

Welcome

Introduction to VSA Debenture Scheme

債券計劃簡介

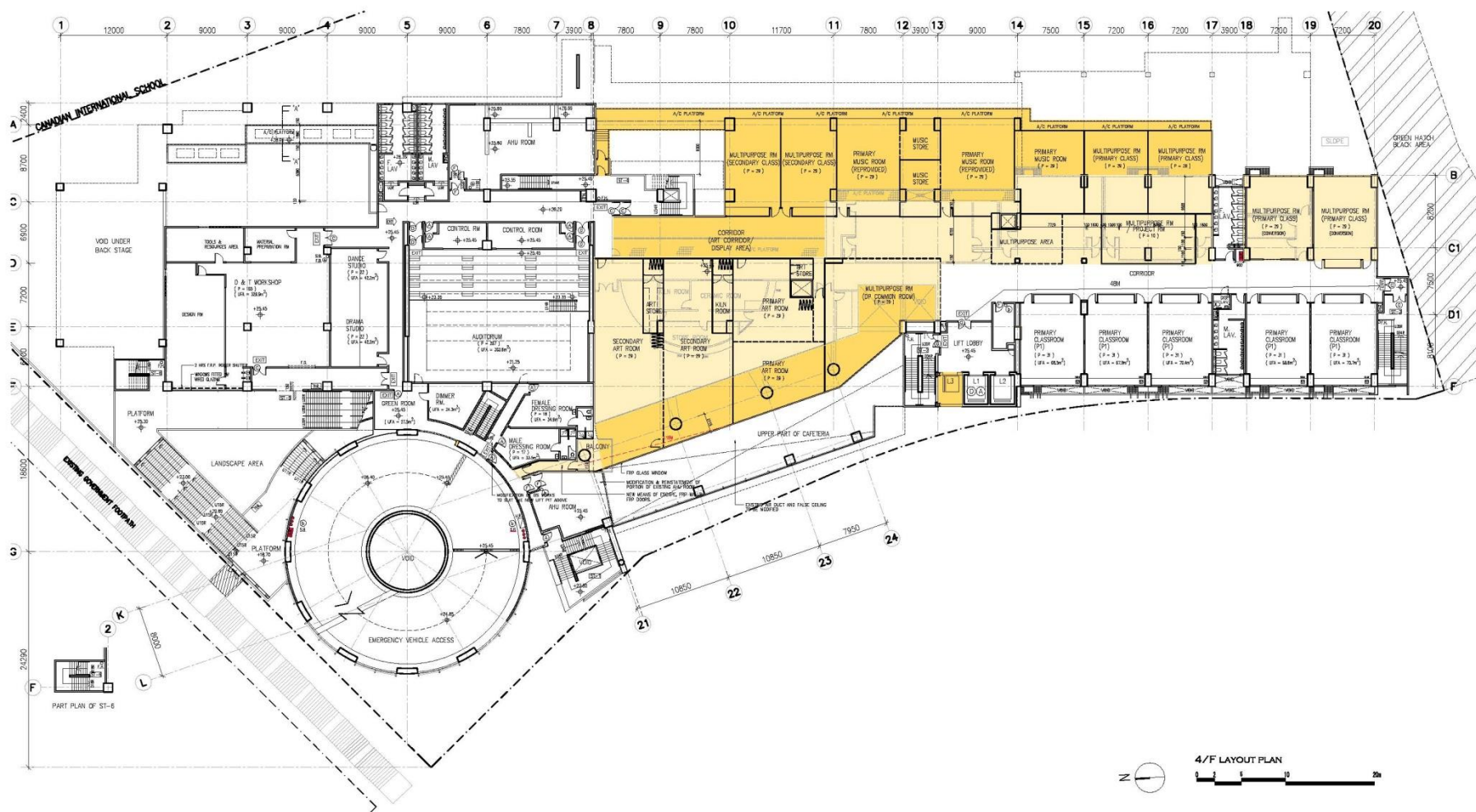


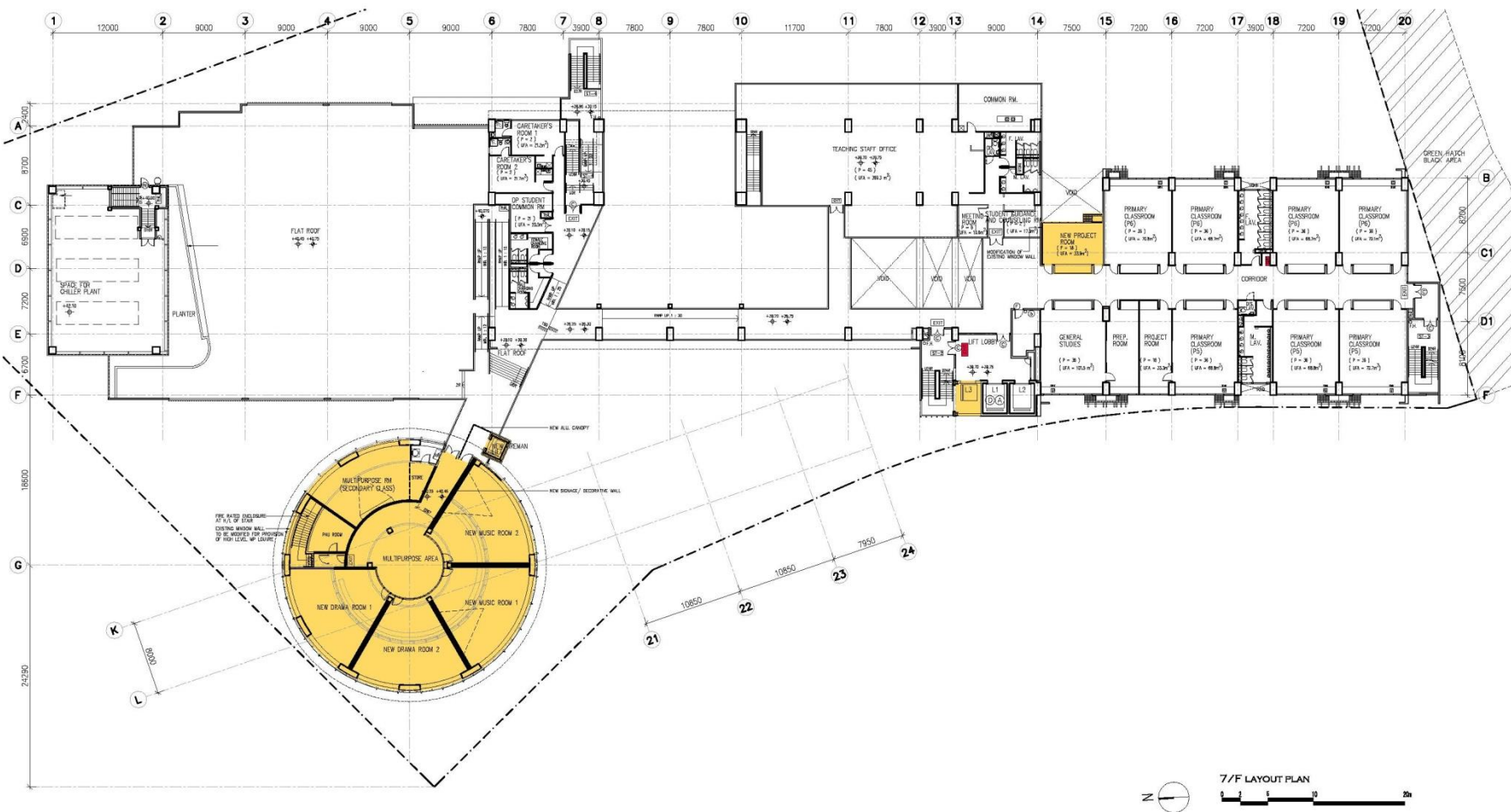
Disclaimer and Warning

The contents of this presentation have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of the Debentures. If you are in any doubt about any of the contents of any document relating to the Debentures including but not limited to this presentation session, you should obtain independent professional advice.

Purpose of the Debentures

- ◆ Raise capital for funding various long-term projects for improving and enhancing Victoria Shanghai Education Foundation Limited's ("Foundation") and VSA's state-of-the-art facilities and equipment
- ◆ Not our intention to increase student capacity but to add extra classrooms to reduce class-size and further provide an optimal learning environment





Special Note

- ◆ Kindergarten Origin – special features which favor our affiliated kindergarten students
- ◆ Applying for a Debenture is separate from applying for admission to the School
- ◆ Debentures will only provide a priority for admission and will not be made a requirement for all students

Types of Debenture

- ◆ Individual Debenture (“Individual Debenture”), only a child/adopted child for nomination
- ◆ Corporate Debenture (“Corporate Debenture”), a child/adopted child of an employee or director

Definition of Debenture

Debenture:

(i) is a non-interest bearing note; and

(ii) is not secured by a mortgage or charge on any property or asset of the Foundation

Principal Amount (Face Value) of the Debenture

- ◆ Individual Debenture: Principal amount of \$800,000
- ◆ Corporate Debenture: Principal amount of \$2,500,000

Limited Number of each as determined by the Board

Year of Admission and Admission Details

- ◆ Individual Debenture: Only Year One admission
- ◆ Corporate Debenture: Any Year admission at any time

Year of Admission and Admission Details

- ◆ Priorities: additional opportunities for reassessment and 1st priority admission (over siblings and children of staff) **but all applicants must meet our admission criteria and depends on availability of a place in the relevant Year class**

Limitations

- ◆ A Debenture can be assigned to only ONE child at a time (for Individual) or to one nominated child of an employee or director (for Corporate)
- ◆ Need to hold the Debenture as long as the nominated child continues to study at the School (which includes both the Primary Section and the Secondary Section)

