS conference, which is an annual conference organised by our School for our High School students and students from other schools. The 2012 MUNOFS held on 12 to 14 October 2012 attracted 297 non-OFS delegates from 17 schools, including four overseas schools. We believe the 2012 MUNOFS conference, which was in its fifth consecutive year, was the largest MUN conference held in Singapore, apart from the annual MUN Singapore conference organised by THIMUN, which was in its eighth consecutive year.

During these conferences, students role-play as diplomats representing a country that is not their own country in a simulated session of an organ of the United Nations, such as the Security Council or the General Assembly, and deliberate, negotiate and then develop solutions to world problems such as poverty and pollution.

Our School also organises the annual MY-MUNOFS conference for our Middle School students, where our Middle School students have the opportunity to research and present a country's standpoint on a particular issue, such as environment and economic development. On 11 and 12 February 2012, OFS hosted MY-MUNOFS III conference, which was the third MY-MUNOFS conference organised by OFS for our Middle School students. More than 430 Middle School students were involved in the organisation of MY-MUNOFS III, including student organisers and volunteers, and there were over 350 delegates from 21 schools attending the conference, which included schools hailing from India, Saudi Arabia, China, Malaysia, Indonesia, Myanmar and Taiwan.

As such, one of the key benefits of our MUN initiative is that it allows our students from a relatively young age to become advocates for points of view which would otherwise not naturally be their own.

THIMUN is a non-profit educational foundation and a United Nations accredited non-governmental organisation. On 2 November 2011, THIMUN approved affiliation status for our School's MUN programme, known as MUNOFS. The Dean of International Relations at our School, who administers the MUN programme for the School, is also the Singapore representative of THIMUN. He oversees the design and teaching of our MUN units in Grades 9 and 11 of our High School, and works with our Curriculum Leadership in the Middle School and Elementary School to use MUN as a vehicle to express the IB learner profile.

Enrichment Programmes

In addition to the school curriculum described in the foregoing sections of this Prospectus, 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 by our Dean of Enrichment. These programmes 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. All enrichment classes are held within our School's premises either after school hours or on Saturdays.

College Admission Counselling

We have our academic advisers who counsel students planning to enroll in colleges and universities. We assist students in applying for college admission by offering college counselling early during High School. We provide our students with information on admission requirements to different colleges and universities and the degrees and courses available for tertiary education.

We will schedule Grade 11 students to meet with a number of college representatives from throughout the world, to discuss their respective college requirements, application procedures, reference building, college selection criteria and all other pre-requisites necessary for admission into those colleges. In addition, we will conduct SAT and ACT workshops before the test dates to prepare the students for these tests. To assist students in their final college placement arrangements, we also provide one-to-one college admission counselling sessions for them.

Extra-Curricular Activities

In addition to the core curricular programmes described above, OFS also conducts extra-curricular activities. Students can choose to join various clubs such as the science club, art club, music club, dance club, drama club and chess club, or sports activities, including basketball, badminton, hockey, soccer, swimming, touch rugby and volleyball. Students are also given the chance to engage in friendly competition with other teams including teams from other schools, either on our School campus or at other campuses.

Details of our School's facilities are set out in the section entitled "**General Information on our Group – Business Overview – IT Infrastructure and School Facilities**" of this Prospectus.

IT Infrastructure and School Facilities

IT Resources

The IT department in our School consists of a team of one IT Manager, six application developers, one webmaster, two help desk/training staff, five technical support staff and external consultants, who are responsible for the continual development and maintenance of all IT resources employed by our School.

Our School has over 1,691 laptops and 901 desktops, available for use by the students. We also have an iMac computer laboratory and there are iMac computers in our libraries. Each classroom has two iMac computers and a ceiling mounted projector. Our School provides high speed fibre optic network connection for all the buildings in our School.

Our School also operates a timetabling and subject management system which schedules classes according to our students' course requirements while optimising classroom allocation. This is then exported to a timetable that sets out the schedule for each student in our School. Although new timetables are rolled out at the start of every academic year, administrators are able to update and amend the timetable according to changing student needs. This enables us to maximise the utilisation of the classrooms in our School. Changes to the class schedules are reflected instantly throughout the system, and are accessible online by the teachers, students and their parents.

OFS Software Application

Our School has an integrated software application which integrates many aspects of student management. On enrolment, every student receives their own server storage space, personal e-mail address, personal website, and online access to interactive homework, record of attendance, on-going assessment marks, library catalogue, library books on issue, classmates' websites, online discussion forums and subject area websites, for all sections within our School. Parents have password-protected access to their child's homework, records of attendance, on-going assessment details, library status, personal website, emails, photographs of class teachers and key administrators, subject area websites and personal and address information. In addition, parents, teachers and students are able to send and receive emails from each other via our campus intranet. Our School has filters to block inappropriate internet sites and e-mail spams.

We also provide online resources and information about the courses in the sections within our School. Class and subject materials are easily made available online. The software application also provides for interactive homework for our students, such as document submission, direct entry into the application, and the use of audio recordings for students to rehearse oral submissions as homework, in particular, for language classes. This ensures that students are able to keep up with lessons and schoolwork even when the student may not be able to attend school, for whatever reason, by learning remotely for short periods of time. There are also subject websites which are designed to keep students and their parents updated with the activities of the class.

Assessment System

Online assessment system

We believe that students and parents are entitled to accurate and valid assessment information at all levels of the school, assessment information that is valid and uniform between classes, subjects and across all schools and grade levels. We operate 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. For example:-

- We give our students continual and detailed academic feedback online, such as the breakdown of their test scores. We believe that this is one of the leading enablers on effective learning, as our students can track their results and therefore their understanding of the material taught and are encouraged to approach their respective teachers for help in the subject, thereby providing valuable feedback to the teachers on the effectiveness of classes;

- Our teachers enter details of the student performance for each assessment and make most of these accessible online to both students and their parents. Parents can therefore keep track of the performance of their children on a continual basis, not just at formal reporting times, and to give feedback to our teachers when necessary;

- Teachers and Curriculum Leadership can continuously and more accurately assess the effectiveness of teaching from the performance of the students through the detailed input of their students' performance in tests and assignments into the assessment system. This allows our teachers and academic leaders to adapt teaching and planning processes to better accommodate students who may need help in certain areas; and

- We carry out multi-year tracking of student performance, flagging marked improvement or deterioration relative to their age group.

Validity of Assessment

A range of strategies are in place to ensure and enhance validity of assessment information. These include external examinations (Grades 10 and 12) and moderation of assessments across all grade levels and in all courses with multiple classes. We have also implemented an independent assessment system, administered by our Academic Director and Executive Officer, Patrick Keenan, assisted by three academic analysts who assist in analysing data received via student assessment. This analysis is shared with teachers and academic administration, with a view to refine and improve our teaching methodologies and allow tracking of individual class and student performance.

The focus of independent assessment is to ensure that our teachers can receive, share and act on detailed assessment feedback.

School Facilities

We are located on 4.4 ha of land at the Paterson Road Site and occupy 13 buildings and extensions with our ancillary sports facilities. We have 5 shaded basketball and netballs courts, a playing field with a soccer pitch and a tennis court. Our Kindergarten students use a 12-metre junior pool, while our Elementary, Middle and High school students use a 25-metre swimming pool.

As at the Latest Practicable Date, we have 207 classrooms, including ten science laboratories, four multi-purpose halls, six computer labs, five art studios, six music rooms, one drama room and theatre, and four libraries with a collection of more than 185,000 books. All classrooms and administrative offices are air conditioned and carpeted.

Our premises at the Harding Road Site, which occupies 1.5 ha of land, is used for sports and recreational activities, and has one soccer/rugby pitch, a mini-soccer pitch, a cricket training pitch and a pavilion with changing rooms.

ACCREDITATION, AUTHORISATIONS AND QUALITY ASSURANCE

We are authorised by each of the IB and CIE to offer the respective certificates and education programmes. We are accredited by WASC, and regulated by CPE. Furthermore, we have internal policies and guidelines to ensure the quality of our teaching standards. Therefore, we are subject to both external and internal standards of quality assurance.

Accreditation and Authorisations

There are periodic evaluation reviews conducted by each of the IB, WASC and CIE, so as to enable OFS to continue to offer their respective certificates and education programmes.

International Baccalaureate ("**IB**")

PYP reviews are conducted four years after the initial authorisation, and subsequently at five-year intervals, starting from the date of the last review. MYP and DP reviews are conducted at five-year intervals. In addition, the IB DP team (represented by the IB Regional Office based in Singapore) conducts ad-hoc inspections of the DP examination procedures at OFS. The "Rules for IB World Schools" for the PYP, MYP and DP, respectively, all published by the IB in March 2011, set out the rules that apply to IB World Schools offering the respective IB programmes, such as the responsibilities of the school in offering the respective IB programmes, and with respect to the use of IB materials.

In addition, the "Programme Standards and Practices" published by the IB in January 2011 provides information for the planning, implementation, development and evaluation of all IB programmes.

Please refer to the section entitled "**General Information on our Group – Overview of the International Baccalaureate**" of this Prospectus for information on the history and objectives of the IB.

Western Association of Schools and Colleges ("**WASC**")

The accreditation process developed by one of their three commissioning bodies, Accrediting Commission for Schools (the "**Commission**"), extends its services to public, independent, church-related, and proprietary schools of various levels and types, such as elementary, junior high, middle and intermediate schools.

WASC advances and validates quality on-going school improvement by supporting its member institutions to engage in a rigorous and relevant self-evaluation and peer review process that focuses on student learning. WASC believes that schools should provide for successful student learning through programmes encompassing both the cognitive and affective components of learning to foster growth and development, enabling students to become responsible, productive members of the school community and of society.

WASC accreditation serves as recognition of the quality of our School's programmes and operations. In addition, WASC accreditation is important to OFS's high school graduates seeking admission to universities or other tertiary educational institutions in North America, in particular the western region of the USA. For instance, colleges and universities in USA examine transcripts to determine if the students have attended accredited institutions. Many school districts in the USA, such as those in the State of California, also have policies to accept credits only from WASC accredited schools or schools accredited by other regional accrediting agencies in the USA with whom WASC has reciprocal agreements with.

University of Cambridge International Examinations ("**CIE**")

Please refer to the section entitled "**General Information on our Group – Business Overview**" of this Prospectus for more information on the IGCSE. CIE conducts annual inspections of the examination procedures at OFS to ensure that the IGCSE examinations conducted at OFS meet the standards of an approved Cambridge International Examinations Centre. Under the "Handbook for International Centres 2011" published by CIE, CIE inspectors may also inspect the security arrangements for examination materials and the conduct of examinations.

Council for Private Education ("**CPE**")

Under the Mandatory Enhanced Registration Framework ("**ERF**"), CPE requires all private education institutions, operating in and from Singapore, to meet the mandatory registration requirements and legislative obligations. This is to ensure that private education institutions in Singapore are of a consistent and acceptable standard, in order to protect the interests of the students enrolled in their schools. The ERF is set out under the Private Education Act and the Private Education Regulations 2009. Some requirements include the establishment and maintenance of an Academic Board and an Examination Board, details of which are set out under the sub-section entitled "**Quality Assurance**" below.

Please refer to Appendix F – "**Government Regulations**" of this Prospectus for more information on the requirements for the renewal of the registration with CPE.

Quality Assurance

Our academic personnel are important in maintaining the quality of our programmes. We seek to hire, train and retain qualified academic personnel to keep pace with our anticipated growth while maintaining consistent teaching quality across our programmes. We seek to continue to attract qualified academic personnel who have a strong command of the subject areas to be taught, and who have the experience to deliver results.

WASC conducts a full review of OFS once every six years, revolving around a self-study document prepared by groups representing all stakeholders of the School, namely management, faculty and non-teaching staff, students and parents. Once the self-study has been furnished to WASC, a group of senior educators will visit the School to evaluate the School against the self-study document. A detailed visiting committee report is then furnished to the School and shared with all the stakeholders. The School then prepares and submits an action plan based on the report. There is also a mid-term review after three years with a one-day on-site review by a committee, to ensure that action plan items from the visiting committee report are being addressed and a mid-term review report is furnished to the School. The School submits progress updates to WASC in June of every year.

The procedures of our examinations are monitored by both the IB and CIE. Under the "Programme Standards and Practices" published by the IB in October 2010, our School is required to provide a secure location for the storage of examination papers and examination stationery with controlled access restricted to senior staff. In addition, the IB conducts unannounced inspections of schools during periods of examinations in order to monitor compliance with the "General Regulations: Diploma Programme" and the "Rules for IB World Schools: Diploma Programme", both published by the IB in March 2011.

A review by the IB of the IB programmes are carried out every five years for the DP and MYP, and every six years for the PYP. In preparation for the aforesaid reviews for the DP, MYP and PYP, our School will complete a self-study report, which reviews the School's performance in relation to the relevant IB programme over the five or six year-period. The self-study report will be centred on curriculum, teaching and learning. Our School invites responses to the self-study report from our stakeholders, being our administrators, teachers, students and parents. Our School then identifies the strengths of the respective IB programme, and also areas for improvement. An action plan will then be drafted to address the areas for improvement for the respective IB programme. The self-study report and the action plan will then be sent to the IB. For the MYP and PYP, there is also an evaluation visit from the IB, where they will review the self-study report and interview our stakeholders to receive feedback about the respective programmes. Review reports in respect of the DP, MYP and PYP will subsequently be issued by the IB to the School setting out their evaluation of the respective IB programmes and any matter to be addressed by our School.

The CIE also conducts annual inspections of the examination procedures to ensure that the IGCSE examinations conducted at OFS meet the standards of an approved CIE Centre.

Under the ERF, OFS is required to establish and maintain an Academic Board and an Examination Board. Both the Academic Board and the Examination Board establish internal policies and procedures, which help to ensure the standard and quality of our curriculum.

Academic Board

Under the ERF, the Academic Board of a private education institute shall be responsible for developing and reviewing the internal policies and procedures on all academic matters, including academic quality assurance measures, and to facilitate the implementation of and compliance with such policies and procedures. The Academic Board of OFS is headed by our Academic Director, Mr. Patrick Keenan, and comprises our High School Principal, Ms. Suzanne Magdalen Bentin, our Middle School Principal, Mr. David William Edwards, our Elementary School Principal, Mr. Aaron Bennett Nussbaum, and our Kindergarten Principal, Ms. Rani Suppiah.

Examination Board

Under the ERF, the Examination Board shall have the responsibility of developing examination and assessment procedures for the School, including the security of examination scripts, and the conduct of examinations and assessments. The Examination Board of OFS is headed by our Academic Director, Mr. Patrick Keenan, our IB Diploma Co-ordinator and our IGCSE/MYP Co-ordinator.

In addition to the above, we believe we have a unique and reliable IT infrastructure that enables our business operations and the operation of OFS to be carried out in an optimum manner. We have an IT team who continually develop and maintain our software for our assessment system and independent assessment system. Please refer to the section entitled "**General Information on our Group – Business Overview – IT Infrastructure and School Facilities**" of this Prospectus for more information.

CORPORATE SOCIAL RESPONSIBILITY

At our School, we believe in the importance of engaging in sustainable practices, particularly in the areas of community service, engagement with other educators, and awareness of the environment. We believe our policies and practices will have a positive impact on our stakeholders and the community we operate in, and also help to instil a sense of social responsibility among our students and teachers alike. For our students, this will encourage them to be responsible not only to themselves but also to the community, in line with our School's objectives of the IB education philosophy. Through our policies, our teachers have the opportunity to engage with other educators in the community, allowing them to contribute and share their knowledge among our community.

Community Service

Our School has community service partnerships with various local organisations which our students are encouraged to participate in. Some of these partnerships are long-standing and students from our School have been volunteering at these organisations for as long as eight years. Examples of such programmes include activities with Riding for the Disabled at Riding for Disabled Association of Singapore ("**RDA**") Centre. Our students visit the RDA Centre once a week after school hours to assist physically and intellectually handicapped children to ride, promoting confidence and providing exercise for these children. Our School also has a partnership with Movement for the Intellectually Disabled (MINDS), where our students would visit Lee Kong Chian Gardens School once a week after school to engage the children in games and activities. We also have a partnership with Bishan Home for the Intellectually Disabled, where our students plan and organise arts and crafts activities or simple physical education activities, in conjunction with the trained staff of the Bishan Home for intellectually disabled adults at the home.

Partnership with local institutions

We have various partnerships and collaborations with MOE and other local educational institutions in Singapore.

MOE's Teacher Work Attachment Programme

Since 2005, we have worked closely with MOE under its "Teacher Work Attachment" programme to provide professional development for teachers with MOE. Under this programme, MOE assigns their teachers to work under attachment with teachers in our School for a period of two to four weeks, to gain an understanding of OFS's and IB's teaching practice. On 23 November 2011 and 20 November 2012, we were awarded the Certificate of Appreciation by the Academy of Singapore Teachers, in recognition of OFS's contribution to the professional learning of teachers in Singapore. OFS has renewed its commitment to the Teacher Work Attachment programme with MOE for 2012, and will continue to participate in this partnership on a sustained basis to provide attachment places for teachers from MOE.

Exchanges with Local Schools

There are school exchanges between our School, Ang Mo Kio Secondary School and Bendemeer Secondary School, respectively, where students share and celebrate their cultural differences and similarities. For example, students from our School and Bendemeer Secondary School went over to each other's schools for International Friendship Day. Students from our School performed at Ang Mo Kio Secondary School's Chinese New Year's celebrations for the past four years, while students and teachers from Ang Mo Kio Secondary School provided dance training and costumes for our students, the most recent of which was for a traditional Malay dance performance at our High School United Nations Concert held in September 2012.

Environmental

As part of our initiative to minimise the School's impact on the environment, we have since 2010 replaced all the refrigerants in our School's approximately 500 air-conditioners with non-ozone depleting refrigerants. Under the Montreal Protocol to which Singapore is a party, all air-conditioners in Singapore are required to cease using ozone depleting refrigerants by 2040. As such, we are significantly ahead of the stipulated deadline for the use of non-ozone depleting refrigerants. Apart from being more environmentally friendly, these new refrigerants also provide improved electric current delivery, thereby lowering the energy consumption in our School. We have measured a reduction in the electricity consumption of our air-conditioners of up to 36% following the replacement of the refrigerants.

In addition, we have to date replaced about 40% of all the fluorescent lights in our School with light-emitting diode ("**LED**") lights. These LED lights are custom-made for our School. These LED lights are better for the eyes, as the lights are non-flickering. They are also non-hazardous, as there is no mercury in the lights, which is what is traditionally found in florescent lamps. Furthermore, they provide considerable savings in energy consumption. We have measured a reduction in our electricity consumption from lighting of up to 46% as compared to when we used florescent tubes.

These efforts by us to use more environmentally friendly air-conditioning refrigerants and lighting at our present campus are intended in part to be a 'trial-run' in preparation for the school-wide installation of such green technology at our new campus.

CLASSROOM UTILISATION RATE

Our advanced timetabling system optimises use of classrooms and other resources, while meeting the course needs of our students. We believe that this efficiency at resource usage is well in excess of other foreign system schools.

Information on the total student enrolment capacity and average enrolment level of our School was as follows:-

	FY2009	FY2010	FY2011	HY2012
Total Enrolment Capacity[(1)]	3,940	3,940	3,940	3,940
Average Enrolment Level	3,554	3,597	3,680	3,779
Capacity Utilisation Rate	90.2%	91.3%	93.4%	95.9%

Note:-

(1) The total enrolment capacity is calculated based on the estimated maximum number of students which can occupy all the classrooms of our School at any one time.

STAFF TRAINING

To maintain the quality of our academic personnel, we provide extensive professional development opportunities.

In the week before the start of every academic year, we conduct professional development for our entire faculty, including the orientation of new staff into our academic programmes. During the academic year, we also set aside dedicated days for professional development school-wide.

Each section within our School also provides on-going professional development for all our academic personnel, so that they can be aware of changes in course requirements and be informed and trained in the best teaching practices for their respective subject areas.

We also send our academic personnel to courses conducted by IB-accredited trainers or trainers for specific subject areas, sometimes conducted by our own staff, several of whom are IB-accredited trainers. Such training may be done within our School's premises, and outside within Singapore and overseas. There are also other avenues through which academic personnel meet and learn from other academic personnel in similar roles, for example, the PYP network meetings.

For non-academic staff, we encourage and send them to attend courses to upgrade their skills in their respective areas of work.

SALES AND MARKETING

Our Directors believe that positive word-of-mouth is the most effective marketing tool for us as it represents proof that our educational programmes are well regarded by our Clients. We rely on our Clients, including an active Parents Association to share their positive experiences with other prospective Clients within the Singapore expatriate community.

Information on our School can be found in brochures and information packages which we distribute to our prospective Clients upon their request. Our website also contains extensive information about our School, including information regarding the sections within our School, our facilities, Parents Association, MUN initiative and extra-curricular activities.

INSURANCE

As at the Latest Practicable Date, we maintained the following insurance policies:-

Type of insurance	Subject Insured	Term
Commercial Fire	On furniture, fixtures, fittings, air-con systems and other properties under our OFS's care, custody and control; and on school equipment including air-con, musical equipment, cafeteria equipment, sports equipment and computers, lab equipment, on renovations, improvement, swimming pool and school books at the Paterson Road Site	1 January 2012 to 31 December 2013(1)
Commercial Fire	On building, excluding foundations, for 'Overseas Family School Limited and Commissioner of Lands' at the Paterson Road Site	25 July 2011 to 24 July 2013
Commercial Fire	On stock of school equipment, uniforms and all other stationery at 315 Outram Road, #14-07, Tan Boon Liat Building Singapore 169074	1 January 2012 to 31 December 2013(1)
Money in Transit	On money in transit between OFS and the Bank or Post Office and money in the premises such money to be contained in a securely locked safe/drawer till whenever the premises is left unoccupied or unattended	1 January 2012 to 31 December 2013(1)
Work Injury Compensation	Work injury compensation for the employees of OFS where the place(s) of employment is anywhere in Singapore and anywhere in accordance with the provisions of the Work Injury Compensation Act (Chapter 354) of Singapore	1 January 2012 to 31 December 2013(1)
Property All Risks	On computer laptops, note books, cameras and equipment, musical instruments whilst in transit for the purpose of exhibition and demonstration	1 January 2012 to 31 December 2013(1)
Theft/Burglary	On all contents, furniture, fixtures, fittings and equipment/musical instruments under OFS's care and custody	1 January 2012 to 31 December 2013(1)
Public Liability	Covers legal liability of OFS arising from the provision of first aid facilities but excluding any act of negligence, omission or neglect of any duly qualified member of the medical profession or any employee or voluntary worker of any hospital or ambulance organisation, loss of or damage to vehicles under the control of OFS or its parking attendants whilst in the car park of OFS, bodily injury or loss of or damage to property arising from beyond limits of any carriage-way or thoroughfare, employment on private duties of an employee of OFS by such director or executive, bodily injury and property damage caused by or arising out of and in connection with any social, recreational or welfare activities organised, supervised and managed by OFS for its invited participants including employees, their families and friends anywhere in Singapore, accidents caused by neon/advertising signs owned by OFS, damage to third party property arising out of the use of water or chemicals by fire brigade to extinguish a fire in OFS's premises, death or bodily injury or loss or damage to property arising from an accident as a result of OFS's liability arising out of work or operation by independent contractors or sub-contractors engaged by OFS in connection with OFSs business	1 January 2012 to 31 December 2013(1)
Group Hospital and Surgical Insurance	Group hospital and surgical insurance, major medical benefit, outpatient specialist consultation and diagnostic x-ray laboratory test insurance benefit, dental care benefit, group term life insurance with extended death and total and permanent disability benefits, for all staff and their eligible dependents	1 August 2012 to 31 July 2013

Type of insurance	Subject Insured	Term
Group Hospital and Surgical Insurance	Group hospital and surgical insurance for all students arriving in Singapore with in-principal approval (IPA) for student pass document from Immigration & Checkpoints Authority and all other students	8 February 2012 to 7 February 2014(2)
Industry-Wide Course Fee Protection Insurance	Loss of student fees in the event students are unable to commence, continue with or complete course due to a termination event during the period of insurance	22 February 2012 to 21 February 2014(3)
Group Personal Accident	On the lives of registered students if the student sustains injury within the school premises and through activities organised by the School anywhere in the world	1 September 2012 to 31 August 2013
Directors and Officers Insurance	On losses from claims made in relation to the director or officer of the Company	5 November 2012 to 4 November 2013

Notes:-

(1) OFS has received written confirmation from AXA Insurance Singapore Pte Ltd that the respective insurance policies have been renewed until the end of the period as stated and the renewal documentation will be completed in due course.

(2) OFS has received written confirmation from HSBC Insurance (Singapore) Pte. Limited that the insurance policy has been renewed until 7 February 2014 (inclusive) and the renewal documentation will be completed in due course.

(3) OFS has received written confirmation from AEGIS Insurance Securities Pte Ltd that the insurance policy has been renewed until 21 February 2014 (inclusive) and the renewal documentation will be completed in due course.

There were no significant insurance claims for the Period Under Review.

As at the Latest Practicable Date, we did not have keyman insurance for our Executive Chairman and CEO, Mr. David Perry, nor our Executive Director, Ms. Irene Wong.

Our Directors are of the view that the above insurance policies are adequate and sufficient for our existing operations. However, significant disruption to our operations, whether as a result of fire, natural or man-made causes, may still have a material adverse effect on our business, operations, prospects, financial condition and results of operations. Please refer to the section entitled "**Risk Factors**" of this Prospectus for more information. Our Directors will review our insurance coverage annually.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, the following trademarks had been registered by our Group:-

Trademark	Company	Trademark number	Country of application	Class	Registration date	Renewal due on
OFS	Overseas Family School Limited	T1114921H	Singapore	41(1)	24 October 2011	24 October 2021
Overseas Family School	Overseas Family School Limited	T1114922F	Singapore	9, 16, 25 and 41(2)	24 October 2011	24 October 2021
Overseas Education Limited	Overseas Education Limited	T1114920Z	Singapore	41(3)	24 October 2011	24 October 2021

Notes:-

(1) Class 41: advisory services relating to education; business educational services; career information and advisory services (educational and training advice); consultancy services relating to education; education advisory services; education services; educational assessment services; educational consultancy services; educational institute services; foreign language education services; higher education services; information services relating to education; kindergarten services (education or entertainment); management of education services; musical education services; online education services; pre-university education services; primary education services; provision of children's educational services through play groups; secondary education services; sports education services; technological education services; tertiary education services; university education services.

(2) Class 9: cards encoded with security features for authentication purposes; compact discs (read-only memory); computer software; downloadable electronic publications; DVDS; magnetic tapes; recorded discs bearing images and sounds; sound and video recordings; value cards (machine readable) such as photocopying cards.

Class 16: bags (envelopes, pouches) of paper or plastics, for packaging; books including books for recording attendance; certificates; diaries (printed matter); envelopes (stationery); exercise books; files; folders (stationery); letterheads; magazines (periodicals); manuals (handbooks); pamphlets; periodicals; pouches (stationery); printed matter relating to examinations; printed publications including yearbooks; school diaries; sketch books; stamps (seals); stationery; student workbooks; teaching materials (except apparatus); textbooks; writing pads; workbooks (printed matter); yearbooks.

Class 25: aprons; athletics shorts; gym shorts; pullovers; shorts; sports jerseys; sport shirts; sweaters.

Class 41: advisory services relating to education; business educational services; career information and advisory services (educational and training advice); consultancy services relating to education; education advisory services; education services; educational assessment services; educational consultancy services; educational institute services; foreign language education services; higher education services; information services relating to education; kindergarten services (education or entertainment); management of education services; musical education services; online education services; pre-university education services; primary education services; provision of children's educational services through play groups; secondary education services; sports education services; technological education services; tertiary education services; university education services.

(3) Class 41: management of education services provided domestically or locally.

On 18 May 2012, Master Projects, the Company and OFS entered into a deed of assignment where Master Projects, with full title guarantee, transferred, conveyed and assigned to the Company as beneficial owner absolutely all of Master Projects' title, rights, benefits, interests and entitlements (in Singapore and all other countries) in and to any software and computer programs (including operating systems and source codes) for the operation of schools, developed or created by Master Projects under the Management Services Agreement and the Technology Development Contract with effect from 18 May 2012. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions – Transactions with Master Projects**" for more information on the abovementioned deed of assignment.

Save as disclosed above, we do not own nor are we dependent on any registered trademark, patent or other intellectual property rights. As at the Latest Practicable Date, our business or profitability is not materially dependent on any patents, trademarks or other intellectual property.

RESEARCH AND DEVELOPMENT

We believe in the importance of using IT to enhance the learning experience of the students in our School as well as to optimise the efficiency of our administrative functions and the utilisation of our resources. We operate a fully integrated computer system which manages, among other things, the timetable and subject management system, which schedules classes according to the students' course requirements while optimising classroom allocation. The integrated computer system also provides our students with online access to interactive homework, subject area websites and discussion forums, among many other features, through our OFS software application. The integrated computer system also manages the online assessment system, which allows parents, students, our Curriculum Leadership and our Independent Assessment Unit to assess the effectiveness of classes taught and provide feedback in a timely manner. Please refer to the sections entitled "**General Information on our Group – Business Overview – IT Infrastructure and School Facilities**" and "**General Information on our Group – Competitive Strengths**" of this Prospectus for more information on how IT is used across our School.

We continually review and improve our software assets to take into account the latest technological developments and to fine-tune our processes. We currently employ six full-time IT staff to carry out on-going research and development of new software as well as the upgrading and enhancement of existing applications to achieve either additional functionality or the extension of the useful life of the software assets. The time costs of our IT staff in doing such software developmental work is capitalised and the amounts capitalised for the Period Under Review were as follows:-

	FY2009	FY2010	FY2011	HY2012
Amount Capitalised (S$'000)	947	980	527	310
As a percentage of revenue (%)	1.3	1.2	0.6	0.7

Moving forward, we intend to continue to carry out on-going software developmental work, although we do not anticipate that the amounts to be capitalised in the next few years will be significantly higher than in previous years.

INVENTORY MANAGEMENT

Our inventory consists mainly of school uniform, books and stationery for sale at our School's bookshop. In order to ensure that our inventory is managed efficiently and effectively, we monitor our inventory through half yearly full inventory counts. We also review for slow moving inventory through stock movement reports and we write off inventory that have no movement for more than 360 days and are no longer saleable. Our inventory turnover days for the Period Under Review were as follows:-

	FY2009[(1)]	FY2010[(1)]	FY2011[(1)]	HY2012[(2)]
Inventory turnover (days)	267	290	263	536

Notes:-

(1) Inventory turnover (days) = (Average inventory divided by total cost of sales) x 365 days.

(2) Inventory turnover (days) = (Average inventory divided by total cost of sales) x 182 days.

(3) As at 31 December 2009, 2010 and 2011 and 30 June 2012, the inventory balance was S$0.5 million, S$0.6 million, S$0.6 million and S$0.6 million, respectively.

The inventory turnover days increased from 267 in FY2009 to 290 in FY2010, in line with lower bookshop sales in FY2010 due to the decrease in average student enrolment numbers in the Junior School. In FY2011, inventory turnover days decreased to 263, in line with increase in bookshop sales due to the increase in average student enrolment numbers.

In HY2012, inventory turnover days increased to 536 days as sales are generally slower in the second semester commencing in January ahead of the end of the academic year in June compared to the first semester commencing in August.

No provision for inventory obsolescence was made during the Period Under Review as we did not experience any material inventory obsolescence.

CREDIT MANAGEMENT

Clients

Tuition fees for the next semester are invoiced 30 days before the end of the previous semester and are payable 30 days before the start of the new semester. Our trade receivables consist of amounts attributable to tuition fees, registration fees, school bookshop sales and other school activity related charges. Trade receivables are generally due between zero to 60 days. Our trade receivables turnover days for the Period Under Review were as follows:-

	FY2009(1)	FY2010(1)	FY2011(1)	HY2012(2)
Trade receivables turnover (days)	8	5	3	6

Notes:-

(1) Trade receivables turnover (days) = (Average trade receivables divided by total revenue excluding interest income) x 365 days

(2) Trade receivables turnover (days) = (Average trade receivables divided by total revenue excluding interest income) x 182 days

Suppliers

The credit terms granted to us by our suppliers are typically between seven and 30 days from the delivery date. We pay our suppliers promptly and maintain a good credit track record with them.

Details of our average trade payables turnover days for the Period Under Review were as follows:-

	FY2009(1)	FY2010(1)	FY2011(1)	HY2012(2)
Trade payables turnover (days)	16	15	10	9

Notes:-

(1) Trade payables turnover (days) = (Average trade payables divided by total operating expenses excluding depreciation, amortisation, management fees and personnel expenses) x 365 days

(2) Trade payables turnover (days) = (Average trade payables divided by total operating expenses excluding depreciation, amortisation, management fees and personnel expenses) x 182 days

COMPETITION

The foreign system school industry is highly competitive. Frost & Sullivan has reported that the principal competitive factors that affect the businesses of foreign system schools are school fees, student population, length of operations of the school, and total teacher population.

We face competition from other foreign system schools. To the best of our Directors' knowledge, our key competitors in the foreign system school industry are Singapore American School, United World College of South East Asia, Tanglin Trust School, Canadian International School, and Australian International School.

None of our Directors, Controlling Shareholders or Substantial Shareholders has any interest, direct or indirect, in any of the above competitors.

