



## MINDCHAMPS PRESCHOOL LIMITED

(Company Registration Number: 200814577H)

(Incorporated in Singapore)

### UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

#### Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2017 ("FY2017") and 31 December 2016 ("FY2016")

		Group		
	Note	FY2017 S\$'000	FY2016 S\$'000	Change %
Revenue	8(A)(3)	22,791	18,418	24%
Cost of sales	8(A)(4)	(7,656)	(5,974)	28%
<b>Gross profit</b>		15,135	12,444	22%
Other income	8(A)(5)	1,442	1,214	19%
Expenses				
- Administrative	8(A)(6)	(9,742)	(7,031)	39%
- Marketing	8(A)(7)	(560)	(358)	56%
<b>Operating profits</b>		6,275	6,269	NM
Other (loss)/gain - net		(13)	16	NM
Non-operating expenses				
- Finance		(58)	(5)	NM
- Initial public offering		(495)	-	NM
- Mergers and acquisitions		(507)	-	NM
<b>Profit before income tax</b>		5,202	6,280	(17%)
Income tax expense		(312)	(447)	NM
<b>Net profit</b>		4,890	5,833	(16%)
<b>Other comprehensive income:</b>				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation - (Loss)		(212)	(3)	NM
<b>Total comprehensive income</b>		4,678	5,830	(20%)

#### Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2017

**("FY2017") and 31 December 2016 ("FY2016")** (continued)

Note	Group		Change %
	FY2017 S\$'000	FY2016 S\$'000	
<b>Profit attributable to:</b>			
Equity holders of the Company	4,565	5,391	(15%)
Non-controlling interests	325	442	(26%)
	<u>4,890</u>	<u>5,833</u>	(16%)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	4,353	5,388	(19%)
Non-controlling interests	325	442	(26%)
	<u>4,678</u>	<u>5,830</u>	(20%)

NM: Not meaningful

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

	Group		Change %
	FY2017 S\$'000	FY2016 S\$'000	
Amortisation of intangible assets	509	305	67%
Depreciation of property, plant and equipment	421	240	75%
Allowance for impairment of trade and other receivables	-	219	(100%)

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

**Consolidated Balance Sheet**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2017 S\$'000</b>	<b>As at 31 December 2016 S\$'000</b>	<b>As at 31 December 2017 S\$'000</b>	<b>As at 31 December 2016 S\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	39,377	3,874	32,803	181
Trade and other receivables	7,944	5,404	23,472	3,982
Inventories	90	80	-	-
	<u>47,411</u>	<u>9,358</u>	<u>56,275</u>	<u>4,163</u>
<b>Non-current assets</b>				
Property, plant and equipment	1,725	1,147	244	283
Intangible assets	21,679	5,429	639	361
Deferred income tax assets	388	-	67	-
Investments in subsidiary corporations	-	-	8,138	6,755
	<u>23,792</u>	<u>6,576</u>	<u>9,088</u>	<u>7,399</u>
<b>Total assets</b>	<u>71,203</u>	<u>15,934</u>	<u>65,363</u>	<u>11,562</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	5,046	5,218	7,937	6,686
Deferred income	1,635	2,089	-	56
Borrowings	2,315	40	2,315	40
Current income tax liabilities	722	484	-	-
	<u>9,718</u>	<u>7,831</u>	<u>10,252</u>	<u>6,782</u>
<b>Non-current liabilities</b>				
Other payables	-	3,737	-	3,737
Borrowings	4,636	56	4,636	56
Deferred income tax liabilities	17	-	-	-
Provision for reinstatement costs	164	145	-	-
	<u>4,817</u>	<u>3,938</u>	<u>4,636</u>	<u>3,793</u>
<b>Total liabilities</b>	<u>14,535</u>	<u>11,769</u>	<u>14,888</u>	<u>10,575</u>
<b>NET ASSETS</b>	<u>56,668</u>	<u>4,165</u>	<u>50,475</u>	<u>987</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	49,301	500	49,301	500
Currency translation reserve	(175)	37	-	-
Retained profits	7,574	3,187	1,174	487
	<u>56,700</u>	<u>3,724</u>	<u>50,475</u>	<u>987</u>
<b>Non-controlling interests</b>	<u>(32)</u>	<u>441</u>	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<u>56,668</u>	<u>4,165</u>	<u>50,475</u>	<u>987</u>



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

	<b>Group</b>			
	<b>As at 31 December 2017</b>		<b>As at 31 December 2016</b>	
	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
Amount repayable in one year or less, or on demand	2,352	-	40	-
Amount repayable after one year	4,711	-	56	-
<b>Total</b>	<b>7,063</b>	<b>-</b>	<b>96</b>	<b>-</b>

**Details of collaterals**

The Group's borrowings consist of term loan and finance lease liabilities.

