CIRCULAR DATED 15 JANUARY 2018

THIS CIRCULAR IS ISSUED BY TMC EDUCATION CORPORATION LTD. (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF ZICO CAPITAL PTE. LTD., THE INDEPENDENT FINANCIAL ADVISER, TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

TMC
Education Corporation Ltd
Since 1981
Every Step With You

TMC EDUCATION CORPORATION LTD.

(Company Registration Number: 198102945K)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY UNCONDITIONAL CASH OFFER

by

SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No.: 200401542N

for and on behalf of
JK GLOBAL ASSETS PTE. LTD.
(Incorporated in the Republic of Singapore)
Company Registration No.: 201729204E

to acquire all the issued and paid-up ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by JK Global Assets Pte. Ltd.

Independent Financial Adviser to the Independent Directors

ZICO | capital

ZICO CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
Company Registration No.: 201613589E

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES MUST BE RECEIVED BY THE CLOSE OF THE OFFER (AS DEFINED HEREIN) AT 5.30 P.M. (SINGAPORE TIME) ON 30 JANUARY 2018 ("CLOSING DATE"). THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE. ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

"Acquisition"	The acquisition of an aggregate of 85,372,814 Shares from Dr Chin Kon Yuen (75,328,954 Shares) and Yeow Cheng Khim (10,043,860 Shares) by the Offeror at a consideration of S$0.0675 for each Share, representing approximately 51% of the capital of the Company in accordance with the terms of the Share Purchase Agreement
"Balance TMC Loan"	An amount equal to the amount outstanding under the TMC Loan as at (and including) the completion date of the Disposal LESS (i) the Cash Consideration paid as partial repayment of the TMC Loan; and (ii) the Waiver Amount waived pursuant to the irrevocable and unconditional waiver by TMC Academy of its right to repayment of the Waiver Amount and the discharge and release of the Company from the Waiver Amount and all liabilities, obligations and undertakings under or pursuant to, and from all claims and demands whatsoever under or in respect of the Waiver Amount
"Business Day"	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for general business in Singapore
"Cash Consideration"	The amount of S$1,000,000 as set out in paragraph 9.1(b)(ii) of Appendix II of this Circular
"Catalist"	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
"CDP"	The Central Depository (Pte) Limited
"Circular"	This circular to Shareholders dated 15 January 2018 in relation to the Offer
"Closing Date"	5.30 p.m. (Singapore time) on 30 January 2018, such date being the last day for the lodgement of acceptances of the Offer
"Code"	The Singapore Code on Take-overs and Mergers
"Companies Act"	The Companies Act, Chapter 50 of Singapore
"Company"	TMC Education Corporation Ltd.
"Company Securities"	Convertible securities, warrants, options or derivatives in respect of Shares or securities which carry voting rights in the Company
"Constitution"	The Constitution of the Company, as amended, supplemented or modified from time to time
"CPF"	The Central Provident Fund
"CPFIS"	CPF Investment Scheme
"CPFIS Investors"	Investors who have purchased the Shares using their CPF savings under the CPFIS
"Directors"	The directors of the Company as at the Latest Practicable Date

"Disposal"	The disposal of the entire issued and paid-up share capital of TMC Academy by the Company to the purchaser, Advanced Investment Holdings Pte. Ltd., in accordance with the terms and conditions of the Sale and Purchase Agreement
"Disposal IFA Letter"	The letter dated 15 January 2018 from the independent financial adviser, ZICO Capital Pte. Ltd., to the independent directors of the Company in respect of the Disposal, as set out in Appendix I of the Disposal Circular
"Disposal Shares"	The entire issued and paid-up share capital of TMC Academy, which is to be sold by the Company to Advanced Investment Holdings Pte. Ltd. pursuant to the Disposal
"Disposal Circular"	The circular to Shareholders dated 15 January 2018 in relation to the Disposal as an interested person transaction and a major transaction
"Escrow Agreement"	Escrow agreement dated 14 December 2017 entered into by Dr Chin Kon Yuen, Yeow Cheng Khim, SAC Capital Private Limited and the Offeror
"FAA"	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document
"FAT"	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document
"FY"	The financial year ended or ending 30 June
"Group"	The Company and its subsidiaries
"IFA"	ZICO Capital Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
"IFA Letter"	The letter dated 15 January 2018 from the IFA to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular
"Independent Auditor"	Foo Kon Tan LLP
"Independent Directors"	The Directors who are considered independent for the purposes of making the recommendation to the Shareholders in respect of the Offer, namely, Dr Chin Kon Yuen, Yeow Cheng Khim, Wee Liang Hiam, Chen Timothy Teck Leng, Tham Wan Loong, Jerome
"Irrevocable Undertaking"	The irrevocable undertaking dated 14 December 2017 given by Yeow Cheng Khim to the Offeror to not accept the Offer in respect of all or any of the Undertaking Shares
"Latest Practicable Date"	8 January 2018, being the latest practicable date prior to the printing of this Circular
"Lease Novation"	The transfer and novation of the Tenancy Agreement from the Company to TMC Academy
"Market Day"	A day on which the SGX-ST is open for trading of securities
"Offer"	The mandatory unconditional cash offer made by SAC Capital Private Limited, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in this Offer Document and the FAA and/or the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
"Offer Announcement"	The announcement relating to the Offer released by SAC Capital Private Limited, for and on behalf of the Offeror, on the Offer Announcement Date

"Offer Announcement Date"	15 December 2017
"Offer Document"	The document dated 2 January 2018, including the FAA and/or the FAT, and any other document which may be issued by SAC Capital Private Limited, for and on behalf of the Offeror, to amend, revise, supplement or update the document dated 2 January 2018 from time to time
"Offer Shares"	All the issued and paid-up Shares other than those already owned, controlled or agreed to be acquired by the Offeror
"Offeror"	JK Global Assets Pte. Ltd.
"Offeror Shares"	Ordinary shares in the capital of the Offeror
"Offeror Securities"	(a) Offeror Shares, (b) securities which carry substantially the same rights as any Offeror Shares, and (c) convertible securities, warrants, options and derivatives in respect of any Offeror Shares or such securities in (b)
"Options"	Any options granted under the TMC Share Option Scheme
"Overseas Shareholders"	Shareholders whose mailing addresses are outside Singapore as shown on the Register, or as the case may be, in the records of CDP
"Properties"	Properties situated at 111 North Bridge Road #06-01 to #06-25 Peninsula Plaza, Singapore 179098
"Reference Period"	The period commencing on 15 June 2017, being the date falling six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date
"Registrar"	Boardroom Corporate & Advisory Services Pte. Ltd.
"SFA"	Securities and Futures Act, Chapter 289 of Singapore
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Sale and Purchase Agreement"	Sale and Purchase Agreement dated 14 December 2017 entered into between the Company, Advanced Investment Holdings Pte. Ltd., Dr Chin Kon Yuen, Yeow Cheng Khim, Lee Chin Weng and TMC Academy for the sale of the Disposal Shares by the Company to Advanced Investment Holdings Pte. Ltd.
"Share Purchase Agreement"	Share purchase agreement dated 14 December 2017 entered into between the Vendors and the Offeror for the Acquisition
"Shareholders"	Persons who are registered as holders of Shares in the register of Shareholders maintained by the Registrar and Depositors who have Shares entered against their names in the Depository Register
"Shares"	Issued and paid-up ordinary shares in the capital of the Company
"SRS"	The Supplementary Retirement Scheme
"SRS Investors"	Investors who purchase Shares pursuant to SRS
"Sub-Lease"	Sub-lease agreement to be entered into between the Company and TMC Academy for the building located at 250 Middle Road Singapore 188983 which is occupied by TMC Academy
"TMC Academy"	TMC Academy Pte. Ltd.

"TMC Loan"	All amounts owing by the Company to TMC Academy other than the company loan granted by TMC Academy to the Company
"Tenancy Agreement"	Tenancy agreement dated 29 June 2017 between the Company, as lessee, and the Singapore Land Authority, as lessor, for the lease of the building located at 250 Middle Road Singapore 188983, occupied by TMC Academy
"Undertaking Shares"	19,507,140 Shares, representing approximately 11.65% of the total number of Shares, owned by Yeow Cheng Khim and which are the subject of the Irrevocable Undertaking
"Valuation Report"	The valuation report dated 19 December 2017 issued by the Valuer in respect of the Properties, as set out in Appendix V to this Circular
"Valuer"	Suntec Real Estate Consultants Pte Ltd, an independent valuer appointed by the Independent Directors for the purposes of carrying out the valuation of the Properties in connection with the Offer
"Vendors"	Collectively, Dr Chin Kon Yuen and Yeow Cheng Khim
"Waiver Amount"	The amount waived by TMC Academy under the TMC Loan as set out in paragraph 9.1(b)(ii)(bb) of Appendix II of this Circular
Currencies and Units of Measurement	
"S$" and **"cents"**	Singapore dollars and cents, respectively, being the lawful currency of Singapore
"per cent." or **"%"**	Per centum or percentage

(a) The expressions "**Depositor**" and "**Depository Register**" shall have the same meanings as ascribed to them respectively in Section 81SF of the SFA.

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

(c) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

(d) References to "**Offer Document**" shall include the FAA and FAT, unless the context otherwise requires.

(e) Any discrepancies in the figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in the totals of the figures in this Circular may not be an arithmetic aggregation of the figures that precede them.

(f) References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to the Shareholders.

(g) Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Code, the Catalist Rules, the SFA or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Companies Act, the SFA, the Code, the Catalist Rules, the SFA, or that modification, as the case may be, unless the context otherwise requires.

(h) The expression "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

(i) Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise specified.

(j) Statements which are reproduced in their entirety from the Offer Document, the IFA Letter, the Valuation Report and the Constitution are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter, the Valuation Report and the Constitution respectively.

(k) Any reference in this Circular to the total number of Shares is a reference to a total of 167,397,677 Shares in issue as at the Latest Practicable Date, unless the context otherwise requires.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "**expect**", "**anticipate**", "**believe**", "**intend**", "**project**", "**plan**", "**strategy**", "**forecast**" and similar expressions or future or conditional verbs such as "**will**", "**would**", "**should**", "**could**", "**may**" and "**might**". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMELINE

Date of despatch of Offer Document	:	2 January 2018
Date of despatch of this Circular	:	15 January 2018
Closing Date	:	5:30 p.m. (Singapore time) on 30 January 2018. The Offeror has given notice that the Offeror will not extend the Offer beyond 5:30 p.m. (Singapore time) on the Closing Date and the Offer will not be open for acceptance beyond 5:30 p.m. (Singapore time) on the Closing Date
Date of settlement of consideration for valid acceptances of the Offer[(1)]	:	Within 7 Business Days after receipt of valid acceptances

Note:

(1) Please refer to Appendix 1 to the Offer Document for further details.

TMC EDUCATION CORPORATION LTD.

(Company Registration Number: 198102945K)
(Incorporated in the Republic of Singapore)

Board of Directors:

Dr Chin Kon Yuen *(Executive Chairman)*
Yeow Cheng Khim *(Executive Director and Chief Executive Officer)*
Wee Liang Hiam *(Lead Independent Director)*
Chen Timothy Teck Leng *(Independent Director)*
Tham Wan Loong, Jerome *(Independent Director)*

Registered Office:

250 Middle Road
Singapore 188983

15 January 2018

To: The Shareholders of TMC Education Corporation Ltd.

Dear Sir / Madam

MANDATORY UNCONDITIONAL CASH OFFER BY SAC CAPITAL PRIVATE LIMITED, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1. **Offer Announcement**. On the Offer Announcement Date, the Offeror announced that:

(a) the Offeror had entered into the Share Purchase Agreement and acquired an aggregate of 85,372,814 Shares from Dr Chin Kon Yuen (75,328,954 Shares) and Yeow Cheng Khim (10,043,860 Shares) at S$0.0675 per Share, representing approximately 51% of all the Shares; and

(b) completion of the Acquisition had taken place on 14 December 2017 by way of an off-market transfer of securities. Accordingly, the Offeror is required to make an Offer, in accordance with Rule 14.1(a) of the Code, for the Offer Shares.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2. **Offer Document**. Shareholders should by now have received a copy of the Offer Document issued by the Offeror, setting out, *inter alia*, the terms and conditions of the Offer. **Shareholders are advised to read the terms and conditions of the Offer contained therein carefully**.

Copies of the Offer Document, the FAA and the FAT are available on the website of the SGX-ST at www.sgx.com.

1.3. **IFA**. The Company has appointed ZICO Capital Pte. Ltd. as the independent financial adviser to advise the Independent Directors in respect of the Offer. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.

1.4. **Purpose of this Circular**. The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether or not to accept the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

2. THE OFFER

2.1. Principal Terms

The principal terms and conditions of the Offer, as extracted from the Offer Document, are set out below.

2.2. Offer Price

Section 2.1 of the Offer Document states that, for and on behalf of the Offeror, SAC Capital Private Limited makes the Offer to acquire all the Offer Shares, in accordance with Section 139 of the SFA and Rule 14.1(a) of the Code and subject to the terms and conditions of the Offer Document, on the following basis:

"For each Offer Share: S$0.0675 in cash (the "Offer Price")

The Offer Price is final and the Offeror does not intend to revise the Offer Price."

2.3. Offer Shares

Section 2.2 of the Offer Document states the following:

"***2.2 Offer Shares***. The Offer is extended to:

(i) any Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer; and

*(ii) all new Shares unconditionally issued prior to the close of the Offer pursuant to the valid exercise of any options (the "**Options**") granted under the TMC Share Option Scheme (the "**Option Scheme**").*

*For the purposes of the Offer and for the avoidance of doubt, the expression "**Offer Shares**" shall include all such Shares."*

2.4. No Encumbrances

Section 2.3 of the Offer Document states the following:

*"**2.3 No Encumbrances**. The Offer Shares will be acquired (i) fully paid-up, (ii) free from all liens, equities, claims, charges, pledges, mortgages, encumbrances, options, powers of sale, declarations of trust, hypothecations, retentions of title, rights of pre-emption, rights of first refusal, moratorium and any other third party rights or interests of any nature whatsoever or any agreements, arrangements or obligations to create any of the following and (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including, but not limited to, the right to receive and retain all dividends, rights and other distributions and/or return of capital (if any) (the "**Distribution**") declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date."*

2.5. Adjustments for Distribution

Section 2.4 of the Offer Document states the following:

*"**2.4 Adjustments for Distribution**. If any Distribution is declared, paid or made by the Company on or after the Announcement Date to a Shareholder who accepts or has accepted the Offer and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the rights to reduce the Offer Price payable in respect of such Offer Share by the amount of such Distribution."*

2.6. **Choices**

Section 2.5 of the Offer Document states the following:

*"**2.5 Choices**. A Shareholder can, in relation to all or part of his Offer Shares, either:*

*(i) accept the Offer in respect of such Offer Shares in accordance with the procedures set out in **Appendix 2** to this Offer Document; or*

(ii) take no action and let the Offer lapse in respect of his Offer Shares."

2.7. **No Extension of Closing Date**

Section 2.6 of the Offer Document states the following:

*"**2.6 No Extension of Closing Date**. This Offer is open for acceptance by the Shareholders for 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder.*

The Offer will close at 5.30 p.m. (Singapore time) on 30 January 2018, being the Closing Date and the Offeror does not intend to extend the Offer beyond the Closing Date. Notice is hereby given, pursuant to Rule 22.6 of the Code, that the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore time) on the Closing Date, save that such notice shall not be capable of being enforced in a competitive situation.

*For these purposes, a "**competitive situation**" shall be deemed to arise when either (i) a firm intention to make a competing offer for the Company is announced, whether or not subject to any pre-conditions or (ii) SIC determines that a competitive situation has arisen."*

2.8. **No Condition to the Offer**

Section 3 of the Offer Document states the following:

*"**3. NO CONDITION TO THE OFFER***

*As at the Latest Practicable Date, based on the latest information provided by the Company, the Company has 167,397,677 Shares in issue and 284,000 outstanding Options exercisable for up to a maximum of 284,000 Shares. Assuming the valid exercise of all the Options as at the Latest Practicable Date, the Company would have a maximum potential issued share capital of 167,681,677 Shares in issue (the "**Maximum Potential Issued Share Capital**").*

As at the Latest Practicable Date, the Offeror and persons acting in concert with it hold in aggregate 85,372,814 Shares, representing approximately 51.00 per cent. of the issued and paid-up share capital of the Company and approximately 50.91 per cent. of the Maximum Potential Issued Share Capital.

Accordingly, the Offer is not conditional on any minimum level of acceptances and is unconditional in all respects."

2.9. **Warranty**

Section 4 of the Offer Document states the following:

*"**4. WARRANTY***

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid-up, (ii) free from all liens, equities, claims, charges, pledges, mortgages, encumbrances, options, powers of sale, declarations of trust, hypothecations, retentions of title, rights of pre-emption, rights of first refusal, moratorium and any other third party rights or interests of any nature whatsoever or any agreements, arrangements or obligations to create any of the foregoing and (iii) together with all rights, benefits

and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date."

2.10. **No Options Offer**

Section 5 of the Offer Document states the following:

*"**5. NO OPTIONS OFFER***

Pursuant to the rules of the Option Scheme, the Options are not transferable by the holders thereof (unless otherwise approved by the board committee administering the Option Scheme). In view of this restriction, the Offeror will not be making any proposal in respect of the Options or extending the Offer to the Options. For the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued prior to the close of the Offer pursuant to the valid exercise of any of the Options."

2.11. **Further Details on the Offer**

Further details on the Offer, in relation to (a) the duration of the Offer, (b) the settlement of the consideration for the Offer, (c) the requirements relating to the announcement of the level of acceptances of the Offer and (d) the right of withdrawal of acceptances of the Offer are set out in Appendix 1 to the Offer Document.

2.12. **Procedures for acceptance of the Offer**

The procedures for acceptance of the Offer are set out in Appendix 2 of the Offer Document and the accompanying FAA and/or FAT (as the case may be).

3. IRREVOCABLE UNDERTAKING AND OTHER ARRANGEMENTS

Information on the Irrevocable Undertaking and other arrangements is set out in Section 10 of the Offer Document, which has been extracted from the Offer Document and reproduced below.

*"**10. IRREVOCABLE UNDERTAKING AND OTHER ARRANGEMENTS***

***10.1 Irrevocable Undertaking**. After the completion of the SPA, Yeow CK continues to hold 19,507,140 Shares, representing approximately 11.65 per cent. of the Shares (the "**Remaining Shares**"). Yeow CK has provided an irrevocable undertaking (the "**Irrevocable Undertaking**") to the Offeror that she shall not accept the Offer in respect of all or any of the Remaining Shares. In addition, pursuant to the terms of the Irrevocable Undertaking, Yeow CK will not, amongst others, sell, transfer or otherwise dispose of the Remaining Shares.*

The Irrevocable Undertaking will cease to be binding when the Offer closes, lapses or is withdrawn.

***10.2 Other Arrangements**. As at the Announcement Date, Chin KY and Yeow CK have provided a loan (the "**Shareholders' Loan**") to the Company pursuant to a shareholders' loan agreement (the "**Shareholders' Loan Agreement**") with an outstanding amount of S$5,800,000. Pursuant to the terms of the SPA, in consideration of the Offeror agreeing to purchase the Sale Shares, each of Chin KY and Yeow CK has undertaken to and with the Offeror inter alia that until the later of (i) the expiry of six months after the final close of the Offer and (ii) the relevant maturity date of the Shareholders' Loan as specified in the Shareholders' Loan Agreement, he/she shall not require the repayment of any outstanding loan amount (other than interest payment) under the Shareholders' Loan Agreement.*

In addition, in the event that the Disposal is not completed for any reason other than by reason of a default on the part of the Company or the conditions precedent relating to (i) the Company's shareholders' approval in relation to the Disposal and (ii) the Singapore Land Authority's approval in respect of either a novation or a sublease of the Company's premises at 250 Middle Road, TMC Academy, Singapore 188983 by the Company to TMC Academy not being met, each of Chin KY and Yeow CK undertakes that he/she will not be entitled to and shall not demand repayment of any sums due under the Shareholders' Loan Agreement."

4. INFORMATION ON THE OFFEROR

4.1 Offeror

Information on the Offeror is set out in Section 8.1 of the Offer Document, which has been extracted from the Offer Document and reproduced below.

*"**8.1 The Offeror**. The Offeror is a private limited company incorporated in Singapore on 11 October 2017 and its principal activity is investment holding. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$1 comprising one ordinary share, and Mr. Koh Wee Meng is the sole shareholder and director of the Offeror."*

4.2 Further information on the Offeror

Shareholders should refer to Appendix 3 of the Offer Document for further information on the Offeror.

5 INFORMATION ON THE COMPANY

5.1 Company

Please refer to Appendix II of this Circular for information on the Company.

5.2 Disposal of TMC Academy

Information on the Disposal as set out in Section 9.2 of the Offer Document has been extracted from the Offer Document and reproduced below.

*"**9.2 Disposal**. The Company has, on 14 December 2017, announced (such announcement, the "**Disposal Announcement**") that it had entered into a sale and purchase agreement with, inter alia, Advanced Investment Holdings Pte. Ltd. (the "**Purchaser**") to sell all of the issued and paid-up share capital in TMC Academy to the Purchaser (such sale, the "**Disposal**").*

*As set out in the Disposal Announcement, the Purchaser was incorporated on 14 December 2017 in Singapore as a special purpose vehicle for the purpose of undertaking the Disposal and carrying out the business of providing educational courses and services. The shareholders of the Purchaser are CK & CO Holding Pte. Ltd. ("**CK & CO**") and Mr. Lee Chin Weng who hold 70 per cent. and 30 per cent. of the total issued and paid-up share capital in the Purchaser, respectively. CK & CO is equally owned by Chin KY and Yeow CK. Chin KY and Yeow CK were, at the time of entry of the sale and purchase agreement for the Disposal but before the entry of the SPA, the controlling shareholders of the Company. They are also directors of the Company. Through CK & CO, Chin KY and Yeow CK collectively hold an interest of 70 per cent. in the shares of the Purchaser. Accordingly, the Purchaser is considered to be an associate of Chin KY and Yeow CK and an "interested person" under Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). The sale and purchase agreement for the Disposal entered into between the Company as the "entity at risk" and the Purchaser as an "interested person" constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules. The completion of the Disposal will therefore be conditional upon the approval of the independent Shareholders.*

*As announced by the Company on 19 December 2017, it has appointed ZICO Capital Pte. Ltd. ("**ZICO Capital**") as an independent financial adviser to advise the independent directors and the Audit Committee of the Company on the Disposal as an interested person transaction. The Audit Committee will be obtaining an opinion from the independent financial adviser before forming its view on whether the Disposal as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.*

*Pursuant to the terms of the Disposal, the Company and TMC Academy shall procure the transfer of the employment of the Company's employees (the "**Employment Transfer**") as agreed in writing between the Company and the Purchaser, to TMC Academy on terms and conditions which shall be equal to the terms and conditions of employment under the Company. The Employment Transfer shall be subject to and conditional on completion of the Disposal taking place and be effective from the date such completion takes place.*

The SIC has on, 13 December 2017, confirmed that the Disposal does not constitute a special deal for the purposes of Rule 10 of the Code, subject to an independent financial adviser opining that the terms of the Disposal are fair and reasonable. As announced by the Company on 19 December 2017, it has also appointed ZICO Capital as the independent financial adviser to opine on whether the terms of the Disposal are fair and reasonable."

The Company has despatched the Disposal Circular to seek approval from Shareholders in relation to the Disposal. Pursuant to Section 4 of the Disposal Circular, the Company had received the opinion of the independent financial adviser, ZICO Capital Pte. Ltd., in respect of the Disposal in accordance with the ruling from The Securities Industry Council of Singapore under Rule 10 of the Code.

Taking into consideration the factors set out in the independent financial adviser's letter in Appendix I to the Disposal Circular ("**Disposal IFA Letter**") and the information available to the IFA as at the latest practicable date of the Disposal Circular and subject to the qualifications and assumptions set out in the Disposal IFA Letter, the IFA is of the opinion that, from a financial perspective, the terms of the Disposal are, on balance, fair and reasonable.

A relevant extract from the Disposal IFA Letter in relation to the Disposal has been reproduced as follows:

"Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, from a financial perspective, the Disposal is, on balance, on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, and the terms of the Disposal are, on balance, fair and reasonable."

Shareholders should read the above extract in conjunction with, and in the context of, the full text of the Disposal IFA Letter.

6 RATIONALE FOR THE OFFER

The full text of the rationale for the Offer as set out in Section 11 of the Offer Document has been extracted from the Offer Document and reproduced below.

"11. RATIONALE FOR THE OFFER

The Offeror sees value in the remaining assets of the Company, post-Disposal. The Offer is made by the Offeror to comply with Rule 14.1 of the Code because following completion of the Acquisition, the Offeror and parties acting in concert with it have acquired Shares which represent in excess of 30 per cent. of the voting rights of the Company."

7 OFFEROR'S INTENTION FOR THE COMPANY

The full text of the Offeror's intention for the Company as set out in Section 12 of the Offer Document has been extracted from the Offer Document and reproduced below.

"12. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

12.1 Offeror's Future Plans for the Company. *The Offeror does not intend for the Company to continue the Business subsequent to the Offer. Subject to (i) the independent financial adviser of the Company opining that the terms of the Disposal are fair and reasonable and (ii) compliance with Rule 14.4 of the Code, the Offeror intends to vote the Sale Shares acquired pursuant to the Acquisition and any other Shares owned and controlled by it in favour of the resolution for the Disposal at the extraordinary general meeting to be convened in respect of the Disposal.*

The Offeror also intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced and consider fundraising options to strengthen the cash flow position of the Company after the Disposal is completed.

Save for the implementation of the Disposal in accordance with its terms as described in the Disposal

Announcement and as stated in this Announcement, the Offeror has no intention to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company or (iii) discontinue the employment of any of the existing employees of the Group. However, the director(s) of the Offeror retains the flexibility at any time to consider any options and opportunities which may present themselves and which he may regard to be in the interests of the Offeror and/ or the Group.

