



# CANADIAN EDUCATION COLLEGE PTE. LTD.

9 Penang Road, #14-01 Park Mall, Singapore 238459  
 Tel : (65) 6733 3866/ 6336 0666  
 Fax : (65) 6339 6882  
 Web Site : <http://canadian.edu.sg/>

## Executive Summary

Registration Date : 01.10.2003  
 Registration Number : 200309720D  
 Legal Form : Limited Exempt Private Company  
 Chief Executive : Mr. Daniel Grayston  
 Staff Strength : Approximately 20  
 Paid Up Capital : SGD50,000.00  
 Line of Business : Provision of education services  
 SIC Code : 8299  
 Auditor : -  
 Banker (s) : UOB, DBS

## Credit Rating

**CA 3**

(Please refer to Appendix)

## Credit Risk

Average

## Payment

Above Average

## Financial Condition

Average

## Operational Trend

Average

## General Reputation

Average

## Legal Status

Limited Exempt Private Company

An exempt private company does not have other companies as shareholders and does not have more than 20 individual as shareholders. Exempt private company may loan to its directors. Also, the company need not file their accounts. However, they must still submit their annual returns to the ACRA and a company director, secretary and auditor must sign a certificate to confirm that: 1) the company is an exempt private company; 2) the company is able to meet its liabilities; 3) the audited accounts have been tabled before shareholders at its Annual General Meeting.

## Corporate Profile

SC was established on 1<sup>st</sup> October 2003 as a Limited Exempt Private Company\* under the name style of West Business School Holdings Pte. Ltd. Later, the company changed its name to Canadian Education School Pte. Ltd on 6<sup>th</sup> August 2009. Lastly, the company adopted the present name style of Canadian Education College Pte. Ltd. on 22<sup>nd</sup> February 2010. The company is registered with the Accounting and Corporate Regulatory Authority (ACRA) under the registration number, 200309720D.

SC is engaged in provision of education services. An establishment of about 9 years, SC has been in this line of business since the commencement of its business operations.

SC's registered office address is 9 Penang Road, #14-01 Park Mall, Singapore 238459 and this is the company's current operating address. This premise houses SC's administrative office and operation facilities. The management further revealed that SC has operation facilities located at:-

- 1 Coleman Street, #05-12, The Adelphi, Singapore 179803
- 321 Orchard Road, #04-01/02 Orchard Shopping Centre, Singapore 238866

As of September 2012, SC's capital stands as follows:

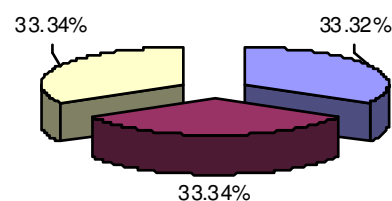
	<u>Currency</u>	<u>Amount</u>	<u>Number of Shares</u>
Issued Ordinary	SGD	50,000.00	50,000
Paid-up Ordinary	SGD	50,000.00	-



## Shareholder's Information

### Details of Shareholders:

1. Name : Daniel Grayston  
Shareholder ID : F5516278Q  
Nationality : Canadian  
Number of Shares : 16,660
2. Name : Cao Lin  
Shareholder ID : S7475246B  
Nationality : Singaporean  
Number of Shares : 16,670
3. Name : Sheryl Tianxin  
Shareholder ID : S7281471A  
Nationality : Singaporean  
Number of Shares : 16,670



### Board of Directors:

1. Name : Cao Lin  
IC/Passport : S7475246B  
Nationality : Singaporean  
Address : 1B Cantonment Road  
#32-15, The Pinnacle@Duxton  
Singapore 085201  
Date of Appointment : 28.03.2008  
Position : Director
2. Name : Daniel Grayston  
IC/Passport : F5516278Q  
Nationality : Canadian  
Address : 16 Leedon Road  
#11-01  
Singapore 267862  
Date of Appointment : 03.07.2009  
Position : Director
3. Name : Sheryl Tianxin  
IC/Passport : S7281471A  
Nationality : Singaporean  
Address : 587 Ang Mo Kio Avenue 3  
#10-3001  
Singapore 560587  
Date of Appointment : 03.07.2009/ 23.06.2009  
Position : Director/ Secretary



## Key Personnel

Heading the management is the Managing Director, Mr. Daniel Grayston. He is the overall in charge of SC's daily business operations.

**Staff Strength**  
Approximately 20

Mr. Daniel Grayston is a Canadian citizen, has been in Singapore for over 12 years, with all that time devoted to teaching English. Graduating from Simon Fraser University (top University in Canada), with an English degree, and having management experience in private and public schools in Canada, Vietnam, and Singapore, he brings with him a wealth of information and experience.

