TMC EDUCATION CORPORATION LTD
(Incorporated in the Republic of Singapore)
Co. Reg. No.200507226K

UNAUDITED HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2017

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2017 ("HY2018")

	The Group		
	Unaudited HY2018 S$'000	Unaudited HY2017 S$'000	% Change Increase/ (Decrease)
Revenue	2,176	2,046	6.4%
Other income	365	192	90.1%
Fair value gain on investment properties	30	-	N.M.
Operating expenses:			
Course materials and subscriptions	(174)	(168)	3.6%
Staff costs	(2,188)	(2,199)	(0.5%)
Plant and equipment, investment properties and related expenses	(231)	(201)	14.9%
Advertising and promotion	(109)	(149)	(26.8%)
Operating lease expenses	(725)	(628)	15.4%
Other expenses	(537)	(622)	(13.7%)
	(3,964)	(3,967)	(0.1%)
Finance costs	(143)	(106)	34.9%
Loss before taxation	**(1,536)**	**(1,835)**	(16.3%)
Taxation	-	-	N.M.
Loss for the period	**(1,536)**	**(1,835)**	(16.3%)
Other comprehensive income/(expense)			
Currency translation differences - foreign operations, at nil tax	(6)	102	N.M.
Total comprehensive loss for the period	**(1,542)**	**(1,733)**	(11.0%)

N.M. – not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2017 ("HY2018")

	The Group		
	Unaudited HY2018 S$'000	Unaudited HY2017 S$'000	% Change Increase/ (Decrease)
Loss for the period attributable to :			
Owners of the Company	(1,536)	(1,834)	(16.2%)
Non-controlling interests	-	(1)	N.M.
	(1,536)	**(1,835)**	(16.3%)
Total comprehensive loss for the period attributable to :			
Owners of the Company	(1,542)	(1,732)	(11.0%)
Non-controlling interests	-	(1)	N.M.
	(1,542)	**(1,733)**	(11.0%)

**N.M. – not meaningful*

Loss before income tax of the group is arrived at after charging/(crediting) the following:

	The Group		
	Unaudited HY2018 S$'000	Unaudited HY2017 S$'000	% Change Increase/ (Decrease)
Depreciation of plant and equipment	32	26	23.1%
Loss on disposal of plant and equipment	-	2	N.M.
Interest expenses	143	106	34.9%

**N.M. – not meaningful*

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	The Group		The Company	
	Unaudited 31/12/2017 S$'000	Audited 30/06/2017 S$'000	Unaudited 31/12/2017 S$'000	Audited 30/06/2017 S$'000
ASSETS				
Non-current assets				
Plant and equipment	188	217	178	210
Investment properties	19,990	19,960	19,990	19,960
Subsidiaries	-	-	5,000	5,000
	20,178	**20,177**	**25,168**	**25,170**
Current assets				
Trade and other receivables	501	377	452	482
Cash and cash equivalents	329	1,671	88	36
	830	**2,048**	**540**	**518**
Total assets	**21,008**	**22,225**	**25,708**	**25,688**
EQUITY				
Share capital	11,477	11,477	11,477	11,477
Reserves	(5,476)	(3,934)	(5,904)	(4,428)
Equity attributable to owners of the company	**6,001**	**7,543**	**5,573**	**7,049**
Non-controlling interests	-	-	-	-
Total equity	**6,001**	**7,543**	**5,573**	**7,049**
LIABILITIES				
Non-current liabilities				
Borrowings	8,279	7,078	6,917	5,715
	8,279	**7,078**	**6,917**	**5,715**
Current liabilities				
Trade and other payables	2,819	2,969	12,521	11,685
Provisions	170	170	170	170
Borrowings	3,739	4,465	527	1,069
	6,728	**7,604**	**13,218**	**12,924**
Total liabilities	**15,007**	**14,682**	**20,135**	**18,639**
Total equity and liabilities	**21,008**	**22,225**	**25,708**	**25,688**

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Unaudited 31/12/2017		Audited 30/06/2017	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
3,739	-	4,465	-

Amount repayable after one year

Unaudited 31/12/2017		Audited 30/06/2017	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
1,362	6,917	1,461	5,617

Details of any collateral:

The secured borrowings of the Group are secured by mortgages over certain investment properties held by the Group and the Company.