COMPETITIVE STRENGTHS

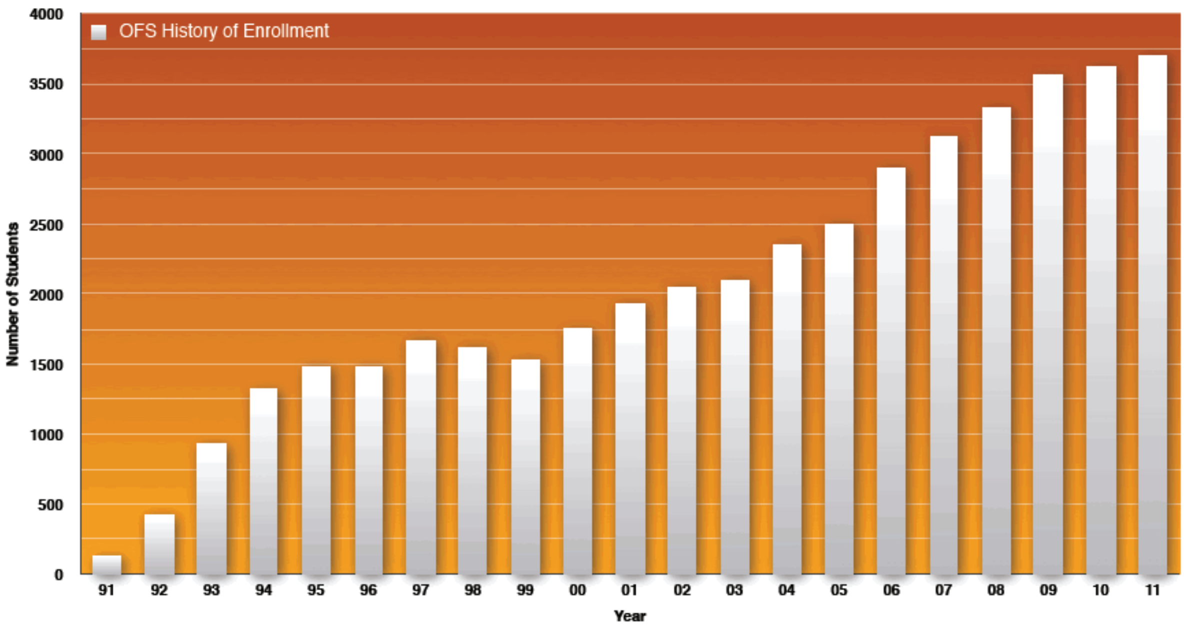
According to Frost & Sullivan's Report, the foreign system schools industry in Singapore is forecast to grow from approximately S$866.1 million in Financial Year 2011 to about S$1,430.2 million in Financial Year 2015, registering a CAGR of approximately 13.4% during this period. We believe that we have the following strengths that will put us in a good position to continue to attract students from the expected increase in overseas families who are already in Singapore with children of school-going age or that will be moving to Singapore to work and live:-

1. Well-recognised name and established track record

Over the last two decades since our establishment, we have built a well-recognised name in the private education industry in Singapore, particularly among the K-12 foreign system schools. This is due to our long track record of providing K-12 education, ability to attract students from a diversity of nationalities, our strong curriculum, strong growth in our student population, our assessment system and strong and active Parent Association network which participates actively in our School's activities and which help to propagate our School's name by word-of-mouth. According to Frost & Sullivan's Report, our School is one of the top three foreign system schools in Singapore in terms of revenue, and has 10.3% of the market share in the foreign system school industry in Singapore.

2. Resilient business model

We believe that we have established a resilient business model, even during the general downturn in the western economies as recently as 2008/2009. As can be seen in Frost & Sullivan's Report, Singapore is playing an increasingly important role as a regional business hub in the East as the world's economy is experiencing an emergence of Asian economies such as China, India, Vietnam and Indonesia. Please see the graph below for our historical student enrolment numbers.



3. Strong parent engagement with our School

We recognise our role as a service provider to the parents of our students who have the primary responsibility of educating their own children. To this end, we have developed various channels of communication and avenues for participation for parents and students alike. We believe these help to encourage participation in our School, allowing parents and students to appreciate the quality of education and curriculum which our School provides.

We encourage parents to participate in our School and their child's activities in the School. We encourage parents to volunteer their services for our School's activities through our Parent Association, which has weekly meetings. Our Executive Director, Ms. Irene Wong, conducts regular meetings with our Parent Association, which acts as a conduit between parents and our School. We have an open school philosophy, which means that we welcome parents to visit our School freely during school hours. Parents are also welcome to sit in on the classes with their child. We also have orientation and curriculum meetings for parents during the course of an academic year. In addition, parents have their own webpages, which contains information on their child's timetable, assessment information, their child's homework, and contact information of our Academic Director, our Principals, and all the academic administrators and teachers relevant to their child.

Our students receive guidance from their homebase teachers and for our High School students, from their academic advisers, who monitor our students' academic progress in School. Our students also have their own webpage, which contains information on their homework, timetable, and contact information of our Academic Director, our Principals, and their academic administrators and teachers.

For all the reasons above and given the fact that our School offers a straight through K-12 curriculum, we believe that the parents of our students are encouraged to have their children complete their pre-tertiary education at our School so long as they are in Singapore.

4. Specialisation between management and teaching

Since the inception of our School, we have separated the roles of management and administration from that of academia and teaching, with the administration of our School being managed entirely through our corporate office. For example, all matters relating to the billing and collection of student fees, physical infrastructure requirements and on-going IT support, are handled by our corporate office, which comprises over 130 non-academic personnel. Please refer to the section entitled "**Directors, Management and Staff – Staff**" of this Prospectus for a breakdown of our full-time employees by their functions.

We believe that this separation of roles of management and administration allows our Principals, Curriculum Leaders and teachers to focus their efforts on the education of our students and the on-going development and improvement of our various curricula. Across the four sections within our School, namely Kindergarten, Elementary, Middle and High Schools, we have a team of over 360 experienced and qualified academic personnel who are employed on a full-time basis.

Our academic personnel hail from over 20 different countries and they are employed in a variety of roles at our School. For example, in addition to teaching staff, we have a team of academic leaders, comprising not only of our Principals and Deputy Principals, but also programme co-ordinators who co-ordinate each of the PYP, MYP and DP and the IGCSE programme, staff in Curriculum Leadership roles for the various Grades, subject area leaders, Mathematics and language specialists, and academic analysts, who assist our Academic Director in analysing the data received through our independent assessment system with a view to refining and improving our curricula and teaching methodologies.

In addition to the core academic programmes, we have also appointed various deans to head our non-academic programmes, namely (i) the Dean of Physical Education to oversee all physical education and sporting activities, (ii) the Dean of Enrichment Programme to oversee the selection and administration of the enrichment programmes offered by the School and (iii) the Dean of International Relations, who not only oversees the MUN programme in the School but is also given the mandate to actively promote it among the wider educational community.

5. Multi-national student base

We believe that our diversified student base, consisting of around 70 nationalities, provides us with a resilient business model that allows us not to be overly dependent on the influx of students from any particular country in the world. As at the Latest Practicable Date, the proportion of students from the various geographical regions was as follows:-

Geographical region		Percentage of our student population (%)
Asia	:	51.7
Europe	:	27.8
North and South America	:	10.0
Australia and New Zealand	:	5.5
Middle East	:	4.1
Africa	:	0.9
Total		**100.0**

Furthermore, generally no students of any single nationality represent more than 20% of our School's total student population. We believe that the benefits of having a diversified student base, which is a policy we actively try to cultivate, extend beyond economics. We strongly hold the view that such a diversified student population, apart from being naturally a very conducive environment for our MUN initiative, allows our students to study and interact with fellow schoolmates from various nationalities, cultures and religious beliefs and prepares them well to integrate and interact within a globalised economy and culturally diversified society. We believe that this is in line with one of the key objectives of the IB education philosophy, which is to promote international perspectives, understanding and communication among students and so prepare them for an increasingly globalised community.

6. Strong curriculum

We are one of five foreign system schools in Singapore to offer the full IB curriculum, consisting of the PYP, MYP and DP. The IB curriculum strives to inculcate international-mindedness in students through its programme and teaching methodology which aims to foster and develop, *inter alia*, an inquiring mind, critical thinking, reflection and research skills. We believe that by offering the full IB curriculum, it enables us to accept enrolment of students at any pre-tertiary education level. Further, having a full and integrated curriculum allows our students who join our School to follow a consistent and coherent educational approach and philosophy throughout their pre-tertiary education. In addition to the IB curriculum, we also offer, encourage and prepare our Grades 9 and 10 High School students to attempt the IGCSE examinations. We believe that this not only supplements the students' IB curriculum-based education, which emphasises holistic learning, with the rigorous content of the IGCSE subjects, but also enables our Grade 10 students (equivalent to Secondary 4 students under the Singapore local education system), to compare their academic performance against a well-recognised international benchmark.

In addition, we believe that OFS is a pioneer in integrating MUN into our core curriculum and is the first and only foreign system school in Singapore to do so. As stated in the section entitled "**General Information on our Group – Business Overview – Other Programmes**" of this Prospectus, MUN is a vehicle through which our students can develop skills in research, collaboration, negotiation and presentation and develop international-mindedness from a relatively young age. Our Academic Director, Mr. Patrick Keenan, gave a presentation at the 2009 World Heads of IB Schools Conference in Seville, Spain on the MUN curriculum integration at our School, and we are currently assisting other IB World Schools who are interested in doing the same for their schools.

We believe the offering of IGCSE alongside the IB programmes and the integration of MUN into our curriculum allow us to develop a strong curriculum for our students, enabling us to prepare our students for tertiary education and beyond upon graduation from our School.

7. Quality control through our continual assessment system

We operate 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. The online assessment system is used to support and promote student learning and to accurately report student achievement on an on-going basis, thereby placing the emphasis on the student's individual learning. For instance, the online assessment system enables (i) students to track their results and therefore their understanding of the subject taught, and approach their respective teachers for help in the subject; (ii) parents to keep track of the performance of their child on a continual basis, and give feedback to teachers when necessary; and (iii) teachers and academic leaders to continuously assess the effectiveness of teaching following the feedback given by students and parents, thereby allowing them to adapt their teaching and planning processes and refine and improve their teaching methodologies. Please refer to the section entitled "**General Information on our Group – Business Overview – IT Infrastructure and School Facilities**" of this Prospectus for more information on our online assessment system.

We believe that the online assessment system will continue to serve us well in engaging our students' interests in their schoolwork and provides an avenue for parents to give their feedback which can then be channelled to the teachers. We believe that the online assessment system is one factor that has contributed greatly to the academic achievements of the students at our School, which practices an open entry policy for examinations. Set out below are the percentages of our School's 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) out of a total of 45 measured against the world-wide percentages of DP students over the last three academic years:-

	Academic Year 2008/2009		**Academic Year 2009/2010**		**Academic Year 2010/2011**	
	% of OFS DP candidates	**% of candidates world-wide**	**% of OFS DP candidates**	**% of candidates world-wide**	**% of OFS DP candidates**	**% of candidates world-wide**
35+ points	**24.7**	21.7	**29.5**	21.6	**36.7**	22.6

Source: The IB Diploma Programme Statistical Bulletin, published by the IB in November 2009, 2010 and 2011, respectively[14]

8. Innovative use of IT

We believe that our students, parents and teachers have benefited from our innovative use of IT in our School, the extensive IT resources and infrastructure that we have invested in, and our unique OFS integrated software application, as these have not only enhanced interaction among our students, their parents and our teachers, but have also increased our effectiveness and efficiency in running our School.

14 International Baccalaureate has not consented to the inclusion of the relevant statement and is therefore not liable for the relevant statement under Section 253 and Section 254 of the Securities and Futures Act. Our Directors are aware that International Baccalaureate does not guarantee or assume responsibility that the information in its website is accurate, adequate, current or reliable, or may be used for any other purpose other than for general reference. While our Company has taken reasonable action to ensure that the relevant information is reproduced in its proper form and context, and that the information is extracted accurately and fairly, all other parties and ourselves have not conducted an independent review of the statement and have not verified the accuracy of the statement.

The timetabling and subject management system as developed by our IT Department provides flexibility in scheduling classes according to our students' course requirements, and optimises the utilisation and allocation of the classrooms in our School. For FY2011 and HY2012, our average capacity utilisation rates were 93.4% and 95.9%, respectively. Please refer to the section entitled "**General Information on our Group – Classroom Utilisation Rate**" of this Prospectus for more information on our capacity utilisation rate.

Our School currently has over 1,691 laptops and 900 desktops throughout our School, allowing teachers to carry out their lessons through the use of interactive media and presentations, and allowing students even at the Kindergarten level to be exposed to computer literacy at a young age. Our OFS integrated software application allows students, parents and teachers to remain updated of student progress and allows for online interaction through email, personal web pages, and interactive homework. Please refer to the sections entitled "**General Information on our Group – Business Overview – IT Infrastructure and School Facilities**" and "**General Information on our Group – Research and Development**" for more information on our IT resources and OFS software application and the amounts spent on software development for the Period Under Review.

We believe this innovative use of IT in our School has enabled us to utilise technology to achieve more effective results in managing our School and student population. We also believe that we are unique in our innovative use of IT in our School, and this has allowed us to stay competitive in the overall management of our School and provide both parents and students with a very positive experience with our School.

9. Experienced and professional management team

We have a very experienced and professional management team which is familiar with the business of managing and operating a foreign system school. Our Executive Chairman and CEO, Mr. David Perry, has been involved in the foreign system school arena for over 25 years and our Executive Director, Ms. Irene Wong, has been an administrator of foreign system schools her entire working career, which spans over 35 years. They are supported by a team of very experienced key executives. Our Academic Director, Mr. Patrick Keenan, and our respective Principals, have between them over 120 years of cumulative experience in the education industry. Our General Manager, Mr. Jason Lee, who is responsible for overseeing the day-to-day non-academic operations of our School, has been with us since the founding of our School over 20 years ago.

MAJOR CUSTOMERS

Our customers include our students' parents, guardians, as well as companies paying for the tuition fees as part of the expatriate package given to our students' parents. We have an average student enrolment of 3,554, 3,597, 3,680 and 3,779 students, for FY2009, FY2010, FY2011 and HY2012, respectively, and have no major customers accounting for 5.0% or more of our Group's total revenue for the Period Under Review.

MAJOR SUPPLIERS

We are a private foreign system school in Singapore engaged in the provision of education services offering the K-12 IB curriculum. Our operating expenses comprise mainly personnel expenses, school lease rental, depreciation and amortisation expenses and management fees. Suppliers who accounted for 5.0% or more of our Group's operating expenses (excluding personnel expenses which are common costs, and depreciation and amortisation expenses, which are non-cash expenses) for the Period Under Review were as follows:-

Major Suppliers	Nature of purchases supplied / services provided	As a percentage of operating expenses (excluding personnel, depreciation and amortisation expenses) (%)			
		FY2009	FY2010	FY2011	HY2012
Singapore Land Authority	Lease of Paterson Road Site and Harding Road Site	39.9	41.8	40.9	51.4
Master Projects	Provision of management services	20.6	18.4	15.7	–
K. C. Ng Construction Pte Ltd(1)	Maintenance of school facilities	4.7	5.0	5.7	1.6
SP Services Ltd	Utilities	4.7	4.4	5.4	7.1

Note:-

(1) For each of the last three financial years ended 31 December 2011 and the six months ended 30 June 2012, K. C. Ng Construction Pte Ltd had also provided renovation services to our School which amounted to S$1.6 million, S$1.2 million, S$0.7 million and S$34,000, respectively. The costs of these renovations were capitalised.

Please refer to the section entitled "**Interested Persons Transactions**" of this Prospectus for information of our relationship with Master Projects.

As at the Latest Practicable Date, save as disclosed under the section entitled "**Interested Persons Transactions**" of this Prospectus, none of our Directors or Substantial Shareholders and their Associates has any interest, direct or indirect, in our major suppliers.

SEASONALITY

We are not affected by any seasonality changes, as we accept students generally at any time of the year. However, we do experience a higher number of student intake at the beginning of our academic year, which commences in August.

PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, our Group did not own any properties.

As at the Latest Practicable Date, our Group leased the following properties:-

Location	Gross area (m^2)	Tenure	Monthly Rental (S$)	Encumbrances	Lessor	Usage
Blocks 25B, 25C, 25D, 25E, 25E Extension, 25F, 25G, 25J, 25K and 25H Paterson Road including swimming pools, Carparks B, C, F & K, Driveway and Sports Facilities (school field, game courts & others) State Land Lots 704PT and 833PT TS 21	44,057.5	25 July 2010 to 24 July 2013[(1)]	553,061	Nil	Singapore Land Authority	To use said premises only as commercial school for education
Block 10A Harding Road, Ancillary Building and Field Grounds State Land Lot 3574M-PT MK 2	15,064.7	2 May 2012 to 1 May 2015	12,074	Nil	Singapore Land Authority	To use said premises only for sports & recreation
315 Outram Road, #14-07, Tan Boon Liat Building, Singapore 169074	148.6	1 September 2012 to 31 August 2014	3,840	Nil	Tan Boon Liat & Co.(S) Pte Ltd	To use premise as a warehouse and/or office according to conditions stipulated by the relevant government and/or statutory authorities concerning the business of the OFS only

Note:-

(1) On 3 July 2012, OFS received a letter from the SLA confirming that the SLA has received approval for the direct grant of the tenancy from 25 July 2013 to 30 June 2015.

As at the Latest Practicable Date, our Group also leased 135 residential apartments for our staff's lodging, with rental ranging from S$2,500 to S$6,500 per month. As at the Latest Practicable Date, the monthly rental paid by our Group for our staff's lodging was S$351,014.

There are no regulatory requirements or environmental issues that may materially affect our utilisation of our properties and fixed assets.

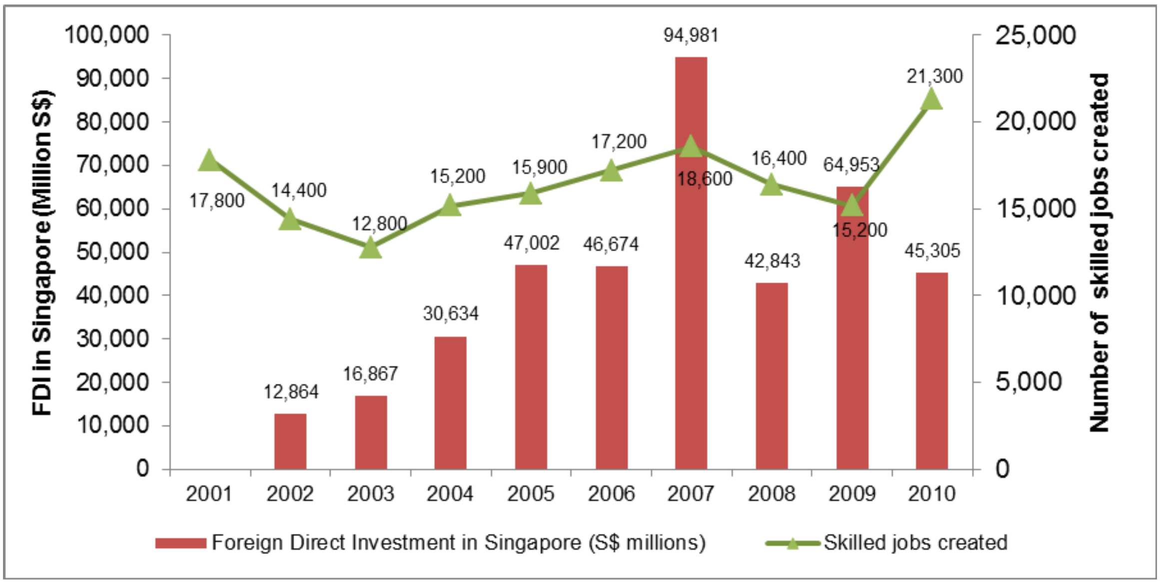
PROSPECTS

Our Directors have observed that the growth of the foreign system school industry in Singapore is generally linked to Singapore's economic growth and its policies on foreign direct investments. In 2011, Singapore's GDP grew by 4.9% after registering a growth rate of 14.8% in 2010[15]. According to Frost & Sullivan's Report, the foreign system school industry in Singapore is forecasted to grow from approximately S$866.1 million in Financial Year 2011 to about S$1,430.2 million in Financial Year 2015, registering a CAGR of approximately 13.4% during this period. As such, our Directors believe that barring unforeseen circumstances, the outlook for our business is expected to remain positive due to the following factors:-

Economic growth leading to the growing population of foreigners

According to Frost & Sullivan's Report, Singapore houses over 5,000 companies to date, of which approximately 1,000 are multi-national companies including several Fortune 500 companies, which have made Singapore their regional operating and manufacturing base. Singapore is increasingly playing an important role as a regional business hub in the East as the world's economy is experiencing an emergence and growth of Asian economies such as China, India, Vietnam and Indonesia that are in close proximity to Singapore. The movement of these foreign companies to Singapore has contributed towards the creation of skilled jobs in the country, which has been taken up by local citizens as well as foreigners. According to Frost & Sullivan's Report, Singapore attracted foreign direct investments totalling approximately S$430 billion and created over 160,000 new skilled jobs between 2001 and 2010.

FDI inflow and skilled jobs created in Singapore (2001 to 2010)



Source: Ministry of Manpower (MOM), Singapore Statistics, Singapore Economic Development Board (EDB)

Moving forward, the growing population of foreigners in Singapore will continue to be a key demand driver for foreign system schools in Singapore, as Singapore is expected to continue to be a regional business hub in Asia. According to Frost & Sullivan's Report, the growth of foreigners in Singapore can be attributed to relocation of foreigners from other countries or live births by foreigners in Singapore.

15 The information is derived from the website of the Singapore Department of Statistics, which was accessed on 28 December 2012 (http://www.singstat.gov.sg/stats/themes/economy/hist/gdp1.html). The Singapore Department of Statistics has not consented to the inclusion of the relevant statement and is therefore not liable for the relevant statement under Section 253 and Section 254 of the Securities and Futures Act. Our Directors are aware that the Singapore Department of Statistics does not guarantee or assume responsibility that the information in its website is accurate, adequate, current or reliable, or may be used for any other purpose other than for general reference. While our Company has taken reasonable action to ensure that the relevant information is reproduced in its proper form and context, and that the information is extracted accurately and fairly, all other parties and ourselves have not conducted an independent review of the statement and have not verified the accuracy of the statement.

Number of live births by foreigners in Singapore (2010 – 2011)[16]

	2010	2011
Number of live births by foreigners	10,777	15,281

Source: Immigration and Checkpoint Authority, Singapore Statistics, Frost & Sullivan

According to Frost & Sullivan's Report, economic growth leading to an increase in the population of foreigners, socio-economic factors and the demand for holistic development of students are demand drivers that will likely contribute to growth of the foreign system schools industry in Singapore. The influx of expatriates and their family result in a constant demand for quality private education in Singapore. The requirements for minimal disruption to the educational needs of their children upon relocation to Singapore and the need for a holistic and well-rounded education are strong drivers for these expatriates when opting for a private education for their children in Singapore.

Socio-economic factors influencing demand for foreign system school education

Disposable income of expatriate families

According to the HSBC Expat Explorer Survey 2011[17] cited in Frost & Sullivan's Report, Singapore is an ideal destination for expatriates relocating for money prospects as approximately 50% of those surveyed earn over S$200,000 per annum. This is an indication of the spending power of expatriates who can afford to provide their children with foreign system school education, thus creating a constant demand for foreign system schools such as OFS.

Singapore as a preferred expatriate destination

According to the HSBC Expat Explorer Survey 2011[17] cited in Frost & Sullivan's Report, Singapore was ranked the 3rd most ideal destination after Australia and the United States. The survey findings indicate that 66% of the expatriate respondents believe that Singapore offers a better quality of life and 65% of expatriate respondents also believed that Singapore offers good career prospects. The same survey also found that these expatriates were also more likely to send their children to foreign system schools (73%) and were willing to pay more for their children's education (average of US$20,122). Singapore is considered as an ideal destination due to various factors such as the availability of modern and world class infrastructure (including education), ease of doing business, low communication barriers, and political and economic stability.

Constant mobility of expatriates

A smooth transition in an expatriate's child's education is important, given the constant mobility of the expatriates and their families. According to Frost & Sullivan's Report, this factor, coupled with the relatively high disposable income of expatriates in Singapore make them relatively price inelastic to tuition fees of foreign system schools, creating a constant demand for foreign system school education in Singapore.

16 The number of live births by foreigners is only available for two years.

17 We have not obtained the consent of the HSBC Expat, a trading name of HSBC Bank International Limited for the inclusion of the above statistics from their HSBC Expat Explorer Survey 2011. While we have taken reasonable steps to ensure that the relevant information is reproduced in its proper form and context, and that the information is extracted accurately and fairly, we have not conducted an independent review of the information and have not verified the accuracy of the information. The information on Frost & Sullivan's Report is provided "as is" and without warranty of any kind, either express or implied, including, without limitation, warranties of merchantability, fitness for a particular purpose and non-infringement. HSBC Expat shall not be liable for any losses or damages incurred or suffered in connection with Frost & Sullivan's Report, including, without limitation, any direct, indirect, incidental, special or consequential damages, even if HSBC Expat has been advised of the possibility of such damages.

Demand for quality education

The demand for quality private education in Singapore is met by the new regulatory framework under the Private Education Act in Singapore, which is governed by the CPE which regulates and accredits private education institutions in Singapore to ensure the provision of quality education. As such, only private education institutions that achieve and maintain consistent quality of service will be allowed to operate in Singapore, therefore ensuring the standard of private education in Singapore. Our Directors believe that, barring unforeseen circumstances, our Group is well positioned to benefit from the Singapore government's initiatives alongside the demand for quality private education expected in the upcoming years.

Increasing recognition of the IB curriculum in Singapore

According to Frost & Sullivan's Report, a 2010 survey of 150 university and admissions staff from the United Kingdom gauged the efficacy of the DP by the IB's Global Research Department. The DP was rated higher than other qualifications based on the breadth of its curriculum as it fostered the development of critical thinking, time-management and communication skills while keeping students motivated. Our Directors also believe that there is an upward trend in the number of schools in Singapore that offer the IB curriculum, and the increased recognition and appeal of the IB curriculum will bode well for our School.

TRENDS AND ORDER BOOK

To the best of our Directors' knowledge and belief, after exercising due and careful inquiry, our results of operations and financial condition for the financial year ending 31 December 2013 may be affected by the following external factors:-

(i) Any changes in demand for student placements in, and the supply and capacity of, foreign system schools in Singapore;

(ii) Inflationary pressures in Singapore which could translate into higher personnel expenses being the largest component of our operating expenses, and our ability to pass on any of such increase to our Clients; and

(iii) General market conditions affecting, *inter alia*, the Singapore economy, the inflow of foreign direct investments and, generally, the purchasing power of consumers.

In addition, our results of operations and financial condition for the financial year ending 31 December 2013 may be affected by the following:-

(i) Our School's tuition fee rates. For example, for the academic year commencing August 2012, we increased our tuition fees by between 8% and 15% across the four sections of our School;

(ii) Our School's capacity as well as its capacity utilisation rate;

(iii) Any Subsidy that we provide to our Employees toward the subscription of the Reserved Shares pursuant to the Invitation;

(iv) Any payments, expenses or fees that may be incurred in the building of the new school campus; and

(v) The factors discussed under "**Management's Discussion and Analysis of the Results of Operations and Financial Condition – Factors Affecting Our Business, Results Of Operations And Financial Condition**" of this Prospectus.

Save as disclosed above and under the section entitled "**Risk Factors**" of this Prospectus, and barring any unforeseen circumstances, our Directors are not aware of any significant recent trends or any other known trends, uncertainties, demands, commitments or events that are likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled "**Cautionary Note Regarding Forward-Looking Statements**" of this Prospectus.

Due to the nature of OFS's business, we do not maintain an order book. We generate our revenues primarily through the provision of education services to the expatriate community in Singapore.

BUSINESS STRATEGIES AND FUTURE PLANS

We intend to focus on the following business strategies for the future growth and expansion of our business:-

(i) Building of a new school campus

Over the years, our School has grown through the expansion of the school campus at our present location to accommodate the steady increase in the number of students. We are almost at our full capacity at our present location. Therefore, the purpose of the Invitation is to raise funds to build a new school campus by ourselves or in collaboration with third parties, so that we may increase our student capacity.

We participated in the request-for-interest ("**RFI**") exercise that was called by the Economic Development Board ("**EDB**") on 3 April 2012, and had made an application thereunder on 2 July 2012. On 1 August 2012, we were informed by the RFI Committee that we had been pre-qualified for a site at Pasir Ris ("**Pasir Ris Site**"). The Pasir Ris Site is approximately 5.0 ha in size and has a tenure of 30 years from the date of acceptance of the offer to lease by OFS. However, the pre-qualification does not constitute a commitment on the part of EDB to ensure that the site is eventually awarded to us and the award of the Pasir Ris Site is still subject to other approvals and legal processes. We are presently in discussions with various government agencies on the award of the Pasir Ris Site to OFS and the construction of our new school campus.

Based on our discussions with our project manager, Langdon & Seah Project Management Pte Ltd, we estimate the time period between the award of the site and the commencement of construction to be approximately 4 months and the duration of the construction of our new school campus to be approximately 24 months. Following the construction of the new school campus at the Pasir Ris Site, we anticipate an increase in total student enrolment capacity to approximately 4,800 students.

As at the Latest Practicable Date, the Group has set aside S$60.0 million from distributable profits to part finance the new school campus. In addition to that and the net proceeds of the Invitation of S$56.1 million (assuming the Over-allotment Option is not exercised), we will require additional funding via bank borrowings and/or equity funding for the construction of the new school campus.

To assist us in the building of the new school campus, we have to date engaged MKPL Architects Pte Ltd as our architect, and Langdon & Seah Project Management Pte Ltd and Langdon & Seah Singapore Pte Ltd as our project manager and quantity surveyor, respectively, for the construction of our new school campus. The estimated total cost of land and construction of the new campus is approximately S$200.0 million based on preliminary discussions with the abovementioned professionals, after taking into account the expected location of the site. As at the date of the lodgement of this Prospectus, the expenses incurred in connection with the construction of the new school campus consisted of professional fees paid to our architect and our project manager, which amounted to approximately S$240,000.

(ii) Expansion of our business and operations into new geographical markets

We intend to leverage on our management expertise and extensive experience in the education industry in Singapore as a springboard to expand our business into overseas markets such as Hong Kong and/or the People's Republic of China. We may pursue growth by exploring opportunities to collaborate with suitable partners through strategic alliances, joint-ventures, acquisitions and investments. At present, we have not identified any specific opportunities.

ACCREDITATION, AUTHORISATIONS AND CERTIFICATION

Our Group has received the following accreditation, authorisations and certificate from the following institutions for the operation of the School:-

Issuing entity / Administrative body	Accreditation, authorisations or certification	Period of validity / Date of first award	Year of last review/renewal	Length of accreditation, authorisations, or certification
Council for Private Education	Registration Certificate	1 September 2011 to 31 August 2015	N.A.	4 years
Western Association of Schools and Colleges	Certificate of Accreditation	August 1995 to 30 June 2014	2008	6 years
International Baccalaureate	Authorisation of the DP of the IB	15 April 1997 (member since 1994)	2011	5 years
International Baccalaureate	Authorisation of the MYP of the IB	9 April 1997	2008	5 years
International Baccalaureate	Authorisation of the PYP of the IB	16 March 2000	2009	5 years
University of Cambridge International Examinations	Cambridge International Examinations Centre	6 October 1992	–	No expiry date

As at the date of lodgement of this Prospectus, our Directors are not aware of any circumstances or information that may lead to the suspension, revocation or non-renewal of the above accreditation, authorisations or certification. As at the Latest Practicable Date, the School has commenced the self-study for the MYP in preparation for the IB's review in 2013. Please refer to the section entitled "**General Information on our Group – Accreditation, Authorisations and Quality Assurance – Quality Assurance**" of this Prospectus for more information on the reviews and inspections conducted by WASC, IB and CIE for our School to maintain the above accreditation, authorisations and certification.

Our Directors have confirmed that, to the best of their knowledge and belief, after having made all reasonable enquiries, that as at the Latest Practicable Date, our Group has obtained all relevant business licences, certifications and approvals necessary for our current operations.

The following is a description of the material licences required for the operations of our Group:-

Licence, permit, approval or certification	Licence / Permit number	Issuing entity / administrative body	Description	Validity period
Hazardous substances permit	O0062P120326	National Environment Agency	To store at 25F, Paterson Road, Overseas Family School, Singapore 238515 and use hazardous substances limited to those substances listed in the permit (namely, different types of acids for laboratory use)	22 May 2012 to 21 May 2014
Swimming pool licence	W98026A000	National Environment Agency	For the operation of swimming pools	1 January 2012 to 31 December 2013
Foodshop licence	W85102A000	National Environment Agency	For the operation of a foodshop	31 January 2012 to 28 February 2014

EXCHANGE CONTROLS

Singapore

There are no exchange control restrictions in the repatriation of capital and the remittance of profits into or out of Singapore by or to our Group companies in Singapore.

DIRECTORS

Our Directors are entrusted with the responsibility for the overall management and organisation of our Group. The particulars of our Directors are as set out below:-

Name	Age	Address	Position
David Alan Perry	71	25F Paterson Road, Singapore 238515	Executive Chairman and CEO
Irene Wong Lok Hiong	58	103 Holland Grove View, Singapore 276260	Executive Director
Ho Yew Mun	60	35 Eunos Crescent, #03-272, Singapore 400035	Lead Independent Director
Tan Teng Muan	51	989 Bukit Timah Road, #06-07, Maplewoods, Singapore 589629	Independent Director
Leow Wee Kia Clement	38	53 Cairnhill Road, #25-01, Singapore 229664	Independent Director

None of our Directors is related to each other or to any of our Executive Officers and Substantial Shareholders.

The working, business experience and areas of responsibility of our Directors are set out below:-

David Alan Perry is the Executive Chairman and CEO of our Company and is responsible for the overall business development and strategic planning of our Group. Mr. Perry is one of the founders of our School, and together with our Executive Director, Ms. Irene Wong, has been closely associated with our School's growth since the start of OFS.

Mr. Perry is Chairman of both the Executive Board of our School and the board of directors of OFS. These two boards comprise the governing structure of our School and OFS, respectively.

Before moving to Singapore in 1987 and the founding of OFS in 1991, Mr. Perry was the proprietor of Project Systems Associates from 1986 to 1987, providing technology consultancy services for construction industry project management in Auckland, New Zealand. From 1983 to 1985, Mr. Perry was the founder and managing director of Feedback Computers Limited, an Apple Computer dealership. From 1976 to 1985, he was a partner of Resource Control Associates, a computer original equipment manufacturing consultancy and software development company. From 1966 to 1982, Mr. Perry was the managing director of Opotiki Textiles Limited, a garment manufacturing, wholesaling and exporting company.

