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 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 FINANCIAL YEAR ENDED 30 JUNE 2017 ("FY2017")

	The Group		
	Unaudited FY2017 S$'000	Audited FY2016 S$'000	% Change Increase/ (Decrease)
Revenue	4,041	5,863	(31.1%)
Other income	535	583	(8.2%)
Fair value gain/(loss) on investment properties	2,710	(1,300)	N.M.
Loss on disposal of investment properties	-	(1,212)	N.M.
Operating expenses:			
Course materials and subscriptions	(286)	(451)	(36.6%)
Staff costs	(3,808)	(4,336)	(12.2%)
Plant and equipment, investment properties and related expenses	(417)	(809)	(48.5%)
Advertising and promotion	(301)	(323)	(6.8%)
Operating lease expenses	(1,381)	(1,935)	(28.6%)
Other expenses	(1,137)	(1,447)	(21.4%)
	(7,330)	(9,301)	(21.2%)
Finance costs	(504)	(513)	(1.8%)
Loss before taxation	**(548)**	**(5,880)**	(90.7%)
Taxation	-	-	N.M.
Loss for the year	**(548)**	**(5,880)**	(90.7%)
Other comprehensive income/(expense)			
Currency translation differences - foreign operations, at nil tax	6	135	(95.6%)
Total comprehensive loss for the year	**(542)**	**(5,745)**	(90.6%)

N.M. – not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 ("FY2017")

	The Group		
	Unaudited FY2017 S$'000	Audited FY2016 S$'000	% Change Increase/ (Decrease)
Loss for the year attributable to :			
Owners of the Company	(547)	(5,874)	(90.7%)
Non-controlling interests	(1)	(6)	(83.3%)
	(548)	**(5,880)**	(90.7%)
Total comprehensive loss for the year attributable to :			
Owners of the Company	(541)	(5,739)	(90.692.2%)
Non-controlling interests	(1)	(6)	(83.3%)
	(542)	**(5,745)**	(90.6%)

**N.M. – not meaningful*

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

	The Group		
	Unaudited FY2017 S$'000	Audited FY2016 S$'000	% Change Increase/ (Decrease)
Depreciation of plant and equipment	54	143	(62.2%)
Impairment loss on plant and equipment	-	370	N.M.
Loss on disposal of plant and equipment	-	1	N.M.
Plant and equipment written off	-	11	N.M.
Loss on disposal of investment properties	-	1,212	N.M.
Fair value (gain)/loss on investment properties	(2,710)	1,300	N.M.
Provision for restoration costs	-	(200)	N.M.
Interest expenses	504	513	(1.8%)

**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 30 JUNE 2017

	The Group		The Company	
	Unaudited 30/06/2017 S$'000	Audited 30/06/2016 S$'000	Unaudited 30/06/2017 S$'000	Audited 30/06/2016 S$'000
ASSETS				
Non-current assets				
Plant and equipment	217	175	210	167
Investment properties	19,960	17,250	19,960	17,250
Subsidiaries	-	-	5,000	2,000
	20,177	**17,425**	**25,170**	**19,417**
Current assets				
Trade and other receivables	424	253	668	250
Cash and cash equivalents	1,671	1,492	36	212
	2,095	**1,745**	**704**	**462**
Total assets	**22,272**	**19,170**	**25,874**	**19,879**
EQUITY				
Share capital	11,477	11,477	11,477	11,477
Reserves	(3,916)	(3,640)	(4,297)	(6,907)
Equity attributable to owners of the company	**7,561**	**7,837**	**7,180**	**4,570**
Non-controlling interests	(353)	(352)	-	-
Total equity	**7,208**	**7,485**	**7,180**	**4,570**
LIABILITIES				
Non-current liabilities				
Borrowings	7,250	6,753	5,925	6,753
	7,250	**6,753**	**5,925**	**6,753**
Current liabilities				
Trade and other payables	3,363	3,514	11,760	7,138
Provisions	150	150	150	150
Borrowings	4,301	1,268	859	1,268
	7,814	**4,932**	**12,769**	**8,556**
Total liabilities	**15,064**	**11,685**	**18,694**	**15,309**
Total equity and liabilities	**22,272**	**19,170**	**25,874**	**19,879**