The unsecured borrowings as at 31 December 2017 and 30 June 2017 are borrowings from a third party and two shareholders, who are also the Executive Directors of the Company.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	The Group	
	Unaudited HY2018 S$'000	Unaudited HY2017 S$'000
Cash Flows from Operating activities		
Loss before taxation	**(1,536)**	**(1,835)**
Adjustments for:		
Depreciation of plant and equipment	32	26
Interest expenses	143	106
Fair value gain on investment properties	(30)	-
Loss/(Gain) on disposal of plant and equipment	-	2
Operating loss before working capital changes	**(1,391)**	**(1,701)**
Changes in operating receivables	(124)	(44)
Changes in operating payables	(150)	(49)
Cash used in operations	**(1,665)**	**(1,794)**
Income tax paid	-	-
Net cash used in operating activities	**(1,665)**	**(1,794)**
Cash Flow from Investing Activities		
Acquisition of plant and equipment	(4)	(37)
Net cash used in investing activities	**(4)**	**(37)**
Cash Flows from Financing Activities		
Interest paid	(143)	(106)
Proceeds from loans from shareholders	800	-
Proceeds from loan from a third party	500	-
Repayments of loan from a third party	-	(1,000)
Proceeds from bank borrowings	-	2,300
Repayments of bank borrowings	(825)	(670)
Net cash generated from financing activities	**332**	**524**
Net decrease in cash and cash equivalents	**(1,337)**	**(1,307)**
Cash and cash equivalents at beginning of the period	**1,671**	**1,492**
Effects of exchange rate changes on cash and cash equivalents	**(5)**	**102**
Cash and cash equivalents at end of the period	**329**	**287**

	The Group	
	Unaudited 31/12/2017 S$'000	Unaudited 31/12/2016 S$'000
Note to Consolidated Statement of Cash Flows		
Cash and bank balances	329	287

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

	Equity attributable to owners of the Company						
Unaudited The Group	**Share capital $'000**	**Exchange fluctuation reserve $'000**	**Share option reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non controlling interests $'000**	**Total equity $'000**
At 1 July 2017	**11,477**	**201**	**498**	**(4,633)**	**7,543**	**-**	**7,543**
Loss for the period	-	-	-	(1,536)	**(1,536)**	-	**(1,536)**
Other comprehensive expense *- Foreign currency translation differences*	-	(6)	-	-	**(6)**	-	**(6)**
Total comprehensive loss for the period	**-**	**(6)**	**-**	**(1,536)**	**(1,542)**	**-**	**(1,542)**
At 31 December 2017	**11,477**	**195**	**498**	**(6,169)**	**6,001**	**-**	**6,001**

	Equity attributable to owners of the Company						
Unaudited The Group	**Share capital $'000**	**Exchange fluctuation reserve $'000**	**Share option reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non controlling interests $'000**	**Total equity $'000**
At 1 July 2016	**11,477**	**195**	**498**	**(4,334)**	**7,836**	**(352)**	**7,484**
Loss for the period	-	-	-	(1,834)	**(1,834)**	(1)	**(1,835)**
Other comprehensive expense *- Foreign currency translation differences*	-	102	-	-	**102**	-	**102**
Total comprehensive loss for the period	**-**	**102**	**-**	**(1,834)**	**(1,732)**	**(1)**	**(1,733)**
At 31 December 2016	**11,477**	**297**	**498**	**(6,168)**	**6,104**	**(353)**	**5,751**

Note:

No new ordinary share is issued under the TMC Share Option Scheme during HY2018 (HY2017: Nil).

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

Unaudited The Company	Share capital $'000	Exchange fluctuation reserve $'000	Share option reserve $'000	Retained earnings $'000	Total equity $'000
At 1 July 2017	**11,477**	**-**	**498**	**(4,926)**	**7,049**
Loss for the period	-	-	-	(1,476)	**(1,476)**
Other comprehensive expense					
- Foreign currency translation differences	-	-	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,476)**	**(1,476)**
At 31 December 2017	**11,477**	**-**	**498**	**(6,402)**	**5,573**

Unaudited The Company	Share capital $'000	Exchange fluctuation reserve $'000	Share option reserve $'000	Retained earnings $'000	Total equity $'000
At 1 July 2016	**11,477**	**-**	**498**	**(7,405)**	**4,570**
Loss for the period	-	-	-	1,046	**1,046**
Other comprehensive expense					
- Foreign currency translation differences	-	-	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**-**	**1,046**	**1,046**
At 31 December 2016	**11,477**	**-**	**498**	**(6,359)**	**5,616**

Note:

No new ordinary share is issued under the TMC Share Option Scheme during HY2018 (HY2017: Nil).

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

There were no changes in the Company's issued share capital for the period from 30 June 2017 to 31 December 2017.

