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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

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.

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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

	Group		
	Unaudited FY2015 ($'000)	Audited FY2014 ($'000)	% Change Increase/ (Decrease)
Continuing operations			
Revenue and other income			
Course and examination fees	7,695	8,318	(7.5)
Other income	2,299	1,938	18.6
	9,994	10,256	(2.6)
Less: Operating expenses			
Course materials and subscriptions	(1,192)	(887)	34.4
Staff costs	(5,933)	(6,156)	(3.6)
Plant and equipment, and investment properties related expenses	(2,831)	(1,283)	120.7
Advertising and promotion expenses	(424)	(605)	(29.9)
Operating lease expenses	(3,268)	(3,269)	(0.1)
Other operating expenses	(1,536)	(1,841)	(16.6)
	(5,190)	**(3,785)**	**37.1**
Finance costs	(118)	(34)	247.1
Loss from continuing operations before tax	**(5,308)**	**(3,819)**	**39.0**
Income tax expenses	-	-	NM
Loss after tax from continuing operations	**(5,308)**	**(3,819)**	**39.0**
Loss from discontinued operations, net of tax	(44)	(83)	(47.0)
Total loss for the year	**(5,352)**	**(3,902)**	**37.2**

*NM – not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	Group		
	Unaudited FY2015 ($'000)	Audited FY2014 ($'000)	% Change Increase/ (Decrease)
Total loss for the year attributable to:			
Equity holders of the Company			
Loss from continuing operations, net of tax	(5,328)	(3,818)	39.5
Profit/(loss) from discontinued operations, net of tax	29	(42)	NM
Loss for Equity holders of the Company	(5,299)	(3,860)	37.3
Non-controlling interest			
Profit/(loss) from continuing operations, net of tax	21	(1)	NM
Loss from discontinued operations, net of tax	(74)	(41)	80.5
Loss for Non-controlling interest	(53)	(42)	26.2
Total loss for the year	**(5,352)**	**(3,902)**	**37.2**
Other comprehensive income			
Foreign currency translation differences for foreign operations	**(149)**	**74**	**NM**
Other comprehensive income for the year, net of income tax	**(149)**	**74**	**NM**
Total comprehensive income for the year	**(5,501)**	**(3,828)**	**43.7**
Total comprehensive income attributable to :			
Equity holders of the Company	**(5,438)**	**(3,804)**	**43.0**
Non-controlling interest	**(63)**	**(24)**	**162.5**
Total comprehensive income for the year	**(5,501)**	**(3,828)**	**43.7**

*NM – not meaningful

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

	Group		
	Unaudited FY2015 ($'000)	Audited FY2014 ($'000)	% Change Increase/ (Decrease)
Interest income	1	1	-
Interest on borrowings	(118)	(34)	247.1
Loss on discontinued operations, net of tax	(44)	(83)	(47.0)
Fair value gain on investment properties	1,090	820	32.9
Depreciation of plant and equipment	(762)	(626)	21.7
Amortisation of intangible assets	(56)	(65)	(13.8)
Gain on disposal of subsidiaries	106	-	NM
Gain on disposal of plant and equipment	-	9	NM
Plant and equipment written off	-	(1)	NM
Intangible assets written off	(2)	(6)	(66.7)
Impairment losses of intangible assets	(158)	-	NM
Impairment losses of plant and equipment	(823)	-	NM
Impairment losses of trade and other receivables, net	-	(13)	NM
Foreign exchange gain/(loss), net	133	(110)	NM

*NM – 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.