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

Amount repayable in one year or less, or on demand

30/06/2017		30/06/2016	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
4,301	-	1,268	-

Amount repayable after one year

30/06/2017		30/06/2016	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
1,633	5,617	1,170	5,583

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 30 June 2017 and 30 June 2016 are borrowings from shareholders, who are also the Executive Directors of the Company, and are interest free.

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 FINANCIAL YEAR END 30 JUNE 2017

	The Group	
	Unaudited FY2017 S$'000	Audited FY2016 S$'000
Cash Flows from Operating Activities		
Consolidated loss before taxation	**(548)**	**(5,880)**
Adjustments for:		
Depreciation of plant and equipment	54	143
Impairment loss on plant and equipment	-	370
Loss on disposal of plant and equipment	-	1
Plant and equipment written off	-	11
Loss on disposal of investment properties	-	1,212
Fair value (gain)/loss on investment properties	(2,710)	1,300
Provision for restoration costs	-	(200)
Interest expenses	504	513
Operating loss before working capital changes	**(2,700)**	**(2,530)**
Changes in operating receivables	(171)	311
Changes in operating payables	(151)	(2,818)
Cash used in operations	**(3,022)**	**(5,037)**
Income tax paid	-	-
Net cash used in operating activities	**(3,022)**	**(5,037)**
Cash Flow from Investing Activities		
Proceeds from disposal of plant and equipment	-	12
Proceeds from disposal of investment properties	-	4,408
Acquisition of plant and equipment	(96)	(251)
Net cash (used in)/generated from investing activities	**(96)**	**4,169**
Cash Flows from Financing Activities		
Interest paid	(205)	(216)
Proceeds from loans from shareholders	1,000	2,500
Proceeds from loan from a third party	-	2,000
Proceeds from bank borrowings	5,000	-
Repayments of loan from a third party	(1,000)	-
Repayments of bank borrowings	(1,504)	(3,318)
Net cash generated from financing activities	**3,291**	**966**
Net decrease in cash and cash equivalents	**173**	**98**
Cash and cash equivalents at beginning of the year	**1,492**	**1,401**
Effects of exchange rate changes on cash and cash equivalents	**6**	**(7)**
Cash and cash equivalents at end of the year	**1,671**	**1,492**

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 2016	**11,477**	**195**	**498**	**(4,333)**	**7,837**	**(352)**	**7,485**
Loss for the year	-	-	-	(547)	**(547)**	(1)	**(548)**
Other comprehensive expense - Foreign currency translation differences	-	6	-	-	**6**	-	**6**
Total comprehensive loss for the year	**-**	**6**	**-**	**(547)**	**(541)**	**(1)**	**(542)**
Imputed interest on shareholders' loans	**-**	**-**	**-**	265	**265**	**-**	**265**
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**265**	**265**	**-**	**265**
At 30 June 2017	**11,477**	**201**	**498**	**(4,615)**	**7,561**	**(353)**	**7,208**

	Equity attributable to owners of the Company						
Audited 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 2015	**11,477**	**60**	**498**	**348**	**12,383**	**(346)**	**12,037**
Loss for the year	-	-	-	(5,874)	**(5,874)**	(6)	**(5,880)**
Other comprehensive expense - Foreign currency translation differences	-	135	-	-	**135**	-	**135**
Total comprehensive loss for the year	**-**	**135**	**-**	**(5,874)**	**(5,739)**	**(6)**	**(5,745)**
Imputed interest on shareholders' loans	-	-	-	1,193	**1,193**	-	**1,193**
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**1,193**	**1,193**	**-**	**1,193**
At 30 June 2016	**11,477**	**195**	**498**	**(4,333)**	**7,837**	**(352)**	**7,485**

