Hong Kong Education (Int'l) Investments Limited
香 港 教 育（國 際）投 資 集 團 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1082)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

For the six months ended 31 December 2014:

– The Group recorded revenue of approximately HK$111.86 million, representing a decrease of approximately 8.08% as compared to approximately HK$121.70 million for the corresponding period in 2013.

– The Group recorded a loss of approximately HK$12.01 million (2013: approximately HK$11.08 million). The loss was mainly due to the impairment loss on listed available-for-sale investment of approximately HK$6.45 million and the equity-settled share-based payments for the share options granted by the Company during the Period of approximately HK$2.39 million, which are non-cash in nature.

As at 31 December 2014:

– The Group had a current ratio (defined as total current assets divided by total current liabilities) of 6.39 times and a gearing ratio, expressed as total debts divided by the sum of total equity plus total debts (total debts refer to total liabilities minus the sum of tax payable, deferred tax liabilities and dividend payable (if any)) of 9.06%.

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2014 (2013: Nil).

INTERIM RESULTS (UNAUDITED)

The board ("**Board**") of directors ("**Directors**") of Hong Kong Education (Int'l) Investments Limited ("**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries ("**Group**") for the six months ended 31 December 2014 ("**Period**"), together with the comparative unaudited figures for the corresponding period in 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 31 December	
		2014	2013
		(Unaudited)	(Unaudited)
	NOTES	***HK$'000***	*HK$'000*
Revenue	*4*	**111,859**	121,696
Other income, gains and losses	*5*	**4,609**	914
Staff costs	*7*	**(30,899)**	(31,013)
Tutor contractor fee	*7*	**(31,074)**	(35,088)
Operating lease payments	*7*	**(24,849)**	(25,516)
Marketing expenses		**(12,746)**	(16,220)
Printing costs		**(112)**	(259)
Depreciation and amortisation		**(2,670)**	(3,464)
Change in fair value of financial assets designated at fair value through profit or loss		**–**	628
(Loss) gain arising on change in fair value of listed held-for-trading investments		**(928)**	2,607
Impairment loss on listed available-for-sale investment		**(6,451)**	–
Other operating expenses		**(23,204)**	(24,724)
Finance costs	*6*	**–**	(1,444)
Share of results of joint ventures		**521**	888
Share of results of associates		**4,105**	(188)
Loss before tax	*7*	**(11,839)**	(11,183)
Income tax expense	*9*	**(171)**	104
Loss for the period		**(12,010)**	(11,079)

	NOTES	For the six months ended 31 December 2014 (Unaudited) HK$'000	2013 (Unaudited) HK$'000
Other comprehensive (expense) income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**1**	14
Fair value loss on revaluation of listed available-for-sale investment		**(6,451)**	(29,035)
Reclassification adjustment upon impairment of available-for-sale investment		**6,451**	–
Other comprehensive expense for the period, net of income tax		**1**	(29,021)
Total comprehensive expense for the period		**(12,009)**	(40,100)
(Loss) profit for the period attributable to:			
Owners of the Company		**(11,944)**	(11,208)
Non-controlling interests		**(66)**	129
		(12,010)	(11,079)
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(11,943)**	(40,229)
Non-controlling interests		**(66)**	129
		(12,009)	(40,100)
Loss per share	*10*		
– Basic *(HK cents)*		**(0.91)**	(1.79)
– Diluted *(HK cents)*		**(0.91)**	(1.79)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	31 December 2014 (Unaudited) HK$'000	30 June 2014 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**13,435**	14,344
Investment properties		**27,500**	27,500
Goodwill		**60**	60
Other intangible assets		**1,187**	1,286
Interests in associates		**55,916**	53,691
Interests in joint ventures		**10,457**	10,936
Loan receivables	*12*	**14,054**	–
Available-for-sale investment		**9,114**	15,565
Non-current deposits		**14,379**	14,796
		146,102	138,178
Current assets			
Trade and other receivables	*13*	**17,839**	25,030
Loan receivables	*12*	**56,000**	–
Amounts due from related parties		**975**	975
Other financial assets		**4,054**	4,054
Held-for-trading investments		**2,464**	8,420
Current tax assets		**–**	384
Fixed deposits held at banks with original maturity over three months		**–**	17,430
Bank balances and cash		**92,981**	38,922
		174,313	95,215
Current liabilities			
Other payables and accruals	*14*	**17,406**	10,331
Deferred income		**9,465**	7,509
Current tax liabilities		**230**	185
Amounts due to related parties		**196**	232
		27,297	18,257
Net current assets		**147,016**	76,958

	NOTES	31 December 2014 (Unaudited) HK$'000	30 June 2014 (Audited) HK$'000
Total assets less current liabilities		**293,118**	215,136
Non-current liabilities			
Deferred tax liabilities		**1,006**	1,022
Provision for long service payments		**1,855**	1,921
		2,861	2,943
Net assets		**290,257**	212,193
Capital and reserves			
Share capital	*15*	**162,970**	96,400
Reserves		**127,128**	115,568
Equity attributable to owners of the Company		**290,098**	211,968
Non-controlling interests		**159**	225
Total equity		**290,257**	212,193

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company under the Companies Law of the Cayman Islands. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). The registered office address of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business in Hong Kong is located at Block C, 17/F, 381 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

The Company acts as an investment holding company while its principal subsidiaries, associates and joint ventures are principally engaged in the provision of private educational services, investment in securities, property investments and money lending business.

The condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The condensed consolidated financial statements have been prepared under the historical cost basis except for the properties and financial instruments which are measured at fair values or revalued amounts, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 30 June 2014 ("**2014 Annual Financial Statements**").

In addition, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA effective for annual periods beginning on or after 1 January 2014.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (as revised in 2011)	Investment Entities
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The adoption of the above new and revised HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transitional Disclosures[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 9 (as revised 2014)	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]

[1] *Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.*

[2] *Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.*

[3] *Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.*

The Group anticipates that the application of the above new or revised HKFRSs has no material impact on the results and the financial position of the Group.

4. REVENUE AND SEGMENT INFORMATION

The Group's operating and reporting segments have been identified on the basis of internal management reports prepared in accordance with the accounting policies conforming to HKFRSs which are regularly reviewed by the executive Directors, being the chief operating decision maker ("**CODM**") of the Group, in order to allocate resources to segments and to assess their performances.

The Group's operations have been organised based on four operating divisions as described below. Similarly, the information reported to the CODM is also prepared on such basis. No operating segments identified by the CODM have been aggregated in arriving the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

- Provision of private educational services – secondary tutoring services, secondary day school education, primary tutoring services, skill courses and test preparation courses, franchising income, English language training and test preparation courses, technical consultation, management and software licensing services, overseas studies consultation services and international foundation year courses

- Investment in securities – trading of securities

- Property investments – investments of properties for rental income and capital appreciation

- Money lending – providing loans as money lender

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the six months ended 31 December

	Provision of private educational services		Investment in securities		Property investments		Money lending		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
									(Unaudited)	(Unaudited)
Segment revenue	**109,006**	120,816	**–**	–	**432**	880	**2,421**	–	**111,859**	121,696
Segment results	**1,377**	(1,560)	**(986)**	2,611	**(532)**	1,411	**2,299**	–	**2,158**	2,462
Change in fair value of financial assets designated at fair value through profit or loss									**–**	628
Impairment loss on listed available-for-sale investment									**(6,451)**	–
Finance costs									**–**	(1,444)
Share of results of joint ventures									**521**	888
Share of results of associates									**4,105**	(188)
Unallocated corporate income									**96**	95
Unallocated corporate expenses									**(12,268)**	(13,624)
Loss before tax									**(11,839)**	(11,183)

The CODM assesses segment results using a measure of operating profit whereby certain items are not included in arriving at the segment results of the operating segments i.e. change in fair value of financial assets designated at fair value through profit or loss, impairment loss on listed available-for-sale investment, finance costs, share of results of joint ventures, share of results of associates, unallocated corporate income and unallocated corporate expenses.

(b) ***Segment assets and liabilities***

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

As at 31 December 2014 and 30 June 2014

	31 December 2014	30 June 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Segment assets		
Provision of private educational services	**41,798**	45,434
Investment in securities	**2,409**	8,420
Property investments	**27,878**	27,878
Money lending	**78,652**	951
Total segment assets	**150,737**	82,683
Unallocated	**169,678**	150,710
Consolidated total assets	**320,415**	233,393
Segment liabilities		
Provision of private educational services	**28,279**	19,186
Investment in securities	**75**	–
Property investments	**116**	116
Total segment liabilities	**28,470**	19,302
Unallocated	**1,688**	1,898
Consolidated total liabilities	**30,158**	21,200

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to the operating segments other than fixed deposits held at banks with original maturity over three months, bank balances and cash (other than those included in the money lending segment), interests in associates and joint ventures, other financial assets, current tax assets, available-for-sale investment and other corporate assets; and

- all liabilities are allocated to the operating segments other than current tax liabilities, deferred tax liabilities and other corporate liabilities.

(c) Other segment information

For the six months ended 31 December

	Provision of private educational services		Investment in securities		Property investments		Money lending		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
									(Unaudited)	(Unaudited)
Capital additions	**1,721**	5,778	**7**	723	**–**	–	**–**	–	**1,728**	6,501
Depreciation and amortisation	**2,452**	3,393	**188**	71	**–**	–	**30**	–	**2,670**	3,464
Provision for long service payments	**(66)**	(120)	**–**	–	**–**	–	**–**	–	**(66)**	(120)

(d) Revenue from major services

An analysis of the Group's revenue by services is as follows:

	For the six months ended 31 December	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Secondary tutoring services	**83,783**	97,134
Secondary day school education	**1,124**	(6)
Primary tutoring services, skill courses and test preparation courses	**6,462**	7,294
Franchising income	**1,869**	1,815
English language training and test preparation courses	**12,556**	12,626
Technical consultation, management and software licensing services	**2,662**	1,953
Overseas studies consultation services	**550**	–
Rental income	**432**	880
Loan interest income	**2,421**	–
Total revenue	**111,859**	121,696

The Group's assets, revenue and results for the period derived from activities located outside Hong Kong are less than 10% of the Group's total assets, revenue and results for the period, respectively.

No individual customer accounted for over 10% of the Group's total revenue during both periods.