***12.2 Compulsory Acquisition Rights**. Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires Shares from the Despatch Date otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. Of the total number of the Shares in issue as at the Closing Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all Shares held by Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**").*

***12.3 Dissenting Shareholders' Rights**. In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of issued Shares, the Dissenting Shareholders have the right to require the Offeror to acquire their Shares at the Offer Price.*

***12.4 No Compulsory Acquisition**. In view of Yeow CK's Irrevocable Undertaking not to accept the Offer in respect of any of the Remaining Shares, the conditions for the rights arising under Sections 215(1) and 215(3) of the Companies Act will not be satisfied.*

***12.5 Free Float Requirement**. Pursuant to Rule 723 of the Catalist Rules, the Company must ensure that at least 10 per cent. of the total number of Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**"). Pursuant to Rule 1104 of the Catalist Rules, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public. Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.*

In addition, under Rule 724(1) of the Catalist Rules, if the Free Float Requirement is not complied with, the Company must, as soon as possible, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

***12.6 Intention of the Offeror. It is the intention of the Offeror to retain the listing of the Company on the Catalist board of the SGX-ST.** In the event that the Company does not meet the Free Float Requirement at the Closing Date and the SGX-ST suspends trading in the Shares, the Offeror intends to work together with the Company to restore the free float of the Company."*

8 FINANCIAL ASPECTS OF THE OFFER

The full text of the financial aspects of the Offer as set out in Section 13 of the Offer Document has been extracted from the Offer Document and reproduced below.

*"**13. FINANCIAL ASPECTS OF THE OFFER***

The Offer Price of S$0.0675 represents the following premium over the historical traded prices of the Shares:

	Benchmark Price (S$)[(1)(2)]	***Premium (%)[(3)]***
Last traded price[(4)] per Share as quoted on the SGX-ST as at the Last Trading Date	0.040	68.75
VWAP of the Shares for the one-month period up to and including the Last Trading Date	0.045	50.00
VWAP of the Shares for the three-month period up to and including the Last Trading Date	0.052	29.81
VWAP of the Shares for the six-month period up to and including the Last Trading Date	0.052	29.81
VWAP of the Shares for the 12-month period up to and including the Last Trading Date	0.063	7.14

Notes:

(1) Based on data extracted from Bloomberg Finance L.P.. Calculated by using the total value of Shares traded over the total volume of Shares traded for the relevant period.

(2) Computed based on the Share prices rounded to the nearest three decimal places.

(3) Percentage figures are rounded to the nearest two decimal places.

(4) Based on the last traded price per Share of S$0.040 on 7 December 2017, being the last Market Day on which the Shares were traded prior to the Announcement Date."

9 CONFIRMATION OF FINANCIAL RESOURCES

The full text of the confirmation of financial resources by SAC Capital Private Limited as set out in Section 14 of the Offer Document has been extracted from the Offer Document and reproduced below.

"14. CONFIRMATION OF FINANCIAL RESOURCES

SAC Capital, as the sole financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by Shareholders on the basis of the Offer Price (other than the Remaining Shares)."

10 INDEPENDENCE OF THE DIRECTORS

As at the Latest Practicable Date, all of the Directors consider themselves to be independent for the purposes of making a recommendation on the Offer.

11 ADVICE OF THE IFA ON THE OFFER

11.1 IFA

ZICO Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should read and consider carefully the recommendation of the IFA to the Independent Directors in respect of the Offer as set out in the IFA Letter (set out in Appendix I herein) and the recommendation of the Independent Directors set out in paragraph 12 of this Circular before deciding whether to accept or reject the Offer.

11.2 Evaluation of the Offer by the IFA

The IFA Letter setting out the advice and recommendations of the IFA to the Independent Directors in respect of the Offer is set out in Appendix I to this Circular. The key considerations relied upon by the IFA in arriving at its advice to the Independent Directors are set out in paragraph 10 of the IFA Letter.

Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Independent Directors, in conjunction with, and in the context of the full text of the IFA Letter.

11.3 Advice of the IFA to the Independent Directors in respect of the Offer

Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date and subject to the qualifications and assumptions set out in the IFA Letter, the IFA has made certain recommendations to the Independent Directors at paragraph 11 of the IFA Letter, an extract of which is set out below. Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

*"**11. OUR RECOMMENDATIONS***

In arriving at our recommendations in respect of the Offer, we have taken into consideration the aforementioned factors which we consider to be relevant and to have a significant bearing on our assessment of the Offer.

Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the financial terms of the Offer are fair and reasonable.

Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting all related expenses. The Offer Price offers Shareholders an exit opportunity and there is no certainty that Shareholders will otherwise be able to obtain a better value for their Shares if the Offer lapses."

12 RECOMMENDATION OF THE INDEPENDENT DIRECTORS

The Independent Directors, having carefully considered the terms of the Offer and the advice given by the IFA to the Independent Directors in the IFA Letter, **CONCUR** with the advice of the IFA in respect of the Offer.

Accordingly, the Independent Directors recommend that Shareholders **ACCEPT** the Offer. However, in the event that Shareholders are able to dispose of the Offer Shares in the open market and realise their investments at prices higher than the Offer Price after deducting related expenses, they should consider selling the Offer Shares in the open market.

Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully. Shareholders are also advised to read the IFA Letter set out in Appendix I to this Circular carefully and to consider the recommendations of the Independent Directors in their entirety before deciding whether to accept or reject the Offer. Shareholders should note that the advice of the IFA to the Independent Directors in respect of the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

Further, in rendering the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

13 OVERSEAS SHAREHOLDERS

13.1 Overseas Shareholders

The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are located. Overseas Shareholders should refer to Section 16 of the Offer Document which is reproduced below.

*"**16. OVERSEAS SHAREHOLDERS***

***16.1 Overseas Shareholders**. This Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction. The availability of the Offer to Shareholders whose mailing addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP (the "**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders including those to whom this Offer Document, the Relevant Acceptance Forms and/or any related documents have not been, or will not be, sent.*

***16.2 Overseas Jurisdiction**. It is the responsibility of an Overseas Shareholder who wishes to (i) request for this Offer Document, the Relevant Acceptance Forms and/or any related documents, or (ii) accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with all other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including SAC Capital and CDP) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or requisite payments that may be required to be paid.*

If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

***16.3 Copies of the Offer Document**. Shareholders (including Overseas Shareholders) may obtain copies of this Offer Document, the Relevant Acceptance Forms and any related documents, during normal business hours up to the Closing Date from:*

(i) the Registrar (if he is a scripholder) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

(ii) CDP (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

Alternatively, Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) write to the Registrar (if he is a scripholder) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or to CDP (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, to request for this Offer Document, the Relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three Market Days prior to the Closing Date.

Electronics copies of this Offer Document, the Relevant Acceptance Forms and any related documents may also be obtained from the website of the SGX-ST at http://www.sgx.com.

***16.4 Notice**. The Offeror and SAC Capital each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders and Overseas Shareholders by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in*

Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder or Overseas Shareholder to receive or see such announcement or advertisement."

13.2 Copies of Circular

This Circular may not be sent to Overseas Shareholders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholder may, nevertheless, obtain copies of this Circular during normal business hours up to the Closing Date from the offices of the Registrar at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to five (5) Market Days prior to the Closing Date.

In requesting for this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

14 INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

The Offer Document refers to CPFIS Investors and SRS Investors at Section 17, which has been extracted from the Offer Document and reproduced below.

"17. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts and SRS investment accounts."

15 ACTION TO BE TAKEN BY SHAREHOLDERS

15.1 Shareholders who wish to accept the offer

The Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore Time) on 30 January 2018, being the Closing Date, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 to the Offer Document, the FAA and/or the FAT.

15.2 Shareholders who do not wish to accept the offer

The Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

16 RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of the preparation of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than the IFA Letter, the Valuation Report, information extracted from the Offer Announcement and the Offer Document and information relating to the Offeror or any opinion expressed by the Offeror) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Circular, and the Directors jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

In respect of the IFA Letter and the Valuation Report, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are, after having made all reasonable enquiries and to the best of their knowledge and belief, fair and accurate in all material aspects.

17 ADDITIONAL INFORMATION

The attention of the Shareholders is also drawn to the Appendices which form part of this Circular.

Yours faithfully
For and on behalf of the Board of Directors

WEE LIANG HIAM
Lead Independent Director

15 January 2018

TMC EDUCATION CORPORATION LTD.
250 Middle Road
Singapore 188983

Attention: The Directors of the Company who are considered independent in respect of the Offer

MANDATORY UNCONDITIONAL CASH OFFER (THE "OFFER") BY SAC CAPITAL PRIVATE LIMITED ("FINANCIAL ADVISER"), FOR AND ON BEHALF OF JK GLOBAL ASSETS PTE. LTD. (THE "OFFEROR") TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF TMC EDUCATION CORPORATION LTD. ("TMC" OR "COMPANY") OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR IN RELATION TO THE OFFER

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to shareholders of the Company ("**Shareholders**") in relation to the Offer dated 15 January 2018 (the "**Circular**").*

1. INTRODUCTION

The Offeror had, on 14 December 2017, entered into a share purchase agreement (the "**SPA**") with Dr Chin Kon Yuen ("**Dr Chin**") and Ms Yeow Cheng Khim ("**Ms Yeow**") (collectively, the "**Vendors**") for the purchase of an aggregate of 85,372,814 ordinary shares ("**Sale Shares**") in the capital of the Company, representing approximately 51% of the issued ordinary shares in the capital of the Company (the "**Shares**"), from the Vendors at a consideration of S$0.0675 per Sale Share (the "**Acquisition**"). The Acquisition was completed on 14 December 2017 by way of an off-market transfer of securities.

Prior to the Acquisition, the Offeror did not own or control any Shares. Pursuant to the Acquisition, the Offeror is obliged to make a mandatory unconditional cash offer in accordance with Rule 14.1(a) of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the Shares not already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**"). The Financial Adviser, on behalf of the Offeror, made the Offer for the Offer Shares on 14 December 2017 (the "**Offer Announcement Date**").

The Offeror is a private limited company incorporated in Singapore on 11 October 2017 and its principal activity is investment holding. Mr Koh Wee Meng is the sole shareholder and director of the Offeror.

On 2 January 2018, the Financial Adviser announced, for and on behalf of the Offeror, that the offer document (the "**Offer Document**") setting out, inter alia, the terms and conditions of the Offer has been despatched to the Shareholders.

ZICO Capital Pte. Ltd. ("**ZICO Capital**") has been appointed by the Company as the independent financial adviser (the "**IFA**") to advise the directors of the Company who are considered independent in respect of the Offer (the "**Independent Directors**"), for the purposes of making their recommendation to the Shareholders in respect of the Offer. This IFA letter is addressed to such Independent Directors, and sets out, *inter alia*, our evaluation and advice on the financial terms of the Offer, and our recommendation thereon (the "**IFA Letter**"). This IFA Letter forms part of the Circular to be despatched to the Shareholders in relation to the Offer.

2. TERMS OF REFERENCE

We have confined our evaluation to the financial terms of the Offer. Our terms of reference do not require us to evaluate or comment on the rationale, legal and commercial risks and/or merits (if any) of the Offer and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the directors ("**Directors**") and the management (the "**Management**") of the Company although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our recommendations as set out in this IFA Letter.

We are not and were not involved in any aspect of the negotiations pertaining to the Offer or any other offers. We were also not requested, instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Offer. In this regard, we are not addressing the relative merits of the Offer as compared to any alternative transaction previously considered by the Company or which otherwise may have been available to the Company currently or in the future. Such comparison and consideration remain the responsibility of the Independent Directors.

In the course of our evaluation of the financial terms of the Offer, we have held discussions with the Directors and the Management. We have also examined publicly available information collated by us as well as information, both written and verbal, provided to us by the aforesaid parties, including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular is fair and accurate in all material aspects. The Directors and the Management have confirmed to us that, to the best of their knowledge and belief, there is no other information or fact, the omission of which would cause any statement in the Circular in respect of the Offer to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such enquiry and judgement as we have deemed necessary and have found no reason to doubt the accuracy or reliability of the information which we have relied upon.

For the purposes of assessing the financial terms of the Offer and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company or the Company and its subsidiaries (the "**Group**"). We are not required to express, and we do not express, any view on the growth prospects, earnings potential and future financial performance or condition of the Company or the Group in connection with our opinion in this IFA Letter.

We have not made any independent valuation or appraisal of assets and liabilities (including without limitation, investment properties as well as property, plant and equipment) of the Group.

In connection with the Offer, the Company had commissioned independent valuer, namely Suntec Real Estate Consultants Pte Ltd (the "**Independent Valuer**"), to carry out revaluation of various investment properties owned by the Group as at 19 December 2017. The valuation report from the Independent Valuer ("**Valuation Report**") is set out in Appendix V to the Circular. We have placed sole reliance thereon for the valuation and information contained in the Valuation Report. We are not involved in the preparation of, and assume no responsibility for, the Valuation Report. We have not made any independent verification of the contents thereof. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

Our recommendations are based upon market, economic, industry and other conditions prevailing, as well as information made available to us, as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our recommendations in light of any subsequent developments after the Latest Practicable Date that may affect our recommendations contained therein. Shareholders should further take note of any announcements relevant to their consideration of the Offer, which may be released after the Latest Practicable Date.

Our opinion is limited to the fairness and reasonableness, from a financial point of view, of the Offer. We express no opinion as to the fairness and reasonableness of the Offer to, or any consideration received in connection therewith by, the holders of any class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Offeror to engage in the Offer.

In rendering our advice and providing our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. We recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendations made by the Independent Directors in respect of the Offer shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Offer) at any time and in any manner without the prior written consent of ZICO Capital. Our opinion in relation to the Offer should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE OFFER

The Offer is made in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14.1(a) of the Code, subject to the terms and conditions set out in the Offer Document. The principal terms of the Offer, as extracted from sections 2 and 3 of the Offer Document, are set out below. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

3.1 Offer Shares

As at 26 December 2017, being the latest practicable date prior to the printing of the Offer Document ("**Offer Document LPD**"), the Company has 167,397,677 Shares in issue and 284,000 outstanding options (the "**Options**") granted under the TMC Share Option Scheme (the "**Option Scheme**") which are exercisable for up to 284,000 new Shares. As at the Offer Document LPD, the Company has no Shares held in treasury.

The Offer is extended to:-

(i) any Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer; and

(ii) all new Shares unconditionally issued prior to the close of the Offer pursuant to the valid exercise of any Options.

For the purposes of the Offer and for the avoidance of doubt, the expression "**Offer Shares**" shall include all such Shares.

Pursuant to the rules of the Option Scheme, the Options are not transferrable by the holders thereof (unless otherwise approved by the board committee administering the Option Scheme). In view of this restriction, the Offeror will not be making any proposal in respect of the Options or extending the Offer to the Options. For the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued prior to the close of the Offer pursuant to the valid exercise of any of the Options.

3.2 Offer Price

The consideration for each Offer Share is S$0.0675 in cash (the "**Offer Price**").

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

The Offer Price is the same as the purchase price for each Share acquired by the Offeror from the Vendors under the SPA.

3.3 Conditionality of the Offer

Assuming the valid exercise of all the Options as at the Offer Document LPD, the Company would have a maximum potential issued share capital of 167,681,677 Shares (the "**Maximum Potential Issued Share Capital**").

As at the Offer Document LPD, the Offeror and persons acting in concert with it hold in aggregate 85,372,814 Shares, representing approximately 51.00% of the issued and paid-up share capital of the Company and approximately 50.91% of the Maximum Potential Issued Share Capital.

Accordingly, the Offer is not conditional on any minimum level of acceptances and is unconditional in all respects.

3.4 No Encumbrances

The Offer Shares will be acquired:-

(i) fully paid-up;

(ii) free from all liens, equities, claims, charges, pledges, mortgages, encumbrances, options, powers of sale, declarations of trust, hypothecations, retentions of title, rights of pre-emption, rights of first refusal, moratorium and any other third party rights or interests of any nature whatsoever or any agreements, arrangements or obligations to create any of the following; and

(iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including, but not limited to, the right to receive and retain all dividends, rights and other distributions and/or return of capital (if any) (the "**Distribution**") declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

3.5 Adjustments for Distribution

If any Distribution is declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who accepts or has accepted the Offer and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the rights to reduce the Offer Price payable in respect of such Offer Share by the amount of such Distribution.

3.6 No Extension of Closing Date

The Offer will close at 5.30 p.m. (Singapore time) on 30 January 2018, being the Closing Date and the Offeror does not intend to extend the Offer beyond the Closing Date. Notice is given, pursuant to Rule 22.6 of the Code, that the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore time) on the Closing Date, save that such notice shall not be capable of being enforced in a competitive situation.

3.7 Other Details of the Offer

Please refer to Appendix 1 to the Offer Document for other details of the Offer, such as (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

3.8 Procedures for Acceptance

Please refer to Appendix 2 to the Offer Document for details on the procedures for acceptance of the Offer by a Shareholder.

4. WARRANTY

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof:-

(a) fully paid-up;

(b) free from all liens, equities, claims, charges, pledges, mortgages, encumbrances, options, powers of sale, declarations of trust, hypothecations, retentions of title, rights of pre-emption, rights of first refusal, moratorium and any other third party rights or interests of any nature whatsoever or any agreements, arrangements or obligations to create any of the foregoing; and

(c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

5. INFORMATION ON THE OFFEROR

The Offeror is a private limited company incorporated in Singapore on 11 October 2017 and its principal activity is investment holding. As at the Offer Document LPD, the Offeror has an issued and paid-up share capital of S$1 comprising one ordinary share, and Mr Koh Wee Meng is the sole shareholder and director of the Offeror.

Please refer to Appendix 3 to the Offer Document for additional information on the Offeror.

6. INFORMATION ON THE COMPANY

6.1 The Company

The Company is a public limited company incorporated in Singapore and listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The principal business activities of the Group are the provision of (i) training and education in Accounting, Business, English Language, Hospitality and Tourism, Gaming & Animation, Information Technology, Psychology, Law and Mass Communication programmes from Certificate, Diploma, Higher Diploma, Degree right up to Master Level in collaboration with foreign universities and educational institution; and (ii) expertise in setting up and administering schools through franchises (the "**Business**"). The Company currently operates its Business through TMC Academy Pte. Ltd. ("**TMC Academy**"), its wholly-owned operating subsidiary.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$11,477,196 comprising 167,397,677 Shares and 284,000 outstanding Options granted under the Option Scheme which are exercisable for up to 284,000 new Shares. As at the Latest Practicable Date, the Company has no Shares held in treasury.

Please refer to Appendix II to the Circular for additional information on the Company.

6.2 The Disposal

The Company had, on 14 December 2017, announced that it had entered into a sale and purchase agreement (the "**Disposal SPA**") with, inter alia, Advanced Investment Holdings Pte. Ltd. (the "**Purchaser**") to sell all of the issued and paid-up share capital in TMC Academy to the Purchaser (such sale, the "**Disposal**").

The Purchaser was incorporated on 14 December 2017 in Singapore as a special purpose vehicle for the purpose of undertaking the Disposal and carrying out the Business. The shareholders of the Purchaser are CK & CO Holding Pte. Ltd. ("**CK & CO**") and Mr Lee Chin Weng ("**Mr Lee**") who hold 70% and 30% of the total issued and paid-up share capital in the Purchaser respectively. CK & CO was incorporated on 19 September 2017 in Singapore for the purpose of investment holding. As at the Latest Practicable Date, CK & CO is equally owned by Dr Chin and Ms Yeow. Dr Chin and Ms Yeow were the controlling Shareholders (at the time of entering into the Disposal SPA) and Directors of the Company while Mr Lee is an independent third party. Accordingly, the Purchaser is considered to be an associate of Dr Chin and Ms Yeow and an "interested person", and the Disposal constitutes an "interested person transaction" under Chapter 9 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"). The completion of the Disposal is therefore conditional upon the approval of independent Shareholders.

In respect of the Offer, the Securities Industry Council has, on 13 December 2017, confirmed that the Disposal does not constitute a special deal for the purposes of Rule 10 of the Code, subject to an IFA opining that the terms of the Disposal are fair and reasonable. In this regard, ZICO Capital (as the IFA to advise the directors of the Company who are considered independent in respect of the Disposal) has opined that, from a financial perspective, the terms of the Disposal are, on balance, fair and reasonable. The relevant IFA letter in respect of the Disposal has been set out in the circular to Shareholders in relation to the Disposal dated 15 January 2018.

The Offeror does not intend for the Company to continue the Business subsequent to the Offer. Subject to (i) the IFA opining that the terms of the Disposal are fair and reasonable; and (ii) compliance with Rule 14.4 of the Code, the Offeror intends to vote the Sale Shares acquired pursuant to the Acquisition and any other Shares owned and controlled by it in favour of the resolution for the Disposal at the extraordinary general meeting to be convened on 30 January 2018 in respect of the Disposal.

7. IRREVOCABLE UNDERTAKING AND OTHER ARRANGEMENTS

7.1 Irrevocable Undertaking

After the completion of the SPA, Ms Yeow continues to hold 19,507,140 Shares, representing approximately 11.65% of the Shares (the "**Remaining Shares**"). Ms Yeow has provided an irrevocable undertaking (the "**Irrevocable Undertaking**") to the Offeror that she shall not accept the Offer in respect of all or any of the Remaining Shares. In addition, pursuant to the terms of the Irrevocable Undertaking, Ms Yeow will not, amongst others, sell, transfer or otherwise dispose of the Remaining Shares.

The Irrevocable Undertaking will cease to be binding when the Offer closes, lapses or is withdrawn.

7.2 Other Arrangements

As at the Offer Announcement Date, Dr Chin and Ms Yeow have provided a loan (the "**Shareholders' Loan**") to the Company pursuant to a shareholders' loan agreement (the "**Shareholders' Loan Agreement**") with an outstanding amount of S$5,800,000. Pursuant to the terms of the SPA, in consideration of the Offeror agreeing to purchase the Sale Shares, each of Dr Chin and Ms Yeow has undertaken to and with the Offeror inter alia that until the later of (a) the expiry of six months after the

final close of the Offer; and (b) the relevant maturity date of the Shareholders' Loan as specified in the Shareholders' Loan Agreement, he/she shall not require the repayment of any outstanding loan amount (other than interest payment) under the Shareholders' Loan Agreement.

In addition, in the event that the Disposal is not completed for any reason other than by reason of a default on the part of the Company or the conditions precedent relating to (a) the Company's shareholders' approval in relation to the Disposal; and (b) the Singapore Land Authority's approval in respect of either a novation or a sublease of the Company's premises at 250 Middle Road, TMC Academy, Singapore 188983 by the Company to TMC Academy not being met, each of Dr Chin and Ms Yeow undertakes that he/she will not be entitled to and shall not demand repayment of any sums due under the Shareholders' Loan Agreement.

8. RATIONALE FOR THE OFFER

The Offeror sees value in the remaining assets of the Company, post-Disposal. The Offer is made by the Offeror to comply with Rule 14.1 of the Code because following completion of the Acquisition, the Offeror and parties acting in concert with it have acquired Shares which represent in excess of 30% of the voting rights of the Company.

9. INTENTIONS OF THE OFFEROR

The full text of the intentions of the Offeror as set out in section 12 of the Offer Document has been extracted from the Offer Document and reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

*"**12. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY***

***12.1 Offeror's Future Plans for the Company**. The Offeror does not intend for the Company to continue the Business subsequent to the Offer. Subject to (i) the independent financial adviser of the Company opining that the terms of the Disposal are fair and reasonable and (ii) compliance with Rule 14.4 of the Code, the Offeror intends to vote the Sale Shares acquired pursuant to the Acquisition and any other Shares owned and controlled by it in favour of the resolution for the Disposal at the extraordinary general meeting to be convened in respect of the Disposal.*

The Offeror also intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced and consider fundraising options to strengthen the cash flow position of the Company after the Disposal is completed.

Save for the implementation of the Disposal in accordance with its terms as described in the Disposal Announcement and as stated in this Announcement, the Offeror has no intention to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company or (iii) discontinue the employment of any of the existing employees of the Group. However, the director(s) of the Offeror retains the flexibility at any time to consider any options and opportunities which may present themselves and which he may regard to be in the interests of the Offeror and/or the Group.