Note 1:

No new ordinary share is issued under the TMC Share Award Scheme during FY2017 (FY2016: 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 $'000
At 1 July 2016	**11,477**	**-**	**498**	**(7,405)**	**4,570**
Loss for the year	-	-	-	2,345	**2,345**
Total comprehensive loss for the year				**2,345**	**2,345**
Imputed interest on shareholders' loans	-	-	-	265	**265**
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**265**	**265**
At 30 June 2017	**11,477**	**-**	**498**	**(4,795)**	**7,180**

Audited The Company	Share capital $'000	Exchange fluctuation reserve $'000	Share option reserve $'000	Retained earnings $'000	Total $'000
At 1 July 2015	**11,477**	**-**	**498**	**(2,652)**	**9,323**
Loss for the year	-	-	-	(5,946)	**(5,946)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(5,946)**	**(5,946)**
Imputed interest on shareholders' loans	-	-	-	1,193	**1,193**
Transactions with owners, recognised directly in equity	**-**	**-**	**-**	**1,193**	**1,193**
At 30 June 2016	**11,477**	**-**	**498**	**(7,405)**	**4,570**

Note 1:

No new ordinary share is issued under the TMC Share Award Scheme during FY2017 (FY2016: 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 since 31 December 2016 to 30 June 2017.

	Number of ordinary shares	Share capital $
Issued and fullly paid:		
As at 31 December 2016 and 30 June 2017	167,397,677	11,477,196

As at 30 June 2017, the number of outstanding and unexercised options granted under the TMC Share Options Scheme was 365,000 (as at 30 June 2016: 476,966). The decrease in the number of outstanding and unexercised options as at 30 June 2017 was due to the expiry of outstanding options in FY2017.

Save for the aforementioned TMC Share Options Scheme, the Company did not have any other outstanding convertibles as at 30 June 2017 and 30 June 2016.

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 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 30 June 2017 was 167,397,677 (30 June 2016: 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 for the period ended and as at 30 June 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 annual financial statements for the financial year ended 30 June 2016.

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 2016, 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 FY2017	**Audited FY2016**
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)	(0.33)	(3.51)
- on fully diluted basis (cents)	(0.33)	(3.51)
Weighted average number of shares in issue during the year	**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.

	Group	**Company**
The total number of issued shares at the end of the:		
(a) current financial year reported as at 30 June 2017	167,397,677	167,397,677
(b) immediately preceding financial year as at 30 June 2016	167,397,677	167,397,677
Net asset value per issued ordinary share (cents):		
(a) as at 30 June 2017	4.52	4.29
(b) as at 30 June 2016	4.68	2.73

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 financial year ended 30 June 2017 (FY2017") as compared to the financial year ended 30 June 2016 ("FY2016").

In FY2017, the Group incurred a net comprehensive loss for the year amounting to $542,000 (FY2016: $5.75 million), in which, the loss attributable to equity holders of the Company was $547,000 (FY2016: $5.87 million), resulting in a basic loss per share of 0.33 cents (FY2016: 3.51 cents).

In FY2017, the Group has recorded a credit balance of $6,000 (FY2016: $135,000) in currency translation differences - foreign operations.

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

The Group's revenue comprising course and examination fees for FY2017 decreased by $1.82 million (or 31.1%) to $4.04 million in FY2017 (FY2016: $5.86 million). This was due mainly to the decrease in student enrolment in FY2017.

The Group's other income for FY2017 decreased by $48,000 (or 8.2%) to $535,000 in FY2017 (FY2016: $583,000). This was due mainly to the decrease in government grants by $78,000 to $105,000 (FY2016: $184,000) and rental income from investment properties by $12,000 to $336,000 (FY2016: $348,000). The decrease was partially offset by the increase in hostel rental income by $49,000 (FY2016: $Nil).