5. OTHER INCOME, GAINS AND LOSSES

	For the six months ended 31 December	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest income	**96**	95
Dividend income	**–**	57
Gain (Loss) on disposal of		
– assets classified as held for sale	**–**	874
– property, plant and equipment	**36**	(574)
– subsidiary	**6**	–
Supporting services income	**3,517**	274
Exchange gain	**239**	–
Others	**715**	188
	4,609	914

6. FINANCE COSTS

	For the six months ended 31 December	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interests on bank and other borrowings wholly repayable within five years	**–**	1,444

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	For the six months ended 31 December	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Directors' remuneration	**3,832**	4,951
Other staff costs	**25,478**	24,425
Other staff's retirement benefit scheme contributions	**1,124**	906
Share-based payments to other staff	**594**	1,527
	31,028	31,809
Tutor contractor fee to Directors	**(129)**	(796)
Staff costs	**30,899**	31,013

Tutor contractor fee is calculated based on (i) certain percentage of revenue derived from secondary tutoring services and English language training and test preparation courses; and (ii) fixed hourly rate on primary tutoring services, skill courses and test preparation courses.

Operating lease payments represent the minimum lease payments under operating leases paid or payable to lessors which mainly are independent third parties.

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation for the current period. The reclassification might result in differences between figures shown in this condensed consolidated financial statements compared to those as shown in the condensed consolidated financial statements for the last corresponding period. The details of the reclassification are stated below:

(a) share-based payments to directors and employees included in other operating expenses have been reclassified to staff costs. It has resulted in figures for staff costs and other operating expenses for the six months ended 31 December 2013 shown in this condensed consolidated statement of profit or loss and other comprehensive income different from those shown in the same statement for the last corresponding period; and

(b) in Note 4(c), i.e. Revenue and Segment Information – other segment information, the figures in the unallocated segment have been moved to the investment in securities segment.

9. INCOME TAX EXPENSE

	For the six months ended 31 December	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**137**	6
PRC Enterprise Income Tax	**50**	31
	187	37
Overprovision in prior periods		
Hong Kong Profits Tax	**–**	(20)
Deferred tax	**(16)**	(121)
Total income tax recognised in profit or loss	**171**	(104)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

The provision for PRC Enterprise Income Tax is based on the estimated taxable income for PRC taxation purposes at the rate of taxation applicable to each year. Subsidiaries established in the PRC were subject to Enterprise Income Tax at 25% for both periods.

10. LOSS PER SHARE

The calculations of the basic and diluted loss per share attributable to owners of the Company for both periods are based on the following data:

	For the six months ended 31 December	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the purpose of basic and diluted loss per share (Loss for the period attributable to owners of the Company)	**(11,944)**	(11,208)
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,314,494,261**	624,926,087

The computation of diluted loss per share for the six months ended 31 December 2014 and 2013 did not assume the exercise of the Company's outstanding share options as the exercise price of those options are higher than the average market prices of Company's share during the relevant periods.

11. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2014 (2013: Nil).

12. LOAN RECEIVABLES

	31 December 2014	30 June 2014
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Loan receivables	**70,054**	–
Less: Balances due within one year included in current assets	**(56,000)**	–
Non-current portion	**14,054**	–

Loan receivables represent receivables arising from the money lending business of the Group. All these loan receivables are entered with contractual maturity within 1 to 2 years. The Group seeks to maintain strict control over its loan receivables in order to minimise credit risk by reviewing the borrowers' or guarantors' financial positions.

The loan receivables are interest-bearing at rates mutually agreed between the contracting parties, ranging from 8.5% to 12% per annum. As at 31 December 2014, a loan receivable with carrying amount of approximately HK$5.38 million was secured by the pledge of collateral.

Loan receivables were neither past due nor impaired at the end of the reporting period.

13. TRADE AND OTHER RECEIVABLES

	31 December 2014	30 June 2014
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Accrued revenue and trade receivables	**478**	603
Rental deposits	**20,243**	19,822
Other deposits	**963**	932
Prepayments	**5,908**	4,609
Other loan and interest receivables	**728**	6,033
Other receivables	**3,398**	7,327
	31,718	39,326
Less: Rental deposits (shown under non-current assets)	**(13,879)**	(14,296)
Trade and other receivables (shown under current assets)	**17,839**	25,030

The following is an aged analysis of accrued revenue and trade receivables, presented based on the invoice date at the end of the reporting period which approximated the respective revenue recognition dates:

	31 December 2014 (Unaudited) *HK$'000*	30 June 2014 (Audited) *HK$'000*
Accrued revenue not yet billed	**23**	145
Trade receivables:		
0 – 30 days	**282**	189
31 – 60 days	**83**	1
61 – 90 days	**9**	21
Over 90 days	**81**	247
	478	603

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of approximately HK$81,000 (30 June 2014: approximately HK$247,000) which were past due as at the reporting date and for which the Group did not provide for impairment loss. The Group did not hold any collateral over these balances. The aging of these receivables was over 90 days (30 June 2014: over 90 days).

As at 31 December 2014, accrued revenue and trade receivables primarily arose from the continuing franchise income of primary tutoring service to franchisees (30 June 2014: arose from the continuing franchise income of primary tutoring service to franchisees). The accrued revenue is not yet due as it is billed in arrears. The credit periods ranged from 30 days to 90 days. There is no credit period granted for tuition fee as they are normally received in advance.