	Group		Company	
	Unaudited 30/06/2015 ($'000)	Audited 30/06/2014 ($'000)	Unaudited 30/06/2015 ($'000)	Audited 30/06/2014 ($'000)
Non-current assets				
Plant and equipment	461	2,058	454	2,029
Investment properties	24,170	23,080	24,170	23,080
Subsidiaries	-	-	2,000	2,000
Intangible assets				
- Development expenditure	-	177	-	177
	24,631	25,315	26,624	27,286
Current assets				
Trade receivables	102	88	101	86
Other receivables, deposits and prepayments	463	480	432	433
Fixed deposits	-	291	-	291
Cash and bank balances	1,401	2,599	151	124
	1,966	3,458	684	934
Total assets	**26,597**	**28,773**	**27,308**	**28,220**
Equity attributable to the Owners of the Company				
Share capital	11,477	11,477	11,477	11,477
Reserves	906	6,344	(2,154)	3,415
	12,383	**17,821**	**9,323**	**14,892**
Non-controlling interest	(346)	(283)	-	-
Total equity	**12,037**	**17,538**	**9,323**	**14,892**
Non-current liabilities				
Bank borrowings	3,745	3,243	3,745	3,243
	3,745	**3,243**	**3,745**	**3,243**
Current liabilities				
Trade payables	1,750	1,401	1,712	1,385
Other payables	5,076	5,343	2,151	1,870
Due to subsidiaries	-	-	6,388	5,582
Shareholders' loan	2,000	-	2,000	-
Bank borrowings	1,989	1,248	1,989	1,248
	10,815	7,992	14,240	10,085
Total liabilities	**14,560**	**11,235**	**17,985**	**13,328**
Total equity and liabilities	**26,597**	**28,773**	**27,308**	**28,220**

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

Amount repayable in one year or less, or on demand

30/06/2015		30/06/2014	
Secured	Unsecured	Secured	Unsecured
($'000)	($'000)	($'000)	($'000)
1,989	2,000	1,248	-

Amount repayable after one year

30/06/2015		30/06/2014	
Secured	Unsecured	Secured	Unsecured
($'000)	($'000)	($'000)	($'000)
3,745	-	3,243	-

Details of any collateral:

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

The unsecured borrowings are borrowings from shareholders, who are also the Executive Directors of the Company, and are interest fee. As at 28 August 2015, the unsecured borrowings from such shareholders amounted to $4.5 million.

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.

	Group	
	Unaudited FY2015 ($'000)	**Audited FY2014 ($'000)**
Operating activities		
Loss before taxation from continuing operations	(5,308)	(3,819)
Loss before taxation from discontinuing operations	(44)	(83)
Total loss before taxation	(5,352)	(3,902)
Adjustments for:		
Depreciation of plant and equipment	762	626
Impairment of plant and equipment	823	-
Amortisation of intangible assets	56	65
Intangible assets written off	2	6
Impairment losses of intangible assets	158	-
Fair value gain on investment properties	(1,090)	(820)
Gain on disposal of subsidiaries	(106)	-
Gain on disposal of plant and equipment	-	(9)
Interest expenses	118	34
Interest income	(1)	(1)
Operating loss before working capital changes	(4,630)	(4,001)
Changes in working capital:		
Trade receivables	(15)	(72)
Other receivables, deposits and prepayments	3	1
Trade payables	349	49
Other payables	(445)	332
Cash used in operations	(4,738)	(3,691)
Income tax paid	-	-
Net cash used in operating activities	(4,738)	(3,691)
Investing activities		
Interest received	1	1
Purchase of plant and equipment	(9)	(325)
Net cash inflow from disposal of a subsidiary	33	-
Proceeds from disposal of plant & equipment	-	24
Development expenditure incurred	(39)	(75)
Net cash used in investing activities	(14)	(375)
Financing activities		
Proceeds/(Repayment) from loan and borrowings	3,243	2,838
Fixed deposit pledged	291	511
Dividend paid	-	(100)
Interest paid	(118)	(34)
Net cash generated from financing activities	3,416	3,215
Net cash generated from discontinued operations	195	28
Net decrease in cash and cash equivalents	(1,141)	(823)
Cash and cash equivalents at the beginning of year	2,599	3,347
Effects of exchange rate fluctuations	(57)	75
Cash and cash equivalents at end of year[(1)]	1,401	2,599

Note:- (1)	Unaudited FY2015 ($'000)	Audited FY2014 ($'000)
Fixed deposits	-	291
Cash and bank balances	1,401	2,599
Fixed deposit pledged	-	(291)
Cash and cash equivalents as per cash flow statement	1,401	2,599

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.