***12.2 Compulsory Acquisition Rights**. Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires Shares from the Despatch Date otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of the Shares in issue as at the Closing Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all Shares held by Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**").*

***12.3 Dissenting Shareholders' Rights**. In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of issued Shares, the Dissenting Shareholders have the right to require the Offeror to acquire their Shares at the Offer Price.*

12.4 No Compulsory Acquisition*. In view of Yeow CK's Irrevocable Undertaking not to accept the Offer in respect of any of the Remaining Shares, the conditions for the rights arising under Sections 215(1) and 215(3) of the Companies Act will not be satisfied.*

12.5 Free Float Requirement*. Pursuant to Rule 723 of the Catalist Rules, the Company must ensure that at least 10 per cent. of the total number of Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**"). Pursuant to Rule 1104 of the Catalist Rules, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public. Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.*

In addition, under Rule 724(1) of the Catalist Rules, if the Free Float Requirement is not complied with, the Company must, as soon as possible, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

12.6 Intention of the Offeror. It is the intention of the Offeror to retain the listing of the Company on the Catalist board of the SGX-ST. *In the event that the Company does not meet the Free Float Requirement at the Closing Date and the SGX-ST suspends trading in the Shares, the Offeror intends to work together with the Company to restore the free float of the Company."*

10. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In assessing the financial terms of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:-

(a) market quotation and trading liquidity of the Shares;

(b) financial performance and financial position of the Group;

(c) asset-based valuation of the Group;

(d) comparison with comparable companies;

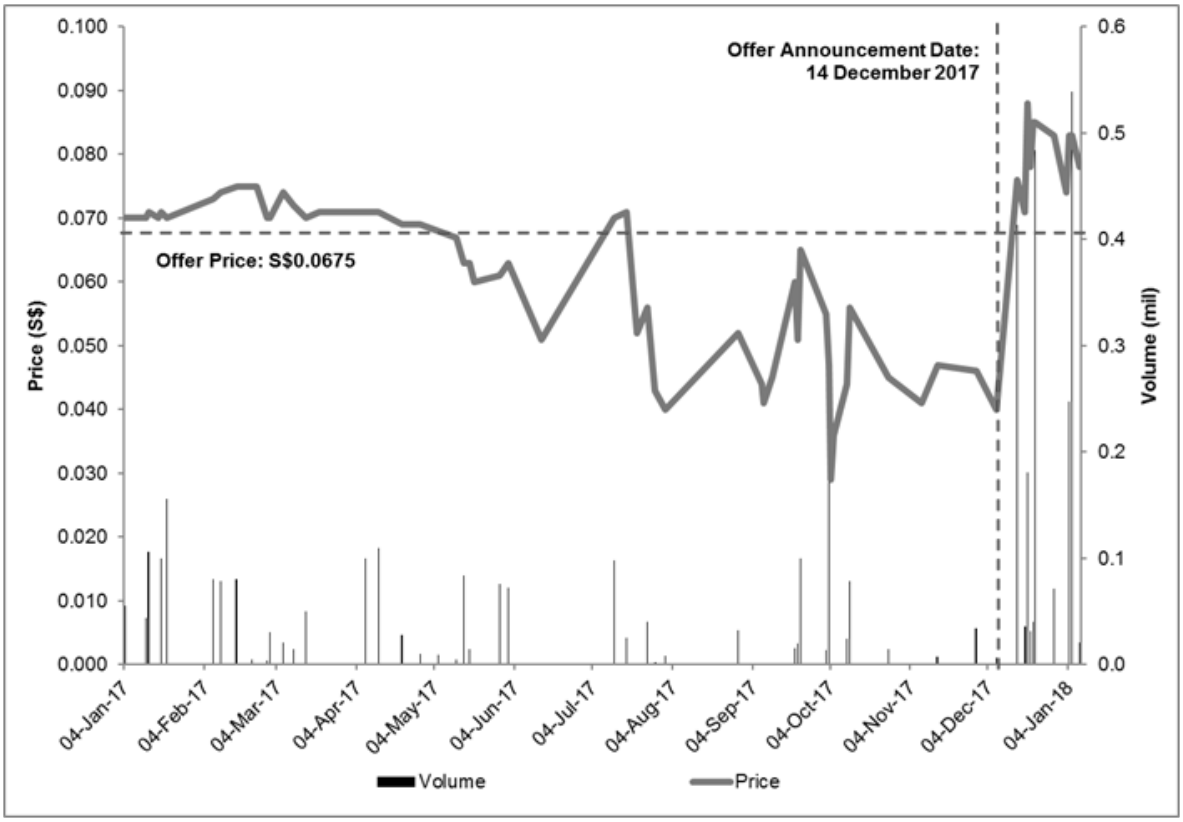
(e) comparison with precedent take-over transactions on the SGX-ST; and

(f) other relevant considerations.

10.1 Market quotation and trading liquidity of the Shares

Share performance and trading liquidity

We set out below a chart showing the Offer Price relative to the daily closing prices and the trading volume of the Shares for the period commencing 12 months prior to the Offer Announcement Date and ended on the Latest Practicable Date.



Source: Bloomberg L.P.

A summary of the salient announcements made by the Company during the aforesaid period is set out below:-

Date	Event
13 Feb 2017	The Company announced its unaudited consolidated financial statements for the six months ended 31 December 2016. The Company reported Group revenue of S$2.0 million and loss for the period of S$1.8 million.
24 Mar 2017	The Company announced that an application has been submitted to the Accounting and Corporate Regulatory Authority on 24 March 2017 to strike off TMC (China) Holdings Pte. Ltd., a 51%-owned subsidiary of the Company, from the Register of Companies pursuant to Section 344A of the Companies Act, Chapter 50 of Singapore.
13 Jul 2017	The Company announced that its 51%-owned subsidiary, TMC (China) Holdings Pte. Ltd., has been struck off from the Register of Companies pursuant to Section 344 of the Companies Act, Chapter 50 of Singapore.
29 Aug 2017	The Company announced its unaudited consolidated financial statements for the financial year ended 30 June ("**FY**") 2017. The Company reported Group revenue of S$4.0 million and loss for the year of S$0.5 million.

12 Oct 2017	The Company announced material differences between the unaudited financial statements of the Group for FY2017 released on 29 August 2017 and the audited financial statements of the Group for FY2017. The loss before taxation was S$0.9 million instead of the earlier announced S$0.5 million due mainly to adjustment to the finance costs. The Company announced that its independent auditor, Foo Kon Tan LLP, has, without modifying their opinion, included a material uncertainty related to going concern in its report on the consolidated financial statements of the Group for FY2017.
14 Dec 2017	The Company announced the Disposal. The Company announced the sale of the Sale Shares by the Vendors to the Offeror. The Financial Adviser announced the Offer for and on behalf of the Offeror.
19 Dec 2017	The Company announced the appointment of ZICO Capital as the independent financial adviser for the Disposal and the Offer.
2 Jan 2018	The Financial Adviser announced the despatch of the Offer Document for and on behalf of the Offeror.

Source: Company announcements from the SGXNet

Shareholders should note that the abovementioned is only a summary of the salient announcements made by the Company during the aforesaid period, and where in doubt, Shareholders are advised to read the details set out in the various announcements themselves.

The trading statistics of the Shares for the period from 15 December 2016 (being the start date of the 12-month period prior to the Offer Announcement Date) and up to the Latest Practicable Date are set out below:-

Reference period	**Highest traded price[1] (S$)**	**Lowest traded price[1] (S$)**	**VWAP[2] (S$)**	**Premium / (Discount) of Offer Price over VWAP (%)**	**Number of traded days[3]**	**Average daily traded volume[4]**	**Average daily traded volume as a percentage of free float[5] (%)**
Prior to the Offer Announcement Date							
Last 12 months	0.075	0.029	0.063	7.1	54	8,135	0.02
Last 6 months	0.071	0.029	0.052	29.8	24	5,544	0.01
Last 3 months	0.065	0.029	0.052	29.8	14	7,764	0.02
Last 1 month	0.046	0.040	0.045	50.0	2	1,818	0.00
As at 7 December 2017, being the last traded day prior to the Offer Announcement Date	0.040	0.040	0.040	68.8	1	6,000	0.01

Reference period	Highest traded price[1] (S$)	Lowest traded price[1] (S$)	VWAP[2] (S$)	Premium / (Discount) of Offer Price over VWAP (%)	Number of traded days[3]	Average daily traded volume[4]	Average daily traded volume as a percentage of free float[5] (%)
After the Offer Announcement Date							
After the Offer Announcement Date and up to the Latest Practicable Date	0.088	0.071	0.082	(17.7)	11	137,646	0.32
As at the Latest Practicable Date	0.083	0.078	0.083	(18.7)	1	21,000	0.05

Source: Bloomberg L.P.

Notes:-

(1) The highest and lowest traded prices for the periods (a) prior to the Offer Announcement Date; and (b) after the Offer Announcement Date and up to the Latest Practicable Date, are based on daily closing prices for the relevant period. The highest and lowest traded prices as at (a) 7 December 2017, being the last traded day prior to the Offer Announcement Date; and (b) the Latest Practicable Date, are based on intra-day prices.

(2) The VWAP is calculated based on the aggregate daily VWAP turnover divided by aggregate daily VWAP volume for the respective periods as extracted from Bloomberg L.P.. Off-market transactions are excluded from the calculation.

(3) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period.

(4) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off-market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts and trading suspensions on the Shares) during that period.

(5) Free float refers to the Shares other than those held by the Directors, chief executive officer, controlling Shareholders, or substantial Shareholders of the Company and their associates which amounted to 43,512,877 Shares (excluding any valid acceptances (which have not been withdrawn) of the Offer received by the Offeror), representing 25.99% of the issued and paid-up share capital of the Company as at the Latest Practicable Date.

Based on the above, we note the following:-

(a) Over the 12-month period prior to the Offer Announcement Date, the Shares had traded between a low of S$0.029 and a high of S$0.075. The Offer Price represents a premium of S$0.0385 (or 132.8%) and a discount of S$0.0075 (or 10.0%) above the lowest transacted price and the highest transacted price of the Shares respectively;

(b) The Offer Price represents a premium of 7.1%, 29.8%, 29.8% and 50.0% to the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;

(c) The Offer Price represents a premium of 68.8% to the VWAP of the Shares of S$0.040 on 7 December 2017, being the last traded day prior to the Offer Announcement Date;

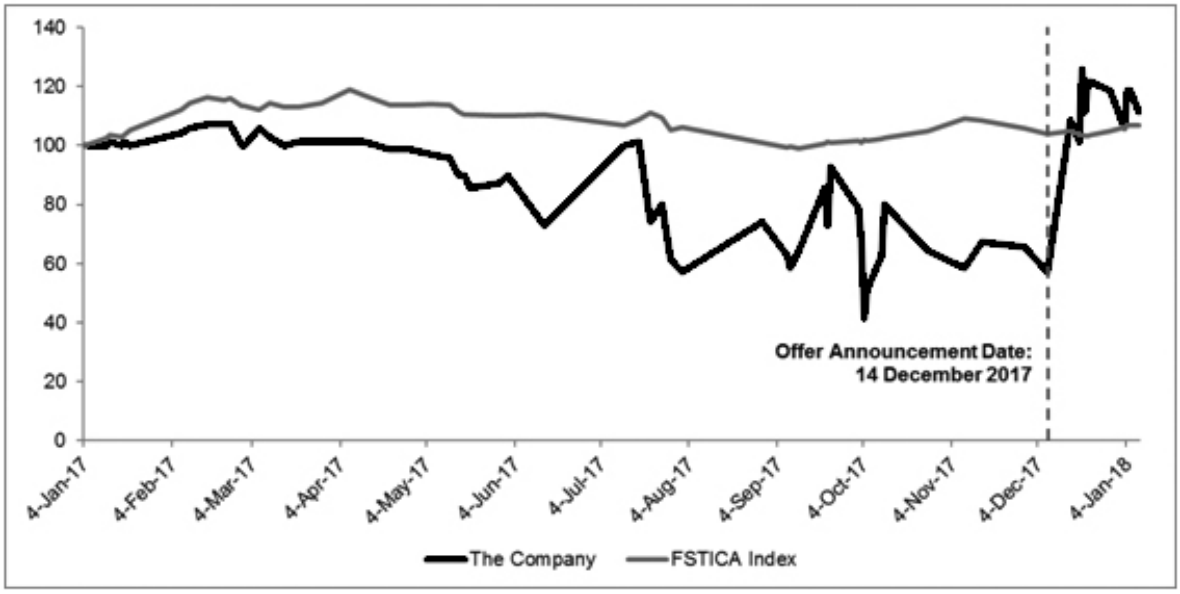
(d) Since the Offer Announcement Date and up to the Latest Practicable Date, the Shares have traded above the Offer Price, between S$0.071 and S$0.088. As at the Latest Practicable Date, the Shares were last transacted above the Offer Price at S$0.078;

(e) Over the 12-month period prior to the Offer Announcement Date, the Shares were traded very thinly throughout the period. The average daily traded volume of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date represented 0.02%, 0.01%, 0.02% and 0.00% of the Company's free float respectively; and

(f) During the period after the Offer Announcement Date and up to the Latest Practicable Date, the Shares had traded on 11 days out of 15 Market Days (or 73.3% of the total number of Market Days during the period). The average daily traded volume was 137,646 Shares, representing 0.32% of the Company's free float.

Relative performance of the Shares versus the market index

To assess the market price performance of the Shares vis-a-vis the general price performance of the Singapore equity market, we have compared the movement of the prices of the Shares against the FTSE ST Catalist Index (the "**FSTICA Index**") for the 12-month period prior to the Offer Announcement Date and up to the Latest Practicable Date, as illustrated below:-



Source: Bloomberg L.P.

We note that the Shares have underperformed the FSTICA Index, save for the period after the Offer Announcement Date and up to the Latest Practicable Date where the Shares have outperformed the FSTICA Index.

10.2 Financial performance and financial position of the Group

Review of Operating Results

A summary of the financial results of the Group for FY2017, FY2016 and FY2015 is set out below:-

	← Audited →		
(S$')	**FY2017**	**FY2016**	**FY2015**
Revenue	4,239,723	5,863,895	7,695,120
Other income	541,693	583,531	1,209,205
Fair value gain/(loss) on investment properties	2,710,000	(1,300,000)	1,090,000
Loss on disposal of investment properties	–	(1,212,155)	–
Operating expenses	(7,551,723)	(9,302,172)	(15,184,514)
Finance costs	(817,420)	(513,352)	(117,759)
Loss before taxation from continuing operations	(877,727)	(5,880,253)	(5,307,948)
Loss after taxation from continuing operations	(877,727)	(5,880,253)	(5,307,948)
Loss from discontinued operations, net of tax	–	–	(44,512)
Loss for the year	(877,727)	(5,880,253)	(5,352,460)

Source: Company's annual reports for FY2016 and FY2017 and the audited consolidated financial statements of the Group for FY2017

FY2017 vs FY2016

Revenue decreased by S$1.62 million, from S$5.86 million in FY2016 to S$4.24 million in FY2017, mainly due to the decrease in student enrolments.

Other income decreased by S$0.04 million, from S$0.58 million in FY2016 to S$0.54 million in FY2017, mainly due to the decrease in government grants and rental income from investment properties, partially offset by the increase in hostel rental income.

The Group recorded a fair value gain on investment properties of S$2.71 million in FY2017 as compared to a fair value loss on investment properties of S$1.30 million in FY2016.

The Group recorded a loss on disposal of investment properties of S$1.21 million in FY2016. There was no disposal of investment properties in FY2017.

Operating expenses decreased by S$1.75 million, from S$9.30 million in FY2016 to S$7.55 million in FY2017, mainly attributable to the decrease in student enrolments, and the effect of cost savings arising from the campus consolidation exercise undertaken in FY2016, where one of the campus located at Bishan, Singapore was closed and the absence of impairment loss of property, plant and equipment in FY2017.

Finance costs increased by S$0.31 million, from S$0.51 million in FY2016 to S$0.82 million in FY2017, mainly due to the higher imputed cost of borrowings on the interest-free loans from the then controlling Shareholders.

Due to the factors above, the Group recorded a loss before taxation from continuing operations of S$0.88 million in FY2017 as compared to S$5.88 million in FY2016.

FY2016 vs FY2015

Revenue decreased by S$1.84 million, from S$7.70 million in FY2015 to S$5.86 million in FY2016, mainly due to the decrease in student enrolments.

Other income decreased by S$0.63 million, from S$1.21 million in FY2015 to S$0.58 million in FY2016, mainly due to the decrease in rental income from investment properties as a result of the disposal of the 10 office units during FY2016.

The Group recorded a fair value loss on investment properties of S$1.30 million in FY2016 as compared to a fair value gain on investment properties of S$1.09 million in FY2015. The fair value of the investment property is determined by an independent firm of professional valuers who has appropriate recognised professional qualification and recent experience in the location and category of the investment property being valued. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The Group recorded a loss on disposal of investment properties of S$1.21 million in FY2016 as a result of the disposal of 10 office units during FY2016.

Operating expenses decreased by S$5.88 million, from S$15.18 million in FY2015 to S$9.30 million in FY2016, mainly due to the decrease in student enrolments and the effect of cost savings arising from the campus consolidation exercise undertaken in FY2016, where one of the campus located at Bishan, Singapore was closed.

Finance costs increased by S$0.39 million, from S$0.12 million in FY2015 to S$0.51 million in FY2016, mainly due to the fair value adjustment on the interest-free loan from the then controlling Shareholders and the increase in interest expenses, which was in line with the increase in borrowings to fund the working capital of the Group.

Due to the factors above, the Group recorded a loss before taxation from continuing operations of S$5.88 million in FY2016 as compared to S$5.31 million in FY2015.

The Group disposed of its loss-making kindergarten business in China in FY2015. The loss from discontinued operations, net of tax relates to the operating loss incurred by the kindergarten prior to the sale, which was partially offset by a gain on disposal of approximately S$106,000.

Review of Financial Position

A summary of the financial position of the Group as at 30 June 2017, 2016 and 2015 is set out below:-

	← Audited →		
(S$')	**As at 30 June 2017**	**As at 30 June 2016**	**As at 30 June 2015**
Current assets	2,048,313	1,744,333	1,966,016
Non-current assets	20,176,799	17,424,587	24,631,024
Current liabilities	7,603,497	4,932,067	10,814,926
Non-current liabilities	7,077,985	6,752,798	3,744,965
Net assets or Equity	7,543,630	7,484,055	12,037,149
Add: Non-controlling interests	–	352,440	346,282
Net assets or Equity attributable to owners of the Company	7,543,630	7,836,495	12,383,431

Source: Company's annual reports for FY2016 and FY2017 and the audited consolidated financial statements of the Group for FY2017

Assets

As at 30 June 2017, current assets comprised cash and cash equivalents of S$1.67 million and trade and other receivables of S$0.38 million, while non-current assets comprised investment properties of S$19.96 million and plant and equipment of S$0.22 million.

Cash and cash equivalents increased from S$1.40 million as at 30 June 2015 to S$1.49 million as at 30 June 2016, mainly due to the proceeds from disposal of investment properties and the proceeds from loans from the then controlling Shareholders and third party loan, partially offset by the net cash used in operating activities, and repayments of bank loans. Cash and cash equivalents increased from S$1.49 million as at 30 June 2016 to S$1.67 million as at 30 June 2017, mainly due to the proceeds from bank loans and loans from the then controlling Shareholders, partially offset by the net cash used in operating activities, and repayments of bank loans and third party loan.

Trade and other receivables decreased from S$0.57 million as at 30 June 2015 to S$0.25 million as at 30 June 2016 and increased to S$0.38 million as at 30 June 2017. The decrease in FY2016 was mainly due to the implementation of a better collection process, receipt of the balance proceeds from the disposal of the kindergarten business in China, repayment of study loan and the absence of prepaid operating lease expenses for Bishan campus in FY2016. The increase in FY2017 was mainly due to the increase in outstanding course fees from students, GST input tax and prepayments for the acquisition of software.

Investment properties decreased from S$24.2 million as at 30 June 2015 to S$17.3 million as at 30 June 2016 and increased to S$20.0 million as at 30 June 2017. The decrease in FY2016 was mainly due to the fair value loss on investment properties and disposal of investment properties. The increase in FY2017 was mainly due to the fair value gain on investment properties.

Plant and equipment decreased from S$0.46 million as at 30 June 2015 to S$0.17 million as at 30 June 2016 and increased to S$0.22 million as at 30 June 2017. The decrease in FY2016 was mainly due to the provision for impairment and depreciation charges, partially offset by the addition in renovation. The increase in FY2017 was mainly due to the addition in plant and equipment, partially offset by depreciation charges.

Liabilities

As at 30 June 2017, current liabilities comprised borrowings from banks of S$4.46 million, trade and other payables of S$2.97 million and provisions of S$0.17 million, while non-current liabilities comprised borrowings from banks, the then controlling Shareholders and a third party of S$7.08 million.

Trade and other payables decreased from S$6.28 million as at 30 June 2015 to S$3.51 million as at 30 June 2016 and S$2.97 million as at 30 June 2017, mainly due to the decrease in trade payables, accrued expenses and non-refundable course and examination fees received in advance from students.

Borrowings (both current and non-current portions), comprising bank loans, loans from the then controlling Shareholders and third party loan, increased from S$7.73 million as at 30 June 2015 to S$8.02 million as at 30 June 2016 and S$11.54 million as at 30 June 2017, mainly for the Group's working capital purposes. Bank loans decreased from S$5.73 million as at 30 June 2015 to S$2.44 million as at 30 June 2016 and increased to S$5.93 million as at 30 June 2017. Loans from the then controlling Shareholders increased from S$2.00 million as at 30 June 2015 to S$3.58 million as at 30 June 2016 and S$4.62 million as at 30 June 2017. Third party loan was obtained in FY2016 and decreased from S$2.00 million as at 30 June 2016 to S$1.00 million as at 30 June 2017.

Material Uncertainty Related to Going Concern

We wish to highlight that the Company's auditors, Foo Kon Tan LLP, had, without modifying their opinion, included a material uncertainty related to going concern in its report on the consolidated financial statements of the Group for FY2017. The following is an extract of the said matter as set out in the audited consolidated financial statements of the Group for FY2017 together with the Independent Auditor's report, which are reproduced in Appendix IV to the Circular:

*"**Material Uncertainty Related to Going Concern***

We draw attention to Note 2 to the financial statements. As at 30 June 2017, the Group's and the Company's current liabilities exceeded current assets by $5,555,184 and $12,405,098 (2016: $3,187,734 and $8,094,444) respectively. For the financial year ended 30 June 2017, the Group incurred a loss after tax of $877,727 (2016: $5,880,253) and total comprehensive loss of $871,589 (2016: $5,745,460), and reported net cash used in operating activities of $3,029,969 (2016: $5,037,961). These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Our opinion is not modified in respect of this matter."

For ease of reference, we have also reproduced an extract of Note 2 under the "Notes to the Financial Statements for the financial year ended 30 June 2017", which is as follows:-

"As at 30 June 2017, the Group's and the Company's current liabilities exceeded current assets by $5,555,184 and $12,405,098 (2016: $3,187,734 and $8,094,444) respectively. For the financial year ended 30 June 2017, the Group incurred loss after tax of $877,727 (2016: $5,880,253) and total comprehensive loss of $871,589 (2016: $5,745,460), and reported net cash used in operating activities of $3,029,969 (2016: $5,037,961).

As at 30 June 2017, the Group's current liabilities included non-refundable course and examination fees received in advance from students amounting to $1,527,715 (2016: $1,762,044). Excluding this amount, the Group's current liabilities would have been $6,075,782 (2016: $3,170,023) compared to current assets of $2,048,313 (2016: $1,744,333) as at 30 June 2017.

As at 30 June 2017, the Company's current liabilities included amounts due to wholly-owned subsidiaries of $10,391,833 (2016: $5,810,725). The directors of the Company have the power and authority to manage the payment obligations to the said wholly-owned subsidiaries if the need ever arises.

Notwithstanding the above, management believes that the Group and the Company will have sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months

from the date of the financial statements after taking into consideration the following:

(1) As at 30 June 2017, the Group has loan facility of $2,000,000 comprising $1,000,000 from two shareholders, who are also executive directors of the Company, and $1,000,000 from a third party for general working capital purposes.

(2) The two shareholders, who are also executive directors have given an undertaking to provide financial support to the Company and the Group for at least twelve 12 months from the date of the financial statements to operate without any curtailment of operations.

(3) As at 30 June 2017, the carrying amount of the Group's and the Company's investment properties was $19,960,000 as determined by an independent firm of professional valuers. In July 2017, the Group and the Company obtained approval from the relevant authorities for the sub-division of the investment properties titles to improve their marketability. The Group and the Company will actively looking to realise some of the investment properties for general working capital purposes and to repay its borrowings.

Accordingly, management considers it appropriate that these financial statements are prepared on a going concern basis."

10.3 Asset-based valuation of the Group

The NAV based valuation approach shows the extent to which the value of each Share is backed by the Group's net assets. NTA is derived by deducting intangible assets from the NAV and the NTA based valuation approach shows the extent to which the value of each Share is backed by the Group's net tangible assets.

(a) NAV or NTA per Share

Based on the Group's audited financial statements as at 30 June 2017, there were no intangible assets and accordingly, the net asset value ("**NAV**") of the Group is equivalent to the net tangible asset ("**NTA**") of the Group. The NAV or NTA of the Group as at 30 June 2017 was S$7.54 million and its NAV or NTA per Share was S$0.045, based on the issued and paid-up share capital of the Company as at the Latest Practicable Date ("**Existing Share Capital**") of 167,397,677 Shares.

The Offer Price represents a premium of 50.0% to the NAV or NTA per Share, or a Price-to-NAV ("**P/NAV**") or a Price-to-NTA ("**P/NTA**") ratio of 1.5 times as at 30 June 2017.

(b) Adjusted NAV or Adjusted NTA of the Group

Financial effects of the Disposal

As disclosed under paragraph 6 above, the Offeror intends to vote the Sale Shares acquired pursuant to the Acquisition in favour of the Disposal at the extraordinary general meeting to be convened on 30 January 2018 ("**EGM**"), subject to (i) the IFA opining that the terms of the Disposal are fair and reasonable; and (ii) compliance with Rule 14.4 of the Code.

In the circular to Shareholders in relation to the Disposal dated 15 January 2018, ZICO Capital (as the IFA to advise the directors of the Company who are considered independent in respect of the Disposal) has opined that, from a financial perspective, the terms of the Disposal are, on balance, fair and reasonable. Given that the Sale Shares represent 51% of the issued Shares and the Offeror's intention to vote in favour of the Disposal, barring unforeseen circumstances, it is envisaged that the resolution on the Disposal would be duly passed by independent Shareholders at the EGM.

Accordingly, we have adjusted the NAV or NTA of the Group to reflect the financial effects of the Disposal assuming that the Disposal is completed on 30 June 2017.

Revaluation of investment properties

In connection with the Offer, the Company had commissioned the Independent Valuer, Suntec Real Estate Consultants Pte Ltd, to carry out an independent valuation of the Group's investment properties ("**Revalued Properties**") which consist of 25 office units located at 111 North Bridge Road, Peninsula Plaza, Singapore 179098. The Independent Valuer had adopted the market approach to determine the market values of the Revalued Properties as at 19 December 2017. The Independent Valuer had compared the Revalued Properties with recent transactions of other similar commercial units within the development and in surrounding vicinity, and adjustments were made to account for the differences to arrive at the market values of the Revalued Properties. Shareholders are advised to read the full text of the Valuation Report set out in Appendix V to the Circular. A summary of the book value and market values of the Revalued Properties is set out in the table below.

	Book value as at 30 June 2017 (S$'000)	**Market value as at 19 December 2017 based on the Valuation Report (S$'000)**	**Differences (S$'000)**
Revalued Properties	19,960	19,990	30

Adjusted NAV or Adjusted NTA of the Group

Based on the above-mentioned, we set out below the computation of the adjusted NAV ("**Adjusted NAV**") or adjusted NTA ("**Adjusted NTA**") of the Group:-

	(S$'000)
NAV or NTA of the Group as at 30 June 2017 before the Disposal	7,544
Add: Financial effects of the Disposal[(1)]	(168)
Add: Differences arising from the Revalued Properties[(2)]	30
Adjusted NAV or Adjusted NTA of the Group as at 30 June 2017	7,406
Adjusted NAV or Adjusted NTA per Share (based on the Existing Share Capital)	S$0.044
Premium of Offer Price over Adjusted NAV or Adjusted NTA per Share	*53.4%*
Price-to-Adjusted NAV ("**P/Adjusted NAV**") or Price-to-Adjusted NTA ("**P/Adjusted NTA**") ratio as implied by the Offer Price	*1.5 times*

Notes:-

(1) The financial effects of the Disposal on the Group have been prepared based on the audited consolidated financial statements of the Group for FY2017 and the consideration for the Disposal was assumed to be S$5.14 million, based on the outstanding TMC Loan (as defined in the circular to Shareholders in relation to the Disposal dated 15 January 2018) of S$5.14 million as at 30 June 2017.