14. OTHER PAYABLES AND ACCRUALS

	31 December 2014 (Unaudited) *HK$'000*	30 June 2014 (Audited) *HK$'000*
Other payables	**5,994**	4,728
Accrued tutor contractor fee, salary and bonus	**7,024**	3,626
Other accruals	**4,388**	1,977
	17,406	10,331

15. SHARE CAPITAL

The movements of share capital of the Company are as follows:

	Notes	**Number of shares**	**Amount** *HK$'000*
Ordinary shares of HK$0.1 each			
Authorised			
At 1 July 2014		1,500,000,000	150,000
Increase in authorised share capital on 26 November 2014	*(i)*	1,500,000,000	150,000
At 31 December 2014		3,000,000,000	300,000
Issued and fully paid			
At 1 July 2014 (Audited)		964,000,000	96,400
Issue of shares upon placing on 31 July 2014	*(ii)*	394,080,000	39,408
Issue of shares upon placing on 18 December 2014	*(iii)*	271,616,000	27,162
At 31 December 2014 (Unaudited)		1,629,696,000	162,970

Notes:

(i) At the annual general meeting of the Company held on 26 November 2014, the ordinary resolution in relation to the increase in authorised share capital was duly passed by way of poll. Following the passing of the resolution, the authorised share capital of the Company increased from HK$150,000,000 divided into 1,500,000,000 ordinary shares of HK$0.10 each ("**Share(s)**") to HK$300,000,000 divided into 3,000,000,000 Shares by the creation of an additional 1,500,000,000 Shares. The increase in authorised share capital took effect on the same date.

(ii) On 31 July 2014, an aggregate of 394,080,000 new ordinary shares of the Company of HK$0.10 each were issued to not less than six placees, who and whose ultimate beneficial owners are independent third parties, at a price of HK$0.145 per placing share. The placing shares were issued pursuant to a specific mandate obtained at the extraordinary general meeting of the Company held on 18 July 2014. The net proceeds were intended to be used for the development of the existing business and the development of online education business of the Group. The placing shares issued rank pari passu with other Shares in issue in all respects.

(iii) On 18 December 2014, an aggregate of 271,616,000 new ordinary shares of the Company of HK$0.10 each were issued to not less than six placees, who and who ultimate beneficial owners are independent third parties, at a price of HK$0.122 per placing share. The placing shares were issued pursuant to a general mandate obtained at the annual general meeting of the Company held on 26 November 2014. The net proceeds were intended to be used as general working capital of the Group. The placing shares issued rank pari passu with other Shares in issue in all respects.

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

	As at 31 December 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Available-for-sale investment	**9,114**	**–**	**–**	**9,114**
Held-for-trading investments	**2,464**	**–**	**–**	**2,464**
Derivative financial instruments	**–**	**–**	**2,199**	**2,199**
Contingent consideration	**–**	**–**	**1,855**	**1,855**
	11,578	**–**	**4,054**	**15,632**

	As at 30 June 2014			
	Level 1	Level 2	Level 3	Total
	(Audited)	(Audited)	(Audited)	(Audited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale investment	15,565	–	–	15,565
Held-for-trading investments	8,420	–	–	8,420
Derivative financial instruments	–	–	2,199	2,199
Contingent consideration	–	–	1,855	1,855
	23,985	–	4,054	28,039

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 in the current period and prior period.

The Group did not have any financial liabilities measured at fair value as at 31 December 2014 and 30 June 2014.

Available-for-sale investment and held-for-trading investments are listed equity securities in Hong Kong, for which the fair values are determined with reference to quoted bid prices in an active market. Derivative financial instruments and contingent consideration are related to various call and put options and contingent consideration receivables on equity investments. The fair values are determined with reference to binomial option pricing model and discounted cash flow analysis respectively. The key unobservable inputs used include volatility of the option life, consolidated net profit after tax of underlying investments, discount rate and scenario probability distribution.

There was no change in valuation techniques during the reporting period. The assumptions of the unobservable inputs used in Level 3 fair value measurements at the end of the reporting period were not significantly different from those used in the 2014 Annual Financial Statements. The Directors consider that the impact of changes in key unobservable inputs in Level 3 fair value measurements in the current period was no significant difference as compared to those in the 2014 Annual Financial Statements.

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements for the current reporting period approximate their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the past six months, the Group had expanded in line with its prudent business strategy, sustained a steady growth in both Hong Kong and the People's Republic of China ("**PRC**") and maintained its leading position in the education services industry. For the Period, the Group's revenue decreased by approximately 8.08% to approximately HK$111.86 million, compared with approximately HK$121.70 million from the corresponding period in 2013.

Provision of Private Educational Services

Secondary Tutoring Services

During the Period, the Group recorded revenue of approximately HK$83.78 million, representing a decrease of approximately 13.74% compared to the corresponding period in 2013. The Hong Kong Diploma of Secondary Education ("**HKDSE**") Examination is the only public examination under the new 3-3-4 secondary education system in Hong Kong. Our star-rating tutors play a significant role to consolidate the Group's leading position amid the fierce competition. Their seasoned test-taking techniques and versatile teaching methods are effective to help students to come out of the HKDSE Examination with flying colours.