	Ordinary shares $'000	Translation reserves $'000	Revenue reserves $'000	Share option reserves $'000	Total attributable to equity holders of the Company $'000	Non-controlling interest $'000	Total equity $'000
Group (unaudited)							
Balance at 1 July 2013	**11,477**	**143**	**9,607**	**498**	**21,725**	**(259)**	**21,466**
Total comprehensive income for the year							
Loss for the year	-	-	(3,860)	-	(3,860)	(42)	(3,902)
Other comprehensive income							
Foreign currency translation differences for foreign currency	-	56	-	-	56	18	74
Total comprehensive income for the year	**-**	**56**	**(3,860)**	**-**	**(3,804)**	**(24)**	**(3,828)**
Dividends relating to FY2013 paid	-	-	(100)	-	(100)	-	(100)
Balance at 30 June 2014	**11,477**	**199**	**5,647**	**498**	**17,821**	**(283)**	**17,538**
Balance at 1 July 2014	**11,477**	**199**	**5,647**	**498**	**17,821**	**(283)**	**17,538**
Total comprehensive income for the year							
Loss for the year	-	-	(5,299)	-	(5,299)	(53)	(5,352)
Other comprehensive income							
Foreign currency translation differences for foreign currency	-	(139)	-	-	(139)	(10)	(149)
Total comprehensive income for the year	**-**	**(139)**	**(5,299)**	**-**	**(5,438)**	**(63)**	**(5,501)**
Issue of ordinary shares for cash under employee share option scheme (1)	-	-	-	-	-	-	-
Balance at 30 June 2015	**11,477**	**60**	**348**	**498**	**12,383**	**(346)**	**12,037**

Note: (1) In FY2015, 1,258 new ordinary shares were issued upon the exercise of 1,258 share options granted under the TMC Share Option Scheme at the exercise price of $0.0612 per share (FY2014: 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.

	Ordinary shares $'000	Translation reserves $'000	Revenue reserves $'000	Share option reserves $'000	Total attributable to equity holders of the Company $'000	Non-controlling interest $'000	Total equity $'000
Company (unaudited)							
Balance at 1 July 2013	**11,477**	**-**	**6,783**	**498**	**18,758**	**-**	**18,758**
Total comprehensive income for the year							
Loss for the year	-	-	(3,766)	-	(3,766)	-	(3,766)
Total comprehensive income for the year	**-**	**-**	**(3,766)**	**-**	**(3,766)**	**-**	**(3,766)**
Dividends relating to FY2013 paid	**-**	**-**	**(100)**	**-**	**(100)**	**-**	**(100)**
Balance at 30 June 2014	**11,477**	**-**	**2,917**	**498**	**14,892**	**-**	**14,892**
Balance at 1 July 2014	**11,477**	**-**	**2,917**	**498**	**14,892**	**-**	**14,892**
Total comprehensive income for the year							
Loss for the year	-	-	(5,569)	-	(5,569)	-	(5,569)
Total comprehensive income for the year	**-**	**-**	**(5,569)**	**-**	**(5,569)**	**-**	**(5,569)**
Issue of ordinary shares for cash under employee share option scheme (1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2015	**11,477**	**-**	**(2,652)**	**498**	**9,323**	**-**	**9,323**

Note: (1) In FY2015, 1,258 new ordinary shares were issued upon the exercise of 1,258 share options granted under the TMC Share Option Scheme at the exercise price of $0.0612 per share (FY2014: 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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of Issued shares excluding treasury shares 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.

As at 30 June 2015, the number of issued share of the Company was 167,397,677 (as at 30 June 2014: 167,396,419).

	Number of ordinary shares	Issued and paid-up share capital $
As at 1 July 2014	167,396,419	11,477,119
Share options exercised during the period	1,258	77
As at 30 June 2015	167,397,677	11,477,196

As at 30 June 2015, the number of outstanding and unexercised options granted under the TMC Share Options Scheme was 623,705 (as at 30 June 2014: 873,540). The decrease in the number of outstanding and unexercised options as at 30 June 2015 was due mainly to the expiry of some outstanding options and cancellation of share options given to staff that had resigned in FY2015 but did not exercise the options.

Save for the aforementioned TMC Share Options Scheme, the Company did not have any other outstanding convertibles as at 30 June 2015 and 30 June 2014.