(2) In assessing the above revaluation surplus, we have also considered whether there is any potential tax liabilities which would arise on the disposal of the Revalued Properties in a hypothetical scenario for the purpose of Rule 26.3 of the Code.

If the Revalued Properties were to be sold at the market value as at 19 December 2017 based on the Valuation Report, the Group will realise a gain on the disposal of the Revalued Properties as the proceeds from such sale are above the net book values of the Revalued Properties. However, the Management is of the view that these gains, if any, are capital in nature and there is therefore no potential tax liability arising on the disposal of the Revalued Properties as any gain on disposal will be capital in nature and hence is not subject to tax, in a hypothetical scenario where the Revalued Properties are sold.

Based on the above, we note that the Offer Price represents a premium of 53.4% to the Adjusted NAV or Adjusted NTA per Share, or a P/Adjusted NAV or a P/Adjusted NTA ratio of 1.5 times as at 30 June 2017.

Save for the Disposal and the Revalued Properties as disclosed above, we have also considered whether there are any tangible assets which should be valued at an amount that is materially different from that which were recorded in the latest audited statement of financial

position of the Group as at 30 June 2017, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV and/or NTA as at 30 June 2017. In this regard, the Directors and the Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

(a) there are no material fluctuations or changes to the Group's business operations or profits since 1 July 2017 and up to the Latest Practicable Date, which would result in a material impact on the overall financial performance of the Group;

(b) save for the financial effects of the Disposal and the revaluation surplus arising from the valuation of the Revalued Properties, there are no material differences between the realisable value of the Group's assets and their respective book values as at 30 June 2017, which would result in a material impact on the NAV and/or NTA of the Group;

(c) there are no liabilities which values would be materially different from those recorded in the audited statement of financial position of the Group as at 30 June 2017;

(d) there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV and/or NTA of the Group;

(e) there are no litigation, claims or proceedings pending or threatened against the Group or any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Group;

(f) there are no intangible assets which ought to be disclosed in the audited statement of financial position of the Group as at 30 June 2017 in accordance with Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible asset would have had a material impact on the overall financial position of the Group; and

(g) there are no material acquisitions and disposals of assets by the Group since 1 July 2017 and up to the Latest Practicable Date. Save for the Disposal, the Group has not entered into any commitment in respect of any material acquisitions or disposals of assets, or conversion of the use of its material assets as at the Latest Practicable Date.

10.4 Comparison with comparable companies

The Offeror does not intend for the Company to continue the Business subsequent to the Offer and intends to vote the Sale Shares acquired pursuant to the Acquisition in favour of the Disposal at the EGM, subject to (i) the IFA opining that the terms of the Disposal are fair and reasonable; and (ii) compliance with Rule 14.4 of the Code.

In the circular to Shareholders in relation to the Disposal dated 15 January 2018, ZICO Capital (as the IFA to advise the directors of the Company who are considered independent in respect of the Disposal) has opined that, from a financial perspective, the terms of the Disposal are, on balance, fair and reasonable. Given that the Sale Shares represent 51% of the issued Shares and the Offeror's intention to vote in favour of the Disposal, barring unforeseen circumstances, it is envisaged that the resolution on the Disposal would be duly passed by independent Shareholders at the EGM. Immediately upon the completion of the Disposal ("**Disposal Completion**"), the Company would cease to have any operating subsidiaries or businesses, and its only source of revenue would be rental income generated from the 25 office units that it continues to hold. As such, for the purposes of assessing the financial terms of the Offer, we have not done a comparison of the current valuation statistics of selected listed companies on the SGX-ST, which businesses may be considered to be broadly comparable to the current business of the Group prior to the Disposal Completion.

We have also not done a comparison of the current valuation statistics of listed companies on the SGX-ST, which businesses are in property investment holding as the Group is not exactly in the active business of property investment. We note that the Offeror has indicated that it intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced.

10.5 Comparison with precedent take-over transactions on the SGX-ST

We note that it is the intention of the Offeror to maintain the listing status of the Company on the SGX-ST. For the purpose of our evaluation of the financial terms of the Offer, we have compared the valuation statistics implied by the Offer Price vis-a-vis those in respect of selected recent completed take-overs for companies listed on the SGX-ST (excluding real estate investment trusts and business trusts) which were announced since January 2016 and prior to the Offer Announcement Date where the offeror's intentions to preserve the listing status of the target companies (collectively, the "**Selected Comparable Transactions**") were indicated.

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the offeree companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:-

(a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month, 3-month and 6-month periods prior to the announcement of the respective transactions; and

(b) the premium or discount represented by each of the respective offer prices to the NAV of the respective target companies. We note that certain transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their latest announced book values. In this respect, we have compared the offer price with the revalued NAV or NTA or adjusted NAV or NTA of the respective target companies.

We wish to highlight that the list of target companies set out under the Selected Comparable Transactions may not be directly comparable with the Company in terms of market capitalisation, size of operations, business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits.

We also wish to highlight that the list of Selected Comparable Transactions is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.

The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors, inter alia, the offeror's intention with regard to the target company, the potential synergy that the offeror can derive from acquiring the target company, the presence or absence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares as well as the existing and desired level of control in the target company. Therefore, the comparison of the Offer with the Selected Comparable Transactions set out below is for illustrative purposes only. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

			Premium/ (Discount) of Offer Price over				
Companies	**Date of announcement**	**Type[21]**	**Last transacted market price prior to announcement (%)**	**VWAP for the 1-month period prior to announcement (%)**	**VWAP for the 3-month period prior to announcement (%)**	**VWAP for the 6-month period prior to announcement (%)**	**Price-to-NTA (times)**
Abundance International Limited	24 Mar 2016	MGO	72.4	65.6	67.2	40.4	1.3[1]
Ellipsiz Ltd	7 Jul 2016	MGO	1.6	5.0	8.0	14.5	0.7[2]
Halcyon Agri Corporation Limited	18 Jul 2016	MGO	24.0[3]	51.7[3]	28.5[3]	8.1[3]	3.3[4]
			18.1[5]	12.8[5]	8.0[5]	16.7[5]	3.3[4]

Companies	Date of announcement	Type[21]	Premium/ (Discount) of Offer Price over				
			Last transacted market price prior to announcement (%)	VWAP for the 1-month period prior to announcement (%)	VWAP for the 3-month period prior to announcement (%)	VWAP for the 6-month period prior to announcement (%)	Price-to-NTA (times)
British and Malayan Trustees Limited	13 May 2016	MGO	(60.3)[6]	n.a.[6]	n.a.[6]	n.a.[6]	1.0[7]
Healthway Medical Corporation Limited	7 Feb 2017	VGO	1.3	8.9	15.0	16.8	0.7[8]
International Healthway Corporation Limited	16 Feb 2017	MGO	0.0	14.0	20.5	32.5	1.1[9]
CMC Infocomm Limited	7 May 2017	MGO	18.8	18.8	35.5	9.5	1.6[10]
Cityneon Holdings Limited	12 May 2017	MGO	(5.4)	0.6	3.9	0.3	3.2[11]
United Engineers Limited	13 Jul 2017	MGO	7.9[12]	11.5[12]	12.8[12]	12.7[12]	0.9[13]
Blumont Group Ltd.	24 Aug 2017	MGO	(81.8)[20]	(89.9)[20]	(88.5)[20]	(91.4)[20]	0.6[14]
Mary Chia Holdings Limited	24 Aug 2017	MGO	69.2	93.0	96.1	99.6	2.8[15]
BRC Asia Limited	8 Sep 2017	MGO	33.1[16]	30.3[16]	35.3[16]	42.0[16]	0.8[17]
New Wave Holdings Ltd.	19 Oct 2017	VGO	44.4	38.0	9.0	18.7	0.9[18]
Max			72.4	93.0	96.1	99.6	3.3
Min			(81.8)	(89.9)	(88.5)	(91.4)	0.6
Mean			17.3	29.2	28.3	26.0	1.7
Median			18.1	16.4	17.8	16.8	1.1
The Company (as implied by the Offer Price)			68.8	50.0	29.8	29.8	1.5[19]

Sources: Circulars to shareholders in relation to the respective transactions

Notes:-

(1) Based on the NTA per share of S$0.0373 as at 31 December 2015.

(2) Based on the NTA per share of S$0.518 as at 30 June 2016.

(3) Based on prices of the shares of Halcyon Agri Corporation Limited ("**Halcyon Agri**") prior to and including 8 September 2015, being the last full market day prior to Halcyon Agri's announcement on 9 September 2015 that it was then in confidential discussions with certain parties regarding a potential strategic transaction.

(4) Based on the NAV per share of S$0.2301 as at 31 March 2016.

(5) Based on prices of the shares of Halcyon Agri prior to and including 11 January 2016, being the last full market day prior to the SGX-ST queries on 12 January 2016 following which Halcyon Agri announced a trading halt and subsequently announced on 15 January 2016 that it was in discussions with Sinochem International Corporation ("**Sinochem**") over the possibility of a potential strategic transaction involving the combination of Halcyon Agri and its subsidiaries, Sinochem's interests in GMG Global Ltd and certain rubber-related assets of Sinochem, as well as the possibility of Sinochem purchasing a controlling interest in Halcyon Agri.

(6) The shares of British and Malayan Trustees Limited were last traded on 26 October 2015 prior to the pre-conditional offer announcement.

(7) Based on the revalued NAV per share of S$2.25 as at 30 June 2016.

(8) Based on the NAV per share of S$0.063 as at 31 December 2016.

(9) Based on the revalued NTA per share of S$0.0951 as at 30 September 2016.

(10) Based on the NTA per share of S$0.058 as at 30 November 2016.

(11) Based on the NAV per share of S$0.28 as at 31 December 2016.

(12) Based on prices of the shares of United Engineers Limited ("**United Engineers**") prior to and including 26 September 2016, being the last full market day prior to United Engineers' announcement that Oversea-Chinese Banking Corporation Limited and Great Eastern Holdings Limited were reviewing strategic options with respect to their combined stakes in United Engineers and WBL Corporation Limited.

(13) Based on the revalued NTA per share of S$3.03 as at 30 June 2017.

(14) Based on the revalued NTA per share of S$0.00032 as at 30 June 2017.

(15) Based on the revalued NTA per share of S$0.039 as at 31 March 2017.

(16) Based on prices of the shares of BRC Asia Limited ("**BRC Asia**") prior to and including 30 May 2017, being the last full market day prior to BRC Asia's announcement on 30 May 2017 that some of the substantial shareholders of VRC Asia had received an unsolicited approach in connection with a potential transaction which may or may not lead to an acquisition of the issued shares of BRC Asia.

(17) Based on the revalued NAV per share of S$1.147 as at 30 June 2017.

(18) Based on the revalued NTA per share of S$0.0147 as at 30 September 2017.

(19) Based on the Group's Adjusted NTA per share of S$0.044 as at 30 June 2017 as computed in paragraph 10.3 above.

(20) Excluded as statistical outlier in the mean and median computations.

(21) MGO – Mandatory General Offer and VGO – Voluntary General Offer.

Based on the above, we note the following:-

(a) The premium of 68.8% represented by the Offer Price over the last transacted price of the Shares prior to the Offer Announcement Date is (i) within the range of the corresponding premia of the Selected Comparable Transactions; and (ii) higher than the mean and median premia;

(b) The premium of 50.0% represented by the Offer Price over the 1-month VWAP of the Shares prior to the Offer Announcement Date is (i) within the range of the corresponding premia of the Selected Comparable Transactions; and (ii) higher than the mean and median premia;

(c) The premium of 29.8% represented by the Offer Price over the 3-month VWAP of the Shares prior to the Offer Announcement Date is (i) within the range of the corresponding premia of the Selected Comparable Transactions; and (ii) higher than the mean and median premia;

(d) The premium of 29.8% represented by the Offer Price over the 6-month VWAP of the Shares prior to the Offer Announcement Date is (i) within the range of the corresponding premia of the Selected Comparable Transactions; and (ii) higher than the mean and median premia; and

(e) The P/Adjusted NTA ratio of the Company of 1.5 times as implied by the Offer Price is (i) within the range of P/NTA ratios of the Selected Comparable Transactions; and (ii) higher than the median but lower than the mean ratios.

10.6 OTHER RELEVANT CONSIDERATIONS

10.6.1 No increase in Offer Price

Shareholders should note that the Offer Price is final as the Offeror has stated that it does not intend to revise the Offer Price.

10.6.2 Mandatory Unconditional Offer

The Offer is made by the Offeror in compliance with Rule 14.1 of the Code because the Offeror held more than 50% of the Maximum Potential Issued Share Capital following completion of the Acquisition. The Offer is unconditional in all respects.

10.6.3 No alternative offer from third parties

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer, no alternative offer from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party. The likelihood of a competing offer from any third party is also unlikely given the Offeror has secured more than 50% of the Maximum Potential Issued Share Capital, and the Offer is unconditional in all respects.

10.6.4 Listing Status and Compulsory Acquisition

As set out in section 12 of the Offer Document, the Offeror's intention is to retain the listing of the Company on the Catalist board of the SGX-ST. In the event that the Company does not meet the Free Float Requirement at the Closing Date and the SGX-ST suspends trading in the Shares, the Offeror intends to work together with the Company to restore the free float of the Company.

In view of the Irrevocable Undertaking provided by Ms Yeow not to accept the Offer in respect of any of the Remaining Shares (representing approximately 11.65% of the issued Shares), the conditions for the compulsory acquisition rights under Section 215(1) and 215(3) of the Companies Act will not be satisfied. Accordingly, the Offeror will not be entitled to exercise its right to compulsorily acquire all Shares held by Dissenting Shareholders at the Offer Price, and the Dissenting Shareholders also do not have the right to require the Offeror to acquire their Shares at the Offer Price.

10.6.5 Intentions of the Offeror for the Company

The Offeror does not intend for the Company to continue the Business subsequent to the Offer. Subject to the independent financial adviser of the Company opining that the terms of the Disposal are fair and reasonable, and compliance with Rule 14.4 of the Code, the Offeror intends to vote the Sale Shares acquired pursuant to the Acquisition in favour of the Disposal at the extraordinary general meeting to be convened in respect of the Disposal.

The Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced and consider fundraising options to strengthen the cash flow position of the Company after the Disposal is completed.

Further to the completion of the Disposal, the Company would cease to have any operating subsidiaries or businesses, and its only source of revenue would be rental income generated from the 25 office units that it continues to hold. From the above-mentioned, there is currently no visibility on the future business that the Company may embark on post Disposal.

10.6.6 Dividend Track Record

We note that the Company has not declared or paid any dividends to its Shareholders since 2014. In addition, the Group has reported losses since FY2014. As disclosed in the Company's annual report for FY2017, the Company does not have a formal dividend policy, and there is also no visibility of the dividend policy after completion of the Offer.

11. OUR RECOMMENDATIONS

In arriving at our recommendations in respect of the Offer, we have taken into consideration the aforementioned factors which we consider to be relevant and to have a significant bearing on our assessment of the Offer.

Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the financial terms of the Offer are fair and reasonable.

Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting all related expenses. The Offer Price offers Shareholders an exit opportunity and there is no certainty that Shareholders will otherwise be able to obtain a better value for their Shares if the Offer lapses.

Shareholders should note that the trading of the Shares are subject to, inter alia, the performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by ZICO Capital on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of ZICO Capital's review and also, such advice, if given, would not fall within ZICO Capital's term of reference in connection with the Offer.

In rendering the above advice, ZICO Capital has not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately. The Independent Directors should advise Shareholders that the opinion and advice of ZICO Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendations made by the Independent Directors in respect of the Offer shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Offer) at any time and in any manner without the prior written consent of ZICO Capital.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan Chief Executive Officer	Karen Soh Managing Director

1 DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Dr Chin Kon Yuen	8 Chiltern Drive Braddell Heights Estate Singapore 359726	Executive Chairman
Yeow Cheng Khim	8 Chiltern Drive Braddell Heights Estate Singapore 359726	Executive Director and Chief Executive Officer
Wee Liang Hiam	25 Hillview Avenue #05-06 Glendale Park Singapore 669558	Lead Independent Director and Chairman of the Audit Committee
Chen Timothy Teck Leng	46 Meyer Road #03-03 The View @ Meyer Singapore 437871	Independent Director and Chairman of the Nominating and Remuneration Committee
Tham Wan Loong, Jerome	118 Coronation Road Singapore 269516	Independent Director

2 BACKGROUND INFORMATION

The Company was incorporated on 25 June 1981 under the Companies Act as a private company limited by shares under the name of TMC Int'l Holdings Ltd. The Company was converted to a public limited company and listed on the Catalist Board of the SGX-ST on 27 September 1999. On 25 November 2005, the Company changed its name to TMC Education Corporation Ltd.. The registered office and principal place of business of the Company is located at 250 Middle Road, Singapore 188983.

The principal business activities of the Company and its subsidiaries are the provision of (i) training and education in Accounting, Business, English Language, Hospitality and Tourism, Gaming & Animation, Information Technology, Psychology, Law and Mass Communication programmes from Certificate, Diploma, Higher Diploma, Degree right up to Master Level in collaboration with foreign universities and educational institution and (ii) expertise in setting up and administering schools through franchises.

Additional information on the Company can be found on its corporate website at http://www.tmc.edu.sg/.

3 SHARE CAPITAL

3.1 **Issued and paid-up Shares.** As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S$11,477,196 comprising 167,397,677 Shares. The issued Shares are listed and quoted on the Catalist Board of the SGX-ST.

3.2 **No transfer restriction.** There is no restriction in the Constitution on the right to transfer any Shares, which has the effect of requiring Shareholders, before transferring them, to first offer them for purchase to other Shareholders or to any other person.

3.3 **Shares issued since 30 June 2017.** As at the Latest Practicable Date, there has been no issue of new Shares by the Company since 30 June 2017, being the end of the last financial year of the Company.

3.4 **Outstanding convertible instruments.** As at the Latest Practicable Date, save for the 284,000 outstanding Options which are exercisable for up to a maximum of 284,000 Shares, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting Shares.

3.5 **Rights in respect of Capital, Dividends and Voting.** The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution which is available for inspection at the Company's registered office stated above. The relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted from the Constitution and reproduced in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

4 DISCLOSURE OF INTERESTS

4.1 **Interests and Dealings of Company in Offeror Securities.** As at the Latest Practicable Date, neither the Company nor its subsidiaries:

(a) has any direct or deemed interests in any Offeror Securities; and

(b) has dealt for value in any Offeror Securities during the Reference Period.

4.2 **Interests and Dealings of Directors in Offeror Securities.** As at the Latest Practicable Date, none of the Directors:

(a) has any direct or deemed interests in any Offeror Securities; and

(b) has dealt in any Offeror Securities during the Reference Period.

4.3 **Interests of Directors in Company Securities.** As at the Latest Practicable Date, none of the Directors, save as disclosed below, has any direct or deemed interests in Company Securities.

Interests of Directors in Shares:

	Number of Shares				Total (%)
Directors	**Direct Interest**	**%(1)**	**Deemed Interest**	**%(1)**	
Dr Chin Kon Yuen(2)	437,646	0.26	19,507,140	11.65	11.91
Yeow Cheng Khim(2)	19,507,140	11.65	437,646	0.26	11.91
Wee Liang Hiam	–	–	–	–	–
Chen Timothy Teck Leng	–	–	–	–	–
Tham Wan Loong, Jerome	–	–	–	–	–

Notes:

(1) Calculated based on a total of 167,397,677 Shares in issue as at the Latest Practicable Date.

(2) Dr Chin Kon Yuen and Yeow Cheng Khim are husband and wife.

4.4 **Dealings of Directors in Company Securities.** During the Reference Period, save as disclosed below, none of the Directors has dealt in any Company Securities.

Pursuant to the Acquisition, the Offeror had on 14 December 2017 acquired an aggregate of 85,372,814 Shares from Dr Chin Kon Yuen (75,328,954 Shares) and Yeow Cheng Khim (10,043,860 Shares) representing approximately 51% of all the Shares at S$0.0675 per Share.

As disclosed under paragraph 3 of this Circular and Section 10.1 of the Offer Document:

*"**10.1 Irrevocable Undertaking**. After the completion of the SPA, Yeow CK continues to hold 19,507,140 Shares, representing approximately 11.65 per cent. of the Shares (the "**Remaining Shares**"). Yeow CK has provided an irrevocable undertaking (the "**Irrevocable Undertaking**") to the Offeror that she shall not accept the Offer in respect of all or any of the Remaining Shares. In addition, pursuant to the terms of the Irrevocable Undertaking, Yeow CK will not, amongst others, sell, transfer or otherwise dispose of the Remaining Shares.*

The Irrevocable Undertaking will cease to be binding when the Offer closes, lapses or is withdrawn."

4.5 **Interests and Dealings of the IFA in Company Securities.** As at the Latest Practicable Date, none of the IFA or funds whose investments are managed by the IFA on a discretionary basis:

(a) has any direct or deemed interests in any Company Securities; and

(b) has dealt in any Company Securities during the Reference Period.

4.6 **Intentions of the Directors in relation to the Offer.** The following Directors who have direct or deemed interests in the Shares have informed the Company of their intentions in respect of the Offer as follows:

(a) As referred to in paragraph 3 of this Circular, Yeow Cheng Khim has provided an Irrevocable Undertaking in favour of the Offeror in respect of the Undertaking Shares. Pursuant to the Irrevocable Undertaking, Yeow Cheng Khim has undertaken to the Offeror, *inter alia*, not to tender or procure the tendering for acceptance under the Offer of all or any of the Undertaking Shares.

(b) Dr Chin Kon Yuen has indicated that, notwithstanding his concurrence with the IFA's opinion and his recommendation to the Shareholders to accept the Offer, he intends to reject the Offer in respect of all of the Shares held by him due to his own personal investment profile and objectives.

5 OTHER DISCLOSURES

5.1 **Directors' Service Contracts.** There are no service contracts between any Director or any proposed Director with the Company or any of its subsidiaries with more than twelve (12) months to run and which cannot be terminated by the employing company within the next twelve (12) months without paying any compensation. In addition, there are no such service contracts entered into or amended between any Director or proposed Director and the Company during the Reference Period.

5.2 **Payments or Benefits to Directors.** It is not proposed, in connection with the Offer, that any other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer.

5.3 **Agreements in Connection with or Conditional upon Outcome of Offer.** Save for the Share Purchase Agreement, Irrevocable Undertaking and as disclosed in this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.

5.4 **Material Contracts entered into by Offeror.** Save for the Share Purchase Agreement, Irrevocable Undertaking, Escrow Agreement and as disclosed in this Circular, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

6 FINANCIAL INFORMATION ON THE GROUP

6.1 Consolidated Statement of Comprehensive Income of the Group.

A summary of the audited consolidated statement of comprehensive income of the Group for FY2015, FY2016 and FY2017.

The following summary should be read together with the audited consolidated financial statements for the relevant financial periods and the related notes thereto. The financial information below has been extracted from the annual report of the Company for FY2015, FY2016 and FY2017, copies of which are available for inspection as set out in paragraph 14 of Appendix II to this Circular. The audited consolidated financial statements for the Group for FY2017 together with the Independent Auditor's report are set out in Appendix IV to this Circular.

	Audited FY2015 S$	Audited FY2016 S$	Audited FY2017 S$
Continuing operations			
Revenue	7,695,120	5,863,895	4,239,723
Other income	1,209,205	583,531	541,693
Fair value gain on investment properties	1,090,000	(1,300,000)	2,710,000
Loss on disposal of investment properties	–	(1,212,155)	–
Course materials and subscriptions	(1,191,702)	(450,919)	(286,384)
Staff costs	(5,933,291)	(4,336,292)	(3,995,348)
Plant and equipment, investment properties and related expenses	(2,830,823)	(809,532)	(436,994)
Advertising and promotion	(423,952)	(323,254)	(296,615)
Operating lease expenses	(3,268,146)	(1,935,106)	(1,381,718)
Other expenses	(1,536,600)	(1,447,069)	(1,154,664)
Finance costs	(117,759)	(513,352)	(817,420)
Loss before tax from continuing operations	(5,307,948)	(5,880,253)	(877,727)
Taxation	–	–	–
Loss after tax from continuing operations	(5,307,948)	(5,880,253)	(877,727)
Discontinued operations			
Loss from discontinued operations	(44,512)	–	–
Loss for the year	(5,352,460)	(5,880,253)	(877,727)
Other comprehensive income:			
Currency translation differences – foreign operations, at nil tax	(148,738)	134,793	6,138
	(5,501,198)	(5,745,460)	(871,589)
Loss for the year attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax	(5,328,847)	(5,874,095)	(876,664)
- Profit from discontinued operations, net of tax	29,348	–	–
	(5,299,499)	(5,874,095)	(876,664)
Non-controlling interests			
- Loss from continuing operations, net of tax	20,899	(6,158)	(1,063)
- Profit from discontinued operations, net of tax	(73,860)	–	–
	(52,961)	(6,158)	(1,063)
	(5,352,460)	(5,880,253)	(877,727)
Total comprehensive loss for the year attributable to:			
Owner of the Company			
- Loss from continuing operations, net of tax	(5,463,400)	(5,739,302)	(870,526)
- Profit from discontinued operations, net of tax	–	–	–
	(5,463,400)	(5,739,302)	(870,526)
Non-controlling interests			
- Loss from continuing operations, net of tax	20,899	(6,158)	(1,063)
- Profit from discontinued operations, net of tax	(83,884)	–	–
	(62,985)	(6,158)	(1,063)
	(5,501,198)	(5,745,460)	(871,589)

	Audited FY2015 S$	Audited FY2016 S$	Audited FY2017 S$
Loss per share (cents)			
From continuing operations attributable to the holders of the Company equity			
- Basic	(3.18)	(3.51)	(0.52)
- Diluted	(3.18)	(3.51)	(0.52)
From discontinued operations attributable to the holders of the Company equity			
- Basic	0.02	–	–
- Diluted	0.02	–	–
Dividend per Share (cents)	–	–	–

6.2 Consolidated statement of financial position of the Group.

A summary of the audited consolidated statements of financial position of the Group as at 30 June 2017 is set out below. The following summary should be read together with the audited consolidated financial statements and the related notes thereto. The financial information below has been extracted from the annual report of the Company for FY2017, copies of which are available for inspection as set out in paragraph 14 of Appendix II to this Circular. The audited consolidated financial statements for the Group for FY2017 together with the Independent Auditor's report are set out in Appendix IV to this Circular.