The Group recorded a fair value gain on investment properties of $2.71 million in FY2017 (FY2016: fair value loss on investment properties of $1.30 million). The valuation on investment properties as at 30 June 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.

In FY2016, the Group had disposed 10 office units of its investment properties with a carrying amount of $5.67 million to a third party for a cash consideration of $4.46 million and subsequently recorded a loss on disposal of investment properties of $1.21 million. There was no disposal of investment properties in FY2017.

8.1 Income statement review (cont'd)

8.1.2 Operating expenses

The Group's operating expenses decreased significantly by $1.97 million (or 21.2%) to $7.33 million in FY2017 (FY2016: $9.30 million). The decrease in operating expenses was attributable mainly to the decrease in student enrolment in FY2017 as well as the effect of cost savings arising from campus consolidation exercise carried out in FY2016.

Course materials and subscriptions expenses decreased by $165,000 (or 36.6%) to $286,000 in FY2017 (FY2016: $451,000). This was due mainly to lower student enrolment and decrease in programme fee payable to overseas universities in FY2017.

Staff costs decreased by $528,000 (or 12.2%) to $3.81 million in FY2017 (FY2016: $4.34 million). The decrease in staff costs was in line with the reduction in staff headcount, which was attributable to lower student enrolment during FY2017 and campus consolidation exercise in FY2016.

Plant and equipment, investment properties and related expenses decreased by $392,000 (or 48.5%) to $417,000 in FY2017 (FY2016: $809,000). The decrease was due mainly to the decrease in depreciation charges by $89,000 and decrease in maintenance of plant and equipment by $133,000 in FY2017 due to campus consolidation exercise carried out in FY2016. The decrease also due to the absence in FY2017 of the provision for impairment on plant and equipment amounted to $370,000 which was made in FY2016. The decrease was partially offset by the one-time reversal of provision for restoration costs of campus of $200,000 in FY2016 which did not recur in FY2017.

In FY2017, the Group performed an impairment assessment in accordance with FRS 36 Impairment of Assets and no impairment on plant and equipment was made (FY2016: $370,000).

Advertising and promotion expenses decreased by $22,000 (or 6.8%) to $301,000 in FY2017 (FY2016: $323,000) 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 year under review. The adoption of internet based advertising is relatively more cost effective for the business.

Operating lease expenses decreased by $554,000 (or 28.6%) to $1.38 million in FY2017 (FY2016: $1.94 million) due mainly to the closure of Bishan campus during the financial year under review. Other expenses decreased by $310,000 (or 21.4%) to $1.14 million in FY2017 (FY2016: $1.45 million) due mainly to the decrease in utilities subsequent to the closure of Bishan campus in FY2017 and lower student recruitment expenses (such as student recruitment agent fees and incentives) and student insurance expenses incurred in FY2017, which was in line with the decrease in student enrolment.

8.1.3 Finance costs

Finance costs decreased by $9,000 to $504,000 in FY2017 (FY2016: $513,000), which comprised the fair value adjustment on interest free loan from shareholders amounted to $299,000 (FY2016: $297,000) in accordance with FRS 39 Financial Instruments: *Recognition and Measurement* and the interest expenses of $205,000 (FY2016: $216,000).

8.1.4 Income tax expenses

No income tax expenses was incurred in FY2017 (FY2016: $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 30 June 2017 and 30 June 2016.

8.2.1 Total Equity

Equity attributable to the owners of the Company amounted to $7.56 million as at 30 June 2017 (30 June 2016: $7.84 million). The decrease was due mainly to the loss for the financial year attributable to the owners of the Company of $547,000 incurred in FY2017.

8.2.2 Non-Current Assets

Non-current assets amounted to $20.18 million as at 30 June 2017 (30 June 2016: $17.42 million). The increase in non-current assets of $2.75 million was due mainly to:

(a) the increase in plant and equipment by $42,000 to $217,000 as at 30 June 2017 (30 June 2016: $175,000) was due mainly to the addition in plant and equipment of $96,000. The increase was partially offset by the depreciation charges of $54,000; and

(b) the increase in investment properties by $2.71 million to $19.96 million as at 30 June 2017 (30 June 2016: $17.25 million) was due mainly to the fair value gain on investment properties ("**Investment Properties**"). These Investment Properties are not related to the Group's core business of provision of education related service.