The Group's term loan is secured by means of:

- Memorandum of Charge/Assignment over shares in a subsidiary corporation, MindChamps Australia Pty. Ltd.; and
- Deed of Guarantee and Indemnity for all monies from immediate holding corporation, MindChamps Holdings Pte. Limited.

The Group's finance lease liabilities are effectively secured over the leased motor vehicles, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

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

**Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>FY2017</b>	<b>FY2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Net profit	4,890	5,833
Adjustments for:		
- Amortisation of intangible assets	509	305
- Depreciation of property, plant and equipment	421	240
- Write-down of property, plant and equipment	-*	-
- Interest expense	58	5
- Interest income	(40)	(24)
- Income tax expense	312	447
- Initial public offering expenses paid	507	-
- Mergers and acquisitions expenses paid	495	-
- Unrealised currency translation losses	17	1
	<u>7,169</u>	<u>6,807</u>
Change in working capital:		
- Trade and other receivables	(2,387)	(2,161)
- Inventories	(9)	(25)
- Trade and other payables	2,042	(255)
- Provision for reinstatement costs	19	65
- Deferred income	(876)	(92)
Cash generated from operations	<u>5,958</u>	<u>4,339</u>
Income tax refund	39	36
Income tax paid	<u>(484)</u>	<u>(385)</u>
<b>Net cash provided by operating activities</b>	<u>5,513</u>	<u>3,990</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(439)	(650)
Additions to intangible assets	(723)	(458)
Acquisitions of subsidiary corporations, net of cash acquired	-	(611)
Acquisitions of preschool businesses	(16,629)	-
Acquisitions of non-controlling interests	(680)	-
Interest received	40	24
Acquisitions related expenses paid	<u>(495)</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(18,926)</u>	<u>(1,695)</u>
<b>Cash flows from financing activities</b>		
Dividend paid to equity holders of the Company	(2,500)	(5,050)
Dividend paid to non-controlling interests	(110)	(237)
Interest paid	(33)	(5)
Repayments of finance lease liabilities	(40)	(38)
Repayments of bank borrowings	(6,298)	-
Proceeds from bank borrowings	13,306	-
Proceeds from initial public offering	47,566	-
Bank borrowings transaction cost paid	(137)	-
Initial public offering expenses paid	<u>(2,834)</u>	<u>-</u>
<b>Net cash provided by/(used in) financing activities</b>	<u>48,920</u>	<u>(5,330)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>35,507</u>	<u>(3,035)</u>
<b>Cash and cash equivalents</b>		
Beginning of financial year	3,874	6,912
Effects of currency translation on cash and cash equivalents	(4)	(3)
End of financial year	<u>39,377</u>	<u>3,874</u>

\*Less than S\$1,000

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

**(A) Consolidated Statement of Changes in Equity**

	Attributable to equity holders of the Company				Non-controlling interests	Total
	Share capital	Currency translation reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2017</b>						
<b>Balance as at 1 January 2017</b>	500	37	3,187	3,724	441	4,165
Total comprehensive income for the financial year	-	(212)	4,565	4,353	325	4,678
Dividend	-	-	-	-	(110)	(110)
Acquisition of a preschool business	-	-	-	-	(186)	(186)
Acquisitions of non-controlling interests	-	-	(178)	(178)	(502)	(680)
New shares issued pursuant to initial public offering	51,128	-	-	51,128	-	51,128
Initial public offering expenses capitalised	(2,327)	-	-	(2,327)	-	(2,327)
<b>Balance as at 31 December 2017</b>	<b>49,301</b>	<b>(175)</b>	<b>7,574</b>	<b>56,700</b>	<b>(32)</b>	<b>56,668</b>
<b>2016</b>						
<b>Balance as at 1 January 2016</b>	500	40	2,846	3,386	163	3,549
Total comprehensive income for the financial year	-	(3)	5,391	5,388	442	5,830
Dividend	-	-	(5,050)	(5,050)	(237)	(5,287)
Acquisitions of subsidiary corporations	-	-	-	-	73	73
<b>Balance as at 31 December 2016</b>	<b>500</b>	<b>37</b>	<b>3,187</b>	<b>3,724</b>	<b>441</b>	<b>4,165</b>