The Company did not hold any treasury shares as at 30 June 2015 and 30 June 2014.

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 30 June 2015 was 167,397,677 (as at 30 June 2014: 167,396,419).

1(d)(iv) A statement showing all sales, transfer, disposal, 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 as at 30 June 2015. There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial period ended 30 June 2015.

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 annual financial statements for the financial year ended 30 June 2014.

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.

The Group and the Company adopted the new/revised FRS and INT FRS that are effective for annual periods beginning on or after 1 July 2014. Changes to the Group's and the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS which are relevant to the Group and the Company:

Revised FRS 27	Separate Financial Statements
FRS 110	Consolidated Financial Statements
FRS 112	Disclosure of Interests in Other Entities
Amendments to FRS 110, FRS 112 and FRS 27	Investment Entities
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 36	Recoverable Amount Disclosures to Non-Financial Assets

The adoption of these new/revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies and did not have any significant impact on the financial statements for the current or prior reporting periods.

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.

	Unaudited FY2015	Audited FY2014
Profit/(loss) per ordinary share of the Group for the financial period based on net profit/(loss) attributable to equity holders of the Company:-		
From continuing operations:		
- on weighted average number of ordinary shares in issue (basic) (cents)	(3.18)	(2.28)
- on fully diluted basis (cents)	(3.18)	(2.28)
From discontinuing operations:		
- on weighted average number of ordinary shares in issue (basic) (cents)	0.02	(0.03)
- on fully diluted basis (cents)	0.02	(0.03)
Weighted average number of shares in issue during the period	167,396,936	167,396,419

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.

	Group	Company
The total number of issued shares at the end of the:		
(a) current financial period reported as at 30 June 2015	167,397,677	167,397,677
(b) immediately preceding financial year as at 30 June 2014	167,396,419	167,396,419
Net asset value per issued ordinary share (cents):		
(a) as at 30 June 2015	7.40	5.57
(b) as at 30 June 2014	10.65	8.90

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

During FY2015, the Group disposed its loss making kindergarten business in China. The kindergarten business is a joint venture in which the Group has a 51% shareholding. The Group recorded a gain on disposal of $106,000 from this transaction. As the kindergarten had incurred losses from its operations prior to the disposal in FY2015, the gain partly offset the loss from discontinued business resulting in a net loss from discontinued business of $44,000 in FY2015 (FY2014: $83,000). As a result of this transaction, the FY2014 results are reclassified accordingly for the purpose of comparison.

In FY2015, the Group incurred a loss for the year amounting to $5.35 million (FY2014: $3.90 million). Out of this, the loss attributable to equity holders of the Company was $5.30 million in FY2015 (FY2014: $3.86 million), resulting in a basic loss per share of 3.16 cents (FY2014: 2.31 cents).

8.1.1 Revenue and other income

The Group's revenue and other income for FY2015 amounted to $9.99 million (FY2014: $10.26 million). The decrease was due mainly to the decrease of $622,000 in course and examination fees, which reduced from S$8.32 million in FY2014 to $7.70 million in FY2015. The main cause of the lower course and examination fee was the decrease in student population. Included in the other income of $2.30 million in FY2015 (FY2014: $1.94 million) were fair value gain on revaluation of investment properties amounting to $1.09 million (FY2014: $820,000) and rental income from investment properties amounting to $816,000 (FY2014: $731,000).

8.1.2 Operating expenses

The Group's operating expenses amounted to $15.18 million in FY2015 (FY2014: $14.04 million). The increase in operating expenses of $1.14 million in FY2015 was due mainly to increases in (i) course materials and subscription expenses; and (ii) plant and equipment and investment properties related expenses. The increase in these expenses was partly offset by lower staff costs, advertising and promotion expenses, and other operating expenses.

Course materials and subscriptions expenses amounted to $1.19 million in FY2015 (FY2014: $887,000). The increase in course materials and subscriptions expenses of $305,000 was due mainly to the impairment of $158,000 made for course materials and higher programme fees contracted in FY2015 for programmes conducted in conjunction with the Group's overseas university partners. The impairment of course materials was necessary as part of management's assessment of its assets.