8.2.3 Current Assets

The increase in trade and other receivables by $171,000 was mainly attributable to the increase in trade receivables of $66,000 mainly due to students' outstanding course fees, GST Input tax amounted to $47,000 and prepayments of $65,000 for the acquisition of software.

8.2.4 Current Liabilities

Current liabilities amounted to $7.81 million as at 30 June 2017 (30 June 2016: $4.93 million). The increase in current liabilities by $2.88 million in FY2017 was due mainly to the increase in short term bank borrowings by $3.03 million to fund the working capital of the Group. The increase was partially offset by a decrease in trade and other payables of $151,000.

Negative working capital/net current liabilities of $5.72 million as at 30 June 2017 (30 June 2016: $3.19 million) was due mainly to short term bank borrowings of $3.03 million and non-refundable course fees received in advance from students of $1.74 million (categorised under trade and other payables) as at 30 June 2017. Course fees received in advance from students were not refundable but will only be recognised as revenue after 30 June 2017.

As at 30 June 2017, the Group has a standby credit line of $1.0 million available from a third party for drawdown to meet its working capital requirements. In July 2017, the Group obtained approval from the relevant authorities for the sub-division of the Investment Properties to improve their marketability. The Group will be actively looking to realise some of the Investment Properties, which are valued at $19.96 million as at 30 June 2017. Therefore, the Board is of the view that the Company remains as a going concern with the continued financial supports from the banks and shareholders on the Group's existing borrowings.

8.2.5 Non-Current Liabilities

Non-current liabilities increased by $497,000 to $7.25 million as at 30 June 2017 (30 June 2016: $6.75 million) due mainly to the net proceeds from bank borrowings of $463,000 and borrowings from shareholders who are also the Executive Directors of the Company of $1.03 million, which were mainly utilised for working capital. The increase was partly offset by the repayment of borrowings to a third party of $1.0 million in FY2017.

8.3 Cash Flow Review

Cash and bank balances as at 30 June 2017 amounted to $1.67 million, an increase of $179,000 from $1.49 million as at 30 June 2016.

The Group had recorded net cash used in operating activities of $3.02 million in FY2017 (FY2016: $5.04 million) due mainly to an operating loss before working capital changes of $2.70 million (FY2016: $2.53 million) and an increase of $322,000 (FY2016: $2.51 million) in cash used for working capital.

The net cash used in investing activities amounted to $96,000 in FY2017 (FY2016: net cash generated from investing activities amounted to $4.17 million) due to the acquisition of plant and equipment.

The Group had also raised a net cash balance of $3.29 million from its financing activities in FY2017 (FY2016: $966,000). This comprised mainly net proceeds from shareholders' loan and bank borrowings of $1.0 million and $5.0 million respectively. The proceeds from borrowings were partly offset by the interest expenses paid of $205,000 and repayments of borrowings of $2.50 million in FY2017.

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.

The unfavourable economic situations around the world, especially in the region continues to be challenging for the Group. In addition, the private education industry in Singapore is also undergoing a period of change including a more stringent regulatory environment.

The Board and Management will continue to look into various initiatives to increase our competitiveness and financial position. This includes evaluating our business strategies to align with government initiatives and programmes such as SkillsFuture and other programmes; leveraging on the government grants made available for our programmes in Singapore and marketing these programmes to local students; working with corporate partners to provide internship programmes to support and help students to develop their employability skills; and continue to streamline our processes with the view to making our business competitive.

Education is a business that needs patience and commitment. Each initiative will take time to materialise and demonstrate its returns.