**(B) Company - Statement of Changes in Equity**

	Attributable to equity holders of the Company		
	Share capital	Retained profits	Total
	S\$'000	S\$'000	S\$'000
<b>2017</b>			
<b>Balance as at 1 January 2017</b>	500	487	987
Total comprehensive income for the financial year	-	687	687
New shares issued pursuant to initial public offering	51,128	-	51,128
Initial public offering expenses capitalised	(2,327)	-	(2,327)
<b>Balance as at 31 December 2017</b>	<b>49,301</b>	<b>1,174</b>	<b>50,475</b>
<b>2016</b>			
<b>Balance as at 1 January 2016</b>	500	371	871
Total comprehensive income for the financial year	-	5,166	5,166
Dividend	-	(5,050)	(5,050)
<b>Balance as at 31 December 2016</b>	<b>500</b>	<b>487</b>	<b>987</b>

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

The Company was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 24 November 2017 (the "IPO"). Following the IPO, the resultant issued and paid-up share capital of the Company are:

	Number of shares ('000)	Share capital (S\$'000)
<b>Ordinary shares of the Company</b>		
Issued and paid-up as at 31.12.2016 and 1.1.2017	500	500
Sub-division of shares	180,000	500
Issue of new shares pursuant to IPO	61,600	51,128
<b>Issued and paid-up as at 31.12.2017</b>	<b>241,600</b>	<b>51,628</b>
Less: IPO expenses capitalised	-	(2,327)
<b>Share capital net of capitalised IPO expenses as at 31.12.2017</b>	<b>241,600</b>	<b>49,301</b>

The Company did not have any outstanding options, rights, convertibles or treasury shares as at 31 December 2016 and 2017.



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

	<b>As at 31 December 2017 ('000)</b>	<b>As at 31 December 2016 ('000)</b>
Total number of issued shares	241,600	500

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

The Company did not have any sales, transfers, cancellation and/or use of treasury shares as at 31 December 2017.

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

The Company did not have any sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2017.

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

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

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

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

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

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial statements.

The Group has adopted the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for application in the financial year. The adoption of the new or revised FRS and INT FRS has not resulted in any substantial changes to the Group's accounting policies nor has any significant impact on these financial statements.

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

Not applicable. Refer to Note 4 above.

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

**(i) Earnings per ordinary share**

<b>Earnings Per Ordinary Share</b>	<b>FY2017</b>	<b>FY2016</b>
Based on the weighted average number of ordinary shares on issue (in Singapore cents)	2.45	2.99*
On a fully diluted basis (detailing any adjustments made to the earnings) (in Singapore cents)	2.45	2.99*

*\*Earnings per ordinary share for the corresponding period is calculated by dividing the net profit attributable to equity holders of the Company to the pre-invitation share capital of the Company. The Company's pre-invitation number of shares of 180,000,000 has been used in the calculation of basic and diluted earnings per ordinary share for the corresponding period presented in accordance with FRS 33, assuming the subdivision of ordinary shares pursuant to the IPO exercise had been completed on 1 January 2016.*

**(ii) Illustrated earnings per ordinary share (excluding the mergers and acquisitions expenses and non-recurring IPO expenses)**

For better comparison of year-on-year earnings per ordinary share of the Group for FY2016 and FY2017, mergers and acquisitions expenses and non-recurring IPO expenses are excluded from the earnings for FY2017 and the illustrated earnings per ordinary share are as follow:

<b>Illustrated Earnings Per Ordinary Share</b>	<b>FY2017</b>	<b>FY2016</b>
Based on the weighted average number of ordinary shares on issue (in Singapore cents)	2.98	2.99
On a fully diluted basis (detailing any adjustments made to the earnings) (in Singapore cents)	2.98	2.99

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

<b>Net Asset Value Per Share</b>	<b>Group</b>		<b>Company</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
Net asset value per share based on total number of issued shares at the end of year (in cents)	23.46	2.31*	20.89	0.55*

*\*For comparative purposes, the calculation of the net asset value per share of the Group as at 31 December 2016 and 31 December 2017 is based on the pre-invitation and post-invitation share capital comprising 180,000,000 shares and 241,600,000 shares respectively.*