Mr. Perry is the founder and has been 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, which are both involved in the medical field in New Zealand. Mr. Perry received a Certificate of Entrance Qualification from the University of New Zealand in 1959.

Irene Wong Lok Hiong is our Executive Director, and is responsible for the overall business and operations of OFS. Ms. Wong is one of the founders of our School, and together with our Executive Chairman and CEO, Mr. David Perry, has been closely associated with our School's growth since the start of OFS.

Ms. Wong sits on the Executive Board of our School and the board of directors of OFS. These two boards comprise the governing structure of our School and OFS, respectively. 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 over 35 years of experience in the management of foreign system schools in Singapore. Before the founding of OFS in 1991, Ms. Wong was the Administration Manager of International School (S) Pte Ltd from 1981 to 1990, where she was responsible for the administration of all non-academic matters in the school. Prior to that, from 1977 to 1981, Ms. Wong was the Office Manager of Tanglin Trust Limited where she oversaw the administration of all non-academic matters relating to all the Tanglin Trust Limited schools.

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, which are both involved in the medical field in New Zealand. Ms. Wong received a Certificate in Management Accounting from the London Chamber of Commerce and Industry in 1976.

Ho Yew Mun is our Lead Independent Director and was appointed to our Board on 1 August 2012. Mr. Ho is currently an independent director of PEC Ltd., a company listed on the Mainboard of the SGX-ST. 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 was a fellow of the Association of Chartered Certified Accountants and the Institute of Certified Public Accountants of Singapore until 2012. Mr. Ho graduated from Victoria University, Wellington, with a Masters in Business Administration.

Tan Teng Muan is our Independent Director and was appointed to our Board on 28 October 2011, the date of incorporation of our Company. He is currently a Commissioner for Oaths and a partner in the civil and commercial litigation practice of Mallal & Namazie. He has over 24 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.

Leow Wee Kia Clement is our Independent Director and was appointed to our Board on 26 December 2012. Mr. Leow is currently a partner and head of corporate finance at Partners Capital (Singapore) Pte Ltd, a firm specialising in corporate finance activities, where he is involved in managing the origination and execution of initial public offerings, mergers and acquisitions, advisory transactions as well as other fund raising activities, and has over 12 years of corporate finance experience. 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 SGX-ST, respectively.

From November 2006 to May 2009, Mr. Leow was the managing director of corporate finance at Phillip Securities Pte Ltd. Between March 2005 and October 2006, he was an associate director of merchant banking at KBC Bank (Singapore) Limited. Prior to that, he was an assistant vice-president of corporate finance at Daiwa Securities SMBC Limited from January 2003 to March 2005. Between January 2001 and December 2002, he was a senior associate at PricewaterhouseCoopers Corporate Finance Pte Ltd. He was an investment banking officer at Keppel Capital Holdings between October 1999 and December 2000.

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. He has served as a member of the Singapore Institute of Directors since April 2009.

Experience and Expertise of our Directors

All our Directors possess the relevant experience and expertise to act as our Directors, as evidenced by their business and working experience set out above, and have been informed of their roles and responsibilities as a director of a listed company on the SGX-ST. Our Directors have been informed of their obligations under the Listing Manual as well as the relevant Singapore laws and regulations. Our Directors who do not have experience on the board of directors of companies listed on the Official List of the SGX-ST, have attended a programme organised by the Singapore Institute of Directors and supported by the SGX-ST to familiarise themselves with the roles and responsibilities of a director of a listed company on the SGX-ST.

The list of past and present directorships of our Directors, excluding those held in our Company for the past five years is set out below:-

Name	**Present Directorships**	**Past Directorships**
David Alan Perry	*Our Group*	*Our Group*
	Overseas Family School Limited Overseas Family School Limited (Hong Kong)	Nil
	Other companies	*Other companies*
	Centre for Advanced Medicine Ltd Feedback Research Limited Master Projects Pte Ltd PDAC Private Limited	Metaparadigm Pte Ltd
Irene Wong Lok Hiong	*Our Group*	*Our Group*
	Overseas Family School Limited Overseas Family School Limited (Hong Kong)	Nil
	Other companies	*Other companies*
	Centre for Advanced Medicine Ltd Feedback Research Limited Master Projects Pte Ltd WLH Private Limited	Alljoy Pte Ltd Metaparadigm Pte Ltd

Ho Yew Mun	_Our Group_	_Our Group_
	Nil	Nil
	Other companies	_Other companies_
	PEC Ltd.	CDW Holdings Ltd China Fibretech Ltd Clean Hands Pte. Ltd. Ho Yew Mun Pte. Ltd. Sound Global Ltd.
Tan Teng Muan	_Our Group_	_Our Group_
	Nil	Nil
	Other companies	_Other companies_
	Nil	Taste of Italy Pte Ltd
Leow Wee Kia Clement	_Our Group_	_Our Group_
	Nil	Nil
	Other companies	_Other companies_
	Grand Team Technologies Limited JB Foods Limited Partners Capital (Singapore) Pte. Ltd. Mann Seng Metal International Limited	Nil

Independence of our Independent Directors

The Code of Corporate Governance ("**Code**") recommends that there should be a strong and independent element on a board of directors which is able to exercise objective judgement on corporate affairs independently, in particular, from the management of the company and substantial shareholders. Under the Code, an "independent director" is defined as one who has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company. Examples of relationships, which are deemed not to be independent, include:-

(i) a director being employed by the company or any of its related corporations for the current or any of the past three financial years;

(ii) a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the company or any of its related corporations and whose remuneration is determined by the remuneration committee;

(iii) a director, or an immediate family member, accepting any significant compensation from the company or any of its related corporations for the provision of services, for the current or immediate past financial year, other than compensation for board service; and

(iv) a director:-

(a) who, in the current or immediate past financial year, is or was; or

(b) whose immediate family member, in the current or immediate past financial year, is or was,

a substantial shareholder of, or a partner in (with 5.0% or more stake), or an executive officer of, or a director of, any organisation to which the company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services, in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Our Independent Director, Mr. Tan Teng Muan was engaged by Master Projects (a company in which our Executive Chairman and CEO, David Perry, and our Executive Director, Ms. Irene Wong, are directors and shareholders) in the past for the provision of general advisory services as an independent consultant as and when required on a monthly basis primarily in relation to the business of OFS, including discussions on the competitive landscape, funding requirements, the Singapore Budget, and so forth.

In rendering consultancy services to Master Projects in his personal capacity from April 2010 to October 2011, Mr. Tan Teng Muan acted as an independent adviser to Master Projects, providing general advisory services with a focus on legal issues. He received consultancy fees for his services in the amount of S$76,500 and S$85,000 in FY2010 and FY2011, respectively. He had ceased rendering consultancy services to Master Projects once he was appointed as a Director to our Company. Our Independent Director, Mr. Tan Teng Muan, is not, and has not been, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Master Projects, Mr. David Perry and Ms. Irene Wong in relation to the corporate affairs of Master Projects, OFS and our Company. Accordingly, our Board does not consider him to be or to have been directly associated with a substantial shareholder of our Company. Based on the foregoing, our Board believes that the rendering of consultancy services to Master Projects aforementioned would not interfere, or be reasonably perceived to interfere, with the exercise of independent business judgement by Mr. Tan Teng Muan with a view to the best interests of our Company. The independence of Mr. Tan Teng Muan will be reviewed by the Nominating Committee on an annual basis.

Our Independent Director, Mr. Tan Teng Muan, is a partner of Mallal & Namazie ("**MN**"), a law firm in Singapore. During the Relevant Period, OFS engaged MN's legal professional services to assist OFS with a few debt recovery matters. Mr. Tan Teng Muan was not the partner-in-charge of the matters and was not involved in the negotiation on the fees for the services provided. For further details, please see the section entitled "**Interested Person Transactions – Ongoing Interested Person Transactions**" of this Prospectus.

Such transactions were conducted on normal commercial terms and on an arm's length basis. Mr. Tan Teng Muan will abstain from and will not be involved in any decision of our Board in relation to any transactions or dealings with MN. Based on the foregoing, our Board believes that the engagement of legal services of MN would not interfere, or be reasonably perceived to interfere, with the exercise of Mr. Tan Teng Muan's independent business judgement as Independent Director with a view to the best interests of our Company. Also, the independence of Mr. Tan Teng Muan, as is the case with the other independent directors, will be reviewed by the Nominating Committee on an annual basis. In reviewing the independence of Mr. Tan Teng Muan, in particular, the Nominating Committee will have regard to the value of the transactions between MN and our Company.

EXECUTIVE OFFICERS

The day to day operations of our Group are entrusted to our Executive Directors. Our Executive Directors are assisted by experienced and qualified Executive Officers whose particulars are detailed below:-

Name	Age	Address	Position
Patrick William Keenan	66	53 Cairnhill Road, #12-02, Cairnhill Plaza, Singapore 229666	Academic Director
Suzanne Magdalen Bentin	55	341 Upper Bukit Timah Road, #04-01, The Hillside, Singapore 588195	High School Principal
David William Edwards	40	28 Fulton Road, Singapore 578911	Middle School Principal
Aaron Bennett Nussbaum	52	107 Jervois Road, #02-01, Singapore 249063	Elementary School Principal
Rani Suppiah	60	832 Sims Avenue, #02-886, Eunosville, Singapore 400832	Kindergarten Principal
Jason Lee Chwee Soon	44	11 Jalan Mulia, Singapore 368627	General Manager
Wong Juan Meng	55	26 Jalan Lempeng, #04-05, Singapore 128805	Group Financial Controller
Yang Eu Jin	40	35 Mount Sinai Rise, #06-01, Singapore 276955	General Counsel

None of our Executive Officers is related to each other or to any of our Directors or Substantial Shareholders.

The business and working experience and areas of responsibility of our Executive Officers are as follows:-

Patrick William Keenan is our Academic Director, and oversees all academic matters of our School. Mr. Keenan joined our School in 1998 as a high school computer studies teacher, and in 1999, was appointed Dean of Technology. In 2000, he was appointed as the Middle School Principal and in 2005, was appointed as the Elementary School Principal. In 2007, he was appointed to his current position as our School's Academic Director. As Academic Director, Mr. Keenan chairs the Academic Board, which develops and reviews internal policies and procedures on all academic matters for our School. Mr. Keenan is also the Chairman of the Examination Board, which develops examination and assessment procedures for our School. In addition, Mr. Keenan is the Head of our Independent Assessment Unit, which analyses data received through our online assessment system and tracks the performance of individual classes and students, with the purpose of refining and improving our teaching methodologies. Mr. Keenan sits on the Executive Board of our School and the board of directors of OFS.

Prior to joining our School, Mr. Keenan taught mathematics at Tauranga Boys' College, New Zealand, between July 1997 and June 1998. From August 1994 to July 1997, he was a Mathematics teacher at International School Manila, Philippines. From August 1990 to June 1994, he was assistant principal at Tauranga Boys' College, New Zealand. From July 1987 to August 1990, he was head of the Mathematics department at Tauranga Girls' College, New Zealand. From January 1987 to July 1987, he was a computer adviser to the New Zealand Education Department. From 1983 to 1987, he was head of computer studies at Katikati College, New Zealand. From May 1980 to 1982, he was head of the Mathematics department at Lytton High School, New Zealand. From 1975 to May 1980, Mr. Keenan was a Mathematics teacher in Tauranga Boys' College, New Zealand. Mr. Keenan was a class teacher at Mount Maunganui Primary School from 1973 to 1974, and the same at Waihi Intermediate School in 1972.

Mr. Keenan graduated from Waikato University, New Zealand with a Diploma in Teaching in 1971 and obtained a Bachelor of Education in 1972.

Suzanne Magdalen Bentin is our High School Principal, where she 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 as a French and English teacher. In August 2002, she was appointed as the MYP and IGCSE co-ordinator, where she was responsible for the overall curriculum planning and teaching training and support for the MYP and IGCSE curriculum and examinations. In August 2006, she was appointed to her current position as High School Principal. She is a member of our Academic Board and a member of the Executive Board of our School.

Prior to joining our School, between August 1993 and June 1996, Ms. Bentin taught French in Seoul International School, Korea. From January 1988 to August 1993, she was a teacher in Fiordland College, New Zealand, where she taught French and English and was the head of the outdoor education programme there for a year. From August 1987 to December 1987, she was a teacher in Twizel High School, New Zealand and taught French and English. From September 1986 to June 1987, she taught English in Lycee Lavezzari, France. From September 1985 to June 1986, she taught English in Lycee Lacroix, France. Ms. Bentin began her teaching career in Twizel High School, New Zealand, where she taught French and English from January 1982 to August 1985.

Ms. Bentin graduated from University of Canterbury, New Zealand with a Bachelor of Arts in 1977. She 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.

David William Edwards is our Middle School Principal, where he provides academic leadership and oversees the overall management and administration of the Middle School. He joined our School in 2004 as the MYP and IGCSE co-ordinator, where he was responsible for the overall curriculum planning and teaching training and support for the MYP and IGCSE curriculum and examinations. In 2011, he was appointed to his current position as Middle School Principal. He is a member of our Academic Board and a member of the Executive Board of our School.

In addition to his duties at the School, Mr. Edwards is a MYP workshop leader, where he conducts IB approved MYP training for teachers of Asia Pacific schools. He is also a school moderator for the MYP, where he moderates samples of school work and provides written reports to selected IB schools from around the world in line with IB guidelines. Mr. Edwards is also an IB school evaluation team member, and is involved in document review and on-site school visits of schools seeking authorisation and reaccreditation for the MYP. He is currently also a member of the academic board of City College Singapore, where he provides advice towards the administration of the academic matters of the college.

Prior to joining our School, from 2002 to 2004, Mr. Edwards was the assistant head of English at Sir Ellis Kadorrie Secondary School, Hong Kong, where he was responsible for curriculum planning and teaching training support for the school, and was also the assistant discipline master, where he assisted in the monitoring of student discipline within the school. From 1995 to 2002, Mr. Edwards was the assistant head of boarding house, director of track and field, and taught English at the Anglican Church Grammar School, Australia.

Mr. Edwards graduated from Griffith University, Queensland, Australia with a Bachelor of Arts (Humanities) in 1994. He graduated from Australian Catholic University, Queensland, Australia with a Graduate Diploma in Secondary Education in 1995. He obtained a Masters of Education (Educational Leadership and Administration) from Deakin University, Australia, in 2009.

Aaron Bennett Nussbaum is our Elementary School Principal, and oversees the overall management and administration of the Elementary School. He joined our School in August 2006 as a Mathematics specialist teacher in Elementary School and was promoted to Deputy Principal of Elementary School in September 2006. He was subsequently appointed as our Elementary School Principal in August 2007. He is a member of our Academic Board and a member of the Executive Board of our School.

Prior to joining our School, Mr. Nussbaum was with Stockholm International School, Stockholm, Sweden, where he was the vice-principal of the school from 1999 to 2002. Following a restructuring of the school, he was appointed as the middle school principal there in 2002. He returned to teaching at the school in 2003, where he coached his classes to 2 consecutive national chess championships in 2005 and 2006. Between 1993 and 1999, he was a class teacher at Engelska Skolan, Stockholm, Sweden, where he also coached his classes to six consecutive national chess championships. In 1996, he was awarded the Rilton Medal by the Stockholm Chess Federation for his contributions to the development of youth chess in the Greater Stockholm region. From 1992 to 1993, he was a class teacher at Johannes Skola, Stockholm, Sweden, in a Swedish/English bilingual class. From 1991 to 1992, he was a class teacher at Tanto School, Stockholm, Sweden. From 1988 to 1991, he was a class teacher in a Spanish/English bilingual class at Garfield Elementary School, Oakland, USA.

Mr. Nussbaum graduated from University of California, Berkeley with a Bachelor of Arts in 1985. He obtained a Post-Graduate Multiple Subject Teaching Credential from the University of California, Berkeley, in 1987. He also obtained a Master of Social Science with a Major in International and Comparative Education from Stockholm University in 1999.

Rani Suppiah is our Kindergarten Principal, and oversees the overall management and administration of the Kindergarten. She joined our School in 1994 as a Kindergarten teacher, during which time she implemented the Pre-K programme for our School. In August 2000, she was appointed as the Kindergarten Deputy Principal and PYP co-ordinator, where she was instrumental in the development and implementation of the PYP in our School. In January 2001, she was appointed to her current position as Kindergarten Principal. Mrs. Suppiah is a member of our Academic Board and a member of the Executive Board of our School.

Prior to joining our School, from 1991 to 1993, she was a teacher at Parkhurst Infants School, London Borough of Haringay, UK, where she taught a reception level class following the British National Curriculum. Prior to entering the education field, between 1986 and 1987, Mrs. Suppiah was a co-ordinator at EL Tan Publishers, UK, where she was responsible for the administration and editing of a monthly medical publication. From 1984 to 1986, she was a secretary to a director in Kontena Nasional Sdn Bhd UK. From 1974 to 1983, Mrs. Suppiah was a medical social worker at the Ministry of Health, Singapore and has worked in the various medical disciplines of General Medicine, Cardiology and Cardio Thoracic Surgery (Tan Tock Seng Hospital), Paediatrics (Singapore General Hospital) and Obstetrics and Gynaecology (Kandang Kerbau Maternity Hospital).

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. She also obtained a Master of Educational Management from the University of Melbourne, Australia in 2008.

Jason Lee Chwee Soon is our General Manager and is responsible for the overall organisation and management of the administrative matters of our Group. He reports to our Executive Director, Ms. Irene Wong. Mr. Lee works closely with the Parents Association of our School for the purposes of, among other things, obtaining feedback from the parents of our students. He is also responsible for all matters relating to buildings and facilities at our School and works closely with the main contractor engaged by OFS for all renovation works within the campus. In addition, Mr. Lee assists our Executive Director, Ms. Irene Wong, 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 administrative support requirements for the School's academic matters. Mr. Lee has been with our Group since its founding in 1991, where he joined as the maintenance manager of our School. He was promoted to his current position of General Manager 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.

Wong Juan Meng is our Group Financial Controller and is in charge of the overall financial and accounting matters and compliance with the financial reporting requirements of our Group. She was appointed to our Company on 23 July 2012. Prior to joining our Group, she was the group financial controller of PSC Corporation Ltd from October 2003 to May 2012. From June 2001 to January 2003, she was the corporate controller of Hotel Plaza Ltd. Prior to that, she was the finance director of ACP Asia Pte Ltd from January 2001 to May 2001. From February 2000 to December 2000, she was the vice president of finance and accounting of The Ascott Limited. From March 1997 to December 1999, she was the vice president of the risk management department in F&N Coca Cola Pte Ltd, and before that, she was the group treasury manager of Fraser & Neave Ltd from May 1993 to March 1997. Ms. Wong was a finance manager at Sime Singapore Ltd from April 1982 to May 1993. She started her career in audit with PricewaterhouseCoopers (formerly known as Price Waterhouse, Singapore) in 1979.

Ms. Wong graduated from the University of Singapore with a Bachelor of Accountancy in 1979. She has been a member of the Institute of Certified Public Accountants of Singapore since 1989.

Yang Eu Jin is our General Counsel and is responsible for advising our Group on all legal and corporate governance matters. He was appointed to our Company on 1 December 2011. Prior to this appointment, he was a senior executive at Master Projects Pte Ltd from June 2011 to November 2011, advising the company on all corporate matters relating to the company and its subsidiaries. Prior to that, Mr. Yang was a lawyer in private legal practice. He had started his legal career at Allen and Gledhill LLP in 1997, before joining KhattarWong LLP in 2001, where he had spent the next 10 years practicing mainly corporate and corporate finance law. He was made a partner of KhattarWong LLP in 2005 and in 2008, he helped the firm to establish KW Capital Pte Ltd, which provided continuing sponsorship services to companies listed on the Catalist Board of the SGX-ST. Concurrently with his legal practice, Mr. Yang held the positions of director and registered professional at KW Capital Pte Ltd from February 2008 to May 2011.

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

The list of present and past directorships of our Executive Officers for the past five years preceding the Latest Practicable Date, excluding those here in our Company, is set out below:-

Name	Present Directorships	Past Directorships
Patrick William Keenan	*Our Group*	*Our Group*
	Overseas Family School Limited	Nil
	Other companies	*Other companies*
	Nil	Nil
Suzanne Magdalen Bentin	*Our Group*	*Our Group*
	Nil	Nil
	Other companies	*Other companies*
	Nil	Nil
David William Edwards	*Our Group*	*Our Group*
	Nil	Nil
	Other companies	*Other companies*
	Nil	Nil
Aaron Bennett Nussbaum	*Our Group*	*Our Group*
	Nil	Nil
	Other companies	*Other companies*
	Nil	Nil
Rani Suppiah	*Our Group*	*Our Group*
	Nil	Nil
	Other companies	*Other companies*
	Nil	Nil
Jason Lee Chwee Soon	*Our Group*	*Our Group*
	Overseas Family School Limited	Nil
	Other companies	*Other companies*
	Nil	Nil

Wong Juan Meng	*Our Group*	*Our Group*
	Nil	Nil
	Other companies	*Other companies*
	Nil	Econ Minimart Services Pte Ltd I-Econ Management Services Pte. Ltd. PSC International Pte Ltd PSC Investment Pte Ltd PSC Supply Chain Management Pte. Ltd. Topseller Pte Ltd Topseller Development Pte Ltd Wellmart Management Services Pte. Ltd.
Yang Eu Jin	*Our Group*	*Our Group*
	Nil	Nil
	Other companies	*Other companies*
	Bellwether Capital Private Limited (Alternate Director)	KW Capital Pte Ltd

There are no arrangements or undertakings with any Substantial Shareholders, customers, suppliers or others, pursuant to which any of our Directors and Executive Officers was appointed.

Succession Planning

Our Directors recognise the importance of succession planning in our Group. The average age of our Board and Executive Officers are 55 and 51, respectively. At present, OFS is the only operating company of our Group. Our Executive Director, Ms. Irene Wong, takes care of the day-to-day running of the School's operations and is assisted by our team of Executive Officers. The Executive Officers have been with our Group for an average of 10 years. Notwithstanding Mr. David Perry's age, we believe that our Board composition and management team are sufficiently robust and that the operations of our Group are not dependent on Mr. David Perry alone but on the entire Board and the management team. The Nominating Committee is not aware, as at the Latest Practicable Date, of any health conditions that could affect Mr. David Perry's ability to discharge his duties and responsibilities as Executive Chairman and CEO. Given Mr. David Perry's wealth of experience, it is the intention of the Nominating Committee for Mr. David Perry to continue with his current appointment for as long as circumstances allow.

Our Directors recognise that staff turnover whether due to attrition, retirement or other unforeseen circumstances are natural occurrences in an organisation and therefore succession planning is important in ensuring the continuity of our Group. Towards this, we have processes in place to achieve, *inter alia*, the following objectives:-

(i) identify the key management roles for possible succession planning;

(ii) define the competencies and motivational profile required of key management staff to undertake those roles;

(iii) identify staff who have demonstrated the potential to assume greater responsibilities and key management roles in our Group; and

(iv) develop staff with relevant job exposures to be ready for advancement into key management roles.

At the Board level, the selection of the CEO and the Executive Director(s) will be determined by our Board of Directors based on the recommendations of our Nominating Committee.

At the senior academic personnel level which includes our Principals, Deputy Principals and our programme co-ordinators, we have a policy of 'promoting from within' and appointing existing academic personnel into academic leadership positions from among existing academic staff members, as opposed to hiring externally, as we generally require a candidate who is ready to assume greater responsibilities to have the following key attributes:-

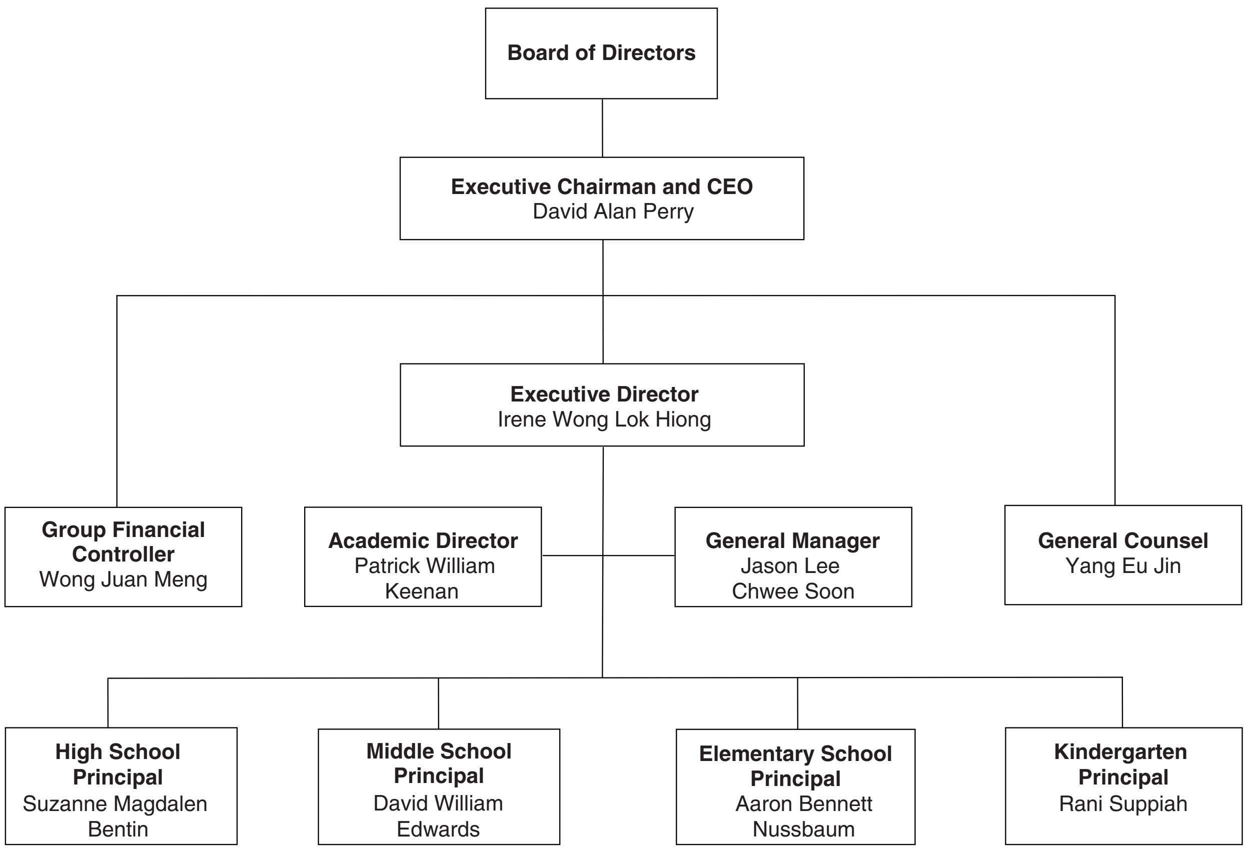
(i) strong support of our School's policies, which include among others, (a) a 'client-first' approach, meaning that parents have the final say in all decisions relating to their child's education at our School, and (b) the separation of the roles of management and administration from that of academia and teaching;

(ii) an international outlook which is especially important in the context of our School given that we have deliberately maintained a policy of diversity among our student population and academic staff, with no students of any single nationality representing more than 20.0% of our School's total student population as at the Latest Practicable Date; and

(iii) competency, which requires not only a good understanding of our School's various programmes but also their leadership qualities and ability to impart or facilitate such understanding among the academic personnel.

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out as follows:-



REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

The compensation paid to our Directors and our Executive Officers (including benefits-in-kind and bonuses) for FY2010 and FY2011 and the estimated compensation to be paid to our Directors and our Executive Officers for FY2012 (on an aggregate basis and in remuneration bands) are as follows:-

	FY2010	FY2011	Estimated amount for FY2012
Directors			
David Alan Perry(2)	Band II	Band II	Band II
Irene Wong Lok Hiong(2)	Band II	Band II	Band II
Ho Yew Mun	–	–	–
Tan Teng Muan	–	–	–
Leow Wee Kia Clement	–	–	–
Executive Officers			
Patrick William Keenan(3)	Band II	Band II	Band II
Suzanne Magdalen Bentin	Band I	Band I	Band I
David William Edwards	Band I	Band I	Band I
Aaron Bennett Nussbaum	Band I	Band I	Band I
Rani Suppiah	Band I	Band I	Band I
Jason Lee Chwee Soon(3)	Band I	Band I	Band I
Wong Juan Meng	–	–	Band I
Yang Eu Jin(2)	–	Band II	Band II

Notes:-

(1) Band I means from S$0 up to S$249,999 and Band II means from S$250,000 up to S$499,999.

(2) Up until 30 November 2011, these employees were employed by Master Projects under a management services agreement entered into between Master Projects and OFS, and these remuneration were paid by Master Projects. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions – Transactions with Master Projects**" for more information about the management services agreement entered into between Master Projects and OFS. With effect from 1 December 2011, these employees have been transferred to the Company and accordingly, their remuneration were paid by the Company.

(3) Up until 30 November 2011, these employees were employed by Master Projects under a management services agreement entered into between Master Projects and OFS, and these remuneration were paid by Master Projects. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions – Transactions with Master Projects**" for more information about the management services agreement entered into between Master Projects and OFS. With effect from 1 December 2011, these employees have been transferred to OFS and accordingly, their remuneration were paid by OFS.

Save as disclosed under the section entitled "**Directors, Management and Staff – Service Agreements**" of this Prospectus, no compensation was paid or is to be paid to any of our Directors or Executive Officers in FY2010 or FY2011, and no compensation is expected to be paid to any of our Directors or Executive Officers in FY2012 pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement.

As at the date of this Prospectus, no compensation has been paid or will be paid in the form of stock options to any of our Directors, Executive Officers or any of our employees.

As at the Latest Practicable Date, save as required for compliance with the applicable laws, we have not set aside or accrued any amounts for our Directors and Executive Officers to provide for pension, retirement or similar benefits.

REMUNERATION OF EMPLOYEES RELATED TO OUR DIRECTORS AND CEO

Ms. Chee Jingying, Joyce ("**Joyce Chee**"), a management trainee in OFS, is the daughter of our Executive Director, Ms. Irene Wong. As a management trainee and as part of her rotation in the various departments in our School, she assists the Registrar in the Admissions Department as well as the Dean of Enrichment Programme in the running of the enrichment programmes and summer school. She previously also assisted in the process of registering the School with the CPE from 2010 to 2011. The compensation paid to Ms. Joyce Chee (including benefits-in-kind and bonuses) for FY2010 and FY2011 and the estimated compensation to be paid to her for FY2012 (on an aggregate basis and in remuneration bands) are as follows:-

	FY2010	FY2011	Estimated amount for FY2012
Joyce Chee(2)	Band I	Band II	Band II

Notes:-

(1) Band I means from S$0 up to S$49,999, and Band II means from S$50,000 to S$99,999

(2) Up until 30 November 2011, she was employed by Master Projects under a management services agreement entered into between Master Projects and OFS, and her remuneration was paid by Master Projects. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions – Transactions with Master Projects**" for more information about the management services agreement entered into between Master Projects and OFS. With effect from 1 December 2011, she was transferred to OFS and accordingly, her salary was paid by OFS.

The basis of determining the remuneration of Ms. Joyce Chee is the same as the basis of determining the remuneration of other unrelated employees.

The remuneration of employees who are related to the Directors, CEO and Controlling Shareholders (if any) shall be subject to the annual review and majority approval of the Remuneration Committee to ensure that their remuneration packages are in line with the staff remuneration guidelines of our Group and commensurate with their respective job scope and level of responsibility. In line with the Code of Corporate Governance, remuneration of employees who are immediate family members (as defined in the Listing Manual) of our Directors and CEO and whose remuneration exceed S$50,000 during the year will be disclosed in incremental bands of S$50,000 in our Company's annual report. In addition, any new employment of persons related to Directors, CEO and Controlling Shareholders of our Company and the proposed terms of their employment will also be subject to the review and approval of the Nominating Committee. In the event that a member of the Remuneration Committee or Nominating Committee is related to the employee under review, he will abstain from the review.

SERVICE AGREEMENTS

On 29 June 2012, our Company entered into service agreements with each of our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong (each an "**Executive**", and collectively, the "**Executives**") for an initial period of 3 years ("**Initial Term**") with effect from the Listing Date.

After the Initial Term in the Service Agreement with each of Mr. David Perry and Ms. Irene Wong, unless either party notifies the other in writing at least 6 months' prior to the last business day of the Initial Term, each of the Service Agreements will automatically be renewed for a further term of three years. The Service Agreements may be terminated if the Executives, *inter alia*, (i) are guilty of any gross misconduct, (ii) breach any of the material provisions of the Services Agreements (provided such breach, if capable of remedy, is not remedied by the Executives within a period of 30 days after notice of such breach is given to the Executives), (iii) commit any act of criminal breach of trust, or (iv) become bankrupt. There are no benefits payable to the Executives upon termination of the Service Agreements.

Under the Service Agreements, each of Mr. David Perry and Ms. Irene Wong undertook, *inter alia*, for as long as he or she remains a Director of our Company (or any of the Group companies); and/or a Shareholder with an interest of 15.0% or more (whether direct or indirect) together with his or her Associates (as defined under the Listing Manual) in the voting shares of our Company, (i) he or she will not have any interest directly or indirectly in any entity whose business competes directly or indirectly with the business of our Group, except that he or she shall be permitted to have interest not exceeding 5.0% in any securities of any corporation listed or quoted on any stock exchange; and (ii) he or she will not directly or indirectly carry on or be engaged or interested in any capacity in any other business, trade or occupation whatsoever, except in a business, trade or occupation that does not compete with any business carried on or proposed to be carried on by our Group.

In addition, the Executives also agreed not to, either alone or jointly or as a manager, agent for or employee of any person, directly or indirectly carry on or be engaged or concerned or interested in any business which shall be in direct competition with the business carried on by our Group during his or her employment under the Service Agreements and within a period of 12 calendar months thereafter in any territory where our Group directly or indirectly operates.