Checks revealed that apart from SC, Mr. Daniel Grayston is an Owner of another Singapore registered company, which is Canadian Enrichment Centre.

Assisting Mr. Daniel Grayston in the running of the day-to-day operations of the company is a group of personnel. Some of them are:

- Manager : Ms. Jennifer Yeo
- Finance Manager : Ms. Sheryl Tian

According to checks, SC has an approximate staff strength of 20 (part-time and full time) assisting in the daily operations of the company.



## Business Operations

On 21<sup>st</sup> September 2012, the management confirmed the business information in this report. Part of the information below is obtained from external sources.

SC is engaged in provision of education services. Established since year 2003, SC has approximately 9 years of experience in this line of business.

External sources revealed that SC has the following facilities:-

- Outdoor Garden Area
- Resource Reference Corner
- Students Lounges
- Free wireless internet access
- 8 classrooms

The following are the size and capacity of SC's classrooms:-

Room No	Size	Capacity
1	19 m <sup>2</sup>	13
2	15 m <sup>2</sup>	10
3	15 m <sup>2</sup>	11
4	16 m <sup>2</sup>	11
5	15 m <sup>2</sup>	10
6	17 m <sup>2</sup>	12
7	17 m <sup>2</sup>	12
8	22 m <sup>2</sup>	15

In according to Council for Private Education, as at 21<sup>st</sup> September 2012, SC is offering the following courses:-

- Certificate In Chinese Advanced
- Certificate In Chinese As A Foreign Language
- Certificate In Chinese Elementary
- Certificate In Chinese Intermediate
- Certificate In Conversational English Advanced
- Certificate In Conversational English Elementary
- Certificate In Conversational English Intermediate I
- Certificate In Conversational English Intermediate II
- Certificate In English Advanced
- Certificate In English As A Foreign Language
- Certificate In English Elementary
- Certificate In English Intermediate
- Diploma In Resident Care Giver
- Preparatory Course For Admission To Government Schools (Primary 2)
- Preparatory Course For Admission To Government Schools (Primary 3)
- Preparatory Course For Admission To Government Schools (Primary 4)
- Preparatory Course For Admission To Government Schools (Primary 5)
- Preparatory Course For Admission To Government Schools (Secondary 1)
- Preparatory Course For Admission To Government Schools (Secondary 2)
- Preparatory Course For Admission To Government Schools (Secondary 3)
- Preparatory Course For Certificate In Teaching English To Young Learners And Teenagers

### Operations Rating

3

### Obtained Scores

67

### Rating Guide

Rating Key	Scores	Implications
1	85-100	Excellent
2	75 - 84	Above Average
3	50 - 74	Average
4	35 - 49	Fair
5	15 - 34	Below Average
6	01 - 14	Poor
NR	No Data	No Data



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- Preparatory Course For Diploma In Teaching English To Speakers Of Other Languages
- Preparatory Course For Singapore-Cambridge General Certificate Of Education (Ordinary Level) Examination

The management revealed that, hitherto, SC has approximately total number of 120 students which approximately 20% are local students and remaining 80% are overseas students, mainly from Southeast Asia countries.

**Clientele Base**

Local – 20%  
Overseas – 80%

The management further revealed that SC plans to introduce Spanish and Korea related language courses as part of their business's strategy.

In its business transactions, payment terms that SC grants to its students vary with the courses. In general, SC grants its students on Cash Term.

**Selling Terms**

Local & Overseas – Cash

## Related Companies

SC is not known to have any subsidiaries nor associated companies registered in Singapore.

## Litigation

Litigation searches conducted based on registration number(s) and/or Identification number(s) of SC and its shareholder(s) showed that there were no legal suits filed against them in the last five years.

Litigation information is provided to D&B Singapore by a third party and may or may not reflect the status and details as at the time of original filing. As such, D&B Singapore is unable to guarantee its accuracy, completeness or currentness and shall not be liable for any damage or loss that may be caused as a result of any error, omission or reliance on the information.



## Payment

The rating indicates the payment pattern of SC based upon D&B Singapore Payment Database, comments from suppliers of SC as well as industrial sources.