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

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

- (1) Since February 2017, the management has spent a significant amount of time and effort on the Group's IPO and the preparation for the Group's global expansion post-IPO.
- (2) For the financial year ended 31 December 2017, the Group maintained an operating profit of S\$6.3 million (FY2016: S\$6.3 million). Taking into consideration the IPO, mergers and acquisitions and other non-operating expenses, which amounted to approximately S\$1.1 million, the Group recorded a profit before tax of approximately S\$5.2 million in FY2017.
- (3) Revenue increased by approximately S\$4.4 million or 24%, from S\$18.4 million in FY2016 to S\$22.8 million in FY2017. The increase was mainly attributable to:
  - (a) an increase of approximately S\$3.2 million in school fees, resulting from the increased number of enrolled students following the acquisitions of two centres, MindChamps PreSchool @ Zhongshan Park and MindChamps PreSchool @ Serangoon in FY2016, the commencement of business operation of MindChamps PreSchool @ Leisure Park Kallang in January 2017 and the acquisitions of four preschool businesses in Broadway, Eastwood, Cherrybrook and Hornsby in Australia in November 2017; and
  - (b) an increase of approximately S\$0.6 million in royalty fees received, resulting from the increased number of franchisee-owned-franchisee-operated ("FOFO") centres and the increase of school fees in FY2017.
- (4) Cost of sales increased by approximately S\$1.7 million or 28% from S\$6.0 million in FY2016 to S\$7.7 million in FY2017. The increase in our cost of sales was mainly due to higher academic staff costs incurred by the centres indicated in (1)(a) above.
- (5) Other income increased by approximately S\$0.2 million or 19%, from S\$1.2 million in FY2016 to S\$1.4 million in FY2017, mainly due to an increase in the service income generated from the provision of services to FOFO centres, as a result of the increased number of FOFO centres in FY2017.
- (6) Operating administrative expenses increased by approximately S\$2.7 million or 39%, from S\$7.0 million in FY2016 to S\$9.7 million in FY2017. The increase was mainly attributable to:
  - (a) an increase in other administrative costs of approximately S\$1.3 million incurred by the centres indicated in (1)(a), such as rental, utilities, depreciation, amortisation, repairs and maintenance and other day-to-day running costs; and
  - (b) an increase in staff costs of approximately S\$1.3 million following an increase in the number of staff in FY2017, to support the Group's business expansion overseas and SGX compliance related matters.
- (7) Operating marketing expenses increased by approximately S\$0.2 million or 56%, from S\$0.4 million in FY2016 to S\$0.6 million in FY2017. The increase in marketing expenses in FY2017 was in line with the increase in scale of operations and the branding of our overseas business.

## **(B) COMMENTARY ON THE CONSOLIDATED BALANCE SHEET**

### **(1) Current assets**

The Group's current assets increased by approximately S\$38.0 million or 407% from S\$9.4 million as at 31 December 2016 to S\$47.4 million as at 31 December 2017 mainly due to an increase in cash and cash equivalents of approximately S\$35.5 million.

The increase in cash and cash equivalents was mainly due to the net proceeds received from IPO.

### **(2) Non-current assets**

The Group's non-current assets increased by approximately S\$17.2 million or 262% from S\$6.6 million as at 31 December 2016 to S\$23.8 million as at 31 December 2017 mainly due to goodwill resulting from our acquisitions of four preschool businesses in Australia on 10 November 2017.

### **(3) Current liabilities**

The Group's current liabilities increased by approximately S\$1.9 million or 24% from S\$7.8 million as at 31 December 2016 to S\$9.7 million as at 31 December 2017 mainly due to an increase in borrowings of approximately S\$2.3 million and a decrease in deferred income of approximately S\$0.5 million.

Increase in the Group's current borrowings of approximately S\$2.3 million was mainly due to a portion of the term loan drawdown to finance the acquisitions of four preschool businesses in Australia on 10 November 2017 and is repayable within 12 months after the balance sheet date.

The deferred income comprises franchise income, school fees and service income. The decrease of approximately S\$0.5 million was mainly due to recognition of franchise income in FY2017.

### **(4) Non-current liabilities**

The Group's non-current liabilities increased by approximately S\$0.9 million or 22% from S\$3.9 million as at 31 December 2016 to S\$4.8 million as at 31 December 2017 mainly due to an increase in borrowings of approximately S\$4.6 million and a decrease in other payable of approximately S\$3.7 million.

Increase in the Group's non-current borrowings of approximately S\$4.6 million was mainly due to a portion of the term loan drawdown to finance the acquisitions of four preschool businesses in Australia on 10 November 2017 and is repayable beyond 12 months after the balance sheet date.