The following table sets forth the number of course enrolments, the number of tutors and the average course fees of each category of secondary tutoring courses for the Period:

	For the six months ended 31 December	
	2014	2013
Number of course enrolments *(in thousands)*		
Regular courses	**113**	146
Intensive courses	**2**	2
Summer courses	**33**	38
Special courses	**12**	19
Number of tutors *(Note 1)*		
Regular courses	**37**	41
Intensive courses	**19**	20
Summer courses	**37**	39
Special courses	**28**	28
Average course fees *(HK$) (Note 2)*		
Regular courses	**539**	493
Intensive courses	**574**	680
Summer courses	**511**	451
Special courses	**229**	189

Note 1: Tutors may provide secondary tutoring services for all or certain categories of courses. Thus, the sum of the number of tutors for the provision of regular courses, intensive courses, summer courses and special courses is not equal to the total number of tutors for the Period.

Note 2: Being revenue divided by course enrolments for the Period.

As of 31 December 2014, the Group had 14 learning centers operated under the brand of "Modern Education"(現代教育).

Secondary Day School Education

The Group has resumed day school program from the academic year 2014-2015 onwards under the brand "Modern Day School"（現代日校）and offers Secondary 5 and Secondary 6 regular day school courses for students going to sit for the HKDSE Examination. During the Period, the Group recorded revenue of approximately HK$1.12 million in this sector. The number of course enrolments for Secondary 5 and Secondary 6 courses were 83 and 282 respectively with average course fee of HK$3,080.

English Language Training and Test Preparation Courses

The International English Language Testing System (IELTS) and Test of English for International Communication (TOEIC) are two widely recognised qualifications for English proficiency in the society. The Group offers IELTS and TOEIC preparation courses suited to the development and language needs in Hong Kong. The Group recorded approximately 7,800 course enrolments during the Period when compared with approximately 8,700 course enrolments in the corresponding period in 2013. Such decrease in course enrolments was partly compensated by 8% increase in tuition fee since June 2014. The Group continues to provide high-quality course materials with experienced and qualified tutors for the aforesaid examination training courses and endeavors to equip students to meet their needs.

Primary Tutoring Services, Skill Courses and Test Preparation Courses

Considering the increasing competition amongst primary students, extra learning materials are required. The Group has implemented systematic tutoring strategies supported by experienced and high-quality tutors to help students to improve their competitiveness and performance in the internal school examinations. As of 31 December 2014, the Group had 10 directly-owned education centres and 29 franchised centres in operation, which are under the brand "Modern Bachelor Education"（現代小學士）.

During the Period, the Group recorded a total number of approximately 4,500 course enrolments for the primary school tutoring services, skill courses and test preparation courses offered by our directly-owned learning centres, as compared with approximately 5,000 course enrolments in the corresponding period in 2013. Total revenue contributed by the franchised centres to the Group was approximately HK$1.87 million (2013: approximately HK$1.82 million).

PRC Operations

The PRC is currently one of the largest economies in the world. The rapid economic development has fuelled the interest of overseas studies. Parents are eager to provide quality education for their children by sending them abroad. Expecting an increasing demand for educational consultation and management services as well as tertiary education, the Group expanded our business in the PRC proactively over the years. With the passion and quality of the Group's teachers and strategic development plan, the Group has successfully built up a quality brand in the educational services segment in the PRC market and raised the brand's awareness amongst students and parents.

As the education systems of the PRC and those of overseas countries are different, international programmes run by the Group acted as a bridge, offering students opportunities to experience international education. Our teachers, most of whom hold master's degrees from internationally renowned universities, are experienced in international curricula. The Group adopts a small-class policy to encourage interaction between teachers and students and to facilitate an effective learning environment.

In addition, the Group cooperated with a number of top secondary schools in the PRC during the past years and achieved remarkable success. We will explore the possibility of establishing more high-level collaboration with the business partners in the PRC. The Group is looking forward to expanding the network of its international programmes to cover over 10 cities in the PRC in the coming 2 to 3 years.

Investments

Properties Investments

During the Period, the Group recorded rental income of approximately HK$0.43 million on properties investment. The Group maintains a prudent investment strategy and will review the return on investment regularly in order to deliver stable income and valuation gains to the Group.

Securities Investments

The Group maintains a cautious investment strategy in distributing resources in securities trading business. During the Period, the Group disposed of some shares in the securities investment portfolio and recorded a net realised loss of approximately HK$0.48 million. As at 31 December 2014, the Group recorded unrealised loss arising on change in fair value of listed held-for-trading investments of approximately HK$0.45 million. Such unrealised loss has no impact on the cash flow of the Group.

Other Investments

(i) Early Education

Nowadays, many parents have shifted their focus from primary education to early education. They believe receiving quality pre-school education at the soonest is imperative in helping their kids to grasp the techniques for better cognitive development and unlock their potentials. The Group recorded a stable development in this segment and is making progress in organising training programmes and consultation services to help kindergarten teachers to develop effective teaching skills so as to improve the overall performance of the students. During the Period, the Group shared steady profits from Full Profit Hong Kong Development Limited (which is owned as to 50% by the Group) and its subsidiary.

(ii) Continuing and Tertiary Education

Through the two brands, Compass College and Bridal Academy, owned by Seasoned Leader Limited ("**Seasoned Leader**") (which in turn is owned as to 47% by the Group), the Group offers high-quality vocation oriented academic programmes in business management, hospitality and tourism management, as well as vocational professional training courses in wedding planning, hair and makeup styling and event management. These vocational training and continuing development programmes had generated stable revenue to Seasoned Leader. During the Period, the Group shared profits of approximately HK$3.30 million from Seasoned Leader and its subsidiaries.