Under the terms of their respective Service Agreements, our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong, will be paid a monthly salary of S$31,667 each. The Executives shall also be entitled to an annual review of their monthly salary at the discretion of the Board.

Each of our Executives is entitled to the use of a motorcar with the running costs (including cost of petrol), road tax, insurance and maintenance costs to be borne by our Company. In addition, each of our Executives shall be reimbursed for all traveling (including airfare in accordance with our Company's policy), hotel, entertainment and other expenses reasonably incurred by the Executive in the reasonable performance of his or her duties.

Had the Service Agreements been in existence for FY2011, there would have been no change to the estimated aggregated remuneration for the Executives or the audited profit before tax of the Group.

Save as disclosed above, there is no other existing or proposed service agreement between our Company or our subsidiary companies and any of our Directors. There is no existing or proposed service agreement entered into or to be entered into by our Directors with our Group which provides for benefits upon termination of employment.

STAFF

As at the Latest Practicable Date, we employed a total workforce of 501 full-time employees. The number of temporary or part-time staff employed by our Group is insignificant. As at the Latest Practicable Date, save for one full-time employee who is based in Malaysia, all the other employees of our Group are based in Singapore.

All our employees have employment contracts with us. Our employees are not covered by any collective bargaining agreements and are not unionised. The number of full-time employees is not subject to any material fluctuation. The relationship and co-operation between the management and staff have been good and are expected to continue to remain so in the future. There has not been any incidence of labour dispute which affected our operations during the Period under Review.

The breakdown of our Group's full-time employees by function as at 31 December of 2009, 2010 and 2011 and as at the Latest Practicable Date is as follows:

	As at 31 December			
By Function	**2009**	**2010**	**2011**	**As at the Latest Practicable Date**
Management	9[(1)]	10[(2)]	11	12
Administration	106	105	122	123
Academic staff	343	341	359	366
Total	**453**	**450**	**492**	**501**

Notes:-

(1) Five of these employees were seconded to OFS from Master Projects pursuant to the Management Services Agreement entered into between Master Projects and OFS. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions – Transactions with Master Projects**" for more information on the abovementioned management services agreement.

(2) Six of these employees were seconded to OFS from Master Projects pursuant to the Management Services Agreement entered into between Master Projects and OFS. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions – Transactions with Master Projects**" for more information on the abovementioned management services agreement.

The increase in the number of administrative staff from FY2010 to FY2011 was mainly due to the transfer of administrative personnel from Master Projects to OFS and OEL pursuant to the termination of the Management Services Agreement and the Technology Development Contract on 30 November 2011. Please refer to the section entitled "**Interested Person Transactions – Past Interested Person Transactions**" for more information. In line with the increase in average student enrolment, the School also increased the number of academic staff in FY2011.

CORPORATE GOVERNANCE

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed in order to enhance long-term shareholder value through enhancing corporate performance and accountability. Good corporate governance therefore embodies both enterprise and accountability. The Directors recognise the importance of corporate governance and the offering of high standards of accountability to the Shareholders. Our Group will act in accordance with the Code of Corporate Governance issued on 2 May 2012.

Our Board of Directors has formed three committees: (i) the Nominating Committee; (ii) the Remuneration Committee; and (iii) the Audit Committee.

Nominating Committee

Our Nominating Committee comprises Mr. Leow Wee Kia Clement, Mr. Ho Yew Mun, Mr. Tan Teng Muan and Mr. David Perry. The Chairman of the Nominating Committee is Mr. Leow Wee Kia Clement.

Our Nominating Committee will be responsible for:-

(i) nomination and re-nomination of the directors of our Company having regard to their contribution, performance and ability to commit sufficient time and attention to the affairs of our Group, taking into account their respective commitments outside our Group;

(ii) determining annually whether or not a director is independent;

(iii) deciding whether or not a director is able to and has been adequately carrying out his duties as a director;

(iv) review of board succession plans for directors, in particular, the Chairman and the CEO;

(v) development of a process for evaluation of the performance of the Board, its committees and directors;

(vi) review of training and professional developments programs for the Board;

(vii) review and approval of new employment of persons related to the Directors, CEO and Controlling Shareholders and the proposed terms of their employment; and

(viii) appointment and re-appointment of directors (including alternate directors, if applicable).

The Nominating Committee will decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board, which addresses how the Board has enhanced long-term shareholder value. The performance evaluation will also include consideration of our Share price performance over a five-year period vis-a-vis the Singapore Straits Times Index and a benchmark index of its industry peers. The Board will also implement a process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board.

Each member of the Nominating Committee shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as Director or that of employees related to him.

Nominating Committee's view of our Independent Directors

The Nominating Committee having taken into consideration the following:-

(i) the number of SGX-ST listed company board representations by Mr. Ho Yew Mun and Mr. Leow Wee Kia Clement;

(ii) the principal commitments of the Independent Directors;

(iii) the confirmations by the Independent Directors stating that they are each able to devote sufficient time and attention to the matters of the Company;

(iv) the Independent Directors' working experience and expertise in different areas of specialisation; and

(v) the composition of the Board,

is of the view that each of Mr. Ho Yew Mun, Mr. Leow Wee Kia Clement and Mr. Tan Teng Muan is individually and collectively able to devote sufficient time to the discharge of their duties and are suitable and possess relevant experience as Independent Directors of our Company.

Remuneration Committee

Our Remuneration Committee comprises Mr. Leow Wee Kia Clement, Mr. Ho Yew Mun and Mr. Tan Teng Muan. The Chairman of the Remuneration Committee is Mr. Leow Wee Kia Clement.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director.

The recommendations of our Remuneration Committee should be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by our Remuneration Committee.

In addition, our Remuneration Committee will perform an annual review of the remuneration of employees related to our Directors to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scope and level of responsibility. They will also review and approve any bonuses, pay increases and/or promotions for these employees.

Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

Audit Committee

Our Audit Committee comprises Mr. Ho Yew Mun, Mr. Leow Wee Kia Clement and Mr. Tan Teng Muan. The Chairman of the Audit Committee is Mr. Ho Yew Mun.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group. Our Audit Committee will provide a channel of communication between our Board, our management, our internal auditors and our external auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform the following functions:-

(i) review with the external auditors the audit plan, their audit report, their management letter and our management's response;

(ii) review with the internal auditors the internal audit plan and their evaluation of the adequacy of our internal controls and accounting system before submission of the results of such review to our Board for approval prior to the incorporation of such results in our annual report, if applicable;

(iii) monitor and review the implementation of the external auditors' and internal auditors' recommendations concurred with management in relation to the adequacy of our internal controls and accounting system addressing financial, operational and compliance risks;

(iv) review the financial statements before submission to our 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;

(v) review the internal controls and procedures and ensure co-ordination between the external auditors and our management, reviewing the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors;

(vi) review and discuss with the 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 our Group's operating results or financial position, and our management's response;

(vii) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;

(viii) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Listing Manual;

(ix) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;

(x) monitor our use of proceeds from the Invitation;

(xi) review and approve foreign exchange hedging policies implemented by our Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures; and

(xii) generally to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

Our Audit Committee will meet, at a minimum, on a quarterly basis. Apart from the duties listed above, our Audit Committee 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 Company's operating results and/or financial position.

In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular transaction.

The Group recognises the need for a robust and effective system of internal controls. Hence, the Group has hired an Internal Auditor, Mr. Francis Chan Choon-Yee, who joined the Group on 12 December 2011. Our Board of Directors, after making all reasonable enquires and to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the internal controls of our Group are adequate to address the financial, operational and compliance risks.

Audit Committee's view of our Group Financial Controller

The Audit Committee, having (i) conducted interviews with our Group Financial Controller, Ms. Wong Juan Meng; (ii) considered her qualifications and past working experience, including her prior work experience as a group financial controller of PSC Corporation Ltd for the period of October 2003 to May 2012, as set out in the section entitled "**Directors, Management and Staff – Executive Officers**" of this Prospectus; (iii) observed Ms. Wong Juan Meng's abilities, familiarity and diligence in relation to the financial matters and information of our Group; (iv) noted the absence of negative feedback on Ms. Wong Juan Meng from Ernst & Young LLP, our Group's Auditors and Reporting Accountants; and (v) made all reasonable enquiries, to the best of their knowledge and belief, is of the view that Ms. Wong Juan Meng has the competence, character and integrity expected of the Group Financial Controller of our Group.

BOARD PRACTICES

Term of office

Each of our Directors has served in office in our Company since the following dates:-

Name		Date of Appointment to the Board
David Alan Perry	:	28 October 2011
Irene Wong Lok Hiong	:	28 October 2011
Ho Yew Mun	:	1 August 2012
Tan Teng Muan	:	28 October 2011
Leow Wee Kia Clement	:	26 December 2012

An election of Directors by our Shareholders is held annually. One-third (or the number nearest to one-third) of our Directors are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Section 153 of the Companies Act provides, *inter alia*, that the office of a director of a public company, who is of or over 70 years old, shall become vacant at the conclusion of the annual general meeting following his appointment. Notwithstanding this, our Executive Chairman and CEO, David Perry, may, pursuant to the same section of the Companies Act, by an ordinary resolution passed at an annual general meeting of our Company be appointed or re-appointed as a director of our Company to hold office or be authorised to continue in office as a director of our Company, until the next annual general meeting of our Company. Please refer to Appendix E – "**Summary of the Memorandum and Articles of Association of our Company**" of this Prospectus for more information on the appointment and retirement of Directors.

We have also put in place a Nominating Committee, a Remuneration Committee and an Audit Committee, the details of the duties of the committees are set out in the section entitled "**Directors, Management and Staff – Corporate Governance**" of this Prospectus.

In general, transactions between our Group and any of its interested persons (namely, our Directors, CEO or Controlling Shareholders or the Associates of such Directors, CEO or Controlling Shareholders) are known as interested person transactions (as defined in Chapter 9 of the Listing Manual). The following is a discussion of our Group's interested person transactions for the Relevant Period.

Save as disclosed below and in the sections entitled "**General Information on our Group – Restructuring Exercise**", "**General Information on our Group – Our History and Development**" and "**Directors, Management and Staff**" of this Prospectus, no Director, CEO, Controlling Shareholder or their respective Associates (collectively, referred to as "**Interested Persons**") was or is interested in any material transaction undertaken by our Group in the Relevant Period.

Interested Person		Relationship
Master Projects	:	Master Projects is a company incorporated in Singapore. Its shareholders are our Executive Chairman and CEO, Mr. David Perry and our Executive Director, Ms. Irene Wong, who hold 74,999 ordinary shares and 1 ordinary share, respectively. Mr. David Perry and Ms. Irene Wong are also directors of Master Projects. The principal activities of Master Projects were formerly the provision of consultancy and advisory services and investment holding. Following the Restructuring Exercise, the principal activity of Master Projects is only investment holding. Prior to the Restructuring Exercise, Master Projects had four wholly-owned subsidiaries, OFS, OFSHK, CAM (as defined herein) and Feedback Research Limited (which operates a medical research centre in New Zealand). Following the Restructuring Exercise, OFS and OFSHK have ceased to be subsidiaries of Master Projects.
Centre for Advanced Medicine Ltd ("**CAM**")	:	CAM, a company incorporated in New Zealand, is a wholly-owned subsidiary of Master Projects. Our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong, are also directors of CAM. The principal activities of CAM are the production of health supplements for sale and provision of medical treatment for patients suffering from various illnesses including heart disease and cancer.
Mallal and Namazie ("**MN**")	:	A law firm in Singapore which our Independent Director, Mr. Tan Teng Muan, is a partner.

PAST INTERESTED PERSON TRANSACTIONS

(i) Transactions with Master Projects

(a) Management Services Agreement and Technology Development Contract

The management services agreement ("**Management Services Agreement**") was first entered into between OFS and Master Projects on 27 August 1991. It was subsequently renewed on 1 August 2001, as supplemented by a letter of extension dated 1 July 2011. Until 30 November 2011, Master Projects had been providing management services to our School. These management services related to the provision of administrative and operational support for our School, specifically the secondment of such personnel who were required to ensure the proper efficient running and administration of our School, and the setting up of a carpentry workshop and the management of a team of carpenters within our School for the making of furniture for our School. Pursuant to a termination agreement dated 16 December 2011, the Management Services Agreement was terminated on 30 November 2011 and the aforesaid personnel were transferred to our Group.

The technology development contract ("**Technology Development Contract**") was entered into between OFS and Master Projects on 2 July 2000, as an ancillary agreement to the Management Services Agreement. Master Projects provided technology development services related to the design and implementation of integrated technology systems and appropriate hardware infrastructure suitable for the purpose of managing our School. Pursuant to a termination agreement dated 16 December 2011, the Technology Development Contract was terminated on 30 November 2011, when the personnel involved in the provision of the aforesaid technology development were transferred to our Group.

The aggregate payments made by OFS to Master Projects in relation to the aforesaid during the Relevant Period were as follows:-

Nature (S$'000)	FY2009	FY2010	FY2011	HY2012	1 July 2012 to the Latest Practicable Date
Management fee paid to Master Projects	2,968	2,935	2,570	–	–
Software development costs	947	980	–	–	–
Carpentry workshop services	10	10	–	–	–

The transactions above with Master Projects were not conducted on an arm's length basis and were not based on normal commercial terms because quotations for similar services was not obtained by our Group from any other third party and as such there was no basis for comparing similar services rendered by unrelated third parties in order to conclude that they were on arm's length basis and on normal commercial terms. The above transactions have ceased from 1 December 2011. Our Directors do not intend to continue the above transactions with Master Projects after the Listing Date as all the personnel in Master Projects had already been transferred to our Group with effect from 1 December 2011.

(b) Deed of Assignment

The deed of assignment ("**Deed of Assignment**") was entered into between Master Projects, the Company and OFS on 18 May 2012. Pursuant to the Deed of Assignment, in consideration of the payment by the Company to Master Projects of the sum of S$1.00, Master Projects, with full title guarantee, transferred, conveyed and assigned to the Company as beneficial owner absolutely all of Master Projects' title, rights, benefits, interests and entitlements (in Singapore and all other countries) in and to any software and computer programmes (including operating systems and source codes) for the operation of schools, developed or created by Master Projects under the Management Services Agreement and the Technology Development Contract described in (a) above (collectively, "**Technology**") with effect from 18 May 2012.

The transaction above with Master Projects was not conducted on an arm's length basis and was not based on normal commercial terms, as it was based on a nominal consideration of S$1.00. However, due consideration had been given to Master Projects under the Technology Development Contract, as set out in paragraph (a) above, for technology development services rendered by Master Projects to OFS. Our Directors do not intend to continue the above transaction with Master Projects after the Listing Date as the Technology has been transferred, conveyed and assigned to the Company.

(c) Rental agreement

The rental agreement ("**Rental Agreement**") was entered into between OFS and Master Projects on 1 August 2001, as supplemented by a letter of extension dated 21 November 2011. Under the Rental Agreement, OFS had agreed to provide, *inter alia*, office space and associated facilities at the Paterson Road Site for the provision of management services by Master Projects pursuant to the Management Services Agreement. Pursuant to a termination agreement dated 16 December 2011, the Rental Agreement was terminated on 30 November 2011.

The aggregate rental amounts charged by OFS to Master Projects in relation to the Rental Agreement during the Relevant Period were as follows:-

Nature (S$'000)	FY2009	FY2010	FY2011	HY2012	1 July 2012 to the Latest Practicable Date
Rental income	119	140	128	–	–

The transactions above with Master Projects were not conducted on an arm's length basis and were not based on normal commercial terms because there was no rental of office space and associated facilities by OFS to any other external third party and as such there was no basis for comparing similar transactions entered into with unrelated third parties in order to conclude that they were on arm's length basis and on normal commercial terms. The above transactions had ceased from 1 December 2011. Our Directors do not intend to continue the above transactions with Master Projects after the Listing Date as all the personnel in Master Projects had already been transferred to our Group with effect from 1 December 2011.

(d) Other transactions

During the Relevant Period, some of the employees of Master Projects who were seconded to OFS had use of motor vehicles owned by OFS as provided for under their employment contracts with Master Projects. With effect from 1 December 2011, all such employees had been transferred to our Group. The amounts paid by Master Projects to OFS for the use of such vehicles by its employees were as follows:-

Nature (S$'000)	FY2009	FY2010	FY2011	HY2012	1 July 2012 to the Latest Practicable Date
Motor vehicle rental income	120	133	116	–	–

In FY2010, tuition fees of a child of James Clark (a director of Metaparadigm) who was a student in our School were paid by Master Projects. James Clark is not related to our Directors, CEO, Controlling Shareholders or their Associates. The aggregate payments made by Master Projects to OFS in relation to the aforesaid during the Relevant Period were as follows:-

Nature (S$'000)	FY2009	FY2010	FY2011	HY2012	1 July 2012 to the Latest Practicable Date
Tuition fees billed to Master Projects	–	21	–	–	–

In FY2011, Master Projects incurred certain expenses for and on behalf of our Company, mainly professional fees in connection with this Invitation. These payments were later reimbursed by our Company. The aggregate payments made by our Company to Master Projects in relation to the aforesaid during the Relevant Period were as follows:-

Nature (S$'000)	FY2009	FY2010	FY2011	HY2012	1 July 2012 to the Latest Practicable Date
Payment made on behalf and reimbursed by our Company	–	–	183	–	–

Apart from the tuition fees billed to Master Projects, the transactions above with Master Projects were not conducted on an arm's length basis and were not based on normal commercial terms because there was no basis for comparing similar transactions entered into with unrelated third parties in order to conclude that they were on arm's length basis and on normal commercial terms. The above transactions have ceased from 1 December 2011. Our Directors do not intend to continue the above transactions described in "(a) Management Services Agreement and Technology Development Contract" above and motor vehicle rental described in "(d) Other transactions" above with Master Projects after the Listing Date as all the personnel in Master Projects had already been transferred to the Group with effect from 1 December 2011. Our Directors do not intend to continue the above transaction described in "(b) Deed of Assignment" above with Master Projects after the Listing Date as the Technology has been transferred, conveyed and assigned to the Company. Our Directors also do not intend to continue the transactions described in "(c) Rental agreement" and "(d) Other transactions" (save for the motor vehicle rental) above with Master Projects after the Listing Date as they were one-off transactions.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

(i) Transactions with CAM

CAM is a company incorporated in New Zealand which, among others, produces health supplements for sale and provides medical treatment. During the Relevant Period, OFS entered into transactions to purchase health supplements from CAM for our employees and for sale in our School as well as to procure out-patient medical treatment for a certain staff in our School who is unrelated to our Directors, Controlling Shareholders or their Associates. For the period of 1 January 2012 to the Latest Practicable Date, OFS rendered IT consultancy services to CAM for the development, implementation and support of their patient management system. During the Relevant Period, the aggregate transaction amounts for the above transactions with CAM were as follows:-

Nature (S$'000)	FY2009	FY2010	FY2011	HY2012	1 July 2012 to the Latest Practicable Date
Purchase of health supplements	3	1	10	–	–
Medical treatment for staff	–	–	4	–	–
IT consultancy services income(1)	–	–	–	22(2)	11(3)

Notes:-

(1) Following the transfer of one IT staff from Master Projects to OFS on 1 December 2011, the said IT staff had to complete an on-going IT project for CAM. As such, OFS billed CAM for the said IT consultancy services.

(2) As at 30 June 2012, S$15,300 was outstanding from CAM. This amount had since been paid on 18 July 2012.

(3) This amount had been paid on 12 December 2012.

Our Directors believe that the purchases of health supplements were conducted on an arm's length basis and on normal commercial terms on the understanding that the purchase price that OFS had paid for these health supplements from CAM were similar to that which CAM had charged to third parties. We believe that the sales by CAM to OFS represent an insignificant amount of the revenue of CAM. We intend to continue with the purchases of health supplements from CAM even after the Listing Date and will comply with the review procedures set out under this section and the requirements of Chapter 9 of the Listing Manual.

Our Directors believe that the transaction for the procurement of out-patient medical treatment with CAM was conducted on an arm's length basis and on normal commercial terms based on CAM's published price list. Our Directors do not intend to have such similar transactions after the Listing Date as it was only a one-off medical treatment for one OFS staff.

The transaction for the provision of IT consultancy services by OFS to CAM was not conducted on an arm's length basis and was not based on normal commercial terms as it was based on time cost. The above transaction is expected to cease by the completion of the IT project. Our Directors do not intend to continue the above transaction with CAM after that because it is a one-off transaction.

(ii) Transactions with MN

OFS engaged MN's legal professional services to assist OFS with a few debt recovery matters. During the Relevant Period, the aggregate transaction amounts incurred by us with MN were as follows:-

Nature (S$'000)	FY2009	FY2010	FY2011	HY2012	1 July 2012 to the Latest Practicable Date
Legal services	–	0.7	1.9	1.9	0.5

Our Directors believe that the engagement by OFS of MN's legal professional services for debt recovery matters were conducted on an arm's length basis and on normal commercial terms based on their past experience of legal fees charged by third parties. Our Directors also noted that our Independent Director, Mr. Tan Teng Muan, who is a partner of MN, had confirmed that he was not involved in the negotiations and deliberations pertaining to the aforesaid engagement of MN by OFS. We may continue engaging MN for future legal work. We will comply with the review procedures set out under this section and the requirements of Chapter 9 of the Listing Manual.

OTHER TRANSACTIONS

For the purpose of full disclosure to investors, the following transactions which do not fall within the ambit of the definition of an "Interested Person Transaction" (as defined in Chapter 9 of the Listing Manual) have been set out below.

The details of the relationship between the entity involved in these transactions and our Group is as follows:-

Entity		**Relationship**
Metaparadigm	:	Metaparadigm is a company incorporated in Singapore in 2000 which provides IT consultancy services. Our Executive Chairman and CEO, Mr. David Perry, and our Executive Director, Ms. Irene Wong, were directors of Metaparadigm. They were requested by Michael Clark and James Clark (the "**Clark Brothers**") to be directors of Metaparadigm so that they could act as the "tie-breaker" on its board in the event of deadlock in decision making between the Clark Brothers. Their directorships had ceased with effect from 10 October 2011 to remove the appearance of any conflict of interest on the part of Mr. David Perry and Ms. Irene Wong in view of the Invitation. Prior to 22 June 2012, Mr. David Perry held two out of 200 issued ordinary shares in the capital of Metaparadigm and the Clark Brothers each held 99 issued ordinary shares in the capital of Metaparadigm respectively. On 22 June 2012, Mr. David Perry transferred one share to each of the Clark Brothers for a nominal consideration of S$1.00 for each share and ceased to be a shareholder of Metaparadigm.

(i) Transactions with Metaparadigm

OFS and Metaparadigm had entered into a management services contract ("**Metaparadigm Management Services Contract**") on 1 January 2011 pursuant to which Metaparadigm would provide OFS with technology development services and implementation of IT infrastructure and integrated computer software systems for our School (the "**Systems**"). The Metaparadigm Management Services Contract was for a term of three years and was to be renewed for another term on the same terms and conditions unless terminated by either party giving three months' notice. Prior to this, from 2000 to 2010, Metaparadigm had already been providing similar services to OFS pursuant to the Management Services Agreement and Technology Development Contract entered into with Master Projects described above in the section entitled "**Past Interested Person Transactions – Transactions with Master Projects**" of this Prospectus, whereby Metaparadigm had been engaged by Master Projects as a service provider to fulfil Master Project's obligations under the Technology Development Contract in relation to the design and implementation of the IT infrastructure and integrated computer software systems in OFS. Hence, the Metaparadigm Management Services Contract was entered into to establish a direct contractual relationship between Metaparadigm and OFS. Under the Metaparadigm Management Services Contract, the monthly fee payable by OFS to Metaparadigm is S$20,000, which may be subject to a joint review initiated by either party.

During the Relevant Period, the aggregate transaction amounts incurred by OFS with Metaparadigm pursuant to the Metaparadigm Management Services Contract were as follows:-

Nature (S$'000)	**FY2009**	**FY2010**	**FY2011**	**HY2012**	**1 July 2012 to the Latest Practicable Date**
IT consultancy services	–	–	240	30(1)	–

Note:-

(1) From 1 January 2012 to the Latest Practicable Date, only one and a half months' of billable services were provided.

The transactions with Metaparadigm were not conducted on an arm's length basis and were not based on normal commercial terms because when OFS initially sought the assistance of Metaparadigm to set up the Systems, OFS did not obtain quotations from any other third party, given the fact that OFS was requesting Metaparadigm to provide an IT service tailor-made specifically for the School's requirements.

REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that future transactions with Interested Persons are undertaken on normal commercial terms and are consistent with our Group's usual business practices and policies, which are generally no more favourable than those extended to unrelated third parties, the following procedures will be implemented by our Group.

In relation to any purchase of products or procurement of services by us from Interested Persons, submissions from at least two unrelated third parties in respect of the same or substantially the same type of product or service will be used as comparison wherever possible. The Audit Committee will review the comparable factors, taking into account, *inter alia*, the suitability, quality, timeliness in delivery and cost of the product or service, and the experience and expertise of the supplier. Transactions with such Interested Persons shall not be on terms less favourable to our Group than those with unrelated third parties.

In relation to any sale of products or provision of services by us to Interested Persons, the price and terms of two other completed transactions of the same or substantially the same type of transactions to unrelated third parties are to be used as comparison wherever possible. Transactions with such Interested Persons shall not be on terms less favourable to our Group than those with unrelated third parties.

Any contracts to be made by us with an Interested Person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated parties and the terms are not less favourable to our Group than those with unrelated third parties.

For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between us and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the Interested Person are no more favourable than those extended to unrelated parties. In the event that it is not possible for appropriate information for comparative purposes to be obtained, the matter will be referred to our Audit Committee and our Audit Committee will determine whether the relevant price and terms are fair and reasonable and consistent with our Group's usual business practices.

We shall monitor all interested person transactions entered into by us categorising the transactions as follows:-

(i) a "Category one" interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same Interested Person during the same financial year) is one where the value or aggregate value thereof, as the case may be, is equal to or more than 3.0% of the latest audited NTA of our Group; and

(ii) a "Category two" interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same Interested Person during the same financial year) is one where the value or aggregate value thereof, as the case may be, is below 3.0% of the latest audited NTA of our Group.

All "Category one" interested person transactions must be approved by our Audit Committee prior to entry. All "Category two" interested person transactions need not be approved by our Audit Committee prior to entry but shall be reviewed on a quarterly basis by our Audit Committee. All "Category two" interested person transactions will require approval by a Director who is not an Interested Person in respect of the particular transaction. Before any agreement or arrangement with an Interested Person that is not in the ordinary course of business of our Group is transacted, prior approval must be obtained from our Audit Committee. In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from reviewing and approving that particular transaction.

All interested person transactions shall be subject to review by our Audit Committee on a quarterly basis. We will prepare relevant information to assist our Audit Committee in its review. Our Audit Committee will include the review of interested person transactions as part of its procedures while examining the adequacy of our internal controls. Our Board will also ensure that all disclosures, approvals and other requirements on interested person transactions, including those required by prevailing laws, rules and regulations, the Listing Manual and accounting standards are complied with. In addition, we will make immediate announcements and/or seek Shareholders' approval for such transactions if required by the Listing Manual.

INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS OR THEIR ASSOCIATES

Save as disclosed in the section entitled "**Interested Person Transactions**" of this Prospectus, during the Relevant Period:-

(i) none of our Directors, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any material transactions to which our Company or any of our subsidiaries was or is a party;

(ii) none of our Directors, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any entity carrying on the same business or dealing in similar products which competes materially and directly with the existing business of our Group; and

(iii) none of our Directors, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any enterprise or company that is our customer or supplier of goods or services.

INTERESTS OF EXPERTS

No expert named in this Prospectus is interested, directly or indirectly, in the promotion of, or in any property or assets which have within the two years preceding the date of this Prospectus, been acquired or disposed of by or leased to our Group or are proposed to be acquired or disposed of by or leased to our Group.

No expert named in this Prospectus is employed on a contingent basis by our Group, or has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries, or has a material economic interest, whether direct or indirect, in our Group, including an interest in the success of the Invitation.

INTERESTS OF THE ISSUE MANAGER, THE JOINT UNDERWRITERS AND THE JOINT PLACEMENT AGENTS

UOB is our principal banker. The Issue Manager, the Joint Underwriters and the Joint Placement Agents and their affiliates engage in transactions with, and perform services for our Group in the ordinary course of business and have engaged in investment banking transactions, and may in the future engage in commercial banking and investment banking transactions with our Group, for which they have received, and may in the future receive, customary compensation.

Upon listing and quotation on the SGX-ST, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, securities accounts with CDP. Persons named as direct securities account holders and Depository agents in the Depository Register maintained by CDP, rather than CDP itself, will be treated, under our Articles and the Act, as members of our Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding our Shares in securities accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles. A fee of S$10 for each withdrawal of 1,000 Shares or less and a fee of S$25 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S$2 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued, and a stamp duty of S$0.20 per S$100 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of $10 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the SGX-ST is payable at the rate of 0.04% of the transaction value subject to a maximum of S$600 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST.

Dealings of our Shares will be carried out in Singapore Dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP agent. The CDP agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

Save as disclosed below, none of our Directors, Executive Officers or Controlling Shareholders:-

(i) has, at any time during the last ten years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(ii) has, at any time during the last ten years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, or at any time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(iii) has any unsatisfied judgement against him;

(iv) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such purpose;

(v) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware of) for such breach;

(vi) has, at any time during the last ten years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(vii) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(viii) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(ix) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(x) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

   (a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

   (b) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

   (c) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(d) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(xi) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Our Independent Director, Mr. Tan Teng Muan, has had five complaints lodged against him with the Law Society of Singapore ("**Law Society**") in the course of his legal practice spanning 24 years. These complaints arose from acrimonious litigation matters and for three of them in the context of contested discovery of documents. In 1992, a complaint was lodged against Mr. Tan alleging that he was rude towards a director of the opposing party during the inspection of documents pursuant to a discovery order. The complaint did not proceed after investigations by the Inquiry Committee of the Law Society ("**Inquiry Committee**"). In 1994, a complaint was lodged against Mr. Tan alleging that he had disclosed privileged information. The complaint was dismissed after investigations by the Inquiry Committee. In 2004, two complaints were lodged against Mr. Tan in the same suit relating to the alleged irregular attestation of an affidavit for discovery and purported breach of an alleged undertaking for a discovered tape recording. The complaints were dismissed after investigations by the Inquiry Committee. In August 2011, a complaint was lodged against Mr. Tan for not applying for Grant of Probate relating to an estate matter (a matter upon which Mr. Tan had no instruction from client to act) and not giving any reply to the complainant or his son (both of whom were not clients of Mr. Tan). The complaint was dismissed after investigations by the Inquiry Committee.

No person (including a Director or Executive Officer) has been, or is entitled to be, given an option to subscribe for or purchase any shares in or debentures of our Company or any of our subsidiaries.

Save as disclosed in the section entitled "**General Information on our Group – Share Capital**" no Shares in, or debentures of, our Company or any of our subsidiaries have been issued or are agreed to be issued, by our Company or any of our subsidiaries, as fully or partly paid-up and whether for cash or for a consideration other than cash, within the three years preceding the date of this Prospectus.

MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company or our subsidiaries within the two years preceding the date of lodgement of this Prospectus and are or may be material:-

(i) Restructuring Agreement. Please refer to the section entitled "**Restructuring Exercise**" of this Prospectus for more information.

(ii) Contract entered into on 28 November 2011 between OFS and MKPL Architects Pte Ltd for the provision of architectural consultancy services for the proposed new school campus by MKPL Architects Pte Ltd.

(iii) Consultancy service agreement dated 28 March 2012 entered into between OFS and Langdon & Seah Singapore Pte Ltd (formerly known as Davis Langdon & Seah Singapore Pte Ltd) for quantity surveying services provided by Langdon & Seah.

(iv) Consultancy service agreement dated 28 March 2012 entered into between OFS and Langdon & Seah Project Management Pte Ltd (formerly known as Davis Langdon & Seah Project Management Pte Ltd) for the provision of project management services by Langdon & Seah.

(v) Deed of Assignment dated 18 May 2012 entered into between Master Projects, our Company and OFS. Please refer to the section entitled "**Interested Person Transactions**" of this Prospectus for more information.

(vi) Management and Underwriting Agreement dated 31 January 2013 entered into between our Company, the Issue Manager and the Joint Underwriters. Please refer to the section entitled "**Management Underwriting and Placement Arrangements**" in this Prospectus for more information.

(vii) Placement Agreement dated 31 January 2013 entered into between our Company and the Joint Placement Agents. Please refer to the section entitled "**Management Underwriting and Placement Arrangements**" for more information.

LITIGATION

As at the Latest Practicable Date, our Group is not engaged in any legal or arbitration proceedings including those which are pending or known to be contemplated, which may have, or have had in the 12 months immediately preceding the date of lodgement of this Prospectus, a material effect on our Group's financial position or profitability of our Group.

MISCELLANEOUS

(i) Each of the Joint Placement Agents, the Solicitors to the Invitation and Legal Advisers to our Company on Singapore Law, the Legal Advisers to our Company on Hong Kong Law, the Solicitors to Issue Manager, Joint Underwriters and Joint Placement Agents, the Receiving Bank, the Principal Banker and the Share Registrar, do not make, or purport to make, any statement in this Prospectus or any statement upon which a statement in this Prospectus is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in or omission from this Prospectus.

(ii) The nature of our business is stated in the section entitled "**General Information on our Group – Business Overview**" of this Prospectus. As at the Latest Practicable Date, the corporations which are deemed to be related to us by virtue of Section 6 of the Companies Act are set out in the section entitled "**General Information on our Group – Group Structure**" of this Prospectus.

(iii) The time of opening of the Application List is stated in the section entitled "**Details of the Invitation**" of this Prospectus.

(iv) The amount payable on application is S$0.48 for each Invitation Share. There has been no previous issue of Shares by our Company or offer for sale of its Shares to the public within the two years preceding the date of this Prospectus.