	Audited As at 30 June 2017 S$
The Group	
ASSETS	
Non-current assets	20,176,799
Current assets	2,048,313
Total assets	**22,225,112**
LIABILITIES	
Non-current liabilities	(7,077,985)
Current Liabilities	(7,603,497)
Total liabilities	**(14,681,482)**
Net assets	**7,543,630**
EQUITY	
Share capital	11,477,196
Reserves	(3,933,566)
Total equity	**7,543,630**

7 MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Circular and any other information on the Group which is publicly available (including without limitation, the announcements released by the Group on the SGX-ST and the Company's annual report for FY2017), there have been no material changes to the financial position of the Group since 30 June 2017, being the date of the last published audited financial statements of the Group.

8 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

8.1 **Significant Accounting Policies.** The audited consolidated financial statements of the Group have been prepared in accordance with the Singapore Financial Reporting Standards. A summary of the significant accounting policies of the Group is set out in Note 3(c) of the audited consolidated financial statements of the Group for FY2017, which is reproduced in Appendix IV to this Circular.

Save as disclosed in this Circular and publicly available information on the Group, there are no significant accounting policies or any matter from the notes to the financial statements of the Group which are of any major relevance for the interpretation of the accounts of the Group referred to in this Circular.

8.2 **No Change in Accounting Policies.** As at the Latest Practicable Date, the Group has adopted all applicable new and revised Financial Reporting Standards and Interpretations of Financial Reporting Standards which became effective for accounting periods beginning on or after 1 July 2017. These are not expected to have a material impact on the results of the Group and of the Company for the period ended 31 December 2017.

Save as disclosed in this Circular and publicly available information on the Group, there are no changes in the accounting policies of the Group which will cause the financial information disclosed in this Circular to not be comparable to a material extent.

9 MATERIAL CONTRACTS WITH INTERESTED PERSONS

9.1 Save as disclosed below and publicly available information on the Group, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries has entered into any material contracts with interested persons[1] (other than those entered into in the ordinary course of business) during the period commencing three years before the Offer Announcement Date and ending on the Latest Practicable Date:

(a) shareholders' loan agreement dated 29 April 2015 entered into between the Vendors as lenders and the Company as borrower, as amended by the addenda dated 4 April 2016, 1 September 2016, 12 June 2017 and 8 December 2017, for an aggregate amount of up to S$6.5 million due 31 July 2018 (unless extended at the request of the Company). No interest is payable on the first four (4) tranches of the said loan amounting to S$4.5 million. Interest of 4% per annum is payable on the last two tranches of the said loan of S$1 million each, of which an aggregate of S$1.8 million was drawndown on 28 June 2017, 28 November 2017 and 20 December 2017;

(b) the Sale and Purchase Agreement:

(i) Completion of the sale and purchase of the Disposal Shares is conditional upon the following condition(s) having been fulfilled or waived in writing:-

(aa) approval of the Shareholders in general meeting for the sale of the Disposal Shares;

(bb) the Company's warranties being true, correct and being complied with, in each case, in all material respects as at the completion date of the Disposal;

(cc) Advanced Investment Holdings Pte. Ltd.'s warranties being true, correct and being complied with, in each case, in all material respects as at the completion date of the Disposal; and

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1 An interested person, as defined in the Note on Rule 24.6 read with the Note on Rule 23.12 of the Code, is:

a. a director, chief executive officer, or substantial shareholder of the Company;
b. the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the Company;
c. the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;
d. any company in which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family together (directly or indirectly) have an interest of 30% or more;
e. any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
f. any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

(dd) the approval of the Singapore Land Authority in respect of either the (i) Lease Novation; or (ii) Sub-Lease.

(ii) The consideration for the Disposal Shares shall be satisfied by the purchaser, Advanced Investment Holdings Pte. Ltd., in the following manner:

(aa) Advanced Investment Holdings Pte. Ltd. shall pay an amount of S$1,000,000 ("**Cash Consideration**") as directed by the Company to TMC Academy as partial repayment of the TMC Loan;

(bb) Advanced Investment Holdings Pte. Ltd. shall procure that TMC Academy, immediately after completion of the Disposal, irrevocably and unconditionally waives its right to repayment of an amount of S$4,100,000 outstanding under the TMC Loan ("**Waiver Amount**") and discharges and releases the Company from the Waiver Amount and all liabilities, obligations and undertakings under or pursuant to, and from all claims and demands whatsoever under or in respect of the Waiver Amount; and

(cc) Advanced Investment Holdings Pte. Ltd. shall, and shall procure that TMC Academy shall, immediately after completion of the Disposal, enter into a deed of novation with the Company in respect of the Balance TMC Loan, pursuant to which:

(1) Advanced Investment Holdings Pte. Ltd. shall irrevocably and unconditionally accept the liabilities under or arising from the Balance TMC Loan, which comprises the balance of the TMC Loan of S$1,511,000 as at 30 September 2017 and all and any other amounts outstanding under the TMC Loan as at (and including) the completion date of the Disposal in place of the Company, as if Advanced Investment Holdings Pte. Ltd. were named therein as the original party to the Balance TMC Loan instead of the Company; and

(2) TMC Academy shall irrevocably and unconditionally release and discharge the Company from any and all amounts outstanding under the TMC Loan and all liabilities, obligations and undertakings under or pursuant to, and from all demands, claims whatsoever under or with respect to the TMC Loan which TMC Academy has or may have against the Company, in each case, whether arising prior to, on or subsequent to the date of the deed of novation.

(iii) As part of the Disposal, subject to the Singapore Land Authority's consent in respect of the Lease Novation being obtained, the Company and TMC Academy shall, as soon as practicable after the date of the Sale and Purchase Agreement, enter into a novation agreement to novate and transfer the Tenancy Agreement from the Company to TMC Academy, provided that TMC Academy shall be solely liable for all the incidental costs incurred in relation to the Lease Novation. In the event that the aforesaid consent is not obtained, subject to the Singapore Land Authority's consent in respect of the Sub-Lease being obtained, the Company and TMC Academy shall, at completion of the Disposal, enter into the Sub-Lease; and

(c) pursuant to the Sale and Purchase Agreement, the Company and Advanced Investment Holdings Pte. Ltd. have entered into the escrow agent agreement on 14 December 2017 with Dentons Rodyk & Davidson LLP, as the escrow agent, for the payment by Advanced Investment Holdings Pte. Ltd. of a deposit of S$500,000 as part of the Cash Consideration to be held in escrow pending completion of the Disposal Shares.

10 MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole.

As at the Latest Practicable Date, the Directors are not aware of any litigation, claim or proceedings pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole.

11 MATERIAL CHANGES IN INFORMATION

Save as disclosed in this Circular and publicly available information on the Group and the Offer, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

12 VALUATION

The Group has commissioned the Valuer to perform an independent valuation to determine the market value of the Properties in connection with and for the purpose of the Offer. The Valuation Report issued by the Valuer is set out in Appendix V to this Circular.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation.

Based on information provided to the Company by the Valuer, there are no potential tax liabilities which may be incurred by the Company on the hypothetical disposal of the Properties as any gain or loss on disposal is capital in nature.

The text of the Offeror's future plans for the Company's assets as set out in Section 12.1 of the Offer Document has been extracted from the Offer Document and reproduced below:

"Save for the implementation of the Disposal in accordance with its terms as described in the Disposal Announcement and as stated in this Announcement, the Offeror has no intention to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company or (iii) discontinue the employment of any of the existing employees of the Group. However, the director(s) of the Offeror retains the flexibility at any time to consider any options and opportunities which may present themselves and which he may regard to be in the interests of the Offeror and/or the Group."

13 GENERAL

13.1 Costs and Expenses. All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

13.2 Consent of the Independent Auditors. Foo Kon Tan LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of (a) its name, and (ii) the reproduction of the Independent Auditor's report in relation to the audited consolidated financial statements of the Group for FY2017 (as set out in Appendix IV to this Circular) and all references thereto in the form and context in which they appear in this Circular.

13.3 Consent of the IFA. The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of (a) its name, (b) the IFA Letter, and all references thereto in the form and context in which they appear in this Circular.

13.4 Consent of the Valuer. The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of (a) its name, (b) the Valuation Report (as set out in Appendix V to this Circular), and all references thereto, in the form and context in which they appear in this Circular.

14 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 250 Middle Road, Singapore 188983 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the Constitution of the Company;

(b) the annual report of the Company for FY2015, FY2016 and FY2017;

(c) the IFA Letter;

(d) the Valuation Report; and

(e) the letters of consent referred to in paragraph 13 of this Appendix II above.

The relevant provisions in the Constitution of the Company in respect of capital, dividends and voting in relation to the Shares have been extracted and reproduced as follows:

1. Rights in respect of capital

SHARES

Company's shares as security

7. Save to the extent permitted by the Act, none of the funds or assets of the Company or of any subsidiary thereof shall be directly or indirectly employed in the purchase or subscription of or in loans upon the security of the Company's shares (or its holding company, if any) and the Company shall not. Except as authorised by the Act give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any).

Issue of New Shares

8. Subject to the Act, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 52, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and subject to such limitation as may be prescribed by the Exchange, preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption of being determined by the Directors, provided always that:-

(i) no shares shall be issued which results in a transfer of a controlling interest in the Company without the prior approval of the Members in a General Meeting;

(ii) the total number of issued preference shares shall not exceed the total number of the issued ordinary shares at any time;

(iii) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same;

(iv) where the capital of the Company consists of shares of different monetary denominations, the voting rights shall be prescribed in such manner that a unit of capital in each class when reduced to a common denominator, shall carry the same voting power when such right is exercisable;

(v) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the second sentence of Article 52(1) with such adaptations as are necessary shall apply.

Rights attached to certain shares

9. (1) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports, and balances sheets and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.

(2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.

Treasury Shares

9A. The Company shall not exercise any right in respect of Treasury Shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its Treasury Shares in the manner authorised by, or prescribed pursuant to, the Act.

Variation of rights

10. (1) If at any time the share capital is divided into different classes, the repayment of preference capital other than redeemable preference and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of these Articles relating to General Meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two or more persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class present in person or by proxy or by may demand a poll. Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the Meeting shall be as valid and effectual as a Special Resolution carried at the Meeting.

Rights of Preference Shareholders

(2) The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned. PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the Meeting shall be as valid and effectual as a special resolution carried at the Meeting.

Creation or issued of further shares with special rights

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

Power to pay commission and brokerage

12. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in one way and partly in the other.

Power to charge interest on capital

13. If any shares of the Company are issued for the purposed of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision.

No trust recognised

14. Except as required by law, no person other than the Depository shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share. Nothing contained herein in this Article relating to the Depository or the Depositors or in any depository agreement made by the Company with any common depository for shares or in any notification of substantial shareholding to the Company or in response to a notice pursuant to Section 92 of the Act or any note made by the Company of any particulars in such notification or response shall derogate or limit or restrict or qualify these provisions; and any proxy or instructions on any matter whatsoever given by the Depository or Depositors to the Company or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the company of the Directors shall not constitute the taking of any notice of trust.

Joint holders

15. (1) The Company shall not be bound to register more than three persons as joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased Member.

(2) If two or more persons are registered as joint holders of any share any one of such person may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and and calls and interest due in respect of such shares.

(3) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notice from the Company and ny notice given to such person shall be deemed notice to all the joint holders. Only the person whose name stands first in the Depository Register shall be entitled to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.

Fractional part of a share

16. No person shall be recognised by the Company as having a title to a fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share.

Payment of instalments

17. If by the conditions of allotment of any shares the whole or any part of the amount of the issue share price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representative, but this provision shall not affect the liability of any allottee who may have agree to pay the same.

Share certificates

18. The certificate of title to shares or debentures in the capital of the Company shall be issued under the Seal in such form as the Directors shall from time to time prescribe and may bear the autographic or facsimile signatures of at least of two Directors, or one of the Directors and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, and shall specify the number and class of shares to which it relates and the amount paid up and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Directors of the Company. No certificate shall be issued representing shares of more than one class.

Entitlement of certificate

19. (1) Shares must be allotted and certificates despatched within 10 Market Days of the final closing date of an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within 15 Market Days after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S$2 (or such other sum may be approved by the Exchange from time to time). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay fee of not exceeding $2.00 (or such other sum may be approved by the Exchange from time to time) for each new certificate as the Directors may determine. Where the member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.

Retention of certificate

(2) The retention by the Directors of any unclaimed share certificates (or stock certificates as the case may be) shall not constitute the Company a trustee in respect thereof. Any share certificate (or stock certificates as the case may be) unclaimed after a period of six years from the date of issue of such share certificate (or stock certificates as the case may be) may be forfeited and if so shall be dealt with in accordance with Article 40, 44, 48 and 49, mutatis mutandis.

New certificates may be issued

20. (1) Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S$1 (or such other sum as may be approved by the Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

New certificate in place of one not surrendered

(2) When any shares under the powers in these Articles herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

TRANSFER OF SHARES

Form of transfer of shares

21. Subject to these Articles, any Member may transfer all or any of his shares but every instrument of transfer of the legal title in shares must be in writing and in the form for the time being approved by the Directors and the Exchange. Shares of different classes shall not be comprised in the same instrument of transfer. The Company shall accept for registration transfers in the form approved by the Exchange.

Execution

22. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository shall not be ineffective by reason of it not being signed or witnessed for by or on behalf of the Depository. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members.

Person under disability

23. No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Directors' power to decline to register

24. (1) Subject to these Articles, the Act or as required by the Exchange, there shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall within ten Market Days beginning with the day on which the transfer was lodged with the Company (or such period as the Exchange may approve) give to both the transferor and the transferee written notice of their refusal to register and the precise reasons therefor as required by the Act and/or the listing rules of the Exchange.

Terms of registration of transfer

(2) The Directors may decline to register any instrument of transfer unless:-

(i) such fee not exceeding S$2 (or such other sum as may be approved by the Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;

(ii) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(iii) the instrument of transfer is in respect of only one class of shares.

Retention of transfers

25. (1) All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

(2) Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, PROVIDED that:-

(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and

(iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

Closing of Register

26. The Registers of Members and of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, provided always that the Registers shall not be closed for more than thirty days in any year. Provided Always that the Company shall give prior notice of each such closure, as may be required, to the Exchange, stating the period and purpose or purposes for which such closure is made.

Renunciation of allotment

27. (1) Nothing in these Arcticles shall preclude the Directors from recognising a renunciation of the allotment of any share buy the allottee in favour of some other person.

(2) Neither the Company nor its Directors nor any of its Officers incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud other cause not known to the Company or its Directors of other Officers, legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between transferor and transferee, be liable to be set aside, and notwithstanding the Company may have notice that such instrument of transfer was signed executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators, and assigns, alone shall be entitled to be recognised holder of such shares and the previous holder shall, so far as the Company concerned, be deemed to have transferred his whole title thereto.

TRANSMISSION OF SHARES

Transmission on death

28. (1) In case of the death of a registered shareholder, the survivor or survivors, where the deceased was a joint holder, and the legal representatives of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased registered shareholder (whether sole or joint) from any liability in respect of any share held by him.

(2) In the case of the death of a Depositor, the survivor or survivors, where the deceased is a joint holder, and the legal representatives of the deceased, where he was a sole holder and where such legal representatives are entered into the Depository Register in respect of any shares to the deceased, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him.

Persons becoming entitled on death or bankruptcy of Member may be registered

29. (1) Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or by virtue of a vesting order by a court of competent jurisdiction and recognised by the Company as having any title to that share may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving the Company notice in writing or transfer such share to some other person. If the person so becoming entitled elects to be registered himself, he shall send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. The Directors shall have, in respect of a transfer so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.

Rights of unregistered executors and trustees

(2) The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within 60 days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Rights of unregistered executors and trustees

30. A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notices of, or to attend or vote at meetings of the Company, or, save as aforesaid, to exercise any of the rights or privileges of a Member, unless and until he shall become registered as a shareholder or have his name entered in the Depository Register as a Depositor in respect of the share.

Fee for registration of probate, etc.

31. There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share, such fee not exceeding S$2 (or such other sum as may be approved by the Exchange from time to time) as the Directors may from time to time require or prescribe.

CALLS ON SHARES

Calls on shares

32. The Directors may from time to time make such calls as they think fit upon the Members in respect of any money unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

Time when made

33. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

Interest on calls

34. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest in whole or in part.

Sum due to allotment

35. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Power to differentiate

36. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments.

Payment in advance of calls

37. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding without the sanction of the Company in General Meeting ten per cent per annum as the Member payingsuch sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest, confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.

FORFEITURE AND LIEN

Notice requiring payment of calls

38. If any Member fails to pay in full any call or instalment of a call on or before the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued by reason of such non-payment.

Notice to state time and place

39. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

Forfeiture on noncompliance with notice

40. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past Members. The Directors may accept a surrender of any share liable to be made forfeited hereunder.

Notice of forfeiture to be given and entered

41. When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or in the Depository Register (as the case may be) opposite to the share; but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Directors may allow forfeited share to be redeemed

42. Notwithstanding any such forfeiture as aforesaid, the Directors, may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.

Sale of shares forfeited

43. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

Rights and liabilities of Members whose shares have been forfeited or surrendered

44. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at ten per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company received payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.

Company's lien

45. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) in the name of each Member (whether solely or jointly with others) and on dividends declared or payable in respect thereof for all unpaid calls and instalments are due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member.

Member not entitled to privileges until all calls paid

46. No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether along or jointly with any other person, together with interest and expenses (if any).

Sale of shares subject to lien

47. The Directors may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of seven days after notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the Member for the time being in relation to the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.

Application of proceeds of such sale

48. The net proceeds of sale, whether of a share forfeited by the Company or of a share over which the Company has a lien, after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the unpaid call and accrued interest and expenses and the residue (if any) paid to the Member entitled to the share at the time of sale or his executors, administrators or assigns, as he may direct.

Title to shares forfeited or surrendered or sold to satisfy a lien

49. A statutory declaration in writing by a Director of the Company that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share and such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate under Seal for the share delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, reallotted or disposed of shall be entered in the Register of Members as the holder of the share or (as the case may be) in the Depository Register in respect of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

ALTERATION OF SHARE CAPITAL

Power to increase capital

50. The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation of new shares of such amount as may be deemed expedient.

Rights and privileges of new shares

51. Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

Issue of new shares to Members

52. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Exchange's listing rules, all new shares shall before issue be offered to the Members in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

(2) Notwithstanding Article 52(1) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–

(a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided that:–

(i) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;

(ii) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Articles; and

(iii) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

(3) Notwithstanding Article 52(1) and 52(2) above but subject to the Act, the Directors shall not be required to offer any new shares to members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

New shares otherwise subject to provisions of Articles

53. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital of the Company and shall be subject to the provisions of these Articles with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Power to consolidate, cancel and subdivide shares

54. (1) The Company may by Ordinary Resolution:-

(i) consolidate and divide all or any of its share capital;

(ii) cancel the number of shares which, at the date of the passing of the Resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled;

(iii) sub-divide its shares or any of them (subject, nevertheless, to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived; and

(iv) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.

Power to purchase or acquire its issued shares

(2) Subject to an in accordance with the provisions of the Act and the applicable rules of the Exchange, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire any of its issued ordinary shares on such terms as the Company may think fit and in the manner prescribed by the Act. All shares repurchased or otherwise reacquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as my be permitted by, and in accordance with, the Act and the applicable rules of the Exchange. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles or the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where, any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

Power to reduce capital

55. The Company may by Special Resolution reduce its share capital in any manner and subject to any incident authorised and consent required by law.

STOCK

Power to convert into stock

56. The Company may by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.

Transfer of stock

57. The holders of stock may transfer the same or any part thereof in the same manner and subject to these Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine, provided that such units shall not be greater than the nominal amount of the shares from which the stock arose.

Rights of stockholders

58. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets on winding up) shall be conferred by any such aliquot part of the stock which would not if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

Interpretation

59. All provisions of these Articles applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expression herein shall include "stock" or "stockholder".

2. Rights in respect of dividends

DIVIDENDS AND RESERVES

Payment of dividends

129. The Directors may, with the sanction of the Company, by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company.

Apportionment of dividends

130. Subject to the rights of holders of shares with special rights as to dividend (if any), all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) an amount paid or credited as paid on a share in advance of a call is to be ignored. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:–

(1) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(2) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.

Payment of preference and interim dividends

131. Notwithstanding Article 130, if, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit.

132. Intentionally Omitted

Dividends not to bear interest

133. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.

Deduction from dividend

134. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith or any other account which the Company is required by law to withhold or deduct.

Retention of dividends on shares subject to lien

135. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Retention of dividends on shares pending transmission

136. The Directors may retain the dividends payable on shares in respect of which any person is under these Articles, as to the transmission of shares, entitled to become a Member, or which any person under these Articles is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

Unclaimed dividends

137. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend do forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. If the Depository returns any such Dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such Dividend or the date on which such other moneys are first payable. A payment by the Company to the Depository of any Dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.

Payment of dividend in specie

138. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Directors shall give effect to such Resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

Dividends payable by cheque

139. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may be writing direct Provided that where the Member is a Depositor, the payment by the Company to the Depository of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment. Every such cheque and warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque and warrant shall be sent at the risk of the person entitled to the money represented thereby.

Effect of transfer

140. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.

RESERVES

Power to carry profit to reserve

141. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they may think fit and may consolidate into one fund, any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same reserve, carry forward any profits which they may think it not prudent to divide.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

Power to capitalise profits

142. (1) The Company may, upon the recommendation of the Directors, by Ordinary Resolution resolve to:

(a) issue bonus shares for which no consideration is payable to the Company to the registered holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) such other date as may be specified therein or determined by the Directors, in proportion to their then holdings of shares; and/or

(b) capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account (provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend) by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) such other date as may be determined by the Directors, in the proportions in which such sum would have been divisible among them had the same been applied or have been applicable in paying dividends and to apply such sum on their behalf in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively, or in paying up in full new shares or debentures to be allotted and distributed and credited as fully paid up to and among such Members in the proportion aforesaid or partly in one way and partly in the other. Where any difficulty arises in respect of any such distribution the Directors may settle the same as they think expedient and in particular they may fix the value for any distribution of any fully paidup shares or debentures, make cash payments to any Members on the footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trusts for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite a proper contract for the allotment and acceptance of any shares to be distributed as aforesaid shall be delivered to the Registrar of Companies for registration in accordance with the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution and such appointment shall be effective.

(2) *In addition and without prejudice to the powers provided for by this Article the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any Dividend on any shares entitled to cumulative or non-cumulative preference Dividends, (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by Members in General Meeting and on such terms as the Directors shall think fit.*

Directors to do all acts and things to give effect

143. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby, all allotments and issues of fully paid shares or debentures (if any), and generally shall do all acts and things required to give effect thereto and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sum resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

3. Rights in respect of voting

GENERAL MEETINGS

Annual General Meetings

60. (1) Subject to the provisions of the Act, the Company shall in each year hold a General Meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed such period as may be prescribed by the Act and the Exchange from time to time. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.

Extraordinary General Meetings

(2) All General Meetings other than the Annual General Meetings shall be called Extraordinary General Meetings.

Calling of Extraordinary General Meetings

61. The Directors may whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

Notice of meetings

62. (1) Subject to the provisions of the Act as to Special Resolutions and special notice and the calling of meetings at short notice, at least fourteen days' notice in writing of every General Meeting or twenty-one days' notice in writing in the case of a General Meeting to pass Special Resolution (exclusive both of the day on which the notice is served or deemed to be served and of the day on which the notice is given) shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company. At least fourteen days' notice of such Meeting shall be given by advertisement in the daily press and in writing to the Exchange, provided always that in the case of any General Meeting at which it is proposed to pass a Special Resolution, at least twentyone days' notice in writing of such Meeting shall be given to the Exchange.

(2) The accidental omission to give notice to, or the non-receipt by any person entitled thereto shall not invalidate the proceedings at any General Meeting.

Contents of notice

63. (1) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a Member of the Company.

Notice of Annual General Meeting

(2) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.

Nature of special business to be specified

(3) In the case of any General Meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

Special business

64. All business shall be deemed special that is transacted at any Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors and any other documents required to be annexed to the balance sheet, electing Directors in place of those retiring by rotation or otherwise and the fixing of the Directors' remuneration and the appointment and fixing of the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

Quorum

65. No business shall be transacted at any General Meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, two Members present shall form a quorum. For the purpose of this Article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Provided that (i) a proxy representing more than one Member shall only count as one Member for purpose of determining if the quorum; and (ii) where a Member is represented by more than one proxy, such proxies shall only count as one Member for purposes of determining if the quorum.

Adjournment if quorum not present

66. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such time or place as the Directors may determine and if at such adjourned Meeting a quorum is not present within half an hour from the time appointed for holding the Meeting, the Meeting shall be dissolved.

67. Intentionally Omitted.

Chairman

68. The Chairman of the Board of Directors or, in his absence, the Deputy Chairman (if any), shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any Meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the Members present shall choose one of some Director to be Chairman of the Meeting or, if not Director is present or if all the Directors present declined to take the Chair, some Member present to be Chairman.

Adjournment

69. The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting), adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.

Method of voting

70. At any General Meeting a resolution put to the vote of the Meeting shall be (a) decided by poll if it is required by the Act or the Exchange, or (b) if not required by the Act or the Exchange to be decided by poll, decided on a show of hands by the Members present in person and entitled to vote, unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

(i) by the Chairman of the meeting; or

(ii) by at least two Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative and entitled to vote thereat; or

(iii) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting; or

(iv) by a Member or Members present in person or by proxy, (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares in the Company conferring a right to vote at the Meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right.