### Payment Information Extracted from our Database

Date	Paying Record	Terms	Usually Pays	Maximum Outstanding (Local Curr)	Current Balance (Local Curr)	Beyond Terms (Local Curr)
31-May-12	SLOW	Net 30	30/60	300	300	300
29-Feb-12	PROMPT	Net 30		100	100	0
31-Jan-12	PROMPT	Net 30		500	250	0
31-Dec-11	PROMPT	Net 30		500	250	0
30-Nov-11	PROMPT	Net 30		500	250	0
31-Oct-11	PROMPT	Net 30		500	250	0
30-Sep-11	PROMPT	Net 30		500	250	0

Amounts may be rounded to nearest figure in prescribed ranges

*Note: In some instances, payment beyond terms can be the result of disputes over merchandise, lost invoices, etc. The "Payment", "Default" and "Collection" data and/or information may be overlap. Subscriber is required to seek for clarification in the event of doubt and notify with full details to clarify that SC has already made payment, or dispute the debt for any reason.*

## Banking

- United Overseas Bank Limited
- DBS Bank Ltd.

Charge(s) : Nil

### Payment Rating

2

### Obtained Scores

86

### Rating Guide

Rating Key	Scores	Implications
1	91-100	Excellent
2	80 - 90	Above Average
3	70 - 79	Average
4	50 - 69	Fair
5	30 - 49	Below Average
6	21 - 29	Poor
NR	No Data	No Data

The rating indicates the payment pattern of SC based upon the D&B Singapore Payment Database, comments from suppliers of SC as well as industrial sources.



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## TWO YEAR FINANCIAL REPORT

Note: Please note that there were lack of Director's statement and signature in SC's financial statement 2010. Hence, the financial figure for FYE2009 is provided for reference purpose.

**Table 1: Key Balance Sheet Data (SGD)**

FYE December	2011	2010	2009
Current Assets	825,844	549,336	494,275
Other Assets	-	-	-
Fixed Assets	22,654	20,280	17,339
<b>Total Assets</b>	<b>848,498</b>	<b>569,616</b>	<b>511,614</b>
Current Liabilities	446,330	231,348	79,232
Non-Current Liabilities	-	-	-
<b>Total Liabilities</b>	<b>446,330</b>	<b>231,348</b>	<b>79,232</b>
<b>Working Capital</b>	<b>379,514</b>	<b>317,988</b>	<b>415,043</b>
Share Capital	50,000	50,000	50,000
Accumulated Profit (Loss)	352,168	288,268	382,382
<b>Total Shareholder's Equity</b>	<b>402,168</b>	<b>338,268</b>	<b>432,382</b>

- The figure is not available.

**Table 2: Key Earnings Data (SGD)**

FYE December	2011	2010	2009
<b>Turnover</b>	<b>907,056</b>	<b>965,720</b>	<b>932,811</b>
Profit (Loss) Before Tax	68,500	107,011	105,775
Income Tax	(4,600)	(8,073)	(9,117)
<b>Profit (Loss) After Tax</b>	<b>63,900</b>	<b>98,938</b>	<b>96,658</b>
Dividend	-	(193,052)	-
Accumulated Profit (Loss) B/Forward	288,268	382,382	285,724
<b>Accumulated Profit (Loss) C/Forward</b>	<b>352,168</b>	<b>288,268</b>	<b>382,382</b>

- The figure is not available.

**Table 3: Key Cash Flow Data (SGD)**

FYE December	2011	2010	2009
Net Cash Flow from Operating Activities	(109,721)	257,202	(55,258)
Net Cash Flow from Investing Activities	(26,589)	(18,864)	(26,975)
Net Cash Flow from Financing Activities	120,000	(201,752)	49,000
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(16,310)</b>	<b>36,586</b>	<b>(33,233)</b>
Cash and Cash Equivalents B/Forward	227,616	191,030	224,263
<b>Cash and Cash Equivalents C/Forward</b>	<b>211,306</b>	<b>227,616</b>	<b>191,030</b>

- The figure is not available.

## Financial Rating FR 3

### Auditor

-

### Financial Statement Type

Company

### Fiscal Year

31 December 2009 to 2011

### Currency

SGD (\$)

## Financial Rating Guide

FR1	Strong
FR2	Above Average
FR3	Average
FR4	Fair
FR5	Below Average
FR6	Poor
NR	No Rating

This rating serves as a reference to assess SC's financial performance. The financial rating assigned to SC takes into account of the following considerations: Profitability, Return on Invested Capital, Liquidity, Asset Management and Capital Structure and Solvency.