Decrease in other payables of approximately S\$3.7 million was mainly due to settlement of deferred purchase consideration for the acquisitions of MindChamps PreSchool @ Serangoon and MindChamps PreSchool @ Zhongshan Park in FY2016.

### **(C) COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS**

The Group's cash and cash equivalents increased by approximately S\$35.5 million or 916% from S\$3.9 million as at 31 December 2016 to S\$39.4 million as at 31 December 2017.

(1) Major contributors of cash inflows were:

- (a) net cash provided by operating activities of approximately S\$5.5 million (FY2016: S\$4.0 million); and
- (b) net proceeds from the IPO exercise that took place on 24 November 2017 amounting to approximately S\$44.7 million.

(2) Major cash outflow was for the purchase considerations of approximately S\$16.6 million paid for the acquisitions of preschool businesses in Singapore and Australia.

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

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

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

On 15 February 2018, the Group entered into a joint venture agreement with China First Capital Group Limited to establish a fund (the "China Preschool Fund") which has an investment objective of establishing and acquiring preschools in the People's Republic of China and operating them under the "MindChamps" brand.

The China Preschool Fund targets to raise an initial tranche of US\$200 million from the offering and sale of limited partnership interests to limited partners of the China Preschool Fund.

As a result of the establishment of the China Preschool Fund structure, the Group expects to receive the following income streams:

- (a) franchise income and royalty fees;
- (b) profits from the franchising company (in which the Group will have a 49% shareholding);
- (c) returns from investment in the China Preschool Fund, if the Group invests as a limited partner; and
- (d) profits from the operations of the general partner of the China Preschool Fund (in which the Group will have a 50% shareholding).

## 11. Dividend

### (a) Current Financial Period Reported On

*Any dividend recommended for the current financial period reported on?*

No.

### (b) Corresponding Period of the Immediately Preceding Financial Year

*Any dividend declared for the corresponding period of the immediately preceding financial year?*

Yes, the following dividend was declared in FY2016 in relation to the financial year ended 31 December 2016 (pre-IPO).

<b>Name of Dividends</b>	Interim Dividend
<b>Dividend</b>	Cash
<b>Dividend Rate</b>	S\$10.10 per share
<b>Tax Rate</b>	Tax Exempt (One-tier)

### (c) Date Payable

Not applicable.

### (d) Book Closure Date

Not applicable.

## 12. If no dividend has been declared (recommended), a statement to that effect.

The Group intends to utilise and/or reinvest the profits generated in FY2017 from the Group's operations and does not intend to pay any dividends to shareholders with respect to the Group's profits generated in FY2017. Moving forward, the Board intends to recommend and distribute dividends of at least 40% of the Group's net profit after tax (excluding exceptional items) generated in FY2018, as the Group wishes to reward the shareholders for participating in the Group's growth. Shareholders should note that the foregoing statements are merely statements of the Group's present intention and shall not constitute legally binding obligations on the Group or legally binding statements in respect of the Group's future dividends (including those proposed for FY2018), which may be subject to modification (including reduction or non-declaration thereof) in the Group's sole and absolute discretion. Shareholders should also not treat the proposed dividends for FY2018 as an indication of the Group's future dividend policy.

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

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

## 14. Negative confirmation pursuant to Rule 705(5).

Not applicable for announcement on full year results.

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

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

**16. Use of proceeds from the Company's IPO**

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

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

<b>Use of proceeds</b>	<b>Amount allocated (S\$ mil)</b>	<b>Amount utilised (S\$ mil)</b>	<b>Amount unutilised (S\$ mil)</b>
For payment of IPO underwriting commissions and offering expenses	3.0	3.0	-
Partial repayment of term loan drawn down to finance the acquisitions of four preschool businesses in Australia in FY2017	6.1	6.1	-
For funding of our future expansion plans, including potential acquisitions	34.5	-	34.5
For general corporate and working capital purposes	4.0	-	4.0
<b>Total</b>	<b>47.6</b>	<b>9.1</b>	<b>38.5</b>