(v) Application monies received by our Company in respect of all successful applications (including successfully balloted applications which are subsequently rejected) will be placed in a separate non-interest bearing account with UOB (the "**Receiving Bank**"). There is no sharing arrangement between the Receiving Bank and our Company in respect of interest or revenue or any other benefit in respect of the deployment of application monies in the inter-bank monies market, if any. Any refund of the application monies to unsuccessful or partially successful applicants will be made without any interest or share of such revenue or other benefit arising therefrom.

(vi) Save as disclosed in this Prospectus under the sections entitled "**Risk Factors**" and "**Prospects, Business Strategies and Future Plans – Terms and Order Book**" of this Prospectus, our Directors are not aware of any relevant material information including trading factors or risks not mentioned elsewhere in this Prospectus which is unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our subsidiaries.

(vii) Save as disclosed in this Prospectus under the section entitled "**Management, Underwriting and Placement Arrangements**" of this Prospectus, no commission, discount or brokerage has been paid or other special terms granted within the two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procure subscriptions for any shares in, or debentures of, our Company or our subsidiaries.

(viii) No expert is employed on a contingent basis by our Company or our subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

(ix) Save as disclosed in this Prospectus, our Directors are not aware of any event which has occurred since 1 January 2012 to the Latest Practicable Date, which may have a material effect on the financial information provided in "**Audited Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Financial Years Ended 31 December 2009, 2010 and 2011**" and "**Unaudited Interim Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For Six-Month Period Ended 30 June 2012**" as set out in Appendices A and B of this Prospectus, respectively.

(x) Save as disclosed in this Prospectus, the financial condition and operations of our Group are not likely to be affected by any of the following:-

(a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(b) material commitments for capital expenditures (other than for the building of our new school campus). Please refer to the section entitled "**Use of Proceeds from the Invitation and Expenses Incurred**" of this Prospectus for more information;

(c) unusual or infrequent events or transactions or any significant economic changes that will materially affect the amount of reported income from operations; and

(d) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.

(xi) We currently have no intention of changing the auditors of our Company after the Listing Date.

(xii) Details, including the names, addresses and professional qualifications (including membership in a professional body) of the Auditors and Reporting Accountants of our Group for FY2009, FY2010, FY2011 and HY2012 are as follows:-

Name and Address	Partner-in-Charge	Professional body	Professional qualification
Ernst & Young LLP One Raffles Quay Level 18 North Tower Singapore 048583	Ms. Ho Shyan Yan	Institute of Certified Public Accountants of Singapore	Certified Public Accountant

CONSENTS

(i) Ernst & Young LLP has given and has not, before the registration of this Prospectus, withdrawn its written consent to being named in this Prospectus as Auditors and Reporting Accountants and to the issue of this Prospectus with the inclusion herein of its name and all references thereto and the inclusion herein of "**Audited Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Financial Years Ended 31 December 2009, 2010 and 2011**" as contained in Appendix A and "**Unaudited Interim Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Six-Month Period Ended 30 June 2012**" as contained in Appendix B of this Prospectus, in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus.

(ii) United Overseas Bank Limited has given, and has not before the registration of this Prospectus, withdrawn its written consent to being named in this Prospectus as the Issue Manager and to the issue of this Prospectus with the inclusion herein of its name and all references thereto in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus.

(iii) United Overseas Bank Limited and UOB Kay Hian Private Limited have given, and have not before the registration of this Prospectus, withdrawn their written consent to being named in this Prospectus as the Joint Underwriters and the Joint Placement Agents and to the issue of this Prospectus with the inclusion herein of their names and all references thereto in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus.

(iv) Frost & Sullivan (Singapore) Pte Ltd has given, and has not before the registration of the Prospectus, withdrawn its written consent to being named in this Prospectus as the Industry Expert and to the issue of this Prospectus with the inclusion herein of its name and all references thereto, the sections entitled "**General Information on Our Group – Industry Overview**" and of statements attributed to them in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus.

STATEMENT BY OUR DIRECTORS

This Prospectus has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Invitation, our Company and its subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading.

Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of our Company at 25F Paterson Road, Singapore 238515, during normal business hours for a period of six months from the date of registration of this Prospectus:-

(i) the Memorandum and Articles of our Company;

(ii) the material contracts referred to in the section entitled "**General and Statutory Information – Material Contracts**" of this Prospectus;

(iii) the Service Agreements as referred to in the section entitled "**Directors, Management and Staff – Service Agreements**" of this Prospectus;

(iv) Frost & Sullivan's Report as referred to in the sections entitled "**General Information on our Group – Industry Overview**", "**General Information on our Group – Competition**", "**General Information on our Group – Competitive Strengths**" and "**Prospects, Business Strategies and Future Plans – Prospects**" of this Prospectus;

(v) the letters of consent referred to in the section entitled "**General and Statutory Information – Consents**" of this Prospectus;

(vi) the "**Audited Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Financial Years Ended 31 December 2009, 2010 and 2011**" as set out in Appendix A of this Prospectus; and

(vii) the "**Unaudited Interim Consolidated Financial Statements Of Overseas Education Limited And Its Subsidiaries For The Six-Month Period Ended 30 June 2012**" as set out in Appendix B of this Prospectus.

APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OVERSEAS EDUCATION LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

INDEX

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 consolidated financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Group as at 31 December 2009, 2010 and 2011 and the results of the business, changes in equity and cash flows of the Group for the financial years ended on those dates, 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

31 January 2013

APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OVERSEAS EDUCATION LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OVERSEAS EDUCATION LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

31 January 2013

The Board of Directors
Overseas Education Limited
25F Paterson Road
Singapore 238515

Dear Sirs:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Overseas Education Limited (the "Company") and its subsidiaries (collectively the "Group") set out on pages A-5 to A-51, which comprise the consolidated balance sheets of the Group as at 31 December 2009, 2010 and 2011, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of consolidated financial statements 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 directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OVERSEAS EDUCATION LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

Opinion

In our opinion, the consolidated financial statements of the Group are properly drawn up in accordance with Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group as at 31 December 2009, 2010 and 2011 and the results, changes in equity and cash flows of the Group for the years ended on those dates.

Other matter

This report has been prepared solely for inclusion in the Prospectus of the Company dated 31 January 2013 in connection with the proposed listing of the Company's shares on the Main Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner in charge: Ho Shyan Yan

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

		Years ended 31 December		
	Note	**2009**	**2010**	**2011**
		S$	S$	S$
Revenue				
Tuition fees		72,963,420	78,367,133	85,440,010
Registration fees		–	1,080,374	1,330,842
School bookshop sales		1,171,656	1,131,252	1,213,092
Enrichment programme revenue		793,994	775,428	814,404
Interest income		243,966	176,983	197,183
Other revenue	4	274,668	823,138	347,633
Total revenue		75,447,704	82,354,308	89,343,164
Less: Operating expenses				
Personnel expenses	5	39,852,559	42,190,127	44,786,830
School lease rental		5,760,080	6,660,734	6,696,908
Depreciation expenses	9	4,505,396	4,644,701	3,892,130
Amortisation of intangible assets	10	848,981	936,897	837,514
Management fees		2,968,234	2,935,234	2,570,094
Cost of goods sold		749,311	695,471	787,081
Enrichment programme cost		530,659	472,518	465,612
Utilities		682,494	692,919	888,039
Upkeep and maintenance		1,244,343	1,285,471	1,449,194
Other operating expenses	6	2,498,402	3,176,335	3,516,365
Total operating expenses		59,640,459	63,690,407	65,889,767
Profit before taxation		15,807,245	18,663,901	23,453,397
Income tax expense	7	(2,795,432)	(3,492,558)	(3,988,378)
Profit for the year attributable to owners of the Company		13,011,813	15,171,343	19,465,019
Other comprehensive income for the year, net of tax		(65)	(199)	19
Total comprehensive income for the year attributable to owners of the Company		13,011,748	15,171,144	19,465,038
Earnings per share (cents)				
- Basic and diluted	8	4.9	5.7	7.3

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

CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2009, 2010 AND 2011

	Note	As at 31 December		
		2009	2010	2011
		S$	S$	S$
ASSETS				
Non-current assets				
Plant and equipment	9	13,985,683	11,800,918	10,410,538
Intangible assets	10	4,132,220	4,091,219	3,772,684
Fee protection insurance deposits	12	–	2,000,000	2,016,587
School lease deposits		1,713,956	1,807,511	1,807,775
Staff housing deposits		192,350	313,100	281,350
		20,024,209	20,012,748	18,288,934
Current assets				
Inventories	13	547,977	556,518	579,460
Trade receivables	14	1,515,664	751,003	647,974
Other receivables and deposits	15	337,666	265,207	416,398
Prepayments		614,611	736,250	1,297,421
Amounts due from director-related company	16	–	164,253	–
Cash and bank balances	17	1,997,951	2,856,380	7,628,861
Fixed deposits	17	45,000,000	30,000,000	32,000,000
Term bank deposits	17	20,000,000	30,000,000	40,000,000
		70,013,869	65,329,611	82,570,114
TOTAL ASSETS		90,038,078	85,342,359	100,859,048
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables		571,709	457,238	309,301
Other payables	18	4,799,454	1,617,658	1,519,251
Amounts due to director-related company	16	4,381,160	–	–
Student refundable deposits	19	10,818,093	–	–
Fees received in advance	20	27,824,085	31,555,364	35,235,542
Goods and Services Tax payable		2,307,038	2,764,768	2,794,169
Central Provident Fund payable		302,907	313,617	440,611
Income tax payable		3,147,997	3,714,455	4,374,369
		54,152,443	40,423,100	44,673,243
NET CURRENT ASSETS		15,861,426	24,906,511	37,896,871
Non-current liabilities				
Deferred tax liabilities	21	1,746,284	1,608,764	1,410,172
		1,746,284	1,608,764	1,410,172
Net assets		34,139,351	43,310,495	54,775,633
Equity attributable to owners of the Company				
Share capital	22	5,048,575	5,048,575	31,219,241
Revenue reserve		9,089,556	8,260,899	9,725,918
Other reserves	23	20,001,220	30,001,021	13,830,474
Total equity		34,139,351	43,310,495	54,775,633

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

						Attributable to owners of the Company			
	Note	No. of shares	Share capital	Revenue reserve	Other reserves, total	Foreign currency translation reserve	Merger reserve	Capital reserve	Total equity
			S$	S$	S$	S$	S$	S$	S$
2009									
Balance at 1 January 2009		–	348,575	6,777,743	20,001,285	1,285	–	20,000,000	27,127,603
Profit net of tax		–	–	13,011,813	–	–	–	–	13,011,813
Other comprehensive income for the year		–	–	–	(65)	(65)	–	–	(65)
Total comprehensive income for the year		–	–	13,011,813	(65)	(65)	–	–	13,011,748
Issuance of bonus shares	22	–	4,700,000	(4,700,000)	–	–	–	–	–
Dividends	24	–	–	(6,000,000)	–	–	–	–	(6,000,000)
Balance at 31 December 2009		–	5,048,575	9,089,556	20,001,220	1,220	–	20,000,000	34,139,351
2010									
Balance at 1 January 2010		–	5,048,575	9,089,556	20,001,220	1,220	–	20,000,000	34,139,351
Profit net of tax		–	–	15,171,343	–	–	–	–	15,171,343
Other comprehensive income for the year		–	–	–	(199)	(199)	–	–	(199)
Total comprehensive income for the year		–	–	15,171,343	(199)	(199)	–	–	15,171,144
Transfer to capital reserves	23	–	–	(10,000,000)	10,000,000	–	–	10,000,000	–
Dividends	24	–	–	(6,000,000)		–	–	–	(6,000,000)
Balance at 31 December 2010		–	5,048,575	8,260,899	30,001,021	1,021	–	30,000,000	43,310,495

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011 (CONT'D)

						Attributable to owners of the Company			
	Note	**No. of shares**	**Share capital**	**Revenue reserve**	**Other reserves, total**	Foreign currency translation reserve	Merger reserve	Capital reserve	**Total equity**
			S$	S$	S$	S$	S$	S$	S$
2011									
Balance at 1 January 2011		–	5,048,575	8,260,899	30,001,021	1,021	–	30,000,000	43,310,495
Profit net of tax		–	–	19,465,019	–	–	–	–	19,465,019
Other comprehensive income for the year		–	–	–	19	19	–	–	19
Total comprehensive income for the year		–	–	19,465,019	19	19	–	–	19,465,038
Adjustment resulting from restructuring exercise		–	(5,048,575)	–	(26,170,566)	–	(26,170,566)	–	(31,219,141)
Issuance of ordinary shares on incorporation	22	100	100	–	–	–	–	–	100
Issuance of ordinary shares due to restructuring	22	31,219,141	31,219,141	–	–	–	–	–	31,219,141
Transfer to capital reserves	23	–	–	(10,000,000)	10,000,000	–	–	10,000,000	–
Dividends	24	–	–	(8,000,000)	–	–	–	–	(8,000,000)
Balance at 31 December 2011		31,219,241	31,219,241	9,725,918	13,830,474	1,040	(26,170,566)	40,000,000	54,775,633

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

	Note	Years ended 31 December		
		2009	2010	2011
		S$	S$	S$
Cash flows from operating activities				
Profit before taxation		15,807,245	18,663,901	23,453,397
Adjustments for:				
Depreciation expenses	9	4,505,396	4,644,701	3,892,130
Amortisation expenses	10	848,981	936,897	837,514
Loss on disposal of plant and equipment	6	166,115	150,835	322,031
Write off of intangible assets	6	–	89,000	8,621
Interest income		(243,966)	(176,983)	(197,183)
Operating profit before working capital changes		21,083,771	24,308,351	28,316,510
Increase in inventories		(5,086)	(8,541)	(22,942)
Decrease in trade receivables		425,915	764,661	103,029
Increase in other receivables, deposits and prepayments		(198,274)	(40,630)	(688,534)
Decrease/(increase) in non-current deposits		96,700	(2,214,305)	14,899
(Decrease)/increase in trade payables and other payables and fees received in advance		(864,602)	903,452	3,590,229
Cash generated from operations		20,538,424	23,712,988	31,313,191
Decrease in student refundable deposits		(4,754,387)	(10,818,093)	–
Interest received		262,943	168,433	173,355
Income tax paid		(3,593,771)	(3,063,620)	(3,527,056)
Net cash generated from operating activities		12,453,209	9,999,708	27,959,490

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011 (CONT'D)

	Note	Years ended 31 December 2009	2010	2011
		S$	S$	S$
Cash flows from investing activities				
Additions of intangible assets	10	(954,696)	(984,896)	(527,600)
Acquisition of plant and equipment	9	(3,223,694)	(2,688,355)	(3,034,078)
Proceeds from disposal of plant and equipment		70,690	77,584	210,297
Net cash used in investing activities		(4,107,700)	(3,595,667)	(3,351,381)
Cash flows from financing activities				
Decrease/(increase) in amounts due from director-related company		56,836	(45,612)	164,272
Dividends paid	24	(1,500,000)	(10,500,000)	(8,000,000)
Issuance of new ordinary shares due to incorporation		–	–	100
Net cash used in financing activities		(1,443,164)	(10,545,612)	(7,835,628)
Net increase/(decrease) in cash and cash equivalents		6,902,345	(4,141,571)	16,772,481
Cash and cash equivalents at beginning of the year		60,095,606	66,997,951	62,856,380
Cash and cash equivalents at end of the year	17	66,997,951	62,856,380	79,628,861

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

1.1 Corporate information

Overseas Education Limited (the "Company") is a public limited liability company incorporated and domiciled in Singapore. The Company was incorporated for the purpose of acquiring the existing companies of the Group pursuant to the restructuring exercise mentioned in Note 1.2 below.

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 subsidiaries are set out in Note 11. The Company and its subsidiaries are collectively defined as the "Group".

1.2 The restructuring exercise

The Group undertook the following restructuring exercise to streamline and rationalize the group structure in connection with the Company's listing on the Singapore Exchange Securities Trading Limited:

(a) *Incorporation of the Company*

The Company was incorporated on 28 October 2011 in Singapore in accordance with the Singapore Companies Act as a public limited liability company with an issued and fully paid-up share capital of S$100 comprising 100 ordinary shares. Its two shareholders, David Alan Perry and Wong Lok Hiong hold 51 and 49 ordinary shares, respectively.

Subsequent to incorporation, the Company increased its share capital and issued additional shares. At 31 December 2011, the share capital of the Company increased to S$31,219,241 comprising 31,219,241 ordinary shares (Note 1.2(c)).

(b) *Transfer of Overseas Family School Limited ("OFSL") and Overseas Family School Limited Hong Kong ("OFSLHK") by Master Projects Pte Ltd ("MPPL")*

Master Projects Pte Ltd is a private limited liability company. Its shareholders are David Alan Perry and Wong Lok Hiong, holding 74,999 ordinary shares and 1 ordinary share, respectively.

On the founding of OFSL, in consideration of the sum of S$25,000 paid by Wong Lok Hiong to David Alan Perry, David Alan Perry had granted to Wong Lok Hiong a perpetual option for the latter to acquire up to 49% of total shares in MPPL (less 1 share already owned). Wong Lok Hiong has elected to exercise the option to acquire 49% (less 1 share) of MPPL shares based on the restructuring agreement dated 11 November 2011. David Alan Perry and Wong Lok Hiong agreed that in lieu of David Alan Perry transferring to Wong Lok Hiong such number of MPPL Shares as would comprise 49% (less 1 MPPL share) of the total number of issued MPPL shares, David Alan Perry assigned, and directed MPPL to pay, 49% (being the sum of S$15,296,392) of the 2011 OFSL interim dividends to Wong Lok Hiong. David Alan Perry was therefore entitled to 51% (being the sum of $15,920,735) of the 2011 OFSL interim dividends.

1.2 The restructuring exercise (cont'd)

(b) *Transfer of Overseas Family School Limited ("OFSL") and Overseas Family School Limited Hong Kong ("OFSLHK") by Master Projects Pte Ltd ("MPPL") (cont'd)*

(i) Transfer of OFSL by MPPL

Pursuant to the restructuring agreement dated 11 November 2011, the Company's shareholders, David Alan Perry and Wong Lok Hiong, acquired the entire issued and paid-up share capital of OFSL, comprising 5,000,000 ordinary shares, for a consideration of S$31,217,127 (the "OFSL Consideration") from MPPL. The proportion of the share capital acquired and the purchase prices are set out below:

Transferee:	No. of OFSL shares	OFSL Purchase Price (S$)
David Alan Perry	2,550,000	15,920,735
Wong Lok Hiong	2,450,000	15,296,392
	5,000,000	31,217,127

The OFSL Consideration was based on the audited net tangible asset value of OFSL as at 31 December 2010, net of dividends declared and paid out prior to the restructuring agreement, as agreed on a willing-buyer, willing-seller basis. Upon the transfer, MPPL declared an interim dividend amounting to S$31,217,127 to its shareholders, David Alan Perry and Wong Lok Hiong. The OFSL Consideration was then satisfied by offsetting the MPPL interim dividend against the OFSL Consideration amount owed.

(ii) Transfer of OFSLHK by MPPL

1 out of 225,000 issued and paid-up shares of OFSLHK was held by David Alan Perry while the remaining 224,999 shares were held by MPPL. Pursuant to the restructuring agreement dated 11 November 2011, the Company's shareholders, David Alan Perry and Wong Lok Hiong, acquired the issued and paid-up share capital of OFSLHK from MPPL, comprising 224,999 ordinary shares, for a consideration of HK$12,086 (the "OFSLHK Consideration") from MPPL. The OFSLHK Consideration was based on the unaudited net asset value of OSFLHK on the date of completion of the share transfer. The OFSLHK Consideration was then satisfied by cash.

1.2 The restructuring exercise (cont'd)

(c) *Acquisition of OFSL and OFSLHK by the Company and share swaps*

Pursuant to the restructuring agreement dated 11 November 2011, the Company acquired the entire issued and paid-up share capital of OFSL and OFSLHK, comprising 5,000,000 ordinary shares and 225,000 ordinary shares, respectively, for a consideration of S$15,921,762 and S$15,297,379 from David Alan Perry and Wong Lok Hiong, respectively. In return, the Company agreed to issue consideration shares of 15,921,762 shares and 15,297,379 shares to PDAC Private Limited (a company wholly owned by David Alan Perry) and WLH Private Limited (a company wholly owned by Wong Lok Hiong) respectively, at S$1 per share. The consideration was satisfied by the issue of 31,219,141 shares, credited as fully paid, by the Company in the following proportion:

Transferor	**Transferee**	**No. of OFSL shares**	**No. of OFSLHK shares**
David Alan Perry	Overseas Education Limited	2,550,000	114,750
Wong Lok Hiong		2,450,000	110,250

Shares issued by	**Shareholders**	**No. of Company shares**
Overseas Education Limited	PDAC Private Limited	15,921,762
	WLH Private Limited	15,297,379

PDAC Private Limited and WLH Private Limited are investment holding companies fully held by David Alan Perry and Wong Lok Hiong respectively. Upon the completion of the restructuring exercise, OFSL and OFSLHK became wholly-owned subsidiaries of Overseas Education Limited.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group 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. Summary of significant accounting policies (cont'd)

2.2 ***Changes in accounting policies***

The accounting policies adopted have been consistently applied by the Group during the financial years ended 31 December 2009, 2010 and 2011, except for the adoption of the standards and interpretations that are mandatory for annual periods beginning on or after 1 January 2009, 2010 and 2011:

(a) *Adoption of new and revised FRS and Interpretation of Financial Reporting Standards ("INT FRS")*

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

The principal effects of these changes are as follows:

Standards adopted in financial year ended 31 December 2009

FRS 1 Presentation of Financial Statements – Revised presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement in one single statement.

Amendments to FRS 107 Financial Instruments: Disclosures

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Note 29 and Note 27 to the financial statements respectively.

Amendments to FRS 18 Revenue

FRS 18 has been amended to add guidance to determine whether an entity is acting as a principal or an agent. The Group has reported revenue on a gross basis in previous financial periods. Upon adoption of the amendments to FRS 18, the Group reassessed their business relationships and determined that no adjustments are required on the financial statements.

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

2.2 ***Changes in accounting policies (cont'd)***

(b) *New FRS/Revised FRS/INT FRS not yet effective*

The Group has not adopted the following FRS and INT FRS that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 101 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
FRS 113 Fair Value Measurement	1 January 2013
Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Improvements to FRSs 2012	1 January 2013
– Amendment to FRS 1 Presentation of Financial Statements	1 January 2013
– Amendment to FRS 16 Property, Plant and Equipment	1 January 2013
– Amendment to FRS 32 Financial Instruments: Presentation	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

Except for the Amendments to FRS 1, the Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 are described below.

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income ("OCI") is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

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

2.3 ***Basis of consolidation and business combinations***

Basis of consolidation

(i) 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.

The consolidated financial statements of the Group for the financial years ended 31 December 2009, 2010 and 2011 were prepared by applying the pooling of interest method as the restructuring exercise as described in Note 1.2 is a legal reorganisation of entities under common control. Under this method, the Company has been treated as the holding company of the subsidiaries for the financial years presented rather than from the completion of the restructuring exercise. Accordingly, the results of the Group for the years ended 31 December 2009, 2010 and 2011 include the results of the subsidiaries for the entire periods under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

Pursuant to this:

– Assets and liabilities are reflected at their existing carrying amounts;

– No amount is recognised for goodwill;

– Prior to the incorporation of the Company and the issue of shares by the Company in connection with the restructuring exercise, the aggregate paid-up capital of the subsidiaries held directly by the Company is shown as the Group's share capital for financial years under review; and

– Upon the completion of the restructuring exercise, any difference between the consideration paid by the Company and the share capital of the subsidiaries is reflected within the equity of the Group as merger reserve.

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

2.3 ***Basis of consolidation and business combinations (cont'd)***

The financial statements of the Group included the financial statements of OFSL and OFSLHK for the financial years ended 31 December 2009 to 2011 and the financial statements of the Company from the date of incorporation, 28 October 2011, to 31 December 2011.

(ii) 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.

2.4 ***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)

2.4 ***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. Summary of significant accounting policies (cont'd)

2.5 ***Plant and equipment***

All items of plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of 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.

Subsequent to recognition, all items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of 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 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.

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:

School furnishings	–	6 years
School renovations	–	6 years
School equipment	–	6 years
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.

The carrying values of 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 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. Summary of significant accounting policies (cont'd)

2.6 ***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.

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. Summary of significant accounting policies (cont'd)

2.7 ***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 (i.e. an intangible asset with an indefinite useful life, or an intangible asset not yet available for use) 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.

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.

2.8 ***Subsidiaries***

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

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

2.9 ***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:

Loans and receivables

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.

2.10 ***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 2.9.

2.11 ***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 2.9.

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 2.12 below.

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

2.12 ***Impairment of financial assets***

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(a) *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 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 either directly or 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.

(b) *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 a financial asset 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. Summary of significant accounting policies (cont'd)

2.13 ***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.

2.14 ***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

The measurement of financial liabilities depends on their classification as follows:

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate 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 extinguished. 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)

2.15 ***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.

2.16 ***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 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.

2.17 ***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 income statement 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.

Grant income received under the Singapore Jobs Credit Scheme is recognised in the month of receipt.

2.18 ***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)

2.19 ***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.

With effect from financial year 2010, the Group started charging 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.

2.20 ***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 related 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.

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

2.20 ***Income taxes (cont'd)***

(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.

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 each balance sheet date 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.

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

2.20 ***Income taxes (cont'd)***

(b) *Deferred tax (cont'd)*

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current 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.

(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.

2.21 ***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.

2.22 ***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.

2.23 ***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.

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

2.23 ***Related parties (cont'd)***

(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;

(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 at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could 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:

(a) *Income taxes*

The Group has exposure to income taxes in Singapore. Significant judgement 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's income tax payable and deferred tax liabilities at 31 December 2009, 2010 and 2011 were S$3,147,997, S$3,714,455 and S$4,374,369; and S$1,746,284, S$1,608,764 and S$1,410,172 respectively.

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

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Useful lives of plant and equipment and intangible assets*

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 these assets to be within 3 to 10 years.

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

The carrying amounts of the Group's plant and equipment were S$13,985,683, S$11,800,918 and S$10,410,538 as at 31 December 2009, 2010 and 2011 respectively. The carrying amounts of the Group's intangible assets were S$4,132,220, S$4,091,219 and S$3,772,684 as at 31 December 2009, 2010 and 2011 respectively. 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.

(b) *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) *Impairment of loans and receivables*

The Group assesses at the balance sheet date 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.

4. Other revenue

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Motor vehicle rental income	119,929	133,037	115,572
Parking income	58,331	50,526	41,272
Write-back of unclaimed excess payments *	–	587,301	126,693
Other income	96,408	52,274	64,096
	274,668	823,138	347,633

* In compliance with the Private Education Act, the Group started to return the refundable deposits collected in 2010 (Note 19). As part of the exercise, the Group also started its yearly review process to identify and attempt to return refundable deposits and excess payments received from its clients.

Despite repeated attempts, the Group was unable to contact former students entitled to receive refunds of refundable deposits amounting to S$89,073 (2010: S$258,133) and school fees refundable of S$37,620 (2010: S$329,168). Refundable amounts transacted prior to January 2007 (2010: transactions prior to January 2006) have been written back to the statements of comprehensive income.

5. Personnel expenses

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Salaries and bonuses	34,995,010	35,571,601	36,347,087
Central Provident Fund contributions	1,269,250	1,323,726	1,434,284
Staff medical insurance	286,837	394,933	422,816
Grant income from jobs credit scheme	(738,156)	(145,653)	–
Other short term benefits	4,039,618	5,045,520	6,582,643
	39,852,559	42,190,127	44,786,830

During the financial year ended 31 December 2009, the Singapore Finance Minister announced the introduction of a Jobs Credit Scheme ("Scheme"). Under this Scheme, the Group received a 12% cash grant on the first S$2,500 of each month's wages for each eligible employee on their Central Provident Fund payroll. The Scheme ended in June 2010.

6. Other operating expenses

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

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Loss on disposal of plant and equipment	166,115	150,835	322,031
Write off of intangible assets	–	89,000	8,621
Foreign exchange loss, net	982	1,253	5,529
Allowance for doubtful debts (Note 14)	43,699	72,945	33,184
Directors' fees	–	–	34,000
International Baccalaureate Organisation ("IBO") fees	58,788	38,320	45,423
Teaching materials	754,143	716,940	726,782
Insurance	125,874	187,443	215,390
Training expenses	144,140	222,029	203,902
Consulting fees	–	57,940	320,000
Transport service	200,860	178,250	133,200
Charitable donation	60,000	50,000	50,000

7. Income tax expense

(a) The major components of income tax expense for the financial years ended 31 December are:

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Statement of comprehensive income:			
Current income tax:			
- Current year income taxation	3,147,997	3,714,455	4,353,129
- Overprovision in respect of previous years	(51,167)	(84,377)	(166,159)
	3,096,830	3,630,078	4,186,970
Deferred income tax (Note 21):			
- Origination and reversal of temporary differences	(187,639)	(137,520)	(198,592)
- Effect of reduction in tax rate	(113,759)	–	–
	(301,398)	(137,520)	(198,592)
Income tax expense recognised in the statements of comprehensive income	2,795,432	3,492,558	3,988,378

7. Income tax expense (cont'd)

(b) Relationship between tax expense and accounting profit

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

Profit before tax	15,807,245	18,663,901	23,453,397
Taxation at statutory tax rate of 17%	2,687,232	3,172,863	3,987,077
Adjustments:			
Effect of partial tax exemption	(25,925)	(25,925)	(25,925)
Expenses not deductible for tax purposes	289,944	430,869	416,324
Tax benefits from tax relief	–	(76,500)	(90,237)
Effect of reduction of tax rate	(113,759)	–	–
Overprovision in respect of previous years	(51,167)	(84,377)	(166,159)
Others	9,107	75,628	(132,702)
	2,795,432	3,492,558	3,988,378

8. Earnings per share

For illustrative purpose, basic and diluted earnings per share are calculated by dividing profit after taxation attributable to owners of the Company for the financial years ended 31 December 2009, 2010 and 2011 by the pre-invitation share capital of the Company of 265,363,548 shares.

The Company did not hold any dilutive potential ordinary shares during the financial year (2010: nil; 2009: nil).

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Years ended 31 December		
	2009	**2010**	**2011**
	S$	S$	S$
Profit for the year attributable to owners of the Company	13,011,813	15,171,343	19,465,019
Number of ordinary shares for basic earnings per share computation (pre-invitation shares)	265,363,548	265,363,548	265,363,548
Earnings per share (cents) - Basic and diluted	4.9	5.7	7.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

9. Plant and equipment

	School furnishings	School renovations	School equipment	Computers	Motor vehicles	Library books and media	Total
	S$	S$	S$	S$	S$	S$	S$
Group							
Cost:							
At 1 January 2009	3,059,384	19,699,419	4,717,897	5,448,326	1,168,401	4,038,235	38,131,662
Additions	212,434	1,592,961	331,779	796,796	87,010	202,714	3,223,694
Disposals/write-off	–	(21,900)	(164,979)	(474,506)	(124,433)	(170,941)	(956,759)
At 31 December 2009 and 1 January 2010	3,271,818	21,270,480	4,884,697	5,770,616	1,130,978	4,070,008	40,398,597
Additions	284,873	1,213,887	288,296	369,096	174,418	357,785	2,688,355
Disposals/write-off	–	(5,748,463)	(66,415)	(15,586)	(129,151)	(14,004)	(5,973,619)
At 31 December 2010 and 1 January 2011	3,556,691	16,735,904	5,106,578	6,124,126	1,176,245	4,413,789	37,113,333
Additions	52,688	719,248	344,626	1,357,694	295,628	264,194	3,034,078
Disposals/write-off	(2,154,599)	(532,959)	(2,482,222)	(2,865,476)	(483,279)	(2,126,071)	(10,644,606)
At 31 December 2011	1,454,780	16,922,193	2,968,982	4,616,344	988,594	2,551,912	29,502,805

9. Plant and equipment (cont'd)

	School furnishings	School renovations	School equipment	Computers	Motor vehicles	Library books and media	Total
	S$	S$	S$	S$	S$	S$	S$
Group							
Accumulated depreciation:							
At 1 January 2009	2,075,777	11,376,397	3,052,909	2,823,338	337,574	2,961,479	22,627,474
Additions	315,964	2,411,915	450,924	777,693	125,781	423,119	4,505,396
Disposals/write-off	–	(9,328)	(115,493)	(377,657)	(54,213)	(163,265)	(719,956)
At 31 December 2009 and 1 January 2010	2,391,741	13,778,984	3,388,340	3,223,374	409,142	3,221,333	26,412,914
Additions	329,813	2,419,618	515,869	925,105	125,349	328,947	4,644,701
Disposals/write-off	–	(5,599,577)	(57,864)	(10,323)	(69,854)	(7,582)	(5,745,200)
At 31 December 2010 and 1 January 2011	2,721,554	10,599,025	3,846,345	4,138,156	464,637	3,542,698	25,312,415
Additions	262,644	2,024,096	445,239	748,235	128,608	283,308	3,892,130
Disposals/write-off	(2,129,005)	(521,771)	(2,437,954)	(2,680,256)	(230,342)	(2,112,950)	(10,112,278)
At 31 December 2011	855,193	12,101,350	1,853,630	2,206,135	362,903	1,713,056	19,092,267
Net carrying values:							
At 31 December 2009	880,077	7,491,496	1,496,357	2,547,242	721,836	848,675	13,985,683
At 31 December 2010	835,137	6,136,879	1,260,233	1,985,970	711,608	871,091	11,800,918
At 31 December 2011	599,587	4,820,843	1,115,352	2,410,209	625,691	838,856	10,410,538

9. Plant and equipment (cont'd)

Change in estimated useful life

During the financial year 2009, the Group conducted a review of economic useful lives of its plant and equipment. The Group revised the estimated useful lives of furnishings, renovations, equipment, computers and library books and media from nine years to six years. The revision in estimate is applied on a prospective basis from 1 December 2009. The effect of the above revision on depreciation charge in current and future periods are as follows:

	2009	**2010**	**2011**	**Later**
	S$	S$	S$	S$
Increase/(decrease) in depreciation expense	1,606,430	1,468,834	770,927	(3,846,191)

10. Intangible assets

	Internally developed computer software	**Internally developed computer software work-in-progress ("WIP")**	**Acquired computer software**	**Total**
	S$	S$	S$	S$
Cost				
At 1 January 2009	6,841,838	142,000	345,854	7,329,692
Additions	934,000	13,000	7,696	954,696
Transfer of completed assets	16,000	(16,000)	–	–
At 31 December 2009 and 1 January 2010	7,791,838	139,000	353,550	8,284,388
Additions	822,000	158,000	4,896	984,896
Write-off *	–	(89,000)	–	(89,000)
At 31 December 2010 and 1 January 2011	8,613,838	208,000	358,446	9,180,284
Additions	526,775	–	825	527,600
Write-off #	(534,147)	–	(143,970)	(678,117)
Transfer of completed assets	158,000	(158,000)	–	–
At 31 December 2011	8,764,466	50,000	215,301	9,029,767

10. Intangible assets (cont'd)

	Internally developed computer software	Internally developed computer software work-in-progress ("WIP")	Acquired computer software	Total
	S$	S$	S$	S$
Accumulated amortisation				
At 1 January 2009	3,108,456	–	194,731	3,303,187
Amortisation recognised	805,673	–	43,308	848,981
At 31 December 2009 and 1 January 2010	3,914,129	–	238,039	4,152,168
Amortisation recognised	879,194	–	57,703	936,897
At 31 December 2010 and 1 January 2011	4,793,323	–	295,742	5,089,065
Amortisation recognised	804,411	–	33,103	837,514
Write-off #	(528,469)	–	(141,027)	(669,496)
At 31 December 2011	5,069,265	–	187,818	5,257,083
Net book value				
At 31 December 2009	3,877,709	139,000	115,511	4,132,220
At 31 December 2010	3,820,515	208,000	62,704	4,091,219
At 31 December 2011	3,695,201	50,000	27,483	3,772,684

* Write-off of costs on software development projects which were aborted during the year.

