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MANDATORY UNCONDITIONAL CASH OFFER

by

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

for and on behalf of

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

to acquire all the issued and paid-up ordinary shares in the capital of

TMC EDUCATION CORPORATION LTD.
(Incorporated in the Republic of Singapore)
Company Registration No.:198102945K

OFFER ANNOUNCEMENT

1. INTRODUCTION

1.1 The Acquisition

SAC Capital Private Limited ("**SAC Capital**") wishes to announce, for and on behalf of JK Global Assets Pte. Ltd. (the "**Offeror**"), that the Offeror has today entered into a share purchase agreement (the "**SPA**") with Dr Chin Kon Yuen ("**Chin KY**") and his spouse, Ms Yeow Cheng Khim ("**Yeow CK**") pursuant to which the Offeror has agreed to purchase an aggregate of 85,372,814 ordinary shares (the "**Sale Shares**") in the capital of TMC Education Corporation Ltd. (the "**Company**") at a consideration of S$0.0675 for each Sale Share (such acquisition, the "**Acquisition**").

Pursuant to the SPA, the Offeror will acquire (i) 75,328,954 Sale Shares from Chin KY; and (ii) 10,043,860 Sale Shares from Yeow CK. The Sale Shares represent, in aggregate, approximately 51 per cent. of the issued ordinary shares in the capital of the Company (the "**Shares**").

The Acquisition has completed today by way of an off-market transfer of securities, with settlement to take place upon CDP crediting the transfer of the Sale Shares to the Offeror's securities account.

1.2 **Mandatory Unconditional Cash Offer**

Prior to the Acquisition, the Offeror did not own or control any Shares. As the Offeror has agreed to acquire the Sale Shares representing approximately 51 per cent. of the issued Shares, the Offeror intends to make a mandatory unconditional cash offer (the "**Offer**") in accordance with Rule 14.1(a) of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the Shares not already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**").

2. THE OFFER

2.1 In accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14.1(a) of the Code, subject to the terms and conditions to be set out in the offer document to be issued by SAC Capital for and on behalf of the Offeror (the "**Offer Document**"), the Offer will be made by the Offeror on the following basis:

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

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

2.2 As at the date of this Announcement (the "**Announcement Date**"), based on the latest information provided by the Company, the Company has 167,397,677 Shares in issue and 284,000 options (the "**Options**"), exercisable for up to a maximum of 284,000 Shares, outstanding under the TMC Share Option Scheme (the "**Option Scheme**").

2.3 The Offer will be extended to:

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

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

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

2.4 The Offer Shares will be acquired (i) fully paid-up, (ii) free from all liens, equities, claims, charges, pledges, mortgages, encumbrances, options, powers of sale, declarations of trust, hypothecations, retentions of title, rights of pre-emption, rights of first refusal, moratorium and any other third party rights or interests of any nature whatsoever or any agreements, arrangements or obligations to create any of the foregoing, and (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions and/or return of capital (if any) (the "**Distribution**") declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date.

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

2.5 Assuming the valid exercise of all the Options as at the Announcement Date, the Company would have a maximum potential issued share capital of 167,681,677 Shares in issue (the "**Maximum Potential Issued Share Capital**"). As the Offeror has agreed to acquire Shares representing more than 50 per cent. of the Maximum Potential Issued Share Capital under the SPA, the Offer is not conditional on any minimum level of acceptances and is unconditional in all respects.

3. NO OPTIONS PROPOSAL

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

4. INFORMATION ON THE OFFEROR

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

5. INFORMATION ON THE COMPANY

5.1 **The Company**. The Company is a public limited company incorporated in Singapore and listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The principal business activities of the Company and its subsidiaries are the provision of (i) training and education in Accounting, Business, English Language, Hospitality and Tourism, Gaming & Animation, Information Technology, Psychology, Law and Mass Communication programmes from Certificate, Diploma, Higher Diploma, Degree right up to Master Level in collaboration with foreign universities and educational institution and (ii) expertise in setting up and administering schools through franchises (the "**Business**"). The Company currently operates its Business through TMC Academy Pte Ltd (the "**TMC Academy**"), its wholly-owned operating subsidiary. As at the Announcement Date, the Company has:

(i) 167,397,677 Shares in issue and no Shares held in treasury; and

(ii) 284,000 outstanding Options granted under the Option Scheme exercisable for up to 284,000 new Shares.