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

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

**(a) Business Segment**

	Singapore			Australia		Group
	Education S\$'000	Franchise & Corporate S\$'000	Others S\$'000	Education S\$'000	Franchise & Corporate S\$'000	Total S\$'000
<b>2017</b>						
<b>Sales</b>						
Total segment sales	13,472	9,789	-	841	76	24,178
Inter-segment sales	-	(1,311)	-	-	(76)	(1,387)
Sales to external parties	13,472	8,478	-	841	-	22,791
<b>Adjusted operating EBITDA</b>						
	<b>4,007</b>	<b>3,266</b>	<b>(7)</b>	<b>264</b>	<b>(378)</b>	<b>7,152</b>
IPO expenses	-	(507)	-	-	-	(507)
Mergers and acquisitions expenses	-	-	-	-	(495)	(495)
<b>Adjusted EBITDA</b>	<b>4,007</b>	<b>2,759</b>	<b>(7)</b>	<b>264</b>	<b>(873)</b>	<b>6,150</b>
Depreciation	325	67	-*	23	6	421
Amortisation	15	475	19	-	-	509
<b>Segment assets</b>	<b>11,757</b>	<b>41,291</b>	<b>279</b>	<b>17,737</b>	<b>139</b>	<b>71,203</b>
Segment assets includes:						
Additions to:						
- property, plant and equipment	362	18	-*	59	-	439
- intangible assets	193	723	-	16,059	-	16,975
<b>Segment liabilities</b>	<b>(4,122)</b>	<b>(9,684)</b>	<b>(173)</b>	<b>(416)</b>	<b>(140)</b>	<b>(14,535)</b>
<b>2016</b>						
<b>Sales</b>						
Total segment sales	10,863	8,588	19	-	-	19,470
Inter-segment sales	(23)	(1,029)	-	-	-	(1,052)
Sales to external parties	10,840	7,559	19	-	-	18,418
<b>Adjusted EBITDA</b>	<b>3,749</b>	<b>3,170</b>	<b>(24)</b>	<b>-</b>	<b>(89)</b>	<b>6,806</b>
Depreciation	148	88	2	-	2	240
Amortisation	9	276	20	-	-	305
<b>Segment assets</b>	<b>9,586</b>	<b>5,551</b>	<b>303</b>	<b>-</b>	<b>494</b>	<b>15,934</b>
Segment assets includes:						
Additions to:						
- property, plant and equipment	513	95	-	-	42	650
- intangible assets	4,730	403	52	-	-	5,185
<b>Segment liabilities</b>	<b>(3,490)</b>	<b>(8,089)</b>	<b>(184)</b>	<b>-</b>	<b>(6)</b>	<b>(11,769)</b>
<i>*Less than S\$1,000</i>						



**(b) Geographical Segment**

	Sales		EBITDA	
	FY2017 S\$'000	FY2016 S\$'000	FY2017 S\$'000	FY2016 S\$'000
Singapore	21,950	18,418	6,759	6,895
Australia	841	-	(609)	(89)
	22,791	18,418	6,150	6,806

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

The percentage of contribution to turnover and earnings by the business or geographical segments is tabulated as follows:

	Sales		EBITDA	
	FY2017	FY2016	FY2017	FY2016
<u>By business segment</u>				
Education				
- Singapore	59%	59%	65%	55%
- Australia	4%	-	4%	-
Franchise & Corporate				
- Singapore	37%	41%	45%	47%
- Australia	-	-	(14%)	(2%)
Others	-	-*	-*	-*
	100%	100%	100%	100%
<u>By geographical segment</u>				
Singapore	96%	100%	110%	101%
Australia	4%	-	(10%)	(1%)
	100%	100%	100%	100%

\*Less than 1%

There was no material change in the contributions to turnover and earnings by the business or geographical segments. The Education segment and Singapore segment remained as the largest contributor in the business and geographical segment respectively for turnover and earnings in FY2017 and FY2016.

**19. Breakdown of sales**

	Group		
	FY2017 S\$'000	FY2016 S\$'000	Change %
(a) Sales reported for first half year	9,203	8,773	5%
(b) Operating profit after tax before deducting minority interests reported for first half year	1,496	3,161	(53%)
(c) Sales reported for second half year	13,588	9,645	41%
(d) Operating profit after tax before deducting minority interests reported for second half year	3,394	2,672	27%

Please refer to Note 8 above for explanations for the movement of the Group's financial performance.

**20. Breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year**

	<b>31 December 2017 S\$'000</b>	<b>31 December 2016 S\$'000</b>
Ordinary interim dividend	-	5,050
Preference	-	-
<b>Total</b>	<b>-</b>	<b>5,050</b>

**21. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704 (13) in the format below. If there are no such persons, the Company must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704 (13).

**By order of the Board**

**David Chiem Phu An  
Executive Chairman  
1 March 2018**