\# Write-off of costs and accumulated amortisation of 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
Acquired computer software	–	range from 1 to 5 years

Change in estimated useful life

During the financial year 2009, the Group conducted a review of economic useful lives of its computer software. The Group revised the estimated useful lives of externally purchased software from nine years to six years. The revision in estimate is applied on a prospective basis from 1 December 2009. The effect on the above revision on amortisation charge in current and future periods are as follows:

	2009	2010	2011	Later
	S$	S$	S$	S$
Increase/(decrease) in amortisation expense	10,570	27,280	9,238	(47,088)

11. Investment in subsidiaries

The subsidiaries of the Company are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest		
			2009	2010	2011
			%	%	%
Overseas Family School Limited *	Singapore	Operation of a foreign system school	100	100	100
Overseas Family School Limited (H.K.) #	Hong Kong	Dormant	100	100	100

* Audited by Ernst & Young LLP, Singapore.

\# Audited by Ernst & Young, Hong Kong.

For the financial years ended 31 December 2009 and 2010, the results of Overseas Family School Limited and Overseas Family School Limited (H.K.) were consolidated with the Company on the basis that they were under common control by David Alan Perry and Wong Lok Hiong. Accordingly, the equity interests in these subsidiaries held by the Company for those years were deemed to be 100%.

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. Accordingly, the Company entered into an insurance scheme since financial year 2010.

As at 31 December 2010 and 2011, a deposit of S$2,000,000 and S$2,016,587 has been placed with an insurer. This deposit earns interest at 0.75% and 0.375% per annum respectively.

13. Inventories

	As at 31 December		
	2009	2010	2011
	S$	S$	S$
School supplies and stationeries	547,977	556,518	579,460

During the financial year, the Group wrote-off an amount of S$32,997 (2010: S$27,120; 2009: S$4,141) of inventories which have been recognised as an expense in the statement of comprehensive income. The write-down was for school supplies which were no longer saleable.

14. Trade receivables

	As at 31 December		
	2009	**2010**	**2011**
	S$	S$	S$
Trade receivables	2,034,665	834,822	655,974
Less: Allowance for doubtful debt	(519,001)	(83,819)	(8,000)
	1,515,664	751,003	647,974

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$647,974 (2010: S$751,003; 2009: S$1,515,664) that are past due at the balance sheet date but not impaired. The analysis of their aging at the balance sheet date is as follows:

	As at 31 December		
	2009	**2010**	**2011**
	S$	S$	S$
Trade receivables past due:			
Less than 60 days	326,487	655,358	647,974
60 days and above	1,189,177	95,645	–
	1,515,664	751,003	647,974

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	As at 31 December		
	2009	**2010**	**2011**
	S$	S$	S$
Trade receivables	519,001	83,819	8,000
Less: Allowance for impairment	(519,001)	(83,819)	(8,000)
	–	–	–
Movement in allowance for doubtful debts are as follows:			
At beginning of the year	475,302	519,001	83,819
Charge for the year (Note 6)	43,699	72,945	33,184
Allowance utilised	–	(508,127)	(109,003)
At end of year	519,001	83,819	8,000

15. Other receivables and deposits

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Staff housing deposits	300,150	223,700	346,900
Interest income receivable	32,022	40,572	64,400
Other debtors	5,494	935	5,098
	337,666	265,207	416,398

16. Amounts due from /(to) director-related company

The amounts due from /(to) director-related company are non-trade related, unsecured, non-interest bearing and repayable on demand. The related company is a director-owned company and was the holding company of Overseas Family School Limited and Overseas Family School (H.K) in the financial years 2010 and 2009.

Included in the amounts due to director-related company for financial year 2009 is an amount of $4,500,000 related to dividends payable (Note 24).

17. Cash and cash equivalents

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

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Cash and bank balances	1,997,951	2,856,380	7,628,861
Fixed deposits	45,000,000	30,000,000	32,000,000
Term bank deposits	20,000,000	30,000,000	40,000,000
	66,997,951	62,856,380	79,628,861

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

Hong Kong dollars	3,436	2,245	2,023
United States dollars	41,766	7,380	7,446

Cash and bank balances earn interest at floating rates based on daily bank deposit rates. Fixed deposits and term bank deposits earn interest ranging from 0.03% to 0.8% per annum (2010: 0.13% to 0.75% per annum; 2009: 0.53% to 0.69% per annum) based on short-term deposit rates.

Management is planning to build a new school premise in the near future. Funds have been set aside and rolling term bank deposit accounts of S$40 million (2010: S$30 million; 2009: S$20 million) has been established for this purpose (Note 23).

18. Other payables

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Accrued staff and related costs	108,536	152,583	114,194
Other creditors	4,690,918	1,465,075	1,405,057
	4,799,454	1,617,658	1,519,251

Other payables are non-interest bearing.

19. Student refundable deposits

During the financial year 2009, in its exercise of the powers conferred by Section 71 of the Private Education Act 2009 introduced on 1 December 2009, the Council for Private Education, with the approval from Ministry of Education, has issued Private Education Regulations 2009 for implementation by private education institutions with effect from 21 December 2009.

In accordance with Section 25(3) of the Private Education Regulations 2009, no private education institutions shall require a student to pay, or impose on a student a requirement to pay, any deposits or penalty by whatever name called and whether refundable or otherwise, in relation to any course, other than a charge for the late payment of the course fee. Private education institutions registered under Education Act are given transitional period of 18 months to comply fully with the requirements in Private Education Act 2009, and to attain registration of private education institutions by 20 June 2011.

Accordingly, the Group refunded its student refundable deposits in financial year 2010.

20. Fees received in advance

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

21. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Excess of net book value over tax written down value of plant and equipment	1,746,284	1,608,764	1,410,172
An analysis of the deferred taxes is as follows:			
Balance at beginning of year	2,047,682	1,746,284	1,608,764
Provision for the year	(187,639)	(137,520)	(198,592)
Effect of reduction in tax rate	(113,759)	–	–
Balance at end of year	1,746,284	1,608,764	1,410,172

22. Share capital

	Years ended 31 December			
	2009	**2010**	**2011**	**2011**
	S$	S$	No. of shares	S$
At 1 January	348,575	5,048,575	–	–
Issuance of bonus shares	4,700,000	–	–	–
Issuance of new ordinary shares on incorporation	–	–	100	100
Issuance of new ordinary shares due to restructuring (Note 1.2(c))	–	–	31,219,141	31,219,141
At 31 December	5,048,575	5,048,575	31,219,241	31,219,241

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.

As at 31 December 2009 and 2010, the Company has not been incorporated. Accordingly, the share capital of the Group comprises the paid-in capital of Overseas Family School Limited and Overseas Family School Limited (H.K), aggregating S$5,048,575.

The number of ordinary shares of the Group for financial year 2009 and 2010 is as follows:

	Overseas Family School Limited	**Overseas Family School Limited (H.K)**	**Total**
Issued and fully paid ordinary shares:			
At 1 January 2009	300,000	225,000	525,000
Issuance of bonus shares	4,700,000	–	4,700,000
At 31 December 2009 and 2010	5,000,000	225,000	5,225,000

During the financial year 2009, Overseas Family School Limited issued 47 bonus shares for every 3 shares held, based on S$300,000 worth of share capital, resulting in S$4,700,000 capitalised from revenue reserves to share capital.

23. Other reserves

	Years ended 31 December		
	2009	**2010**	**2011**
	S$	S$	S$
Capital reserve	20,000,000	30,000,000	40,000,000
Merger reserve	–	–	(26,170,566)
Foreign exchange reserve	1,220	1,021	1,040
	20,001,220	30,001,021	13,830,474

Management is planning to build a new school premise in the near future. A capital reserve account has been established with term deposits placed for this purpose (Note 17).

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, following the application of the pooling of interest method. This reserve will remain until the subsidiaries are disposed.

24. Dividends

	Years ended 31 December		
	2009	**2010**	**2011**
	S$	S$	S$
Declared and paid during the financial year:			
Interim exempt (one-tier) dividend for 2011: S$0.60 (2010: S$1.20; 2009: S$5.00*) per share	1,500,000	6,000,000	3,000,000
Interim exempt (one-tier) dividend for 2011: S$1.00 (2010: nil; 2009: nil) per share	–	–	5,000,000
Declared and not paid during the financial year:			
Final exempt (one-tier) dividend for 2011: nil (2010: nil; 2009: S$0.90) per share	4,500,000	–	–
	6,000,000	6,000,000	8,000,000

The dividends have been declared by Overseas Family School Limited to its shareholders for the years ended 31 December 2009, 2010 and 2011, prior to the restructuring exercise. The dividend per share is calculated based on the number of ordinary shares issued by Overseas Family School Limited.

* Interim dividend per share for 2009 was calculated based on 300,000 ordinary shares issued by Overseas Family School Limited. The interim dividend was declared prior to the issuance of bonus shares (Note 22).

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:

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Director-related company - MPPL			
Management fees paid	2,968,234	2,935,234	2,570,094
Payment made on behalf and reimbursed by the Company	–	–	183,452
Software development costs paid	947,000	980,000	–
Rental income	(119,159)	(140,187)	(128,505)
Workshop services	10,000	10,000	–
Motor vehicle rental income	(119,929)	(133,037)	(115,572)
Tuition fees	–	(20,561)	–
Director-related company - CAML			
Purchase of goods	2,822	1,280	14,284
Director-related company - MN			
Legal services	–	685	1,929
Others			
IT consultancy services	–	–	200,000

<u>Director-related company</u>

– Two Directors of the Company have an aggregate 100% interest in Master Projects Pte Ltd ("MPPL"), the holding company of the subsidiaries, Overseas Family School Limited and Overseas Family School Limited (H.K.), until November 2011. Details of the change in holding company are stated in Note 1.2. The transactions took place when MPPL was the holding company of Overseas Family School Limited. There was no outstanding balance (2010: S$164,253 net receivable; 2009: S$4,381,160 net payable) at the end of the reporting period.

– The Group makes purchases from Centre for Advanced Medicine Ltd ("CAML"), a wholly owned subsidiary of MPPL. One of the subsidiaries purchased medical supplements of S$10,444 (2010: S$1,280; 2009: S$2,822) for its employees and S$3,840 (2010: nil; 2009: nil) of medical treatment for staff. No balance with CAML was outstanding at the end of the reporting period (2010: nil; 2009: nil).

– One of the independent Directors of the Company is a partner of Mallal & Namazie ("MN"), which rendered legal services amounting to S$1,929 (2010: S$685; 2009: nil) for debt recovery matters. No balance with MN was outstanding at the end of the reporting period (2010: nil; 2009: nil).

25. Related party transactions (cont'd)

(a) *Sale and purchase of goods and services (cont'd)*

Others

– Two Directors of the Company were directors of Metaparadigm Pte Ltd ("MPL"), which provided consultancy services for the Group's software development. The consultancy services were rendered during the financial period when the Directors were directors of MPL. The Directors have resigned as directors of MPL on 10 October 2011. Accordingly, MPL is not a related party at the end of the reporting period.

(b) *Compensation of key management personnel*

	2009	**2010**	**2011**
	S$	S$	S$
Directors' fees	–	–	34,000
Directors' salaries and bonuses	–	–	63,333
Directors' Central Provident Fund contributions	–	–	625
Directors' short term benefits	–	–	1,279
Other key management personnel's salaries and bonuses	–	–	141,545
Other key management personnel's Central Provident Fund contributions	–	–	13,360
Other key management personnel's short term benefits	–	–	1,190
Total compensation paid to key management personnel	–	–	255,332

Compensation of key management personnel were paid by the director-related company, Master Projects Pte Ltd ("MPPL"), prior to 1 December 2011. As a result of the restructuring exercise described in Note 1.2, the employees from MPPL were transferred to the Company on 1 December 2011 and the Company started to bear the key management personnel's remuneration. Prior to 1 December 2011, these amounts had been recharged back to the Group via management fees in the respective years (Note 25 (a)).

26. Commitments

Operating lease commitments

As at balance sheet date, 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:

	Years ended 31 December		
	2009	2010	2011
	S$	S$	S$
Not later than one year	5,997,268	10,131,577	10,335,915
Later than one year but not later than five years	889,517	11,748,645	5,491,904
	6,886,785	21,880,222	15,827,819

Operating lease payments recognised in the statement of comprehensive income during the year amounted to S$10,394,655 (2010: S$9,735,371; 2009: S$8,673,110). S$6,696,908 (2010: S$6,660,734; 2009: S$5,760,080) is included in the line item, school lease rental, and S$3,697,747 (2010: S$3,074,637; 2009: S$2,913,030) 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.

27. Financial risk management objectives and policies

The Group is 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 raise 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 year-end.

The main risks arising from the Group'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 financial instruments will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from the Group's cash and bank deposits.

Since the Group's deposits are usually placed on a short term basis, there is no significant exposure arising from interest rate fluctuation.

It is the Group's policy to place surplus funds with reputable banks whose head office is regulated by Singapore authorities.

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

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's exposure to liquidity risk arises in the general funding of the Group's operating activities. The Group manages its liquidity risk by maintaining cash and cash equivalent balances sufficient to meet operating expenses and capital expenditure.

The table below summarises the maturity profiles of the Group's financial assets and liabilities at the end of the reporting period:

	1 year or less	**Over 1 year**	**Total**
	S$	S$	S$
2009			
Financial assets			
School lease deposits	–	1,713,956	1,713,956
Staff housing deposits (non-current)	–	192,350	192,350
Trade receivables	1,515,664	–	1,515,664
Other receivables and deposits	337,666	–	337,666
Cash and bank balances	1,997,951	–	1,997,951
Fixed deposits	45,000,000	–	45,000,000
Term bank deposits	20,000,000	–	20,000,000
Total undiscounted financial assets	68,851,281	1,906,306	70,757,587
Financial liabilities			
Trade payables	571,709	–	571,709
Other payables	4,799,454	–	4,799,454
Amounts due to director-related company	4,381,160	–	4,381,160
Student refundable deposits	10,818,093	–	10,818,093
Total undiscounted financial liabilities	20,570,416	–	20,570,416
Total net undiscounted financial assets	48,280,865	1,906,306	50,187,171

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

Liquidity risk (cont'd)

	1 year or less	Over 1 year	Total
	S$	S$	S$
2010			
Financial assets			
Fee protection insurance deposits	–	2,000,000	2,000,000
School lease deposits	–	1,807,511	1,807,511
Staff housing deposits (non-current)	–	313,100	313,100
Trade receivables	751,003	–	751,003
Other receivables and deposits	265,207	–	265,207
Amounts due from director-related company	164,253	–	164,253
Cash and bank balances	2,856,380	–	2,856,380
Fixed deposits	30,000,000	–	30,000,000
Term bank deposits	30,000,000	–	30,000,000
Total undiscounted financial assets	64,036,843	4,120,611	68,157,454
Financial liabilities			
Trade payables	457,238	–	457,238
Other payables	1,617,658	–	1,617,658
Total undiscounted financial liabilities	2,074,896	–	2,074,896
Total net undiscounted financial assets	61,961,947	4,120,611	66,082,558
2011			
Financial assets			
Fee protection insurance deposits	–	2,016,587	2,016,587
School lease deposits	–	1,807,775	1,807,775
Staff housing deposits (non-current)	–	281,350	281,350
Trade receivables	647,974	–	647,974
Other receivables and deposits	416,398	–	416,398
Cash and bank balances	7,628,861	–	7,628,861
Fixed deposits	32,000,000	–	32,000,000
Term bank deposits	40,000,000	–	40,000,000
Total undiscounted financial assets	80,693,233	4,105,712	84,798,945
Financial liabilities			
Trade payables	309,301	–	309,301
Other payables	1,519,251	–	1,519,251
Total undiscounted financial liabilities	1,828,552	–	1,828,552
Total net undiscounted financial assets	78,864,681	4,105,712	82,970,393

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

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:

	Years ended 31 December		
	2009	**2010**	**2011**
	S$	S$	S$
Loans and receivables			
Fee protection insurance deposits	–	2,000,000	2,016,587
School lease deposits	1,713,956	1,807,511	1,807,775
Staff housing deposits (non-current)	192,350	313,100	281,350
Trade receivables	1,515,664	751,003	647,974
Other receivables and deposits	337,666	265,207	416,398
Amounts due from director-related company	–	164,253	–
Cash and cash equivalents	66,997,951	62,856,380	79,628,861
	70,757,587	68,157,454	84,798,945
Financial liabilities measured at amortised cost			
Trade payables	571,709	457,238	309,301
Other payables	4,799,454	1,617,658	1,519,251
Amounts due to director-related company	4,381,160	–	–
Student refundable deposits	10,818,093	–	–
	20,570,416	2,074,896	1,828,552

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, amounts due from/to director-related company, 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.

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 2009, 2010 and 2011.

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

30. Capital management (cont'd)

	Years ended 31 December		
	2009	**2010**	**2011**
	S$	S$	S$
Total gross debt ^	–	–	–
Equity attributable to owners of the Company			
Share capital	5,048,575	5,048,575	31,219,241
Revenue reserve	9,089,556	8,260,899	9,725,918
Other reserves	20,001,220	30,001,021	13,830,474
	34,139,351	43,310,495	54,775,633
Gross debt equity ratio	–%	–%	–%
Cash and cash equivalents	66,997,951	62,856,380	79,628,861
Less: Total gross debt	–	–	–
Net cash position	66,997,951	62,856,380	79,628,861

^ Gross debt relates to loans and borrowings. The Group does not have loans and borrowings as at 31 December 2009, 2010 and 2011.

31. Subsequent events

Interim dividend declared and paid for financial year ending 31 December 2012

On 30 March 2012, the Company declared and paid out interim dividend for the financial year ending 31 December 2012 of S$8,000,000.

32. Authorisation for issue of financial statements

The consolidated financial statements for the years ended 31 December 2009, 2010 and 2011 were authorised for issue in accordance with a resolution of the Directors on 31 January 2013.

APPENDIX B – UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF OVERSEAS EDUCATION LIMITED AND ITS SUBSIDIARIES FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

INDEX

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 unaudited interim consolidated financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Group as at 30 June 2012 and the results of the business, changes in equity and cash flows of the Group for the six-month period 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

31 January 2013

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF OVERSEAS EDUCATION LIMITED AND ITS SUBSIDIARIES FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

31 January 2013

The Board of Directors
Overseas Education Limited
25F Paterson Road
Singapore 238515

Dear Sirs:

Introduction

We have reviewed the accompanying interim consolidated balance sheet of Overseas Education Limited (the "Company") and its subsidiaries (collectively the "Group") as at 30 June 2012 and the related interim consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Singapore Financial Reporting Standard FRS 34 Interim Financial Reporting ("FRS 34"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 30 June 2012 and of its financial performance and its cash flows and changes in equity for the six-month period then ended in accordance with FRS 34.

Other Matters

This Report has been prepared solely for inclusion in the Prospectus of the Company dated 31 January 2013 in connection with the proposed listing of the Company's shares on the Main Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner in charge: Ho Shyan Yan

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

	Note	Six-month period ended 30 June	
		2011	**2012**
		S$	S$
		(Unaudited)	**(Unaudited)**
Revenue			
Tuition fees		42,285,960	43,815,680
Registration fees		938,318	1,674,767
School bookshop sales		360,764	331,259
Enrichment programme revenue		406,901	415,345
Interest income		94,016	92,144
Other revenue	4	77,554	53,192
Total revenue		44,163,513	46,382,387
Less: Operating expenses			
Personnel expenses	5	21,129,849	26,291,654
School lease rental		3,342,548	3,385,363
Depreciation expenses		1,962,890	1,816,544
Amortisation of intangible assets		452,138	376,226
Management fees		1,401,869	–
Cost of goods sold		238,986	204,793
Enrichment programme cost		232,477	244,358
Utilities		396,000	469,550
Upkeep and maintenance		377,117	363,077
Other operating expenses	6	1,572,302	1,919,779
Total operating expenses		31,106,176	35,071,344
Profit before taxation		13,057,337	11,311,043
Income tax expense	7	(2,214,474)	(1,926,029)
Profit for the period attributable to owners of the Company		10,842,863	9,385,014
Other comprehensive income for the period, net of tax		(101)	(38)
Total comprehensive income for the period attributable to owners of the Company		10,842,762	9,384,976
Earnings per share (cents)			
- Basic and diluted	8	4.1	3.5

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

INTERIM CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2012

	Note	31 December 2011 S$ (Audited)	30 June 2012 S$ (Unaudited)
ASSETS			
Non-current assets			
Plant and equipment	9	10,410,538	8,759,823
Intangible assets	10	3,772,684	3,706,841
Fee protection insurance deposits	12	2,016,587	2,020,399
School lease deposits		1,807,775	1,777,394
Staff housing deposits		281,350	366,700
		18,288,934	16,631,157
Current assets			
Inventories	13	579,460	625,767
Trade receivables	14	647,974	2,296,082
Other receivables and deposits	15	416,398	302,686
Prepayments		1,297,421	2,115,956
Amounts due from director-related company	16	–	15,300
Cash and bank balances	17	7,628,861	11,319,843
Fixed deposits	17	32,000,000	12,500,000
Term bank deposits	17	40,000,000	40,000,000
		82,570,114	69,175,634
TOTAL ASSETS		100,859,048	85,806,791
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables		309,301	312,024
Other payables	18	1,519,251	1,021,875
Fees received in advance	19	35,235,542	21,334,579
Goods and Services Tax payable		2,794,169	3,322,562
Central Provident Fund payable		440,611	319,009
Income tax payable		4,374,369	1,972,998
		44,673,243	28,283,047
NET CURRENT ASSETS		37,896,871	40,892,587
Non-current liabilities			
Deferred tax liabilities	20	1,410,172	1,363,135
		1,410,172	1,363,135
Net assets		54,775,633	56,160,609
Equity attributable to owners of the Company			
Share capital	21	31,219,241	31,219,241
Revenue reserve		9,725,918	11,110,932
Other reserves	22	13,830,474	13,830,436
Total equity		54,775,633	56,160,609

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

		Attributable to owners of the Company						
	Note	**Share capital (Note #)**	**Revenue reserve**	**Other reserves, total**	Foreign currency translation reserve	Merger reserve	Capital reserve	**Total equity**
		S$	S$	S$	S$	S$	S$	S$
(Unaudited)								
Balance at 1 January 2011		5,048,575	8,260,899	30,001,021	1,021	–	30,000,000	43,310,495
Profit for the period, net of tax		–	10,842,863	–	–	–	–	10,842,863
Other comprehensive income for the period		–	–	(101)	(101)	–	–	(101)
Total comprehensive income for the period		–	10,842,863	(101)	(101)	–	–	10,842,762
Dividends	23	–	(3,000,000)	–	–	–	–	(3,000,000)
Balance at 30 June 2011		5,048,575	16,103,762	30,000,920	920	–	30,000,000	51,153,257

Note #: As at 30 June 2011, the Company has not been incorporated. Accordingly, the share capital of the Group comprises the paid-in capital of Overseas Family School Limited represented by 5,000,000 ordinary shares and Overseas Family School Limited (H.K.) represented by 225,000 ordinary shares, aggregating S$5,048,575.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

					Attributable to owners of the Company			
	Note	**Share capital**	**Revenue reserve**	**Other reserves, total**	Foreign currency translation reserve	Merger reserve	Capital reserve	**Total equity**
		S$	S$	S$	S$	S$	S$	S$
(Unaudited)								
Balance at 1 January 2012		31,219,241	9,725,918	13,830,474	1,040	(26,170,566)	40,000,000	54,775,633
Profit for the period, net of tax		–	9,385,014	–	–	–	–	9,385,014
Other comprehensive income for the period		–	–	(38)	(38)	–	–	(38)
Total comprehensive income for the period		–	9,385,014	(38)	(38)	–	–	9,384,976
Dividends	23	–	(8,000,000)	–	–	–	–	(8,000,000)
Balance at 30 June 2012		31,219,241	11,110,932	13,830,436	1,002	(26,170,566)	40,000,000	56,160,609

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

	Note	Six-month period ended 30 June	
		2011	2012
		S$	S$
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Profit before taxation		13,057,337	11,311,043
Adjustments for:			
Depreciation expenses		1,962,890	1,816,544
Amortisation expenses		452,138	376,226
Loss/(gain) on disposal of plant and equipment	4, 6	188,752	(12,374)
Write off of intangible assets	6	8,621	–
Interest income		(94,016)	(92,144)
Operating profit before working capital changes		15,575,722	13,399,295
Increase in inventories		(43,831)	(46,307)
Increase in trade receivables		(1,038,583)	(1,648,108)
Increase in other receivables, deposits and prepayments		(422,658)	(760,175)
Increase in non-current deposits		(32,432)	(58,781)
Decrease in fees received in advance		(10,661,418)	(13,900,963)
Increase/(decrease) in trade payables and other payables		1,201,119	(87,862)
Cash generated from/(used in) operations		4,577,919	(3,102,901)
Interest received		92,302	132,158
Income tax paid		(3,544,075)	(4,374,437)
Net cash generated from/(used in) operating activities		1,126,146	(7,345,180)
Cash flows from investing activities			
Additions of intangible assets		(107,471)	(310,383)
Acquisition of plant and equipment		(1,072,108)	(182,138)
Proceeds from disposal of plant and equipment		132,258	28,683
Net cash used in investing activities		(1,047,321)	(463,838)
Cash flows from financing activities			
Decrease in amounts due from director-related company		167,411	–
Dividends paid	23	(3,000,000)	(8,000,000)
Net cash used in financing activities		(2,832,589)	(8,000,000)
Net decrease in cash and cash equivalents		(2,753,764)	(15,809,018)
Cash and cash equivalents at beginning of the period		62,856,380	79,628,861
Cash and cash equivalents at end of the period	17	60,102,616	63,819,843

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

1.1 Corporate information

Overseas Education Limited (the "Company") is a public limited liability company incorporated and domiciled in Singapore. The Company was incorporated for the purpose of acquiring the existing companies of the Group pursuant to the restructuring exercise mentioned in Note 1.2 below.

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 subsidiaries are set out in Note 11. The Company and its subsidiaries are collectively defined as the "Group".

1.2 The restructuring exercise

The Group undertook the following restructuring exercise to streamline and rationalize the group structure in connection with the Company's listing on the Singapore Exchange Securities Trading Limited:

(a) *Incorporation of the Company*

The Company was incorporated on 28 October 2011 in Singapore in accordance with the Singapore Companies Act as a public limited liability company with an issued and fully paid-up share capital of S$100 comprising 100 ordinary shares. Its two shareholders, David Alan Perry and Wong Lok Hiong hold 51 and 49 ordinary shares, respectively.

Subsequent to incorporation, the Company increased its share capital and issued additional shares. At 31 December 2011, the share capital of the Company increased to S$31,219,241 comprising 31,219,241 ordinary shares (Note 1.2(c)).

At an extraordinary general meeting on 28 June 2012, the shareholders approved the sub-division of every 2 existing ordinary shares into 17 ordinary shares. As at 30 June 2012, the share capital of the Company comprised 265,363,548 ordinary shares (Note 21).

(b) *Transfer of Overseas Family School Limited ("OFSL") and Overseas Family School Limited Hong Kong ("OFSLHK") by Master Projects Pte Ltd ("MPPL")*

Master Projects Pte Ltd is a private limited liability company. Its shareholders are David Alan Perry and Wong Lok Hiong, holding 74,999 ordinary shares and 1 ordinary share, respectively.

On the founding of OFSL, in consideration of the sum of S$25,000 paid by Wong Lok Hiong to David Alan Perry, David Alan Perry had granted to Wong Lok Hiong a perpetual option for the latter to acquire up to 49% of total shares in MPPL (less 1 share already owned). Wong Lok Hiong has elected to exercise the option to acquire 49% (less 1 share) of MPPL shares based on the restructuring agreement dated 11 November 2011. David Alan Perry and Wong Lok Hiong agreed that in lieu of David Alan Perry transferring to Wong Lok Hiong such number of MPPL Shares as would comprise 49% (less 1 MPPL share) of the total number of issued MPPL shares, David Alan Perry assigned, and directed MPPL to pay, 49% (being the sum of S$15,296,392) of the 2011 OFSL interim dividends to Wong Lok Hiong. David Alan Perry was therefore entitled to 51% (being the sum of $15,920,735) of the 2011 OFSL interim dividends.

1.2 The restructuring exercise (cont'd)

(b) *Transfer of Overseas Family School Limited ("OFSL") and Overseas Family School Limited Hong Kong ("OFSLHK") by Master Projects Pte Ltd ("MPPL") (cont'd)*

(i) Transfer of OFSL by MPPL

Pursuant to the restructuring agreement dated 11 November 2011, the Company's shareholders, David Alan Perry and Wong Lok Hiong, acquired the entire issued and paid-up share capital of OFSL, comprising 5,000,000 ordinary shares, for a consideration of S$31,217,127 (the "OFSL Consideration") from MPPL. The proportion of the share capital acquired and the purchase prices are set out below:

Transferee:	**No. of OFSL shares**	**OFSL Purchase Price** (S$)
David Alan Perry	2,550,000	15,920,735
Wong Lok Hiong	2,450,000	15,296,392
	5,000,000	31,217,127

The OFSL Consideration was based on the audited net tangible asset value of OFSL as at 31 December 2010, net of dividends declared and paid out prior to the restructuring agreement, as agreed on a willing-buyer, willing-seller basis. Upon the transfer, MPPL declared an interim dividend amounting to S$31,217,127 to its shareholders, David Alan Perry and Wong Lok Hiong. The OFSL Consideration was then satisfied by offsetting the MPPL interim dividend against the OFSL Consideration amount owed.

(ii) Transfer of OFSLHK by MPPL

1 out of 225,000 issued and paid-up shares of OFSLHK was held by David Alan Perry while the remaining 224,999 shares were held by MPPL. Pursuant to the restructuring agreement dated 11 November 2011, the Company's shareholders, David Alan Perry and Wong Lok Hiong, acquired the issued and paid-up share capital of OFSLHK from MPPL, comprising 224,999 ordinary shares, for a consideration of HK$12,086 (the "OFSLHK Consideration") from MPPL. The OFSLHK Consideration was based on the unaudited net asset value of OSFLHK on the date of completion of the share transfer. The OFSLHK Consideration was then satisfied by cash.

1.2 The restructuring exercise (cont'd)

(c) *Acquisition of OFSL and OFSLHK by the Company and share swaps*

Pursuant to the restructuring agreement dated 11 November 2011, the Company acquired the entire issued and paid-up share capital of OFSL and OFSLHK, comprising 5,000,000 ordinary shares and 225,000 ordinary shares, respectively, for a consideration of S$15,921,762 and S$15,297,379 from David Alan Perry and Wong Lok Hiong, respectively. In return, the Company agreed to issue consideration shares of 15,921,762 shares and 15,297,379 shares to PDAC Private Limited (a company wholly owned by David Alan Perry) and WLH Private Limited (a company wholly owned by Wong Lok Hiong) respectively, at S$1 per share. The consideration was satisfied by the issue of 31,219,141 shares, credited as fully paid, by the Company in the following proportion:

Transferor	Transferee	No. of OFSL shares	No of OFSLHK shares
David Alan Perry	Overseas Education Limited	2,550,000	114,750
Wong Lok Hiong		2,450,000	110,250

Shares issued by	Shareholders	No of Company shares
Overseas Education Limited	PDAC Private Limited	15,921,762
	WLH Private Limited	15,297,379

PDAC Private Limited and WLH Private Limited are investment holding companies fully held by David Alan Perry and Wong Lok Hiong respectively. Upon the completion of the restructuring exercise, OFSL and OFSLHK became wholly-owned subsidiaries of Overseas Education Limited.

2. Summary of significant accounting policies

2.1 ***Basis of preparation***

The interim consolidated financial statements of the Group 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 in the interim consolidated financial statements are consistent with those of the previous financial year. The Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 January 2012. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

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

2.2 *Changes in accounting policies (cont'd)*

New FRS/Revised FRS/INT FRS not yet effective (cont'd)

The Group has not adopted the following FRS and INT FRS that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
FRS 113 Fair Value Measurement	1 January 2013
Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Improvements to FRSs 2012	1 January 2013
– Amendment to FRS 1 Presentation of Financial Statements	1 January 2013
– Amendment to FRS 16 Property, Plant and Equipment	1 January 2013
– Amendment to FRS 32 Financial Instruments: Presentation	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

Except for the Amendments to FRS 1, the Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 is described below.