Money Lending Business

The Group has commenced money lending business since July 2014 through its wholly-owned subsidiary, China Rich Finance Limited, which is a holder of a valid money lenders license under the Money Lenders Ordinance (Cap.163 of the Laws of Hong Kong). During the Period, the Group recorded loan interest income of approximately HK$2.42 million from granting loans to independent third parties.

FINANCIAL REVIEW

Revenue

During the Period, the Group recorded revenue of approximately HK$111.86 million, representing a decrease of approximately 8.08% as compared with approximately HK$121.70 million recorded for the corresponding period in 2013. Such decrease was primarily due to the decrease in revenue from (i) secondary tutoring services to approximately HK$83.78 million, representing a decrease of approximately 13.74% as compared to approximately HK$97.13 million recorded for the corresponding period in 2013; and (ii) primary tutoring services (including franchising income) to approximately HK$8.33 million, representing a decrease of approximately 8.54% as compared to approximately HK$9.11 million recorded in the corresponding period in 2013.

The Group started offering day school program from the academic year 2014-2015 onwards. During the Period, the Group recorded revenue from secondary day school education of approximately HK$1.12 million. For English language training and test preparation courses, the Group recorded relatively stable revenue of approximately HK$12.56 million as compared to that in the corresponding period in 2013. Revenue from technical consultation, management and software licensing services was approximately HK$2.66 million, representing an increase of approximately 36.30% as compared to approximately HK$1.95 million recorded in the corresponding period in 2013.

For the Period, the Group recorded rental income of approximately HK$0.43 million generated from investment properties (2013: approximately HK$0.88 million). In addition, the Group commenced the money lending business in July 2014 and recorded loan interest income of approximately HK$2.42 million during the Period.

Other income, gains and losses

For the Period, the Group's other income, gains and losses recorded net gain of approximately HK$4.61 million (2013: approximately HK$0.91 million). Such increase was due to the combined effect of, among other things, (i) the increase in supporting services income by approximately HK$3.24 million and other income by approximately HK$0.53 million compared with the corresponding period in 2013; (ii) the decrease in loss on disposal of property, plant and equipment by approximately HK$0.61 million as compared with the corresponding period in 2013; and (iii) the absence of gain on disposal of assets classified as held for sale of approximately HK$0.87 million recorded in the corresponding period in 2013.

Staff costs

The Group's staff costs slightly decreased by approximately HK$0.11 million or approximately 0.37% compared with the corresponding period in 2013. Such decrease was attributable to the net effect of the decrease in Directors' emoluments and other staff salary (including the equity-settled share-based payments) of approximately HK$0.44 million and the increase in various staff-related expenses of approximately HK$0.33 million.

Tutor contractor fee

The Group's tutor contractor fee decreased by approximately HK$4.01 million or approximately 11.44% compared with the corresponding period in 2013. Such decrease was in line with the decline in revenue derived from secondary tutoring services.

Operating lease payments

The Group's operating lease payments slightly decreased by approximately HK$0.67 million or approximately 2.61% compared with the corresponding period in 2013. Such decrease was due to the net effect of a decrease in operating lease payment of two learning centres and the adjustment in monthly rental payment upon signing of certain new tenancy contracts after expiry of the tenancy during the Period.

Marketing expenses

The Group's marketing expenses decreased by approximately HK$3.47 million or approximately 21.42% compared with the corresponding period in 2013. Such decrease was mainly attributable to the reduction in media placement of approximately HK$3.70 million.

Other operating expenses

The Group's other operating expenses decreased by approximately HK$1.52 million or approximately 6.15% compared with the corresponding period in 2013. Such decrease was primarily attributable to the decrease of equity-settled share-based payments for the share options granted to eligible persons (other than Directors and employees) by the Company during the Period by approximately HK$1.20 million.

Finance costs

The Group did not incur any finance costs during the Period (2013: approximately HK$1.44 million).

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the Period was approximately HK$11.94 million (2013: approximately HK$11.21 million). Loss per share was HK0.91 cent for the Period (2013: HK1.79 cents).

OUTLOOK

In the coming future, the Group anticipates the Hong Kong secondary tutoring market will be almost saturated. More new resources will be allocated to develop the educational services and language training segments in the PRC as the PRC market is still developing and the growth potential is comparatively higher than that in Hong Kong. The management will endeavour to develop by diversifying into other related segments through strategic mergers and acquisitions as well as investments in businesses with strong development potential when opportunities arise. The management team believes prudent strategies of diversifying the Group's investment resources geographically and functionally will bring benefits to the stakeholders and give the Group a leg up to achieve synergies.

In Hong Kong

The concept of "life-long education" is prevailing in the society because it is a proactive way to enhance individual's competitiveness and unlock ones' potentials. There is a phenomenal rise in the number of knowledge seekers amongst mature age groups and working segments. Continuing development and professional training are the key target segments to be focused on in the Group's development plan.

In the PRC

The management believes that the Group can find a much bigger market in the PRC, which is a relatively untapped market up till now. The Group will continue the development of education business there using the existing platform in Hong Kong. With our professional expertise, the Group believes that there is a clear edge for the Group's existing education panel to further explore the PRC market.