	Number of ordinary shares	Share capital $
Issued and fullly paid:		
As at 30 June 2017 and 31 December 2017	167,397,677	11,477,196

As at 31 December 2017, the number of outstanding and unexercised options granted under the TMC Share Options Scheme was 284,000 (as at 31 December 2016: 458,096). The decrease in the number of outstanding and unexercised options as at 31 December 2017 was due mainly to the expiry of some outstanding options and cancellation of unexercised share options given to staff that had resigned in HY2018.

Save for the aforementioned TMC Share Options Scheme, the Company did not have any other outstanding convertibles as at 31 December 2017 and 31 December 2016.

The Company did not hold any treasury shares and subsidiary holdings as at 31 December 2017 and 31 December 2016.

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

The total number of issued shares (excluding treasury shares) as at 31 December 2017 was 167,397,677 (as at 30 June 2017: 167,397,677).

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

Not applicable. The Company did not have any treasury shares during the period ended and as at 31 December 2017.

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

Not applicable. The Company did not have any subsidiary holdings for the period ended and as at 30 June 2017.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited consolidated financial statements for the financial year ended 30 June 2017.

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

Except for the adoption of the Amendments to FRSs applicable for the financial year beginning on or after 1 July 2017, the same accounting policies and methods of computation have been applied. The adoption of Amendments to FRSs did not have any effect on the financial performance or position of the Group and the Company.

6. Earnings/(Loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	Unaudited HY2018	**Unaudited HY2017**
Loss per ordinary share of the Group for the financial period based on net loss attributable to equity holders of the Company :		
- on weighted average number of ordinary shares in issue (basic) (cents)	(0.92)	(1.10)
- on fully diluted basis (cents)	(0.92)	(1.10)
Weighted average number of shares in issue during the period	**167,397,677**	**167,397,677**

Diluted loss per share is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group	The Company
The total number of issued shares at the end of the:		
(a) current financial period reported as at 31 December 2017	167,397,677	167,397,677
(b) immediately preceding financial year as at 30 June 2017	167,397,677	167,397,677
Net asset value per issued ordinary share (cents):		
(a) as at 31 December 2017 (Unaudited)	3.59	3.33
(b) as at 30 June 2017 (Audited)	4.51	4.21

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8.1 Income statement review

Review for the performance of the Group for the half year ended 31 December 2017 ("**HY2018**") as compared to the half year ended 31 December 2016 ("**HY2017**").

In HY2018, the Group incurred a net comprehensive loss for the period amounting to $1.52 million (HY2017: $1.73 million), in which, the loss attributable to equity holders of the Company was $1.52 million (HY2017: $1.84 million), resulting in a basic loss per share of 0.91 cents (HY2017: 1.10 cents).

In HY2018, the Group has recorded a debit balance of $6,000 in currency translation differences - foreign operations (HY2017: credit balance of $102,000 in currency translation differences - foreign operations).

8.1.1 Revenue, other income and fair value adjustment on investment properties

The Group's revenue comprising course and examination fees for HY2018 increased by $130,000 (or 6.4%) to $2.18 million in HY2018 (HY2017: $2.05 million). This was due mainly to the increase in student enrolment in HY2018.

The Group's other income for HY2018 increased by $173,000 (or 90.1%) to $365,000 in HY2018 (HY2017: $192,000). This was due mainly to the increase in rental income from investment properties by $106,000 to $199,000 in HY2018 (HY2017: $94,000) and rental income from student hostel by $103,000 in HY2018 (HY2017: Nil). The increase was partially offset by the decrease in referral income payable by universities by $30,000.

The Group recorded a fair value gain on investment properties of $30,000 in HY2018 (HY2017: Nil). The valuation on investment properties as at 31 December 2017 is determined by an independent firm of professional valuer based on the direct comparison valuation method. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between willing buyer and willing seller in an arm's length transaction. There has been no change to the valuation technique from the previous financial year.

8.1.2 Operating expenses

The Group's operating expenses decreased by $1,000 (or -0.1%) to $3.96 million in HY2018 (HY2017: $3.97 million). The decrease in operating expenses was attributable mainly to the effect of cost savings arising from campus consolidation exercise carried out in HY2017.

Course materials and subscriptions expenses increased by $6,000 (or 3.6%) to $174,000 in HY2018 (HY2017: $168,000). This was due mainly to the increase in programme fee payable to overseas universities by $75,000 in HY2018. The increase was partially offset by the decrease in course materials related expenses by $69,000 in HY2018.