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income ("OCI") is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

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

2.3 ***Basis of consolidation and business combinations***

Basis of consolidation

(i) Entities under common control

The interim 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.

The interim consolidated financial statements of the Group were prepared by applying the pooling of interest method as the restructuring exercise as described in Note 1.2 is a legal reorganisation of entities under common control. Under this method, the Company has been treated as the holding company of the subsidiaries for the financial periods presented rather than from the completion of the restructuring exercise. Accordingly, the results of the Group include the results of the subsidiaries for the entire period under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

Pursuant to this:

– Assets and liabilities are reflected at their existing carrying amounts;

– No amount is recognised for goodwill;

– Prior to the incorporation of the Company and the issue of shares by the Company in connection with the restructuring exercise, the aggregate paid-up capital of the subsidiaries held directly by the Company is shown as the Group's share capital for financial years under review; and

– Upon the completion of the restructuring exercise, any difference between the consideration paid by the Company and the share capital of the subsidiaries is reflected within the equity of the Group as merger reserve.

The interim financial statements of the Group included the financial statements of OFSL and OFSLHK for the financial periods ended 30 June 2011 and 30 June 2012 and the financial statements of the Company for the financial period ended 30 June 2012.

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

2.3 ***Basis of consolidation and business combinations (cont'd)***

Basis of consolidation (cont'd)

(ii) 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.

2.4 ***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$). Revenue and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in S$.

(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.

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

2.4 ***Functional and foreign currency (cont'd)***

(b) *Foreign currency transactions (cont'd)*

(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.

2.5 ***Plant and equipment***

All items of plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of 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.

Subsequent to recognition, all items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of 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 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)

2.5 ***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:

School furnishings	–	6 years
School renovations	–	6 years
School equipment	–	6 years
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.

The carrying values of 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 or period-end and adjusted prospectively, if appropriate.

An item of 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.

2.6 ***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)

2.6 ***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.

2.7 ***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 (i.e. an intangible asset with an indefinite useful life, or an intangible asset not yet available for use) 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.

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

2.7 ***Impairment of non-financial assets (cont'd)***

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.

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.

2.8 ***Subsidiaries***

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.9 ***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:

Loans and receivables

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)

2.10 ***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 2.9.

2.11 ***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 2.9.

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 2.12 below.

2.12 ***Impairment of financial assets***

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(a) *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 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 either directly or 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.

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

2.12 ***Impairment of financial assets (cont'd)***

(a) *Assets carried at amortised cost (cont'd)*

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.

(b) *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 a financial asset 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.

2.13 ***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.

2.14 ***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

The measurement of financial liabilities depends on their classification as follows:

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate 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.

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

2.14 ***Financial liabilities (cont'd)***

Other financial liabilities (cont'd)

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 extinguished. 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.

2.15 ***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.

2.16 ***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 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.

2.17 ***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 income statement 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.

Grant income received under the Singapore Jobs Credit Scheme is recognised in the month of receipt.

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

2.18 *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.

2.19 *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.

With effect from financial year 2010, the Group started charging 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.

2.20 *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 related 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.

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

2.20 ***Income taxes (cont'd)***

(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.

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 each balance sheet date 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 tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

2.20 ***Income taxes (cont'd)***

(b) *Deferred tax (cont'd)*

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.

(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.

2.21 ***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.

2.22 ***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.

2.23 ***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.

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

2.23 ***Related parties (cont'd)***

(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;

(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 interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could 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 interim consolidated financial statements:

Income taxes

The Group has exposure to income taxes in Singapore. Significant judgement 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 amount of the Group's income tax payable and deferred tax liabilities at 30 June 2012 were S$1,972,998 (31 December 2011: S$4,374,369) and S$1,363,135 (31 December 2011: S$1,410,172) respectively.

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

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Useful lives of plant and equipment and intangible assets*

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 these assets to be within 3 to 10 years.

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

The carrying amount of the Group's plant and equipment as at 30 June 2012 was S$8,759,823 (31 December 2011: S$10,410,538). The carrying amount of the Group's intangible assets as at 30 June 2012 was S$3,706,841 (31 December 2011: S$3,772,684). 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.

(b) *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) *Impairment of loans and receivables*

The Group assesses at the balance sheet date 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

4. Other revenue

	Six-month period ended 30 June	
	2011	**2012**
	S$	S$
	(Unaudited)	**(Unaudited)**
Motor vehicle rental income	50,079	–
Parking income	21,430	15,331
IT consultancy income	–	22,200
Gain on disposal of plant and equipment	–	12,374
Other income	6,045	3,287
	77,554	53,192

5. Personnel expenses

	Six-month period ended 30 June	
	2011	**2012**
	S$	S$
	(Unaudited)	**(Unaudited)**
Salaries and bonuses	17,079,794	21,517,589
Central Provident Fund contributions	652,149	846,870
Staff medical insurance	205,051	244,830
Other short term benefits	3,192,855	3,682,365
	21,129,849	26,291,654

6. Other operating expenses

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

	Six-month period ended 30 June	
	2011	**2012**
	S$	S$
	(Unaudited)	**(Unaudited)**
Loss on disposal of plant and equipment	188,752	–
Write off of intangible assets	8,621	–
Foreign exchange loss, net	454	584
Write back of allowance for doubtful debts	(8,768)	–
Directors' fees	–	200,000
International Baccalaureate Organisation ("IBO") fees	7,687	2,857
Teaching materials	357,256	379,399
Insurance	122,152	100,391
Training expenses	147,198	112,302
Consulting fees	120,000	59,500
Transport service	75,828	73,883
Charitable donation	–	51,000

7. Income tax expense

(a) The major components of income tax expense for the periods ended 30 June are:

	Six-month period ended 30 June	
	2011	**2012**
	S$	S$
	(Unaudited)	**(Unaudited)**
Statement of comprehensive income:		
Current income tax:		
- Current period income taxation	2,494,721	1,973,066
Deferred income tax:		
- Origination and reversal of temporary differences	(280,247)	(47,037)
Income tax expense recognised in the statements of comprehensive income	2,214,474	1,926,029

(b) Relationship between tax expense and accounting profit

A reconciliation between the tax expense and the product of accounting profit multiplied by applicable corporate tax rate for the period ended 30 June was as follows:

	Six-month period ended 30 June	
	2011	**2012**
	S$	S$
	(Unaudited)	**(Unaudited)**
Profit before tax	13,057,337	11,311,043
Taxation at statutory tax rate of 17%	2,219,747	1,922,877
Adjustments:		
Effect of partial tax exemption	(25,925)	(51,850)
Expenses not deductible for tax purposes	222,646	239,196
Tax benefits from tax relief	(240,736)	(283,211)
Others	38,742	99,017
	2,214,474	1,926,029

8. Earnings per share

For illustrative purpose, basic and diluted earnings per share are calculated by dividing profit after taxation attributable to owners of the Company for the periods ended 30 June by the pre-invitation share capital of the Company of 265,363,548 shares.

The Company did not hold any dilutive potential ordinary shares during the period (2011: nil).

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the six-month period ended 30 June:

	Six-month period ended 30 June	
	2011	**2012**
	S$	S$
	(Unaudited)	**(Unaudited)**
Profit for the period attributable to owners of the Company	10,842,863	9,385,014
Number of ordinary shares for basic and diluted earnings per share computation (pre-invitation shares)	265,363,548	265,363,548
Earnings per share (cents)		
- Basic and diluted	4.1	3.5

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

9. Plant and equipment

	School furnishings	School renovations	School equipment	Computers	Motor vehicles	Library books and media	Total
	S$	S$	S$	S$	S$	S$	S$
(Audited)							
31 December 2011							
Cost:							
At 1 January 2011	3,556,691	16,735,904	5,106,578	6,124,126	1,176,245	4,413,789	37,113,333
Additions	52,688	719,248	344,626	1,357,694	295,628	264,194	3,034,078
Disposals/write-off	(2,154,599)	(532,959)	(2,482,222)	(2,865,476)	(483,279)	(2,126,071)	(10,644,606)
At 31 December 2011	1,454,780	16,922,193	2,968,982	4,616,344	988,594	2,551,912	29,502,805
Accumulated depreciation:							
At 1 January 2011	2,721,554	10,599,025	3,846,345	4,138,156	464,637	3,542,698	25,312,415
Additions	262,644	2,024,096	445,239	748,235	128,608	283,308	3,892,130
Disposals/write-off	(2,129,005)	(521,771)	(2,437,954)	(2,680,256)	(230,342)	(2,112,950)	(10,112,278)
At 31 December 2011	855,193	12,101,350	1,853,630	2,206,135	362,903	1,713,056	19,092,267
Net carrying values:							
At 31 December 2011	599,587	4,820,843	1,115,352	2,410,209	625,691	838,856	10,410,538

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

9. Plant and equipment (cont'd)

	School furnishings	School renovations	School equipment	Computers	Motor vehicles	Library books and media	Total
	S$	S$	S$	S$	S$	S$	S$
(Unaudited)							
30 June 2012							
Cost:							
At 1 January 2012	1,454,780	16,922,193	2,968,982	4,616,344	988,594	2,551,912	29,502,805
Additions	2,185	34,066	54,360	31,514	–	60,013	182,138
Disposals/write-off	(15,447)	–	(73,997)	(490)	–	(61,139)	(151,073)
At 30 June 2012	1,441,518	16,956,259	2,949,345	4,647,368	988,594	2,550,786	29,533,870
Accumulated depreciation:							
At 1 January 2012	855,193	12,101,350	1,853,630	2,206,135	362,903	1,713,056	19,092,267
Additions	111,717	988,496	193,660	320,370	66,523	135,778	1,816,544
Disposals/write-off	(13,113)	–	(69,552)	(195)	–	(51,904)	(134,764)
At 30 June 2012	953,797	13,089,846	1,977,738	2,526,310	429,426	1,796,930	20,774,047
Net carrying values:							
At 30 June 2012	487,721	3,866,413	971,607	2,121,058	559,168	753,856	8,759,823

10. Intangible assets

	Internally developed computer software	Internally developed computer software work-in-progress ("WIP")	Acquired computer software	Total
	S$	S$	S$	S$
(Audited)				
31 December 2011				
Cost				
At 1 January 2011	8,613,838	208,000	358,446	9,180,284
Additions	526,775	–	825	527,600
Write-off #	(534,147)	–	(143,970)	(678,117)
Transfer of completed assets	158,000	(158,000)	–	–
At 31 December 2011	8,764,466	50,000	215,301	9,029,767
Accumulated amortisation				
At 1 January 2011	4,793,323	–	295,742	5,089,065
Amortisation recognised	804,411	–	33,103	837,514
Write-off #	(528,469)	–	(141,027)	(669,496)
At 31 December 2011	5,069,265	–	187,818	5,257,083
Net book value				
At 31 December 2011	3,695,201	50,000	27,483	3,772,684
(Unaudited)				
30 June 2012				
Cost				
At 1 January 2012	8,764,466	50,000	215,301	9,029,767
Additions	101,635	208,748	–	310,383
Write-off #	(64,353)	–	–	(64,353)
Transfer of completed assets	146,013	(146,013)	–	–
At 30 June 2012	8,947,761	112,735	215,301	9,275,797
Accumulated amortisation				
At 1 January 2012	5,069,265	–	187,818	5,257,083
Amortisation recognised	370,373	–	5,853	376,226
Write-off #	(64,353)	–	–	(64,353)
At 30 June 2012	5,375,285	–	193,671	5,568,956
Net book value				
At 30 June 2012	3,572,476	112,735	21,630	3,706,841

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

10. Intangible assets (cont'd)

The remaining amortisation periods are as follows:

Internally developed computer software	–	range from 1 to 8 years (2011: 1 to 8 years)
Acquired computer software	–	range from 1 to 4 years (2011: 1 to 5 years)

11. Investment in subsidiaries

The subsidiaries of the Company are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			31 December 2011	30 June 2012
			%	%
			(Audited)	(Unaudited)
Overseas Family School Limited *	Singapore	Operation of a foreign system school	100	100
Overseas Family School Limited (H.K.) #	Hong Kong	Dormant	100	100

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

For the financial period ended 30 June 2011, the results of Overseas Family School Limited and Overseas Family School Limited (H.K.) were consolidated with the Company on the basis that they were under common control by David Alan Perry and Wong Lok Hiong. Accordingly, the equity interests in these subsidiaries held by the Company for the period were deemed to be 100%.

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. Accordingly, the Company entered into an insurance scheme since financial year 2010.

As at 30 June 2012, a deposit of S$2,020,399 (31 December 2011: S$2,016,587) has been placed with an insurer. This deposit earns interest at 0.375% (31 December 2011: 0.375%) per annum respectively.

13. Inventories

	31 December 2011	30 June 2012
	S$	S$
	(Audited)	(Unaudited)
School supplies and stationeries	579,460	625,767

14. Trade receivables

	31 December 2011 S$ (Audited)	30 June 2012 S$ (Unaudited)
Trade receivables	655,974	2,296,082
Less: Allowance for doubtful debt	(8,000)	–
	647,974	2,296,082

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$439,811 (31 December 2011: S$647,974) that are past due at the balance sheet date but not impaired. The analysis of their aging at the balance sheet date is as follows:

	31 December 2011 S$ (Audited)	30 June 2012 S$ (Unaudited)
Trade receivables		
Less than 60 days	647,974	325,228
60 days and above	–	114,583
	647,974	439,811

14. Trade receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	31 December 2011	30 June 2012
	S$	S$
	(Audited)	(Unaudited)
Trade receivables	8,000	–
Less: Allowance for impairment	(8,000)	–
	–	–
Movement in allowance for doubtful debts are as follows:		
At beginning of the year/period	83,819	8,000
Charge for the year/period	33,184	–
Allowance utilised	(109,003)	(8,000)
At end of the reporting period/year	8,000	–

15. Other receivables and deposits

	31 December 2011	30 June 2012
	S$	S$
	(Audited)	(Unaudited)
Staff housing deposits	346,900	271,800
Interest income receivable	64,400	24,386
Other debtors	5,098	6,500
	416,398	302,686

16. Amounts due from director-related company

The amounts due from a director-related company are non-trade related, unsecured, non-interest bearing and repayable on demand. The related company is a director-owned company.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

17. Cash and cash equivalents

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

	31 December 2011	**30 June 2012**
	S$	S$
	(Audited)	**(Unaudited)**
Cash and bank balances	7,628,861	11,319,843
Fixed deposits	32,000,000	12,500,000
Term bank deposits	40,000,000	40,000,000
	79,628,861	63,819,843

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

Hong Kong dollars	2,023	1,984
United States dollars	7,446	7,446

Cash and bank balances earn interest at floating rates based on daily bank deposit rates. Fixed deposits and term bank deposits earn interest ranging from 0.03% to 0.52% per annum (31 December 2011: 0.03% to 0.8% per annum) based on short-term deposit rates.

Management is planning to build a new school premise in the near future. Funds have been set aside and rolling term bank deposit accounts of S$40 million (31 December 2011: S$40 million) has been established for this purpose (Note 22).

18. Other payables

	31 December 2011	**30 June 2012**
	S$	S$
	(Audited)	**(Unaudited)**
Accrued staff and related costs	114,194	480,196
Other creditors	1,405,057	541,679
	1,519,251	1,021,875

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 the next financial period.

20. Deferred tax liabilities

Deferred tax as at the end of the reporting period relates to the following:

	31 December 2011	30 June 2012
	S$	S$
	(Audited)	(Unaudited)
Excess of net book value over tax written down value of plant and equipment	1,410,172	1,363,135

An analysis of the deferred taxes is as follows:

	31 December 2011	30 June 2012
At beginning of year/period	1,608,764	1,410,172
Provision for the year/period	(198,592)	(47,037)
At end of the reporting year/period	1,410,172	1,363,135

21. Share capital

	No. of shares	31 December 2011	No. of shares	30 June 2012
	S$	S$	S$	S$
		(Audited)		(Unaudited)
At 1 January	–	–	31,219,241	31,219,241
Issuance of new ordinary shares on incorporation	100	100	–	–
Issuance of new ordinary shares due to restructuring (Note 1.2(c))	31,219,141	31,219,141	–	–
Sub-division of every 2 ordinary shares into 17 ordinary shares	–	–	234,144,307	–
At end of the reporting year/period	31,219,241	31,219,241	265,363,548	31,219,241

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.

22. Other reserves

	31 December 2011	30 June 2012
	S$	S$
	(Audited)	(Unaudited)
Capital reserve	40,000,000	40,000,000
Merger reserve	(26,170,566)	(26,170,566)
Foreign exchange reserve	1,040	1,002
	13,830,474	13,830,436

Management is planning to build a new school premise in the near future. A capital reserve account has been established with a term deposits placed for this purpose (Note 17).

22. Other reserves (cont'd)

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 financial year ended 31 December 2011, following the application of the pooling of interest method. This reserve will remain until the subsidiaries are disposed.

23. Dividends

	Six-month period ended 30 June	
	2011	**2012**
	S$	S$
	(Unaudited)	**(Unaudited)**
Declared and paid during the financial period:		
Interim exempt (one-tier) dividend for 2011: S$0.60 per share (Note a)	3,000,000	–
Interim exempt (one-tier) dividend for 2012: S$0.26 per share (Note b)	–	8,000,000

Note a:

The dividend has been declared by Overseas Family School Limited to its shareholders during the first half of the financial year ended 31 December 2011, prior to the restructuring exercise. The dividend per share is calculated based on 5,000,000 ordinary shares issued by Overseas Family School Limited at the time the dividends were declared.

Note b:

The interim dividend has been declared by Overseas Education Limited to its shareholders for the year ending 31 December 2012, prior to the sub-division of shares exercise. The dividend per share is calculated based on 31,219,241 ordinary shares issued by Overseas Education Limited prior to the sub-division of shares exercise.

24. 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:

	Six-month period ended 30 June	
	2011	**2012**
	S$	S$
	(Unaudited)	**(Unaudited)**
Director-related company – MPPL		
Management fee paid (Note 24(b))	1,401,869	–
Payment made on behalf and reimbursed by the Company	158,414	–
Rental income	(70,093)	–
Motor vehicle rental income	(50,079)	–
Director-related company – CAML		
Purchase of goods	10,444	–
Purchase of medical services	2,767	–
IT consultancy income	–	(22,200)
Director-related company – MN		
Legal services	–	1,883
Others		
IT consultancy services	120,000	–

Director-related company

– Two Directors of the Company have an aggregate 100% interest in Master Projects Pte Ltd (“MPPL”), the holding company of the subsidiaries, Overseas Family School Limited and Overseas Family School Limited (H.K.), until November 2011. Details of the change in holding company are stated in Note 1.2. The transactions took place when MPPL was the holding company of Overseas Family School Limited. There was no outstanding balance (31 December 2011: nil) at the end of the reporting period.

– During the six-month period ended 30 June 2012, 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$22,200 (30 June 2011: nil). The Group did not make any purchases (30 June 2011: S$13,211) from CAML during the period. At the end of the reporting period, S$15,300 was outstanding from CAML (Note 16) (31 December 2011: nil).

– One of the independent director of the Company is a partner of Mallal & Namazie (“MN”), which rendered legal services amounting to S$1,883 (30 June 2011: nil) for debt recovery matters. There is no outstanding balance with MN (31 December 2011: nil) at the end of the reporting period.

24. Related party transactions (cont'd)

(a) *Sale and purchase of goods and services (cont'd)*

Others

– Two Directors of the Company are former directors of Metaparadigm Pte Ltd ("MPL"), which provided consultancy services for the Group's software development. The consultancy services were rendered during the financial period when the Directors were directors of MPL. The Directors have resigned as directors of MPL on 10 October 2011. Accordingly, MPL is not a related party as at 30 June 2012 and 31 December 2011 respectively.

(b) *Compensation of key management personnel*

	Six-month period ended 30 June	
	2011	**2012**
	S$	S$
	(Unaudited)	**(Unaudited)**
Directors' fees	–	200,000
Directors' salaries and bonuses	–	380,000
Directors' Central Provident Fund contributions	–	3,750
Directors' short term benefits	–	4,366
Other key management personnel's salaries and bonuses	–	486,000
Other key management personnel's Central Provident Fund contributions	–	14,400
Other key management personnel's short term benefits	–	6,198
Total compensation paid to key management personnel	–	1,094,714

Compensation of key management personnel were paid by the director-related company, Master Projects Pte Ltd ("MPPL") prior to 1 December 2011. As a result of the restructuring exercise described in Note 1.2, the employees from MPPL were transferred to the Company on 1 December 2011 and the Company started to bear the key management personnel's remuneration since that date. Prior to 1 December 2011, these amounts were recharged back to the Group via management fees in the respective years (Note 24(a)).

25. Commitments

Operating lease commitments

As at 30 June 2012, 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:

	31 December 2011	30 June 2012
	S$	S$
	(Audited)	**(Unaudited)**
Not later than one year	10,335,915	10,263,934
Later than one year but not later than five years	5,491,904	2,382,741
	15,827,819	12,646,675

Operating lease payments recognised in the statement of comprehensive income for the six-month period ended 30 June 2012 amounted to S$5,472,630 (30 June 2011: S$5,142,631). S$3,385,363 (30 June 2011: S$3,342,548) is included in the line item, school lease rental, and S$2,087,267 (30 June 2011: S$1,800,083) 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.

26. Financial risk management objectives and policies

The Group is 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 raise 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 period 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 period and as at the end of the reporting period.

The main risks arising from the Group'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 financial instruments will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from the Group's cash and bank deposits.

Since the Group's deposits are usually placed on a short term basis, there is no significant exposure arising from interest rate fluctuation.

It is the Group's policy to place surplus funds with reputable banks whose head office is regulated by Singapore authorities.

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

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's exposure to liquidity risk arises in the general funding of the Group's operating activities. The Group manages its liquidity risk by maintaining cash and cash equivalent balances sufficient to meet operating expenses and capital expenditure.

The table below summarises the maturity profiles of the Group's financial assets and liabilities at the end of the reporting period:

	1 year or less	Over 1 year	Total
	S$	S$	S$
(Audited)			
31 December 2011			
Financial assets			
Fee protection insurance deposits	–	2,016,587	2,016,587
School lease deposits	–	1,807,775	1,807,775
Staff housing deposits (non-current)	–	281,350	281,350
Trade receivables	647,974	–	647,974
Other receivables and deposits	416,398	–	416,398
Cash and bank balances	7,628,861	–	7,628,861
Fixed deposits	32,000,000	–	32,000,000
Term bank deposits	40,000,000	–	40,000,000
Total undiscounted financial assets	80,693,233	4,105,712	84,798,945
Financial liabilities			
Trade payables	309,301	–	309,301
Other payables	1,519,251	–	1,519,251
Total undiscounted financial liabilities	1,828,552	–	1,828,552
Total net undiscounted financial assets	78,864,681	4,105,712	82,970,393

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

Liquidity risk (cont'd)

	1 year or less	Over 1 year	Total
	S$	S$	S$
(Unaudited)			
30 June 2012			
Financial assets			
Fee protection insurance deposits	–	2,020,399	2,020,399
School lease deposits	–	1,777,394	1,777,394
Staff housing deposits (non-current)	–	366,700	366,700
Trade receivables	2,296,082	–	2,296,082
Other receivables and deposits	302,686	–	302,686
Amounts due from director-related company	15,300	–	15,300
Cash and bank balances	11,319,843	–	11,319,843
Fixed deposits	12,500,000	–	12,500,000
Term bank deposits	40,000,000	–	40,000,000
Total undiscounted financial assets	66,433,911	4,164,493	70,598,404
Financial liabilities			
Trade payables	312,024	–	312,024
Other payables	1,021,875	–	1,021,875
Total undiscounted financial liabilities	1,333,899	–	1,333,899
Total net undiscounted financial assets	65,100,012	4,164,493	69,264,505

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.

27. Financial instruments

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

	31 December 2011	30 June 2012
	S$	S$
	(Audited)	(Unaudited)
Loans and receivables		
Fee protection insurance deposits	2,016,587	2,020,399
School lease deposits	1,807,775	1,777,394
Staff housing deposits (non-current)	281,350	366,700
Trade receivables	647,974	2,296,082
Other receivables and deposits	416,398	302,686
Amounts due from director-related company	–	15,300
Cash and cash equivalents	79,628,861	63,819,843
	84,798,945	70,598,404
Financial liabilities measured at amortised cost		
Trade payables	309,301	312,024
Other payables	1,519,251	1,021,875
	1,828,552	1,333,899

28. 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, amounts due from director-related company, 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.

29. 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 financial periods ended 30 June 2012 and 30 June 2011.

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

	31 December 2011	30 June 2012
	S$	S$
	(Audited)	(Unaudited)
Total gross debt ^	–	–
Equity attributable to owners of the Company		
Share capital	31,219,241	31,219,241
Revenue reserve	9,725,918	11,110,932
Other reserves	13,830,474	13,830,436
	54,775,633	56,160,609
Gross debt equity ratio	–%	–%
Cash and cash equivalents	79,628,861	63,819,843
Less: Total gross debt	–	–
Net cash position	79,628,861	63,819,843

^ Gross debt relates to loans and borrowings. The Group does not have loans and borrowings as at 30 June 2012 and 31 December 2011.

30. Comparative information

The financial information for the six-month period ended 30 June 2011, presented for comparative purposes, have not been audited nor reviewed by the Reporting Accountants.

31. Authorisation for issue of financial statements

The interim consolidated financial statements for the six-month period ended 30 June 2012 were authorised for issue in accordance with a resolution of the Directors on 31 January 2013.

APPENDIX C – TAXATION

The following is a discussion of certain tax matters arising under the current tax laws in Singapore and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of our Shares by Singapore investors, and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase our Shares. Prospective investors should consult their tax advisors regarding Singapore tax and other tax consequences of owning and disposing our Shares. It is emphasised that neither our Company, our Directors nor any other persons involved in the Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

SINGAPORE INCOME TAX

Corporate income tax

Singapore resident and non-resident corporate taxpayers are subject to Singapore income tax on:-

(i) income accruing in or derived from Singapore; and

(ii) foreign-sourced income received or deemed received in Singapore, unless otherwise exempted.

Foreign-sourced income in the form of branch profits, dividends and service income received or deemed received in Singapore by a Singapore tax resident corporate taxpayer are exempted from Singapore income tax if certain prescribed conditions are met.

A company is regarded as a tax resident in Singapore if the control and management of its business is exercised in Singapore.

The first S$300,000 of chargeable income is exempt from tax as follows:-

(i) 75% of up to the first S$10,000 of chargeable income; and

(ii) 50% of up to the next S$290,000 of chargeable income.

The remaining chargeable income (after deducting the applicable tax exemption of the first S$300,000 of chargeable income) will be taxed at the prevailing corporate tax rate, currently 17%.

Individual income tax

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accrued in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received in Singapore by an individual taxpayer, regardless of whether they are resident or non-resident of Singapore, are generally exempt from income tax in Singapore except where such income is received through a partnership in Singapore. Certain investment income derived from Singapore sources by individuals will also be exempt from tax.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 20%.

A non-Singapore tax resident individual is subject to Singapore income tax on income accruing in or derived from Singapore at the tax rate of 20% except for certain specified income that may be taxed at lower rates.

An individual is regarded as tax resident in Singapore in a year of assessment if, in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Dividend distributions

Singapore currently adopts the One-Tier Corporate Taxation System ("**One-Tier System**"). Under the One-Tier System, the tax paid by a Singapore tax resident company is a final tax and its after-tax profits can be distributed to shareholders as Tax Exempt (One-Tier) dividends.

Dividends paid by our Company will be exempt from Singapore income tax in the hands of Shareholders, regardless of the tax residence status or the legal form of the Shareholders. However, foreign Shareholders are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Gains on disposal of Shares

Singapore does not impose tax on capital gains. However, gains may be construed to be of an income nature and subject to tax if they arise from activities which the Inland Revenue Authority of Singapore ("**IRAS**") regards as the carrying on of a trade or business in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the intention of the investor was not to hold our Shares as long-term investments. Any profits from the disposal of our Shares, if regarded as capital gains by the IRAS, are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case, the disposed gains would be taxable as trading income and not treated as non-taxable capital gains.

Based on the IRAS e-Tax Guide on "Income Tax: Certainty of Non-taxation of Companies' Gains on Disposal of Equity Investments" dated 30 May 2012, the gains derived from the disposal of ordinary shares in an investee company during the period 1 June 2012 to 31 May 2017 (both dates inclusive) is not taxable if immediately prior to the date of the share disposal, the divesting company had held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months. This rule does not apply to a divesting company whose gains or profits from the disposal of shares are included as part of its income based on the provisions of Section 26 of the Income Tax Act (Chapter 134 of Singapore), or disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development). A new section 13Z had been added to the Income Tax Act (Chapter 134 of Singapore) via the Income Tax (Amendment) Act 2012 to provide for this rule.

In addition, Shareholders who adopt the tax treatment to be aligned with the Singapore Financial Reporting Standard 39 Financial Instruments – Recognition and Measurement ("**FRS 39**") may be taxed on gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal of our Shares is made. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

STAMP DUTY

No stamp duty is payable on the allotment or holding of our Shares.

In the event that a register of Shares is kept in Singapore and where an instrument of transfer is executed in respect of Shares registered in such register, stamp duty is payable on an instrument of transfer of our Shares at the rate of S$0.20 for every S$100 or any part thereof, computed on the consideration paid or market value of the Shares, whichever is higher.

The purchaser is liable for stamp duty, unless otherwise agreed. However, no stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty would be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

ESTATE DUTY

Singapore estate duty has been abolished with effect from 15 February 2008.

GOODS AND SERVICES TAX ("GST")

The sale of our Shares by a GST-registered investor belonging in Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in respect of this exempt supply is generally not recoverable from the Singapore Comptroller of GST and will become an additional cost to the investor unless the investor satisfies certain concessions.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale should generally be subject to GST at 0% if certain conditions are met. Any input GST (for example, GST on brokerage) incurred by a GST-registered investor in the making of this zero-rated supply in the course or furtherance of a business carried on by such an investor is generally recoverable from the Singapore Comptroller of GST (subject to conditions governing input tax claims).

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and sale of our Shares.

Services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale, holding of our Shares will be subject to GST at the standard rate currently at 7%. Similar services rendered contractually to and for the direct benefit of an investor belonging outside Singapore (and who is outside Singapore at the time of supply) should generally be subject to GST at 0%.

The following statements are brief summaries of our capital structure and of the more important rights and privileges of our ordinary shareholders as conferred by the laws of Singapore and our Articles. These statements summarise the material provisions of our Articles but are qualified in entirety by reference to our Articles, a copy of which will be available for inspection at our offices during normal business hours for a period of six months from the date of this Prospectus.

Ordinary Shares

All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of Shares to be issued pursuant to a share issue mandate may not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to our Shareholders may not exceed 20% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital (the percentage of issued share capital being based on our Company's issued share capital at the time such authority is given after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent consolidation or sub-division of Shares). The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is the earlier.

Shareholders

Only persons who are registered in our Register of Members and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. We may close our Register of Members for any time or times if we provide the SGX-ST at least five clear Market Days' notice. However, the Register of Members may not be closed for more than 30 days in aggregate in any calendar year. We typically close our Register of Members to determine shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Listing Manual or the rules or by-laws of any stock exchange on which our Company is listed. Our Board may decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Our Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which our Company is listed. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if we are properly notified and if the applicant pays a fee which will not exceed S$2 and furnishes any evidence and indemnity that our Board may require.

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Our Board may convene an extraordinary general meeting whenever it thinks fit and must do so if shareholders representing not less than 10% of the total voting rights of all Shareholders request in writing that such a meeting be held.

In addition, two or more shareholders holding not less than 10% of our issued share capital may call for a meeting. Unless otherwise required by law or by our Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at the meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to the Memorandum of Association and our Articles, a change of our corporate name and a reduction in our share capital. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing.

The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A holder of our Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be Shareholders. A person who holds Shares through the Depository will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles, on a show of hands, every Shareholder present in person or by proxy shall have one vote (provided that in the case of a Shareholder who is represented by two proxies, only one of the two proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote. In the case of an equality of votes, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. We must pay all dividends out of our profits. All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issue

Our Board may, with approval of our Shareholders at a general meeting, capitalise any reserves or profits (including profits or monies carried and standing to any reserve) and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Takeovers

Under the Singapore Code on Take-overs and Mergers ("**Singapore Take-over Code**"), issued by the Authority pursuant to Section 321 of the Securities and Futures Act, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting Shares must extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-over Code. In addition, a mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30% and 50% of the voting shares acquires additional voting shares representing more than 1% of the voting shares in any 6 month period. Under the Singapore Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:-

(a) the following companies:-

  (i) a company;

  (ii) the parent company of (i);

  (iii) the subsidiaries of (i);

  (iv) the fellow subsidiaries of (i);

  (v) the associated companies of (i), (ii), (iii) or (iv); and

  (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

  (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:-

  (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and

  (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10% or more of the customer's equity share capital;

(f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;

(g) partners; and

(h) the following persons and entities:-

  (i) an individual;

  (ii) the close relatives of (i);

  (iii) the related trusts of (i);

  (iv) any person who is accustomed to act in accordance with the instructions of (i); and

  (v) companies controlled by any of (i), (ii), (iii) or (iv); and

  (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Singapore Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six months.

Liquidation or Other Return of Capital

If we liquidate or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

As permitted by Singapore law, our Articles provide that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by us against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgement is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. We may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to us.

Limitations on Rights to Hold or Vote Shares

Except as described in "Voting Rights" and "Takeovers" above, there are no limitations imposed by Singapore law or by our Articles on the rights of non-resident shareholders to hold or vote in respect of our Shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations where:-

(i) our affairs are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders; or

(ii) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:-

(i) direct or prohibit any act or cancel or vary any transaction or resolution;

(ii) regulate the conduct of our affairs in the future;

(iii) authorise civil proceedings to be brought in our name of, or on behalf of, by a person or persons and on such terms as the court may direct;

(iv) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital; or

(v) provide that we be wound up.