**Table 4: Key Financial Ratios**

FYE December		Industry Norms†			2011	2010	2009
		Lower	Median	Upper			
<b>Profitability</b>							
Gross Profit (Loss) Margin (%)	Gross Earnings/Turnover*100%	-	-	-	96.68	94.27	86.45
Pre-tax Profit (Loss) Margin (%)	Pre-tax Earnings/Turnover*100%	-	-	-	7.55	11.08	11.34
Net Profit (Loss) Margin (%)	Net Earnings/Turnover*100%	-0.88	6.16	10.11	7.04	10.24	10.36
Basic Earning Power (%)	Earnings Before Interest & Tax/Net Assets*100%	-	-	-	17.03	31.63	24.46
Earnings Per Share (\$)	Net Earnings/No. of Shares Outstanding	-	-	-	1.28	1.98	1.93
<b>Return on Invested Capital</b>							
Return on Sales (%)	Net Earnings / Turnover *100%	-	-	-	7.04	10.24	10.36
Return on Assets (%)	Net Earnings/Total Assets*100%	-0.65	2.81	18.71	7.53	17.37	18.89
Return on Equity (%)	Net Earnings/Total Equity*100%	2.31	21.45	71.94	15.89	29.25	22.35
<b>Liquidity</b>							
Current Ratio	Current Assets/Current Liabilities	0.87	1.75	2.43	1.85	2.37	6.24
Quick Ratio	(Current Assets - Inventories)/Current Liabilities	-	-	-	-	-	-
Cash Ratio	Cash/Current Assets	-	-	-	0.26	0.41	0.39
Accounts Receivable Turnover Ratio (times)	Turnover/Accounts Receivable	-	-	-	8.88	9.46	9.13
Accounts Payable Turnover Ratio (times)	COS/Accounts Payable	-	-	-	-	-	-
Collection Period (days)	Accounts Receivable/Turnover*365	1.49	9.70	24.32	41.09	38.60	39.96
Payment Period (days)	Accounts Payable/COS*365	-	-	-	-	-	-
Inventory Turnover Ratio (times)	Turnover/Inventory	0.00	0.00	40.22	-	-	-
Inventory Conversion Period (days)	Inventory/Turnover*365	-	-	-	-	-	-
<b>Asset Management</b>							
Fixed Asset Turnover Ratio (times)	Turnover/Fixed Assets	-	-	-	40.04	47.62	53.80
Asset Turnover Ratio (times)	Turnover/Total Assets	-	-	-	1.07	1.70	1.82
<b>Leverage</b>							
Total Debt to Asset Ratio (%)	Total Liabilities/Total Assets*100%	-	-	-	52.60	40.61	15.49
Total Debt to Equity Ratio (%)	Total Liabilities/Total Equity*100%	523.71	46.45	344.66	110.98	68.39	18.32
Non-Current Debt to Equity Ratio (%)	Non-Current Liabilities/Total Equity*100%	-	-	-	-	-	-
Total Bank Borrowings to Equity Ratio (%)	Total Bank Borrowings/Total Equity*100%	-	-	-	-	-	-
Current Bank Borrowings Coverage Ratio	Net Earnings/Current Bank Borrowings	-	-	-	-	-	-
Interest Coverage Ratio	Earnings Before Interest & Tax/Interest Expense	-	-	-	-	-	-

- The figure is not available.

†The Industry Norms are calculated solely based on the information available in the database of Dun & Bradstreet (Singapore) Pte Ltd and may not be reflective of Industry Averages. Dun & Bradstreet (Singapore) Pte Ltd reserves the right to vary the data fields and/or exclude any data element in the report at discretion.



## Industry Information

In the second quarter of 2012,

- The economy grew by 2.0 per cent compared to the same period in 2011
- Growth was mainly supported by the manufacturing, business services and construction sectors
- Employment grew by 29,200
- The consumer price index increased by 5.3 per cent compared to a year ago

The economy grew by 2.0 per cent in the second quarter of 2012, up from the 1.5 per cent growth in the preceding quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted marginally by 0.7 per cent, reversing the 9.5 per cent gain in the previous quarter.

With the exception of the wholesale and retail trade sector, all major sectors grew compared to a year ago. The construction and manufacturing sectors rose by 5.3 per cent and 4.5 per cent respectively, while the accommodation & food services and business services sectors posted modest gains of 3.1 per cent and 3.0 per cent respectively. The wholesale and retail trade sector declined for the second consecutive quarter by a marginal 0.4 per cent, due to weaker external demand.

The manufacturing sector was the largest driver of growth, accounting for 1.2 percentage-points of overall GDP growth. This was followed by the business services and construction sectors which added 0.3 and 0.2 percentage-points to growth respectively. Together, these three sectors accounted for more than four-fifth of overall economic growth in the second quarter.

### Sources of Growth

Total demand increased by 2.7 per cent in the second quarter, moderating from the 3.7 per cent gain in the preceding quarter.

External demand grew by 2.3 per cent, similar to the 2.2 per cent in the previous quarter. Domestic demand also rose by 4.0 per cent following the 8.5 per cent increase in the preceding quarter.