Staff costs decreased by $10,000 (or 0.5%) to $2.19 million in HY2018 (HY2017: $2.20 million). The decrease in staff costs was in line with the reduction in staff headcount, which was attributable mainly to the campus consolidation exercise in HY2017.

8.1 Income statement review (cont'd)

8.1.2 Operating expenses (cont'd)

Plant and equipment, investment properties and related expenses increased by $30,000 (or 14.9%) to $231,000 in HY2018 (HY2017: $201,000). The increase was due mainly to the increase in depreciation charges by $6,000, maintenance expenses related to investment properties by $16,000 and corporate office relocation expenses by $22,000 in HY2018. The increase was partially offset by the decrease in insurance expenses related to campus and investment properties by $11,000 in HY2018 due to campus consolidation exercise being carried out in HY2017.

Advertising and promotion expenses decreased by $40,000 (or 26.8%) to $109,000 in HY2018 (HY2017: $149,000) due mainly to the reduction in advertising through the press and print media, and more reliance on internet and social media for the advertising outreach during the financial period under review. The adoption of internet based advertising continued to be relatively more cost effective for the business.

The Group's operating lease expenses increased by $97,000 (or 15.4%) to $725,000 in HY2018 (HY2017: $628,000). The increase in operating lease expenses was due mainly to the rental expense of student hostel by $97,000 in HY2018.

Other expenses decreased by $85,000 (or 13.7%) to $537,000 in HY2018 (HY2017: $622,000) due mainly to the decrease in utilities expenses subsequent to the closure of Bishan campus in HY2018 and lower student recruitment expenses and student insurance expenses incurred in HY2018.

8.1.3 Finance costs

Finance costs increased by $37,000 (or 34.9%) to $143,000 in HY2018 (HY2017: $106,000). The increase in finance costs was in line with the increase in borrowings to fund the working capital of the Group.

8.1.4 Income tax expenses

No income tax expenses was incurred in HY2018 (HY2017: $Nil) as the Group was in a tax loss position.

8.2 Balance Sheet Review

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 December 2017 and 30 June 2017.

8.2.1 Total Equity

Equity attributable to the owners of the Company amounted to $6.00 million as at 31 December 2017 (30 June 2017: $7.54 million). The decrease was due mainly to the loss for the financial period attributable to the owners of the Company of $1.54 million incurred in HY2018.

8.2.2 Non-Current Assets

Non-current assets amounted to $20.18 million as at 31 December 2017 (30 June 2017: $20.18 million) comprised plant and equipment of $188,000 and investment properties of $20.0 million.

8.2 Balance Sheet Review (cont'd)

8.2.3 Current Assets

Current assets amounted to $830,000 as at 31 December 2017 (30 June 2017: $2.05 million). The decrease in current assets by $1.22 million was due mainly to the decrease in cash and bank balances of $1.34 million. The decrease was partially offset by the increase in trade and other receivables relating to operating activities by $124,000 to $501,000 as at 31 December 2017 comprised mainly the increase in trade receivables of $95,000, other receivable of $15,000 and prepayments of $11,000.

8.2.4 Current Liabilities

Current liabilities amounted to $6.73 million as at 31 December 2017 (30 June 2017: $7.60 million). The decrease in current liabilities by $887,000 in HY2018 was due mainly to the decrease in short term bank borrowings by $726,000 as a result of loan repayments in HY2018 and the decrease in trade and other payables relating to operating activities by $150,000 due mainly to the decrease in creditors of $24,000 and non-refundable course fees received in advance from students of $167,000. The decrease in trade and other payables was partially offset by the increase in accrued operating expenses of $26,000 and deposits received of $16,000.

Negative working capital/net current liabilities of $5.90 million as at 31 December 2017 (30 June 2017: $5.56 million) was due mainly to short term bank borrowings of $3.74 million and non-refundable course fees received in advance from students of $1.36 million (categorised under trade and other payables) as at 31 December 2017. Course fees received in advance from students were not refundable but will only be recognised as revenue after 31 December 2017.

As at 31 December 2017, the Group has a standby credit line of $700,000 in total available from a third party and two shareholders, who are also the Executive Directors of the Company, for drawdown to meet its working capital requirements.

Please refer to Section 10 of this Announcement for the Company's recent corporate exercises.

8.2.5 Non-Current Liabilities

Non-current liabilities increased by $1.20 million to $8.28 million as at 31 December 2017 (30 June 2017: $7.08 million) due mainly to loan proceeds from shareholders and a third party of $800,000 and $500,000 respectively in HY2018.

8.3 Cash Flow Review

Cash and bank balances as at 31 December 2017 amounted to $329,000, a decrease of $1.34 million from $1.67 million as at 30 June 2017.