Staff costs amounted to $5.93 million in FY2015 (FY2014: $6.16 million). The decrease of $223,000 in FY2015 was due mainly to lower salary expenses arising from lower headcount in light of the reduction in student population. The reduction in staff costs is also part of the cost-cutting measures adopted in FY2015 in view that the Group will be consolidating its operations from 2 campuses and 1 campus with effect from September 2015.

Plant and equipment, and investment properties related expenses amounted to $2.83 million in FY2015 (FY2014: $1.28 million). The increase in plant and equipment, and investment properties related expenses of $1.55 million was due mainly to the expenses of $550,000 required for the reinstatement of our Bishan campus to its pre-lease conditions once the lease expired in October 2015 and impairment of plant and equipment of $823,000. The impairment of the plant and equipment was necessary as part of management

assessment of its assets. Depreciation of plant and equipment in FY2015 amounted to $762,000 (FY2014: $626,000) and the slightly higher depreciation in FY2015 was due mainly to the purchase of plant and equipment, and accelerated depreciation adopted for some equipment used in our Bishan campus in FY2015.

Advertising and promotion expenses amounted to $424,000 in FY2015 (FY2014: $605,000). The decrease in advertising and promotion expenses of $181,000 was due mainly to the reduction in advertising through the press and print media, and more reliance on internet and social media for its advertising outreach in FY2015. The adoption of internet based advertising is relatively more effective for our business.

Operating lease expenses amounted to $3.27 million in FY2015 and this remained relatively unchanged as in FY2014 ($3.27 million).

Other operating expenses amounted to $1.54 million in FY2015 (FY2014: $1.84 million). The decrease in other operating expenses of $305,000 in FY2015 was due mainly to the lower student recruitment expenses and student insurance expenses incurred in FY2015.

8.1.3 Finance costs

Finance costs amounted to $118,000 in FY2015 (FY2014: $34,000). The increase of $84,000 was due mainly to the higher interest expenses incurred in FY2015 as a result of higher loan and borrowings in FY2015.

8.1.4 Income tax expenses

No income tax expenses was incurred in FY2015 (FY2014: $Nil) as the Group was in a tax loss position.

8.1.5 Loss from discontinued operations

As mentioned above, the Group disposed its loss making kindergarten business in China in FY2015. The operating loss incurred by the kindergarten prior to the sale was partially offset by a gain on disposal of $106,000, resulting in a net loss from discontinued operations of $44,000 in FY2015 (FY2014: $83,000).

8.2 Balance Sheet Review

8.2.1 Total Equity

Equity attributable to the owners of the Company amounted to $12.38 million as at 30 June 2015 (30 June 2014: $17.82 million). The decrease in FY2015 was due mainly to the operating loss of $5.35 million incurred for the year.

8.2.2 Non-Current Assets

The non-current assets amounted to $24.63 million as at 30 June 2015 (30 June 2014: $25.32 million).

The decrease in plant and equipment of $1.60 million was due mainly to the depreciation of plant and equipment ($762,000), impairment of plant and equipment ($823,000), and reclassification to asset held for sale ($21,000). This was partially offset by the purchase of plant and equipment ($9,000).

The increase in investment properties of $1.09 million in FY2015 was due mainly to the fair value gain on investment properties.

The intangible assets were nil in FY2015 as these assets were either impaired or written off during the year. In FY2015, additional development of training materials was $39,000 and amortisation of development expenditure was $56,000. After the management assessments of its course materials, $160,000 was either impaired or written off during the year. The impairment of course materials was necessary as part of management's assessment of its assets.

8.2.3 Current Assets

The current assets amounted to $1.97 million as at 30 June 2015 (30 June 2014: $3.46 million).

The decrease in current assets of $1.49 million was due mainly to the decrease in cash and bank balances of $1.20 million, fixed deposit of $291,000 and other receivables of $17,000. The cash and fixed deposit were reduced in FY2015 as these assets were used in the operations. The reduction in other receivables was the result of the disposal of the kindergarten, as less receivables are recognised in the group.

The decrease was partially offset by the increase in trade receivables of $14,000. The increase in trade receivable was due mainly to the higher rental receivable from the tenant of our investment properties in FY2015.