Substantial Shareholders

The Securities and Futures Act require our substantial shareholders to give notice to us of certain information as prescribed by the Authority, including particulars of their interest, within two business days of becoming aware of being our Substantial Shareholders, being aware of any change in the percentage level of their interest and being aware of ceasing to be a Substantial Shareholder. "Percentage level", in relation to a substantial shareholder, is the percentage figure ascertained by expressing the aggregate of the votes attached to all the voting shares in which the substantial shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all of the voting shares, and if it is not a whole number, rounding that figure down to the next whole number.

Under the Securities and Futures Act, a person has a substantial shareholding in us if he has an interest (or interests) in one or more of our voting shares and the total votes attached to those shares are not less than 5.0% of the aggregate of the total votes attached to all of our voting shares (excluding treasury shares).

APPENDIX E – SUMMARY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

The discussion below provides a summary of the principal objects of our Company as set out in our Memorandum and Articles of Association and the laws of Singapore. This discussion is only a summary and is qualified by reference to Singapore law and our Memorandum and Articles of Association.

MEMORANDUM OF ASSOCIATION AND REGISTRATION NUMBER

We are registered in Singapore with the Accounting and Corporate Regulatory Authority. Our company registration number is 201131905D.

SUMMARY OF OUR ARTICLES OF ASSOCIATION

1. Directors

(a) Ability of interested directors to vote

A director shall not vote in respect of any contract, proposed contract or arrangement or any other proposal whatsoever in which he has any personal material interest, whether directly or indirectly. A director shall not be counted in the quorum present at a meeting in relation to any resolution on which he is debarred from voting.

(b) Remuneration

The ordinary remuneration of the directors shall from time to time be determined by an ordinary resolution passed at a general meeting where the notice of which shall specify the proposals concerning the same. Such remuneration shall be divided among the directors as they may agree or failing agreement, equally.

The remuneration in the case of a director other than an executive director shall be by a fixed sum and not by a commission on or percentage of profits or turnover. The remuneration of an executive director may not include a commission on or a percentage of turnover.

Any director who holds any executive office, or who serves on any committee of the directors, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

The directors may repay to any director all such reasonable expenses as he may incur in attending and returning from meetings of the directors or of any committee of the directors or general meetings or otherwise in or about the business of our Company.

Subject to the provisions of the laws of Singapore, the directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

A director may be a party to or in any way interested in any contract or arrangement or transaction to which our Company is a party or in which our Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of our Company or any subsidiary thereof) under our Company or any other company in which our Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for our Company or any such other company and be remunerated therefore and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

(c) Borrowing

The directors may exercise all the powers of our Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as a security for any debt, liability, or obligation of our Company or of any third party.

(d) Retirement age limit

There is no retirement age limit for directors under our Articles. Section 153(1) of the Act, however, provides that no person of or over the age of 70 years shall be appointed a director of a public company, unless he is appointed or re-appointed as a director of our Company or authorised to continue in office as a director of our Company by way of an ordinary resolution passed at an annual general meeting of our Company.

(e) Shareholding qualification

A director need not be a member and shall not be required to hold any share qualification in our Company.

2. Share rights and restrictions

(a) Dividends and distribution

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors. The directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of our Company.

No dividend shall be paid otherwise than out of profits or shall bear interest against our Company. All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid up on each Shareholder's ordinary shares. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

The payment by the directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after first becoming payable may be invested or otherwise made use of by the directors for the benefit of our Company. Any dividend unclaimed after a period of six years after they are first payable may be forfeited and shall revert to our Company but the Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

The directors may retain any dividends or other monies payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A holder of a share is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a member of our Company. A person who holds ordinary shares through the Depository will only be entitled to vote at a general meeting as a shareholder if his name appears on the Depository Register 48 hours before the general meeting. Except as otherwise provided in our Articles, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles, on a show of hands, every shareholder present in person and by proxy shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or represents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any shareholder present in person or by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

3. Change in capital

The Company may by ordinary resolution change the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital). The Company may by special resolution, reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law. For the passing of an ordinary resolution, at least 14 days' notice in writing of a general meeting shall be given to Shareholders. For the passing of a special resolution, at least 21 days' notice in writing of a general meeting shall be given to Shareholders.

4. Variation of rights of existing shares or classes of shares

Subject to the Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of our Articles relating to general meetings of our Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to only some of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Articles on the rights of our shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

Save as disclosed below, as at the Latest Practicable Date, our business operations in Singapore are not subject to any special legislations or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore. We have thus far not experienced any adverse effect on our business in complying with these regulations. Our businesses and operations in Singapore have complied with all applicable laws and regulations generally applicable to companies and businesses operating in the respective countries of incorporation. Our Directors believe that we are not in breach of any laws or regulations applicable to our business operations.

SINGAPORE

Private Education Act

In Singapore, Private Education Act governs the establishment of and all matters relating to private schools. Under the Private Education Act, the Enhanced Registration Framework ("**ERF**") stipulates that no school shall be carried on unless it is registered with CPE. The Private Education Act further states that private schools will have to meet a list of criteria before they can register with CPE. Private schools will have to show that they have proper systems, such as giving information on their finances, teachers and facilities. They also have to ensure that foreign institutions they link with are up to par with the CPE being informed of such association and keep standards high in order to renew their registrations. Under the Private Education Act, the registration status of the registered private education institution would have a specified validity period determined by how well the private education institution measures up to the registration criteria.

The onus is on the Company to internalise their obligations as responsible education service providers. The CPE would monitor the Company and, where necessary, undertake enforcement action.

With the Private Education Act coming into effect on 1 December 2009 (except Parts III to VII) and 21 December 2009 (Parts III to VII), private education institutions which were registered under the Education Act would be given the "deemed registered" status for a period of 18 months. These private education institutions would have to attain registration under the ERF if they wish to continue to operate beyond this transitional period of 18 months.

During the transitional period, private education institutions will have to continue to comply fully with the requirements of the Private Education Act.

Private education institutions which were not registered under the Education Act but fall under the scope of the new Private Education Act, were required to submit their applications for registration within two months from the commencement date of the new regulatory regime if they wish to be allowed to continue to operate.

The Private Education Act provides for a full range of remedial actions and penalties to allow CPE to calibrate its enforcement actions accordingly. Less serious penalties include public censure and fines. However, more serious contraventions constitute criminal offence which may attract fines not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding S$1,000 for every day or part thereof during which the offence continues after conviction.

APPENDIX G – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply for the Invitation Shares, subject to the following terms and conditions:-

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**

2. Your application for Offer Shares may be made by way of printed **WHITE** Offer Shares Application Form or by way of Electronic Applications through an ATM belonging to the Participating Banks ("ATM Electronic Application"), or through the Internet Banking websites of the relevant Participating Banks ("Internet Electronic Application", which together with ATM Electronic Application, shall be referred to as "Electronic Applications").

   Your application for the Placement Shares (other than Reserved Shares) may only be made by way of printed **BLUE** Placement Shares Application Form or other such forms of application as the Issue Manager, the Joint Underwriters and the Joint Placement Agents deem appropriate.

   Your application for Reserved Shares may only be made by way of printed **PINK** Reserved Shares Application Form.

   YOU MAY NOT USE CENTRAL PROVIDENT FUND ("CPF") FUNDS TO APPLY FOR THE INVITATION SHARES.

3. **You are allowed to submit only one application in your own name for the Offer Shares. If you submit an application for Offer Shares by way of an Application Form, you MAY NOT submit another application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected, except in the case of applications by approved nominees companies, where each application is made on behalf of a different beneficiary.**

   If you submit an application for Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for Offer Shares by way of an Internet Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected.

   If you, being other than an approved nominee company, have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of an Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected.

   You are allowed to submit only one application in your own name for the Placement Shares (other than Reserved Shares). Any separate application by you for the Placement Shares (other than Reserved Shares) shall be deemed to be multiple applications and our Company has the discretion whether to accept or reject such multiple applications.

   If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at the discretion of our Company.

   If you have made an application for Placement Shares (other than Reserved Shares), and you have also made a separate application for Offer Shares, either by way of an Application Form or through an Electronic Application, our Company shall have the discretion to either (i) reject both of such separate application or (ii) accept any one (but not the other) out of such separate applications.

Conversely, if you have made an application for Offer Shares either by way of an Application Form or through an Electronic Application, and you have also made a separate application for Placement Shares (other than Reserved Shares), our Company shall have the discretion to either (i) reject both of such separate application or (ii) accept any one (but not the other) out of such separate applications.

If you have made an application for Reserved Shares, you may submit one separate application for the Offer Shares in your own name by way of a WHITE Offer Shares Application Form or by way of an Electronic Application, or submit one separate application for Placement Shares (other than Reserved Shares) by way of a BLUE Placement Shares Application Form or other such forms of application as the Issue Manager, the Joint Underwriters and the Joint Placement Agents deems appropriate, provided that you adhere to the terms and conditions of this Prospectus. Such separate applications shall NOT be treated as multiple applications.

Joint applications shall be rejected. Multiple applications for Invitation Shares may be rejected at the discretion of our Company. If you submit or procure submissions of multiple share applications (whether for Offer Shares, Placement Shares or both Offer Shares and Placement Shares), you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be liable to be rejected and our Company has the discretion whether to accept or reject such multiple applications.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.

5. We will not recognise the existence of a trust. An application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.

6. **WE WILL ONLY ACCEPT APPLICATIONS FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, AND UNLESS YOU ARE AN APPLICANT FOR RESERVED SHARES USING THE RESERVED SHARES APPLICATION FORM, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality and permanent residence status provided in your Application

Form or in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected. **IF YOU ARE AN APPLICANT FOR RESERVED SHARES USING THE RESERVED SHARES APPLICATION FORM, AND YOU DO NOT HAVE A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION, THE ACCEPTANCE OF YOUR APPLICATION WILL BE AT THE ABSOLUTE DISCRETION OF OUR COMPANY, THE ISSUE MANAGER, THE JOINT UNDERWRITERS AND THE JOINT PLACEMENT AGENTS.**

8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and/or allocation and other correspondence from CDP will be sent to your address last registered with CDP.**

9. **Our Company reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Prospectus or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Prospectus or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance. Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Prospectus and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**

10. Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason thereof, and no enquiry and/or correspondence on the decision of our Company will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment and/or allocation, due consideration will be given to the desirability of allotting and/or allocating the Invitation Shares to a reasonable number of Applicants with a view to establishing an adequate market for our Shares.

11. Save for successful applicants for Reserved Shares and whose Shares are issued and registered in the name of the successful applicants, share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument and/or other documents required for the issue of the Invitation Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

12. In the event that a supplementary or replacement prospectus is lodged with the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement prospectus.

Where prior to the lodgement of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for the Invitation Shares, and:

(i) where the Invitation Shares have not been issued to the applicants, our Company shall either:

(a) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement prospectus.

(b) within seven days from the date of lodgement of the supplementary or replacement prospectus, give the applicants a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications; or

(c) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and our Company shall, within seven days from the date of lodgement of the supplementary or replacement prospectus, pay to the applicants all monies which they had paid on account of their applications, without interest or any share of revenue or other benefit arising therefrom at the applicants' own risk, and the applicants shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents; or

(ii) where the Invitation Shares have been issued to the applicants but trading has not commenced, our Company shall either:-

(a) (aa) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return to our Company those Invitation Shares which they do not wish to retain title in; and

(bb) take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement prospectus;

(b) within seven days from the date of lodgement of the supplementary or replacement prospectus, give the applicants a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return to our Company those Invitation Shares which they do not wish to retain title in; or

(c) treat the issue of the Invitation Shares as void, in which case the issue shall be deemed void and our Company shall, within seven days from the date of lodgement of the supplementary or replacement prospectus, pay to the applicants all monies which they had paid on account of their applications, without interest or any share of revenue or other benefit arising therefrom at the applicant's own risk, and the applicants shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents.

An applicant who wishes to exercise his option under paragraph 12(i)(a) and 12(i)(b) above to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this, whereupon our Company shall, within seven days from the receipt of such notification, pay to the applicant all monies which he had paid on account of his application, without interest or any share of revenue or other benefit arising therefrom at the applicant's own risk, and the applicant shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents.

An applicant who wishes to exercise his option under paragraph 12(ii)(a) and 12(ii)(b) above to return those Invitation shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares to our Company, whereupon our Company shall, within seven days from the receipt of such notification and documents, if any, pay to the applicant all monies which he had paid on account of his application, without interest or any share of revenue or other benefit arising therefrom at the applicant's own risk and the applicant shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents and the issue of those Invitation Shares shall be deemed to be void.

13. In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event that any of the Reserved Shares are not taken up, they will be made available to satisfy applications for the Placement Shares (other than Reserved Shares) to the extent that there is an over-subscription of the Placement Shares (other than the Reserved Shares) as at the close of the Application List, or in the event of an under-subscription of the Placement Shares as at the close of the Application List, to satisfy applications made by members of the public for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed for as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents and approved by the SGX-ST (if required).

In the event the number of Offer Shares applied for by members of the public exceeds the number of Offer Shares offered by the Company at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed at the close of the Application List or otherwise are insufficient to satisfy the over-subscription for the Offer Shares, the Issue Manager, shall, on behalf of the Company, arrange for the balloting of the applications for the Offer Shares in such manner as may be reasonably required by the Company, and the basis of allotments shall be decided by the Company after consultation with the Issue Manager and the SGX-ST (if required)

In all of the above instances, the basis of allotment and/or allocation of the Invitation Shares as may be decided by our Company in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as practicable, through a SGXNET announcement to be posted on the internet at the SGX-ST's website at http://www.sgx.com and through a paid advertisement in a local English newspaper.

14. You consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable) and share application amount from your account with the relevant Participating Bank to the Registrar for the Invitation and Share Transfer Agent, Securities Clearing & Computer Services (Pte) Ltd. ("**SCCS**"), SGX-ST, CDP, the Company and the Issue Manager, the Joint Underwriters and the Joint Placement Agents. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted to you pursuant to your application, to authorised operators, e.g.: CDP, our Company, the Issue Manager and the Joint Underwriters and the Joint Placement Agents and any other parties so authorised by the foregoing persons. CDP shall not be liable for any delays, failures or inaccuracies in the recording, storage or transmission or delivery of data relating to Electronic Applications.

15. Any reference to "you" or the "Applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of an WHITE Offer Shares Application Form or by way of an Electronic Application, or applying for the Placement Shares by way of a BLUE Placement Shares Application Form or a person applying for the Reserved Shares by way of a PINK Reserved Shares Application Form or other such forms of application as the Issue Manager, the Joint Underwriters and the Joint Placement Agents deem appropriate.

16. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking "Submit" or "Continue" or "Yes" or "Confirm" or any other relevant button on the Internet Banking website screen in accordance with the provisions of this Prospectus, you:-

    (i) irrevocably agree and undertake to subscribe for the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price and agree that you will accept such Invitation Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Prospectus and the Memorandum of Association and Articles of our Company;

    (ii) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and those set out in the Internet Banking websites or the ATMs of the Participating Banks, the terms and conditions set out in this Prospectus shall prevail;

    (iii) agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to our Company upon application;

    (iv) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any Invitation Shares to you; and

    (v) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Issue Manager and the Joint Underwriters and/or the Joint Placement Agents will infringe any such laws as a result of the acceptance of your application.

17. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:-

    (i) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares as well as the New Shares (including any Over-allotment Shares) on the Official List of the Mainboard of SGX-ST;

(ii) no Stop Order has been issued by the Authority under the Securities and Futures Act; and

(iii) the Management and Underwriting Agreement and the Placement Agreement referred to in the section entitled "**Management, Underwriting and the Placement Arrangements**" of this Prospectus have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine.

18. Where the Authority issues a Stop Order pursuant to Section 242 of the SFA and applications to subscribe for the Invitation Shares have been made prior to the Stop Order, then:-

(i) Where the Invitation Shares have not been issued to the applicants, the applications for those Invitation Shares shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies which they had paid on account of their application, without interest or any share of revenue or other benefit arising therefrom at their own risk and the applicants shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents; or

(ii) Where the Invitation Shares have been issued to the applicants, the issue of the Invitation Shares shall be deemed to be void and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies which they had paid on account of their applications, without interest or any share of revenue or other benefit arising therefrom and at their own risk and the applicants shall not have any claim whatsoever against our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents.

This shall not apply where only an interim Stop Order has been served.

19. In the event that an interim Stop Order in respect of the Invitation Shares is served by the Authority, no Invitation Shares shall be issued to you until the Authority revokes the interim Stop Order.

20. The Authority is not able to serve a Stop Order in respect of the Invitation Shares if the Invitation Shares have been issued and listed on a securities exchange and trading in them has commenced.

21. In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST's website at http://www.sgx.com and through a paid advertisement in a local English newspaper.

22. We will not hold any applications in reserve.

23. We will not allot Shares on the basis of this Prospectus later than six months after the date of registration of this Prospectus.

24. Additional terms and conditions for applications using Application Forms are set out below.

25. Additional terms and conditions for applications using Electronic Applications are set out below.

26. CDP shall not be liable for any delays, failures or inaccuracies in the recording storage or in the transmission or delivery of data relating to Electronic Applications.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below as well as those set out in Appendix G – "**TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**" of this Prospectus, as well as the Memorandum of Association and Articles of our Company.

1. Your application must be made using the **WHITE** Application Form and **WHITE** envelopes "A" and "B" for Offer Shares, the **BLUE** Application Form for Placement Shares (other than Reserved Shares) or other such forms of application as the Issue Manager, the Joint Underwriters and the Joint Placement Agents deem appropriate or **PINK** Application Form for Reserved Shares accompanying and forming part of this Prospectus. We draw your attention to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper forms of remittances.**

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS.**

3. All spaces in the Application Forms except those under the heading "**FOR OFFICIAL USE ONLY**" must be completed and the words "**NOT APPLICABLE**" or "**N.A.**" should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of corporations, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs on the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company's Share Registrar and Share Transfer office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.

5. (i) You must complete Sections A and B and sign page 1 of the Application Form.

   (ii) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

   (iii) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or

permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore, have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Invitation Shares applied for, in the form of a **BANKER'S DRAFT or CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**OVERSEAS EDUCATION LIMITED SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by **ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED**. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by our Company or the Issue Manager or the Joint Underwriters or the Joint Placement Agents for applications and application monies received.

8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Application List, provided that the remittance accompanying such applications have been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. In the event that the Invitation is cancelled by us following the termination of the Management and Underwriting Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a Stop Order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the stop order.

9. Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

10. By completing and delivering the Application Form, you agree that:-

    (i) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 5 February 2013,** or such other date and time or date as our Company may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST, and by completing and delivering the Application Form:-

        (a) your application is irrevocable; and

        (b) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

    (ii) all applications, acceptances and contracts resulting there from under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

    (iii) in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;

(iv) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(v) in making your application, reliance is placed solely on the information contained in this Prospectus and that none of our Company, the Issue Manager, the Joint Underwriters and the Joint Placement agents or any other person involved in the Invitation shall have any liability for any information not so contained.

(vi) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number and the share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents or other authorised operators; and

(vii) you irrevocably, agree and undertake to subscribe for the number of Invitation Shares applied for as stated in the Application Form or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that we decide to allot a smaller number of Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Form and **WHITE** envelopes “A” and “B”. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. You must:-

(i) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Prospectus in the **WHITE** envelope “A” provided;

(ii) in the appropriate spaces on **WHITE** envelope “A”:-

(a) write your name and address;

(b) state the number of Offer Shares applied for;

(c) tick the relevant box to indicate the form of payment; and

(d) affix adequate Singapore postage;

(iii) Seal **WHITE** envelope “A”;

(iv) write, in the special box provided on the larger **WHITE** envelope “B” addressed **to OVERSEAS EDUCATION LIMITED c/o M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902**, the number of Invitation Shares you have applied for; and

(v) insert **WHITE** envelope “A” into **WHITE** envelope “B”, seal **WHITE** envelope “B”, and affix adequate Singapore postage on **WHITE** envelope “B” (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND at your own risk to OVERSEAS EDUCATION LIMITED c/o M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902**, to arrive by **12.00 noon on 5 February 2013 or such other date and time as our Company may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form or remittance or which are not honoured upon their first presentation are liable to be rejected.

4. **ONLY ONE APPLICATION** should be enclosed in each envelope.

Applications for Placement Shares (other than Reserved Shares)

1. Your application for Placement Shares (other than Reserved Shares) **MUST** be made using the **BLUE** Placement Shares Application Form or other such forms of application as the Issue Manager, the Joint Underwriters and the Joint Placement Agents deem appropriate. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. The completed **BLUE** Placement Shares Application Form and the correct remittance (in accordance with the terms and conditions of this Prospectus) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to OVERSEAS EDUCATION LIMITED c/o M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902**, to arrive by **12.00 noon on 5 February 2013 or such other date and time as our Company may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

Applications for Reserved Shares

1. Your application for Reserved Shares **MUST** be made using the **PINK** Reserved Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. The completed **PINK** Reserved Shares Application Form and the correct remittance (in accordance with the terms and conditions of this Prospectus) with your name, CDP Securities Account number (for applicants with Securities Account with CDP) and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to OVERSEAS EDUCATION LIMITED, 25F PATERSON ROAD, SINGAPORE 238515** to arrive by **12.00 noon on 5 February 2013 or such other date and time as our Company may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the Internet Banking website screens (in the case of Internet Electronic Applications) of the relevant Participating Banks).

For illustrative purposes, the procedures for Electronic Application through ATMs of UOB and the Internet Banking website of UOB are set out respectively in the "**Steps for an ATM Electronic Application through the ATMs of UOB**" and the "**Steps for an Internet Electronic Application through the Internet Banking website of UOB**" (collectively, the "**Steps**") appearing below. The Steps set out the actions that you must take at an ATM or the Internet Banking website of UOB to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to "you" or the "applicant" in this section "Additional Terms and Conditions for Electronic Applications" and the Steps shall refer to you making an application for Invitation Shares through an ATM or the Internet Banking website of a relevant Participating Bank.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with and an Internet Banking User Identification ("**User ID**") and a Personal Identification Number/Password ("**PIN**") given by a relevant Participating Bank. The Steps set out the actions that you must take at the ATMs or the Internet Banking website of the relevant Participating Bank to complete an Electronic Application. The actions that you must take at the ATMs or the Internet Banking websites of other Participating Banks are set out on the ATM screens or the Internet Banking website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which can be printed out for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card issued in your own name or if you do not key in your own CDP Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that your mailing address is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time when you make the application.

You shall make an Electronic Application on the terms and subject to the conditions of this Prospectus including but not limited to the terms and conditions appearing below and those set out on "**TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**" in Appendix G of this Prospectus as well as the Memorandum of Association and Articles of our Company.

1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating the Electronic Application:-

   (i) that you have received a copy of this Prospectus (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

(ii) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CPF Investment Account number (if applicable), CDP Securities Account number, and application details (the "Relevant Particulars") by the relevant Participating Bank to the Share Registrar, CDP, SGX-ST, SCCS, CPF, our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents (the "Relevant Parties"); and

(iii) that this is your only application for Offer Shares and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless you press the "Enter" or "Confirm" or "Yes" or "OK" key on the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the Internet Banking website screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1 (ii) above, such confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by the relevant Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS A BENEFICIAL OWNER.**

   YOU SHOULD MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES (OTHER THAN RESERVED SHARES), WHETHER AT THE ATMS, THE INTERNET BANKING WEBSITES OF ANY PARTICIPATING BANKS OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES (OTHER THAN RESERVED SHARES) ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND *VICE VERSA*.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATM or the Internet Banking websites through which your Electronic Application is being made shall be rejected.**

4. You irrevocably agree and undertake to subscribe for and to accept the number of Offer Shares applied for as stated on the Transaction Record and/or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application. In the event that our Company decide to allocate any lesser number of such Offer Shares or not to allocate any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the internet screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allocated to you.

In the event that our Company decides to allot any lesser number of such Offer Shares and/or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “Confirm” or “Yes” key on the ATM or clicking “Confirm” or “OK” on the Internet Banking website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Memorandum of Association and Articles of our Company.

5. **We will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours of the balloting (or such shorter period as the SGX-ST may require) provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

   Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 14 days after the close of the Application List, provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

   Responsibility for timely refund of application monies arising from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares, if any, allotted to you before trading of the Shares on the SGX-ST. You may also call CDP at 6535 7511 to check the provisional results of your application by using your T-pin (issued by CDP upon application for the service) and keying in the stock code (that will be made available together with the results of the allotment and/or allocation via a SGXNET announcement and by advertisement in a local English newspaper). To sign up for the service, you may contact CDP customer service officers. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company, the Issue Manager, the Joint Underwriters nor the Joint Placement Agents assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

6. If your Electronic Application is made through an ATM of one of the Participating Banks and is unsuccessful, no notification will be sent by such Participating Bank.

   If your Internet Electronic Application made through the Internet Banking website of the following Participating Banks is unsuccessful, no notification will be sent by such Participating Bank.

If your Electronic Application is made through an ATM or the Internet Banking website of one of the following Participating Banks, you may check the provisional results of your Electronic Application as follows:-

Bank	**Telephone**	**Other Channels**	**Operating Hours**	**Service expected from**
DBS Bank Ltd. (including POSB) ("**DBS Bank**")	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	IB http://www.dbs.com[(1)]	24 hours a day	Evening of the balloting day
Oversea-Chinese Bank Corporation Limited ("**OCBC**")	1800 363 3333	ATM/Phone Banking/IB http://www.ocbc.com[(2)]	24 hours a day	Evening of the balloting day
United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited ("**UOB Group**")	1800 222 2121	ATM (Other Transactions – "IPO Enquiry")/IB http://www.uobgroup.com[(3)]	24 hours a day	Evening of the balloting day

Notes:-

(1) Applicants who have made Internet Electronic Applications through the Internet Banking website of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.

(2) Applicants who have made Electronic Applications through the ATMs or the Internet Banking website of OCBC Bank may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services.

(3) Applicants who have made Electronic Applications through the ATMs or the Internet Banking website of UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking services.

7. **Electronic Applications shall close at 12.00 noon on 5 February 2013 or such other date and time as our Company may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST.** Subject to paragraph 9 below, an Internet Electronic Application is deemed to be received when they enter the designated information system of the relevant Participating Bank.

8. You are deemed to have irrevocably requested and authorised our Company to:-

(i) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account as entered by you;

(ii) send the relevant Share certificate(s) to CDP;

(iii) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours after of balloting of applications; and

(iv) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be accepted in full or in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 days after the close of the Application List.

9. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks and if, in any such event, our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents and/or the relevant Participating Bank does not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents and/or the relevant Participating Bank for any Offer Shares applied or for any compensation, loss or damage.

10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.

11. All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your Participating Bank.

12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment and/or allocation will be sent to your address last registered with CDP.

13. By making and completing an Electronic Application, you are deemed to have agreed that:-

(i) in consideration of us making available the Electronic Application facility, through the Participating Banks acting as our Company's agents, at the ATMs and the Internet Banking websites:-

(a) your Electronic Application is irrevocable; and

(b) your Electronic Application, our Company's acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(ii) neither our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents, CDP nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;

(iii) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;

(iv) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your application; and

(v) in making your application, reliance is placed solely on the information contained in this Prospectus and neither our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents nor any other person involved in the Invitation shall have any liability for any information not so contained.

Steps for Electronic Applications through ATMs and the Internet Banking website of UOB

The instructions for Electronic Applications will appear on the ATM screens and the Internet Banking website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through UOB's ATMs or through the Internet Banking website of UOB are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB Group) may differ from that represented below.

Owing to space constraints on UOB's ATM screens, the following terms will appear in abbreviated form:–

"&"	:	AND
"A/C" and "A/CS"	:	ACCOUNT AND ACCOUNTS, respectively
"ADDR"	:	ADDRESS
"AMT"	:	AMOUNT
"APPLN"	:	APPLICATION
"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	:	CENTRAL PROVIDENT FUND BOARD
"CPFINVT A/C"	:	CPF INVESTMENT ACCOUNT
"ESA"	:	ELECTRONIC SHARE APPLICATION
"IC/PSSPT"	:	NRIC or PASSPORT NUMBER
"NO" OR "NO."	:	NUMBER
"PERSONAL NO"	:	PERSONAL IDENTIFICATION NUMBER
"REGISTRARS"	:	SHARE REGISTRARS
"SCCS"	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
"TRANS"	:	TRANSACTIONS
"YR"	:	YOUR

Steps for an ATM Electronic Application through the ATMs of UOB

Step 1 : Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.

2 : Select "CASHCARD/OTHER TRANS".

3 : Select "SECURITIES APPLICATION".

4 : Select the share counter which you wish to apply for.

5 : Read and understand the following statements which will appear on the screen:–

— THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/ OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS.

(Customer to press "ENTER" to continue)

— PLEASE CALL 1800 222 2121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT. WHERE APPLICABLE, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT.

(Customer to press "ENTER" key to confirm that you have read and understood the above statements)

6 : Read and understand the following terms which will appear on the screen:–

— YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/ SUPPLEMENTARY DOCUMENT AND THIS ELECTRONIC APPLICATION.

— YOU CONSENT TO DISCLOSE YOUR NAME, IC/PASSPORT NUMBER, NATIONALITY, ADDRESS, APPLICATION AMOUNT, CPF INVESTMENT ACCOUNT NUMBER & CDP ACCOUNT NUMBER FROM YOUR ACCOUNTS TO CDP, CPF, SCCS, SHARE REGISTRARS, SGX-ST AND ISSUER/ VENDOR(S).

— THIS IS YOUR ONLY FIXED PRICE APPLICATION AND IS IN YOUR NAME AND AT YOUR RISK.

(Customer to press "ENTER" to continue)

7 : Screen will display:–

NRIC/Passport No. XXXXXXXXX

IF YOUR NRIC/PASSPORT NUMBER IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.

(Customer to press "CANCEL" or "CONFIRM")

8 : Select mode of payment i.e. "CASH ONLY". You will be prompted to select Cash Account type to debit (i.e "CURRENT ACCOUNT/I-ACCOUNT", "CAMPUS" OR "SAVINGS ACCOUNT/TX ACCOUNT"). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.

9 : After you have selected the account, your CDP Securities Account number will be displayed for you to confirm or change (this screen with your CDP Securities Account number will be shown if your CDP Securities Account number is already stored in the ATM system of UOB). If this is the first time you are using UOB's ATM to apply for shares, your CDP Securities Account number will not be stored in the ATM system of UOB, and the following screen will be displayed for your input of your CDP Securities Account number.

10 : Read and understand the following terms which will appear on the screen:–

(1) YOU ARE REQUIRED TO ENTER YOUR CDP ACCOUNT NUMBER FOR YOUR FIRST IPO/SECURITIES APPLICATION. THIS ACCOUNT NUMBER WOULD BE DISPLAYED FOR FUTURE APPLICATIONS.

(2) DO NOT APPLY FOR JOINT ACCOUNT HOLDER OR OTHER THIRD PARTIES.

(3) PLEASE ENTER YOUR OWN CDP ACCOUNT NUMBER (12-DIGITS) & PRESS ENTER.

IF YOU WISH TO TERMINATE THE TRANSACTION, PLEASE PRESS CANCEL.

11 : Key in your CDP Securities Account number (12 digits) and press the "ENTER" key

12 : Select your nationality status

13 : Key in the number of securities you wish to apply for and press the "ENTER" key

14 : Check the details of your Electronic Application on the screen and press "ENTER" key to confirm your Electronic Application

15 : Select "NO" if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only

Steps for an Internet Electronic Application through the Internet Banking website of UOB

Owing to space constraints on UOB's IB website screens, the following terms will appear in abbreviated form:

"CDP"	:	The Central Depository (Pte) Limited
"CPF"	:	The Central Provident Fund
"PR"	:	Permanent Resident
"SGD"or "$"	:	Singapore Dollars
"SCCS"	:	Securities Clearing & Computer Services (Pte) Ltd
"SGX"	:	Singapore Exchange Securities Trading Limited
Step 1	:	Connect to UOB's website at http://www.uobgroup.com
2	:	Locate the UOB Online Services Login icon on the top right hand side next to "Internet Banking"
3	:	Click on UOB Online Services Login and at drop list select "UOB Personal Internet Banking"
4	:	Enter your Username and Password and click "Submit"
5	:	Click on "Proceed" under the Full Access Mode
6	:	You will receive a SMS One-Time Password. Enter the SMS One-Time Password and click "Proceed"
7	:	Click on "EPS/Securities/CPFIS", follow by "Securities", follow by "Securities Application"
8	:	Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions
9	:	Click "Continue"
10	:	Select your country of residence (you must be residing in Singapore to apply), and click "Continue"
11	:	Select the "Securities Counter" from the drop list (if there are concurrent IPOs) and click "Submit"
12	:	Check the "Securities Counter", select the mode of payment and account number to debit and click on "Submit"

13 : Read the important instructions and click on “Continue” to confirm that:–

1. **You have read, understood and agreed to all the terms of this application and Prospectus/Document or Supplementary Document.**

2. **You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable), and application details to the securities registrars, SGX, SCCS, CDP, CPF Board and issuer/vendor(s).**

3. **This application is made in your own name, for your own account and at your own risk.**

4. **For FIXED/MAX price securities application, this is your only application. For TENDER price shares application, this is your only application at the selected tender price.**

5. **For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in SGD, based on the Bank’s exchange profit or loss, or application monies may be debited and refunds credited in SGD at the same exchange rate.**

6. **For 1ST-COME-1ST SERVE securities, the number of securities applied for may be reduced, subject to the availability at the point of application.**

14 : Check your personal details, details of the share counter you wish to apply for and account to debit:-

Select (a) Nationality;

Enter (b) your CDP securities account number; and

(c) the number of shares applied for.

Click “Submit”.

15 : Check the details of your application, your NRIC/Passport number, CDP securities account number and the number of shares applied for, share counter, payment mode and account to debit.

16 : Click “Confirm”, “Edit” or “Home” as applicable.

17 : Print the Confirmation Screen (optional) for your own reference and retention only.

Overseas Education Limited

25F Paterson Road, Singapore 238515