The Group had recorded net cash used in operating activities of $1.67 million in HY2018 (HY2017: $1.79 million) due to an operating loss before working capital changes of $1.39 million (HY2017: $1.70 million) and a decrease of $274,000 (HY2017: $93,000) in cash used for working capital.

The net cash used in investing activities amounted to $4,000 in HY2018 (HY2017: $37,000) due to the acquisition of IT equipment.

The Group had also raised a net cash balance of $332,000 from its financing activities in HY2018 (HY2017: $524,000). This comprised mainly the net proceeds from shareholders' loan of $800,000 and a third party's loan of $500,000. The proceeds were partly offset by the interest expenses of $143,000 and repayments of bank borrowings of $825,000 in HY2018.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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

As announced by the Company on 14 December 2017, Dr Chin Kon Yuen ("**Dr Chin**") and Ms Yeow Cheng Khim ("**Ms Yeow**"), both the Company's previous controlling shareholders who are also the Executive Chairman, and Executive Director and Chief Executive Officer respectively, have sold their to JK Global Assets Pte. Ltd. ("**JK Global**" or "**Offeror**"). Following the Completion, JK Global has become the new controlling shareholder of the Company holding 85,372,814 Shares, representing approximately 51% of the total issued and paid-up share capital of the Company, following which a Mandatory General Offer was triggered ("**Offer**") . Dr Chin and Ms Yeow remain as the substantial shareholders of the Company, holding 437,646 Shares and 19,507,140 Shares respectively and 19,944,786 Shares collectively, representing an aggregate of approximately 11.91% of the issued and paid-up share capital of the Company.

The Company had also on 14 December 2017 announced that it had entered into a sale and purchase agreement with Advanced Investment Holdings Pte. Ltd. (being the "**Purchaser**"), Dr Chin Kon Yuen, Yeow Cheng Khim, Lee Chin Weng and its wholly-owned subsidiary, TMC Academy Pte Ltd ("**TMC Academy**"), for the sale by the Company of its entire 100% shareholding in TMC Academy to the Purchaser ("**Disposal**"). On 30 January 2018, the Board of Directors announced that at the Extraordinary General Meeting of the Company held on 30 January 2018 (the "**EGM**"), the proposed resolution set out in the Notice of AGM dated 15 January 2018 and put to the meeting as ordinary business was duly passed by the shareholders. As at date of this announcement, the Disposal has not been completed, subject to the fulfilment of all conditions precedent.

Upon the completion of the Disposal, TMC Academy will cease to be a subsidiary of the Company. As TMC Academy is the operating entity for the Company's education business segment, the Company will cease to operate its education business following the Disposal. The Group will continue to hold its Investment Properties for rental income and capital appreciation.

It is also noted that pursuant to the offer document despatched to Shareholders by the Offeror on 2 January 2018 in relation to the Offer, the Offeror has indicated that they do not intend for the Company to continue the education business subsequent to the Offer and intend to undertake a review of the Group's business 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.

The Board of Directors wish to stress that updates will be provided to shareholders as and when there are material developments on the future business of the Company.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend was declared for HY2018.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable. No dividend was declared for HY2017.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for HY2018.

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

The Group has not obtained a general mandate from shareholders in respect of any interested person transactions.

On 14 December 2017, the Company had entered into a sale and purchase agreement with the Purchaser in relation to the Disposal. The Purchaser is an associate of Dr Chin and Ms Yeow and therefore an "interested person" under Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). The Disposal was approved by the Company's shareholders during the EGM held on 30 January 2018.

Other than the Disposal, the Company had entered into a shareholders' loan agreement dated on 29 April 2015 between Dr Chin and Ms Yeow (as "**Lenders**"), 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 ("**Maturity**")(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 ("**Drawdown up to 31 December 2017**"). The interest payable up to Maturity in respect of the Drawdown up to 31 December 2017 is S$64,088. Subsequent thereto, the Company had on 26

January 2016 further drawdown the remaining S$200,000 of which the interest payable up to Maturity is approximately S$4,099.

Other than the above there were no other interested person transactions during the period under review.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

15. Confirmation pursuant to Rule 705(5) of the Catalist Rules.

We, Dr Chin Kon Yuen and Ms Yeow Cheng Khim, directors of the Company, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the board of directors which may render the unaudited financial statements for the half year ended 31 December 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Chin Kon Yuen
Executive Chairman

Ms Yeow Cheng Khim
Executive Director and Chief Executive Officer

12 February 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "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 announcement.

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

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).