The expansion in domestic demand was contributed by increases in both gross fixed capital formation and consumption expenditure. Gross fixed capital formation grew by 1.8 per cent, mainly due to an increase in private investment in the machinery, equipment and software and non-residential building segments.

Consumption expenditure grew by 1.4 per cent, as the 1.8 per cent gain in private consumption more than offset the 0.9 per cent decline in government consumption.

Inventories also increased, contributing 0.6 percentage-points to total demand growth.

### Labour Market

Total employment grew by 29,200 in the second quarter of 2012. The increase was higher than the 24,800 recorded in the second quarter of 2011, and the 27,200 in the first quarter of 2012.

The construction and manufacturing sectors registered employment gains of 9,500



and 4,500 respectively, higher than in recent quarters. By contrast, growth in services employment eased to 15,500, although it still accounted for the majority of employment gains in the second quarter of 2012.

The seasonally adjusted overall unemployment rate decreased from 2.1 per cent in March 2012 to 2.0 per cent in June 2012. Similarly, the unemployment rate for residents declined over the same period, from 3.0 per cent to 2.8 per cent, while that for citizens fell from 3.2 per cent to 2.9 per cent.

An estimated 77,700 residents, including 68,800 citizens, were unemployed in June 2012. The seasonally adjusted figures were 59,300 for residents and 52,700 for citizens.

### Economic Outlook

In the second quarter of 2012, the composite leading index (CLI) declined by 2.1 per cent on a quarter-on-quarter basis, reversing the increase of 2.9 per cent in the preceding quarter.

Of the nine components within the CLI, six components decreased, namely, wholesale trade, stock of finished goods, stock price, money supply, non-oil retained imports and US Purchasing Managers' Index.

The only indicator that increased was non-oil sea cargo handled. The remaining two indicators, new companies formed and domestic liquidity, stayed flat in the second quarter of 2012.

Singapore's growth momentum moderated in the second quarter of 2012 amidst weakening global macroeconomic conditions. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 0.7 per cent and reversing the 9.5 per cent growth in the previous quarter. This was largely due to the quarter-on-quarter decline in externally-oriented sectors, notably electronics manufacturing, wholesale trade and tourism-related services. Although the economy continued to grow on a year-on-year basis, the gain was modest, at 2.0 per cent.

The near-term macroeconomic outlook remains subdued. Growth in the advanced economies is expected to remain sub-par for the rest of 2012, as sluggish labour market conditions continue to weigh on consumer spending, while ongoing sovereign debt concerns dampen business sentiments and investments. Although domestic demand in emerging Asia is expected to be held up by accommodative policies, it will not fully offset the weakness in external demand.

Given the challenging external environment, growth in the Singapore economy is expected to remain weak in the second half of 2012. Externally-oriented sectors will be affected by the slowdown in advanced economies. Continued economic and financial market uncertainties will curtail growth in sentiment-sensitive segments within the financial and insurance sector. Nonetheless, healthy expansion in the transport engineering cluster and construction sector will provide some modest support to growth. Barring unforeseen shocks to the global economy, the Singapore economy is expected to grow by between 1.5 to 2.5 per cent in 2012.

*Source: Ministry of Trade and Industry  
August 2012*



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## Remarks

In conclusion, taking into consideration of SC's general performance, reputation as well as market conditions we would rate SC as an average credit risk company.

### Credit Rating Guide

RATING KEY		CREDIT RISK ASSESSMENT	PROPOSED CREDIT LIMIT (in concerned business field)
<b>CA1</b>	Minimal	Credit can proceed with favorable terms	Large amount
<b>CA2</b>	Low	Credit can proceed promptly	Fairly large amount
<b>CA3</b>	Average	Credit can proceed normally	Moderate amount
<b>CA4</b>	Above average	Credit should proceed with monitor	Small amount – periodical review
<b>CA5</b>	Fairly High	Credit should be extended under guarantee	C.O.D. To small amount
<b>CA6</b>	High	Credit is not recommended	C.O.D.
<b>NR</b>	Assessment not conducted	Insufficient data available	No recommendation

This rating serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors and their relative weights (as indicated through %) in our credit analysis are as follows:

Financial condition (40%)	Ownership background (5%)	Payment record (10%)
Credit history (30%)	Market trend (5%)	Operational size (10%)

In case of unlimited companies, newly established companies, or lack of financial data, more weight is given to 'Ownership background' and 'Payment record' in our analysis.

#### Adopted abbreviations:

NA - Not Available    SGD - Singapore Dollar    SC - subject company (the company inquired by you)