Developing education services is a long-term commitment and it is of utmost importance to uphold quality. The Group will continue to provide quality education regardless of its operation mode. We believe what distinguishes one education hub from another is the quality of education being offered. Only by upholding quality can an education hub achieve sustainable development.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has established an appropriate liquidity risk management system to manage its short, medium and long-term funding and to satisfy liquidity management requirements.

As at 31 December 2014, the Group's total balance of cash and cash equivalents and unpledged bank deposits amounted to approximately HK$92.98 million (30 June 2014: approximately HK$56.35 million). As at 31 December 2014, the Group did not have any bank and other borrowings (30 June 2014: Nil). Current ratio (defined as total current assets divided by total current liabilities) was 6.39 times (30 June 2014: 5.22 times).

As at 31 December 2014, the gearing ratio of the Group was 9.06% (30 June 2014: 8.61%). Gearing ratio is total debts divided by the sum of total equity plus total debts. Total debts refer to total liabilities minus the sum of tax payable, deferred tax liabilities and dividend payable (if any).

FUND RAISING ACTIVITIES

(i) On 13 May 2014, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 394,080,000 placing shares at a price of HK$0.145 per placing share under a specific mandate to be obtained from the shareholders at an extraordinary general meeting of the Company, to not less than six placees, who are professional, institutional or other investors and who and whose ultimate beneficial owners are independent third parties. The placing was completed on 31 July 2014 and the net proceeds were approximately HK$55.43 million. Details of the placing were disclosed in the announcements of the Company dated 13 May 2014 and 31 July 2014 and the circular of the Company dated 2 July 2014.

(ii) On 3 December 2014, the Company and two placing agents entered into a placing agreement pursuant to which the Company has conditionally agreed to place through the placing agents, on a best effort basis, up to 271,616,000 placing shares at a price of HK$0.122 per placing share under a general mandate granted to the Directors at the annual general meeting of the Company held on 26 November 2014, to not less than six placees, who are professional, institutional or other investors and who and whose ultimate beneficial owners are independent third parties. The placing was completed on 18 December 2014 and the net proceeds were approximately HK$31.82 million. Details of the placing were disclosed in the announcements of the Company dated 3 December 2014 and 18 December 2014.

CAPITAL STRUCTURE AND TREASURY POLICIES

At the annual general meeting of the Company held on 26 November 2014, an ordinary resolution in relation to the increase in authorised share capital was duly passed by way of poll. Following the passing of such resolution, the authorised share capital of the Company increased from HK$150,000,000 divided into 1,500,000,000 Shares to HK$300,000,000 divided into 3,000,000,000 Shares by the creation of an additional 1,500,000,000 Shares. The increase in authorised share capital took effect on the same date.

The Group consistently employed a prudent treasury policy during its development and generally financed its operations and business development with internally generated resources and equity and/or debt financing activities. The Group also adopted flexible and prudent fiscal policies to effectively manage the Group's assets and liabilities and strengthen the Group's financial position.

EXPOSURE TO FOREIGN EXCHANGE RISK

The income and expenditure of the Group are mainly denominated in Hong Kong dollars and as such the impact of foreign exchange exposure of the Group was considered minimal. Hence, no hedging or other arrangements to reduce the currency risk have been implemented.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2014, the Group had a total of 290 employees (30 June 2014: 312 employees). They receive competitive remuneration packages that are constantly reviewed with reference to the market circumstances, with incentives such as discretionary bonuses based on the Group's and individual performance. The Group provides a comprehensive benefits package and career development opportunities.

Pursuant to a share option scheme adopted by the Company on 11 June 2011, the Board may grant options to eligible persons, including employees and Directors, to subscribe for shares of the Company. During the Period, the Company had granted options to subscribe for an aggregate of 96,400,000 shares of the Company pursuant to the share option scheme.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group had no significant contingent liabilities (30 June 2014: Nil).

CAPITAL COMMITMENTS

As at 31 December 2014, there were respective capital commitments contracted for but not provided in the condensed consolidated financial statements amounting to approximately HK$9.78 million (30 June 2014: approximately HK$10.05 million) and authorised but not contracted for amounting to HK$0.50 million (30 June 2014: HK$0.50 million).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2014, an investment property of the Group with carrying value of HK$27.50 million (30 June 2014: HK$27.50 million) was pledged to secure general banking facilities granted to the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had the following material acquisition during the Period:

On 12 December 2014, the Group entered into a shareholders agreement with Mr. Leung Wai Hon ("**JV Partner**") in relation to the formation of a joint venture company ("**JV Company**"), Vision Smart Limited, which is owned as to 51% by the JV Partner and as to 49% by the Group. The JV Company was intended to be principally engaged in the business of property investment and property holding. The JV Partner and the Group agreed to provide shareholders' loan up to HK$45.90 million and HK$44.10 million respectively for the financing of the acquisition of a property by the JV Company. Details of the investment were disclosed in the announcement of the Company dated 12 December 2014.

Save as disclosed, the Group had no other material acquisitions or disposals of subsidiaries and associated companies during the Period.