Provided always that no poll shall be demanded on the choice of the Chairman of the meeting or on a question of adjournment. Unless a poll is required by the Act or the Exchange or so demanded (and the demand is not withdrawn), a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. A demand for a poll may be withdrawn.

Taking a poll

71. If a poll is demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot of voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the results of the poll.

Votes counted in error

72. If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same Meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman be of sufficient magnitude.

Chairman's casting vote

73. Subject to the Act and the requirements of the Exchange, in the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member.

Time for taking a poll

74. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.

Continuance of business after demand for a poll

75. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded.

VOTES OF MEMBERS

Voting rights of members

76. Subject and without prejudice to any special rights or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. On a show of hands every Member who is present in person or by proxy or attorney, or in the case of a corporation by a representative, shall have one vote provided that if a Member is represented by two proxies, only one of the two proxies as determined by their appointor shall vote on a show of hands and in the absence of such determination, only one of the two proxies as determined by the Chairman (or by a person authorised by him) shall vote on a show of hands and on a poll, every Member who is present in person or by proxy, attorney or representative shall have one vote for each share which he holds or represents Provided Always That notwithstanding anything contained in these Articles, a Depositor shall not be entitled to attend any General Meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository

Register not earlier than 48 hours before that General Meeting (the "cut-off time") as a Depositor on whose behalf of the Depository holds shares in the Company. For the purpose of determining the numbers of votes which a Depositor or his proxy may cast a spell on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cutoff time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two proxies, to apportion the said number of shares between the two proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.

Voting rights of joint holders

77. Where there are joint holders of any share any one of such persons may vote and reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled hereto but if more than one of such joint holders is so present at any meeting then the person present whose name stands first in the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

Voting rights of Members of unsound mind

78. If a Member be a lunatic, idiot or non-compos mentis, he may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight hours before the time appointed for holding the Meeting.

Right to vote

79. Subject to the provisions of these Articles, every Member either personally or by attorney or in the case of a corporation by a representative and every proxy shall be entitled to be present and to vote at any General Meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.

Objections

80. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive.

Votes on a poll

81. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Appointment of proxies

82. (1) A Member may appoint not more than two proxies to attend and vote at the same General Meeting. Notwithstanding the foregoing but subject to the Act, a member who provides nominee or custodial services shall be entitled to appoint any sub-account holder as proxy to attend and vote at the same General Meeting in respect of such number of shares as are held by each subaccount holder in an account maintained with it.

(2) If a Member is a Depositor, the Company shall be entitled:-

(i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered in its Securities Account as at the cut-off time as certified by the Depository to the Company;

(ii) if the Depositor is a member who provides nominee or custodial services, to reject any instrument or proxy lodged to appoint any sub-account holder as proxy unless the instrument of proxy is accompanies by a confirmation in writing in the common form approved by the Directors assigned by, or on behalf, of that member confirming that such sub-account holder is the holder of an account maintained with the member in respect of the number of shares specified in such instrument of proxy executed by or on behalf of that member; and

(iii) to accept as validly cast by the proxy or proxies appointed by the Depositor on a poll that number of votes which corresponds to or is less than the aggregate number of shares entered in its Securities Account of that Depositor as at cut-off time as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(3) Where a Member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second name proxy as an alternate to the first named.

(4) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant general meeting by the member personally of by his attorney, or in the case of a corporation by its representative.

(5) Where a Member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members, or in the case of a Depositor, standing to the credit of that Depositor's Securities Account, such proxy may not exercise any of the votes or rights of the shares not registered to the name of that Member in the Register of Members or standing to the credit of that Depositor's Securities Account as at the cut-off time, as the case may be.

Proxy need not be a Member

83. A proxy or attorney need not be a Member, and shall be entitled to vote on a show of hands or by poll on any question at any General Meeting.

Instrument appointing a proxy

84. Any instrument appointing a proxy shall be in writing in the common form approved by the Directors under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, under seal or under the hand of its attorney duly authorised and the Company shall accept as valid in all respects the form of proxy approved by the Directors for use at the date relevant to the General Meeting in question.

To be left at Company's office

85. The instrument appointing a proxy, together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy and must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the Meeting not less than forty-eight hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used failing which the instrument may be treated as invalid. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates, provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates. An instrument of proxy shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Unless otherwise instructed, a proxy shall vote as he thinks fit. The signatures on an instrument of proxy need not be witnessed.

Intervening death or insanity of principal not to revoke proxy

86. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of these Articles shall also include a power of attorney) shall be valid notwithstanding the previous death or insanity of the principal or by the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instrument appointing proxies) before the commencement of the Meeting or adjourned Meeting or (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

Directors to allow voting in absentia

86A. Subject to these Articles and the Act, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facscimile.

Corporations acting by representatives

87. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this Article.

Annual Report

TMC Education Corporation Ltd and its subsidiaries

For the financial year ended 30 June 2017

Company information

Company registration number	198102945K
Registered office	250 Middle Road Singapore 188983
Directors	Dr Chin Kon Yuen Yeow Cheng Khim Wee Liang Hiam (Lead Independent Director) Chen Timothy Teck Leng (Independent Director) Tham Wan Loong, Jerome (Independent Director)
Audit Committee	Wee Liang Hiam (Chairman) Chen Timothy Teck Leng Tham Wan Loong, Jerome
Nominating Committee	Chen Timothy Teck Leng (Chairman) Wee Liang Hiam Tham Wan Loong, Jerome
Remuneration Committee	Chen Timothy Teck Leng (Chairman) Wee Liang Hiam Tham Wan Loong, Jerome
Company Secretary	Ong Sing Huat
Company Registrar	Boardroom Corporate & Advisory Services Pte Ltd 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Sponsor	PrimePartners Corporate Finance Pte Ltd 16 Collyer Quay #10-00 Income at Raffles Singapore 049318
Bankers	DBS Bank Ltd Hong Leong Finance Limited Oversea-Chinese Banking Corporation Limited United Overseas Bank Limited
Auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place, #07-03 Clifford Centre Singapore 048621 Partner-in-charge: Toh Kim Teck (since financial year 2013)

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DIRECTORS' STATEMENT

for the financial year ended 30 June 2017

The directors submit this statement to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 30 June 2017.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2017 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors of the Company in office at the date of this report are:

Dr Chin Kon Yuen (Executive Chairman)
Yeow Cheng Khim (Executive Director and Chief Executive Officer)
Wee Liang Hiam (Lead Independent Director)
Chen Timothy Teck Leng (Independent Director)
Tham Wan Loong, Jerome (Independent Director)

Arrangements to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this report.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year was interested in shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director			Holdings in which director is deemed to have an interest		
	As at 1.7.2016	**As at 30.6.2017**	**As at 21.7.2017**	As at 1.7.2016	**As at 30.6.2017**	**As at 21.7.2017**
			Number of ordinary shares			
The Company -						
TMC Education Corporation Ltd						
Dr Chin Kon Yuen	75,766,600	**75,766,600**	**75,766,600**	29,551,000	**29,551,000**	**29,551,000**
Yeow Cheng Khim	29,551,000	**29,551,000**	**29,551,000**	75,766,600	**75,766,600**	**75,766,600**

DIRECTORS' STATEMENT

for the financial year ended 30 June 2017

Directors' interest in shares or debentures (Cont'd)

Dr Chin Kon Yuen and Yeow Cheng Khim, by virtue of the provisions of Section 7 of the Companies Act, Cap. 50, are deemed to be interested in the issued share capital of all the wholly-owned subsidiaries of the Company, and in the shares held by the Company in the following subsidiary that is not wholly owned by the Group:

	As at 1.7.2016	**As at 30.6.2017**
	Number of ordinary shares	
TMC (China) Holdings Pte Ltd	931,261	**931,261**

No directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Share Option Scheme.

Share Option Scheme

The TMC Share Option Scheme ("SOS") was approved and adopted by the Company's shareholders at an Extraordinary General Meeting held on 25 May 2001 and subsequent amendments were approved on 25 November 2005. The SOS was administered by the Company's Remuneration Committee, comprising three directors, Chen Timothy Teck Leng (Chairman), Wee Liang Hiam and Tham Wan Loong, Jerome. The options under the SOS were granted during a period of ten years which expired on 24 May 2011.

Other information regarding the SOS is set out below:

(i) The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price of the Company in respect of options granted at the time of grant.

(ii) For options granted at market price, they can be exercised 1 year after the grant date and for those granted below market price, they can be exercised 2 years after the grant date.

(iii) Options expire 5 years after option date for those granted to directors and academic advisors, and 10 years after option date for options granted to other employees.

(iv) All options were settled by physical delivery of shares.

At the end of the financial year, details of the options granted under the SOS on the unissued ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share	Options outstanding as at 1.7.2016	Options exercised	Options forfeited	Options expired	**Options outstanding as at 30.6.2017**	Expiry date	Options exercisable as at 30.6.2016	**Options exercisable as at 30.6.2017**
11.12.2006	$0.0620	18,870	–	–	18,870	–	10.12.2016	18,870	–
18.06.2007	$0.1248	93,096	–	–	93,096	–	17.06.2017	93,096	–
10.12.2007	$0.1370	78,000	–	–	–	**78,000**	09.12.2017	78,000	**78,000**
16.06.2008	$0.1050	80,000	–	–	–	**80,000**	15.06.2018	80,000	**80,000**
16.12.2008	$0.0610	43,000	–	–	–	**43,000**	15.12.2018	43,000	**43,000**
19.06.2009	$0.0600	86,000	–	–	–	**86,000**	18.06.2019	86,000	**86,000**
03.12.2009	$0.0640	78,000	–	–	–	**78,000**	02.12.2019	78,000	**78,000**
		476,966	–	–	111,966	**365,000**		476,966	**365,000**

Share Option Scheme (Cont'd)

Details of options granted to directors, academic advisors and employees of the Company under the SOS are as follows:

	Options granted during the financial year ended 30.6.2017	Aggregate options granted since commencement of SOS to 30.6.2017	Aggregate options lapsed since commencement of SOS to 30.6.2017	Aggregate options expired since commencement of SOS to 30.6.2017	Aggregate options exercised since commencement of SOS to 30.6.2017	Aggregate options outstanding as at 30.6.2017
Directors						
Former directors	–	3,157,050	(1,251,620)	(500,000)	(1,405,430)	–
Others						
Academic advisors	–	2,635,860	(1,954,860)	–	(681,000)	–
Employees	–	6,240,877	(4,005,525)	(188,705)	(1,681,647)	365,000
		12,033,787	(7,212,005)	(688,705)	(3,768,077)	365,000

No options have been granted to the directors, controlling shareholders of the Company or their associates other than those disclosed above.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Share Award Scheme

Following the expiry of the SOS on 24 May 2011, the Company implemented the TMC Share Award Scheme ("SAS") to replace the SOS. The SAS was approved and adopted by the Company's shareholders at an Extraordinary General Meeting held on 31 March 2011. The SAS is administered by the Company's Remuneration Committee, comprising three directors, Chen Timothy Teck Leng (Chairman), Wee Liang Hiam and Tham Wan Loong, Jerome.

Awards of fully-paid ordinary shares in the Company under the SAS will be performance-based, with performance targets to be set over a designated performance period.

The awards granted by the Company do not entitle the holders of the awards, by virtue of such holding, to any rights to participate in any share issue of any other company.

No shares of the Company have been awarded under the SAS since its commencement.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Wee Liang Hiam (Chairman)
Chen Timothy Teck Leng
Tham Wan Loong, Jerome

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX-ST Catalist Rules and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed the following:

DIRECTORS' STATEMENT

for the financial year ended 30 June 2017

Audit Committee (Cont'd)

(i) overall scope of both the internal and external audits and the assistance given by the Group's and the Company's officers to the auditors. It met with the Group's and the Company's internal and external auditors to discuss and review the results of their respective examinations and their evaluation of the Group's and the Company's system of internal controls;

(ii) adequacy and effectiveness of the Group's and the Company's internal controls, including financial, operational, compliance and information technology controls;

(iii) effectiveness of the Group's and the Company's internal audit functions;

(iv) half-yearly financial information, the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2017 as well as the auditor's report thereon; and

(v) interested person transactions (as defined in Chapter 9 of the Catalist Rules).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Independent auditor

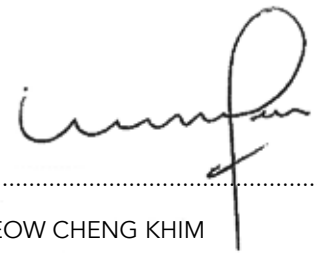
The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors



.....

DR CHIN KON YUEN



.....

YEOW CHENG KHIM

Dated: 12 October 2017

INDEPENDENT AUDITOR'S REPORT

to the members of TMC Education Corporation Ltd

Report of the financial statements

Opinion

We have audited the financial statements of TMC Education Corporation Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and of the Company as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements. As at 30 June 2017, the Group's and the Company's current liabilities exceeded current assets by $5,555,184 and $12,405,098 (2016: $3,187,734 and $8,094,444) respectively. For the financial year ended 30 June 2017, the Group incurred a loss after tax of $877,727 (2016: $5,880,253) and total comprehensive loss of $871,589 (2016: $5,745,460), and reported net cash used in operating activities of $3,029,969 (2016: $5,037,961). These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties (Refer to Note 6 to the financial statements)

Risk:

Investment properties represent the largest category of asset on the statement of financial position amounting to $19,960,000 as at 30 June 2017. Investment properties are stated at fair value based on an independent external valuation.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. These estimates include adjustments made for differences between the subject properties and comparables, taking into consideration differences such as location and floor level.

Our response:

We assessed the Group's processes for the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We have also evaluated whether the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the valuation methodologies used against those applied by management valuers for similar property types. We assessed the adjustments made for differences between the subject properties and comparables, taking into consideration differences such as location and floor level used in the valuation. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

INDEPENDENT AUDITOR'S REPORT

to the members of TMC Education Corporation Ltd

Report of the financial statements (Cont'd)

Key Audit Matters (Cont'd)

Valuation of investment properties (Refer to Note 6 to the financial statements) (Cont'd)

We also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions used in the estimates. This includes the relationships between the key unobservable inputs to fair value.

Our findings:

The Group has a structured process in appointing and instructing valuers, and in reviewing, assessing and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used are in line with generally-accepted market practices and the key assumptions used are within the range of market data. The approach to the methodologies and in deriving the assumptions in the valuations is supported by market practices and data and the disclosures included in Notes 6 and 26 to the financial statements are appropriate.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

to the members of TMC Education Corporation Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 12 October 2017

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2017

		The Group		The Company	
		2017	2016	**2017**	2016
	Note	**$**	$	**$**	$
ASSETS					
Non-Current Assets					
Plant and equipment	5	**216,799**	174,587	**209,630**	167,475
Investment properties	6	**19,960,000**	17,250,000	**19,960,000**	17,250,000
Subsidiaries	7	**–**	–	**5,000,016**	2,000,016
		20,176,799	17,424,587	**25,169,646**	19,417,491
Current Assets					
Trade and other receivables	8	**377,669**	251,983	**482,748**	249,596
Cash and cash equivalents	9	**1,670,644**	1,492,350	**36,256**	212,003
		2,048,313	1,744,333	**519,004**	461,599
Total assets		**22,225,112**	19,168,920	**25,688,650**	19,879,090
EQUITY					
Share capital	10	**11,477,196**	11,477,196	**11,477,196**	11,477,196
Reserves	11	**(3,933,566)**	(3,640,701)	**(4,427,757)**	(6,906,947)
Equity attributable to owners of the Company		**7,543,630**	7,836,495	**7,049,439**	4,570,249
Non-controlling interests		**–**	(352,440)	**–**	–
Total equity		**7,543,630**	7,484,055	**7,049,439**	4,570,249
LIABILITIES					
Non-Current Liabilities					
Borrowings	12	**7,077,985**	6,752,798	**5,715,109**	6,752,798
Current Liabilities					
Trade and other payables	13	**2,968,515**	3,513,789	**11,684,670**	7,137,765
Provisions	14	**170,000**	150,000	**170,000**	150,000
Borrowings	12	**4,464,982**	1,268,278	**1,069,432**	1,268,278
		7,603,497	4,932,067	**12,924,102**	8,556,043
Total liabilities		**14,681,482**	11,684,865	**18,639,211**	15,308,841
Total equity and liabilities		**22,225,112**	19,168,920	**25,688,650**	19,879,090

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2017

The Group	Note	2017 $	2016 $
Revenue	4	**4,239,723**	5,863,895
Other income	15	**541,693**	583,531
Fair value gain/(loss) on investment properties	6	**2,710,000**	(1,300,000)
Loss on disposal of investment properties	6	**–**	(1,212,155)
Course materials and subscriptions		**(286,384)**	(450,919)
Staff costs	16	**(3,995,348)**	(4,336,292)
Plant and equipment, investment properties and related expenses		**(436,994)**	(809,532)
Advertising and promotion		**(296,615)**	(323,254)
Operating lease expenses		**(1,381,718)**	(1,935,106)
Other expenses	17	**(1,154,664)**	(1,447,069)
Finance costs	18	**(817,420)**	(513,352)
Loss before taxation from operations		**(877,727)**	(5,880,253)
Taxation	20	**–**	–
Loss after taxation from operations		**(877,727)**	(5,880,253)
Other comprehensive income:			
Currency translation differences - foreign operations, at nil tax		**6,138**	134,793
Total comprehensive loss for the year		**(871,589)**	(5,745,460)
Loss for the year attributable to:			
Owners of the Company		**(876,664)**	(5,874,095)
Non-controlling interests		**(1,063)**	(6,158)
		(877,727)	(5,880,253)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(870,526)**	(5,739,302)
Non-controlling interests		**(1,063)**	(6,158)
		(871,589)	(5,745,460)
Loss per share (cents):			
Attributable to equity holders of the Company			
- basic	21.1	**(0.52)**	(3.51)
- diluted	21.1	**(0.52)**	(3.51)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2017

	Equity attributable to owners of the Company						
The Group	Share capital $	Exchange fluctuation reserve $	Share option reserve $	Retained earnings/ (Accumulated losses) $	Total $	Non-controlling interests $	Total equity $
At 1 July 2015	**11,477,196**	**60,680**	**497,598**	**347,957**	**12,383,431**	**(346,282)**	**12,037,149**
Loss for the year	–	–	–	(5,874,095)	(5,874,095)	(6,158)	**(5,880,253)**
Other comprehensive income							
- Foreign currency translation differences	–	134,793	–	–	134,793	–	**134,793**
Total comprehensive loss for the year	**–**	**134,793**	**–**	**(5,874,095)**	**(5,739,302)**	**(6,158)**	**(5,745,460)**
Interest-free shareholders' loans	–	–	–	1,192,366	1,192,366	–	**1,192,366**
Total transactions with owners, recognised directly in equity	**–**	**–**	**–**	**1,192,366**	**1,192,366**	**–**	**1,192,366**
At 30 June 2016	**11,477,196**	**195,473**	**497,598**	**(4,333,772)**	**7,836,495**	**(352,440)**	**7,484,055**
At 1 July 2016	**11,477,196**	**195,473**	**497,598**	**(4,333,772)**	**7,836,495**	**(352,440)**	**7,484,055**
Loss for the year	–	–	–	**(876,664)**	**(876,664)**	**(1,063)**	**(877,727)**
Other comprehensive income							
- Foreign currency translation differences	–	**6,138**	–	–	**6,138**	–	**6,138**
Total comprehensive loss loss for the year	**–**	**6,138**	**–**	**(876,664)**	**(870,526)**	**(1,063)**	**(871,589)**
Gain on extinguishment of interest-free shareholders' loan	–	–	–	**429,641**	**429,641**	–	**429,641**
Interest-free shareholders' loan	–	–	–	**148,020**	**148,020**	–	**148,020**
Total transactions with owners, recognised directly in equity	**–**	**–**	**–**	**577,661**	**577,661**	**–**	**577,661**
Deconsolidation of subsidiary	–	–	–	–	–	**353,503**	**353,503**
Total changes in ownership interests in subsidiaries	**–**	**–**	**–**	**–**	**–**	**353,503**	**353,503**
At 30 June 2017	**11,477,196**	**201,611**	**497,598**	**(4,632,775)**	**7,543,630**	**–**	**7,543,630**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2017

The Group	Note	2017 $	2016 $
Cash Flows from Operating Activities			
Consolidated loss before taxation		**(877,727)**	(5,880,253)
Adjustments for:			
Depreciation of plant and equipment	5	**53,527**	143,249
Impairment loss on plant and equipment	5	**–**	369,820
Loss on disposal of plant and equipment	19	**–**	919
Plant and equipment written off	5	**–**	10,727
Fair value loss/(gain) on investment properties	6	**(2,710,000)**	1,300,000
Loss on disposal of investment properties	6	**–**	1,212,155
Loss on deconsolidation of subsidiary	17	**20,325**	–
Provision/(reversal) for restoration costs	14	**20,000**	(199,950)
Interest expense	18	**817,420**	513,352
Interest income	15	**–**	(56)
Operating loss before working capital changes		**(2,676,455)**	(2,530,037)
Change in operating receivables		**(125,686)**	310,916
Change in operating payables		**(227,828)**	(2,818,840)
Cash used in operations		**(3,029,969)**	(5,037,961)
Income tax paid		**–**	–
Net cash used in operating activities		**(3,029,969)**	(5,037,961)
Cash Flows from Investing Activities			
Interest received		**–**	56
Proceeds from disposal of plant and equipment		**–**	12,073
Proceeds from disposal of investment properties		**–**	4,407,845
Acquisition of plant and equipment	5	**(95,748)**	(250,794)
Net cash generated (used in)/from investing activities		**(95,748)**	4,169,180
Cash Flows from Financing Activities			
Interest paid		**(206,456)**	(216,440)
Proceeds from shareholders' loans		**1,000,000**	2,500,000
Proceeds from third party loan		**–**	2,000,000
Repayment of third party loan		**(1,000,000)**	–
Proceeds from bank loans		**5,000,000**	–
Repayments of bank loans		**(1,490,080)**	(3,317,265)
Net cash generated from financing activities		**3,303,464**	966,295
Net increase in cash and cash equivalents		**177,747**	97,514
Cash and cash equivalents at beginning of the year		**1,492,350**	1,400,915
Effects of exchange rate changes on cash and cash equivalents		**547**	(6,079)
Cash and cash equivalents at end of the year	9	**1,670,644**	1,492,350

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2017

1 General information

The financial statements of TMC Education Corporation Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company and domiciled in Singapore.

The registered office and principal place of business are located at 250 Middle Road, Singapore 188983.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are stated in Note 7.

2 Going concern

As at 30 June 2017, the Group's and the Company's current liabilities exceeded current assets by $5,555,184 and $12,405,098 (2016 : $3,187,734 and $8,094,444) respectively. For the financial year ended 30 June 2017, the Group incurred loss after tax of $877,727 (2016 : $5,880,253) and total comprehensive loss of $871,589 (2016 : $5,745,460), and reported net cash used in operating activities of $3,029,969 (2016 : $5,037,961).

As at 30 June 2017, the Group's current liabilities included non-refundable course and examination fees received in advance from students amounting to $1,527,715 (2016 : $1,762,044). Excluding this amount, the Group's current liabilities would have been $6,075,782 (2016 : $3,170,023) compared to current assets of $2,048,313 (2016 : $1,744,333) as at 30 June 2017.

As at 30 June 2017, the Company's current liabilities included amounts due to wholly-owned subsidiaries of $10,391,833 (2016 : $5,810,725). The directors of the Company have the power and authority to manage the payment obligations to the said wholly-owned subsidiaries if the need ever arises.

Notwithstanding the above, management believes that the Group and the Company will have sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of the financial statements after taking into consideration the following:

(1) As at 30 June 2017, the Group has loan facility of $2,000,000 comprising $1,000,000 from two shareholders, who are also executive directors of the Company, and $1,000,000 from a third party for general working capital purposes.

(2) The two shareholders, who are also executive directors have given an undertaking to provide financial support to the Company and the Group for at least twelve 12 months from the date of the financial statements to operate without any curtailment of operations.

(3) As at 30 June 2017, the carrying amount of the Group's and the Company's investment properties was $19,960,000 as determined by an independent firm of professional valuers. In July 2017, the Group and the Company obtained approval from the relevant authorities for the sub-division of the investment properties titles to improve their marketability. The Group and the Company will actively looking to realise some of the investment properties for general working capital purposes and to repay its borrowings.

Accordingly, management considers it appropriate that these financial statements are prepared on a going concern basis.

3(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by group entities.

3(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are detailed below.

(a) Critical accounting estimates and assumptions used in applying accounting policies

(i) Valuation of investment properties

The Group's investment properties are stated at estimated fair value based on the valuation performed by a firm of independent professional valuers using the direct comparison method with appropriate adjustment factors. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

The carrying amounts of investment properties at the reporting date are disclosed in Note 6 to the financial statements.

(ii) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. As changes in the expected level of usage and/or technological developments could impact the economic useful lives and the residual values of these assets, future depreciation charges could be revised. A 5% (2016 : 5%) difference in the expected useful lives of these assets from management's estimates would not have any significant effect on the Group's profit or loss for the financial year. The carrying amounts of plant and equipment at the reporting date are disclosed in Note 5 to the financial statements.

(iii) Impairment of non-financial assets

Plant and equipment and subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash-generating-units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value in use requires the Group and the Company to make estimate of the expected future cash flows from the cash-generating unit and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives and utilisation of the assets, discount rates and other factors. The carrying amounts of plant and equipment and subsidiaries at the reporting date are disclosed in Note 5 and 7 to the financial statements respectively.

(iv) Impairment of loans and receivables

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. A significant degree of judgement is applied by management when considering whether a trade receivable is impaired. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions. If the present value of estimated future cash flows from trade and other receivables decreases by 5% from management's estimates, the Group's and the Company's loss for the financial year would increase by approximately $8,000 and $14,000 (2016 : $11,000 and $10,000), respectively. The carrying amounts of trade and other receivables at the reporting date are disclosed in Note 8 to the financial statements.

3(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(b) Significant judgements used in applying accounting policies

(i) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, management has reviewed the Group's and the Company's investment property portfolio and concluded that, while the Group's and the Company's investment properties are depreciable, they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's and the Company's deferred taxation on investment properties, management has determined that the presumption that investment properties measured using the fair value model are recovered through sale is not rebutted.