Transferability

- ◆ Debentures can be transferred in the secondary market subject to the prior approval of the Foundation and payment of a Transfer Fee
- ◆ Transfer Fee: Either higher of 20% of the principal amount (HK\$160,000) in respect of Individual Debentures and (HK\$500,000) in respect of Corporate Debentures or 50% of the difference between (i) the transfer price and the principal amount (1st Registered Holder) or (ii) the transfer price and the price paid by the Registered Holder (subsequent transfers)

Transferability

- ◆ The Foundation has the right to disapprove the transfer and buy back the Debentures
- ◆ After the transfer of a Debenture, the child nominated by the previous Holder will not be able to continue his/her study at the School

Redemption of the Debenture

- ◆ The Foundation shall not be obliged or be liable to redeem Individual Debentures or Corporate Debentures nor shall the Holder be entitled to demand for repayment

Redemption of the Debenture

INDIVIDUAL DEBENTURE: The Foundation may redeem or may at the request of the Holder repay the Debenture at its principal amount:

- (i) if the nominated child has never been offered a place to attend the School;
- (ii) if the nominated child has been offered a place to attend the School but the nominated child does not commence the School for any reason;
- (iii) if the nominated child has left the School and the holder does not re-nominate another child to the School.

Transfer Example (1st Holder)

Individual Debentures

	Transfer Fee = 50% of profit	Transfer Fee = 20% of Face Value	Transfer Fee = 20% of Face Value	Redemption by the School (Transfer Disapprove or 3 options)
Transfer Price	\$1,200,000	\$1,000,000	\$600,000	\$800,000
Price Difference	\$400,000	\$200,000	(\$200,000)	
50% of Price difference	\$200,000	\$100,000	(\$100,000)	
Transfer Fee	\$200,000	\$160,000	\$160,000	Nil

Transfer Examples (2nd or Subsequent Holders) Individual Debentures

	Transfer Fee = 50% of price difference	Transfer Fee = 20% of Face Value	Transfer Fee = 20% of Face Value
Transfer Price	\$1,600,000	\$1,400,000	\$900,000
Purchased Price	\$1,200,000	\$1,200,000	\$1,200,000
Price Difference	\$400,000	\$200,000	(\$300,000)
50% of Price difference	\$200,000	\$100,000	---
Transfer Fee	\$200,000	\$160,000	\$160,000

Fees Involved

- ◆ Application Fee – HK\$500
- ◆ Debenture Administration Fee: HK\$15,000 (payable upon the successful application of the Debenture)*
- ◆ Debenture Transfer Fee

All fees paid to the Foundation are non-refundable and non-transferrable

*For Individual Debenture, Administration Fee will be refunded in the form of deductions from the monthly school fees if the nominated child is a VEO student and has commenced School

Time of issuance of the Debenture

- ◆ March 2014 for the Academic Year 2015-2016 or after (Individual Debentures)
- ◆ Applications will be available for download – 10 March 2014
- ◆ Application Deadline for Individual Debentures – 28 April 2014
- ◆ Application Results for Individual Debentures – on or before 23 May 2014
- ◆ Application Deadline for Corporate Debentures – Rolling

Time of application of Year 1 for the Academic Year 2015-16

- ◆ Application Form now available for download
- ◆ Application Deadline - Apr 28
- ◆ Students Interview - May 7, 8
- ◆ Selected Parents Interview - May 30, Jun 3, 4, 9
- ◆ Admission Results Release – mid of Jun

Criteria for Considering A Debenture Application

- ◆ Affinity with and commitment to the Foundation, Victoria Shanghai Academy and Victoria Educational Organisation
- ◆ A potential child who fits our profile of a VSA student
- ◆ Not first come first served
- ◆ Not by way of balloting

Criteria for Considering A Debenture Application

Priorities in considering an Individual
Debenture Application:

1. Applications by siblings of current
VSA students
2. Previous Debenture Applicants
3. Students of Victoria Educational
Organisation

QUESTIONS AND ANSWERS

- Is there any debenture discount if a parent wants to buy debentures for the 2nd child and 3rd child who are studying in victoria kindergarten?
- Can payment be made two times or by instalments? Let say first payment \$300,000, second payment \$500,000?
- How long can the debenture be kept valid if the nominated student left Victoria Shanghai Academy?
- What are the differences in priorities given to (i) current Victoria students and debenture holder, (ii) current Victoria students and non-debenture holders and (iii) debenture holders and non-current Victoria students?

QUESTIONS AND ANSWERS

- How does the debenture program affect the priority of existing students of Victoria kindergartens in applying to VSA?
- Why do you have to collect a Debenture Administration Fee?
- Will debenture be launched every year?
- Do last year applicants need to pay application fee if they applied last year?
- What are the priorities for entering into Year One with a Corporate Debenture and Individual Debenture?

THANK YOU FOR COMING

www.vsa.edu.hk

Please note that the information contained herein or provided during this presentation session is for reference only. Detailed terms and conditions of the debenture program will be set out in the legal documents relating to the debentures. All terms and conditions are subject to further approval of the Executive Committee of the Foundation. The Foundation shall have the absolute discretion and right to amend or impose any rules, terms and conditions for the issue of any debentures, notes or other instruments