SIGNIFICANT INVESTMENT HELD

On 18 July 2014, GET Holdings Limited ("**GET Holdings**") (formerly known as M Dream Inworld Limited) completed a capital reorganisation comprising share consolidation, capital reduction and share subdivision. As of 31 December 2014, the Group held an aggregate of 102,401,978 shares (as adjusted) of GET Holdings, representing approximately 5.24% of the issued share capital of GET Holdings. The Group did not acquire or dispose of any shares of GET Holdings during the Period. The Group recorded the impairment loss on listed available-for-sale investment of approximately HK$6.45 million during the Period as a result of its investment in GET Holdings.

EVENTS AFTER THE REPORTING PERIOD

On 17 February 2015, the Company announced that the Board proposed to implement the change of domicile, adoption of new memorandum of continuance and bye-laws, cancellation of share premium account, capital reorganisation and change in board lot size (collectively, "**Proposals**").

Proposed change of domicile

The Board proposed to change the domicile of the Company from the Cayman Islands to Bermuda by way of deregistration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda ("**Change of Domicile**"). The implementation of the Change of Domicile would not affect the continuity of the Company and its listing status.

Proposed adoption of new memorandum of continuance and bye-laws

In connection with the Change of Domicile, it was proposed that the new memorandum of continuance and the bye-laws be adopted by the Company to replace, respectively, the existing memorandum and the articles of association of the Company so as to comply with the company law of Bermuda.

Proposed cancellation of share premium account

The Board proposed to cancel the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company before the Change of Domicile becoming effective.

The account designated as the contributed surplus account of the Company, subject to the approval of the Shareholders at the extraordinary general meeting of the Company to be convened and held by way of special resolution, shall be the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda upon the Change of Domicile becoming effective.

Proposed capital reorganisation

The Board also proposed to implement the capital reorganisation ("**Capital Reorganisation**") after the Change of Domicile becoming effective which would involve the following:

(i) every five (5) issued and unissued existing Shares of HK$0.10 each would be consolidated into one (1) consolidated share ("**Consolidated Share**") of HK$0.50 each ("**Share Consolidation**") and where applicable, the total number of consolidated shares in the issued share capital of the Company immediately following the Share Consolidation would be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which might arise from the Share Consolidation;

(ii) the issued share capital of the Company would be reduced through a cancellation of the paid-up capital of the Company to the extent of HK$0.49 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share would be reduced from HK$0.50 to HK$0.01 ("**Capital Reduction**");

(iii) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK$0.50 each would be sub-divided into fifty (50) new shares ("**New Shares**") of HK$0.01 each; and

(iv) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company which might arise from the Share Consolidation; and (ii) the Capital Reduction would be credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

Proposed change in board lot size

As at the date of this announcement, the existing Shares are traded in board lot size of 2,000 existing Shares. Upon the Capital Reorganisation becoming effective, the board lot size for trading of the New Shares would be changed from 2,000 to 8,000.

The Proposals are conditional upon satisfaction of the respective conditions set out in the announcement of the Company dated 17 February 2015. For more details, please refer to such announcement. As at the date of this announcement, none of the Proposals has become effective.

USE OF PROCEEDS FROM THE LISTING

The net proceeds from the Company's issue of new shares in the initial public offering (after deducting expenses relating specifically to the issue of new shares in the initial public offering and expenses relating generally to the listing of all the shares of the Company, whether existing or new) amounted to approximately HK$130 million. As at 31 December 2014, the net proceeds from the initial public offering had been utilised as follows:

	Planned amount per Prospectus	Amount utilised up to 31 December 2014	Balance as at 31 December 2014
	HK$ million	*HK$ million*	*HK$ million*
Repayment of loans	50	50	–
Setting up secondary learning centres	15	12.23	2.77
Setting up primary learning centres	6	4.63	1.37
Setting up kids learning centres *(Note)*	15	12.71	2.29
Provision of overseas studies consultation services *(Note)*	6	6	–
Provision of test preparation and bridging courses	4	4	–
Strategic merger and acquisition *(Note)*	34	34	–

Note: As disclosed in an announcement of the Company dated 28 March 2013, the Board decided to expand the use of net proceeds for investing into non-educational business, in addition to the original purposes as stated in the Company's prospectus dated 20 June 2011 ("**Prospectus**").

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**Listing Rules**") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries of the Directors, all of the Directors have complied with the required standard set out in the Model Code throughout the Period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles in and adopted the code provisions of the corporate governance code set out in Appendix 14 to the Listing Rules as its own corporate governance code ("**CG Code**"). During the Period, the Company has complied with all the provisions of the CG Code.

AUDIT COMMITTEE

The Board has established the audit committee ("**Audit Committee**") on 4 July 2011 with specific written terms of reference in compliance with the provisions set out in the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Ong Chi King, Mr. Lee Shu Fai and Mr. Pun Kwok Shan. Mr. Ong Chi King is the chairman of the Audit Committee since his appointment on 28 February 2014. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and has discussed auditing, internal controls and financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2014.

By order of the Board
Hong Kong Education (Int'l) Investments Limited
Lee Wai Lok, Ignatious
Executive Director

Hong Kong, 25 February 2015

As of the date of this announcement, the executive Directors are Mr. Wong Yuk Tong, Mr. Lee Wai Lok, Ignatious and Ms. Wu Mei Chu; and the independent non-executive Directors are Mr. Ong Chi King, Mr. Lee Shu Fai and Mr. Pun Kwok Shan.