5.2 **Directors**. The directors of the Company as at the Announcement Date are:

(i) Chin KY (Executive Chairman);

(ii) Yeow CK (Executive Director and Chief Executive Officer);

(iii) Mr Wee Liang Hiam (Lead Independent Director and Chairman of the Audit Committee);

(iv) Mr Chen Timothy Teck Leng (Independent Director and Chairman of the Nominating and Remuneration Committees); and

(v) Mr Tham Wan Loong, Jerome (Independent Director).

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

As set out in the Disposal Announcement, the Purchaser was incorporated on 14 December 2017 in Singapore as a special purpose vehicle for the purpose of undertaking the Disposal and carrying out the Business. The shareholders of the Purchaser are CK & CO Holding Pte. Ltd. ("**CK & CO**") and Mr Lee Chin Weng who hold 70 per cent. and 30 per cent. of the total issued and paid-up share capital in the Purchaser, respectively. CK & CO is equally owned by Chin KY and Yeow CK. Chin KY and Yeow CK are the controlling shareholders[1] and directors of the Company and through CK & CO, collectively hold an interest of 70 per cent. in the shares of the Purchaser. Accordingly, the Purchaser is considered to be an associate of Dr Chin and Ms Yeow and an "interested person" under Chapter 9 of the Catalist Rules. The SPA entered into between the Company as the "entity at risk" and the Purchaser as an "interested person" constitutes an "interested person transaction" under Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). The completion of the Disposal will therefore be conditional upon the approval of the independent Shareholders. The Company will in due course appoint an independent financial adviser ("**IFA**") to advise the independent directors and the Audit Committee of the Company for the Disposal as an interested person transaction. The Audit Committee will be obtaining an opinion from the IFA before forming its view on whether the Disposal as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

The Securities Industry Council of Singapore has on, 13 December 2017, confirmed that the Disposal does not constitute a special deal for the purposes of Rule 10 of the Code, provided that the independent financial adviser appointed by the Company opines that the terms of the Disposal are fair and reasonable.

6. IRREVOCABLE UNDERTAKING AND OTHER ARRANGEMENTS

6.1 **Irrevocable Undertaking**. After the completion of the SPA, Yeow CK will continue to hold 19,507,140 Shares, representing approximately 11.65 per cent. of the issued Shares (the "**Remaining Shares**"). Yeow CK has provided an irrevocable undertaking (the "**Irrevocable Undertaking**") to the Offeror that she shall not accept the Offer in respect of all or any of the

[1] As at the time of entry of the Disposal SPA but before the entry of the SPA.

Remaining Shares. In addition, pursuant to the terms of the Irrevocable Undertaking, Yeow CK will not, amongst others, sell, transfer or otherwise dispose of the Remaining Shares.

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

6.2 **Other Arrangements**. As at the Announcement Date, Chin KY and Yeow CK have provided a loan (the "**Shareholders' Loan**") to the Company pursuant to a shareholders' loan agreement (the "**Shareholders' Loan Agreement**") with an outstanding amount of S$5,800,000. Pursuant to the terms of the SPA, in consideration of the Offeror agreeing to purchase the Sale Shares, each of Chin KY and Yeow CK has undertaken to and with the Offeror *inter alia* that until the later of (a) the date falling on the expiry of six months after the final close of the Offer and (b) the relevant maturity date of the Shareholders' Loan as specified in the Shareholders' Loan Agreement, he/she shall not require the payment of any outstanding loan amount (other than interest payment) under the Shareholders' Loan Agreement. In addition, in the event that the Disposal is not completed for any reason other than by reason of a default on the part of the Company or the conditions precedent relating to (a) the Company's shareholders' approval in relation to the Disposal and (b) the Singapore Land Authority's approval in respect of either a novation or a sublease of the Company's premises at 250 Middle Road Singapore 188983 by the Company to TMC Academy not being met, each of Chin KY and Yeow CK undertakes that he/she will not be entitled to and shall not demand repayment of any sums due under the Shareholders' Loan Agreement.

7. RATIONALE FOR THE OFFER

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

8. THE OFFEROR'S INTENTIONS FOR THE COMPANY

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

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

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

9. LISTING STATUS

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

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

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

10. COMPULSORY ACQUISITION

10.1 **Compulsory Acquisition**. Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), if the Offeror receives valid acceptances pursuant to the Offer or acquires Shares from the date of the despatch of the Offer Document otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the Offer Document), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all Shares held by Shareholders who have not accepted the Offer ("**Dissenting Shareholders**").

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

10.3 In view of Yeow CK's Irrevocable Undertaking not to accept the Offer in respect of any of the Remaining Shares, the conditions for the rights arising under Sections 215(1) and 215(3) of the Companies Act will not be satisfied.