In July 2017, the Group obtained approval from the relevant authorities for the sub-division of the Investment Properties to improve their the marketability The Group will be actively looking to realise some of the Investment Properties, which are valued at $19.96 million as at 30 June 2017.

The Group is continuing to explore various equity and/or debt fund raising options to strengthen its financial position and/or to make acquisitions of new business or assets which could be injected into the Group to improve its financial performance. The Board of Directors wish to stress that this is currently in an exploratory stage and 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 FY2017.

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

Not applicable.

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

Not applicable. No dividend was declared for FY2016.

(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 FY2017.

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.

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.

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

15. 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.

The Group operated in one geographical segment in Singapore for FY2017 and FY2016.

	The Group		
Business segments	**Tertiary Education in Singapore**	**Others ***	**Total**
	($'000)	**($'000)**	**($'000)**
Unaudited			
FY2017			
External revenue:	4,041	-	**4,041**
Rental income	-	336	**336**
Interest income	-	-	**-**
Fair value gain on investment properties	-	2,710	**2,710**
Interest expense	504	-	**504**
Depreciation	54	-	**54**
Reportable segment (loss)/gain for the year	(3,323)	2,775	**(548)**
Capital expenditure	96	-	**96**
Reportable segment assets	2,312	19,960	**22,272**
Reportable segment liabilities	15,064	-	**15,064**

	The Group		
Business segments	**Tertiary Education in Singapore**	**Others ***	**Total**
	($'000)	**($'000)**	**($'000)**
Audited			
FY2016			
External revenue	5,863	-	**5,863**
Rental income	-	342	**342**
Interest income	-	-	**-**
Fair value loss on investment properties	-	(1,300)	**(1,300)**
Interest expense	513	-	**513**
Depreciation	143	-	**143**
Reportable segment loss for the year	(3,438)	(2,442)	**(5,880)**
Capital expenditure	251	-	**251**
Reportable segment assets	1,920	17,250	**19,170**
Reportable segment liabilities	11,685	-	**11,685**

Notes:

*Others segment relates to holding of Investment Properties.

15. 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)

Unaudited FY2017	The Group S$'000
Revenue	
Total revenue for reportable segments	4,041
Elimination of inter-segment revenue	-
Consolidated revenue	**4,041**
Loss	
Total loss for reportable segments	(44)
Unallocated net expenses	(504)
Consolidated loss before income tax	**(548)**
Assets	
Total assets for reportable segments	22,272
Elimination of inter-segment assets	-
Consolidated total assets	**22,272**
Liabilities	
Total liabilities for reportable segments	15,064
Elimination of inter-segment liabilities	-
Consolidated total liabilities	**15,064**

Audited FY2016	The Group S$'000
Revenue	
Total revenue for reportable segments	5,863
Elimination of inter-segment revenue	-
Consolidated revenue	**5,863**
Loss	
Total loss for reportable segments	(5,367)
Unallocated net (expenses)/income	(513)
Consolidated loss before income tax	**(5,880)**
Assets	
Total assets for reportable segments	19,170
Elimination of inter-segment assets	-
Consolidated total assets	**19,170**
Liabilities	
Total liabilities for reportable segments	11,685
Elimination of inter-segment liabilities	-
Consolidated total liabilities	**11,685**

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

For FY2017, revenue, capital expenditure, assets and liabilities of the continuing business segment in tertiary education were derived in Singapore. Please refer to explanation in Paragraph 8 above for more detailed explanation of the performance review.

17. A breakdown of sales.

	The Group		
	Unaudited FY2017 (S$'000)	Audited FY2016 (S$'000)	% Change
Sales reported for first half year	2,046	3,269	(37.4%)
Operating loss after tax before deducting non-controlling interests reported for first half year	(1,835)	(1,877)	(2.2%)
Sales reported for second half year	1,995	2,594	(23.1%)
Operating loss after tax before deducting non-controlling interests reported for second half year	1,287	(4,003)	N.M.

18. 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 FY2017 and FY2016.

19. 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

29 August 2017

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).