(ii) Fair value of interest-free shareholders' loans

The fair value of the interest-free shareholders' loans at initial recognition was determined based on a comparable market rate of interest. Judgement is required in assessing the relevance of data to imputation of the comparable market rate of interest.

3(b) New accounting standards and interpretations

(i) Adoption of new or revised accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on 1 July 2017 and have been applied in preparing these financial statements. None of these has a significant effect on the financial statements of the Company.

(ii) Accounting standards and interpretations not yet effective

The following are the new or amended FRS issued to date that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 7	Statement of Cash Flows	1 January 2017
FRS 115	Revenue from Contracts with Customers	1 January 2018
Clarifications to FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
Interpretations to FRS 122	Foreign Currency Transactions and Advance Consideration	1 January 2018

3(b) New accounting standards and interpretations (Cont'd)

(ii) Accounting standards and interpretations not yet effective (Cont'd)

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Company and the Group in the period of their initial adoption, except for the following:

Amendments to FRS 7 *Statement of Cash Flows*
The Amendments to FRS 7 Statement of Cash Flows required entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed equity – to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances, in particular way - e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances. These amendments are effective on beginning or after 1 January 2017.

FRS 115 Revenue Contracts with Customers
FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to customer.

The standard replaces FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for Construction of Real Estate, INT FRS 118 Transfer of Assets from Customers and INT FRS 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

FRS 115 is effective for annual reports beginning on or after 1 January 2018.

Clarifications to FRS 115 *Revenue Contracts with Customers*
The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, FRS 115, i.e., on 1 January 2018.

FRS 109 *Financial Instruments*
FRS 109 *Financial Instruments* replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

- Classification and measurement;
- A single, forward-looking "expected loss" impairment model; and
- A substantially reformed approach to hedge accounting.

FRS 109 is effective for annual periods beginning on or after 1 January 2018.

Interpretations to FRS 122 *Foreign Currency Transactions and Advance Consideration*
This Interpretation provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance.

The Interpretations are effective from 1 January 2018. On initial application, entities would have the option of applying the Interpretations either retrospectively or prospectively in accordance with FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

3(c) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

3(c) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Renovations	3 to 8 years
Furniture and fittings	10 years
Office and training equipment	10 years
Computers and software	3 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Subsidiaries

In the Company's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

3(c) Summary of significant accounting policies (Cont'd)

Investment properties
Investment properties, principally comprising office units, are held for long-term rental yields and/or for capital appreciation and are not occupied by the Group.

Prior to 1 July 2013, with respect to the accounting policy for subsequent measurement of investment properties, the Group and the Company adopted the "cost model" under FRS 40 Investment Property, which requires an investment property to be measured, after initial measurement, at depreciated cost (less any accumulated impairment losses). With effect from 1 July 2013, the Group and the Company changed its accounting policy to the "fair value model" under FRS 40, which requires an investment property to be measured, after initial measurement, at fair value with changes in fair value recognised in profit or loss. FRS 40 permits entities to choose either the "cost model" or the "fair value model".

Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value determined on annual basis by an independent professional valuer. Gross changes in fair values and the related tax impact are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from their disposals. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer from investment properties to development properties; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

Financial assets
Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3(c) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or writeback is recognised in the profit or loss.

Loans and receivables include trade and other receivables (excluding prepayments) and cash and bank balances.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and bank deposits with financial institutions which are subject to an insignificant risk of changes in value.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Financial liabilities
The Group's financial liabilities comprise borrowings and trade and other payables (excluding course and examination fees received in advance).

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Borrowings, including interest-free shareholders' loans, are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

3(c) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)
Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's normal operating cycle are classified as the current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

The differences between the amounts of interest-free loans from shareholders cum directors and their present values are accounted for as capital contribution within equity. Interest is recognised at the incremental rate of borrowing over the loan tenures and the loans accrete back up to their par values.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Provisions
Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Group and the Company reviews the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs in the statement of comprehensive income.

Restoration costs
In accordance with the applicable terms and conditions in the lease agreements governing the Group's and the Company's use of assets under operating leases, a provision for restoration costs in respect of the leased premises, and the corresponding asset, is recognised at the date of inception of the lease.

Leases
Where the Group is the lessee,
Operating leases
Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

Where the Group is the lessor,
Operating leases
Assets are leased out under operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

3(c) Summary of significant accounting policies (Cont'd)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to define contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Share-based payment transactions

The Group issues equity-settled share option payments to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

3(c) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Share-based payment transactions (Cont'd)

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:
  (i) has control or joint control over the Company;
  (ii) has significant influence over the Company; or
  (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:
  (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  (ii) one entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member).
  (iii) both entities are joint ventures of the same third party.
  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  (vi) the entity is controlled or jointly controlled by a person identified in (a);
  (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and senior managers are considered key management personnel.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Intangible assets with indefinite useful lives are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Any impairment loss is charged to profit or loss.

3(c) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)
An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

Revenue recognition
Course fee is recognised over the period in which the course is run. Examination fee is recognised upon the completion of the examination. Course and examination fees relating to future periods are included in course and examination fees received in advance as a liability.

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease.

Interest income is recognised on a time-apportionment basis using the effective interest rate method.

Government grants
Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

Dividends
Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Functional currencies
Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.

Conversion of foreign currencies
Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "other losses - net".

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

3(c) Summary of significant accounting policies (cont'd)

Conversion of foreign currencies (cont'd)

Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from Singapore Dollars are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of transactions; and
(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Earnings per share

Basic and diluted earnings per share amounts are calculated by dividing net profit for the financial year attributable to the owners of the Company by the number of ordinary shares outstanding during the financial years.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and intangible assets.

4 Principal activities and revenue

Revenue comprises course and examination fees earned from providing education courses to students. Revenue excludes inter-company transactions and applicable goods and services tax.

5 Property, plant and equipment

The Group	Renovations $	Furniture and fittings $	Office and training equipment $	Computers and software $	Total $
Cost					
At 1 July 2015	2,604,584	439,311	267,020	1,580,672	4,891,587
Additions	247,670	600	711	1,813	250,794
Disposal	–	(108,597)	(5,811)	(28,006)	(142,414)
Written-off	(1,309,973)	(133,785)	(8,922)	(136,946)	(1,589,626)
Translation differences	(108)	(924)	(420)	(2,350)	(3,802)
At 30 June 2016	**1,542,173**	**196,605**	**252,578**	**1,415,183**	**3,406,539**
Additions	41,050	–	2,680	52,018	95,748
Disposal	–	–	–	(28,409)	(28,409)
Translation differences	**(5)**	**(34)**	**(11)**	**(90)**	**(140)**
At 30 June 2017	**1,583,218**	**196,571**	**255,247**	**1,438,702**	**3,473,738**
Accumulated depreciation					
At 1 July 2015	1,711,051	285,530	137,419	1,473,166	3,607,166
Depreciation	97,982	5,833	7,866	31,568	143,249
Disposal	–	(67,897)	(5,018)	(27,960)	(100,875)
Written-off	(1,309,973)	(99,131)	(8,055)	(136,389)	(1,553,548)
Translation differences	(108)	(921)	(417)	(1,913)	(3,359)
At 30 June 2016	**498,952**	**123,414**	**131,795**	**1,338,472**	**2,092,633**
Depreciation	**42,642**	**1,120**	**2,396**	**7,369**	**53,527**
Disposal	**–**	**–**	**–**	**(28,394)**	**(28,394)**
Translation differences	**(6)**	**(34)**	**(12)**	**(79)**	**(131)**
At 30 June 2017	**541,588**	**124,500**	**134,179**	**1,317,368**	**2,117,635**
Accumulated impairment					
At 1 July 2015	582,135	104,598	77,878	58,786	823,397
Impairment loss recognised	317,365	14,501	30,232	7,722	369,820
Disposal	–	(28,033)	(487)	(27)	(28,547)
Written-off	–	(24,477)	(547)	(327)	(25,351)
At 30 June 2016	**899,500**	**66,589**	**107,076**	**66,154**	**1,139,319**
Disposal	**–**	**–**	**–**	**(15)**	**(15)**
At 30 June 2017	**899,500**	**66,589**	**107,076**	**66,139**	**1,139,304**
Net carrying amount					
At 30 June 2017	**142,130**	**5,482**	**13,992**	**55,195**	**216,799**
At 30 June 2016	143,721	6,602	13,707	10,557	174,587

5 Property, plant and equipment (Cont'd)

The Company	Renovations $	Furniture and fittings $	Office and training equipment $	Computers and software $	Total $
Cost					
At 1 July 2015	2,603,127	426,871	261,376	1,549,050	4,840,424
Additions	247,670	600	711	–	248,981
Disposal	–	(108,597)	(5,811)	(28,006)	(142,414)
Written-off	(1,309,973)	(133,785)	(8,922)	(136,946)	(1,589,626)
At 30 June 2016	**1,540,824**	**185,089**	**247,354**	**1,384,098**	**3,357,365**
Additions	41,050	–	2,680	50,833	94,563
Disposal	**–**	**–**	**–**	**(28,409)**	**(28,409)**
At 30 June 2017	**1,581,874**	**185,089**	**250,034**	**1,406,522**	**3,423,519**
Accumulated depreciation					
At 1 July 2015	1,709,594	273,129	131,797	1,448,679	3,563,199
Depreciation	97,982	5,833	7,866	30,114	141,795
Disposal	–	(67,897)	(5,018)	(27,960)	(100,875)
Written-off	(1,309,973)	(99,131)	(8,055)	(136,389)	(1,553,548)
At 30 June 2016	**497,603**	**111,934**	**126,590**	**1,314,444**	**2,050,571**
Depreciation	**42,642**	**1,119**	**2,396**	**6,251**	**52,408**
Disposal	**–**	**–**	**–**	**(28,394)**	**(28,394)**
At 30 June 2017	**540,245**	**113,053**	**128,986**	**1,292,301**	**2,074,585**
Accumulated impairment					
At 1 July 2015	582,135	104,598	77,878	58,786	823,397
Impairment loss recognised	317,365	14,501	30,232	7,722	369,820
Disposal	–	(28,033)	(487)	(27)	(28,547)
Written-off	–	(24,477)	(547)	(327)	(25,351)
At 30 June 2016	**899,500**	**66,589**	**107,076**	**66,154**	**1,139,319**
Disposal	**–**	**–**	**–**	**(15)**	**(15)**
At 30 June 2017	**899,500**	**66,589**	**107,076**	**66,139**	**1,139,304**
Net carrying amount					
At 30 June 2017	**142,129**	**5,447**	**13,972**	**48,082**	**209,630**
At 30 June 2016	143,721	6,566	13,688	3,500	167,475

5 Property, plant and equipment (Cont'd)

Impairment assessment of plant and equipment
During the financial year ended 30 June 2016, the Group and the Company carried out a review of the recoverable amount of the plant and equipment and recognised an impairment loss of $369,820 to reduce the carrying value of the Group's and the Company's plant and equipment to their estimated recoverable amount.

The recoverable amount was based on the cash-generating-unit's fair value less costs to sell, as determined by an independent professional valuer based on the market value approach, which was higher than value-in-use.

6 Investment properties

The Group and The Company	**2017** **$**	2016 $
At fair value:		
At 1 July	**17,250,000**	24,170,000
Fair value gain/(loss)	**2,710,000**	(1,300,000)
Disposal	**–**	(5,620,000)
At 30 June	**19,960,000**	17,250,000

Investment properties consist of 25 office units (2016 : 25 office units) located at 111 North Bridge Road, Peninsula Plaza, Singapore 179098. The properties have a total floor area of 884 square metres (2016 : 884 square metres). The properties are on 999-year lease and the unexpired lease term of the properties is 811 years (2016 : 812 years).

The fair value of the investment property is determined by an independent firm of professional valuers who has appropriate recognised professional qualification and recent experience in the location and category of the investment property being valued. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is based on the direct comparison method.

Investment property are valued on a highest and best used basis. For the Group's investment property, the current use is considered to be the highest and best use.

During the financial year ended 30 June 2016, 10 office units with floor area of 276 square metres and carrying amount of $5,620,000 was sold to a third party for a net cash consideration of $4,407,845. Accordingly, a loss of $1,212,155 was recognised in the profit or loss (Note 19).

The investment properties are leased to non-related parties under-operating leases.

25 office units (2016 : 14 office units) of the investment properties of 884 square meters (2016 : 420 square meters) with aggregate fair value of $19,960,000 (2016 : $8,200,000) are mortgaged to secure bank loans (Note 12).

The following amounts were recognised in profit or loss:

The Group and The Company	**2017** **$**	2016 $
Rental income (Note 15)	**320,938**	341,839
Direct operating expenses arising from investment properties that generated rental income	**174,875**	107,507
Direct operating expenses arising from investment properties that did not generate rental income	**22,067**	163,812

7 Subsidiaries

The Company	2017 $	2016 $
Unquoted equity investments, at cost:		
At 1 July	**2,931,278**	2,931,278
Increase in investment via scrip dividend	**3,000,000**	–
Striking off of subsidiary	**(931,261)**	–
At 30 June	**5,000,017**	2,931,278
Allowance for impairment losses:		
At 1 July	**(931,262)**	(931,262)
Write-off during the year	**931,261**	–
At 30 June	**(1)**	(931,262)
	5,000,016	2,000,016

Details of all the Group's subsidiaries are as follows:

Name	Principal activities	Country of incorporation/ principal place of business	Effective equity interest held by the Group	
			2017	2016
Held by the Company			**%**	%
Asia Pacific College Int'l Pte Ltd [1]	Dormant	Singapore	**100**	100
Boston East Int'l Pte Ltd [1]	Investment holding	Singapore	**100**	100
Creative Education Development Pte Ltd [1]	Dormant	Singapore	**100**	100
Technology Management Centre (HK) Limited [2]	Inactive	Hong Kong	**100**	100
Technology Management & Communications Academy Pte Ltd [1]	Inactive	Singapore	**100**	100
TMC Academy Pte Ltd [1]	Provision of educational courses and conducting examinations	Singapore	**100**	100
TMC Franchise Int'l Pte Ltd [1]	Inactive	Singapore	**100**	100
TMC Learning Hub Pte Ltd [1]	Provision of education services	Singapore	**100**	100
TMC Pte Ltd [1]	Dormant	Singapore	**100**	100
TMC (China) Holdings Pte Ltd ("TMC China") [4]	Investment holding	Singapore	**–**	51
TMC (Malaysia) Holdings Pte Ltd [1]	Inactive	Singapore	**100**	100
Held by Boston East Int'l Pte Ltd				
TMC-Cambridge Education (Beijing) Ltd [3]	Provision of marketing & recruitment support services	PRC	**100**	100

1 Audited by Foo Kon Tan LLP.
2 Audited by Lee, Sek, Chiu & Hui, Certified Public Accountants, Hong Kong.
3 Audited by Grant Thornton Zhi Tong, People's Republic of China during the financial year 2017, for consolidation purposes.
4 Struck off during the financial year.

7 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have non-controlling interests

Summarised financial information in respect of the Group's subsidiaries that have non-controlling interests ("NCI") are set out below.

(i) Summarised statements of financial position:

	2017	2016
TMC China	**$**	$
Current assets	–	63,715
Non-current assets	–	–
Total assets	–	63,715
Current liabilities	–	782,980
Non-current liabilities	–	–
Total liabilities	–	782,980
Net liabilities	–	(719,265)
Net liabilities attributable to NCI	–	(352,440)

(ii) Summarised statements of comprehensive income:

	2017	2016
TMC China	**$**	$
Revenue	**–**	–
Loss for the year	**(2,170)**	(12,567)
Other comprehensive expense	**–**	–
Total comprehensive loss for the year	**(2,170)**	(12,567)
Attributable to NCI:		
- Loss for the year	**(1,063)**	(6,158)
- Other comprehensive expense	**–**	–
Total comprehensive loss for the year	**(1,063)**	(6,158)
Dividends paid to NCI	**–**	–

(iii) Summarised statements of cash flows:

	2017	2016
TMC China	**$**	$
Cash flows from operating activities	**(2,170)**	(14,205)
Cash flows from investing activities	**–**	-
Cash flows from financing activities	**–**	(512,281)
Net decrease in cash and cash equivalents	**(2,170)**	(526,486)

8 Trade and other receivables

		The Group		The Company	
		2017	2016	**2017**	2016
		$	$	**$**	$
Trade receivables		**93,877**	27,780	**93,585**	27,780
Allowance for impairment					
- At 1 July		**(1,189)**	(819)	**(1,189)**	(819)
- Impairment loss recognised (Note 17)		**–**	(370)	**–**	(370)
- At 30 June		**(1,189)**	(1,189)	**(1,189)**	(1,189)
	A	**92,688**	26,591	**92,396**	26,591
Other receivables		**27,580**	24,094	**27,556**	22,268
Deposits		**56,441**	67,987	**37,145**	67,784
		84,021	92,081	**64,701**	90,052
Allowance for impairment					
- At 1 July		**(8,400)**	(19,086)	**(8,400)**	(19,086)
- Impairment loss utilised		**–**	10,686	**–**	10,686
- At 30 June		**(8,400)**	(8,400)	**(8,400)**	(8,400)
	B	**75,621**	83,681	**56,301**	81,652
Amounts due from subsidiaries (non-trade)		–	–	7,108,123	7,213,619
Allowance for impairment					
- At 1 July		**–**	–	**(7,213,619)**	(7,340,469)
- Impairment loss utilised		**–**	–	**237,983**	126,850
- At 30 June		**–**	–	**(6,975,636)**	(7,213,619)
	C	**–**	–	**132,487**	–
Total "loans and receivables"	A+B+C	**168,309**	110,272	**281,184**	108,243
Prepayments		**209,360**	141,711	**201,564**	141,353
Total trade and other receivables		**377,669**	251,983	**482,748**	249,596

The non-trade amounts due from subsidiaries, comprising advances, are unsecured, interest-free and repayable on demand.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Hong Kong dollar	**607**	358	**–**	–
Renminbi	**11**	2,029	**–**	–
Singapore dollar	**377,051**	249,596	**482,748**	249,596
	377,669	251,983	**482,748**	249,596

8 Trade and other receivables (Cont'd)

The credit risk for trade receivables based on the information provided by key management is as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
By geographical area				
Singapore	92,688	26,591	92,396	26,591

The ageing analysis of "loans and receivables" is as follows:

	2017		2016	
	Gross	**Impairment losses**	Gross	Impairment losses
The Group	**$**	**$**	$	$
Past due less than 90 days	**74,434**	**–**	21,160	–
Past due over 90 days	**36,562**	**(9,589)**	25,846	(9,589)
The Company				
Past due less than 90 days	**74,434**	**–**	21,160	–
Past due over 90 days	**36,551**	**(9,589)**	24,020	(9,589)

Past due and impaired
The Group's and the Company's impairment losses arose mainly from long outstanding balances due from debtors which management is in the process of recovering the debts.

Neither past due nor impaired
The Group's and the Company's trade and other receivables which are neither past due nor impaired are due mainly from individually non-significant customers with good collection track records with the Group and the Company.

9 Cash and cash equivalents

	The Group		The Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Cash on hand	6,546	15,489	6,288	14,438
Cash in banks	1,664,098	1,476,861	29,968	197,565
	1,670,644	1,492,350	36,256	212,003

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Australian dollar	**31,105**	15,190	**–**	–
Hong Kong dollar	**90**	87	**90**	87
Renminbi	**18,409**	11,705	**3,009**	9,362
Singapore dollar	**1,620,889**	1,465,220	**33,006**	202,406
United States dollar	**151**	148	**151**	148
	1,670,644	1,492,350	**36,256**	212,003

10 Share capital

	2017	2016	2017	2016
The Company	Number of ordinary shares		**$**	$
Issued and fully paid, with no par value				
Balance at beginning and at end of year	**167,397,677**	**167,397,677**	**11,477,196**	**11,477,196**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All shares rank equally with regard to the Company's residual assets.

11 Reserves

	The Group		The Company	
	2017	2016	2017	2016
	$	$	**$**	$
Exchange fluctuation reserve	**201,611**	195,473	**–**	–
Share option reserve	**497,598**	497,598	**497,598**	497,598
Retained earnings	**(4,632,775)**	(4,333,772)	**(4,925,355)**	(7,404,545)
	(3,933,566)	(3,640,701)	**(4,427,757)**	(6,906,947)

Exchange fluctuation reserve
Exchange fluctuation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

Share option reserve
Share option reserve represents the cumulative value of employee services received from directors, academic advisors and employees for the issue of share options.

12 Borrowings

		The Group		The Company	
		2017	2016	2017	2016
	Note	**$**	$	**$**	$
Non-current					
Bank loans (secured)	12.1	**1,461,468**	1,169,584	**98,592**	1,169,584
Shareholders' loans (unsecured)	12.2	**4,616,517**	3,583,214	**4,616,517**	3,583,214
Third party loan (unsecured)	12.3	**1,000,000**	2,000,000	**1,000,000**	2,000,000
Total non-current borrowings		**7,077,985**	6,752,798	**5,715,109**	6,752,798
Current					
Bank loans (secured)	12.1	**4,464,982**	1,268,278	**1,069,432**	1,268,278
Total current borrowings		**4,464,982**	1,268,278	**1,069,432**	1,268,278
		11,542,967	8,021,076	**6,784,541**	8,021,076

12 Borrowings (Cont'd)

12.1 Bank loans (secured)

	The Group		The Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Revolving loans	**3,000,000**	–	**–**	–
Term loans	**2,926,450**	2,437,862	**1,168,024**	2,437,862
	5,926,450	2,437,862	**1,168,024**	2,437,862
Represented by:				
Non-current	**1,461,468**	1,169,584	**98,592**	1,169,584
Current	**4,464,982**	1,268,278	**1,069,432**	1,268,278
	5,926,450	2,437,862	**1,168,024**	2,437,862

At the reporting date, the weighted average variable interest rate for revolving loans and term loans are 1.74% and 1.18% (2016 : 1.23%) per annum, respectively.

These loans are secured by mortgages over the Group's and the Company's investment properties of 25 office units (2016 : 14 office units) with floor area of 884 square metres (2016 : 420 square metres) and carrying amount of $19,960,000 (2016 : $8,200,000) (Note 6).

12.2 Shareholders' loans (unsecured)

The Group and The Company	**2017**	2016
	$	$
Shareholders' loans	**4,616,517**	3,583,214

As at 30 June 2016, the loans from two shareholders were interest-free, unsecured and repayable at any time after 30 June 2017 subject to the Company's ability to repay the loan. During the financial year ended 30 June 2017, the Company extended the repayment of the existing loans to on or after 31 July 2018, subject to the Company's ability to repay the loans, with an option for further extension at the request of the Company. The change in the repayment date was a substantial modification and was accounted for as an extinguishment of the existing loan liability and the recognition of a new loan with a resultant gain on extinguishment of liability of $429,641.

During the financial year ended 30 June 2017, the Company obtained an additional loan of $1,000,000 from the shareholders with the same aforesaid repayment terms.

As at 30 June 2017, the loans from the two shareholders are interest-free and unsecured.

The two shareholders have undertaken that they shall not demand repayment of the loan for at least twelve months from the date of issue of the financial statements for the financial year ended 30 June 2017.

12 Borrowings (Cont'd)

12.3 Third party loan (unsecured)

The Group and The Company	2017 $	2016 $
Third party loan	**1,000,000**	2,000,000

The third party loan is unsecured and repayable by 29 October 2018. Interest is charged at fixed rate of 8% per annum.

12.4 Currency risk

Borrowings are denominated in the Singapore dollar.

12.5 Carrying amounts and fair values

The fair values of variable rate borrowings approximate their carrying amounts at the end of the reporting period.

13 Trade and other payables

	The Group		The Company	
	2017 $	2016 $	2017 $	2016 $
Trade payables	**307,440**	357,635	**307,440**	357,035
Accrued expenses	**847,397**	934,996	**822,767**	916,247
Amounts due to subsidiaries (non-trade)	**–**	–	**10,391,833**	5,810,725
Amount due to non-controlling interests (non-trade)	**–**	349,642	**–**	–
Other payables	**285,963**	109,472	**162,630**	53,758
Financial liabilities	**1,440,800**	1,751,745	**11,684,670**	7,137,765
Course and examination fees received in advance (non-refundable)	**1,527,715**	1,762,044	**–**	–
Total trade and other payables	**2,968,515**	3,513,789	**11,684,670**	7,137,765

The non-trade amounts due to subsidiaries and non-controlling interests, comprising advances, are unsecured, interest-free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2017 $	2016 $	2017 $	2016 $
Australian Dollar	**4,510**	4,288	**4,510**	4,288
Hong Kong Dollar	**1,655**	1,389	**–**	–
Indonesian Rupiah	**66**	62	**66**	62
British Pound	**287,879**	175,201	**287,879**	175,201
Renminbi	**32,277**	32,454	**–**	–
Singapore Dollar	**2,639,013**	3,295,750	**11,389,100**	6,953,569
United States Dollar	**3,115**	3,098	**3,115**	3,098
Thai Baht	**–**	1,547	**–**	1,547
	2,968,515	3,513,789	**11,684,670**	7,137,765

14 Provisions

	The Group		The Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Provision for restoration costs:				
At 1 July	**150,000**	550,000	**150,000**	550,000
Provision made/(reversed) (Note 19)	**20,000**	(199,950)	**20,000**	(199,950)
Provision utilised	**–**	(200,050)	**–**	(200,050)
At 30 June	**170,000**	150,000	**170,000**	150,000

The provision for restoration costs represents the present value of anticipated costs for future restoration of leased office premises to their original condition at the conclusion of the lease.

15 Other income

	2017	2016
	$	$
Government grants	**83,312**	152,006
Graduation fees	**16,476**	19,035
Interest income from cash and cash equivalents	**–**	56
Rental income from investment properties (Note 6)	**320,938**	341,839
Rental income - others	**70,826**	5,700
Others	**50,141**	64,895
	541,693	583,531

Others mainly relate to commission income and insurance claims.