11. FINANCIAL EVALUATION OF THE OFFER

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

	Benchmark Price (S$)[(1)(2)]	**Premium (%)[(3)]**
Last traded price[(4)] per Share as quoted on the SGX-ST as at 13 December 2017 (being the last market day prior to the Announcement Date ("**Last Trading Date**"))	0.040	68.75
Volume-weighted average price ("**VWAP**") of the Shares for the one-month period up to and including the Last Trading Date	0.045	50.00
VWAP of the Shares for the three-month period up to and including the Last Trading Date	0.052	29.81
VWAP of the Shares for the six-month period up to and including the Last Trading Date	0.052	29.81
VWAP of the Shares for the 12-month period up to and including the Last Trading Date	0.063	7.14

Notes:

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

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

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

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

12. DISCLOSURE OF HOLDINGS AND DEALINGS

12.1 **Holdings**. Part 1 of the Schedule to this Announcement sets out the number of Shares owned, controlled or agreed to be acquired by (i) the Offeror, (ii) KWM and (iii) SAC Capital (each a "**Relevant Person**") as at the Announcement Date.

Save as disclosed in this Announcement, none of the Relevant Persons owns, controls or has agreed to acquire any (i) Shares, (ii) securities which carry voting rights in the Company or (iii) convertible securities, warrants, options or derivatives in respect of Shares or securities which carry voting rights in the Company (collectively, the "**Relevant Securities**").

12.2 **Dealings**. Save as disclosed in Part 2 of the Schedule to this Announcement, none of the Relevant Persons has dealt for value in any Relevant Securities in the six months prior to the Announcement Date (the "**Relevant Period**").

12.3 **Irrevocable Undertakings**. As at the Announcement Date, other than the Irrevocable Undertaking, none of the Relevant Persons has received any irrevocable undertakings from any party to accept or reject the Offer.

12.4 **Other Arrangements**. Save as disclosed in this Announcement, none of the Relevant Persons has, in respect of any Relevant Securities:

(i) entered into any arrangements (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Offer;

(ii) granted a security interest to another person, whether through a charge, pledge or otherwise;

(iii) borrowed from another person (excluding borrowed securities which have been on-lent or sold); or

(iv) lent to another person.

12.5 **Confidentiality**. In the interests of confidentiality, the Offeror has not made enquiries prior to this Announcement in respect of certain other parties who are or may be deemed to be acting in concert with the Offeror in connection with the Offer pursuant to the Code. Further enquiries will be made of such persons subsequent to this Announcement and the relevant disclosures will be made in due course and in the Offer Document.

13. CONFIRMATION OF FINANCIAL RESOURCES

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

14. DOCUMENTS FOR INSPECTION

A copy of the Irrevocable Undertaking is available for inspection during normal business hours at the offices of Allen & Gledhill LLP at #28-00 One Marina Boulevard, Singapore 018989 from the Announcement Date until the close of the Offer.

15. OFFER DOCUMENT

The Offer Document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance will be despatched to holders of Offer Shares not earlier than 14 days and not later than 21 days from the Announcement Date.

16. OVERSEAS SHAREHOLDERS

The making of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register of Members of the Company or, as the case may be, in the records of The

Central Depository (Pte) Limited ("**Overseas Shareholders**") may be affected by laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Further details in relation to Overseas Shareholders will be set out in the Offer Document.

17. RESPONSIBILITY STATEMENT

17.1 The director of the Offeror (including where he has delegated detailed supervision of this Announcement) has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and he accepts responsibility accordingly.

17.2 Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to the Company or its subsidiaries), the sole responsibility of the director of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by
SAC Capital Private Limited

For and on behalf of
JK Global Assets Pte. Ltd.

14 December 2017
Singapore

Any inquiries relating to this Announcement or the Offer should be directed during office hours to the following:

Bernard Lim
Executive Director
Tel : +65 6221 5590

Chow You Yah
Senior Manager
Tel : +65 6221 5590

SCHEDULE

PART 1 – HOLDINGS OF RELEVANT SECURITIES

The table below sets out the number of Shares owned, controlled or agreed to be acquired by the Relevant Persons.

Name	No. of Shares	%
Offeror	85,372,814[(1)]	51.00

Note:

(1) Being the Sale Shares which the Offeror has agreed to acquire from Chin KY and Yeow CK.

PART 2 – DEALINGS IN RELEVANT SECURITIES

The table below sets out the dealings in Shares by the Relevant Persons during the Relevant Period:

Name	No. of Shares Bought / (Sold)	Price per Share (S$)	Dealing Date
Offeror	85,372,814[(1)]	0.0675	14 December 2017

Note:

(1) Being the Sale Shares which the Offeror has agreed to acquire from Chin KY and Yeow CK.