8.2.4 Current Liabilities

The current liabilities amounted to $10.82 million as at 30 June 2015 (30 June 2014: $7.99 million).

The increase in current liabilities of $2.82 million was due mainly to the loan from shareholders ($2.00 million) and increase in bank borrowings ($741,000), and trade and other creditors of $82,000. The shareholders' loan and increased borrowings were due to funds obtained in FY2015 for working capital purpose. The increase in trade and other payables were due mainly to the higher payables received for programme fees in FY2015.

The negative working capital of $8.85 million as at 30 June 2015 (30 June 2014: $4.53 million) was due mainly to the shareholders' loan of $2.00 million, short term bank borrowings of $1.99 million, trade creditors of $1.75 million and the course fees received in advance from students of $2.17 million as at 30 June 2015. Please refer to para 10 for a discussion on the Group's plans to address the negative working capital position of the Group.

The course fees received in advance from students were not refundable but will only be recognised as revenue after 30 June 2015 as required by the financial accounting standards. The course fees received in advance were deployed in the manner highlighted in paragraph 8.3.

8.2.5 Non-Current Liabilities

The increase of $502,000 in non-current liabilities from $3.24 million in FY2014 to $3.75 million in FY2015 was due mainly to the higher bank loan obtained in FY2015 for working capital purpose.

8.3 Cash Flow Review

The Group recorded net cash used in operating activities of $4.74 million in FY2015 (FY2014: $3.69 million). The higher net cash used in FY2015 was due mainly to an operating loss before working capital changes of $4.63 million (FY2014: $4.00 million) and an increase in working capital of $108,000 (FY2014: a decrease of $310,000).

The Group utilised net cash balance of $14,000 in FY2015 (FY2014: $375,000) for investing activities due mainly to the development cost of course materials amounting to $39,000 and purchase of plant and equipment amounting to $9,000. These expenditures were necessary as part of our business requirements. The expenditures were partly funded by the net cash inflow of $33,000 received from the disposal of our kindergarten business in China. A further sum of $27,000 will be received once the disposal transaction is completed in FY2016.

The Group had also raised a net cash balance of $3.42 million from its financing activities in FY2015 (FY2014: $3.22 million). This comprised mainly of the net proceeds from shareholders' loan and bank borrowings of $3.24 million, and withdrawal of fixed deposit amounting to $291,000. This proceed was partly offset by the interest expenses of $118,000 in FY2015.

The net cash generated from discontinued operations for the kindergarten business in China in FY2015 amounted to $195,000 (FY2014: $28,000).

As a result of the above, there was a decrease of $1.14 million in the Group's cash position in FY2015 (FY2014: $823,000) from a cash balance of $2.60 million as at 30 June 2014 to $1.40 million as at 30 June 2015.

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.

FY2016 will continue to be a challenging year for the Group. The Group faces increasing competition from education institutions in the region as well as local educational institutions, and public education institutions that offer similar academic programmes as us.

To address these challenges, management will be undertaking a consolidation of the Group's operations from 2 campuses to 1 campus and streamlining operations including undertaking cost-cutting measures.

The Group will be undertaking steps to realise its investment properties to improve its working capital position and shareholder's approval will be sought when required for the disposal.

The Group is currently assessing its current businesses and strategic options which may result in a corporate restructuring. Updates will be provided to shareholders as and when there are material developments.

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 FY2015.

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

Not applicable.

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

Not applicable. No dividend was declared for FY2014.

(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 FY2015.

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.

Other than the shareholders' loan, which was interest free and unsecured, there were no other interested person transactions in the period under review. The Group has not obtained a general mandate from shareholders in respect of any interested person transactions.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Geographical segments	Tertiary Education in Singapore ($'000)	Others ($'000)	Total Continuing Operations ($'000)	Discontinued Operation - Pre-School Education in China ($'000)	Total ($'000)
External revenue:	7,695	-	7,695	758	8,453
Other income					
Fair value gain on ivestment properties	-	1,090	1,090	-	1,090
Interest income	1	-	1	1	2
Interest expense	118	-	118	-	118
Depreciation	762	-	762	10	772
Amortisation of intangible assets	56	-	56	-	56
Reportable segment (loss)/profit before tax	(6,859)	1,668	(5,191)	(45)	(5,236)
Reportable segment assets	2,427	24,170	26,597	-	26,597
Capital expenditure	48	-	48	3	51
Reportable segment liabilities	14,560	-	14,560	-	14,560