16 Staff costs

	2017	2016
The Group	**$**	$
Key management personnel:		
Directors' fees	**183,000**	176,333
Directors' remuneration other than fees		
- salaries and other related costs	**518,832**	518,832
- contributions to defined contribution plans	**37,080**	22,355
	738,912	717,520
Other than directors		
- salaries and other related costs	**940,501**	1,089,223
- contributions to defined contribution plans	**114,272**	108,821
	1,054,773	1,198,044
Total key management personnel compensation	**1,793,685**	1,915,564
Other than key management personnel:		
- salaries and other related costs	**1,936,868**	2,099,222
- contributions to defined contribution plans	**264,795**	321,506
	2,201,663	2,420,728
Total staff costs	**3,995,348**	4,336,292

17 Other expenses

The Group	2017 $	2016 $
Sales commissions and incentives to agents	**290,719**	339,095
Courier and postage	**15,254**	23,428
Communication	**20,569**	38,912
Utilities	**72,249**	97,335
Audit fees:		
- auditors of the Company	**136,500**	136,500
- other auditors	**24,758**	23,371
Foreign exchange loss	**5,716**	112,540
Printing and stationery	**27,271**	30,247
Professional fees	**184,035**	175,668
Transport and travelling	**93,001**	120,486
Insurance	**64,399**	77,492
Bank charges	**36,100**	78,641
Impairment losses on trade and other receivables	**–**	370
Loss on deconsolidation of subsidiary	**20,325**	–
Others	**163,768**	192,984
	1,154,664	1,447,069

18 Finance costs

The Group	2017 $	2016 $
Interest expense		
- bank loans (secured)	**104,351**	109,768
- shareholders' loans (unsecured)	**610,964**	296,912
- third party's loan (unsecured)	**102,105**	106,672
	817,420	513,352

19 Loss for the year

The Group	Note	2017 $	2016 $
Loss for the year has been arrived at after charging/(crediting):			
Depreciation of plant and equipment	5	**53,527**	143,249
Plant and equipment written off	5	**–**	10,727
Loss on disposal of plant and equipment	5	**–**	919
Loss on disposal of Investment properties	6	**–**	1,212,155
Provision for restoration costs	14	**20,000**	(199,950)
Impairment losses on plant and equipment	5	**–**	369,820
Loss on deconsolidation of subsidiary		**20,235**	-

20 Taxation

The Group	2017 $	2016 $
Current tax expense	–	–
Deferred tax expense	–	–
	–	–

Reconciliation of effective tax rate

The Group	2017 $	2016 $
Loss before taxation	**(877,727)**	(5,880,253)
Tax at statutory rate of 17% (2016: 17%)	**(149,214)**	(999,643)
Tax effects of:		
Expenses not deductible in determining taxable income	**228,910**	729,897
Income exempt from taxation	**(460,700)**	(90,955)
Tax incentive, exemption and rebate	**(50,088)**	(3,353)
Deferred tax assets on current year losses not recognised	**480,982**	469,919
Difference in foreign tax rate	**(738)**	(21,957)
Group relief utilised	**(49,152)**	(83,908)
	–	–

Unrecognised deferred tax assets
Deferred tax assets have not been recognised in respect of the following items:

The Group and the Company	2017 $	2016 $
Tax losses	**21,460,000**	18,631,000

Deferred tax assets have not been recognised in respect of the tax losses because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom. The tax losses do not expire and can be carried forward to offset future taxable profits subject to compliance with tax regulations.

21 Loss per share

21.1 Basic loss per share

The Group	**2017** **$**	2016 $
Loss for the year attributable to ordinary shareholders	**(876,664)**	(5,874,095)

	2017	2016
	Number of ordinary shares	
Weighted average number of ordinary shares outstanding	**167,397,677**	167,427,497

	2017	2016
	cents	cents
Basic and diluted loss per share	**(0.52)**	(3.51)

22 Equity-settled share-based payment transactions

TMC Share Option Scheme
The TMC Share Option Scheme ("SOS") was approved and adopted by the Company's members at an Extraordinary General Meeting held on 25 May 2001 and subsequent amendments were approved on 25 November 2005.

Other information regarding the SOS is set out below:

(i) The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant.

(ii) For options granted at market price, they can be exercised 1 year after the grant date and for those granted below market price, they can be exercised 2 years after the grant date.

(iii) Options expire 5 years after option date for those granted to directors and academic advisors, and 10 years after option date for options granted to other employees.

(iv) All options will be settled by physical delivery of shares.

22 Equity-settled share-based payment transactions (Cont'd)

TMC Share Option Scheme (Cont'd)

At the end of the financial year, details of options granted under the SOS on the unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding as at 1.7.2016	Options exercised	Options forfeited	Options expired	**Options outstanding as at 30.6.2017**	Expiry date	Options exercisable as at 30.6.2016	**Options exercisable as at 30.6.2017**
11.12.2006	$0.0620	18,870	–	–	18,870	–	10.12.2016	18,870	–
18.06.2007	$0.1248	93,096	–	–	93,096	–	17.06.2017	93,096	–
10.12.2007	$0.1370	78,000	–	–	–	**78,000**	09.12.2017	78,000	**78,000**
16.06.2008	$0.1050	80,000	–	–	–	**80,000**	15.06.2018	80,000	**80,000**
16.12.2008	$0.0610	43,000	–	–	–	**43,000**	15.12.2018	43,000	**43,000**
19.06.2009	$0.0600	86,000	–	–	–	**86,000**	18.06.2019	86,000	**86,000**
03.12.2009	$0.0640	78,000	–	–	–	**78,000**	02.12.2019	78,000	**78,000**
		476,966	–	–	111,966	**365,000**		476,966	**365,000**

Details of options granted to former directors, academic advisors and employees of the Company under the SOS are as follows:

	Options granted during the financial year ended 30.6.2017	Aggregate options granted since commencement of SOS to 30.6.2017	Aggregate options lapsed since commencement of SOS to 30.6.2017	Aggregate options expired since commencement of SOS to 30.6.2017	Aggregate options exercised since commencement of SOS to 30.6.2017	Aggregate options outstanding as at 30.6.2017
Directors						
Former directors	–	3,157,050	(1,251,620)	(500,000)	(1,405,430)	–
Others						
Academic advisors	–	2,635,860	(1,954,860)	–	(681,000)	–
Employees	–	6,240,877	(4,005,525)	(188,705)	(1,681,647)	365,000
	–	12,033,787	(7,212,005)	(688,705)	(3,768,077)	365,000

22 Equity-settled share-based payment transactions (Cont'd)

TMC Share Option Scheme (Cont'd)
The number and weighted average exercise prices and fair values of share options are as follows:

	Weighted average exercise price 2017 $	**Number of options 2017**	Weighted average exercise price 2016 $	Number of options 2016
Outstanding at beginning of year	**0.0936**	**476,966**	0.0881	623,705
Exercised during the year	**–**	**–**	–	–
Forfeited during the year	**–**	**–**	0.0773	(114,030)
Expired during the year	**0.1142**	**(111,966)**	0.0446	(32,709)
Outstanding at end of year	**0.0873**	**365,000**	0.0936	476,966
Exercisable at end of year	**0.0873**	**365,000**	0.0936	476,966

The weighted average remaining contractual life of share options outstanding at the reporting date is 1.18 years (2016 : 2.08 years).

No options were exercised during the financial years ended 30 June 2017 and 2016.

All of the share options were fully vested and the fair value of the share options were fully recognised prior to the financial year ended 30 June 2013. The grant date fair value of share options granted under the SOS is measured based on the Black-Scholes Model.

TMC Share Award Scheme
Following the expiry of the SOS on 24 May 2011, the Company implemented the TMC Share Award Scheme ("SAS") to replace the SOS. The SAS was approved and adopted by the Company's members at an Extraordinary General Meeting held on 31 March 2011. The SAS is administered by the Company's Remuneration Committee, comprising three directors, Chen Timothy Teck Leng (Chairman), Wee Liang Hiam and Tham Wan Loong, Jerome, at the end of the financial year.

Awards of fully-paid ordinary shares in the Company under the SAS will be performance-based, with performance targets to be set over a designated performance period.

The awards granted by the Company do not entitle the holders of the awards, by virtue of such holding, to any rights to participate in any share issue of any other company.

No shares of the Company have been awarded under the SAS since its commencement.

23 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were no other significant transactions with related parties:

The Company	**2017 $**	2016 $
Service fees charge to a subsidiary	**3,916,989**	5,408,089

24 Commitments

24.1 Operating lease commitments (non-cancellable)

Where the Group and the Company are the lessee,
At the end of the reporting period, the Group and the Company were committed to making the following payments in respect of non-cancellable operating leases of campus and office premises and office equipment with an original term of more than one year:

	The Group		The Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Not later than one year	**1,384,918**	1,262,473	**1,269,142**	1,262,473
Later than one year and not later than five years	**2,503,244**	1,640,797	**2,503,243**	1,640,797
	3,888,162	2,903,270	**3,772,385**	2,903,270

The leases on the Group's and the Company's campus and office premises and office equipment expire between October 2017 and October 2020 whereby some contain renewal options.

Where the Group and the Company are the lessor,
At the end of the reporting period, the Group and the Company had the following rental income receivable under non-cancellable operating leases for commercial premises (investment properties) with an original term of more than one year:

The Group and The Company	**2017**	2016
	$	$
Not later than one year	**483,001**	160,415
Later than one year and not later than five years	**696,222**	81,997
	1,179,223	242,412

The leases on the Group's and the Company's commercial premises expire between July 2017 and February 2020 and contain renewal options.

25 Operating segments

Business and geographical segments
The Group has several reportable business segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are located in different geographical areas and require different marketing strategies. For each strategic business unit, the Group's Chief Executive Officer ("CEO") reviews internal management reports at least on a monthly basis.

The following summary describes the operations in each of the Group's reportable business segments:

- "Tertiary education" segment relates to provision of education courses to tertiary students.
- "Investment properties" segment relates to holding of investment properties to earn rentals and for capital appreciation.
- "Others" relates to corporate office functions.

The Group operates in a single principal geographical segment in Singapore. Therefore, no information on the geographical segment is disclosed.

25 Operating segments (Cont'd)

Business and geographical segments (Cont'd)
Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit for the year, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

There is no single external customer or group of customers who accounts for 10% or more of the Group's revenue. Therefore, no information about major customers is disclosed.

The Group	Tertiary education $	Property investment $	Others $	Sub-Total $	Elimination $	Total $
2017						
External revenue	**4,239,723**	**–**	**–**	**4,239,723**	**–**	**4,239,723**
Rental income	**–**	**320,938**	**–**	**320,938**	**–**	**320,938**
Interest expense	**(43,121)**	**–**	**(774,299)**	**(817,420)**	**–**	**(817,420)**
Depreciation of plant and equipment	**–**	**–**	**(53,527)**	**(53,527)**	**–**	**(53,527)**
Fair value gain on investment properties	**–**	**2,710,000**	**–**	**2,710,000**	**–**	**2,710,000**
Loss on deconsolidation of subsidiary	**–**	**–**	**(20,325)**	**(20,325)**	**–**	**(20,325)**
Government grants	**83,312**	**–**	**–**	**83,312**	**–**	**83,312**
Reportable segment profit/(loss) for the year	**329,679**	**2,833,996**	**(1,190,570)**	**1,970,105**	**(2,847,832)**	**(877,727)**
Capital expenditure	**–**	**–**	**95,748**	**95,748**	**–**	**95,748**
Reportable segment assets	**11,502,040**	**19,960,000**	**6,287,408**	**37,749,448**	**(15,524,336)**	**22,225,112**
Reportable segment liabilities	**(6,329,337)**	**–**	**(25,852,102)**	**(32,181,439)**	**17,499,957**	**(14,681,482)**
2016						
External revenue	5,863,895	–	–	5,863,895	–	5,863,895
Rental income	–	341,839	–	341,839	–	341,839
Interest income	–	–	56	56	–	56
Interest expense	–	–	(513,352)	(513,352)	–	(513,352)
Depreciation of plant and equipment	–	–	(143,249)	(143,249)	–	(143,249)
Fair value loss on investment properties	–	(1,300,000)	–	(1,300,000)	–	(1,300,000)
Government grants	152,006	–	–	152,006	–	152,006
Reportable segment profit/(loss) for the year	493,166	(1,229,480)	(5,017,089)	(5,753,403)	(126,850)	(5,880,253)
Capital expenditure	–	–	250,794	250,794	–	250,794
Reportable segment assets	6,645,913	17,250,000	3,083,748	26,979,661	(7,810,741)	19,168,920
Reportable segment liabilities	(1,798,264)	–	(22,910,944)	(24,709,208)	13,024,343	(11,684,865)

26 Financial risk management objectives and policies

The Group and the Company have documented financial risk management policies. These policies set out the Group's and the Company's overall business strategies and risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Group's and the Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and the Company's activities. The Group and the Company, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risks. Market risk exposures are measured using sensitivity analysis indicated below.

The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

26.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

There is no exposure to credit risk for students who pay their course and examination fees in advance.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through ongoing credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

The Group's and the Company's trade receivables comprise three debtors (2016 : two debtors) that represented 59% (2016 : 78%) of trade receivables.

26 Financial risk management objectives and policies (Cont'd)

26.1 Credit risk (Cont'd)

The Group and the Company establish an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group and the Company are satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The Group and the Company evaluate whether there is any objective evidence that trade and other receivables are impaired, and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group and the Company base the estimates on the ageing of the trade receivable balances, creditworthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated. In determining the recoverability of trade and other receivables, the Group and the Company consider any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the end of the reporting period.

Exposure to credit risk
As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group's and the Company's major classes of financial assets are bank deposits and trade receivables. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 8.

26.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company seek to ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner by maintaining sufficient level of cash and cash equivalents and having available adequate amount of committed credit facilities from financial institutions to meet their working capital requirements.

The Group's and the Company's ability to continue as a going concern and adequacy of resources for the Group and the Company to continue in operational existence for the foreseeable future are discussed in Note 2 to the financial statements.

26 Financial risk management objectives and policies (Cont'd)

26.2 Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

		Contractual undiscounted cash flows			
The Group	Carrying amount $	Total $	Less than 1 year $	Between 2 and 5 years $	Over 5 years $
2017					
Non-derivative financial liabilities					
Trade and other payables	**1,440,800**	**1,440,800**	**1,440,800**	**–**	**–**
Borrowings	**11,542,967**	**12,562,723**	**4,529,784**	**8,032,939**	**–**
	12,983,767	**14,003,523**	**5,970,584**	**8,032,939**	**–**
2016					
Non-derivative financial liabilities					
Trade and other payables	1,751,745	1,751,745	1,751,745	–	–
Borrowings	8,021,076	8,294,026	1,473,006	6,821,020	–
	9,772,821	10,045,771	3,224,751	6,821,020	–
The Company					
2017					
Non-derivative financial liabilities					
Trade and other payables	**11,684,670**	**11,684,670**	**11,684,670**	**–**	**–**
Borrowings	**6,784,541**	**7,689,822**	**1,083,988**	**6,605,834**	**–**
	18,469,211	**19,374,492**	**12,768,658**	**6,605,834**	**–**
2016					
Non-derivative financial liabilities					
Trade and other payables	7,137,765	7,137,765	7,137,765	–	–
Borrowings	8,021,076	8,294,026	1,473,006	6,821,020	–
	15,158,841	15,431,791	8,610,771	6,821,020	–

26 Financial risk management objectives and policies (Cont'd)

26.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their variable rate bank loans.

Sensitivity analysis for interest rate risk
For the variable rate bank loans, a change of 50 (2016 : 50) basis points ("bp") in interest rates at the reporting date would have decreased/increased profit or loss and equity by amounts as shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Loss before tax — Increase/(Decrease) —		Equity — (Decrease)/Increase —	
	(50bp Increase)	(50bp Decrease)	(50bp Increase)	(50bp Decrease)
The Group	$	$	$	$
2017				
Variable rate bank loans	**29,000**	**(29,000)**	(29,000)	29,000
2016				
Variable rate bank loans	12,000	(12,000)	(12,000)	12,000

	Profit before tax — Increase/(Decrease) —		Equity — (Decrease)/Increase —	
	(50bp Increase)	(50bp Decrease)	(50bp Increase)	(50bp Decrease)
The Company	$	$	$	$
2017				
Variable rate bank loans	**(6,000)**	**6,000**	(6,000)	6,000

	Loss before tax — Increase/(Decrease) —		Equity — (Decrease)/Increase —	
	(50bp Increase)	(50bp Decrease)	(50bp Increase)	(50bp Decrease)
The Company	$	$	$	$
2016				
Variable rate bank loans	12,000	(12,000)	(12,000)	12,000

26.4 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising mainly from transactions denominated in Pound Sterling (GBP).

The Group and the Company do not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

26 Financial risk management objectives and policies (Cont'd)

26.4 Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

A 5% (2016 : 5%) strengthening/weakening of the GBP against the Singapore dollar at the reporting date would have increased/decreased profit/loss before tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2017		2016	
The Group	**Loss before tax increase/ (decrease) $**	**Equity increase/ (decrease) $**	Loss before tax increase/ (decrease) $	Equity increase/ (decrease) $
GBP strengthened 5% (2016 : 5%)	**14,000**	**(14,000)**	9,000	(9000)

	2017		2016	
The Company	**Profit before tax increase/ (decrease) $**	**Equity increase/ (decrease) $**	Loss before tax increase/ (decrease) $	Equity increase/ (decrease) $
GBP strengthened 5% (2016: 5%)	**(14,000)**	**(14,000)**	9,000	(9000)

A 5% weakening of the GBP against the Singapore dollar at the reporting date would have an equal but opposite effect to equity and profit before tax by the amounts shown above.

26.5 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group and the Company do not hold any quoted or marketable financial instruments, and hence are not exposed to any movement in market prices.

26 Financial risk management objectives and policies (Cont'd)

26.6 Financial instruments by category

The carrying amounts of financial assets and financial liabilities measured at amortised cost the reporting date by categories are as follows:

	The Group		The Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Financial assets				
Trade and other receivables (excluding prepayments)	**168,309**	110,272	**281,184**	108,243
Cash and cash equivalents	**1,670,644**	1,492,350	**36,256**	212,003
	1,838,953	1,602,622	**317,440**	320,246
Financial liabilities				
Trade and other payables (excluding non-refundable course and examination fees received in advance)	**1,440,800**	1,751,745	**11,684,670**	7,137,765
Borrowings	**11,542,967**	8,021,076	**6,784,541**	8,021,076
	12,983,767	9,772,821	**18,469,211**	15,158,841

26.7 Fair values measurement

Except as disclosed elsewhere in the financial statements, information about the assumptions made in determining fair values is as follows:

26.7.1 Financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables (excluding prepayments), cash and cash equivalents, trade and other payables (excluding course and examination fees received in advance (non-refundable)) and current borrowings) approximate their fair values because of the short period to maturity.

The carrying amounts of non-current borrowings approximate their fair values.

The fair values of interest-free loans from directors at inception are based on discounted cash flows using incremental rate of borrowing after due consideration of the risk-free rate and credit spread.

26.7.2 Non-financial assets

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

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

The table below analyses non-financial assets carried at fair value.

	Level 1	Level 2	Level 3	Total
The Group and The Company	**$**	**$**	**$**	**$**
Investment properties (Note 6)				
2017	**–**	**–**	**19,960,000**	**19,960,000**
2016	–	–	17,250,000	17,250,000

26 Financial risk management objectives and policies (Cont'd)

26.7.2 Non-financial assets (Cont'd)
Fair value hierarchy (Cont'd)
The reconciliation of the carrying amount of investment properties which are classified within Level 3 is set out in Note 6.

The following table shows the significant unobservable inputs used in the valuation:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	The Group used the direct comparison method. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.	- Price per square meter - Adjustment factor	The estimated fair value would increase/(decrease) if: - price per square meter was higher/(lower) - adjustment factor was favourable/(not favourable)

27 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's abilities to continue as a going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group and the Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises trade and other payables, provisions and borrowings, less cash and cash equivalents. Total capital represents equity attributable to owners of the Company.

27 Capital management (Cont'd)

	The Group		The Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Trade and other payables (Note 13)	**2,968,515**	3,513,789	**11,684,670**	7,137,765
Borrowings (Note 12)	**11,542,967**	8,021,076	**6,784,541**	8,021,076
Total debt	**14,511,482**	11,534,865	**18,469,211**	15,158,841
Less: Cash and cash equivalents (Note 9)	**(1,670,644)**	(1,492,350)	**(36,256)**	(212,003)
Net debt (A)	**12,840,838**	10,042,515	**18,432,955**	14,946,838
Equity attributable to owners of the Company (B)	**7,543,630**	7,836,495	**7,069,439**	4,570,249
Total capital and net debt (C) = (A) + (B)	**20,384,468**	17,879,010	**25,502,394**	19,517,087
Gearing ratio (D) = (A) / (C)	**63%**	56%	**72%**	77%

SUNTEC
REAL ESTATE

Our Ref: 2170808/JW/CSH

19th December 2017

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The Board of Directors
TMC Education Corporation Ltd
250 Middle Road
Singapore 188983

Dear Sirs,

VALUATION OF 111 NORTH BRIDGE ROAD #06-01 TO #06-25 (COMPRISING 18 STRATA OFFICE UNITS) PENINSULA PLAZA SINGAPORE 179098

We refer to your recent instruction as confirmed by your email dated 18 December 2017 to conduct a valuation of the above mentioned properties ("subject properties").

We confirmed that we have conducted relevant enquiries and investigations as we consider necessary for the purpose of providing you with our opinion of the value of the subject properties.

1. Subject Properties

The properties that are the subject of this valuation is the unexpired leasehold interest of eighteen (18) strata office units located on the 6th storey of a 30-storey shopping cum office building with 2 basement levels known as Peninsula Plaza.

2. Purpose of Valuation

This valuation is carried out in relation to the Mandatory General Offer ("MGO") by JK Global Assets Pte Ltd (the offeror") announced by TMC Education Corporation Ltd (hereinafter the "client") dated 14 December 2017

3. Basis of Valuation

In accordance to the instruction, the subject properties are valued on the basis of Market Value, which is defined by the Singapore Institute of Surveyors and Valuers ("SISV") as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

4. Inspection

The subject properties were inspected on 27 July 2017. We have been informed that there has been no changes to the subject properties since then.

5. Material Date of Valuation

As at 19 December 2017.

6. Role of Valuers

Suntec Real Estate Consultants Pte Ltd have been appointed as an independent external valuer. The company and the valuers are not a shareholder, director or employee of the client or the offeror, their subsidiaries, or in partnership with or employed by a substantial shareholder or director of both the client and the offeror.

We have no present nor prospective interest in the subject properties and are not related corporation to nor do we have a relationship with the client / the offeror / adviser or other party/parties whom the client and offeror are contracting with in the MGO.

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client or the offeror, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We certify that our valuers undertaking this valuation are authorised to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

7. General Qualifications

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

No structural survey of the subject properties have been conducted or any testing of services been carried out. We have assumed that there will be no structural defects and that all building services are fully functional. We have also not carried out any investigations on the suitability of the site and ground conditions for the existing or any new development, nor have we undertaken any archeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

We have been provided with the relevant information on the subject properties including the latest rental information by the client. We have relied upon and assumed the accuracy of such information and have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information.

No allowance has been made in our valuation for any charges, mortgages or amounts owing neither on the properties, nor for any expenses or taxation which may be incurred in effecting a sale. Besides those that are expressly stated in the reports, it is assumed that the properties are free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

We have prepared this valuation and specifically disclaim liability to any person in the event of any omission from or false or misleading statement including in the Circular, other than in respect of the information provided within this valuation report. We do not make any warranty or representation as to the accuracy of the information in any part of the Circular other than as expressly and / or given in this valuation report.

8. Valuation Premise

The subject properties are valued as individual, separate properties.

9. Valuation Approach

The valuation approach adopted is the Market approach. Recent transactions of other similar commercial units within the development and in surrounding vicinity are analysed and compared with the subject properties. Adjustments are made to these transactions to account for the differences between them and the subject properties in order to arrive at the market values.

10. Registered Proprietor

TMC Education Corporation Ltd is the registered proprietor for all the eighteen strata units.

11. Tenure

All the eighteen strata units have a lease of 999 years with effect from 29 October 1829.

12. Legal Description / Strata Floor Area

The subject properties have the following legal descriptions and strata floor areas:

Unit Numbers	Legal Description (Town Subdivision 10)	Strata Floor Area (square metres)
#06-01/02	Lot U2025V	58.0
#06-03	Lot U2024W	29.0
#06-04	Lot U2023M	29.0
#06-05/06	Lot U2022C	58.0
#06-07/08	Lot U2021L	60.0
#06-09	Lot U2030T	39.0
#06-10	Lot U2031A	44.0
#06-11	Lot U2032K	81.0
#06-12	Lot U2033N	41.0
#06-13	Lot U2034X	39.0
#06-14/15	Lot U2035L	80.0
#06-16	Lot U2036C	38.0
#06-17	Lot U2037M	41.0
#06-18/19	Lot U2038W	61.0
#06-20/21	Lot U2029K	51.0
#06-22/23	Lot U2028A	50.0
#06-24	Lot U2027T	28.0
#06-25	Lot U2026P	57.0
		884.0

13. Town Planning

The entire development is zoned "Commercial" under Master Plan (2014).

14. Occupancy Status

As at the date of this valuation, all units are tenanted except for #06-17 and #06-18/19. The current committed gross monthly rental rate range from $4.80 to $5.87 per square foot per month. The tenancies will expire from 2018 to 2020, with the majority in year 2020.

15. Opinion of Value

The Market Values of the subject properties, free from all encumbrances and subject to the existing tenancies, are:

Unit Numbers	Market Value as at 19 December 2017
#06-01/02	$1,270,000
#06-03	$730,000
#06-04	$730,000
#06-05/06	$1,330,000
#06-07/08	$1,300,000
#06-09	$910,000
#06-10	$1,010,000
#06-11	$1,700,000
#06-12	$950,000
#06-13	$910,000
#06-14/15	$1,760,000
#06-16	$890,000
#06-17	$950,000
#06-18/19	$1,330,000
#06-20/21	$1,140,000
#06-22/23	$1,120,000
#06-24	$710,000
#06-25	$1,250,000
TOTAL	**$19,990,000**

Yours faithfully

SUNTEC REAL ESTATE CONSULTANTS PTE LTD

Chng Shih Hian
Senior Executive Director
Licensed Appraiser (Lands & Buildings)
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