1 Jul 2013 to 30 Jun 2014

Geographical segments	Tertiary Education in Singapore ($'000)	Others ($'000)	Total Continuing Operations ($'000)	Discontinued Operation - Pre-School Education in China ($'000)	Total ($'000)
External revenue	8,318	-	8,318	1,024	9,342
Other income					
Fair value gain on investment properties	-	820	820	-	820
Interest income	1	-	1	1	2
interest expense	34	-	34	-	34
Depreciation	626	-	626	14	640
Amortisation of intangible assets	65	-	65	-	65
Reportable segment (loss)/profit before tax	(5,069)	1,283	(3,786)	(84)	(3,870)
Reportable segment assets	6,538	23,080	29,618	516	30,134
Capital expenditure	400	-	400	1	401
Reportable segment liabilities	12,322	-	12,322	274	12,596

14. Segmented revenue and results operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (cont'd)

The Group 2015 (Unaudited)	Continued Operations (S$'000)	Discontinued Operations (S$'000)	Total (S$'000)
Revenue			
Total revenue for reportable segments	7,695	758	8,453
Consolidated revenue	7,695	758	8,453
Loss			
Total loss for reportable segments	(5,191)	(45)	(5,236)
Unallocated net (expenses)/income	(117)	1	(116)
Consolidated loss before income tax	(5,308)	(44)	(5,352)
Assets			
Total assets for reportable segments	26,597	-	26,597
Elimination of inter-segment assets	-	-	-
Consolidated total assets	26,597	-	26,597
Liabiliities			
Total liabilities for reportable segments	14,560	-	14,560
Elimination of inter-segment liabilities	-	-	-
Consolidated total liabilities	14,560	-	14,560

The Group 2014 (Audited)	Continued Operations (S$'000)	Discontinued Operations (S$'000)	Total (S$'000)
Revenue			
Total revenue for reportable segments	8,318	1,024	9,342
Elimination of inter-segment revenue	-	-	-
Consolidated revenue	8,318	1,024	9,342
Loss			
Total loss for reportable segments	(3,786)	(84)	(3,870)
Unallocated net (expenses)/income	(33)	1	(32)
Consolidated loss before income tax	(3,819)	(83)	(3,902)
Assets			
Total assets for reportable segments	29,618	516	30,134
Elimination of inter-segment assets	(1,361)	-	(1,361)
Consolidated total assets	28,257	516	28,773
Liabiliities			
Total liabilities for reportable segments	12,322	274	12,596
Elimination of inter-segment liabilities	(1,361)	-	(1,361)
Consolidated total liabilities	10,961	274	11,235

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

For FY2015, the revenue, capital expenditure, assets and liabilities of continuing business segment in tertiary education were derived in Singapore. The business segment in providing pre-school education in China was disposed in FY2015. Please refer to explanation in paragraph 8 above for more detailed explanation of the performance review.

16. A breakdown of sales.

	GROUP		
	Unaudited FY2015 (S$'000)	Audited FY2014 (S$'000)	% change
Sales reported for first half year	4,100	4,332	-5.4%
Operating loss after tax before deducting non controlling interests reported for first half year	(2,515)	(2,287)	10.0%
Sales reported for second half year	3,595	3,986	-9.8%
Operating loss after tax before deducting non controlling interests reported for second half year	(2,837)	(1,615)	75.7%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend was declared and paid in FY2015 and FY2014.

18. Disclosure of person occupying managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

Apart from Dr Chin Kon Yuen and Ms Yeow Cheng Khim, who are husband and wife, and directors and substantial shareholders of the Company, there is no other person occupying managerial position in the Company or its principal subsidiaries that are related to any director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Dr Chin Kon Yuen
Executive Chairman

Ms Yeow Cheng Khim
Chief Executive Officer

28 August 2015